

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**FORM S-1**  
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

**PROPANC BIOPHARMA, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State of  
Incorporation)

**2834**

(Primary Standard Industrial  
Classification Number)

**33-0662986**  
(IRS Employer  
Identification Number)

**302, 6 Butler Street  
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(Address, including zip code, and telephone number, including area code,  
of registrant's principal executive offices)

Copies to:

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Approximate date of proposed sale to the public: **From time to time after the effective date of this registration statement.**

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by checkmark if the registrant has not elected to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

**CALCULATION OF REGISTRATION FEE**

Title of Each Class of securities to be registered	Number of shares of common stock to be registered	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price (1)	Amount of Registration Fee (2)
Common Stock to be offered for resale by Selling Security Holder	40,000,000	\$ 0.0198(3)	\$ 5,000,000	\$ 463.50
<b>Total</b>			\$	\$

(1) Offering price computed in accordance with Rule 457(o).

(2) Estimated solely for the purpose of calculating the amount of the registration fee in accordance with Rule 457(o) under the Securities Act of 1933.

(3) Based on the lowest bid price for our common stock on February 2, 2022. The shares offered, hereunder, may be sold by the Selling Security Holder from time to time in the open market, through privately negotiated transactions, or a combination of these methods at market prices prevailing at the time of sale or at negotiated prices.

Pursuant to Rule 416, this Registration Statement includes such indeterminate number of additional securities as may be required for issuance upon any adjustment in the

number of securities issuable by reason of stock splits or similar capital reorganizations.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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**PRELIMINARY PROSPECTUS SUBJECT TO COMPLETION DATED FEBRUARY 3, 2022**

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

**Propanc Biopharma, Inc.**

**40,000,000 Shares of Common Stock**

This prospectus relates to the offer and resale of up to 40,000,000 shares of our common stock, par value \$0.001 per share by Dutchess Capital Growth Fund LP (“Dutchess” or the “Selling Security Holder”) consisting of 40,000,000 shares of the Company’s common stock that may be purchased from us pursuant to the Common Stock Purchase Agreement that we entered into with Dutchess on November 30, 2021 (the “Purchase Agreement”).

The Selling Security Holder may sell all or a portion of the shares being offered pursuant to this prospectus at fixed prices and prevailing market prices at the time of sale, at varying prices, or at negotiated prices.

We will not receive any proceeds from the sale of securities under the Purchase Agreement sold by Dutchess. However, we will receive proceeds from our initial sale of shares to Dutchess pursuant to the Purchase Agreement. Pursuant to the terms of Purchase Agreement, we will sell shares to purchase at a price equal to 92% of the lowest closing price of our common stock during the five (5) business days prior to the Closing Date. Closing Date shall mean the five (5) business days after the Clearing Date. Clearing Date shall mean the first business day that the Selling Security Holder holds the Draw Down Amount in its brokerage account and is eligible to trade the shares.

Dutchess may sell the shares of common stock described in this Prospectus in a number of different ways and at varying prices. See “Plan of Distribution” for more information about how the Selling Security Holder may sell the shares of common stock being registered pursuant to this Prospectus.

Our Common Stock is quoted for trading on the OTCQB Marketplace (OTCQB) under the symbol “PCB”. As of February 2, 2022, the closing bid price for our Common Stock as reported on the OTCQB was \$0.0198 per share.

This prospectus provides a general description of the securities being offered. You should read this prospectus and the registration statement of which it forms a part before you invest in any securities.

**Investing in our Common Stock should be considered speculative and involves a high degree of risk, including the risk of losing your entire investment. See “Risk Factors” to read about the risks you should consider before buying shares of our Common Stock.**

You should rely only on the information contained in this prospectus or any prospectus supplement or amendment hereto. We have not authorized anyone to provide you with different information.

Our auditors have issued a going concern opinion. For more information please see the going concern opinion on page F-2 and the risk factors herein.

The Selling Security Holder is an “underwriter” within the meaning of the Securities Act of 1933. The Selling Security Holder is offering these shares of common stock. The Selling Security Holder may sell all or a portion of these shares from time to time in market transactions through any market on which our common stock is then traded, in negotiated transactions or otherwise, and at prices and on terms that will be determined by the then prevailing market price or at negotiated prices directly or through a broker or brokers, who may act as agent or as principal or by a combination of such methods of sale. The Selling Security Holder will receive all proceeds from the sale of the common stock. For additional information on the methods of sale, you should refer to the section entitled “Plan of Distribution.”

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

The date of this prospectus is February \_\_, 2022

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*You may only rely on the information contained in this prospectus or that we have referred you to. We have not authorized anyone to provide you with different information. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities other than the Common Stock offered by this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any Common Stock in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this prospectus nor any sale made in connection with this prospectus shall, under any circumstances, create any implication that there has been no change in our affairs since the date of this prospectus is correct as of any time after its date.*

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## ABOUT THIS PROSPECTUS

You should rely only on the information that we have provided in this prospectus and any applicable prospectus supplement. We have not authorized anyone to provide you with different information. No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus and any applicable prospectus supplement. You must not rely on any unauthorized information or representation. This prospectus is an offer to sell only the securities offered hereby, and only under circumstances and in jurisdictions where it is lawful to do so. You should assume that the information in this prospectus, and any applicable prospectus supplement, is accurate only as of the date on the front of the document, regardless of the time of delivery of this prospectus, any applicable prospectus supplement, or any sale of a security. Our business, financial conditions, results of operations and prospects may have changed since that date.

References to “Management” in this Prospectus mean the senior officers of the Company; See “Director, Executive Officers and Key Employees.” Any statements in this Prospectus made by or on behalf of Management are made in such persons’ capacities as officers of the Company, and not in their personal capacities.

Unless otherwise indicated or the context requires otherwise, the words “we,” “us,” “our,” the “Company” or “our Company” refer to Propanc Biopharma, Inc., a Delaware corporation, unless the context indicates otherwise.

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## PROSPECTUS SUMMARY

The following summary highlights material information contained in this Prospectus. This summary does not contain all of the information you should consider before investing in the securities. Before making an investment decision, you should read the entire Prospectus carefully, including the risk factors section, the financial statements and the notes to the financial statements. You should also review the other available information referred to in the section entitled “Where You Can Find More Information” in this Prospectus and any amendment or supplement hereto.

### The Offering

On November 30, 2021, we entered into an Common Stock Purchase Agreement (the “Purchase Agreement”) with Dutchess. Although we are not mandated to sell shares under the Purchase Agreement, the Purchase Agreement gives us the option to sell to Dutchess, up to \$5,000,000 worth of our common stock over the period ending thirty-six (36) months after the execution date of the Purchase Agreement. In consideration for Dutchess’ execution and performance under the Purchase Agreement, the Company issued 1,000,000 restricted shares of the Company’s common stock to Dutchess.

On November 30, 2021, we also entered into a registration rights agreement with Dutchess whereby we are obligated to (i) file with the Commission the Registration Statement; and (ii) use its best efforts to have the Registration Statement declared effective by the Commission at the earliest possible date.

Following effectiveness of the Registration Statement, and subject to certain limitations and conditions set forth in the Purchase Agreement, the Company shall have the discretion to deliver put notices to Dutchess and Dutchess will be obligated to purchase shares of the Company’s Common Stock based on the investment amount specified in each put notice. The maximum amount that the Company shall be entitled to put to Dutchess in each put notice shall not exceed the lesser of (i) 300% of the average daily share volume of the Common Stock in the five (5) trading days immediately preceding the Draw Down Notice or (ii) an aggregate value of \$250,000. Pursuant to the Purchase Agreement, Dutchess and its affiliates will not be permitted to purchase and the Company may not put shares of the Company’s Common Stock to Dutchess that would result in Dutchess’ beneficial ownership of the Company’s outstanding Common Stock exceeding 9.99%. The price of each put share shall be equal to ninety two percent (92%) of the Market Price (as defined in the Purchase Agreement). Puts may be delivered by the Company to Dutchess until the earlier of (i) the date on which Dutchess has purchased an aggregate of \$5,000,000 worth of Common Stock under the terms of the Purchase Agreement; (ii) the period ending thirty-six (36) months after the execution date of the Purchase Agreement; or (iii) written notice of termination delivered by the Company to Dutchess, subject to certain equity conditions set forth in the Purchase Agreement.

There is no assurance the market price of our common stock will increase in the future. The number of common shares that remain issuable may not be sufficient, dependent upon the share price, to allow us to access the full amount contemplated under the Purchase Agreement. If the bid/ask spread remains the same we will not be able to place a put for the full commitment under the Equity Purchase Agreement. Based on the lowest closing price of our common stock during the five (5) consecutive trading day period preceding the filing date of this registration statement of \$0.0198, the registration statement covers the offer and possible sale of approximately \$728,640 worth of our shares (a discounted price of \$0.0182) which is below \$5,000,000 (the full amount of the Purchase Agreement).

Dutchess is not permitted to engage in short sales involving our common stock during the term of the commitment period. In accordance with Regulation SHO, however, sales of our common stock by Dutchess after delivery of a put notice of such number of shares reasonably expected to be purchased by Dutchess under a put will not be deemed a short sale.

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In addition, we must deliver the other required documents, instruments and writings required. Dutchess is not required to purchase the put shares unless:

- Our registration statement with respect to the resale of the shares of common stock delivered in connection with the applicable put shall have been declared effective;
- We shall have obtained all material permits and qualifications required by any applicable state for the offer and sale of the registrable securities; and

- We shall have filed all requisite reports, notices, and other documents with the SEC in a timely manner.

As we draw down on the equity line of credit, shares of our common stock may be sold into the market by Dutchess. The sale of these shares could cause our stock price to decline. In turn, if our stock price declines and we issue more puts, more shares will come into the market, which could cause a further drop in our stock price. You should be aware that there is an inverse relationship between the market price of our common stock and the number of shares to be issued under the equity line of credit. If our stock price declines, we will be required to issue a greater number of shares under the equity line of credit. We have no obligation to utilize the full amount available under the equity line of credit.

We may require Dutchess to suspend the sales of the shares of our common stock being offered pursuant to this prospectus upon the occurrence of any event that makes any statement in this prospectus or the related registration statement untrue in any material respect or that requires the changing of statements in those documents in order to make statements in those documents not misleading.

Neither the Purchase Agreement nor any of our rights or Dutchess' rights thereunder may be assigned to any other person.

## BUSINESS

### History

We were originally incorporated in Melbourne, Victoria Australia on October 15, 2007 as Propanc PTY LTD and continue to be based in Camberwell, Victoria Australia. Since our inception, substantially all of our operations have been focused on the development of new cancer treatments targeting high-risk patients, particularly cancer survivors, who need a follow-up, non-toxic, long-term therapy designed to prevent the cancer from returning and spreading. We anticipate establishing global markets for our products.

On November 23, 2010, our Company was incorporated in the state of Delaware as Propanc Health Group Corporation. In January 2011, to reorganize our Company, we acquired all of the outstanding shares of Propanc PTY LTD on a one-for-one basis and Propanc PPY LTD became our wholly-owned subsidiary. Effective April 20, 2017, we changed our name to "Propanc Biopharma, Inc." to better reflect our stage of operations and development. On the same date, we also effected a 1-for-250 reverse stock split whereby we (i) decreased the number of authorized shares of our common stock to 100,000,000 (ii) decreased the number of authorized shares of our preferred stock to 1,500,005 and (iii) decreased, by a ratio of 1-for-250 the number of retroactively issued and outstanding shares of our common stock.

On January 23, 2018, we filed a Certificate of Amendment to our Certificate of Incorporation to increase the number of authorized shares of our common stock from 100,000,000 to 400,000,000. On September 21, 2018, we filed a Certificate of Amendment to our Certificate of Incorporation to increase the number of authorized shares of our common stock from 400,000,000 to 4,000,000,000.

On June 11, 2019, we filed a Certificate of Amendment, as amended, to our Certificate of Incorporation to decrease the number of authorized shares of our common stock from 4,000,000,000 to 100,000,000 in connection with the 1-for-500 reverse stock split that occurred on June 24, 2019.

On March 13, 2020, we filed a Certificate of Amendment, as amended, to our Certificate of Incorporation to increase the number of authorized shares of our common stock from 100,000,000 to 1,000,000,000.

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On November 17, 2020, we filed a Certificate of Amendment to our Certificate of Incorporation to effect a 1-for-1,000 Reverse Stock Split of the Company's shares of common stock.

### Overview

Propanc Biopharma is a biopharmaceutical company developing a novel approach to prevent recurrence and metastasis from solid tumors by using pancreatic proenzymes that target and eradicate cancer stem cells in patients suffering from pancreatic, ovarian and colorectal cancers. Our novel proenzyme therapy is based on the science that enzymes stimulate biological reactions in the body, especially enzymes secreted by the pancreas. These pancreatic enzymes could represent the body's primary defense against cancer.

Our lead product candidate, PRP, is a variation upon our novel formulation and involves proenzymes, the inactive precursors of enzymes. As a result of positive early indications of the anti-cancer effects of our technology, we have conducted successful pre-clinical studies on PRP and also commenced preparation for a clinical study in advanced cancer patients. Subject to us receiving sufficient financing, we plan to begin our Investigational Medicinal Product Dossier, study proposal and Investigator's Brochure in the 2021 calendar year. Our plan is to then commence our study preparation process with the contract research organization, analytical lab and trial site(s) selection and to begin our clinical trial application for PRP ("CTA") compilation in the first calendar quarter of 2022 and complete the CTA compilation and submit the CTA in the first half of 2022. In the second quarter of 2022, we plan to begin the preparation of logistics and trial site initiation visits. Subject to raising additional sufficient capital, we subsequently plan to commence a First-In-Human (FIH), Phase Ib study in patients with advanced solid tumors, evaluating the safety, pharmacokinetics and anti-tumor efficacy of PRP in the second half of 2022 calendar year, which study we hope to complete within twelve months thereafter. We intend to develop our PRP to treat early-stage cancer and pre-cancerous diseases and as a preventative measure for patients at risk of developing cancer based on genetic screening.

PRP is an intravenous injection proenzyme treatment designed as a therapeutic option in cancer treatment and prevention. PRP is a combination of the pancreatic proenzymes, trypsinogen and chymotrypsinogen. PRP produces multiple effects on cancerous cells intended to inhibit tumor growth and potentially stop a tumor from spreading through the body.

We received notification from the U.S. Food and Drug Administration (FDA) that PRP had been conferred Orphan Drug Designation for the treatment of pancreatic cancer. This special status is granted when a rare disease or condition is implicated and a potential treatment qualifies under the Orphan Drug Act and applicable FDA regulations.

A Certificate for Advance Overseas Finding was received from the Board of Innovation and Science Australia to receive up to a 43.5% "cash back" benefit from overseas R&D expenses. The finding relates to the planned Phase 1 clinical trial – Multiple Ascending Dose Studies of proteolytic proenzymes for the treatment of advanced cancer patients suffering from solid tumors planned to be conducted at the Peter MacCallum Center, Melbourne, Australia. Overseas activities to be undertaken include the development of an analytical assay for the quantification of active pharmaceutical ingredients in the Company's lead product candidate, PRP, and its manufacture of the finished product for the Phase 1 clinical trial.

Our POP1 joint research and drug discovery program is designed to produce a backup clinical compound to the lead product candidate, PRP. With the aim of producing large quantities of trypsinogen and chymotrypsinogen for commercial use, exhibiting minimal variation between lots and without sourcing the proenzymes from animals, Propanc Biopharma is undertaking a challenging research project in collaboration with the Universities of Jaén and Granada. We entered into a second two-year joint research and collaboration agreement with the University of Jaén who are undertaking the research activities for the POP1 program.

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### Our Focus

Cancer occurs when cells in the body start to divide quickly and uncontrollably with an ability to migrate from one location and spread to distant sites. A cell becomes cancerous when it becomes undifferentiated. The cell forgets to do its job and invests all its energy to proliferating. Unlike normal cells, cancer cells multiply, but do not differentiate.

Common cancer therapies take advantage of the uncontrolled proliferation of the cancer cells and kill these cells by targeting the cell division machinery. These therapies are effective but affect healthy cells as well, particularly those with a high rate of cell turnover, inducing undesirable side effects.

Our goal is to stop cancer not by targeting tumor cell death, but inducing cell differentiation. This is known as differentiation therapy. The key focus is to convince the malignant cells to stop proliferating and return to do their work as a specific cell type. Differentiation therapy does not target cell death, so healthy cells within the patient will not be compromised, unlike chemotherapeutic drugs or gamma irradiation.

Differentiation therapy induces the cancer cells into the pathway of terminal differentiation and eventual senescence (i.e., a non-proliferative state). Differentiation therapy acts not only against cancer cells, but interestingly can turn cancer stem cells (undifferentiated cells) towards completely differentiated (i.e., normal) cells.

There are natural elements within our body that could help us fight against cancer. Enzymes are natural proteins that stimulate and accelerate biological reactions in the body. Particularly enzymes secreted by the exocrine pancreas that are essential for the digestion of proteins and fats. More than one hundred years ago, Professor John Beard first proposed that pancreatic enzymes represent the body's primary defense against cancer and would be useful as a cancer treatment. Since then, several scientists have endorsed Beard's hypothesis with encouraging data from patient treatment.

We are developing a long-term therapy based on a pancreatic proenzyme formulation to prevent tumor recurrence and metastasis, the main cause of patient death from cancer. PRP is a novel, patented, formulation consisting of two proenzymes mixed in a synergetic ratio.

After extensive laboratory research and a limited amount of human data, we have evidence that PRP:

- Reduces cancer cell growth via promotion of cell differentiation;
- Enhances cell adhesion and may suppress metastasis progression;
- Exhibited no observable serious side effects and improves patient survival.

## **PRP**

PRP is a mixture of two proenzymes, trypsinogen and chymotrypsinogen from bovine pancreas administered by intravenous injection. A synergistic ratio of 1:6 inhibits growth of most tumor cells. Examples include kidney, ovarian, breast, brain, prostate, colorectal, lung liver, uterine and skin cancers.

### *Mechanism Of Action*

Metastasis occurs because a program inside the cell, called the Epithelial-Mesenchymal Transition (EMT) is activated, which causes epithelial cancer cells to become invasive and stem cell-like, features which then allow these cancer cells to spread and metastasize. PRP reverses the conversion from an epithelial to a mesenchymal phenotype and, as such, may reduce the metastatic potential of the tumor cells. PRP also promotes the acquisition of a less malignant phenotype, in addition to a decrease in proliferation due to lineage (i.e., direct descent) specific cellular differentiation.

### *Selectivity*

PRP treatment affects the TGF $\beta$  pathway, a significant tumor promoter in late-stage cancer. The likely molecular targets are proteinase-activated-receptors (PARs) type 1 and 2, which are over frequently overexpressed in many types of cancers. Trypsinogen and chymotrypsinogen are activated by proteases in the extracellular matrix of tumor cells. In turn, trypsin (activated trypsinogen) has a preference to activate PAR-2, whilst Chymotrypsin (activated chymotrypsinogen) mainly activates PAR-1.

### *Effects Against Cancer Stem Cells*

Cancer Stem Cells are resistant to standard treatments because they remain dormant for long periods, then migrate to other organs, and trigger explosive tumor growth, causing the patient to relapse. Approximately eighty percent of cancers are from solid tumors and metastasis is the main cause of patient death. Our unique patented approach is designed to target and eradicate cancer stem cells not killed by radiation or chemotherapy.

PRP is designed to target and eradicate cancer stem cells not killed by radiation or chemotherapy. Traditional cancer therapies act on tumor replicating cells, but not cancer stem cells, so they can rebuild the tumor mass and can migrate to start a new tumor in another organ. PRP stops cancer stem cells so that a tumor loses the ability to generate new cells and therefore the tumor disappears with no option to form a metastatic tumor elsewhere.

PRP treatment regulates up to four relevant pathways related to cancer spread and metastasis of cancer stem cells. PRP acts on TGF $\beta$ , Hippo, Wnt and Notch pathways. It promotes the up-regulation of RAC1b which avoids the hyper-activation of the p38 pathway induced by the TGF $\beta$  pathway, leading to the phosphorylation of YAP, which sequesters B-catenin in the cytoplasm, blocking the canonical Wnt pathway and inhibiting the Notch pathway. That cascade of reactions implies the disruption of the cancer stem cell phenotype and the reversal of the malignant epithelial to mesenchymal transition process that leads to tumor invasion.

### *PRP Impairs Niche Formation and Tumor Initiation*

The proenzyme treatment inhibits the expression of genes related to the cancer stem cell phenotype, changing these malignant cells toward a more differentiated and less dangerous cellular condition. PRP interferes with the signals that the primary tumor sends to other tissues to prepare the pre-metastatic niche.

### *In Vivo Efficacy of PRP In Pancreatic and Ovarian Tumors*

The effect of the pro-enzyme formulation PRP at different doses on tumor weight in orthotopically implanted pancreatic and ovary tumors was evaluated. In the pancreatic tumor model, there was significant (\*P < 0.05) reduction in mean tumor weight in animals treated for 26 days with trypsinogen/chymotrypsinogen at 83.3/500 mg/kg (30.2 mg; 85.9% inhibition) compared with control (PBS; 214.8 mg). Furthermore, ovary tumor-bearing mice showed a significant (\*P < 0.05) reduction in mean tumor weight in animals treated for 21 days with two different doses of trypsinogen/chymotrypsinogen, 9.1/54 mg/kg and 27.5/165 mg/kg, compared with control (PBS). The mean weight of control group tumors was 2062.2 mg while the treated groups presented a mean tumor weight of 1074.2 mg and 957.3 respectively, ranging in a 50% tumor inhibition (52–46%).

### *Overview Of Clinical Studies*

The clinical efficacy of a suppository formulation containing bovine pancreatic pro-enzymes trypsinogen and chymotrypsinogen was evaluated in the context of a UK Pharmaceuticals Special Scheme and the results were published in a peer reviewed journal, *Scientific Reports*. Clinical effects were studied in 46 patients with advanced metastatic cancers of different origin (prostate, breast, ovarian, pancreatic, colorectal, stomach, non-small cell lung, bowel cancer and melanoma) after treatment with a rectal formulation of both pancreatic pro-enzymes.

No severe or serious adverse events related to the rectal administration were observed. Patients did not experience any hematological side effects as typically seen with classical

chemotherapy regimens. No allergic reactions after rectal administration of suppositories were observed.

In order to assess the therapeutic activity of rectal administration, overall survival of patients under treatment was compared to the life expectancy assigned to a patient prior to treatment start. Nineteen from 46 patients (41.3%) with advanced malignant diseases, most of them suffering from metastases, had a survival time significantly longer than their expected, in fact, for the whole set of cancer types, mean survival (9.0 months) was significantly higher than mean life expectation (5.6 months). Although the number of patients per cancer indication is naturally quite low, 3 out of 8 patients with prostate cancer and 5 out of 11 patients with gastrointestinal cancers appear to particularly benefit from the treatment with the proenzyme suppositories.

PRP proves to be an in vivo effective and non-toxic anti-tumor treatment, able to inhibit angiogenesis and tumor growth, cancer cell migration and invasiveness. Furthermore, a suppository formulation containing both pancreatic proenzymes increased the life expectancy of advanced cancer patients. Consequently, PRP could have relevant oncological clinical applications for the treatment of solid tumors like advanced pancreatic adenocarcinoma and advanced epithelial ovarian cancer.

Cancer Type	Life Expectation (months)	Survival* (months)
	2	8
	4	*
Pancreatic carcinoma (n = 4)	<3	7
	<3	4
	4	11
	6	12
	6	11
Ovarian Cancer (n = 7)	<12	38
	<1	1
	4	*
	3	*
	6	9
	6	*
Breast Cancer (n = 6)	2	*
	12	*
	<12	*
	12	*
	6	*
Colon Rectal Cancer (n = 5)	6	*
	12	*
	6	40
	12	*
Gastric Cancer (n = 2)	2	8
	<3	7
	4	*
	1	5
	4	*
Prostate Cancer (n = 8)	<12	*
	12	14
	12	*
	12	*
	12	*
Non-Hodgkin Lymphoma (n = 1)	2	9
Mesothelioma (n = 1)	3	9
Melanoma (n = 2)	6	*
Neuro-endocrine Tumor (n = 1)	<3	4
Bladder (n = 2)	10	24
	<3	*
NSCLS (n = 2)	12	*
	3	5
	6	*
Bowel (n = 2)	<12	*
	<3	3
Small Cell Carcinoma (n = 1)	<12	*
Renal Cancer (n = 1)	<3	*
Abdomen unknown primary (n = 1)	<12	*

*Overview of clinical studies. Patients who met prognosis of life expectation (\*). For the whole set of cancer types, mean survival (9.0 months) was statistically significantly higher than mean life expectation (5.6 months). One way ANOVA ( $\alpha = 0.05$ ,  $P < 0.05$ ).*

## POP1 JOINT RESEARCH AND DRUG DISCOVERY PROGRAM

To date, both proenzymes were synthesized and purified in the laboratory. Once purified, the proenzymes were lyophilized (freeze dried) and each formed a stable, dry white powder. The sequence of proteins of each proenzyme were then determined by mass spectrometry. Larger quantities of the proenzymes were produced with the objective of establishing their combined anti-cancer effects against pancreatic and colorectal cancers. In addition, research activities were transferred to the MEDINA Foundation Research Center to investigate the potential to scale up production of the recombinant proenzymes from the expression of the novel expression system, which is currently ongoing. MEDINA is a Non-Profit Research Organization established in 2008 through a public-private alliance between the Regional Government of Andalusia, Spain, the pharmaceutical company Merck Sharp & Dohme de España S.A. (MSD), and the University of Granada. Medina's scientific platforms support the development of multidisciplinary research programs in Microbiology, Natural Product Chemistry and Screening & Target Validation.

We are elucidating the molecular pathways involved in the proenzymes anti-tumor efficacy and study how proenzymes interact with the pre-metastatic tumor niche, focusing on the interaction and suppression of tumor associated cells, like cancer-associated fibroblasts and macrophages. A pre-metastatic tumor niche is an environment in a secondary organ conducive to the metastasis of a primary tumor. Such a niche provides favorable conditions for growth, and eventually metastasis, in an otherwise foreign and hostile

environment for the primary tumor cells. Metastasis remains the main cause of patient death from solid tumors for cancer sufferers.

To achieve this, we are using integrated tumor models in a microfluidics chip by obtaining 3-dimensional bio-impression samples from patients with advanced solid tumors, developed at the Centre for Biomedical Research, University of Granada, Granada, Spain. As well as explaining the mechanism of action by which proenzymes exert their anti-cancer effects, it also confirms whether proenzymes penetrate into the tumor microenvironment and exert their effects. At the same time, it confirms the selectivity of the drug on solid tumors, by targeting cancer cells and leaving healthy cells alone.

To date, our investigation has confirmed that proenzyme therapy is effective against cancer stem cells, which are the cells responsible for the formation of secondary tumors through metastasis. They were also observed to be effective against cancer cells within the primary tumor, whilst also leaving non-tumor cells alone. The final part of the investigation is to determine the effects of the proenzymes against both these cancerous cell types within the tumor microenvironment.

Our Joint Research Team successfully published data confirming the anti-tumor potential of a mixture of trypsinogen and chymotrypsinogen. Treatment with proenzymes sensitizes cancer stem cells, which may allow standard treatment approaches like chemotherapy and radiotherapy to be more effective.

Our vision is to produce a backup product candidate to PRP which can further stabilize and enhance the effects of the proenzymes when administered to patients. Our scientific researchers are in the process of optimizing conditions to achieve high titers of recombinant trypsinogen and chymotrypsinogen with this expression system.

## **PRP TARGET INDICATIONS**

The management of cancer differs widely, with a multitude of factors impacting the choice of treatment strategy. Some of those factors include:

- the type of tumor, usually defined by the tissue in the body from which it originated;
- the extent to which it has spread beyond its original location;
- the availability of treatments, driven by multiple factors including cost, drugs approved, local availability of suitable facilities, etc.;
- regional and geographic differences;
- whether the primary tumor is amenable to surgery, either as a potentially curative procedure, or as a palliative one; and
- the balance between potential risks and potential benefits from the various treatments and, probably most importantly, the patient's wishes.

For many patients with solid cancers, such as breast, ovarian, colorectal, lung and pancreatic cancer, surgery is frequently the first treatment option, often followed by first line chemotherapy with or without radiotherapy. While hopefully such procedures are curative, in many instances the tumor returns, and second line treatment strategies are chosen in an effort to achieve a degree of control over the tumor. In most instances, the benefit is temporary, and eventually the point is reached where the patient's tumor either fails to adequately respond to treatment, or the treatment has unacceptable toxicity which severely limits its usefulness.

Should the planned Phase I, II and III clinical trials confirm the efficacy of PRP, along with the favorable safety and tolerability profile suggested by pre-clinical studies conducted to date, we believe our product will have utility in a number of clinical situations including:

1. In the early-stage management of solid tumors, most likely as part of a multi-pronged treatment strategy in combination with existing therapeutic interventions;
2. As a product that can be administered long term for patients following standard treatment approaches, such as surgery, or chemotherapy, in order to prevent or delay recurrence; and
3. As a preventative measure for patients at risk of developing cancer based on genetic screening.

In the near term as part of our planned Phase I, II and III clinical trials, we plan to target patients with solid tumors, most likely ovarian and pancreatic, for whom other treatment options have been exhausted. This is a common approach by which most new drugs for cancer are initially tested. Once efficacy and safety has been demonstrated in this patient population, exploration of the potential utility of the drug in earlier stage disease can be undertaken, together with investigation of the drug's utility in other types of cancers, such as gastro-esophageal tumors, colon or rectal carcinoma might be conducted. A Phase II study in a back-up indication, such as advanced therapy refractant prostate cancer will also be considered. This indication is based on positive preclinical pharmacology studies.

### *Pancreatic Cancer*

Pancreatic cancer is one of the most lethal malignancies with a median survival of less than 6 months and a 5-year survival rate of less than 5%. The lethal nature of this disease stems from its propensity to rapidly disseminate to the lymphatic system and distant organs. This aggressive biology and resistance to conventional and targeted therapeutic agents leads to a typical clinical presentation of incurable disease at the time of diagnosis.

Pancreatic cancer has claimed notoriety over the last decades by proving to be one of the most recalcitrant solid tumors. As an indicator of its lethality, pancreatic cancer accounts for less than 3% of new cancers diagnosed annually in developed countries, yet it is the third leading cause of cancer related mortality.

Since pancreatic cancer is an essentially fatal condition, disease duration is roughly equivalent with survival time. The median time of survival of patients with pancreatic cancer depends on the extend of disease at the time of diagnosis and ranges from 11-20 months for patients who qualified for surgical resection (Stage I/II), to 6-11 months for patients with locally advanced disease (Stage III), and only 2-6 months for patients with metastatic disease (Stage IV) (Amikura 1995, Richter 2003). Taking these low survival times into consideration, the yearly incidence rates for pancreatic cancer are considered the more relevant measure for this disease.

Each year the American Cancer Society estimates the numbers of new cancer cases and deaths that will occur in the United States in the current year and compiles the most recent data on cancer incidence, mortality, and survival. Incidence data are collected by the National Cancer Institute (NCI), the Centers for Disease Control and Prevention (CDC), and the North American Association of Central Cancer Registries (NAACCR). In 2015, a total of more than 1,500,000 new cancer cases and more than 500,000 cancer deaths will occur in the United States. Amongst these, a total of almost 50,000 new cases of pancreatic cancer (3.33% of new cancer cases) have been estimated, which will result in more than 40,000 deaths (8% of cancer deaths). This means only 20% survival rate of patients diagnosed with pancreatic cancer.

### *Ovarian Cancer*

Ovarian cancer is a generic term that can be used for any cancer involving the ovaries, arising from one of the several different cell types of ovaries, including germ cells, specialized gonadal stromal cells and epithelial cells. Epithelial ovarian cancer accounts for 90 percent of ovarian cancers and is responsible for most ovarian cancer related deaths. Furthermore, several subtypes of ovarian cancer have been described according to different risk factors, different genetic mutations, different biological behaviors and different prognoses. This heterogeneity of the disease has impeded progress in the prevention, early detection, treatment and management of ovarian cancer.

Ovarian cancer is the seventh most commonly diagnosed cancer among women in the world and accounts for an estimated 239,000 new cases and 152,000 deaths worldwide annually, of which 21,290 new cases and 14,180 related deaths are estimated to occur in the USA alone. The disease typically presents at late stage when the 5-year relative survival rate is only 29%. Few cases (15%) are diagnosed with localized tumor (stage 1), when the 5-year survival rate is 92%. Strikingly, the overall 5-year relative survival

rate generally ranges between 30%–40% across the globe and has seen only very modest increases since 1995.

## PRP DEVELOPMENT STRATEGY

Our goal is to undertake early-stage clinical development of PRP through to a significant value inflection point, where the commercial attractiveness of a drug in development, together with a greater likelihood of achieving market authorization, may attract potential interest from licensees seeking to acquire new products. Such value inflection points in the context of cancer drugs are typically at the point where formal, controlled clinical trials have demonstrated either ‘efficacy’ or ‘proof of concept’ – typically meaning that there is controlled clinical trial evidence that the drug is effective in the proposed target patient population, has an acceptable safety profile, and is suitable for further development. From a ‘big picture’ perspective, it is our intention to progress the development of our technology through the completion of our planned Phase IIa clinical trials and then to seek a licensee for further development beyond that point.

As part of that commercial strategy, we will:

- continue research and development to build our existing intellectual property portfolio, and to seek new, patentable discoveries;
- seek to ensure all product development is undertaken in a manner that makes its products approvable in the major pharmaceutical markets, including the U.S., Europe, the UK, Australia and Japan;
- aggressively pursue the protection of our technology through all means possible, including patents in all major jurisdictions, and potentially trade secrets; and
- make strategic acquisitions to acquire new companies that have intellectual property or products that complement our future goals.

## PRP DEVELOPMENT PLAN AND MILESTONES

We plan to progress PRP down a conventional early-stage clinical development pathway for:

- regulatory and/or ethics approval to conduct a Phase Ib study; and
- Phase IIa multiple escalating dose studies to investigate the safety, tolerability, and pharmacokinetics of PRP administered intravenously to patients.

Preclinical development has been completed, including pharmacology and safety toxicology studies, process development activities and bioanalytical method development. The full-scale GMP (Good Manufacturing Practice) finished product manufacture of PRP will be completed in preparation for the FIH Phase Ib study. Validation of the bioanalytical method will also be completed prior to lodging our first clinical trial application (CTA) which we plan to undertake at the Peter Mac Cancer Center in Melbourne, Victoria, Australia’s biggest cancer hospital. Propanc Biopharma is collaborating with contract research organizations, manufacturing partners and consultants to complete activities prior to preparing the CTA for the Phase Ib study.

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The Company has received expressions of interest to evaluate proenzyme therapy as a method to prevent recurrence and metastasis of solid tumors in pancreatic and ovarian cancers. The letters of interest were confirmed by medical oncologists specializing in pancreatic and ovarian cancers, from the University Hospital of Jaén, in Granada, Spain. The evaluation will most likely be conducted as separate Phase IIa proof of concept (POC), multi-trial center studies for each target indication. The expressions of interest were confirmed after their evaluation of Propanc’s scientific literature supporting the use of proenzymes in pancreatic and ovarian cancers. The Phase IIa POC studies will be conducted after the Phase Ib dose escalation study investigating the tolerability and activity of proenzyme therapy in patients with advanced solid tumors is completed at the Peter Mac Cancer Center.

In Australia, we receive up to 43.5% “cash-back” benefit in the form of a refund of their qualified research and development costs and expenses. The Company received a refund of \$151,767 AUD (\$113,415 USD) and \$199,834 AUD (\$134,728 USD) for the years ended June 30, 2021 and 2020 respectively. We are continuing to evaluate all options to conduct our planned clinical trials in the most cost-efficient manner, while striving to minimize dilution to our stockholders.

We anticipate reaching the Phase IIa proof of concept milestone in approximately three to four years, subject to regulatory approval in Europe, and the results from our research and development and licensing activities.

Our overhead and expenses are likely to increase from its current level as PRP progresses down the development pathway. This increase will be driven by the need to increase our internal resources in order to effectively manage our research and development activities.

### *Anticipated timelines*

In second quarter of 2022 calendar year, we anticipate the submission of the Clinical Trial Application for PRP. We anticipate receiving approval of such application in the first half of 2022. Following the clinical trial application, we plan to commence our Study Preparation, including CRO Selection and Contracts, Analytical Lab Selection Contracts and Trial Sites Selection and Contracts. In connection with the Clinical Trial Application, this product will be part of our Investigation Medicinal Product Dossier, Study Protocol and Investigator’s Brochure. In the second half of 2022 calendar year, we hope to complete the Study Preparation together with the Preparation of Logistics and Trial Sites Initiation Visits and complete our clinical trial application review. Commencing in the second half of 2022 calendar year, we intend to initiate a Phase Ib study in advanced cancer patients with solid tumors and the anticipated costs will be approximately \$6.5 million. We will need to raise additional financing to fund our planned Phase I, II and III clinical trials and for working capital.

### **Research Activity**

### **Timeline**

Clinical Trial Application (CTA)	
Investigational Medicinal Product Dossier	November 2021 - April 2022
Phase Ib Clinical Study Protocol	
Investigator’s Brochure	
CTA Compilation	March - May 2022
CTA submission	May 2022
CTA Approval	June 2022
CTA Review	June 2022 – July 2022
Contract Research Organization & Contracts	
Analytical Laboratory Selection & Contracts	January – May 2022
Trial Site Selection & Contracts	
Preparation of Logistics	
Trial Site Initiation Visits	May – September 2022
First Patient/First Visit	September 2022

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As outlined previously, a joint research and drug discovery program has been established with our collaborators at the Universities of Jaén and Granada to investigate the changes in genetic and protein expression that occur in cancer cells as a consequence of being exposed to our proenzyme formulation. The objective of this work is to understand at the molecular level the targets of our proenzyme formulation, thereby providing the opportunity for new, patentable drugs which can be developed further. We plan to commence a targeted drug discovery program utilizing the identified molecular target to search for novel anticancer agents.

One specific objective of the project is to synthesize both proenzymes by an in vivo system to produce crystalized proteins that could be maintained for long periods without suffering degradation, even in absence of refrigeration. This will be particularly useful for a longer shelf life as well as global distribution of the drug product, particularly in warmer climates and developing regions where refrigeration may not be available.

The POP1 joint research and drug discovery program has produced synthetic recombinant versions of the two proenzymes, trypsinogen and chymotrypsinogen. Propan Biopharma's joint scientific researchers are developing a novel expression system and are also in the process of optimizing conditions to achieve high titers of recombinant trypsinogen and chymotrypsinogen. Further, the anticancer effects of the synthetic versions will be tested against the naturally derived proenzymes from bovine origin.

## **FINANCIAL OBJECTIVES**

Multiple factors, many of which are outside of our control, can impact our ability to achieve our target objectives within the planned time and budgetary constraints. Subject to these caveats, our objective is to complete our planned Phase IIa study for PRP within the proposed budget.

We primarily outsource services, skills and expertise to third parties as required to achieve our scientific and corporate objectives. As the business grows and gains more personnel, outsourcing will continue to be the preferred model, where fixed and variable costs are carefully managed on a project-by-project basis. This means our research and development activities are carried out by third parties. Additional third parties with specific expertise in research, compound screening and manufacturing (including raw material suppliers) have been contracted as required.

## **CORPORATE STRATEGY**

Our initial focus is to organize, coordinate and finance the various parts of our drug development pipeline. New personnel will be carefully introduced into our Company over a period of time as our research and development activities expand. They will have specific expertise in product development, manufacture and formulation, regulatory affairs, toxicology, clinical operations and business development (including intellectual property management, licensing and other corporate activities). In the first instance, additional clinical management and development expertise is likely to be required for our lead product. Therefore, we anticipate an increase in employees in order to effectively manage our contractors as the projects progress down the development pathway.

This outsourcing strategy is common in the biotechnology sector and is an efficient way to obtain access to the necessary skills required to progress a project, in particular as the required skills change as the project progresses from discovery, through manufacturing and non-clinical development and into clinical trials. We anticipate that we will continue to use this model, thereby retaining the flexibility to contract in the appropriate resource as and when required.

We intend to seek and identify potential licensing partners for our product candidates as they progress through the various development stages, reaching certain milestones and value inflection points. If a suitable licensee is identified, a potential licensing deal could consist of payments for certain milestones, plus royalties from future sales if the product is able to receive approval from the relevant regulatory authorities where future product sales are targeted. We intend to seek and identify potential licensees based on the initial efficacy data from Phase II clinical trials. To accomplish this objective, we have commenced discussions with potential partners in our current preclinical phase of development.

As part of our overall expansion strategy, from time to time, we investigate potential intellectual property acquisition opportunities to expand our product portfolio. While our initial focus is on the development of PRP as the lead product candidate, potential product candidates may also be considered for future preclinical and clinical development. These potential opportunities have arisen from other research and development organizations, which either own existing intellectual property or are currently developing new intellectual property, which may be of interest to us. These opportunities are possible new cancer treatments that are potentially less toxic than existing treatment approaches and are able to fill an existing gap in the treatment process, such as a systemic de-bulking method which could reduce the size and threat of metastases to a more manageable level for late-stage cancer patients.

We believe these potential treatment approaches will be complementary to existing treatment regimens and our existing product candidate, PRP. No formal approaches have been made at this stage and it is unknown whether we will engage in this discussion in the near future. However, as PRP progresses further down the development pathway, we intend to assess future opportunities that may arise to use the expertise of our management and scientific personnel for future prospective research and development projects.

## **CURRENT OPERATIONS**

We are at a pre-revenue stage. We do not know when, if ever, we will be able to commercialize our products and begin generating revenue. We are focusing our efforts on organizing, coordinating and financing the various aspects of the drug research and development program outlined earlier in this document. In order to commercialize our products, we must complete preclinical development, Phase Ib, IIa and IIb clinical trials in Europe, the U.S., United Kingdom, Australia or elsewhere, and satisfy the applicable regulatory authority that PRP is safe and effective. If the results from the Phase II trials are convincing, we will seek conditional approval from the regulatory authorities sooner. Therefore, from the time we commence clinical trials, we estimate that this will take approximately three to four years if we seek conditional approval upon completion of Phase II trials. As described previously, when we advance our development projects sufficiently down the development pathway and achieve a major increase in value, such as obtaining interim efficacy data from Phase II clinical trials, we will seek a suitable licensing partner to complete the remaining development activities, obtain regulatory approval and market the product.

## **CURRENT THERAPIES**

We are developing a therapeutic solution for the treatment of patients with advanced stages of cancer targeting solid tumors, which is cancer that originates in organs or tissues other than bone marrow or the lymph system. Common cancer types classified as solid tumors include lung, colorectal, ovarian cancer, pancreatic cancer and liver cancers. In each of these indications, there is a large market opportunity to capitalize on the limitations of current therapies.

Current therapeutic options for the treatment of cancer offer, at most, a few months of extra life or tumor stabilization. Some experts believe that drugs that kill most tumor cells do not affect cancer stem cells, which can regenerate the tumor (e.g., chemotherapy). Studies are revealing the genetic changes in cells that cause cancer and spur its growth. This research is providing scientific researchers with many potential targets for drugs. Tumor cells, however, can develop resistance to drugs.

### *Limitations of Current Therapies*

PRP was developed because of the limitation of current cancer therapies. While surgery is often safe and effective for early-stage cancer, many standard therapies for late-stage cancer urgently need improvement; current treatments generally provide modest benefits, and frequently cause significant adverse effects. Our focus is to provide oncologists and their patients with therapies for metastatic cancer which are more effective than current therapies, and which have a substantially reduced side effect profile.

While progress has been made within the oncology sector in developing new treatments, the overall cancer death rate has only improved by 7% over the last 30 years.

Most of these new treatments have some limitations, such as:

1. significant toxic effects;
2. expense; and
3. limited survival benefits.

We believe that our treatment will provide a competitive advantage over the following treatments:

- Chemotherapeutics: Side effects from chemotherapy can include pain, diarrhea, constipation, mouth sores, hair loss, nausea and vomiting, as well as blood-related side effects, which may include a low cell count of infection fighting white blood cells (neutropenia), low red blood cell count (anemia), and low platelet count (thrombocytopenia). Our goal is to demonstrate that our treatment will be more effective than chemotherapeutic and hormonal therapies with fewer side effects.
- Targeted therapies: The most common type is multi-targeted kinase inhibitors (molecules which inhibit a specific class of enzymes called kinases). Common side effects include fatigue, rash, hand-foot reaction, diarrhea, hypertension and dyspnea (shortness of breath). Further, tyrosine kinases inhibited by these drugs appear to develop resistance to inhibitors. While the clinical findings with PRP are early and subject to confirmation in future clinical trials, no evidence has yet been observed of the development of resistance by the cancer to PRP.
- Monoclonal antibodies: Development of monoclonal antibodies is often difficult due to safety concerns. Side effects that are most common include skin and gastrointestinal toxicities. For example, several serious side effects from Avastin, an anti-angiogenic cancer drug, include gastrointestinal perforation and dehiscence (e.g., rupture of the bowel), severe hypertension (often requiring emergency treatment) and nephrotic syndrome (protein leakage into the urine). Antibody therapy can be applied to various cancer types, but can also be limited to certain genetic sub populations in many instances.
- Immunotherapy: There is a long history of attempts to develop therapeutic cancer vaccines to stimulate the body's own immune system to attack cancer cells. While these products generally do not have the poor safety profile of standard therapeutic approaches, only a small number of them are FDA-approved and available compared to the number of patients diagnosed with cancer. Furthermore, only a relatively small number of the patient population is eligible to receive and subsequently respond to treatment, as defined by preventing tumor growth.

## MARKET OPPORTUNITY

The global metastatic cancer treatment market is predicted to reach \$111 Billion by 2027 by Emergen Research. Demand for new cancer products can largely be attributed to a combination of a rapidly aging population in western countries and changing environmental factors, which together are resulting in rising cancer incidence rates. Worldwide, the World Health Organization estimated 19.3 million new cancer cases and almost 10.0 million cancer deaths occurred in 2020. As such, global demand for new cancer treatments which are effective, safe and easy to administer is rapidly increasing. Our treatment will potentially target many aggressive tumor types for which little or few treatment options exist.

We plan to target patients with solid tumors, most likely pancreatic and ovarian tumors, for whom other treatment options have been exhausted. Globally these cancers resulted in over 673,255 deaths in 2020, according to the World Health Organization. With such a high mortality rate, a substantial unmet medical need exists for new treatments. Once the efficacy and safety of PRP has been demonstrated in late-stage patient populations, we plan to undertake exploration of the utility of the drug in earlier stage disease, together with investigation of the drug's utility in other types of cancer.

### *Anticipated Market Potential*

It is difficult to estimate the size of the market opportunity for this specific type of product as a clinically proven, pro-enzyme formulated suppository marketed to oncologists across global territories for specific cancer indications, to the best of management's knowledge, has not been previously available. However, the markets for potential market for pancreatic and ovarian cancers may be characterized as follows:

- The world market for pancreatic cancer drugs is projected to grow to \$4.2 billion by the year 2025, according to Grandview Research. Major players operating in the pancreatic cancer therapy market include Eli Lilly and Company, F. Hoffmann-La Roche AG, Celgene Corporation, Amgen Inc., Novartis AG, Pharmacycote Biotech Inc., Clovis Oncology, Teva Pharmaceutical Industries Ltd., Pfizer Inc., Merck & Co., Inc. among others. For instance, in May 2018, Eli Lilly and Company acquired AMRO BioSciences. AMRO BioSciences is engaged into number of drugs for cancer. The clinical trial explores a drug (pegiloddecakin) which is ongoing for the pancreatic cancer. The developments performed by the companies are helping the market to grow in the coming years.

- The global market for ovarian cancer drugs expected to reach \$10.1 billion by 2027, according to iHealthcareAnalyst. This will be driven by continued uptake and expected launches of the approved PARP (poly adenosine diphosphate-ribose polymerase) inhibitors. Major competitors operating in the global ovarian cancer treatment market include AbbVie, Inc., AstraZeneca plc (Acerta Pharma), Boehringer Ingelheim GmbH, Chugai Pharmaceutical Co., Ltd., Clovis Oncology, Five Prime Therapeutics, Inc., GlaxoSmithKline plc (Tesar), Gradalis, Inc., Incyte Corporation, MacroGenics, Inc., Mateon Therapeutics, Inc., Merck & Co., Inc., Novartis AG, Novogen Limited, Oasmia Pharmaceuticals, Inc., Pfizer, Inc., PharmaMar S.A, and Roche Holding AG.

New products can be defined as addition-in-class, advance-in-class, or first-in-class, depending on their degree of innovation. Addition-in-class products, defined as new Active Pharmaceutical Ingredients (API) with established mechanisms of action, are often clinically important and highly commercially successful. Advance-in-class product innovation, defined as significantly differentiated and innovative new APIs, albeit with established mechanisms of action, remains a highly attractive strategy. However, first-in-class innovation, defined as products with a molecular target and/or mechanism of action not found in any approved products globally, remains the key product development strategy in terms of providing the greatest degree of differentiation, extending to a first-mover advantage and potentially the capture of significant market share.

Based on the current situation for these two markets, we believe there is an attractive opportunity in both the pancreatic and ovarian cancer market sectors for the introduction of a first-in-class, clinically proven product which can achieve new benefits for patients in terms of survival and quality of life. The current concentration of products suggests oncologists may be willing to try newly approved products, particularly if they can exhibit a favorable safety profile, although substantive R&D activities will be necessary to both obtain regulatory approval, and to generate the clinical safety and efficacy data needed to convince clinicians to use a new product.

## LICENSE AGREEMENTS

### *University of Bath*

We previously sponsored a collaborative research project at University of Bath to investigate the cellular and molecular mechanisms underlying the potential clinical approach of our proprietary proenzyme formulation. As a result of this undertaking, we entered into a Commercialization Agreement with University of Bath (UK), dated November 12, 2009 (the "Commercialization Agreement"), where, initially, we held an exclusive license with Bath University, and where we and University of Bath co-owned the intellectual property relating to our proenzyme formulations. The Commercialization Agreement originally provided for University of Bath to assign the Patents (as defined therein) to Propanc in certain specified circumstances, such as successful completion of a clinical trial and commencement of a Phase II (Proof of Concept) clinical trial.

On June 14, 2012, Propanc and University of Bath agreed to an earlier assignment to us of the patents pursuant to an Assignment and Amendment Deed, on the provision that Bath University retains certain rights arising from the Commercialization Agreement, as follows:

- University of Bath reserves for itself (and its employees and students and permitted academic sub-licensees with respect to research use) the non-exclusive, irrevocable, worldwide, royalty free right to use the patents for research use;
- The publication rights of University of Bath specified in the contract relating to the original research made between the parties with an effective date of July 18, 2008 shall continue in force;
- Propanc shall pay to University of Bath a royalty of two percent of any and all net revenues;
- Propanc shall use all reasonable endeavors to develop and commercially exploit the patents for the mutual benefit of University of Bath and Propanc to the maximum extent throughout the covered territory and in any additional territory and to obtain, maintain and/or renew any licenses or authorizations that are necessary to enable such development and commercial exploitation. Without prejudice to the generality of the foregoing, Propanc shall comply with all relevant regulatory requirements in respect of its sponsoring and/or performing clinical trials in humans involving the administration of a product or materials within a claim of the patents; and
- Propanc shall take out with a reputable insurance company and maintain liability insurance coverage prior to the first human trials.

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In consideration of such assignment, we agreed to pay royalties of 2% of net revenues to University of Bath. Additionally, we agreed to pay 5% of each and every license agreement subscribed for. The contract is cancellable at any time by either party. To date, no amounts are owed under the agreement.

#### *University of Jaén*

We have established a collaboration with the University of Jaén to carry out a Research Project aimed at the synthetic development of PRP and its subsequent validation. The University of Jaén is providing scientific research activities the Department of Health Sciences, which provides the necessary technical and human resources in order to carry out the programmed works. A Collaboration Agreement (the "Collaboration Agreement") according was established, dated October 1, 2020, with the main objective for the synthetic development of PRP and its subsequent validation. To that end, there shall be established a pre-clinical protocol of safety evaluation and antitumor efficacy on cancer stem cells and in orthotopic xenotransplantations derived from cancer stem cells isolated from tumor cell lines, of a newly developed synthetic formulation based on the two pancreatic zymogens.

The ownership of potential intellectual property rights that may arise as a result of the knowledge obtained through the project will belong to Propanc. In consideration for payment of the compensation, the University of Jaén hereby assigns and agrees to do all things reasonably required to assign to the contracting entity all industrial property rights arising from the Project.

In return for ownership of the entire right and title in all industrial property rights arising from the Project, Propanc agrees to pay the University of Jaén two percent (2%) of the net sales of any products sold by the contracting entity which fall within the scope of the protection of such industrial property rights.

#### *Future Agreements*

We continue to learn the properties of proenzymes with the long-term aim of screening new compounds for development. We anticipate engaging in future discussions with several technology companies who are progressing new developments in the oncology field as potential additions to our product line. Initially targeting the oncology sector, our focus is to identify and develop novel treatments that are highly effective targeted therapies, with few side effects as a result of toxicity to healthy cells.

### **INTELLECTUAL PROPERTY**

The Company has filed multiple patent applications relating to its lead product, PRP. The Company's lead patent application has been granted and remains in force in the United States, Belgium, Czech Republic, Denmark, France, Germany, Ireland, Italy, Netherlands, Portugal, Spain, Sweden, Switzerland, Liechtenstein, Turkey, United Kingdom, Australia, China, Japan, Indonesia, Israel, New Zealand, Singapore, Malaysia, South Africa, Mexico, Republic of Korea, India and Brazil. In Canada, the patent application remains under examination.

In 2016 and early 2017, we filed other patent applications. Three applications were filed under the Patent Cooperation Treaty (the "PCT"). The PCT assists applicants in seeking patent protection by filing one international patent application under the PCT, applicants can simultaneously seek protection for an invention in over 150 countries. Once filed, the application is placed under the control of the national or regional patent offices, as applicable, in what is called the national phase. One of the PCT applications filed in November 2016, entered national phase in July 2018 and another PCT application entered national phase in August 2018. A third PCT application entered national phase in October 2018.

Presently, there are 35 granted patents and 30 patents under examination in key global jurisdictions relating to the use of proenzymes against solid tumors, covering the lead product candidate PRP.

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Further patent applications are expected to be filed to capture and protect additional patentable subject matter based on the Company's field of technology relating to pharmaceutical compositions of proenzymes for treating cancer.

### **REGULATORY MATTERS**

#### *United States*

Government oversight of the pharmaceutical industry is usually classified into pre-approval and post-approval categories. Most of the therapeutically significant innovative products marketed today are the subject of New Drug Applications ("NDA"). Preapproval activities, based on these detailed applications, are used to assure the product is safe and effective before marketing. In the United States, The Center for Drug Evaluation and Research ("CDER"), is the FDA organization responsible for over-the-counter and prescription drugs, including most biological therapeutics, and generic drugs.

Before approval, the FDA may inspect and audit the development facilities, planned production facilities, clinical trials, institutional review boards and laboratory facilities in which the product was tested in animals. After the product is approved and marketed, the FDA uses different mechanisms for assuring that firms adhere to the terms and conditions of approval described in the application and that the product is manufactured in a consistent and controlled manner. This is done by periodic unannounced inspections of production and quality control facilities by FDA's field investigators and analysts.

#### *Federal Food, Drug and Cosmetic Act and Public Health Service Act*

Prescription drug and biologic products are subject to extensive pre- and post-market regulation by the FDA, including regulations that govern the testing, manufacturing, safety, efficacy, labelling, storage, record keeping, advertising and promotion of such products under the Federal Food, Drug and Cosmetic Act, the Public Health Service Act, and their implementing regulations. The process of obtaining FDA approval and achieving and maintaining compliance with applicable laws and regulations requires the expenditure of

substantial time and financial resources. Failure to comply with applicable FDA or other requirements may result in refusal to approve pending applications, a clinical hold, warning letters, civil or criminal penalties, recall or seizure of products, partial or total suspension of production or withdrawal of the product from the market. FDA approval is required before any new drug or biologic, including a new use of a previously approved drug, can be marketed in the United States. All applications for FDA approval must contain, among other things, information relating to safety and efficacy, stability, manufacturing, processing, packaging, labelling and quality control.

#### *New Drug Applications (“NDAs”)*

The FDA’s NDA approval process generally involves:

- Completion of preclinical laboratory and animal testing in compliance with the FDA’s good laboratory practice, or GLP, regulations;
- Submission to the FDA of an investigational new drug (“IND”) application for human clinical testing, which must become effective before human clinical trials may begin in the United States;
- Performance of adequate and well-controlled human clinical trials to establish the safety, purity and potency of the proposed product for each intended use;
- Satisfactory completion of an FDA pre-approval inspection of the facility or facilities at which the product is manufactured to assess compliance with the FDA’s “current good manufacturing practice” (“CGMP”) regulations; and
- Submission to and approval by the FDA of an NDA.

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The preclinical and clinical testing and approval process requires substantial time, effort and financial resources, and we cannot guarantee that any approvals for our product candidates will be granted on a timely basis, if at all. Preclinical tests include laboratory evaluation of toxicity and immunogenicity in animals. The results of preclinical tests, together with manufacturing information and analytical data, are submitted as part of an IND application to the FDA. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA raises concerns or questions about the conduct of the clinical trial, including concerns that human research subjects will be exposed to unreasonable health risks. In such a case, the IND sponsor and the FDA must resolve any outstanding concerns before clinical trials can begin. Our submission of an IND may not result in FDA authorization to commence clinical trials. A separate submission to an existing IND must also be made for each successive clinical trial conducted during product development. Further, an independent institutional review board (“IRB”) covering each medical center proposing to conduct clinical trials must review and approve the plan for any clinical trial before it commences at that center and it must monitor the study until completed. The FDA, the IRB or the sponsor may suspend a clinical trial at any time on various grounds, including a finding that the subjects or patients are being exposed to an unacceptable health risk. Clinical testing also must satisfy extensive “good clinical practice” (“GCP”) regulations, which include requirements that all research subjects provide informed consent and that all clinical studies be conducted under the supervision of one or more qualified investigators.

For purposes of an NDA submission and approval, human clinical trials are typically conducted in the following sequential phases, which may overlap:

- Phase I: Initially conducted in a limited population to test the product candidate for safety and dose tolerance;
- Phase II: Generally conducted in a limited patient population to identify possible adverse effects and safety risks, to determine the initial efficacy of the product for specific targeted indications and to determine optimal dosage. A Phase IIa trial is a non-pivotal, exploratory study that assesses biological activity as its primary endpoint. A Phase IIb trial is designed as a definite dose finding study with efficacy as the primary endpoint. Multiple Phase II clinical trials may be conducted by the sponsor to obtain information prior to beginning larger and more extensive Phase III clinical trials;
- Phase III: Commonly referred to as pivotal studies. When Phase II evaluations demonstrate that a dose range of the product is effective and has an acceptable safety profile, Phase III clinical trials are undertaken in large patient populations to further evaluate dosage, to provide substantial evidence of clinical efficacy and to further test for safety in an expanded and diverse patient population at multiple, geographically-dispersed clinical trial sites. Generally, replicate evidence of safety and effectiveness needs to be demonstrated in two adequate and well-controlled Phase III clinical trials of a product candidate for a specific indication. These studies are intended to establish the overall risk/benefit ratio of the product and provide adequate basis for product labelling; and
- Phase IV: In some cases, the FDA may condition approval of a NDA on the sponsor’s agreement to conduct additional clinical trials to further assess the product’s safety, purity and potency after NDA approval. Such post-approval trials are typically referred to as Phase IV clinical trials.

Progress reports detailing the results of the clinical studies must be submitted at least annually to the FDA and safety reports must be submitted to the FDA and the investigators for serious and unexpected adverse events. Concurrent with clinical studies, sponsors usually complete additional animal studies and must also develop additional information about the product and finalize a process for manufacturing the product in commercial quantities in accordance with CGMP requirements. The manufacturing process must be capable of consistently producing quality batches of the product candidate and, among other things, the manufacturer must develop methods for testing the identity, strength, quality and purity of the final product. Moreover, appropriate packaging must be selected and tested, and stability studies must be conducted to demonstrate that the product candidate does not undergo unacceptable deterioration over its shelf life.

The results of product development, preclinical studies and clinical trials, along with the aforementioned manufacturing information, are submitted to the FDA as part of a NDA. NDAs must also contain extensive manufacturing information. Under the Prescription Drug User Fee Act (“PDUFA”), the FDA agrees to specific goals for NDA review time through a two-tiered classification system, Standard Review and Priority Review. Standard Review is applied to products that offer at most, only minor improvement over existing marketed therapies. Standard Review NDAs have a goal of being completed within a ten-month timeframe, although a review can take significantly longer. A Priority Review designation is given to products that offer major advances in treatment, or provide a treatment where no adequate therapy exists. A Priority Review takes the FDA six months to review a NDA. It is likely that our product candidates will be granted Standard Reviews. The review process is often significantly extended by FDA requests for additional information or clarification. The FDA may refer the application to an advisory committee for review, evaluation and recommendation as to whether the application should be approved. The FDA is not bound by the recommendation of an advisory committee, but it generally follows such recommendations.

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The FDA may deny approval of a NDA if the applicable regulatory criteria are not satisfied, or it may require additional clinical data or additional pivotal Phase III clinical trials. Even if such data is submitted, the FDA may ultimately decide that the NDA does not satisfy the criteria for approval. Data from clinical trials is not always conclusive and the FDA may interpret data differently than Propanc. Once issued, product approval may be withdrawn by the FDA if ongoing regulatory requirements are not met or if safety problems occur after the product reaches the market. In addition, the FDA may require testing, including Phase IV clinical trials, Risk Evaluation and Mitigation Strategies (“REMS”), and surveillance programs to monitor the effect of approved products that have been commercialized, and the FDA has the power to prevent or limit further marketing of a product based on the results of these post-marketing programs. Products may be marketed only for the approved indications and in accordance with the provisions of the approved label. Further, if there are any modifications to the drug, including changes in indications, labelling or manufacturing processes or facilities, approval of a new or supplemental NDA may be required, which may involve conducting additional preclinical studies and clinical trials.

#### *Other U.S. Regulatory Requirements*

After approval, products are subject to extensive continuing regulation by the FDA, which include company obligations to manufacture products in accordance with GMP, maintain and provide to the FDA updated safety and efficacy information, report adverse experiences with the product, keep certain records, submit periodic reports, obtain FDA approval of certain manufacturing or labeling changes and comply with FDA promotion and advertising requirements and restrictions. Failure to meet these obligations can result in various adverse consequences, both voluntary and FDA-imposed, including product recalls, withdrawal of approval, restrictions on marketing and the imposition of civil fines and criminal penalties. In addition, later discovery of previously unknown safety or efficacy issues may result in restrictions on the product, manufacturer or NDA holder.

Propanc, and any manufacturers of our products, are required to comply with applicable FDA manufacturing requirements contained in the FDA's GMP regulations. GMP regulations require, among other things, quality control and quality assurance as well as the corresponding maintenance of records and documentation. The manufacturing facilities for our products must meet GMP requirements to the satisfaction of the FDA pursuant to a pre-approval inspection before Propanc can use them to manufacture products. Propanc and any third-party manufacturers are also subject to periodic inspections of facilities by the FDA and other authorities, including procedures and operations used in the testing and manufacture of our products to assess our compliance with applicable regulations.

With respect to post-market product advertising and promotion, the FDA imposes complex regulations on entities that advertise and promote pharmaceuticals, which include, among others, standards for direct-to-consumer advertising, promoting products for uses or in patient populations that are not described in the product's approved labeling (known as "off-label use"), industry-sponsored scientific and educational activities and promotional activities involving the Internet. Failure to comply with FDA requirements can have negative consequences, including adverse publicity, enforcement letters from the FDA, mandated corrective advertising or communications with doctors and civil or criminal penalties. Although physicians may prescribe legally available drugs for off-label uses, manufacturers may not market or promote such off-label uses.

Changes to some of the conditions established in an approved application, including changes in indications, labeling, or manufacturing processes or facilities, require submission and FDA approval of a new NDA or NDA supplement before the change can be implemented. A NDA supplement for a new indication typically requires clinical data similar to that in the original application, and the FDA uses the same procedures and actions in reviewing NDA supplements as it does in reviewing a NDA.

Adverse event reporting and submission of periodic reports is required following FDA approval of a NDA. The FDA also may require post-marketing testing, known as Phase IV testing, risk mitigation strategies and surveillance to monitor the effects of an approved product or to place conditions on an approval that could restrict the distribution or use of the product.

In June 2017, we were notified by the FDA that PRP had been granted orphan drug designation for the treatment of pancreatic cancer. Orphan drug designation may be granted by the FDA when a rare disease or condition is implicated and a potential treatment qualifies under the Orphan Drug Act and applicable FDA regulations. This qualifies us for various developmental incentives, including protocol assistance, the potential for research grants, the waiver of future application fees, and tax credits for clinical testing if we choose to host future clinical trials in the United States.

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In October 2017, we submitted a request for a second orphan drug designation for PRP, this time for ovarian cancer.

On November 2, 2017, we were notified by the FDA that our request was not granted. The Office of Orphan Products Development ("OOPD") stated that complete prevalence is used as a measure of disease in ovarian cancer, as this reflects the number of women who have been diagnosed with disease and may be eligible for treatment with the proposed therapy. Therefore, on the date of the submission of our application, the OOPD estimated that the prevalence of ovarian cancer was 228,110 cases. Since the prevalence exceeds the threshold of 200,000 to qualify for orphan drug designation, they could not grant our request. We may consider resubmitting our application if we can identify a suitable sub population in ovarian cancer, which may meet the target threshold.

#### *European Union*

In addition to regulations in the United States, we will be subject to a variety of foreign regulations governing clinical trials, commercial sales and distribution of our products. Whether or not we obtain FDA approval for a product, we must obtain approval of a product by the comparable regulatory authorities of foreign countries before we can commence clinical trials or market our product in those countries. The approval process varies from country to country and the time may differ than that required for FDA approval. The requirements governing the conduct of clinical trials, product licensing, pricing and reimbursement vary greatly from country to country. Despite these differences, the clinical trials will be conducted according to international standards such as Good Clinical Practice (GCP), Good Manufacturing Practice (GMP) and Good Laboratory Practice (GLP), which is recognized by each foreign country under the International Conference of Harmonization (ICH) Guidelines. We will conduct our trials in each foreign jurisdiction according to these standards, undertaking a First-In-Human (FIH) Phase I study in patients with advanced solid tumors, evaluating the safety, pharmacokinetics, and anti-tumor efficacy of PRP. This will be followed by two Phase II studies evaluating the efficacy and safety of PRP. To ensure harmonization between the jurisdictions, we intend to conduct regulatory meetings in the country where trials are conducted, as well as the FDA and European Medicines Agency. A pre-IND (Investigational New Drug) meeting will be held with the FDA once initial patient data has been collected from the FIH study to ensure acceptability of future planned Phase II trials.

Under European Union regulatory systems, we must submit and obtain authorization for a clinical trial application in each member state in which we intend to conduct a clinical trial. After we have completed clinical trials, we must obtain marketing authorization before it can market its product. We must submit applications for marketing authorizations for oncology products under a centralized procedure. The centralized procedure provides for the grant of a single marketing authorization that is valid for all European Union member states. The European Medicines Agency (the "EMA") is the agency responsible for the scientific evaluation of medicines that are to be assessed via the centralized procedure.

On June 23, 2016, the UK government held a referendum to gauge voters' support to remain or leave the European Union. The referendum resulted in 51.9% of UK voters in favor of leaving the European Union, commonly referred to as "Brexit." On March 29, 2017, the UK invoked Article 50 of Lisbon Treaty to initiate complete withdrawal from the European Union, which was effectuated on January 31, 2020. The center for the EMA was based in London but the European Union has relocated the center to The Netherlands.

The impact of Brexit on the drug approval process in the UK is uncertain. Companies based in the UK and operating in the drug industry are urging the European Union and the UK to reach an agreement to harmonize the regulatory process once the UK officially exits the European Union.

#### *Australia*

In Australia, the relevant regulatory body responsible for the pharmaceutical industry is the Therapeutics Goods Administration (the "TGA"). Prescription medicines are regulated under the Therapeutic Goods Act 1989. Under the Therapeutic Goods Act, the Therapeutic Goods Administration evaluates new products for quality, safety and efficacy before being approved for market authorization, according to similar standards employed by the FDA and EMA in the United States and European Union, respectively. However, receiving market authorization in one or two regions does not guarantee approval in another.

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#### *Third-Party Payor Coverage and Reimbursement*

Although none of our product candidates have been commercialized for any indication, if they are approved for marketing, commercial success of our product candidates will depend, in part, upon the availability of coverage and reimbursement from third-party payors at the federal, state and private levels. In addition, in many countries outside the United States, a drug must be approved for reimbursement before it can be approved for sale in that country.

Eligibility for reimbursement does not imply that any drug will be paid for in all cases or at a rate that covers our costs, including research, development, manufacture, sale and distribution. Interim reimbursement levels for new drugs, if applicable, may also not be sufficient to cover costs and may not be made permanent. Reimbursement rates may

vary according to the use of the drug and the clinical setting in which it is used, may be based on reimbursement levels already set for lower cost drugs and may be incorporated into existing payments for other services. Net prices for drugs may be reduced by mandatory discounts or rebates required by government healthcare programs or private payors and by any future relaxation of laws that presently restrict imports of drugs from countries where they may be sold at lower prices than in the United States. Third-party payors often rely upon Medicare coverage policy and payment limitations in setting their own reimbursement policies.

In many countries outside the United States, a drug must be approved for reimbursement before it can be approved for sale in that country. Approval by the FDA does not ensure approval by regulatory authorities in other countries or jurisdictions, and approval by one foreign regulatory authority does not ensure approval by regulatory authorities in other foreign countries or by the FDA. The foreign regulatory approval process may include all of the risks associated with obtaining FDA approval. We may not obtain foreign regulatory approvals on a timely basis, if at all. We may not be able to file for regulatory approvals and may not receive necessary approvals to commercialize our products in any foreign market.

The regulations that govern marketing approvals, pricing and reimbursement for new drug products vary widely from country to country. In the United States, recently passed legislation may significantly change the approval requirements in ways that could involve additional costs and cause delays in obtaining approvals. Some countries require approval of the sale price of a drug before it can be marketed. In many countries, the pricing review period begins after marketing or product licensing approval is granted. In some foreign markets, prescription pharmaceutical pricing remains subject to continuing governmental control even after initial approval is granted.

Government authorities and third-party payors, such as private health insurers and health maintenance organizations, decide which medications they will pay for and establish reimbursement levels. A primary trend in the U.S. healthcare industry and elsewhere is cost containment. Government authorities and third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications. Increasingly, third-party payors are requiring that drug companies provide them with predetermined discounts from list prices and are challenging the prices charged for medical products.

#### *Other Regulations*

We are also subject to numerous federal, state and local laws relating to such matters as safe working conditions, manufacturing practices, environmental protection, fire hazard control, and disposal of hazardous or potentially hazardous substances. We may incur significant costs to comply with such laws and regulations now or in the future.

### **COMPETITION**

The biotechnology and pharmaceutical industries are characterized by continuing technological advancement and significant competition. While we believe that our technology platforms, product candidates, know-how, experience and scientific resources provide us with competitive advantages, we face competition from major pharmaceutical and biotechnology companies, academic institutions, governmental agencies and public and private research institutions, among others. Any product candidates that we successfully develop and commercialize will compete with existing therapies and new therapies that may become available in the future. Key product features that would affect our ability to effectively compete with other therapeutics include the efficacy, safety and convenience of our products. The level of generic competition and the availability of reimbursement from government and other third-party payors will also significantly impact the pricing and competitiveness of our products. Our competitors also may obtain FDA or other regulatory approval for their products more rapidly than we may obtain approval for ours, which could result in our competitors establishing a strong market position before we are able to enter the market.

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Many of our competitors have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals and marketing approved products than we do. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These competitors also compete with us in recruiting and retaining qualified scientific and management personnel and establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs.

### **EMPLOYEES**

As of February 2, 2022, we have one full-time and one part-time employee. In addition to our employees, we engage key consultants and utilize the services of independent contractors to perform various services on our behalf. Some of our executive officers and directors are engaged in outside business activities that we do not believe conflict with our business. Over time, we may be required to hire additional employees or engage independent contractors to execute various projects that are necessary to grow and develop our business. These decisions will be made by our officers and directors, if and when appropriate.

### **CORPORATE INFORMATION**

Our principal executive office is located at 302, 6 Butler Street, Camberwell, VIC, 3124 Australia. Our telephone number is 61 03 9882 0780. Our website is [www.propanc.com](http://www.propanc.com). We can be contacted by email at [www.propanc.com/contact](mailto:www.propanc.com/contact). Our website's information is not, and will not be deemed, a part of this Registration Statement or incorporated into any other filings we make with the SEC.

### **RECENT DEVELOPMENTS**

On November 26, 2021, the Company entered into a securities purchase agreement (the "Purchase Agreement") with Sixth Street Lending, LLC ("Sixth Street"), pursuant to which Sixth Street purchased a convertible promissory note from the Company in the aggregate principal amount of \$53,750, such principal and the interest thereon convertible into shares of the Company's common stock at the option of Sixth Street. The transaction contemplated by the Purchase Agreement closed on or about December 2, 2021. The Company intends to use the net proceeds (\$50,000) from the Note for general working capital purposes.

On November 30, 2021, the Company entered into a Common Stock Purchase Agreement (the "Purchase Agreement") with Dutchess Capital Growth Fund LP, a Delaware limited partnership, ("Dutchess"), providing for an equity financing facility (the "Equity Line"). The Purchase Agreement provides that upon the terms and subject to the conditions in the Purchase Agreement, Dutchess is committed to purchase up to Five Million Dollars (\$5,000,000) of shares of common stock, \$0.001 par value per share (the "Common Stock"), over the 36 month term of the Purchase Agreement (the "Total Commitment").

Under the terms of the Purchase Agreement, Dutchess will not be obligated to purchase shares of Common Stock unless and until certain conditions are met, including but not limited to a Registration Statement on Form S-1 (the "Registration Statement") becoming effective which registers Dutchess' resale of any Common Stock purchased by Dutchess under the Equity Line. From time to time over the 36-month term of the Purchase Agreement, commencing on the trading day immediately following the date on which the Registration Statement becomes effective, the Company, in our sole discretion, may provide Dutchess with a draw down notice (each, a "Draw Down Notice"), to purchase a specified number of shares of Common Stock (each, a "Draw Down Amount Requested"), subject to the limitations discussed below. The actual amount of proceeds the Company will receive pursuant to each Draw Down Notice (each, a "Draw Down Amount") is to be determined by multiplying the Draw Down Amount Requested by the applicable purchase price. The purchase price of each share of Common Stock equals 92% of the lowest trading price of the Common Stock during the five (5) business days prior to the Closing Date. Closing Date shall mean the five (5) business days after the Clearing Date. Clearing Date shall mean the first business day that the Selling Security Holder holds the Draw Down Amount in its brokerage account and is eligible to trade the shares.

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The maximum number of shares of Common Stock requested to be purchased pursuant to any single Draw Down Notice cannot exceed the lesser of (i) 300% of the average daily share volume of the Common Stock in the five (5) trading days immediately preceding the Draw Down Notice or (ii) an aggregate value of \$250,000.

The Company agreed to pay to Dutchess a commitment fee for entering into the Purchase Agreement of 1,000,000 restricted shares of our common stock. The shares were issued December 10, 2021.

On December 7, 2021, the Company entered into a securities purchase agreement (the "Purchase Agreement") with ONE44 Capital LLC, ("ONE44"), pursuant to which ONE44 purchased a convertible promissory note (the "Note") from the Company in the aggregate principal amount of \$170,000, such principal and the interest thereon convertible into shares of the Company's common stock at the option of ONE44. The transaction contemplated by the Purchase Agreement closed on or about December 13, 2021. The Company intends to use the net proceeds (\$153,000) from the Note for general working capital purposes. The Note contains an original issue discount amount of \$17,000.

On January 4, 2022, the Company entered into a securities purchase agreement (the "Purchase Agreement") with Sixth Street Lending, LLC ("Sixth Street"), pursuant to which Sixth Street purchased a convertible promissory note from the Company in the aggregate principal amount of \$63,750, such principal and the interest thereon convertible into shares of the Company's common stock at the option of Sixth Street. The transaction contemplated by the Purchase Agreement closed on January 6, 2022. The Company intends to use the net proceeds (\$60,000) from the Note for general working capital purposes.

#### SUMMARY OF FINANCIAL INFORMATION

The following summary consolidated statements of operations data for the fiscal years ended June 30, 2021 and 2020 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The historical financial data presented below is not necessarily indicative of our financial results in future periods, and the results for the year ended June 30, 2021 are not necessarily indicative of our operating results to be expected for the full fiscal year ending June 30, 2022 or any other period. You should read the summary consolidated financial data in conjunction with those financial statements and the accompanying notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations." Our consolidated interim financial statements are prepared and presented in accordance with United States generally accepted accounting principles, or U.S. GAAP. Our consolidated financial statements have been prepared on a basis consistent with our audited financial statements and include all adjustments, consisting of normal and recurring adjustments that we consider necessary for a fair presentation of the financial position and results of operations as of and for such periods.

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#### PROPANC BIOPHARMA, INC. AND SUBSIDIARY CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS) (Unaudited)

	Three Months Ended September 30,	
	2021	2020
<b>REVENUE</b>		
Revenue	\$ -	\$ -
<b>OPERATING EXPENSES</b>		
Administration expenses	431,740	323,111
Occupancy expenses	7,736	9,204
Research and development	46,554	50,846
<b>TOTAL OPERATING EXPENSES</b>	<b>486,030</b>	<b>383,161</b>
<b>LOSS FROM OPERATIONS</b>	<b>(486,030)</b>	<b>(383,161)</b>
<b>OTHER INCOME (EXPENSE)</b>		
Interest expense	(109,853)	(159,281)
Change in fair value of derivative liabilities	(3,904)	64,952
Gain on extinguishment of debt, net	-	49,985
Foreign currency transaction gain	109,129	1,960
<b>TOTAL OTHER EXPENSE, NET</b>	<b>(4,628)</b>	<b>(42,384)</b>
<b>LOSS BEFORE TAXES</b>	<b>(490,658)</b>	<b>(425,545)</b>
Tax benefit	-	-
<b>NET LOSS</b>	<b>(490,658)</b>	<b>(425,545)</b>
<b>Deemed Dividend</b>	<b>(114,844)</b>	<b>-</b>
<b>NET LOSS AVAILABLE TO COMMON STOCKHOLDERS</b>	<b>\$ (605,502)</b>	<b>\$ (425,545)</b>
<b>BASIC AND DILUTED NET LOSS PER SHARE</b>	<b>\$ (0.02)</b>	<b>\$ (0.71)</b>
<b>BASIC AND DILUTED WEIGHTED AVERAGE SHARES OUTSTANDING</b>	<b>27,142,519</b>	<b>597,314</b>
<b>NET LOSS AVAILABLE TO COMMON STOCKHOLDERS</b>	<b>\$ (605,502)</b>	<b>\$ (425,545)</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>		
Unrealized foreign currency translation gain (loss)	64,193	(75,755)
<b>TOTAL OTHER COMPREHENSIVE INCOME (LOSS)</b>	<b>64,193</b>	<b>(75,755)</b>
<b>TOTAL COMPREHENSIVE LOSS</b>	<b>\$ (541,309)</b>	<b>\$ (501,300)</b>

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**PROPANC BIOPHARMA, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)**

	Years Ended June 30,	
	2021	2020
<b>REVENUE</b>		
Revenue	\$ -	\$ -
<b>OPERATING EXPENSES</b>		
Administration expenses	1,553,075	3,281,464
Occupancy expenses	28,112	32,809
Research and development	230,956	179,987
<b>TOTAL OPERATING EXPENSES</b>	<b>1,812,143</b>	<b>3,494,260</b>
<b>LOSS FROM OPERATIONS</b>	<b>(1,812,143)</b>	<b>(3,494,260)</b>
<b>OTHER INCOME (EXPENSE)</b>		
Interest expense	(449,457)	(1,748,381)
Interest income	1	946
Other income	-	57,636
Change in fair value of derivative liabilities	(8,186)	385,293
Gain from settlement of debt, net	49,319	-
Gain on extinguishment of debt, net	50,607	67,123
Foreign currency transaction gain (loss)	30,497	(143,808)
<b>TOTAL OTHER EXPENSE, NET</b>	<b>(327,219)</b>	<b>(1,381,191)</b>
<b>LOSS BEFORE TAXES</b>	<b>(2,139,362)</b>	<b>(4,875,451)</b>
Tax benefit	113,415	134,728
<b>NET LOSS</b>	<b>(2,025,947)</b>	<b>(4,740,723)</b>
<b>Deemed dividend</b>	<b>(391,749)</b>	<b>-</b>
<b>NET LOSS AVAILABLE TO COMMON STOCKHOLDERS</b>	<b>\$ (2,417,696)</b>	<b>\$ (4,740,723)</b>
<b>BASIC AND DILUTED NET LOSS PER SHARE AVAILABLE TO COMMON STOCKHOLDERS</b>	<b>\$ (0.80)</b>	<b>\$ (192.45)</b>
<b>BASIC AND DILUTED WEIGHTED AVERAGE SHARES OUTSTANDING</b>	<b>3,032,612</b>	<b>24,634</b>
<b>NET LOSS AVAILABLE TO COMMON STOCKHOLDERS</b>	<b>\$ (2,417,696)</b>	<b>\$ (4,740,723)</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>		
Unrealized foreign currency translation gain (loss)	(182,467)	200,673
<b>TOTAL OTHER COMPREHENSIVE INCOME (LOSS)</b>	<b>(182,467)</b>	<b>200,673</b>
<b>TOTAL COMPREHENSIVE LOSS</b>	<b>\$ (2,600,163)</b>	<b>\$ (4,540,050)</b>

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**PROPANC BIOPHARMA, INC. AND SUBSIDIARY**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

	September 30, 2021	June 30, 2021
	(Unaudited)	
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash	\$ 45,817	\$ 2,255
GST tax receivable	2,238	4,341
Prepaid expenses and other current assets	8,353	-
<b>TOTAL CURRENT ASSETS</b>	<b>56,408</b>	<b>6,596</b>
Security deposit - related party	2,164	2,250
Property and equipment, net	3,593	4,255
<b>TOTAL ASSETS</b>	<b>\$ 62,165</b>	<b>\$ 13,101</b>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		



<b>CURRENT LIABILITIES:</b>			
Accounts payable	\$	826,184	\$ 1,002,335
Accrued expenses and other payables		407,775	892,151
Convertible notes and related accrued interest, net of discounts and premiums		584,608	624,583
Embedded conversion option liabilities		58,124	54,220
Due to former director - related party		32,076	33,347
Loan from former director - related party		53,384	55,500
Employee benefit liability		406,644	418,538
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,368,795</b>	<b>3,080,674</b>
<b>TOTAL LIABILITIES</b>	\$	<b>2,368,795</b>	\$ <b>3,080,674</b>
<b>Commitments and Contingencies</b>			
<b>STOCKHOLDERS' DEFICIT:</b>			
Preferred stock, 1,500,005 shares authorized, \$0.01 par value:			
Series A preferred stock, \$0.01 par value; 500,000 shares authorized; 500,000 shares issued and outstanding as of September 30, 2021 and June 30, 2021	\$	5,000	\$ 5,000
Series B preferred stock, \$0.01 par value; 5 shares authorized; 1 share issued and outstanding as of September 30, 2021 and June 30, 2021		-	-
Common stock, \$0.001 par value; 1,000,000,000 shares authorized; 43,841,644 and 14,055,393 shares issued and outstanding as of September 30, 2021 and June 30, 2021, respectively		43,842	14,056
Common stock issuable (2,002,549 and 59 shares as of September 30, 2021 and June 30, 2021, respectively)		2,002	-
Additional paid-in capital		55,444,574	54,074,110
Subscription receivable		(100,000)	-
Accumulated other comprehensive income		1,149,397	1,085,204
Accumulated deficit		(58,804,968)	(58,199,466)
Treasury stock (1 share)		(46,477)	(46,477)
		(2,306,630)	(3,067,573)
<b>TOTAL STOCKHOLDERS' DEFICIT</b>		<b>(2,306,630)</b>	<b>(3,067,573)</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT</b>	\$	<b>62,165</b>	\$ <b>13,101</b>

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#### CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements. Forward-looking statements give our current expectations or forecasts of future events. You can identify these statements by the fact that they do not relate strictly to historical or current facts. Forward-looking statements involve risks and uncertainties and include statements regarding, among other things, our projected revenue growth and profitability, our growth strategies and opportunity, anticipated trends in our market and our anticipated needs for working capital. They are generally identifiable by use of the words “may,” “will,” “should,” “anticipate,” “estimate,” “plans,” “potential,” “projects,” “continuing,” “ongoing,” “expects,” “management believes,” “we believe,” “we intend” or the negative of these words or other variations on these words or comparable terminology. These statements may be found under the sections entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business,” as well as in this prospectus generally. In particular, these include statements relating to future actions, prospective products, market acceptance, future performance or results of current and anticipated products, sales efforts, expenses, and the outcome of contingencies such as legal proceedings and financial results.

Examples of forward-looking statements in this prospectus include, but are not limited to, our expectations regarding our business strategy, business prospects, operating results, operating expenses, working capital, liquidity and capital expenditure requirements. Important assumptions relating to the forward-looking statements include, among others, assumptions regarding demand for our products, the cost, terms and availability of components, pricing levels, the timing and cost of capital expenditures, competitive conditions and general economic conditions. These statements are based on our management’s expectations, beliefs and assumptions concerning future events affecting us, which in turn are based on currently available information. These assumptions could prove inaccurate. Although we believe that the estimates and projections reflected in the forward-looking statements are reasonable, our expectations may prove to be incorrect.

#### SUMMARY OF RISKS

Our business is subject to a number of risks and uncertainties that you should understand before making an investment decision. For example, we have no commercial product, a history of net losses, we expect to continue to incur net losses, we will require significant additional funding and we may not achieve or maintain profitability. Furthermore, we have no cash flow from operations to sustain our operations. We have historically relied upon the issuance of equity and/or convertible debt to fund our operations, which debt we are currently unable to repay in cash. Our ability to ever generate revenues will depend solely on the commercial success of PRP, our only prospective product, which depends upon its approval by applicable regulatory authorities and then market acceptance by purchasers in the pharmaceutical market and the future market demand and medical need for products and research utilizing PRP. At present, PRP has only been used for research and clinical trial purposes in animals, and there is no commercially approved drug product or drug product submitted in a pending marketing application that incorporates PRP as an ingredient. As a result, no marketing authority has reviewed our drug master file (DMF) for PRP as a product ingredient or inspected our Company. As of September 30, 2021, we have an accumulated deficit of \$58,804,968 since inception. We have incurred substantial net losses since our inception, including net loss of \$2,417,696 and \$4,740,723 for the fiscal years ended June 30, 2021 and June 30, 2020, respectively. We expect to incur additional losses as we continue to invest in our research and development programs and move forward with our human clinical trials application, clinical trials and commercialization activities. Additional risks are discussed more fully in the section entitled “Risk Factors” following this prospectus summary. These risks include, but are not limited to, the following:

- Our ability to continue as a going concern absent obtaining adequate new debt and/or equity financings.
- We face risks related to Novel Coronavirus (COVID-19) which could significantly disrupt our research and development, operations, sales, and financial results.
- We have incurred significant losses since our inception, and we expect to incur significant losses for the foreseeable future and may never achieve or maintain profitability.

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- We will continue to need substantial additional funding and raise capital when needed to initiate and continue our product development programs and commercialization efforts.
- As an early stage company, it may be difficult for you to evaluate the success of our business to date and to assess our future viability.
- We currently rely, and may continue to rely for the foreseeable future, on substantial debt financing that we are not able to repay in cash.
- Raising additional capital is highly likely to cause dilution to our stockholders, restrict our operations or require us to relinquish rights to our technologies or product candidate.
- The conversion of some or all of our currently outstanding convertible notes in shares of our common stock will dilute the ownership interests of existing stockholders.
- It may be difficult for you to evaluate the success of our business to date and to assess our future viability.
- Our only product candidate, PRP, remains in the early stages of development and may never become commercially viable, and therefore, you may lose your investment.
- PRP may cause undesirable side effects that could negatively impact its clinical trial results or limit its use, hindering further development, subject us to possible product liability claims, and make it more difficult to commercialize PRP.
- Our ability to successfully initiate and complete our clinical trials of PRP.
- Our ability to obtain regulatory approval in jurisdictions in the United States and outside the United States to be able to market PRP in those jurisdictions.
- Our ability in the future to establish sales and marketing capabilities or enter into agreements with third parties to sell and market PRP.
- We face substantial competition, which may result in others discovering, developing or commercializing products before or more successfully than we do.
- Our ability to seek approval for reimbursement for PRP before it can be marketed, assuming successful commercialization, and us being then subject to unfavorable pricing regulations, third-party reimbursement practices or healthcare reform initiatives.
- We may depend on collaborations with third parties for the development and commercialization of PRP, and these collaborations may be unsuccessful.
- Our third party manufacturers of PRP performing satisfactorily or at all, and our reliance on any third-party for the supply of PRP.

- Our ability to comply with our obligations under any intellectual property licenses with third parties.
- Our ability to protect our intellectual property rights.
- Our ability to obtain, or if there are delays in obtaining, required regulatory approvals, to commercialize PRP, and our ability to generate revenue.
- Our ability to obtain marketing approval in international jurisdictions to market PRP in international jurisdictions.
- Our ability to obtain marketing approval of and commercialize PRP and affect the prices we may obtain.
- PRP or any other product candidate for which we obtain marketing approval could be subject to restrictions or withdrawal from the market and our ability to comply with applicable regulatory requirements.
- We rely on the significant experience and specialized expertise of the Chief Executive Officer and the Chief Financial Officer who works on a part-time bases, we do not currently have any other members of a management team.
- We have identified material weaknesses in our internal control over financial reporting that, if not properly remediated, could result in material misstatements in our consolidated financial statements in future periods.
- We do not have any independent directors, which represents a potential conflict of interest, and helps create a material weakness in our disclosure controls and procedures as well as our internal control over financial reporting.
- Our ability to implement and maintain an effective system of internal control over financial reporting, and accordingly, our ability to accurately report our financial results or prevent fraud.
- The market price of our common stock may continue to be highly volatile, and you may not be able to resell your shares at or above the public offering price and therefore, you could lose all or part of your investment.
- Our shares of common stock are thinly traded and there may not be an active, liquid trading market for our common shares.
- Our Chief Executive Officer is our controlling shareholder and will continue to control our Company for the foreseeable future due to his ownership of super-voting shares, and therefore, it is not likely that you will be able to elect directors or have any say in the policies of our Company.
- Future sales and issuances of our capital stock or rights to purchase capital stock will result in additional dilution of the percentage ownership of our stockholders and could cause our stock price to decline.
- We are a smaller reporting company, and therefore, we are subject to scaled disclosure requirements that may make it more challenging for investors to analyze our results of operations and financial prospects.
- PRP or any other product candidate for which we obtain marketing approval could be subject to restrictions or withdrawal from the market and our ability to comply with applicable regulatory requirements.
- We rely on the significant experience and specialized expertise of the Chief Executive Officer and the Chief Financial Officer who works on a part-time bases, we do not currently have any other members of a management team.

- We have identified material weaknesses in our internal control over financial reporting that, if not properly remediated, could result in material misstatements in our consolidated financial statements in future periods.
- We do not have any independent directors, which represents a potential conflict of interest, and helps create a material weakness in our disclosure controls and procedures as well as our internal control over financial reporting.
- Our ability to implement and maintain an effective system of internal control over financial reporting, and accordingly, our ability to accurately report our financial results or prevent fraud.

- The market price of our common stock may continue to be highly volatile, and you may not be able to resell your shares at or above the public offering price and therefore, you could lose all or part of your investment.
- Our shares of common stock are thinly traded and there may not be an active, liquid trading market for our common shares.
- Our Chief Executive Officer is our controlling shareholder and will continue to control our Company for the foreseeable future due to his ownership of super-voting shares, and therefore, it is not likely that you will be able to elect directors or have any say in the policies of our Company.
- Future sales and issuances of our capital stock or rights to purchase capital stock will result in additional dilution of the percentage ownership of our stockholders and could cause our stock price to decline.
- We are a smaller reporting company, and therefore, we are subject to scaled disclosure requirements that may make it more challenging for investors to analyze our results of operations and financial prospects.
- other risks, including those described in the “Risk Factors” discussion of this prospectus.

We operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for us to predict all of those risks, nor can we assess the impact of all of those risks on our business or the extent to which any factor may cause actual results to differ materially from those contained in any forward-looking statement. The forward-looking statements in this prospectus are based on assumptions management believes are reasonable. However, due to the uncertainties associated with forward-looking statements, you should not place undue reliance on any forward-looking statements. Further, forward-looking statements speak only as of the date they are made, and unless required by law, we expressly disclaim any obligation or undertaking to publicly update any of them in light of new information, future events, or otherwise.

#### RISK FACTORS

*An investment in our Common Stock involves a high degree of risk. Before deciding whether to invest in our Common Stock, you should consider carefully the risks described below, together with all of the other information set forth in this prospectus and the documents incorporated by reference herein, and in any free writing prospectus that we have authorized for use in connection with this offering. If any of these risks actually occurs, our business, financial condition, results of operations or cash flow could be harmed. This could cause the trading price of our Common Stock to decline, resulting in a loss of all or part of your investment. The risks described below and in the documents referenced above are not the only ones that we face. Additional risks not presently known to us or that we currently deem immaterial may also affect our business.*

#### COVID-19

At Propanc, our highest priority remains the safety, health and well-being of our employees, their families and our communities. The COVID-19 pandemic is a highly fluid situation and it is not currently possible for us to reasonably estimate the impact it may have on our financial and operating results. We will continue to evaluate the impact of the COVID-19 pandemic on our business as we learn more and the impact of COVID-19 on our industry becomes clearer. We are complying health guidelines regarding safety procedures, including, but are not limited to, social distancing, remote working, and teleconferencing. The extent of the future impact of the COVID-19 pandemic on our business is uncertain and difficult to predict. Adverse global economic and market conditions as a result of COVID-19 could also adversely affect our business. If the pandemic continues to cause significant negative impacts to economic conditions, our results of operations, financial condition and liquidity could be adversely impacted.

#### RISKS RELATED TO OUR FINANCIAL CONDITION AND OUR NEED FOR ADDITIONAL CAPITAL

*Our ability to continue as a going concern is in substantial doubt absent obtaining adequate new debt or equity financings.*

We have concerns about our ability to continue as a going concern based on the absence of revenues, recurring losses from operations and our need for additional financing to fund all of our operations. Working capital limitations continue to impinge on our day-to-day operations, thus contributing to continued operating losses. For the fiscal years ended June 30, 2021 and June 30, 2020, we had net losses of \$2,025,947 and \$4,740,723, respectively. Further, as of September 30, 2021, we had \$45,817 in cash and had an accumulated deficit of \$58,804,968.

Based upon our current business plan, we will need considerable cash investments to have the opportunity to be successful. Our capital requirements and cash needs are significant and continuing. We can provide no assurance that we will be able to generate a sufficient amount of revenue, if any, from our business in order to achieve profitability. It is not possible at this time for us to predict with assurance the potential success of our business. The revenue and income potential of our proposed business and operations are unknown. If we cannot continue as a viable entity, we may be unable to continue our operations and you may lose some or all of your investment in our common stock.

*We have incurred significant losses since our inception. We expect to incur significant losses for the foreseeable future and may never achieve or maintain profitability.*

Since inception, we have incurred significant operating losses. Our net loss was \$2,025,947 and \$4,740,723, respectively, for the fiscal years ended June 30, 2021 and June 30, 2020, respectively. As of September 30, 2021, we had a deficit accumulated of \$58,804,968. To date, we have not generated any revenues and have financed most of our operations with funds obtained from private financings.

Since October 2007, we have devoted substantially all of our efforts to research and development of our product candidates, particularly PRP, and efforts to protect our intellectual property. From January-February 2016, and October 2016-April 2017, we contracted with third parties to perform a number of laboratory studies and dose range finding studies designed to examine the anti-cancer effects of PRP and prepare for human clinical trials. Since mid-2017, we developed a suitable manufacturing process for each active drug substance in the PRP formulation, capable of producing a full scale GMP manufacture of PRP for human trials. We were granted Orphan Drug Designation status from the FDA for PRP for the treatment of pancreatic cancer. In March 2018, a scientific advice meeting was conducted with the MHRA (Medicines and Healthcare Products Regulatory Agency) UK, to assist with preparation of our first Clinical Trial Application (CTA). We expect that it will be many years, if ever, before we have a product candidate ready for commercialization. We expect to incur significant expenses and increasing operating losses for the foreseeable future if and as we progress PRP into clinical

trials, continue our research and development, seek regulatory approvals, establish or contract for a sales and marketing infrastructure, maintain and expand our intellectual property portfolio, and add personnel.

To become profitable, we must develop and eventually commercialize PRP or some other product with significant market potential. This will require us to successfully complete clinical trials, obtain market approval and market and sell PRP or whatever other product that we obtain approval for. We might not succeed in any one or a number of these activities, and even if we do, we may never generate revenues that are significant enough to achieve profitability. Our failure to become and remain profitable would decrease our value and could impair our ability to raise capital, maintain our research and development efforts, expand our business or continue our operations.

***As an early-stage company, it may be difficult for you to evaluate the success of our business to date and to assess our future viability.***

Despite having been founded in 2007, we remain an early-stage company. We commenced active operations in the second half of 2010. Our operations to date have been mainly limited to establishing our research programs, particularly PRP, building our intellectual property portfolio and deepening our scientific understanding of our product development. We have not yet initiated, let alone demonstrated any ability to successfully complete, any clinical trials, including large-scale, pivotal clinical trials, obtain marketing approvals, manufacture a commercial scale product, or arrange for a third party to do so on our behalf, or conduct sales and marketing activities necessary for successful product commercialization. It will take a number of years for PRP to be made available for the treatment of cancer, if it ever is. Given our relatively short operating history compared to the timeline required to fully develop a new drug, you are cautioned about making any predictions on our future success or viability based on our activities or results to date. In addition, we may encounter unforeseen expenses, difficulties, complications, delays and other known and unknown factors. We will eventually need to transition from a company with a research focus to a company capable of supporting commercial activities. We may not be successful in such a transition.

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***We currently rely, and may continue to rely for the foreseeable future, on substantial debt financing that we are not able to repay in cash.***

In order to maintain our operations, including our research and development efforts and our preclinical development of PRP, we have over the last few years entered into a number of securities purchase agreements pursuant to which we issued convertible debt in return for cash. We are not currently able to repay either the current principal or interest on this debt in cash. Our lenders, therefore, can convert their debt into shares of our common stock, at a discount to current market prices and then attempt to sell these shares on the open market in order to pay down their loans and receive a return on their investment. These financings pose the risk that as these debts are converted, our stock price will reflect the reduced prices our lenders are willing to sell their shares at, given the discount they have received. These financings contain no floor on the price our lenders can convert their debt into shares of our common stock and they could conceivably reduce the price our common stock to near zero. These types of financings negatively impact our balance sheet and the appeal of our common stock as an investment. While we are actively exploring various alternatives to reduce if not eliminate this debt, for the foreseeable future we will continue to carry it on our balance sheet, and we may have to enter into additional such financings in order to sustain our operations. As a result, the price of our common stock and our market capitalization are subject to significant declines until our convertible debt is either refinanced on a favorable basis or is eliminated.

As of September 30, 2021, the total amount of debt net of discounts outstanding under convertible notes, including interest, is \$584,608 (not including redemption premium). Please see the section captioned “Management’s Discussion of Financial Condition and Results of Operations - Recent Developments” for further information

***We will continue to need substantial additional funding. If we are unable to raise capital when needed, we would be forced to delay, reduce or eliminate our product development programs or commercialization efforts.***

We expect our expenses to significantly increase in connection with our ongoing activities, particularly if we initiate clinical trials of, and ultimately seek marketing approval for, PRP. In addition, even if we ultimately obtain marketing approval for PRP or any other product candidate, we expect to incur significant commercialization expenses related to product sales, marketing, manufacturing and distribution. We also hope to continue and expand our research and development activities. Accordingly, we will need to obtain substantial additional funding in connection with our continuing operations. If we are unable to raise capital when needed or on attractive terms, we would be forced to delay, reduce or eliminate our future commercialization efforts or any research and development programs.

Our future capital requirements will depend on many factors, including, among others, the scope, progress and results of our potential future clinical trials, the costs, timing and outcome of regulatory review of PRP, the costs of any future commercialization activities, and the costs of preparing and filing future patent applications, if any. Accordingly, we will continue to rely on additional financing to achieve our business objectives. Adequate additional financing may not be available to us on acceptable terms, or at all. Even if we are able to enter into financing agreements, we may be forced to pay higher interest rates, accept default provisions in financing agreements that we believe are overly punitive, make balloon payments as required, and, as noted below, if we issue convertible debt the price of our common stock may well be negatively affected and our existing stockholders may suffer dilution.

***Raising additional capital will cause dilution to our stockholders, restrict our operations or require us to relinquish rights to our technologies or product candidates.***

Until such time, if ever, as we can generate substantial product revenues, we expect to continue to finance our cash needs through a combination of equity offerings and additional debt financings, and possibly also through future collaborations, strategic alliances and licensing arrangements. To the extent that we raise additional capital through the sale of equity or debt securities, including convertible debt securities, the ownership interest of our existing stockholders will be diluted upon conversion, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of our existing stockholders.

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Debt financing, if available, may also involve agreements that include restrictive covenants limiting or restricting our ability to take specific actions, such as merging with other companies or consummating certain changes of control, acquiring other companies, engaging in new lines of business, incurring additional debt, making capital expenditures, making certain investments, paying dividends, transferring or disposing of assets, amending certain material agreements, incurring additional indebtedness or enter into various specified transactions. We therefore may not be able to engage in any of the foregoing transactions unless we obtain the consent of the lender or terminate such debt agreements. Our debt agreements may also contain certain financial covenants, including achieving certain milestones and may be secured by substantially all of our assets. In the event we enter into such debt agreements, there is no guarantee that we will be able to generate sufficient cash flow or sales to pay the principal and interest under our debt agreements or to satisfy all of the financial covenants.

If we raise additional funds through collaborations, strategic alliances or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates or to grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves.

***The conversion of some or all of our currently outstanding convertible notes in shares of our common stock will dilute the ownership interests of existing stockholders.***

The conversion of some or all of our currently outstanding convertible notes into shares of our common stock will dilute the ownership interests of existing stockholders. As of September 30, 2021, we had 5 outstanding notes convertible into approximately 23,293,971 shares of our common stock (based on then applicable conversion prices). Each holder of the notes has agreed to a 4.99% beneficial ownership conversion limitation (subject to certain noteholders’ ability to increase such limitation to 9.99% upon 60 days’ notice to us), and each note may not be converted during the first six-month period from the date of issuance. Any sales in the public market of the common stock issuable upon

such conversion or any anticipated conversion of our convertible notes into shares of our common stock could adversely affect prevailing market prices of our common stock.

***The accounting method for convertible debt securities that may be settled in cash could have a material adverse effect on our reported financial results.***

Under Financial Accounting Standards Board Accounting Standards Codification 470-20, Debt with Conversion and Other Options (“ASC 470-20”), we are required to separately account for the liability and equity components of our convertible notes because they may be settled entirely or partially in cash upon conversion in a manner that reflects our economic interest cost. The effect of ASC 470-20 on the accounting for our convertible notes is that the equity component is required to be included in the additional paid-in capital section of stockholders’ deficit on our consolidated balance sheet, and the value of the equity component would be treated as a discount for purposes of accounting for the debt component of our convertible notes. As a result, we will be required to record a greater amount of non-cash interest expense in current periods presented as a result of the amortization of the discounted carrying value of our convertible debt or notes to their face amount over the terms. We will report higher net loss in our financial results in part because ASC 470-20 will require interest to include both the current period’s amortization of the debt discount and the instrument’s coupon interest, which could adversely affect our reported or future financial results, the trading price of our common stock and the trading price of our convertible notes.

In addition, because our convertible notes may be settled entirely or partly in cash, under certain circumstances, these are currently accounted for utilizing the treasury stock method, the effect of which is that the shares issuable upon conversion are not included in the calculation of diluted earnings per share except to the extent that the conversion value exceeds their principal amount. Under the treasury stock method, for diluted earnings per share purposes, the transaction is accounted for as if the number of shares of common stock that would be necessary to settle such excess, if we elected to settle such excess in shares, are issued. We cannot be sure that the accounting standards in the future will continue to permit the use of the treasury stock method. If we are unable to use the treasury stock method in accounting for the shares issuable upon conversion of our convertible notes, then our diluted earnings per share would be adversely affected.

***We maintain our cash in Australian financial institutions that are not insured.***

The Company maintains its cash in banks and financial institutions in Australia. Bank deposits in Australian banks are uninsured. The Company has not experienced any losses in such accounts through to date.

**RISKS RELATED TO THE DISCOVERY, DEVELOPMENT AND COMMERCIALIZATION OF OUR PRODUCT CANDIDATES**

***Because PRP remains in the early stages of development and may never become commercially viable, you may lose your investment.***

At present, our only product candidate, PRP, is still in preclinical development. While we are hopeful that the preclinical testing we have completed will lead to our initiating human clinical trials in 2022 as noted elsewhere we expect that it will be several years, at least, before PRP can be commercialized. Further, if clinical trials for PRP fail to produce statistically significant results, we would likely be forced to either spend several more years in development attempting to correct whatever flaws were identified in the trials, or we would have to abandon PRP altogether. Either of those contingencies, and especially the latter, would dramatically increase the amount of time before we would be able to generate any product-related revenue, and we may well be forced to cease operations. Under such circumstances, you may lose at least a portion of, and perhaps your entire, investment.

***PRP may cause undesirable side effects that could negatively impact its clinical trial results or limit its use, hindering further development, subject us to possible product liability claims, and make it more difficult to commercialize PRP.***

In addition to the possibility that the clinical trials we hope to initiate for PRP could demonstrate a lack of efficacy, if we alternatively identify adverse and undesirable side effects caused by it this will likely interrupt, delay or even halt our further development, or possibly limit our planned therapeutic uses for it, and may even result in adverse regulatory action by the FDA or other regulatory authorities.

Moreover, this may subject us to product liability claims by the individuals enrolled in our clinical trials; while we intend to obtain product liability insurance in connection with our clinical trials, it is possible that the potential liability of any claims against us could exceed the maximum amount of this coverage, or at least increase our premiums. Either would result in an increase in our operating expenses, in turn making it more difficult to complete our clinical development, or in the suspension or termination of the clinical trial. Any negative information concerning PRP, however unrelated to its composition or method of use, could also damage our chances to obtain regulatory approval.

Even if we are able to complete PRP’s development and receive regulatory approvals, undesirable side effects could prevent us from achieving or maintaining market acceptance of the product or substantially increase the costs and expenses of commercializing it.

***Because successful development of our products is uncertain, our results of operations may be materially harmed.***

Our development of PRP and future product candidates is subject to the risks of failure inherent in the development of new pharmaceutical products that are based on new technologies, including but not limited to delays in product development, clinical testing or manufacturing; unplanned and higher expenditures; adverse findings relating to safety or efficacy; failure to receive regulatory approvals; the emergence of superior or equivalent products; an inability by us or one of our collaborators to manufacture our product candidates on a commercial scale on our own, or in collaboration with third parties; and, ultimately, a failure to achieve market acceptance.

Because of these risks, our development efforts may not result in PRP, or any other product we attempt to develop, becoming commercially viable. If even one aspect of these development efforts is not successfully completed, required regulatory approvals will not be obtained, or if any approved products are not commercialized successfully, our business, financial condition and results of operations will be materially harmed.

***A variety of factors, either alone or in concert with each other, could result in our clinical trials of PRP being delayed or unsuccessful.***

While we have conducted a variety of preclinical studies, which we have concluded provide evidence to support the potential therapeutic utility of PRP, comprehensive human clinical trials in order to demonstrate the product’s safety, tolerability and efficacy will now need to be completed. Clinical testing is expensive, difficult to design and implement, can take many years to complete and is uncertain as to outcome. A failure of one or more clinical trials can occur at any stage of testing. The outcome of preclinical testing and even early clinical trials may not be predictive of the success of later clinical trials, and interim results of a clinical trial do not necessarily predict final results. Moreover, preclinical and clinical data are often susceptible to varying interpretations and analyses, and many companies that have believed their product candidates performed satisfactorily in preclinical studies and clinical trials have nonetheless failed to obtain marketing approval of their products.

Among the numerous unforeseen events that may occur during, or as a result of, clinical trials that alone or in concert with each other could either delay or prevent our ability to receive marketing approval or commercialize PRP are the following:

- regulators or institutional review boards may not authorize us or our investigators to commence a clinical trial or conduct a clinical trial at a prospective trial site;
- we may have delays in reaching or fail to reach an agreement on acceptable clinical trial contracts or clinical trial protocols with prospective trial sites;

- as noted previously, clinical trials of PRP may produce negative or inconclusive results, and we may decide, or regulators may require us, to conduct additional clinical trials or abandon product development altogether;
- the number of patients required for clinical trials may be larger than we anticipate, enrollment in these clinical trials may be slower than we anticipate, or participants may drop out of these clinical trials at a higher rate than we anticipate;
- our third-party contractors may fail to comply with regulatory requirements or fail to meet their contractual obligations to us in a timely manner, or at all;
- regulators or institutional review boards may require that we or our investigators suspend or terminate clinical research for various reasons, including noncompliance with regulatory requirements or a finding that the participants are being exposed to unacceptable health risks;
- the cost of clinical trials may be greater than we anticipate;
- the supply or quality of PRP or other materials necessary to conduct its clinical trials may be insufficient or inadequate; and
- PRP may, as also noted above, have undesirable side effects or other unexpected characteristics, causing us or our investigators, regulators or institutional review boards to suspend or terminate the trials.

If we are required to conduct additional clinical trials or other testing of PRP beyond those that we currently contemplate, if we are unable to successfully complete clinical trials of PRP or other testing, if the results of these trials or tests are not positive or are only modestly positive or if there are safety concerns, we may:

- be delayed in obtaining marketing approval;
- not obtain marketing approval at all;
- obtain approval for indications or patient populations that are not as broad as intended or desired;

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- obtain approval with labeling that includes significant use or distribution restrictions or safety warnings, including boxed warnings;
- be subject to additional post-marketing testing requirements; or
- fail to obtain that degree of market acceptance necessary for commercial success.

Any delay in, or termination of, our clinical trials may result in increased development costs, which would very likely cause the market price of our shares to decline and severely limit our ability to obtain additional financing and, ultimately, our ability to commercialize our products and generate product revenues. This in turn would likely materially harm our business, financial condition and operating results, and possibly lead us to cease operations.

***If we fail to obtain regulatory approval in jurisdictions outside the United States, we will not be able to market PRP in those jurisdictions.***

We intend to seek regulatory approval for PRP in the United Kingdom, Europe, Australia and/or other countries outside of the United States and expect that these countries will be important markets for our product, if approved. Marketing our product in these countries will require separate regulatory approvals in each market and compliance with numerous and varying regulatory requirements. The regulations that apply to the conduct of clinical trials and approval procedures vary from country to country and may require additional testing. Moreover, the time required to obtain approval may differ from that required to obtain FDA approval.

***If, in the future, we are unable to establish sales and marketing capabilities or enter into agreements with third parties to sell and market PRP, we may not be successful in commercializing our product candidates if and when they are approved.***

We do not have a sales or marketing infrastructure and have no experience in the sale, marketing or distribution of pharmaceutical products. To achieve commercial success for PRP or any other approved product, we must either develop a sales and marketing organization or outsource these functions to third parties. In the future, we may choose to build a focused sales and marketing infrastructure to market or co-promote some of our product candidates if and when they are approved.

There are risks involved with both establishing our own sales and marketing capabilities and entering into arrangements with third parties to perform these services. For example, recruiting and training a sales force is expensive and time consuming and could delay any product launch. If the commercial launch of a product candidate for which we recruit a sales force and establish marketing capabilities is delayed or does not occur for any reason, we would have prematurely or unnecessarily incurred these commercialization expenses. This may be costly, and our investment would be lost if we cannot retain or reposition our sales and marketing personnel.

Factors that may inhibit our efforts to commercialize our products on our own include:

- our inability to recruit and retain adequate numbers of effective sales and marketing personnel;
- the inability of sales personnel to obtain access to physicians or persuade an adequate number of physicians to prescribe any future products;
- the lack of complementary products to be offered by sales personnel, which may put us at a competitive disadvantage relative to companies with more extensive product lines; and
- unforeseen costs and expenses associated with creating an independent sales and marketing organization.

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If we enter into arrangements with third parties to perform sales, marketing and distribution services, our product revenues or the profitability of these product revenues to us are likely to be lower than if we were to market and sell any products that we develop ourselves. In addition, we may not be successful in entering into arrangements with third parties to sell and market our product candidates or may be unable to do so on terms that are favorable to us. We likely will have little control over such third parties, and any of them may fail to devote the necessary resources and attention to sell and market our products effectively. If we do not establish sales and marketing capabilities successfully, either on our own or in collaboration with third parties, we will not be successful in commercializing PRP.

***We face substantial competition, which may result in others discovering, developing or commercializing products before or more successfully than we do.***

The development and commercialization of new drug products is highly competitive. We face competition with respect to our current product candidate and will face

competition with respect to any product candidates that we may seek to develop or commercialize in the future from major pharmaceutical companies, specialty pharmaceutical companies and biotechnology companies worldwide. There are a number of large pharmaceutical and biotechnology companies that currently market and sell products or are pursuing the development of products for the treatment of the disease indications for which we are developing our product candidates. Some of these competitive products and therapies are based on scientific approaches that target and eradicate cancer stem cells to treat metastatic cancer. Potential competitors also include academic institutions, government agencies and other public and private research organizations that conduct research, seek patent protection and establish collaborative arrangements for research, development, manufacturing and commercialization.

We are developing PRP for the treatment of pancreatic, ovarian and colorectal cancer. There are a variety of available therapies marketed for cancer. In many cases, these drugs are administered in combination to enhance efficacy. Some of these drugs are branded and subject to patent protection, and others are available on a generic basis. Many of these approved drugs are well-established therapies and are widely accepted by physicians, patients and third-party payors. Insurers and other third-party payors may also encourage the use of generic products. We expect that if our product candidate is approved, it will be priced at a significant premium over competitive generic products. This may make it difficult for us to achieve our business strategy of using PRP in combination with existing therapies or replacing existing therapies with PRP.

There are also a number of products in clinical development by other parties to treat and prevent metastatic cancer. Our competitors may develop products that are more effective, safer, more convenient or less costly than any that we are developing or that would render our product candidate obsolete or non-competitive. In addition, our competitors may discover biomarkers that more efficiently measure their effectiveness to treat and prevent metastatic cancer, which may give them a competitive advantage in developing potential products. Our competitors may also obtain marketing approval from the FDA or other regulatory authorities for their products more rapidly than we may obtain approval for ours, which could result in our competitors establishing a strong market position before we are able to enter the market.

Most of our competitors have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals and marketing approved products than we do. Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of our competitors. Smaller and other early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These third parties compete with us in recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs. In addition, to the extent that product or product candidates of our competitors demonstrate serious adverse side effects or are determined to be ineffective in clinical trials, the development of our product candidates could be negatively impacted.

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***Even if we are able to commercialize PRP, we will need to seek approval for reimbursement before it can be marketed, and it may become subject to unfavorable pricing regulations, third-party reimbursement practices or healthcare reform initiatives, which would harm our business.***

The regulations that govern marketing approvals, pricing and reimbursement for new drug products vary widely from country to country. In the United States, recently passed legislation may significantly change the approval requirements in ways that could involve additional costs and cause delays in obtaining approvals. Some countries require approval of the sale price of a drug before it can be marketed. In many countries, the pricing review period begins after marketing or product licensing approval is granted. In some foreign markets, prescription pharmaceutical pricing remains subject to continuing governmental control even after initial approval is granted. As a result, we might obtain marketing approval for PRP in a particular country, but then be subject to price regulations that delay our commercial launch of it, possibly for lengthy time periods, and negatively impact the revenues we are able to generate from the sale of PRP in that country. Adverse pricing limitations may hinder our ability to recoup our investment in PRP, even after it has obtained marketing approval.

Our ability to commercialize PRP successfully also will depend in part on the extent to which reimbursement for it will be available from government health administration authorities, private health insurers and other organizations. Government authorities and third-party payors, such as private health insurers and health maintenance organizations, decide which medications they will pay for and establish reimbursement levels. A primary trend in the U.S. healthcare industry and elsewhere is cost containment. Government authorities and third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications. Increasingly, third-party payors are requiring that drug companies provide them with predetermined discounts from list prices and are challenging the prices charged for medical products. We cannot be sure that reimbursement will be available for PRP that we commercialize and, if reimbursement is available, the level of reimbursement. Reimbursement may impact the demand for, or the price of, PRP. Obtaining reimbursement for it may be particularly difficult because of the higher prices often associated with drugs administered under the supervision of a physician. If reimbursement is not available or is available only to limited levels, we may not be able to successfully commercialize PRP.

There may be significant delays in obtaining reimbursement for newly approved drugs, and coverage may be more limited than the purposes for which the drug is approved by the FDA or similar regulatory authorities outside the United States. Moreover, eligibility for reimbursement does not imply that any drug will be paid for in all cases or at a rate that covers our costs, including research, development, manufacture, sale and distribution. Interim reimbursement levels for new drugs, if applicable, may also not be sufficient to cover our costs and may not be made permanent. Reimbursement rates may vary according to the use of the drug and the clinical setting in which it is used, may be based on reimbursement levels already set for lower cost drugs and may be incorporated into existing payments for other services. Net prices for drugs may be reduced by mandatory discounts or rebates required by government healthcare programs or private payors and by any future relaxation of laws that presently restrict imports of drugs from countries where they may be sold at lower prices than in the United States. Third-party payors often rely upon Medicare coverage policy and payment limitations in setting their own reimbursement policies. Our inability to promptly obtain coverage and profitable payment rates from both government-funded and private payors for any approved products that we develop could have a material adverse effect on our operating results, our ability to raise capital needed to commercialize products and our overall financial condition.

#### **RISKS RELATED TO OUR DEPENDENCE ON THIRD PARTIES**

***We will depend on collaborations with third parties for the development and commercialization of PRP and other product candidates, and these collaborations may be unsuccessful.***

We currently seek third-party collaborators for the development and commercialization of PRP, contract manufacturers (CMOs), contract research organizations (CROs), regulatory and development consultants, and hospitals for clinical trial sites. We intend to continue to rely on third-party collaborators for current and future product candidates for the foreseeable future. Our likely collaborators for any collaboration arrangements include large and mid-size pharmaceutical companies, regional and national pharmaceutical companies and biotechnology companies. If we do enter into any such arrangements with any third parties, we will likely have limited control over the amount and timing of resources that our collaborators dedicate to the development or commercialization of our product candidates. Our ability to generate revenues from these arrangements will depend on our collaborators' abilities to successfully perform the functions assigned to them in these arrangements.

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Collaborations involving our product candidates would pose the following risks to us:

- collaborators have significant discretion in determining the efforts and resources that they will apply to these collaborations;
- collaborators may not pursue development and commercialization of our product candidates or may elect not to continue or renew development or commercialization programs based on clinical trial results, changes in the collaborator's strategic focus or available funding or external factors such as an acquisition that diverts resources or creates competing priorities;

- collaborators may delay clinical trials, provide insufficient funding for a clinical trial program, stop a clinical trial or abandon a product candidate, repeat or conduct new clinical trials or require a new formulation of a product candidate for clinical testing;
- collaborators could independently develop, or develop with third parties, products that compete directly or indirectly with our products or product candidates if the collaborators believe that competitive products are more likely to be successfully developed or can be commercialized under terms that are more economically attractive than ours;
- collaborators with marketing and distribution rights to one or more products may not commit sufficient resources to the marketing and distribution of such product or products;
- collaborators may not properly maintain or defend our intellectual property rights or may use our proprietary information in such a way as to invite litigation that could jeopardize or invalidate our proprietary information or expose us to potential litigation;
- disputes may arise between the collaborators and us that result in the delay or termination of the research, development or commercialization of our products or product candidates or that result in costly litigation or arbitration that diverts management attention and resources; and
- collaborations may be terminated and, if terminated, may result in a need for additional capital to pursue further development or commercialization of the applicable product candidates.

Collaboration agreements may not lead to development or commercialization of product candidates in the most efficient manner or at all. If a present or future collaborator of ours were to be involved in a business combination, the continued pursuit and emphasis on our product development or commercialization program could be delayed, diminished or terminated.

***If we are not able to establish collaborations, we may have to alter our development and commercialization plans.***

Our potential commercialization of PRP will require substantial additional cash to fund clinical trial and other expenses. As noted above, we may decide to collaborate with other pharmaceutical and biotechnology companies for the development and potential commercialization of PRP and perhaps future product candidates as well.

We face significant competition in seeking appropriate collaborators. Whether we reach a definitive agreement for collaboration will depend, among other things, upon our assessment of the collaborator's resources and expertise, the terms and conditions of the proposed collaboration and the proposed collaborator's evaluation of a number of factors. Those factors may include the design or results of clinical trials, the likelihood of approval by the FDA or similar regulatory authorities outside the United States, the potential market for the subject product candidate, the costs and complexities of manufacturing and delivering such product candidate to patients, the potential of competing products, the existence of uncertainty with respect to our ownership of technology, which can exist if there is a challenge to such ownership without regard to the merits of the challenge and industry and market conditions generally. The collaborator may also consider alternative product candidates or technologies for similar indications that may be available to collaborate on and whether such collaboration could be more attractive than the one with us for our product candidate. Collaborations are complex and time-consuming to negotiate and document. In addition, there have been a significant number of recent business combinations among large pharmaceutical companies that have resulted in a reduced number of potential future collaborators.

We may not be able to negotiate collaborations on a timely basis, on acceptable terms, or at all. If we are unable to do so, we may have to curtail the development of such product candidate, reduce or delay its development program or one or more of our other development programs, delay its potential commercialization or reduce the scope of any sales or marketing activities, or increase our expenditures and undertake development or commercialization activities at our own expense. If we elect to increase our expenditures to fund development or commercialization activities on our own, we may need to obtain additional capital, which may not be available to us on acceptable terms or at all. If we do not have sufficient funds, we may not be able to further develop our product candidates or bring them to market and generate product revenue.

***We currently contract with a third party for the manufacture of PRP and this third party may not perform satisfactorily or at all, and our reliance on any third-party for the supply of PRP carries material risks.***

We do not have any manufacturing facilities or personnel. We currently obtain all of our supply of PRP for clinical development through our Manufacturing Service Agreement (the "MSA") with Amatsigroup, and we expect to continue to rely on Amatsigroup for the manufacture of clinical and, if necessary, commercial quantities of PRP. We anticipate that our payments to Amatsigroup under the MSA will range between \$2.5 million and \$5.0 million over three years, when the finished drug product is manufactured and released for clinical trials. The Company has spent a total of \$1,689,146 of costs to date under this contract of which \$49,854 was expensed in fiscal 2019, \$701,973 in fiscal 2018 and \$937,319 in fiscal 2017. The MSA shall continue for a term of three years unless extended by mutual agreement in writing. Either party to the MSA has the right to terminate. The MSA expired in 2019 and we believe it is likely a new agreement will be established upon mutual satisfaction from both parties.

This reliance on a third party includes the risk that we will not have sufficient quantities of PRP on hand at any given time, which could delay, prevent or impair our development efforts.

PRP and any other product that we may develop may compete with other product candidates and products for access to manufacturing facilities. Although we believe that there are several potential alternative manufacturers who could manufacture PRP, we may incur added costs and delays in identifying and qualifying any such replacement, as well as producing the drug product. In addition, we would then have to enter into technical transfer agreements and share our know-how with the new third-party manufacturers, which can be time-consuming and may result in delays.

Even if we were able to quickly establish agreements with other third-party manufacturers, our general reliance on third-party manufacturers entails many of the same risks as our agreement with Amatsigroup, including:

- reliance on the third party for regulatory compliance and quality assurance;
- the possible breach of the manufacturing agreement by the third party, including the misappropriation of our proprietary information, trade secrets and know-how;
- the possible termination or nonrenewal of the agreement by the third party at a time that is costly or inconvenient for us; and
- disruptions to the operations of our manufacturers or suppliers caused by conditions unrelated to our business or operations, including the bankruptcy of the manufacturer or supplier or a catastrophic event affecting our manufacturers or suppliers.

Our anticipated future dependence upon others for the manufacture of PRP may adversely affect our future profit margins and our ability to commercialize any products that receive marketing approval on a timely and competitive basis. We intend to minimize this risk by tendering our contract agreement with several third-party manufacturers with a plan to engage in a dual supplier strategy for the contract manufacture of PRP.



## RISKS RELATED TO OUR INTELLECTUAL PROPERTY

*If we fail to comply with our obligations under any intellectual property licenses with third parties, we could lose license rights that are important to our business.*

We are currently a party to a joint commercialization agreement with the University of Bath and hope to enter into other license agreements in the future. If we fail to comply with the obligations included in any future license we may enter into in the future, such licensors may have the right to terminate these agreements, in which event we might not be able to market any product that is covered by the agreements, or to convert the exclusive licenses to non-exclusive licenses, which could materially adversely affect the value of the product candidate being developed under these license agreements. As a general matter, termination of license agreements or reduction or elimination of our licensed rights may result in our having to negotiate new or reinstated licenses with less favorable terms.

*If we are unable to obtain and maintain patent protection for our technology and products, or if any licensors are unable to obtain and maintain patent protection for the technology or products that we may license from them in the future, or if the scope of the patent protection obtained is not sufficiently broad, our competitors could develop and commercialize technology and products similar or identical to ours, and our ability to successfully commercialize our technology and products may be adversely affected.*

We have thirty-five (35) granted patents and have thirty (30) patent applications either pending or under examination in major global jurisdictions. Our future success depends in large part on our and, as applicable, our licensors', ability to obtain and maintain patent protection in the United States and other countries with respect to our proprietary technology. We cannot be certain that patents will be issued in those countries where our applications are still under examination.

The patent process is expensive and time-consuming, and we may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. It is also possible that we will fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection.

The patent position of biotechnology and pharmaceutical companies generally is highly uncertain, involves complex legal and factual questions and has in recent years been the subject of much litigation. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are uncertain. Our pending and future patent applications may not result in patents being issued which protect our technology or products or which effectively prevent others from commercializing competitive technologies and products. Changes in either the patent laws or interpretation of the patent laws in the United States and other countries may diminish the value of our patents or narrow the scope of our patent protection.

The laws of foreign countries may not protect our rights to the same extent as the laws of the United States. Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing. Therefore, we cannot be certain that we or our licensors were the first to make the inventions claimed in our owned or licensed patents or pending patent applications, or that we or our licensors were the first to file for patent protection of such inventions.

Assuming the other requirements for patentability are met, in the United States, for patents that have an effective filing date prior to March 15, 2013, the first to make the claimed invention is entitled to the patent, while outside the United States, the first to file a patent application is entitled to the patent. In March 2013, the United States transitioned to a first inventor to file system in which, assuming the other requirements for patentability are met, the first inventor to file a patent application will be entitled to the patent. We may be subject to a third party preissuance submission of prior art to the U.S. Patent and Trademark Office, or become involved in opposition, derivation, reexamination, inter parties review or interference proceedings challenging our patent rights or the patent rights of others. An adverse determination in any such submission, proceeding or litigation could reduce the scope of, or invalidate, our patent rights, allow third parties to commercialize our technology or products and compete directly with us, without payment to us, or result in our inability to manufacture or commercialize products without infringing third-party patent rights.

Even if our owned and licensed patent applications issue as patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors from competing with us or otherwise provide us with any competitive advantage. Our competitors may be able to circumvent our owned or licensed patents by developing similar or alternative technologies or products in a non-infringing manner.

The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and our owned and licensed patents may be challenged in the courts or patent offices in the United States and abroad. Such challenges may result in loss of exclusivity or freedom to operate or in patent claims being narrowed, invalidated or held unenforceable, which could limit our ability to stop others from using or commercializing similar or identical technology and products, or limit the duration of the patent protection of our technology and products. Given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. As a result, our owned and licensed patent portfolio may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours.

*We may become involved in lawsuits to protect or enforce our patents, which could be expensive, time consuming and unsuccessful.*

Competitors may infringe our patents. To counter infringement or unauthorized use, we may be required to file infringement claims, which can be expensive and time consuming. In addition, in an infringement proceeding, a court may decide that a patent of ours is invalid or unenforceable or may refuse to stop the other party from using the technology at issue on the grounds that our patents do not cover the technology in question. An adverse result in any litigation proceeding could put one or more of our patents at risk of being invalidated or interpreted narrowly. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. In addition, our licensors may have rights to file and prosecute such claims and we are reliant on them.

*Third parties may initiate legal proceedings alleging that we are infringing their intellectual property rights, the outcome of which would be uncertain and could have a material adverse effect on the success of our business.*

Our commercial success depends upon our ability and the ability of our collaborators to develop, manufacture, market and sell PRP and any other product candidates and use our proprietary technologies without infringing the proprietary rights of third parties. We have yet to conduct comprehensive freedom-to-operate searches to determine whether our use of certain of the patent rights owned by or licensed to us would infringe patents issued to third parties. We may become party to, or threatened with, future adversarial proceedings or litigation regarding intellectual property rights with respect to our products and technology, including interference proceedings before the U.S. Patent and Trademark Office and their European Union and global equivalents. Third parties may assert infringement claims against us based on existing patents or patents that may be granted in the future. If we are found to infringe a third party's intellectual property rights, we could be required to obtain a license from such third party to continue developing and marketing our products and technology. However, we may not be able to obtain any required license on commercially reasonable terms or at all. Even if we were able to obtain a license, it could be non-exclusive, thereby giving our competitors access to the same technologies licensed to us. We could be forced, including by court order, to cease commercializing the infringing technology or product. In addition, we could be found liable for monetary damages. A finding of infringement could prevent us from commercializing our product candidates or force us to cease some of our business operations, which could materially harm our business. Claims that we have misappropriated the confidential information or trade secrets of third parties could have a similar negative impact on our business.

*Intellectual property litigation could cause us to spend substantial resources and distract our personnel from their normal responsibilities.*

Even if resolved in our favor, litigation or other legal proceedings relating to intellectual property claims may cause us to incur significant expenses and could distract our personnel from their normal responsibilities. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our common stock. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future sales, marketing or distribution activities. We may not have sufficient financial or other resources to adequately conduct such litigation or proceedings. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could have a material adverse effect on our ability to compete in the marketplace.

***If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed.***

In addition to seeking patents for some of our technology and products, we also rely on trade secrets, including unpatented know-how, technology and other proprietary information, to maintain our competitive position. We seek to protect these trade secrets, in part, by entering into non-disclosure and confidentiality agreements with parties who have access to them, such as our employees, corporate collaborators, outside scientific collaborators, contract manufacturers, consultants, advisors and other third parties. We also enter into confidentiality and invention or patent assignment agreements with our employees and consultants. Despite these efforts, any of these parties may breach the agreements and disclose our proprietary information, including our trade secrets, and we may not be able to obtain adequate remedies for such breaches. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, some courts inside and outside the United States are less willing or unwilling to protect trade secrets. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor, we would have no right to prevent them from using that technology or information to compete with us. If any of our trade secrets were to be disclosed to or independently developed by a competitor, our competitive position would be harmed.

#### **RISKS RELATED TO REGULATORY APPROVAL OF OUR PRODUCT CANDIDATES AND OTHER LEGAL COMPLIANCE MATTERS**

***If we are not able to obtain, or if there are delays in obtaining, required regulatory approvals, we will not be able to commercialize PRP, and our ability to generate revenue will be materially impaired.***

PRP and the activities associated with its development and commercialization, including design, testing, manufacture, safety, efficacy, recordkeeping, labeling, storage, approval, advertising, promotion, sale and distribution, are subject to comprehensive regulation by the FDA and other regulatory agencies in the United States and by comparable authorities in other countries. Failure to obtain marketing approval for PRP will prevent us from commercializing it. We have not received approval to market PRP or any other product candidate from regulatory authorities in any jurisdiction. We have only limited experience in filing and supporting the applications necessary to gain marketing approvals and expect to rely on third-party contract research organizations to assist us in this process. Securing FDA approval requires the submission of extensive preclinical and clinical data and supporting information to the FDA for each therapeutic indication to establish PRP's safety and efficacy. Securing FDA approval also requires the submission of information about the product manufacturing process to, and inspection of manufacturing facilities by, the FDA. PRP may not be effective, may be only moderately effective or may prove to have undesirable or unintended side effects, toxicities or other characteristics that may preclude our obtaining marketing approval or prevent or limit commercial use.

The process of obtaining marketing approvals, both in the United States and abroad, is expensive, may take many years if additional clinical trials are required, if approval is obtained at all, and can vary substantially based upon a variety of factors, including the type, complexity and novelty of the product candidates involved. Changes in marketing approval policies during the development period, changes in or the enactment of additional statutes or regulations, or changes in regulatory review for each submitted product application, may cause delays in the approval or rejection of an application. The FDA has substantial discretion in the approval process and may refuse to accept any application or may decide that our data is insufficient for approval and require additional preclinical, clinical or other studies. In addition, varying interpretations of the data obtained from preclinical and clinical testing could delay, limit or prevent marketing approval of a product candidate. Any marketing approval we ultimately obtain may be limited or subject to restrictions or post-approval commitments that render the approved product not commercially viable.

If we experience delays in obtaining approval or if we fail to obtain approval of PRP, the commercial prospects for PRP may be harmed and our ability to generate revenues will be materially impaired.

***Failure to obtain marketing approval in international jurisdictions would prevent PRP from being marketed abroad.***

We intend to seek regulatory approval for PRP in a number of countries outside of the United States and expect that these countries will be important markets for it, if approved. In order to market and sell our products in the European Union, the UK, Australia and many other jurisdictions, we or our third-party collaborators must obtain separate marketing approvals and comply with numerous and varying regulatory requirements. The approval procedure varies among countries and can involve additional testing. The time required to obtain approval may differ substantially from that required to obtain FDA approval. The regulatory approval process outside the United States generally includes all of the risks associated with obtaining FDA approval. In addition, in many countries outside the United States, it is required that the product be approved for reimbursement before the product can be approved for sale in that country. We or these third parties may not obtain approvals from regulatory authorities outside the United States on a timely basis, if at all. Approval by the FDA does not ensure approval by regulatory authorities in other countries or jurisdictions, and approval by one regulatory authority outside the United States does not ensure approval by regulatory authorities in other countries or jurisdictions or by the FDA. We may not be able to file for marketing approvals and may not receive necessary approvals to commercialize our products in any market.

***PRP or any other product candidate for which we obtain marketing approval could be subject to restrictions or withdrawal from the market and we may be subject to penalties if we fail to comply with regulatory requirements or if we experience unanticipated problems with our products, when and if any of them are approved.***

PRP, or any other product candidate for which we obtain marketing approval, along with the manufacturing processes, post-approval clinical data, labeling, advertising and promotional activities for such product, will be subject to continual requirements of and review by the FDA and other regulatory authorities. These requirements include submissions of safety and other post-marketing information and reports, registration and listing requirements, cGMP requirements relating to quality control, quality assurance and corresponding maintenance of records and documents, requirements regarding the distribution of samples to physicians and recordkeeping. Even if marketing approval of a product candidate is granted, the approval may be subject to limitations on the indicated uses for which the product may be marketed or to the conditions of approval, or contain requirements for costly post-marketing testing and surveillance to monitor the safety or efficacy of the product. The FDA closely regulates the post-approval marketing and promotion of drugs to ensure drugs are marketed only for the approved indications and in accordance with the provisions of the approved labeling. The FDA imposes stringent restrictions on manufacturers' communications regarding off-label use and if we do not market our products for their approved indications, we may be subject to enforcement action for off-label marketing.

In addition, later discovery of previously unknown problems with our products, manufacturers or manufacturing processes, or failure to comply with regulatory requirements, may yield various results, including:

- restrictions on such products, manufacturers or manufacturing processes;
- restrictions on the labeling or marketing of a product;

- restrictions on product distribution or use;
- requirements to conduct post-marketing clinical trials;
- warning or untitled letters;
- withdrawal of the products from the market;
- refusal to approve pending applications or supplements to approved applications that we submit;
- recall of products;

- fines, restitution or disgorgement of profits or revenue;
- suspension or withdrawal of marketing approvals;
- refusal to permit the import or export of our products;
- product seizure; or
- injunctions or the imposition of civil or criminal penalties.

***Our current attempts to both expand our patent protection and seek regulatory approvals from multiple countries, as well as our future relationships with customers and third-party payors will be subject to applicable anti-kickback, fraud and abuse and other laws and regulations, which could expose us to criminal sanctions, civil penalties, contractual damages, reputational harm and diminished profits and future earnings.***

As we seek to obtain patent protection from multiple jurisdictions and eventually to seek marketing approval for PRP in those countries, we are and will continue to be subject to the Foreign Corrupt Practices Act, which makes it illegal for any U.S. business, even one like Propanc that is physically located in another country, to influence foreign officials with personal payments and rewards.

Moreover, healthcare providers, physicians and third-party payors will play a primary role in the recommendation and prescription of PRP and any other product candidate for which we obtain marketing approval. Our future arrangements with third-party payors and customers may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we market, sell and distribute our products for which we obtain marketing approval. Restrictions under applicable federal and state healthcare laws and regulations, include the following:

- the federal healthcare anti-kickback statute prohibits, among other things, persons from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward either the referral of an individual for, or the purchase, order or recommendation of, any good or service, for which payment may be made under federal and state healthcare programs such as Medicare and Medicaid;
- the federal False Claims Act imposes criminal and civil penalties, including civil whistleblower or qui tam actions, against individuals or entities for knowingly presenting, or causing to be presented, to the federal government, claims for payment that are false or fraudulent or making a false statement to avoid, decrease or conceal an obligation to pay money to the federal government;
- the federal Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act, imposes criminal and civil liability for executing a scheme to defraud any healthcare benefit program and also imposes obligations, including mandatory contractual terms, with respect to safeguarding the privacy, security and transmission of individually identifiable health information;
- the federal false statements statute prohibits knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false statement in connection with the delivery of or payment for healthcare benefits, items or services;
- the federal transparency requirements under the Health Care Reform Law requires manufacturers of drugs, devices, biologics and medical supplies to report to the Department of Health and Human Services information related to physician payments and other transfers of value and physician ownership and investment interests; and
- analogous state laws and regulations, such as state anti-kickback and false claims laws, may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers, and some state laws require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government in addition to requiring drug manufacturers to report information related to payments to physicians and other health care providers or marketing expenditures.

Efforts to ensure that our business arrangements with third parties will comply with applicable healthcare laws and regulations will involve substantial costs. It is possible that governmental authorities will conclude that our business practices may not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations are found to be in violation of any of these laws or any other governmental regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, damages, fines and exclusion from government funded healthcare programs, such as Medicare and Medicaid, and the curtailment or restructuring of our operations. If any of the physicians or other providers or entities with whom we expect to do business are found to be not in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs.

***Recently enacted and future legislation, particularly in the United States, may increase the difficulty and cost for us to obtain marketing approval of and commercialize PRP and affect the prices we may obtain.***

In the United States and some foreign jurisdictions there have been many legislative and regulatory changes and proposed changes regarding the healthcare system that could prevent or delay marketing approval of our product candidates, restrict or regulate post-approval activities and affect our ability to profitably sell any product candidates for which we obtain marketing approval.

In the United States, the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 ("Medicare Modernization Act"), changed the way Medicare covers and pays for pharmaceutical products. The legislation expanded Medicare coverage for drug purchases by the elderly and introduced a new reimbursement methodology based on average sales prices for physician-administered drugs. In addition, this legislation provided authority for limiting the number of drugs that will be covered in any therapeutic class. Cost reduction initiatives and other provisions of this legislation could decrease the coverage and price that we receive for any approved products. While the Medicare

Modernization Act applies only to drug benefits for Medicare beneficiaries, private payors often follow Medicare coverage policy and payment limitations in setting their own reimbursement rates. Therefore, any reduction in reimbursement that results from the Medicare Modernization Act may result in a similar reduction in payments from private payors.

In March 2010, President Obama signed into law the Patient Protection and Affordable Care Act (“Affordable Care Act”), a sweeping law intended to broaden access to health insurance, reduce or constrain the growth of healthcare spending, enhance remedies against fraud and abuse, add new transparency requirements for health care and health insurance industries, impose new taxes and fees on the health industry and impose additional health policy reforms. Among other things, the Affordable Care Act revised the definition of “average manufacturer price” for reporting purposes, which could increase the amount of Medicaid drug rebates to states, and it imposed a significant annual fee on companies that manufacture or import branded prescription drug products.

At present, the future of the Affordable Care Act is the subject of significant debate in the U.S. Congress, with proposals to either partially or entirely repeal it being considered and the likelihood that there will be a new law to replace it is uncertain. It is not yet possible for us to determine the impact, if any, the enactment of any of these proposals will have on our future ability to obtain approval of or commercialize PRP.

***The UK’s decision to leave the European Union could significantly increase regulatory burdens on obtaining approvals for PRP within the UK.***

On March 29, 2017, the UK invoked Article 50 of Lisbon Treaty to initiate complete withdrawal from the European Union which was effectuated on January 31, 2020, and therefore, the regulatory drug approval process in that country may be significantly different from the current drug regulatory policies in the European Union. We currently are considering holding our clinical trials in the UK, among other countries, and therefore this event could significantly impact our efforts to successfully bring PRP to market. It is not yet possible for us to determine the impact of the UK’s withdrawal from the European Union, but any additional costs or delays in obtaining approvals may hinder our ability to conduct clinical trials or market PRP in the UK.

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## **RISKS RELATING TO EMPLOYEE MATTERS AND MANAGING GROWTH**

***Our future success depends on our ability to retain our chief executive officer and our chief scientific officer and, as we continue to develop and grow as a company, to attract, retain and motivate qualified personnel.***

We are highly dependent on our management team, specifically Mr. James Nathanielsz, our Chief Executive Officer, Chief Financial Officer, and Dr. Julian Kenyon, our director who also serves as our chief scientific officer in a non-executive officer capacity. While we have a current employment agreement with Mr. Nathanielsz and a director agreement with Dr. Kenyon, both such employment agreement and director agreement permit each of the respective parties thereto to terminate such agreements upon notice. If we lose this key employee and/or the services of our other director, our business will suffer and we may have to cease operations.

Recruiting and retaining qualified scientific, clinical, manufacturing and sales and marketing personnel will also be critical to our future success, as we continue to develop PRP and attempt to grow as a company. We may not be able to attract and retain these personnel on acceptable terms given the competition among numerous pharmaceutical and biotechnology companies for similar personnel. We also experience competition for the hiring of scientific and clinical personnel from universities and research institutions. In addition, we rely on consultants and advisors, including scientific and clinical advisors, to assist us in formulating our research and development and commercialization strategy. Our consultants and advisors, including our scientific co-founders, may be employed by employers other than us and may have commitments under consulting or advisory contracts with other entities that may limit their availability to us.

***We expect to expand our development, regulatory and future sales and marketing capabilities, and as a result, we may encounter difficulties in managing our growth, which could disrupt our operations.***

We expect to experience significant growth in the number of our employees and the scope of our operations, particularly in the areas of drug development, regulatory affairs and sales and marketing. To manage our anticipated future growth, we must continue to implement and improve our managerial, operational and financial systems, expand our facilities and continue to recruit and train additional qualified personnel. Due to our limited financial resources and the limited experience of our management team in managing a company with such anticipated growth, we may not be able to effectively manage the expansion of our operations or recruit and train additional qualified personnel. The physical expansion of our operations may lead to significant costs and may divert our management and business development resources. Any inability to manage growth could delay the execution of our business plans or disrupt our operations.

***We have identified material weaknesses in our internal control over financial reporting that, if not properly remediated, could result in material misstatements in our consolidated financial statements in future periods.***

In connection with the audits of our consolidated financial statements for the fiscal years ended June 30, 2021 and 2020, and in accordance with management’s assessments of internal controls over financial reporting, we identified certain deficiencies relating to our internal control over financial reporting that constitute a material weakness under the Internal Control Integrated Framework issued by COSO in 2013. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the company’s annual or interim financial statements will not be prevented or detected on a timely basis. A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

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The following material weaknesses in our internal control over financial reporting continued to exist at June 30, 2021 and currently:

- we do not have written documentation of our internal control policies and procedures. Written documentation of key internal controls over financial reporting is a requirement of Section 404 of the Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”);
- we do not have sufficient segregation of duties within accounting functions, which is a basic internal control. Due to our limited size and early-stage nature of operations, segregation of all conflicting duties may not always be possible and may not be economically feasible; however, to the extent possible, the initiation of transactions, the custody of assets and the recording of transactions should be performed by separate individuals;
- lack of independent audit committee of our board of directors; and
- insufficient monitoring and review controls over the financial reporting closing process, including the lack of individuals with current knowledge of U.S. GAAP.

We outsource certain functions that would normally be performed by a principal financial officer to assist us in implementing the necessary financial controls over the financial reporting and the utilization of internal management and staff to effectuate these controls.

We believe that these material weaknesses primarily relate, in part, to our lack of sufficient staff with appropriate training in U.S. GAAP and U.S. Securities and Exchange Commission (the “SEC”) rules and regulations with respect to financial reporting functions, and the lack of robust accounting systems, as well as the lack of sufficient resources

to hire such staff and implement these accounting systems.

We plan to take a number of actions in the future to correct these material weaknesses including, but not limited to, establishing an audit committee of our board of directors comprised of at least two independent directors, adding additional experienced accounting and financial personnel and retaining third-party consultants to review our internal controls and recommend improvements, subject to receiving sufficient additional capital. If we receive sufficient capital, we hope to increase the chief financial officer's role from part-time to full-time as the next step in building out our accounting department. We will need to take additional measures to fully mitigate these issues, and the measures we have taken, and expect to take, to improve our internal controls may not be sufficient to (1) address the issues identified, (2) ensure that our internal controls are effective or (3) ensure that the identified material weakness or other material weaknesses will not result in a material misstatement of our annual or interim financial statements. In addition, other material weaknesses may be identified in the future. If we are unable to correct deficiencies in internal controls in a timely manner, our ability to record, process, summarize and report financial information accurately and within the time periods specified in the rules and forms of the SEC will be adversely affected. This failure could negatively affect the market price and trading liquidity of our common stock, cause investors to lose confidence in our reported financial information, subject us to civil and criminal investigations and penalties, and generally materially and adversely impact our business and financial condition.

***If we fail to implement and maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results or prevent fraud.***

Effective internal controls over financial reporting are necessary for us to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud. Any failure to implement required new or improved controls, or difficulties encountered in their implementation could cause us to fail to meet our reporting obligations. In addition, any testing by us conducted in connection with Section 404 of the Sarbanes-Oxley Act, or the subsequent testing by our independent registered public accounting firm, if and when required, may reveal additional deficiencies in our internal controls over financial reporting that are deemed to be material weaknesses or that may require prospective or retroactive changes to our consolidated financial statements or identify other areas for further attention or improvement. If in the future we identify other material weaknesses in our internal control over financial reporting, including at some of our acquired companies, if we are unable to comply with the requirements of Section 404 in a timely manner or assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock could be negatively affected, and we could become subject to investigations by the stock exchange on which our securities are then listed, the SEC, or other regulatory authorities, which could require additional financial and management resources. Inferior internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our common stock.

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Additionally, we currently do not have an internal audit group nor an audit committee of our board of directors, and we will eventually need to hire additional accounting and financial staff with appropriate public company experience and technical accounting knowledge to have effective internal controls for financial reporting.

***We will continue to incur significant increased costs as a result of operating as a public company.***

As a public company, we will continue to incur significant legal, accounting and other expenses. For example, we are subject to mandatory reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which require, among other things, that we continue to file with the SEC annual, quarterly and current reports with respect to our business and financial condition. We have incurred and will continue to incur costs associated with the preparation and filing of these SEC reports. In addition, the Sarbanes-Oxley Act, as well as rules subsequently implemented by the SEC, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") and national stock exchanges have imposed various other requirements on public companies. Stockholder activism, the current political environment and the current high level of government intervention and regulatory reform may lead to substantial new regulations and disclosure obligations, which may lead to additional compliance costs and impact (in ways we cannot currently anticipate) the manner in which we operate our business. Our management and other personnel will need to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations have and will continue to increase our legal and financial compliance costs and will make some activities more time-consuming and costly. For example, we will incur additional expense to increase our director and officer liability insurance.

In addition, if and when we cease to be a smaller reporting company and become subject to Section 404(b) of the Sarbanes-Oxley Act, we will be required to furnish an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. To achieve compliance with Section 404 within the prescribed time period, we will continue to be engaged in a process to document and evaluate our internal control over financial reporting, which is both costly and challenging. In this regard, we will need to dedicate substantially greater internal resources, potentially engage outside consultants and adopt a detailed work plan to assess and document the adequacy of internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing that controls are functioning as documented and implement a continuous reporting and improvement process for internal control over financial reporting. Despite our efforts, there is a risk that our independent registered public accounting firm, when required, will not be able to conclude within the prescribed timeframe that our internal control over financial reporting is effective as required by Section 404. This could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our financial statements.

***Judgments that our stockholders obtain against us may not be enforceable.***

Substantially all of our assets are located outside of the United States. In addition, our Chief Executive Officer/Chief Financial Officer, James Nathanielsz, and our independent director Josef Zelinger, reside in Australia and our other director, Dr. Julian Kenyon, resides in the UK. As a result, it may be difficult for you to effect service of process within the United States upon these persons. It is uncertain whether the courts of Australia or the UK would recognize or enforce judgments of the United States or state courts against us or such persons predicated upon the civil liability provisions of the laws of the United States or any state.

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## **RISKS RELATED TO OUR COMMON STOCK**

***The market price of our common stock may continue to be highly volatile, you may not be able to resell your shares at or above the public offering price and you could lose all or part of your investment.***

The trading price of our common stock may continue to be highly volatile. Our stock price could continue to be subject to wide fluctuations in response to a variety of factors, including the following:

- actual or anticipated results of our clinical trials;
- actions of securities analysts who initiate or maintain coverage of us, changes in financial estimates by any securities analysts who follow our company, or our failure to meet these estimates or the expectations of investors;
- issuance of our equity and/or debt securities, or disclosure or announcements relating thereto;
- additional shares of our common stock being sold into the market by us or our existing stockholders and/or holders of convertible debt or the anticipation of such sales;
- stock market valuations of companies in our industry;

- price and volume fluctuations in the overall stock market, including as a result of trends in the economy as a whole;
- lawsuits threatened or filed against us;
- regulatory developments in the United States and foreign countries applicable to biotech and biopharma companies; and
- other events or factors, including those resulting from war or incidents of terrorism, or responses to these events.

The stock markets in general, and the small-cap biotech market, in particular, have experienced extreme price and volume fluctuations in recent years that have significantly affected the quoted prices of the securities of many companies, including companies in our industry. The changes often appear to occur without regard to specific operating performance. The price of our shares of common stock could fluctuate based upon factors that have little or nothing to do with our company and these fluctuations could materially reduce our share price. Broad market, clinical trial results and industry factors may negatively affect the market price of our common stock, regardless of our actual operating performance.

***Currently there is a limited public market for our common stock, and we cannot predict the future prices or the amount of liquidity of our common stock.***

Currently, there is a limited public market for our common stock. Our common stock is quoted on the OTC QB Marketplace under the symbol “PPCB.” However, the OTC QB is not a liquid market in contrast to the major stock exchanges. We cannot assure you as to the liquidity or the future market prices of our common stock if a market does develop. If an active market for our common stock does not develop, the fair market value of our common stock could be materially adversely affected. We cannot predict the future prices of our common stock.

***The designation of our common stock as a “penny stock” would limit the liquidity of our common stock.***

Our common stock may be deemed a “penny stock” (as that term is defined under Rule 3a51-1 of the Exchange Act) in any market that may develop in the future. Generally, a “penny stock” is a common stock that is not listed on a securities exchange and trades for less than \$5.00 a share. Prices often are not available to buyers and sellers and the market may be very limited. Broker-dealers who sell penny stocks must provide purchasers of these stocks with a standardized risk-disclosure document prepared by the SEC. The document provides information about penny stocks and the nature and level of risks involved in investing in the penny stock market. A broker must also provide purchasers with bid and offer quotations and information regarding broker and salesperson compensation and make a written determination that the penny stock is a suitable investment for the purchaser and obtain the purchaser’s written agreement to the purchase. Many brokers choose not to participate in penny stock transactions. Because of the penny stock rules, there may be less trading activity in any market that develops for our common stock in the future and stockholders are likely to have difficulty selling their shares.

***Trading in our common stock on the OTC QB Marketplace has been subject to wide fluctuations.***

Our common stock is currently quoted for public trading on the OTC QB Marketplace. The trading price of our common stock has been subject to wide fluctuations. Trading prices of our common stock may fluctuate in response to a number of factors, many of which will be beyond our control. The stock market has generally experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of companies with limited business operation. There can be no assurance that trading prices and price earnings ratios previously experienced by our common stock will be matched or maintained. These broad market and industry factors may adversely affect the market price of our common stock, regardless of our operating performance. In the past, following periods of volatility in the market price of a company’s securities, securities class-action litigation has often been instituted. Such litigation, if instituted, could result in substantial costs for us and a diversion of management’s attention and resources.

***Our common stock is currently quoted only on the OTC QB Marketplace, which may have an unfavorable impact on our stock price and liquidity.***

Our common stock is quoted on the OTC QB Marketplace. The OTC QB Marketplace is a significantly more limited market than the New York Stock Exchange or the NASDAQ stock market. The quotation of our shares of common stock on the OTC QB Marketplace may result in a less liquid market available for existing and potential stockholders to trade shares of our common stock, could depress the trading price of our common stock and could have a long-term adverse impact on our ability to raise capital in the future.

There can be no assurance that there will be an active market for our shares of common stock either now or in the future. Market liquidity will depend on the perception of our operating business and any steps that our management might take to bring us to the awareness of investors. There can be no assurance given that there will be any awareness generated. Consequently, investors may not be able to liquidate their investment or liquidate at a price that reflects the value of the business. As a result, holders of our securities may not find purchasers for our securities should they desire to sell them. Consequently, our securities should be purchased only by investors having no need for liquidity in their investment and who can hold our securities for an indefinite period of time.

***Because our directors and officers currently and for the foreseeable future will continue to control our Company, it is not likely that you will be able to elect directors or have any say in the policies of our Company.***

Our stockholders are not entitled to cumulative voting rights. Consequently, the election of directors and all other matters requiring stockholder approval will be decided by majority vote. In addition, our chief executive officer and chief financial officer beneficially owns all of our preferred stock, which entitles him, as a holder of Series A preferred stock, to vote on all matters submitted or required to be submitted to a vote of the stockholders, except election and removal of directors, and each share entitles him to five hundred votes per share of Series A preferred stock, and as a holder of Series B preferred stock, to voting power equivalent of the number of votes equal to the total number of shares of common stock outstanding as of the record date for the determination of stockholders entitled to vote at each meeting of our stockholders and entitled to vote on all matters submitted or required to be submitted to a vote of our stockholders. Due to such a disproportionate voting power, new investors will not be able to affect a change in our business or management, and therefore, stockholders would have limited recourse as a result of decisions made by management.

Moreover, this preferred stock ownership may discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us, which in turn could reduce our stock price or prevent our stockholders from realizing a premium over our stock price.

***Future sales and issuances of our common stock or rights to purchase common stock could result in additional dilution of the percentage ownership of our stockholders and could cause our stock price to decline.***

We are authorized to issue up to 1,000,000,000 shares of our common stock, \$0.001 par value per share. We have the right to raise additional capital or incur borrowings from third parties to finance our business. The board of directors has the authority, without the consent of any of the shareholders, to cause us to issue more shares of our common stock and/or securities convertible into our common stock. We will likely issue additional shares of our common stock and/or such securities in the future and such future sales and issuances of our common stock or rights to purchase our common stock could result in substantial dilution to our existing stockholders. We may sell common stock, convertible securities and other equity securities in one or more transactions at prices and in a manner as we may determine from time to time. If we sell any such securities in subsequent transactions, our stockholders may be materially diluted. New investors in such subsequent transactions could gain rights, preferences and privileges senior to those of holders of our common stock.

***In the future, we may issue additional preferred stock without the approval of our stockholders, which could make it more difficult for a third party to acquire us and could depress our stock price.***

We are authorized to issue up to 1,500,005 shares of our preferred stock, par value \$0.01 per share, having such rights, preferences and privileges as are determined by our board of directors in their discretion. We have the right to raise additional capital or incur borrowings from third parties to finance our business. The board of directors has the authority, without the consent of any of the stockholders, to cause us to issue more shares of our preferred stock. Our board of directors may issue, and has in the past issued, without a vote of our stockholders, one or more series of our preferred stock with such rights and preferences as it determines. This could permit our board of directors to issue preferred stock to investors who support us and our management and permit our management to retain control of our business. Additionally, issuance of preferred stock could block an acquisition which could result in both a drop in our stock price and a decline in interest of our common stock.

***Since we intend to retain any earnings for development of our business for the foreseeable future, you will likely not receive any dividends for the foreseeable future, and capital appreciation, if any, will be the source of gain for our stockholders.***

We have never declared or paid any cash dividends or distributions on our capital stock. We currently intend to retain our future earnings to support operations and to finance expansion and therefore we do not anticipate paying any cash dividends on our common stock in the foreseeable future. As a result, capital appreciation, if any, of our common stock will be the sole source of gain for our stockholders for the foreseeable future.

***Our ability to use our net operating loss carryforwards and certain other tax attributes may be limited.***

Section 382 (“Section 382”) of the Internal Revenue Code of 1986, as amended (the “Code”), contains rules that limit the ability of a company that undergoes an ownership change to utilize its net operating losses (“NOLs”) and tax credits existing as of the date of such ownership change. Under the rules, such an ownership change is generally any change in ownership of more than 50% of a company’s stock within a rolling three-year period. The rules generally operate by focusing on changes in ownership among stockholders considered by the rules as owning, directly or indirectly, 5% or more of the stock of a company and any change in ownership arising from new issuances of stock by the company. As a result of this Section 382 limitation, any ownership changes as defined by Section 382 may limit the amount of NOL carryforwards that could be utilized annually to offset future taxable income.

***As a smaller reporting company, we are subject to scaled disclosure requirements that may make it more challenging for investors to analyze our results of operations and financial prospects.***

As a “smaller reporting company,” we (i) are able to provide simplified executive compensation disclosures in our filings, (ii) are exempt from the provisions of Section 404(b) of the Sarbanes-Oxley Act requiring that independent registered public accounting firms provide an attestation report on the effectiveness of internal control over financial reporting and (iii) have certain other decreased disclosure obligations in our filings with the SEC, including being required to provide only two years of audited financial statements in annual reports. Consequently, it may be more challenging for investors to analyze our results of operations and financial prospects.

We will remain a smaller reporting company until the beginning of a fiscal year in which we had a public float of \$250 million held by non-affiliates as of the last business day of the second quarter of the prior fiscal year, assuming our common stock is registered under Section 12 of the Exchange Act on the applicable evaluation date. Even if we remain a smaller reporting company, if our public float exceeds \$250 million and our annual revenues are greater than \$100 million, we will become subject to the provisions of Section 404(b) of the Sarbanes-Oxley Act.

## **RISKS RELATED TO THE OFFERING**

***Our existing stockholders may experience significant dilution from the sale of our common stock pursuant to the Purchase Agreement.***

The sale of our common stock to Dutchess in accordance with the Purchase Agreement may have a dilutive impact on our shareholders. As a result, the market price of our common stock could decline. In addition, the lower our stock price is at the time we exercise our put options, the more shares of our common stock we will have to issue to Dutchess in order to exercise a put under the Purchase Agreement. If our stock price decreases, then our existing shareholders would experience greater dilution for any given dollar amount raised through the offering.

The perceived risk of dilution may cause our stockholders to sell their shares, which may cause a decline in the price of our common stock. Moreover, the perceived risk of dilution and the resulting downward pressure on our stock price could encourage investors to engage in short sales of our common stock. By increasing the number of shares offered for sale, material amounts of short selling could further contribute to progressive price declines in our common stock.

***The issuance of shares pursuant to the Purchase Agreement may have significant a significant dilutive effect.***

Depending on the number of shares we issue pursuant to the Purchase Agreement, it could have a significant dilutive effect upon our existing shareholders. Although the number of shares that we may issue pursuant to the Purchase Agreement will vary based on our stock price (the higher our stock price, the less shares we have to issue), there may be a potential dilutive effect to our shareholders, based on different potential future stock prices, if the full amount of the Purchase Agreement is realized. Dilution is based upon common stock put to Dutchess and the stock price discounted to 92% purchase price of the lowest closing price during the pricing period.

***Dutchess will pay less than the then prevailing market price of our common stock which could cause the price of our common stock to declines.***

Our common stock to be issued under the Dutchess Purchase Agreement will be purchased at an eight percent (8%) discount, or ninety two percent (92%) of the lowest closing price for the Company’s common stock during the five (5) consecutive trading days immediately following the Clearing Date (as defined in the Purchase Agreement).

Dutchess has a financial incentive to sell our shares immediately upon receiving them to realize the profit between the discounted price and the market price. If Dutchess sells our shares, the price of our common stock may decrease. If our stock price decreases, Dutchess may have further incentive to sell such shares. Accordingly, the discounted sales price in the Purchase Agreement may cause the price of our common stock to decline.

***We may not have access to the full amount under the Purchase Agreement.***

The lowest closing price of the Company’s common stock during the five (5) consecutive trading day period immediately preceding the filing of this Registration Statement was approximately \$0.0198. At that price we would be able to sell shares to Dutchess under the Purchase Agreement at the discounted price of \$0.0182. At that discounted price, the 40,000,000 shares of Common Stock to be issued in connection with the Purchase Agreement would only represent approximately \$728,640, which is below \$5,000,000 (the full amount of the Purchase Agreement).

The risks above do not necessarily comprise of all those associated with an investment in our Company. This Registration Statement contains forward looking statements that involve unknown risks, uncertainties and other factors that may cause our actual results, financial condition, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Factors that might cause such a difference include, but are not limited to, those set out above.

#### USE OF PROCEEDS

We will not receive any proceeds from the sale of the shares of our Common Stock by Dutchess (the Selling Security Holder identified in this prospectus). However, we will receive proceeds from our initial sale of shares to Dutchess, pursuant to the Purchase Agreement. The proceeds from the initial sale of shares will be used for the purpose of working capital or for other purposes that the Board of Directors, in good faith deem to be in the best interest of the Company.

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#### DILUTION

The sale of our common stock to Dutchess in accordance with the Purchase Agreement will have a dilutive impact on our stockholders.

As a result, our net loss per share could increase in future periods and the market price of our common stock could decline. In addition, the lower our stock price is at the time we exercise our put option, the more shares of our common stock we will have to issue to Dutchess in order to drawdown pursuant to the investment agreement. If our stock price decreases during the pricing period, then our existing stockholders would experience greater dilution.

#### DETERMINATION OF OFFERING PRICE

We have not set an offering price for the shares registered hereunder, as the only shares being registered are those sold pursuant to the Purchase Agreement. Dutchess may sell all or a portion of the shares being offered pursuant to this prospectus at fixed prices and prevailing market prices at the time of sale, at varying prices or at negotiated prices.

#### SELLING SECURITY HOLDER

The selling stockholder may offer and sell, from time to time, any or all of shares of our common stock to be sold to Dutchess under the investment agreement dated November 30, 2021.

The following table sets forth certain information regarding the beneficial ownership of shares of common stock by the selling stockholder as of February 2, 2022 and the number of shares of our common stock being offered pursuant to this prospectus. We believe that the selling stockholder has sole voting and investment powers over its shares.

Because the selling stockholder may offer and sell all or only some portion of the 40,000,000 shares of our common stock being offered pursuant to this prospectus, the numbers in the table below representing the amount and percentage of these shares of our common stock that will be held by the selling stockholder upon termination of the offering are only estimates based on the assumption that the selling stockholder will sell all of its shares of our common stock being offered in the offering. being offered pursuant to this prospectus upon the occurrence of any event that makes any statement in this. The selling stockholder has not had any position or office, or other material relationship with us or any of our affiliates over the past three years. To our knowledge, the selling stockholder is not a broker-dealer or an affiliate of a broker-dealer. We may require the selling stockholder to suspend the sales of the shares of our common stock.

Name of Selling Stockholder	Shares Owned by the Selling Stockholder before the Offering <sup>(1)</sup>	Total Shares Offered in the Offering	Number of Shares to Be Owned by Selling Stockholder After the Offering and Percent of Total Issued and Outstanding Shares <sup>(1)</sup>	
			# of Shares <sup>(3)</sup>	% of Class <sup>(2),(3)</sup>
Dutchess Capital Growth Fund LP LLC <sup>(4)</sup>	1,000,000 <sup>(5)</sup>	40,000,000	-0-	0

(1) Beneficial ownership is determined in accordance with Securities and Exchange Commission rules and generally includes voting or investment power with respect to shares of common stock. Shares of common stock subject to options and warrants currently exercisable, or exercisable within 60 days, are counted as outstanding for computing the percentage of the person holding such options or warrants but are not counted as outstanding for computing the percentage of any other person.

(2) We have assumed that the selling stockholder will sell all of the shares being offered in this offering.

(3) Based on 61,417,527 shares of our common stock issued and outstanding as of February 2, 2022. Shares of our common stock being offered pursuant to this prospectus by a selling stockholder are counted as outstanding for computing the percentage of the selling stockholder.

(4) Michael Novielli has the voting and dispositive power over the shares owned by Dutchess Capital Growth Fund LP.

(5) As of February 2, 2022, Dutchess held 1,000,000 shares of our common stock issued as a commitment fee pursuant to the terms of the Purchase Agreement.

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#### PLAN OF DISTRIBUTION

The Selling Security Holder and its pledgees, assignees and successors-in-interest may, from time to time, sell any or all of their securities covered hereby on the principal Trading Market or any other stock exchange, market or trading facility on which the securities are traded or in private transactions. These sales may be at fixed or negotiated prices. The Selling Security Holder may use any one or more of the following methods when selling securities:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the securities as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;



- settlement of short sales;
- in transactions through broker-dealers that agree with the Selling Security Holder to sell a specified number of such securities at a stipulated price per security;
- through the writing or settlement of options or other hedging transactions, whether through an options exchange or otherwise;
- a combination of any such methods of sale; or
- any other method permitted pursuant to applicable law.

The Selling Security Holder may also sell securities under Rule 144 or any other exemption from registration under the Securities Act of 1933, as amended (the “Securities Act”), if available, rather than under this prospectus.

Broker-dealers engaged by the Selling Security Holder may arrange for other brokers-dealers to participate in sales. Broker-dealers may receive commissions or discounts from the Selling Security Holder (or, if any broker-dealer acts as agent for the purchaser of securities, from the purchaser) in amounts to be negotiated, but, except as set forth in a supplement to this Prospectus, in the case of an agency transaction not in excess of a customary brokerage commission in compliance with FINRA Rule 2440; and in the case of a principal transaction a markup or markdown in compliance with FINRA IM-2440.

Dutchess is an underwriter within the meaning of the Securities Act and any broker-dealers or agents that are involved in selling the shares may be deemed to be “underwriters” within the meaning of the Securities Act in connection with such sales. In such event, any commissions received by such broker-dealers or agents and any profit on the resale of the shares purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act. Dutchess has informed us that it does not have any written or oral agreement or understanding, directly or indirectly, with any person to distribute the common stock of our company. Pursuant to a requirement by FINRA, the maximum commission or discount to be received by any FINRA member or independent broker-dealer may not be greater than 8% of the gross proceeds received by us for the sale of any securities being registered pursuant to Rule 415 promulgated under the Securities Act.

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Discounts, concessions, commissions and similar selling expenses, if any, attributable to the sale of shares will be borne by the Selling Security Holder. The Selling Security Holder may agree to indemnify any agent, dealer, or broker-dealer that participates in transactions involving sales of the shares if liabilities are imposed on that person under the Securities Act.

We are required to pay certain fees and expenses incurred by us incident to the registration of the shares covered by this prospectus. We have agreed to indemnify the Selling Security Holder against certain losses, claims, damages and liabilities, including liabilities under the Securities Act. We will not receive any proceeds from the resale of any of the shares of our common stock by the Selling Security Holder. We may, however, receive proceeds from the sale of our common stock under the Purchase Agreement with Dutchess. Neither the Purchase Agreement with Dutchess nor any rights of the parties under the Purchase Agreement with Dutchess may be assigned or delegated to any other person.

We have entered into an agreement with Dutchess to keep this prospectus effective until Dutchess has sold all of the common shares purchased by it under the Purchase Agreement and has no right to acquire any additional shares of common stock under the Purchase Agreement.

The resale shares will be sold only through registered or licensed brokers or dealers if required under applicable state securities laws. In addition, in certain states, the resale shares may not be sold unless they have been registered or qualified for sale in the applicable state or an exemption from the registration or qualification requirement is available and is complied with.

Under applicable rules and regulations under the Securities Exchange Act of 1934, any person engaged in the distribution of the resale shares may not simultaneously engage in market making activities with respect to the common stock for the applicable restricted period, as defined in Regulation M, prior to the commencement of the distribution. In addition, the Selling Security Holder will be subject to applicable provisions of the Securities Exchange Act of 1934 and the rules and regulations thereunder, including Regulation M, which may limit the timing of purchases and sales of shares of the common stock by the Selling Security Holder or any other person. We will make copies of this prospectus available to the Selling Security Holder.

## DESCRIPTION OF CAPITAL STOCK

### Authorized Capital Stock

Our authorized capital stock consists of 1,000,000,000 shares of common stock, \$0.001 par value per share, and 1,500,005 shares of preferred stock, \$0.01 par value per share. As of February 2, 2022, there were (i) 61,417,527 shares of our common stock issued and outstanding and (ii) 500,001 shares of our preferred stock issued and outstanding, consisting of 500,000 preferred shares designated as our Series A Preferred Stock and one preferred share designated as our Series B Preferred Stock.

### Common Stock

*Voting:* Holders of our common stock are entitled to one vote for each share held of record on all matters submitted to a vote of the stockholders, including the election of directors, and do not have cumulative voting rights. Accordingly, the holders of a majority of the shares of our common stock entitled to vote in any election of directors can elect all of the directors standing for election.

*Dividend:* Subject to preferences that may be applicable to any then outstanding preferred stock, the holders of common stock are entitled to receive dividends, if any, as may be declared from time to time by our board of directors out of legally available funds.

*Liquidation:* In the event of our liquidation, dissolution or winding up, holders of our common stock will be entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all of our debts and other liabilities, subject to the satisfaction of any liquidation preference granted to the holders of any outstanding shares of preferred stock.

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*Rights and Preferences:* Holders of our common stock have no preemptive, conversion or subscription rights, and there are no redemption or sinking fund provisions applicable to our common stock. The rights, preferences and privileges of the holders of our common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of our preferred stock that we may designate and issue in the future.

*Fully Paid and Nonassessable:* All of our outstanding shares of common stock are, and the shares of common stock to be issued in this offering will be, fully paid and nonassessable.

## Preferred Stock

Our board of directors has the authority, without further action by the stockholders, to issue up to 1,500,005 shares of preferred stock in one or more series, to establish from time to time the number of shares to be included in each such series, to fix the rights, preferences and privileges of the shares of each wholly unissued series and any qualifications, limitations or restrictions thereon and to increase or decrease the number of shares of any such series, but not below the number of shares of such series then outstanding.

Our board of directors may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of the common stock. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring or preventing a change in our control that may otherwise benefit holders of our common stock and may adversely affect the market price of the common stock and the voting and other rights of the holders of common stock.

As of February 2, 2022, 500,001 shares of preferred stock were issued and outstanding, consisting of: (i) 500,000 preferred shares designated as Series A Preferred Stock (the "Series A Preferred Stock") pursuant to our Certificate of Designation filed with the Secretary of State of the State of Delaware on December 9, 2014; and (ii) one preferred share designated as Series B Preferred Stock (the "Series B Preferred Stock") pursuant to our Certificate of Designation filed with the Secretary of State of the State of Delaware on June 16, 2015. Up to five shares have been designated as Series B Preferred Stock.

Mr. Nathanielsz, our Chief Executive Officer, Chairman, Secretary, Treasurer and a director, beneficially owns all of the shares of Series A Preferred Stock via North Horizon Pty Ltd., which entitles him, as a holder of Series A Preferred Stock, to vote on all matters submitted or required to be submitted to a vote of our stockholders, except election and removal of directors, and each share of Series A Preferred Stock entitles him to 0.004 votes per each outstanding share of Series A Preferred Stock. North Horizon Pty Ltd. is a Nathanielsz Family Trust. Mr. Nathanielsz has voting and investment power over these shares.

Mr. Nathanielsz directly beneficially owns such one share of Series B Preferred Stock. Each holder of outstanding shares of Series B Preferred Stock is entitled to voting power equivalent to the number of votes equal to the total number of shares of common stock outstanding as of the record date for the determination of stockholders entitled to vote at each meeting of stockholders of our Company and entitled to vote on all matters submitted or required to be submitted to a vote of the stockholders of the Company.

All of our issued and outstanding shares of preferred stock have no rights to dividends, profit sharing or liquidation preferences.

## Authorized and Unissued Capital Stock

Delaware law does not require stockholder approval for any issuance of authorized shares. These additional shares may be used for a variety of corporate purposes, including future public offerings, to raise additional capital or to facilitate acquisitions.

One of the effects of the existence of unissued and unreserved common stock or preferred stock may be to enable our board of directors to issue shares to persons friendly to current management, which issuance could render more difficult or discourage an attempt to obtain control of our company by means of a merger, tender offer, proxy contest or otherwise, and thereby protect the continuity of our management and possibly deprive the stockholders of opportunities to sell their shares at prices higher than prevailing market prices.

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## Warrants

The following table summarizes warrant activity for the years ended June 30, 2021 and 2020:

	Number of Warrants	Weighted Average Price Per Share
Outstanding at June 30, 2019	-	\$ -
Issued	151,170	150.00
Exercised	-	-
Forfeited	-	-
Expired	-	-
Outstanding at June 30, 2020	151,170	\$ 150.00
Issued	-	-
Exercised	(29,841)	26.15
Forfeited	-	-
Expired	-	-
Outstanding at June 30, 2021	121,329	\$ 179.63
Exercisable at June 30, 2021	76,955	\$ 283.21
Outstanding and Exercisable:		
Weighted average remaining contractual term	1.77	

## Outstanding Warrants

As of September 30, 2021, there were 111,932 warrants outstanding of which 76,933 warrants were exercisable with expiration dates commencing September 2022 and continuing through August 2024, with a weighted average exercise price per share of \$191.32.

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## Options

A summary of the Company's option activity during the years ended June 30, 2021 and 2020 is presented below:

	Number of Options	Weighted Average Price Per Share
Outstanding at June 30, 2019	60	\$ 76,370
Issued	-	-

Exercised	-	-
Expired	-	-
Outstanding at June 30, 2020	60	\$ 76,370
Issued	-	-
Exercised	-	-
Expired	(1)	3,750,000
Outstanding at June 30, 2021	59	\$ 13,730
Exercisable at June 30, 2021	40	\$ 18,193
Outstanding and Exercisable:		
Weighted average remaining contractual term	7.86	
Weighted average fair value of options granted during the period	\$ -	
Aggregate intrinsic value	\$ -	

On the Effective Date, the Company's board of directors approved and adopted the Company's 2019 Equity Incentive Plan (the "2019 Plan"), which reserves a total of 234 shares of the Company's common stock for issuance under the 2019 Plan. Incentive awards authorized under the 2019 Plan include, but are not limited to, incentive stock options, non-qualified stock options, restricted stock awards and restricted stock units.

During the year ended June 30, 2021 and 2020, the Company recognized stock-based compensation of \$82,872 and \$82,873 related to vested stock options. There was \$72,514 of unvested stock options expense as of June 30, 2021 that will be recognized over a remaining vesting period of 0.87 year.

No stock options were granted during the years ended June 30, 2021 and 2020. No stock options were granted during the three months ended September 30, 2021.

### Restricted Stock Units

Pursuant to employment agreements dated in May 2019, the Company granted an aggregate of 78 and 39 restricted stock unit to the Company's Chief Executive Officer and Chief Scientific Officer, respectively. The total 117 restricted stock units are subject to vesting terms as defined in the employment agreements. There are 59 unvested restricted stock units which are subject to various performance conditions which have not yet been met and such restricted stock units have not yet vested as of June 30, 2021 and 2020. Each vested restricted stock unit shall be settled by delivery to the holder thereof of one share of our common stock and/or the cash fair market value of such share of common stock on the date of settlement.

### Delaware Anti-Takeover Statute

We are subject to the provisions of Section 203 of the General Corporation Law of the State of Delaware regulating corporate takeovers. In general, Section 203 prohibits a publicly held Delaware corporation from engaging, under certain circumstances, in a business combination with an interested stockholder for a period of three years following the date the person became an interested stockholder unless:

- prior to the date of the transaction, our board of directors approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- upon completion of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding, but not the outstanding voting stock owned by the interested stockholder, (1) shares owned by persons who are directors and also officers and (2) shares owned by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- at or subsequent to the date of the transaction, the business combination is approved by our board of directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting stock which is not owned by the interested stockholder.

Generally, a business combination includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. An interested stockholder is a person who, together with affiliates and associates, owns or, within three years prior to the determination of interested stockholder status, did own 15% or more of a corporation's outstanding voting stock. We expect the existence of this provision to have an anti-takeover effect with respect to transactions our board of directors does not approve in advance. We also anticipate that Section 203 may discourage attempts that might result in a premium over the market price for the shares of common stock held by stockholders.

The provisions of Delaware law and the provisions of our Certificate of Incorporation and Bylaws could have the effect of discouraging others from attempting hostile takeovers and, as a consequence, they might also inhibit temporary fluctuations in the market price of our common stock that often result from actual or rumored hostile takeover attempts. These provisions might also have the effect of preventing changes in our management. It is also possible that these provisions could make it more difficult to accomplish transactions that stockholders might otherwise deem to be in their best interests.

### Bylaws

Provisions of our Bylaws may delay or discourage transactions involving an actual or potential change in our control or change in our management, including transactions in which stockholders might otherwise receive a premium for their shares or transactions that our stockholders might otherwise deem to be in their best interests. Therefore, these provisions could adversely affect the price of our common stock. Among other things, our Bylaws:

- permit our board of directors to issue up to 1,500,005 shares of our preferred stock, with any rights, preferences and privileges as they may designate (including the right to approve an acquisition or other change in our control);
- provide that the authorized number of directors may be changed only by resolution of the board of directors;
- provide that all vacancies, including newly created directorships, may, except as otherwise required by law, be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum; and
- do not provide for cumulative voting rights (therefore allowing the holders of a majority of the shares of common stock entitled to vote in any election of directors to elect all of the directors standing for election, if they should so choose).

The amendment of any of these provisions, with the exception of the ability of our board of directors to issue shares of preferred stock and designate any rights, preferences and privileges thereto, would require approval by the holders of a majority of our then outstanding common stock.

## EXPERTS AND COUNSEL

Our consolidated financial statements as of and for the years ended June 30, 2021 and 2020, appearing in this prospectus and the registration statement of which it is a part, have been audited by Salberg & Company, P.A., an independent registered public accounting firm, as set forth in their report dated September 28, 2021 (which contains an explanatory paragraph regarding our ability to continue as a going concern) appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

Patrizio & O'Leary LLP will render a legal opinion as to the validity of the shares of the common stock to be registered hereby.

No expert named in the registration statement of which this prospectus forms a part as having prepared or certified any part thereof (or is named as having prepared or certified a report or valuation for use in connection with such registration statement) or counsel named in this prospectus as having given an opinion upon the validity of the securities being offered pursuant to this prospectus, or upon other legal matters in connection with the registration or offering such securities was employed for such purpose on a contingency basis. Also at the time of such preparation, certification or opinion or at any time thereafter, through the date of effectiveness of such registration statement or that part of such registration statement to which such preparation, certification or opinion relates, no such person had, or is to receive, in connection with the offering, a substantial interest, as defined in Item 509 of Regulation SK, in our company or any of its parents or subsidiaries. Nor was any such person connected with our company or any of its parents or subsidiaries as a promoter, managing or principal underwriter or voting trustee.

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## DESCRIPTION OF PROPERTY

### Our Offices

Our principal executive office is located at 302, 6 Butler Street, Camberwell, VIC, 3124 Australia, which we lease from Horizon Pty Ltd., a related party, of which Mr. Nathanielsz, our Chief Executive Officer, Chief Financial Officer and a director, and his wife are owners and directors. The lease has a one-year term commencing May 6, 2021, and we are currently obligated to pay \$3,606 AUD or \$2,431 USD (depending on exchange rate), inclusive of tax, in rent per month.

## LEGAL PROCEEDINGS

We are not currently involved in any litigation that we believe could have a material adverse effect on our financial condition or results of operations. There is no action, suit, or proceeding by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the executive officers of our Company or our subsidiary, threatened against or affecting our Company, our common stock, our subsidiary or of our companies or our subsidiary's officers or directors in their capacities as such, in which an adverse decision could have a material adverse effect.

### IRS Liability

As part of its requirement for having a foreign operating subsidiary, the Company's parent U.S. entity is required to file an informational Form 5471 to the Internal Revenue Service (the "IRS"), which is a form that explains the nature of the relationship between the foreign subsidiary and the parent company. From 2012 through the 2014, the Company did not file this form in a timely manner. As a result of the non-timely filings, the Company incurred a penalty from the IRS in the amount of \$10,000 per year, or \$30,000 in total, plus accrued interest, such penalty and interest having been accrued and is included in the accrued expenses and other payable figure in the balance sheet. The Company recorded the penalties for all three years during the year ended June 30, 2018 and is negotiating a payment plan. The Company is current on all subsequent filings.

## MARKET PRICE OF AND DIVIDENDS ON OUR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

### Market Information

Our common stock is quoted under the trading symbol "PPCB" on the OTC QB market place. Only a limited market exists for our common stock. There is no assurance that a regular trading market will develop, or if developed, that it will be sustained. Therefore, a stockholder may be unable to resell his securities in our Company.

The following table sets forth the quarterly high and low sale prices for our common shares for the last two completed fiscal years and the subsequent interim periods. The prices set forth below represent interdealer quotations, without retail markup, markdown or commission and may not be reflective of actual transactions. The following table sets forth, for the periods indicated, the high and low closing sales prices of our common stock, as adjusted for stock splits:

	For the Years Ended June 30,					
	2022		2021		2020	
	High	Low	High	Low	High	Low
First Quarter	\$ 0.0580	\$ 0.0250	\$ 3.70	\$ 1.40	\$ 3,600.00	\$ 762.50
Second Quarter	\$ 0.0673	\$ 0.0240	\$ 2.50	\$ 0.26	\$ 980.00	\$ 112.40
Third Quarter	\$ 0.0429	\$ 0.0189	\$ 0.51	\$ 0.23	\$ 750.00	\$ 25.00
Fourth Quarter <sup>(a)</sup>	\$ -	\$ -	\$ 0.56	\$ 0.0595	\$ 27.50	\$ 3.90

(a) For Q3 2022, the pricing information is through February 2, 2022.

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### Transfer Agent

Action Stock Transfer, located at 2469 E. Fort Union Blvd, Suite 214, Salt Lake City, Utah 84121 and telephone number of (801) 274-1088 is the registrar and transfer agent for our common stock.

### Number of Holders

As of February 2, 2022, there were approximately 77 stockholders of record holding 61,417,527 shares of our common stock. This number does not include an indeterminate number of stockholders whose shares are held by brokers in street name. The holders of our common stock are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders. Holders of our common stock have no preemptive rights and no right to convert their common stock into any other securities. There are no redemption or sinking fund provisions applicable to our common stock.

### Dividend Policy

We have never paid any cash dividends on our common stock and do not anticipate paying any cash dividends on our common stock in the foreseeable future. We intend to

retain future earnings to fund ongoing operations and future capital requirements of our business. Any future determination to pay cash dividends will be at the discretion of our Board and will be dependent upon our financial condition, results of operations, capital requirements and such other factors as our Board deems relevant. Our ability to pay cash dividends is subject to limitations imposed by state law.

#### Penny Stock

The SEC has adopted rules that regulate broker-dealer practices in connection with transactions in penny stocks. Penny stocks are generally equity securities with a market price of less than \$5.00, other than securities registered on certain national securities exchanges or quoted on the NASDAQ system, provided that current price and volume information with respect to transactions in such securities is provided by the exchange or system. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock, to deliver a standardized risk disclosure document prepared by the SEC, that: (a) contains a description of the nature and level of risk in the market for penny stocks in both public offerings and secondary trading; (b) contains a description of the broker's or dealer's duties to the customer and of the rights and remedies available to the customer with respect to a violation of such duties or other requirements of the securities laws; (c) contains a brief, clear, narrative description of a dealer market, including bid and ask prices for penny stocks and the significance of the spread between the bid and ask price; (d) contains a toll-free telephone number for inquiries on disciplinary actions; (e) defines significant terms in the disclosure document or in the conduct of trading in penny stocks; and (f) contains such other information and is in such form, including language, type size and format, as the SEC shall require by rule or regulation.

The broker-dealer also must provide, prior to effecting any transaction in a penny stock, the customer with (a) bid and offer quotations for the penny stock; (b) the compensation of the broker-dealer and its salesperson in the transaction; (c) the number of shares to which such bid and ask prices apply, or other comparable information relating to the depth and liquidity of the market for such stock; and (d) a monthly account statement showing the market value of each penny stock held in the customer's account.

In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from those rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written acknowledgment of the receipt of a risk disclosure statement, a written agreement as to transactions involving penny stocks, and a signed and dated copy of a written suitability statement.

These disclosure requirements may have the effect of reducing the trading activity for our common stock. Therefore, stockholders may have difficulty selling our securities.

## FINANCIAL STATEMENTS

### INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

#### Consolidated Financial Statements

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<a href="#">Statements of Operations and Comprehensive Income (Loss) for the Years Ended June 30, 2021 and 2020</a>	F-5
<a href="#">Statements of Changes in Stockholders' Deficit for the Years Ended June 30, 2021 and 2020</a>	F-6
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#### Unaudited Consolidated Financial Statements

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# SALBERG & COMPANY, P.A.

Certified Public Accountants and Consultants

## Report of Independent Registered Public Accounting Firm

To the Stockholders' and the Board of Directors of:  
Propanc Biopharma, Inc.

#### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets Propanc Biopharma, Inc. and Subsidiary (the "Company") as of June 30, 2021 and 2020, the related consolidated statements of operations and comprehensive income (loss), changes in stockholders' deficit, and cash flows, for each of the two years in the period ended June 30, 2021, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of June 30, 2021 and 2020, and the consolidated results of its operations and its cash flows for each of the two years in the period ended June 30, 2021, in conformity with accounting principles generally accepted in the United States of America.

#### Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the consolidated financial statements, the Company has a net loss of \$2,025,947 and net cash used in operating activities of \$1,145,264 for the fiscal year ended June 30, 2021. The Company has a working capital deficit, stockholder's deficit, and accumulated deficit of \$3,074,078, \$3,067,573, and \$58,199,466 respectively, at June 30, 2021. These matters raise substantial doubt about the Company's ability to continue as a going concern. Management's Plan regarding these matters is also described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

## Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

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## Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

## Derivative Liabilities

As described in Footnote 12 "Derivative Financial Instruments and Fair Value Measurements" to the consolidated financial statements, the Company recorded derivative transactions that resulted primarily in a net derivative expense from change in fair value of conversion option liability of \$8,186, and derivative liabilities of \$54,220 at June 30, 2021.

We identified the evaluation of instruments and contracts to determine whether there are derivatives to be recorded, the analysis of the accounting treatment and presentation for derivative transactions and the valuation of derivatives as critical audit matters. Auditing management's analysis of the above critical audit matters was complex and involved a high degree of subjectivity.

The primary procedures we performed to address these critical audit matters included (a) Reviewed and tested management's conclusions as to whether certain instruments or contracts qualified for derivative treatment by comparing management's analysis and conclusions to authoritative and interpretive literature, (b) Compared the accounting treatment and presentation to that described by the authoritative and interpretive literature, (c) Tested management's process for valuing derivatives by comparing it to generally accepted methodologies for valuing derivatives, (d) Tested management's valuation of the derivatives by testing assumptions and data used in the valuation model including the term, volatility and interest rate, and (e) Recomputed the derivative valuations.

/s/ Salberg & Company, P.A.

SALBERG & COMPANY, P.A.

We have served as the Company's auditor since 2011

Boca Raton, Florida

September 28, 2021

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## PROPANC BIOPHARMA, INC. AND SUBSIDIARY CONSOLIDATED BALANCE SHEETS

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash	\$ 2,255	\$ 67,007
GST tax receivable	4,341	2,015
<b>TOTAL CURRENT ASSETS</b>	<b>6,596</b>	<b>69,022</b>
Security deposit - related party	2,250	2,067
Operating lease right-of-use assets, net - related party	-	21,682
Property and equipment, net	4,255	5,747
<b>TOTAL ASSETS</b>	<b>\$ 13,101</b>	<b>\$ 98,518</b>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		

<b>CURRENT LIABILITIES:</b>			
Accounts payable	\$	1,002,335	\$ 842,156
Accrued expenses and other payables		892,151	702,231
Convertible notes and related accrued interest, net of discounts and premiums		624,583	1,557,734
Operating lease liability - related party		-	25,072
Embedded conversion option liabilities		54,220	177,009
Due to former director - related party		33,347	30,639
Loan from former director - related party		55,500	50,993
Employee benefit liability		418,538	354,109
<b>TOTAL CURRENT LIABILITIES</b>		<u>3,080,674</u>	<u>3,739,943</u>
<b>TOTAL LIABILITIES</b>	\$	<u>3,080,674</u>	\$ <u>3,739,943</u>
<b>Commitments and Contingencies (See Note 9)</b>			
<b>STOCKHOLDERS' DEFICIT:</b>			
Preferred stock, 1,500,005 shares authorized, \$0.01 par value:			
Series A preferred stock, \$0.01 par value; 500,000 shares authorized; 500,000 shares issued and outstanding as of June 30, 2021 and 2020	\$	5,000	\$ 5,000
Series B preferred stock, \$0.01 par value; 5 shares authorized; 1 share issued and outstanding as of June 30, 2021 and 2020		-	-
Common stock, \$0.001 par value; 1,000,000,000 shares authorized; 14,055,393 and 258,120 shares issued and outstanding as of June 30, 2021 and 2020, respectively			
		14,056	258
Common stock issuable (59 and 0 shares as of June 30, 2021 and 2020, respectively)		-	-
Additional paid-in capital		54,074,110	50,913,893
Accumulated other comprehensive income		1,085,204	1,267,671
Accumulated deficit		(58,199,466)	(55,781,770)
Treasury stock (1 share)		(46,477)	(46,477)
<b>TOTAL STOCKHOLDERS' DEFICIT</b>		<u>(3,067,573)</u>	<u>(3,641,425)</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT</b>	\$	<u>13,101</u>	\$ <u>98,518</u>

The accompanying notes are an integral part of these consolidated financial statements.

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**PROPANC BIOPHARMA, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)**

	<b>Years Ended June 30,</b>	
	<u>2021</u>	<u>2020</u>
<b>REVENUE</b>		
Revenue	\$ -	\$ -
<b>OPERATING EXPENSES</b>		
Administration expenses	1,553,075	3,281,464
Occupancy expenses	28,112	32,809
Research and development	230,956	179,987
<b>TOTAL OPERATING EXPENSES</b>	<u>1,812,143</u>	<u>3,494,260</u>
<b>LOSS FROM OPERATIONS</b>	<u>(1,812,143)</u>	<u>(3,494,260)</u>
<b>OTHER INCOME (EXPENSE)</b>		
Interest expense	(449,457)	(1,748,381)
Interest income	1	946
Other income	-	57,636
Change in fair value of derivative liabilities	(8,186)	385,293
Gain from settlement of debt, net	49,319	-
Gain on extinguishment of debt, net	50,607	67,123
Foreign currency transaction gain (loss)	30,497	(143,808)
<b>TOTAL OTHER EXPENSE, NET</b>	<u>(327,219)</u>	<u>(1,381,191)</u>
<b>LOSS BEFORE TAXES</b>	<u>(2,139,362)</u>	<u>(4,875,451)</u>
Tax benefit	113,415	134,728
<b>NET LOSS</b>	<u>(2,025,947)</u>	<u>(4,740,723)</u>
<b>Deemed dividend</b>	<u>(391,749)</u>	<u>-</u>
<b>NET LOSS AVAILABLE TO COMMON STOCKHOLDERS</b>	\$ <u>(2,417,696)</u>	\$ <u>(4,740,723)</u>
<b>BASIC AND DILUTED NET LOSS PER SHARE AVAILABLE TO COMMON STOCKHOLDERS</b>	\$ <u>(0.80)</u>	\$ <u>(192.45)</u>



<b>BASIC AND DILUTED WEIGHTED AVERAGE SHARES OUTSTANDING</b>		3,032,612		24,634
<b>NET LOSS AVAILABLE TO COMMON STOCKHOLDERS</b>	\$	(2,417,696)	\$	(4,740,723)
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
Unrealized foreign currency translation gain (loss)		(182,467)		200,673
<b>TOTAL OTHER COMPREHENSIVE INCOME (LOSS)</b>		(182,467)		200,673
<b>TOTAL COMPREHENSIVE LOSS</b>	\$	(2,600,163)	\$	(4,540,050)

The accompanying notes are an integral part of these consolidated financial statements.

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**PROPANC BIOPHARMA, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT FOR THE YEARS ENDED JUNE 30, 2021 and 2020**

	Preferred Stock				Common Stock		Common Stock Issuable		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Treasury Stock	Total Stockholders' Deficit
	Series A	Series B	Common Stock		Common Stock Issuable								
	No. of Shares	Value	No. of Shares	Value	No. of Shares	Value	No. of Shares	Value					
<b>Balance at June 30, 2019</b>	500,000	\$ 5,000	1	\$ -	968	\$ 1	-	\$ -	\$ 45,714,289	\$ (51,041,047)	\$ 1,066,998	\$ (46,477)	\$ (4,301,236)
Issuance of common stock for cash	-	-	-	-	804	1	-	-	424,989	-	-	-	424,990
Issuance of common stock for conversion of convertible debt and accrued interest	-	-	-	-	247,619	248	-	-	2,124,926	-	-	-	2,125,174
Reclassification of put premium upon debt conversion	-	-	-	-	-	-	-	-	874,924	-	-	-	874,924
Issuance of common stock for services	-	-	-	-	8,729	8	-	-	113,634	-	-	-	113,642
Relative fair value of warrants issued with convertible debt	-	-	-	-	-	-	-	-	375,905	-	-	-	375,905
Stock based compensation in connection with stock option grants and restricted stock unit grants	-	-	-	-	-	-	-	-	300,416	-	-	-	300,416
Stock based compensation in connection with fair value of warrants issued for services	-	-	-	-	-	-	-	-	984,810	-	-	-	984,810
Foreign currency translation gain	-	-	-	-	-	-	-	-	-	-	200,673	-	200,673
Net loss for the fiscal year ended June 30, 2020	-	-	-	-	-	-	-	-	-	(4,740,723)	-	-	(4,740,723)
<b>Balance at June 30, 2020</b>	500,000	5,000	1	-	258,120	258	-	-	50,913,893	(55,781,770)	1,267,671	(46,477)	(3,641,425)
Issuance of common stock for conversion of convertible debt and accrued interest	-	-	-	-	8,786,113	8,787	-	-	1,230,288	-	-	-	1,239,075
Reversal of common stock issuable due to cancellation of conversions of convertible debt and accrued interest	-	-	-	-	(24,427)	(24)	-	-	(19,992)	-	-	-	(20,016)
Reversal of put premium upon cancellation of conversions of convertible debt	-	-	-	-	-	-	-	-	(11,785)	-	-	-	(11,785)
Issuance of common stock for services	-	-	-	-	805,646	806	-	-	124,766	-	-	-	125,572
Issuance of common stock for exercise of warrants	-	-	-	-	29,820	29	-	-	776,015	-	-	-	776,044
Issuance of common stock for cashless exercise of warrants	-	-	-	-	4,199,979	4,200	-	-	(4,200)	-	-	-	-
Deemed dividend upon alternate cashless exercise of warrants	-	-	-	-	-	-	-	-	391,749	(391,749)	-	-	-
Reclassification of put premium upon debt conversion	-	-	-	-	-	-	-	-	590,504	-	-	-	590,504
Stock based compensation in connection with stock option grants	-	-	-	-	-	-	-	-	82,872	-	-	-	82,872
Vested restricted stock units	-	-	-	-	-	-	59	-	-	-	-	-	-
Fractional difference due to the reverse stock-split	-	-	-	-	142	-	-	-	-	-	-	-	-
Foreign currency translation loss	-	-	-	-	-	-	-	-	-	-	(182,467)	-	(182,467)
Net loss for the fiscal year ended June 30, 2021	-	-	-	-	-	-	-	-	-	(2,025,947)	-	-	(2,025,947)
<b>Balance at June 30, 2021</b>	500,000	\$ 5,000	1	\$ -	14,055,393	\$ 14,056	59	\$ -	\$ 54,074,110	\$ (58,199,466)	\$ 1,085,204	\$ (46,477)	\$ (3,067,573)

The accompanying notes are an integral part of these consolidated financial statements.

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**PROPANC BIOPHARMA, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Years Ended June 30,	
	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss	\$ (2,025,947)	\$ (4,740,723)
<b>Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:</b>		
Issuance and amortization of common stock for services	125,572	1,098,452
Foreign currency transaction loss (gain)	(30,497)	143,808
Depreciation expense	1,993	2,473
Amortization of debt discounts	136,527	734,130
Change in fair value of derivative liabilities	8,186	(385,293)
Gain on extinguishment of debt, net	(50,607)	(67,123)



Gain from settlement of debt, net	(49,319)	-
Stock option and restricted stock expense	82,872	300,416
Non-cash interest expense	16,500	15,000
Accretion of put premium	200,410	836,724
<b>Changes in Assets and Liabilities:</b>		
GST receivable	(2,147)	3,332
Prepaid expenses and other assets	-	83,157
Accounts payable	178,311	(59,737)
Deferred rent	(3,695)	3,394
Employee benefit liability	33,134	35,724
Accrued expenses and other payables	152,861	(9,740)
Accrued interest	80,582	156,417
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(1,145,264)</b>	<b>(1,849,589)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from convertible promissory notes, net of original issue discounts and issue costs	325,000	1,465,250
Repayments of convertible promissory notes	(43,000)	-
Proceeds from the sale of common stock	-	450,000
Fees associated with offering costs	-	(25,010)
Proceeds from the exercise of warrants	776,044	-
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>1,058,044</b>	<b>1,890,240</b>
Effect of exchange rate changes on cash	22,468	23,962
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(64,752)</b>	<b>64,613</b>
<b>CASH AT BEGINNING OF YEAR</b>	<b>67,007</b>	<b>2,394</b>
<b>CASH AT END OF YEAR</b>	<b>\$ 2,255</b>	<b>\$ 67,007</b>

#### Supplemental Disclosure of Cash Flow Information

##### **Cash paid during the year:**

Interest	\$ 13,621	\$ 6,110
Income Tax	\$ -	\$ -

#### Supplemental Disclosure of Non-Cash Investing and Financing Activities

Reduction of put premium related to conversions of convertible notes	\$ 590,504	\$ 874,924
Conversion of convertible notes and accrued interest to common stock	\$ 1,142,205	\$ 1,814,336
Discounts related to warrants issued with convertible notes	\$ -	\$ 375,905
Discounts related to derivative liability	\$ -	\$ 227,000
Operating lease right-of-use asset and operating lease liability recorded on adoption of ASC 842	\$ -	\$ 48,662
Reversal of common stock issuable and put premium due to cancellation of conversions of convertible debt and accrued interest	\$ 31,801	\$ -
Deemed dividend upon alternate cashless exercise of warrants	\$ 391,749	\$ -
Accounts payable reclass to convertible notes	\$ 25,000	\$ -

The accompanying notes are an integral part of these consolidated financial statements.

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**PROPANC BIOPHARMA, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**June 30, 2021 and 2020**

#### **NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES**

##### Nature of Operations

Propanc Biopharma, Inc. (the “Company,” “we,” “us” or “our”) was originally incorporated in Melbourne, Victoria Australia on October 15, 2007 as Propanc PTY LTD, and continues to be based in Camberwell, Victoria Australia. Since its inception, substantially all of the operations of the Company have been focused on the development of new cancer treatments targeting high-risk patients, particularly cancer survivors, who need a follow-up, non-toxic, long-term therapy designed to prevent the cancer from returning and spreading. The Company anticipates establishing global markets for its technologies. Our lead product candidate, which we refer to as PRP, is an enhanced pro-enzyme formulation designed to enhance the anti-cancer effects of multiple enzymes acting synergistically. It is currently in the preclinical phase of development.

On November 23, 2010, the Company was incorporated in the state of Delaware as Propanc Health Group Corporation. In January 2011, to reorganize the Company, we acquired all of the outstanding shares of Propanc PTY LTD on a one-for-one basis making it a wholly-owned subsidiary of the Company.

On July 22, 2016, the Company formed a wholly owned subsidiary, Propanc (UK) Limited under the laws of England and Wales for the purpose of submitting an orphan drug application to the European Medicines Agency as a small and medium-sized enterprise. As of June 30, 2021, there has been no activity within this entity.

Effective April 20, 2017, the Company changed its name to “Propanc Biopharma, Inc.” to better reflect the Company’s stage of operations and development.

In July 2020, a world first patent was granted in Australia for the cancer treatment method patent family. Presently, there are 29 granted patents and 33 patents under examination in key global jurisdictions relating to the use of proenzymes against solid tumors, covering the lead product candidate PRP.

The Company hopes to capture and protect additional patentable subject matter based on the Company’s field of technology relating to pharmaceutical compositions of proenzymes for treating cancer by filing additional patent applications as it advances its lead product candidate, PRP, through various stages of development.

On November 17, 2020, the Company effected a one-for-one thousand (1:1,000) reverse stock split of the Company's issued and outstanding shares of common stock (the "Reverse Stock Split"). Proportional adjustments for the Reverse Stock Split were made to the Company's outstanding stock options, warrants and equity incentive plans. All share and per-share data and amounts have been retroactively adjusted as of the earliest period presented in the consolidated financial statements to reflect the Reverse Stock Split.

#### Principles of Consolidation

The consolidated financial statements include the accounts of Propanc Biopharma, Inc., the parent entity, and its wholly-owned subsidiary, Propanc PTY LTD. All inter-company balances and transactions have been eliminated in consolidation. Propanc (UK) Limited was an inactive wholly-owned subsidiary through June 30, 2021.

#### Use of Estimates

The preparation of financial statements in conformity with the accounting principles generally accepted in the United States of America ("US GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Significant estimates in the accompanying consolidated financial statements include the estimates of useful lives for depreciation, valuation of the operating lease liability and related right-of-use asset, valuation of derivatives, valuation of beneficial conversion features on convertible debt, allowance for uncollectable receivables, valuation of equity based instruments issued for other than cash, the valuation allowance on deferred tax assets and foreign currency translation due to certain average exchange rates applied in lieu of spot rates on transaction dates.

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**PROPANC BIOPHARMA, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**June 30, 2021 and 2020**

#### Foreign Currency Translation and Other Comprehensive Income (Loss)

The Company's wholly owned subsidiary's functional currency is the Australian dollar (AUD). For financial reporting purposes, the Australian dollar has been translated into the Company's reporting currency which is the United States dollar (\$) and/or (USD). Assets and liabilities are translated at the exchange rate in effect at the balance sheet date. Revenues and expenses are translated at the average rate of exchange prevailing during the reporting period. Equity transactions are translated at each historical transaction date spot rate. Translation adjustments arising from the use of different exchange rates from period to period are included as a component of stockholders' equity (deficit) as "Accumulated other comprehensive income (loss)." Gains and losses resulting from foreign currency transactions are included in the statements of operations and comprehensive income (loss) as a component of other comprehensive income (loss). There have been no significant fluctuations in the exchange rate for the conversion of Australian dollars to USD after the balance sheet date.

Other Comprehensive Income (Loss) for all periods presented includes only foreign currency translation gains (losses).

Assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing at the consolidated balance sheet date with any transaction gains and losses that arise from exchange rate fluctuations on transactions denominated in a currency other than the functional currency included in the consolidated results of operations as incurred. Effective fiscal year 2021, the parent company determined that these intercompany loans will not be repaid in the foreseeable future and thus, per ASC 830-20-35-3, gains and losses from measuring the intercompany balances are recorded within cumulative translation adjustment, a component of accumulated other comprehensive income (loss). Prior to July 1, 2020, the Company recorded the foreign currency transaction gains and losses from measuring the intercompany balances as a component of other income (expenses) titled foreign currency transaction gain (loss). For the year ended June 30, 2021 and 2020, the Company recognized an exchange gain (loss) of approximately \$1,005,000 and (\$133,000), on intercompany loans made by the parent to the subsidiary which have not been repaid as of June 30, 2021.

As of June 30, 2021 and 2020, the exchange rates used to translate amounts in Australian dollars into USD for the purposes of preparing the consolidated financial statements were as follows:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Exchange rate on balance sheet dates		
USD : AUD exchange rate	0.7500	0.6891
Average exchange rate for the period		
USD : AUD exchange rate	0.7473	0.6742

Change in Accumulated Other Comprehensive Income (Loss) by component during the years ended June 30, 2021 and 2020 were as follows:

	Foreign Currency Items:
Beginning balance, June 30, 2019	\$ 1,066,998
Foreign currency translation gain	200,673
Balance, June 30, 2020	1,267,671
Foreign currency translation gain	182,467
Ending balance, June 30, 2021	\$ 1,085,204

#### Fair Value of Financial Instruments and Fair Value Measurements

The Company measures its financial assets and liabilities in accordance with US GAAP. For certain financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, the carrying amounts approximate fair value due to their short maturities. Amounts recorded for notes payable, net of discount, and loans payable also approximate fair value because current interest rates available for debt with similar terms and maturities are substantially the same.

The Company follows accounting guidance for financial assets and liabilities. This standard defines fair value, provides guidance for measuring fair value and requires certain disclosures. This standard does not require any new fair value measurements, but rather applies to all other accounting pronouncements that require or permit fair value measurements. This guidance does not apply to measurements related to share-based payments. This guidance discusses valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flow), and the cost approach (cost to replace the service capacity of an asset or replacement cost).

The guidance utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those three levels:

Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs, other than quoted prices that are observable, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.

Level 3: Unobservable inputs in which little or no market data exists, therefore developed using estimates and assumptions developed by us, which reflect those that a market participant would use.

Also see Note 12 - Derivative Financial Instruments and Fair Value Measurements.

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**PROPANC BIOPHARMA, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**June 30, 2021 and 2020**

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less with financial institutions, and bank overdrafts. Bank overdrafts, as applicable, are reflected as a current liability on the balance sheets. There were no cash equivalents as of June 30, 2021 or June 30, 2020.

Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation. Expenditures for maintenance and repairs are expensed as incurred; additions, renewals, and betterments are capitalized. When property and equipment are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the respective accounts, and any gain or loss is included in operations. Depreciation of property and equipment is provided using the declining balance method. The depreciable amount is the cost less its residual value.

The estimated useful lives are as follows:

Machinery and equipment	- 5 years
Furniture	- 7 years

Patents

Patents are stated at cost and amortized on a straight-line basis over the estimated future periods if and once the patent has been granted by a regulatory agency. However, the Company will expense any patent costs as long as we are in the startup stage. Accordingly, as the Company's products are not currently approved for market, all patent costs incurred from 2013 through June 30, 2021 were expensed immediately. This practice of expensing patent costs immediately ends when a product receives market authorization from a government regulatory agency.

Impairment of Long-Lived Assets

In accordance with ASC 360-10, "Long-lived assets," which include property and equipment and intangible assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of long-lived assets to be held and used is measured by a comparison of the carrying amount of an asset to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated undiscounted future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the assets. Fair value is generally determined using the asset's expected future discounted cash flows or market value, if readily determinable.

Employee Benefit/Liability

Liabilities arising in respect of wages and salaries, accumulated annual leave, accumulated long service leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured based on the employee's remuneration rates applicable at the reporting date. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. All employee liabilities are owed within the next twelve months.

Australian Goods and Services Tax ("GST")

Revenues, expenses and balance sheet items are recognized net of the amount of GST, except payable and receivable balances which are shown inclusive of GST. The GST incurred is payable on revenues to, and recoverable on purchases from, the Australian Taxation Office.

Cash flows are presented in the statements of cash flow on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

As of June 30, 2021 and 2020, the Company was owed \$4,341 and \$2,015, respectively, from the Australian Taxation Office. These amounts were fully collected subsequent to the balance sheet reporting dates.

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**PROPANC BIOPHARMA, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**June 30, 2021 and 2020**

Derivative Instruments

ASC Topic 815, *Derivatives and Hedging* ("ASC Topic 815"), establishes accounting and reporting standards for derivative instruments and for hedging activities by requiring that all derivatives be recognized in the balance sheet and measured at fair value. Gains or losses resulting from changes in the fair value of derivatives are recognized in earnings. On the date of conversion or payoff of debt, the Company records the fair value of the conversion shares, removes the fair value of the related derivative liability, removes any discounts and records a net gain or loss on debt extinguishment. On July 1, 2019 the Company adopted ASU 2017-11 under which down-round Features in Financial Instruments will no longer cause derivative treatment. The Company applies the modified prospective method of adoption. There were no cumulative effects on adoption.

## Convertible Notes With Variable Conversion Options

The Company has entered into convertible notes, some of which contain variable conversion options, whereby the outstanding principal and accrued interest may be converted, by the holder, into common shares at a fixed discount to the price of the common stock at or around the time of conversion. The Company treats these convertible notes as stock settled debt under ASC 480, “*Distinguishing Liabilities from Equity*” and measures the fair value of the notes at the time of issuance, which is the result of the share price discount at the time of conversion and records the put premium as interest expense.

## Income Taxes

The Company is governed by Australia and United States income tax laws, which are administered by the Australian Taxation Office and the United States Internal Revenue Service, respectively. The Company follows ASC 740 “*Accounting for Income Taxes*,” when accounting for income taxes, which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually for temporary differences between the financial statements and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities.

The Company follows ASC 740, Sections 25 through 60, “*Accounting for Uncertainty in Income Taxes*.” These sections provide detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in the financial statements. Tax positions must meet a “more-likely-than-not” recognition threshold at the effective date to be recognized upon the adoption of ASC 740 and in subsequent periods.

## Research and Development Costs and Tax Credits

In accordance with ASC 730-10, “*Research and Development-Overall*,” research and development costs are expensed when incurred. Total research and development costs for the fiscal years ended June 30, 2021 and 2020 were \$230,956 and \$179,987, respectively.

The Company may apply for research and development tax concessions with the Australian Taxation Office on an annual basis. Although the amount is possible to estimate at year end, the Australian Taxation Office may reject or materially alter the claim amount. Accordingly, the Company does not recognize the benefit of the claim amount until cash receipt since collectability is not certain until such time. The tax concession is a refundable credit. If the Company has net income, then the Company can receive the credit which reduces its income tax liability. If the Company has net losses, then the Company may still receive a cash payment for the credit, however, the Company’s net operating loss carryforwards are reduced by the gross equivalent loss that would produce the credit amount when the income tax rate is applied to that gross amount. The concession is recognized as tax benefit, in operations, upon receipt.

During each of the fiscal years ended June 30, 2021 and 2020, the Company applied for, and received from the Australian Taxation Office, a research and development tax credit in the amount of \$113,415 and \$134,728, respectively, which is reflected as a tax benefit in the accompanying consolidated statements of operations and comprehensive income (loss).

## Stock Based Compensation

The Company records stock-based compensation in accordance with ASC 718, “*Stock Compensation*”. ASC 718 requires the fair value of all stock-based employee compensation awarded to employees to be recorded as an expense over the shorter of the service period or the vesting period. The Company values employee and non-employee stock-based compensation at fair value using the Black-Scholes Option Pricing Model.

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### **PROPANC BIOPHARMA, INC. AND SUBSIDIARY NOTES TO CONSOLIDATED FINANCIAL STATEMENTS June 30, 2021 and 2020**

The Company adopted ASU 2018-07 and accounts for non-employee share-based awards in accordance with the measurement and recognition criteria of ASC 718 and recognizes the fair value of such awards over the service period. The Company used the modified prospective method of adoption. There was no cumulative effect of adoption on July 1, 2019.

## Revenue Recognition

The Company adopted and implemented on July 1, 2018, ASC 606 – Revenue from Contracts with Customers (“ASC 606”). ASC 606 did not have a material impact on the consolidated financial statements.

Upon implementation of ASC 606, the Company recognizes revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

Subject to these criteria, the Company intends to recognize revenue relating to royalties on product sales in the period in which the sale occurs and the royalty term has begun.

## Legal Expenses

All legal costs for litigation are charged to expense as incurred.

## Leases

In February 2016, the Financial Accounting Standards Board (“FASB”) issued ASU 2016-02, *Leases* (Topic 842). The updated guidance requires lessees to recognize lease assets and lease liabilities for most operating leases. In addition, the updated guidance requires that lessors separate lease and non-lease components in a contract in accordance with the new revenue guidance in ASC 606. This guidance is effective for interim and annual reporting periods beginning after December 15, 2018. The Company adopted this guidance effective July 1, 2019.

On July 1, 2019, the Company adopted ASU No. 2016-02, applying the package of practical expedients to leases that commenced before the effective date whereby the Company elected to not reassess the following: (i) whether any expired or existing contracts contain leases and; (ii) initial direct costs for any existing leases. For contracts entered into on or after the effective date, at the inception of a contract the Company assessed whether the contract is, or contains, a lease. The Company’s assessment is based on: (1) whether the contract involves the use of a distinct identified asset, (2) whether we obtain the right to substantially all the economic benefit from the use of the asset

throughout the period, and (3) whether it has the right to direct the use of the asset. The Company will allocate the consideration in the contract to each lease component based on its relative stand-alone price to determine the lease payments.

Operating lease ROU assets represents the right to use the leased asset for the lease term and operating lease liabilities are recognized based on the present value of future minimum lease payments over the lease term at commencement date. As most leases do not provide an implicit rate, the Company use an incremental borrowing rate based on the information available at the adoption date in determining the present value of future payments. Lease expense for minimum lease payments is amortized on a straight-line basis over the lease term and is included in general and administrative expenses in the consolidated statements of operations.

#### Basic and Diluted Net Loss Per Common Share

Basic net loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. Diluted net loss per common share is computed by dividing the net loss by the weighted average number of common shares outstanding for the period and, if dilutive, potential common shares outstanding during the period. Potentially dilutive securities consist of the incremental common shares issuable upon exercise of common stock equivalents such as stock options, warrants and convertible debt instruments. Potentially dilutive securities are excluded from the computation if their effect is anti-dilutive. As a result, the basic and diluted per share amounts for all periods presented are identical. Each holder of the notes has agreed to a 4.99% beneficial ownership conversion limitation (subject to certain noteholders' ability to increase such limitation to 9.99% upon 60 days' notice to the Company), and each note may not be converted during the first six-month period from the date of issuance. Such securities are considered dilutive securities which were excluded from the computation since the effect is anti-dilutive.

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**PROPANC BIOPHARMA, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**June 30, 2021 and 2020**

	<b>June 30, 2021</b>	<b>June 30, 2020</b>
Stock Options	59	60
Stock Warrants	121,329	151,171
Unvested restricted stock	59	59
Convertible Debt	12,416,972	439,113
<b>Total</b>	<b>12,538,419</b>	<b>590,403</b>

#### Recent Accounting Pronouncements

We have reviewed the FASB issued ASU accounting pronouncements and interpretations thereof that have effectiveness dates during the periods reported and in future periods. We have carefully considered the new pronouncements that alter previous generally accepted accounting principles and do not believe that any new or modified principles will have a material impact on the Company's reported financial position or operations in the near term with the exception of those disclosed below. The applicability of any standard is subject to the formal review of the Company's financial management.

In August 2020, the FASB issued ASU 2020-06, "Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity's Own Equity (Subtopic 815-40)". This ASU reduces the number of accounting models for convertible debt instruments and convertible preferred stock. As well as amend the guidance for the derivatives scope exception for contracts in an entity's own equity to reduce form-over-substance-based accounting conclusions. In addition, this ASU improves and amends the related EPS guidance. This standard is effective for us on July 1, 2022, including interim periods within those fiscal years. Adoption is either a modified retrospective method or a fully retrospective method of transition. The Company is currently assessing the impact the new guidance will have on our consolidated financial statements.

#### **NOTE 2 – GOING CONCERN**

The accompanying consolidated financial statements have been prepared in conformity with US GAAP, which contemplate continuation of the Company as a going concern. For the fiscal year ended June 30, 2021, the Company had no revenues, had a net loss of \$2,025,947 and had net cash used in operations of \$1,145,264. Additionally, as of June 30, 2021, the Company had a working capital deficit, stockholders' deficit and accumulated deficit of \$3,074,078, \$3,067,573, and \$58,199,466, respectively. It is management's opinion that these conditions raise substantial doubt about the Company's ability to continue as a going concern for a period of at least twelve months from the date of this filing.

The consolidated financial statements do not include any adjustments to reflect the possible future effect on the recoverability and classification of assets or the amounts and classifications of liabilities that may result from the outcome of this uncertainty.

Successful completion of the Company's development program and, ultimately, the attainment of profitable operations are dependent upon future events, including obtaining adequate financing to fulfill its development activities, acceptance of the Company's patent applications, obtaining additional sources of suitable and adequate financing and ultimately achieving a level of sales adequate to support the Company's cost structure and business plan. The Company's ability to continue as a going concern is also dependent on its ability to further develop and execute on its business plan. However, there can be no assurances that any or all of these endeavors will be successful.

In March 2020, the outbreak of COVID-19 (coronavirus) caused by a novel strain of the coronavirus was recognized as a pandemic by the World Health Organization, and the outbreak has become increasingly widespread in the United States, Europe and Australia, including in each of the areas in which the Company operates. The COVID-19 (coronavirus) outbreak has had a notable impact on general economic conditions, including but not limited to the temporary closures of many businesses, "shelter in place" and other governmental regulations, reduced business and consumer spending due to both job losses, reduced investing activity and M&A transactions, among many other effects attributable to the COVID-19 (coronavirus), and there continue to be many unknowns. While to date the Company has not been required to stop operating, management is evaluating its use of its office space, virtual meetings and the like. The Company continues to monitor the impact of the COVID-19 (coronavirus) outbreak closely. The extent to which the COVID-19 (coronavirus) outbreak will impact our operations, ability to obtain financing or future financial results is uncertain.

#### **NOTE 3 – PROPERTY AND EQUIPMENT**

Property and equipment consist of the following as of June 30,

	<b>2021</b>	<b>2020</b>
Office equipment at cost	\$ 28,623	\$ 26,299
Less: Accumulated depreciation	(24,368)	(20,552)
<b>Total property, plant, and equipment</b>	<b>\$ 4,255</b>	<b>\$ 5,747</b>

**PROPANC BIOPHARMA, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**June 30, 2021 and 2020**

**NOTE 4 – DUE TO FORMER DIRECTOR - RELATED PARTY**

Due to former director - related party represents unsecured advances made primarily by a former director for operating expenses on behalf of the Company such as intellectual property and formation expenses. The expenses were paid for on behalf of the Company and are due upon demand. The Company is currently not being charged interest under these advances. The total amount owed the former director at June 30, 2021 and 2020 is \$33,347 and \$30,639, respectively. The Company plans to repay the advances as its cash resources allow (see Note 10).

**NOTE 5 – LOANS AND NOTES PAYABLE**

Loan from Former Director - Related Party

Loan from the Company's former director at June 30, 2021 and 2020 were \$55,500 and \$50,993, respectively. The loan bear no interest and is payable on demand. The Company did not repay any amount on this loan during the years ended June 30, 2021 and 2020, respectively, (see Note 10).

**NOTE 6 – CONVERTIBLE NOTES**

The Company's convertible notes outstanding at June 30, 2021 and 2020 were as follows:

	<b>June 30, 2021</b>	<b>June 30, 2020</b>
Convertible notes and debenture	\$ 400,128	\$ 1,029,496
Unamortized discounts	(6,139)	(126,667)
Accrued interest	34,098	80,101
Premium, net	196,496	574,804
Convertible notes, net	<u>\$ 624,583</u>	<u>\$ 1,557,734</u>

***Eagle Equities Financing Agreements***

*December 29, 2017 Securities Purchase Agreement*

The Company entered into an executory contract on December 29, 2017, whereby the Company entered into a securities purchase agreement with Eagle Equities, pursuant to which Eagle Equities purchased a convertible promissory note (the "December 2017 Eagle Note") from the Company in the aggregate principal amount of \$532,435, with principal and the interest thereon convertible into shares of the Company's common stock at the option of Eagle Equities at any time. The December 2017 Eagle Note contained an original issue discount of \$25,354 such that the purchase price was \$507,081. The maturity date of the December 2017 Eagle Note was December 29, 2018. The Company was in discussions with Eagle Equities to extend the maturity date. The December 2017 Eagle Note bore interest at a rate of 8% per annum, which interest were to be paid by the Company to Eagle Equities in shares of the Company's common stock upon receipt of a notice of conversion by the Company from Eagle Equities at any time. The Company recorded \$20,065 of accrued interest for the December 2017 Eagle Note and total principal outstanding as of June 30, 2019 under the December 2017 Eagle Note was \$71,965 following conversion of \$360,470 of principal and \$43,535 of accrued interest during the fiscal year ended June 30, 2019. The Company recorded \$0 of accrued interest for the December 2017 Eagle Note and total principal outstanding as of June 30, 2020 under the December 2017 Eagle Note was \$0 following conversion of the remaining principal \$171,965 and \$24,751 of accrued interest during the fiscal year to June 30, 2020. Accordingly, there was no outstanding balance as of June 30, 2020.

*July 13, 2018 Securities Purchase Agreement*

Effective July 13, 2018, the Company entered into a securities purchase agreement with Eagle Equities, pursuant to which Eagle Equities purchased a convertible promissory note (the "July 2018 Note") from the Company in the aggregate principal amount of \$75,000, such principal and the interest thereon convertible into shares of the Company's common stock at the option of Eagle Equities any time after the six month anniversary of the July 2018 Eagle Note. The transaction closed on July 16, 2018 and on July 19, 2018 the Company received proceeds of \$71,250 as \$3,750 was paid directly to legal fees. The maturity date of the July 2018 Eagle Note was July 13, 2019. The July 2018 Eagle Note bears interest at a rate of 8% per annum, which interest shall be paid by the Company to Eagle Equities in shares of the Company's common stock upon receipt of a notice of conversion by the Company from Eagle Equities at any time after the six-month anniversary of the Note. The Company recorded \$5,786 of accrued interest and the total principal outstanding under the July 2018 Eagle Note was \$75,000 as of June 30, 2019. The Company recorded \$0 of accrued interest and the total principal outstanding under the July 2018 Eagle Note was \$0 as of June 30, 2020 following conversion of \$75,000 of principal and \$9,300 of accrued interest during the fiscal year ended June 30, 2020. Accordingly, there was no outstanding balance as of June 30, 2020.

**PROPANC BIOPHARMA, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**June 30, 2021 and 2020**

*August 29, 2018 Securities Purchase Agreement*

Effective August 29, 2018, the Company entered into a securities purchase agreement with Eagle Equities, pursuant to which Eagle Equities purchased a convertible promissory note (the "August 2018 Eagle Note") from the Company in the aggregate principal amount of \$105,000, such principal and the interest thereon convertible into shares of the Company's common stock at the option of Eagle Equities any time after the six-month anniversary of the August 2018 Eagle Note. The transactions contemplated by the agreement closed on August 30, 2018. The maturity date of the August 29, 2018 Eagle Note was August 29, 2019. The August 2018 Eagle Note bore interest at a rate of 8% per annum, which interest was paid by the Company to Eagle Equities in shares of the Company's common stock upon receipt of a notice of conversion by the Company from Eagle Equities at any time after the six-month anniversary of the August 2018 Eagle Note. In April 2020, Eagle Equities agreed to waive the 24% default interest on this note. The note was fully converted to common stock in fiscal 2021.

*October 2, 2018 Securities Purchase Agreement*

Effective October 2, 2018, the Company entered into a securities purchase agreement with Eagle Equities, pursuant to which Eagle Equities purchased a convertible promissory note (the "October 2018 Eagle Note") from the Company in the aggregate principal amount of \$210,000, such principal and the interest thereon convertible into shares of the Company's common stock at the option of Eagle Equities any time after the six-month anniversary of the October 2018 Eagle Note. The transactions contemplated by the purchase agreement closed on October 3, 2018. Pursuant to the terms of the purchase agreement, Eagle Equities deducted \$10,000 from the principal payment due under the

October 2018 Eagle Note, at the time of closing, to be applied to its legal expenses. The maturity date of the October 2018 Eagle Note was October 2, 2019. The October 2018 Eagle Note shall bore interest at a rate of 8% per annum, which interest was paid by the Company to Eagle Equities in shares of common stock upon receipt of a notice of conversion by the Company from Eagle Equities at any time after the six-month anniversary of the October 2018 Eagle Note. In April 2020, Eagle Equities agreed to waive the 24% default interest on this note. The note was fully converted to common stock in fiscal 2020.

#### *November 30, 2018 Securities Purchase Agreement*

Effective November 30, 2018, the Company entered into a securities purchase agreement with Eagle Equities, pursuant to which Eagle Equities purchased a convertible promissory note (the “November 2018 Eagle Note”) from the Company in the aggregate principal amount of \$105,000, such principal and the interest thereon convertible into shares of the Company’s common stock at the option of Eagle Equities any time after the six-month anniversary of the November 2018 Eagle Note. The transactions contemplated by the purchase agreement closed on December 3, 2018. Pursuant to the terms of the purchase agreement, Eagle Equities deducted \$5,000 from the principal payment due under the November 2018 Eagle Note, at the time of closing, to be applied to its legal expenses. The maturity date of the November 2018 Eagle Note was November 30, 2019. The November 2018 Eagle Note bore interest at a rate of 8% per annum, which interest shall be paid by the Company to Eagle Equities in shares of common stock upon receipt of a notice of conversion by the Company from Eagle Equities at any time after the six-month anniversary of the November 2018 Eagle Note. In April 2020, Eagle Equities agreed to waive the 24% default interest on this note. The note was fully converted to common stock in fiscal 2020.

#### *December 24, 2018 Securities Purchase Agreement*

Effective December 24, 2018, the Company entered into a securities purchase agreement with Eagle Equities, pursuant to which Eagle Equities purchased a convertible promissory note (the “December 2018 Eagle Note”) from the Company in the aggregate principal amount of \$126,000, such principal and the interest thereon convertible into shares of the Company’s common stock at the option of Eagle Equities any time after the six-month anniversary of the December 2018 Eagle Note. The transactions contemplated by the purchase agreement closed on December 24, 2018. Pursuant to the terms of the purchase agreement, Eagle Equities deducted \$6,000 from the principal payment due under the December 2018 Eagle Note, at the time of closing, to be applied to its legal expenses. The Company used the net proceeds from the December 2018 Eagle Note to repay an outstanding convertible promissory note before such note became convertible. The maturity date of the December 2018 Eagle Note was December 24, 2019. The December 2018 Eagle Note bore interest at a rate of 8% per annum, which interest was paid by the Company to Eagle Equities in shares of common stock upon receipt of a notice of conversion by the Company from Eagle Equities at any time after the six-month anniversary of the December 2018 Eagle Note. Upon an event of default, principal and accrued interest would become immediately due and payable under the notes. Additionally, upon an event of default, both notes would accrue interest at a default interest rate of 24% per annum or the highest rate of interest permitted by law. In April 2020, Eagle Equities agreed to waive the 24% default interest on this note.

Eagle Equities had the option to convert all or any amount of the principal amount of the notes issued to Eagle Equities above, at any time, for shares of the Company’s common stock at a price ranging from 60% to 61% of the lowest closing bid price (the “Closing Bid Price”) of the Company’s common stock as reported on the OTC Markets Group, Inc. quotation system for the ten prior trading days, including the day upon which the Company receives a notice of conversion from Eagle Equities (the “Conversion Price”). However, in the event that the Company’s common stock was restricted by the Depository Trust Company for any reason, the Conversion Price was to be lowered to from 50% to 51% of the lowest Closing Bid Price for the duration of such restriction. If the Company failed to maintain a reserve of shares of its common stock at least two and a half times the number of shares issuable upon conversion of all the Eagle Notes for at least 60 days after the issuance of the notes issued to Eagle Equities, the conversion discount was to be increased by 10%. Notwithstanding the foregoing, Eagle Equities was restricted from effecting a conversion if such conversion, along with other shares of the Company’s common stock beneficially owned by Eagle Equities and its affiliates, exceeds 4.99% of the outstanding shares of the Company’s common stock.

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### **PROPANC BIOPHARMA, INC. AND SUBSIDIARY NOTES TO CONSOLIDATED FINANCIAL STATEMENTS June 30, 2021 and 2020**

The above notes issued to Eagle Equities were treated as stock settled debt under ASC 480 and accordingly, the Company recorded a total of \$357,688 put premium, of which \$224,131 and \$133,557 were released to additional paid in capital following conversion of principal during the fiscal year to June 30, 2020 and 2021, respectively.

The total principal amount outstanding under the above Eagle Equities financing agreements, specifically the August 29, 2018 and the December 24, 2018 agreements was \$205,500 as of June 30, 2020 and accrued interest totaled \$26,990. There were \$0 outstanding principal and accrued interest under the above Eagle Equities financing agreements as of June 30, 2021 as a result of the fiscal 2021 conversions.

#### ***GS Capital Financing Agreements***

##### *October 2, 2018 Securities Purchase Agreement*

Effective October 2, 2018, the Company entered into a securities purchase agreement with GS Capital, pursuant to which GS Capital purchased two 8% unsecured convertible redeemable notes (the “October 2, 2018 GS Notes”) from the Company in the aggregate principal amount of \$212,000, such principal and the interest thereon convertible into shares of the Company’s common stock. The purchase price of \$106,000 of the first note (the “October 2018 GS Note”) was paid in cash by GS Capital on October 3, 2018. After payment of certain legal fees and expenses, net proceeds to the Company from the October 2018 GS Note totaled \$100,700. The purchase price of \$106,000 of the second note (the “October 2, 2018 GS Back End Note”) was initially paid for by GS Capital issuing to the Company an offsetting \$106,000 collateralized secured note (the “October 2, 2018 GS Secured Note”). The terms of the October 2018 GS Back End Note require cash funding prior to any conversion thereunder, and such cash funding shall occur on or before June 2, 2019.

Both the October 2, 2018 GS Note and the October 2, 2018 GS Back End Note, which was funded on February 27, 2019, matured on October 2, 2019, upon which any outstanding principal and interest thereon is due and payable. The amounts cash funded plus accrued interest under both the October 2018 GS Note and the October 2018 GS Back End Note are convertibles into shares of the Company’s common stock, at any time after April 2, 2019, at a conversion price for each share of common stock equal to 61% of the lowest closing bid price of the Company’s common stock for the ten prior trading days including the day upon which a notice of conversion is received by the Company from GS Capital, subject to adjustment in certain events. The maturity date of the October 2, 2018 GS Back-Note was October 2019 and the notes were fully converted to common stock in fiscal 2020.

##### *January 22, 2020 GS Capital Securities Purchase Agreements*

Effective January 22, 2020, the Company entered into a securities purchase agreement with GS Capital, pursuant to which GS Capital purchased a convertible promissory note (the “January 22, 2020 GS Note”) from the Company in the aggregate principal amount of \$58,000, such principal and the interest thereon convertible into shares of the Company’s common stock at the option of GS Capital any time after the six-month anniversary of the January 22, 2020 GS Capital Note. The January 22, 2020 GS Note contained an original discount of \$3,500. The transactions contemplated by the GS Capital Securities Purchase Agreement closed on January 22, 2020. Pursuant to the terms of the GS Capital Securities Purchase Agreement, GS Capital deducted \$2,500 from the principal payment due under the January 22, 2020 GS Note, at the time of closing, to be applied to its legal expenses and received net cash proceeds of \$52,000 on January 28, 2020. The Company used the net proceeds from the January 22, 2020 GS Note for general working capital purposes. The maturity date of the January 22, 2020 GS Capital was January 22, 2021. The January 22, 2020 GS Capital Note bore interest at a rate of 10% per annum, which interest may be paid by the Company to GS Capital in shares of the Company’s common stock; but was not payable until the January 22, 2020 GS Capital Note became payable, whether at the maturity date or upon acceleration or by prepayment. The conversion price for the January 22, 2020 GS Capital Note was equal to a 40% discount of the lowest closing bid price (“Lowest Trading Price”) of the Common Stock for the ten trading days immediately prior to the delivery of a Notice of Conversion, including the day upon which a Notice of Conversion is received.



Additionally, GS Capital had the option to convert all or any amount of the principal face amount of the January 22, 2020 GS Capital Note at any time from the date of issuance and ending on the later of the maturity date or the date the Default Amount was paid if an event of default occurs, which is an amount between 112% and 130% of an amount equal to the then outstanding principal amount of the January 22, 2020 GS Capital Note plus any interest accrued, for shares of the Company's common stock at the then-applicable conversion price. The January 22, 2020 GS Note contained certain events of default, upon which principal and accrued interest would become immediately due and payable. In addition, upon an event of default, interest on the outstanding principal would accrue at a default interest rate of 24% per annum.

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**PROPANC BIOPHARMA, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**June 30, 2021 and 2020**

The notes issued to GS capital above were treated as stock settled debt under ASC 480 and accordingly the Company recorded a total of \$106,438 put premium which was expensed in fiscal 2020 of which \$22,901 and \$38,667 was released to additional paid in capital following conversion of principal during the year ended June 30, 2020 and 2021, respectively.

The Company recorded \$8,802 of accrued interest and the total principal outstanding under the above GS Capital financing agreements was \$58,000 as of June 30, 2020 following the conversion of \$141,820 of principal and \$76,397 of accrued interest during the year ended June 30, 2020. The total remaining principal outstanding and accrued interest under the above GS Capital financing agreements was \$0 as of June 30, 2021 following conversion of \$58,000 of principal and \$8,508 of accrued interest during the year ended June 30, 2021.

***Convertible Note Issued with Consulting Agreement***

*August 10, 2017 Consulting Agreement*

On August 10, 2017, the Company entered into a consulting agreement, retroactive to May 16, 2017, with a certain consultant, pursuant to which the consultant agreed to provide certain consulting and business advisory services in exchange for a \$310,000 junior subordinated convertible note. The maturity date of the August 10, 2017 Convertible Note was August 2019 and is currently past due (see Note 8). The note accrues interest at a rate of 10% per annum and is convertible into common stock at the lesser of \$750 or 65% of the three lowest trades in the ten trading days prior to the conversion. The note was fully earned upon signing the agreement and matures on August 10, 2019. The Company accrued \$155,000 related to this expense at June 30, 2017 and recorded the remaining \$155,000 related to this expense in fiscal year 2018. Upon an event of default, principal and accrued interest will become immediately due and payable under the note. Additionally, upon an event of default, at the election of the holder, the note would accrue interest at a default interest rate of 18% per annum or the highest rate of interest permitted by law. The consulting agreement had a three-month term and expired on August 16, 2017. An aggregate total of \$578,212 of this note was bifurcated with the embedded conversion option recorded as a derivative liability at fair value. During the year ended June 30, 2018, the consultant converted \$140,000 of principal and \$10,764 of interest. During the year ended June 30, 2019, the consultant converted an additional \$161,000 of principal and \$19,418 of interest leaving a principal balance owed of \$9,000 at June 30, 2019. During the year ended June 30, 2020, the consultant converted an additional \$500 of principal and \$5,248 of interest such that the remaining principal outstanding and accrued interest under this note as of June 30, 2020 was \$8,500 and \$22,168, respectively.

On March 15, 2021, the Company entered into a Settlement and Mutual Release Agreement (the "Settlement Agreement") with the consultant whereby both parties agreed to settle all claims and liabilities under the August 10, 2017 Convertible note for a total of \$100,000 in the form of a convertible note. All other terms of the August 10, 2017 Convertible Note shall remain in full force and effect. Both parties agree that all future penalties under this note are waived unless the Company fails to authorize to distribute the requested shares upon conversion. The Company has the right to pay off the balance of any remaining amounts due under this note in cash at any time more than 60 days after March 15, 2021. Prior to the Settlement Agreement, the Company recorded total liabilities \$56,762 consisting of remaining principal amount of \$8,500, accrued interest of \$23,262 and accrued expenses of \$25,000. Accordingly, the Company recognized loss from settlement of debt of \$43,238 during the year ended June 30, 2021 which is included in gain from settlement of debt, net in the accompanying consolidated statements of operations.

The total principal outstanding after adjustment due to the above-mentioned March 15, 2021 settlement agreement and accrued interest under the August 10, 2017 Convertible Note was \$80,000 and \$3,738, respectively, as of June 30, 2021 following conversion of \$20,000 of principal during the year ended June 30, 2021.

***Power Up Lending Group Financing Agreements***

*November 26, 2019 Securities Purchase Agreement*

Effective November 26, 2019, the Company entered into a securities purchase agreement with Power Up Lending Group Ltd. ("Power Up"), pursuant to which Power Up purchased a convertible promissory note (the "November 26, 2019 Power Up Note") from the Company in the aggregate principal amount of \$43,000, such principal and the interest thereon convertible into shares of the Company's common stock at the option of Power Up. The transaction closed on November 22, 2019 and the Company received payment on December 3, 2019 in the amount of \$40,000, net of \$2,500 paid directly toward legal fees and \$500 to Power Up for due diligence fees. The maturity date of the November 26, 2019 Power Up Note was November 26, 2020. The November 26, 2019, Power Up Note bore interest at a rate of 8% per annum, which interest was paid by the Company to Power Up in shares of the Company's common stock but was not payable until the November 26, 2019 Power Up Note became payable, whether at the maturity date or upon acceleration or by prepayment. The note was fully converted in fiscal 2020.

*January 7, 2020 Power Up Lending Group Securities Purchase Agreement*

Effective January 7, 2020, the Company entered into a securities purchase agreement with Power Up Lending Group Ltd. ("Power Up"), pursuant to which Power Up purchased a convertible promissory note (the "January 7, 2020 Power Up Note") from the Company in the aggregate principal amount of \$75,000, such principal and the interest thereon convertible into shares of the Company's common stock at the option of Power Up. The transaction closed on January 7, 2020 and the Company received payment on January 13, 2020 in the amount of \$72,000, net of \$2,500 paid directly toward legal fees and \$500 to Power Up for due diligence fees. The maturity date of the January 7, 2020 Power Up Note was January 7, 2021. The January 7, 2020, Power Up Note bore interest at a rate of 8% per annum, which interest was paid by the Company to Power Up in shares of the Company's common stock, but not payable until the January 7, 2020 Power Up Note became payable, whether at the maturity date or upon acceleration or by prepayment.

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**PROPANC BIOPHARMA, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**June 30, 2021 and 2020**

*March 12, 2020 Power Up Lending Group Securities Purchase Agreement*

Effective March 12, 2020, the Company entered into a securities purchase agreement with Power Up Lending Group Ltd. ("Power Up"), pursuant to which Power Up purchased a convertible promissory note (the "March 12, 2020 Power Up Note") from the Company in the aggregate principal amount of \$43,000, such principal and the interest thereon



convertible into shares of the Company's common stock at the option of Power Up. The transaction closed on March 12, 2020 and the Company received payment on March 5, 2020 in the amount of \$40,000, net of \$2,500 paid directly toward legal fees and \$500 to Power Up for due diligence fees. The maturity date of the March 12, 2020 Power Up Note was March 12, 2021. The March 12, 2020, Power Up Note bore interest at a rate of 8% per annum, which interest may be paid by the Company to Power Up in shares of the Company's common stock but was not payable until the March 12, 2020 Power Up Note became payable, whether at the maturity date or upon acceleration or by prepayment.

All the notes issued above to Power Up contained certain events of default, upon which principal and accrued interest would become immediately due and payable. In addition, upon an event of default, interest on the outstanding principal would accrue at a default interest rate of 22% per annum.

Additionally, Power Up had the option to convert all or any amount of the principal face amount of the notes issued to Power Up, starting on certain dates as defined in the note agreements and ending on the later of the maturity date or the date the Default Amount is paid if an event of default occurs, which was an amount equal to 150% of an amount equal to the then outstanding principal amount of the notes plus any interest accrued, for shares of the Company's common stock at the then-applicable conversion price.

The conversion price for the above Power Up notes was \$3,050, subject to certain Market Price (as defined below) adjustment. If the Market Price was greater than or equal to \$5,000, the conversion price was to be the greater of 65% of the Market Price ("Variable Conversion Price") and \$3,050. In the event Market Price was less than \$5,000, the conversion price was to be the Variable Conversion Price. As defined in the note agreements, the "Market Price" was the average of the lowest three closing bid prices during the ten day trading period prior to and including the day the Company receives a notice of conversion from Power Up on the electronic quotation system or applicable principal securities exchange or trading market or, if no closing bid price of such security is available in any of the foregoing manners, the average of the closing bid prices of any market makers for such security that are listed in the "pink sheets" during the ten prior trading days, including the day upon which the Company receives a notice of conversion from Power Up. Notwithstanding the foregoing, Power Up was restricted from effecting a conversion if such conversion, along with other shares of the Company's common stock beneficially owned by Power Up and its affiliates, exceeds 4.99% of the outstanding shares of the Company's common stock. An aggregate initial total of \$422,557 of these notes were bifurcated with the embedded conversion option recorded as derivative liabilities at fair value.

The total principal amount outstanding under the above Power Up financing agreements, specifically the January 7, 2020 and March 12, 2020 Power Up Notes, was \$118,000 and accrued interest of \$3,903 as of June 30, 2020. The total principal amount outstanding under the above Power Up financing agreement, specifically the January 7, 2020 and March 12, 2020 Power Up Notes, was \$0 and accrued interest of \$0 as of June 30, 2021 following repayment in cash of \$43,000 of the principal balance and \$1,816 of accrued interest and conversions into common stock during the year ended June 30, 2021. Accordingly, there was no outstanding principal balance as of June 30, 2021.

#### ***Redstart Holdings Corp Financing Agreement***

##### *May 23, 2019 Securities Purchase Agreement*

Effective May 23, 2019, the Company issued a convertible promissory note (the "May 23 Redstart Holdings Note") to Redstart Holdings Corp ("Redstart Holdings") in the aggregate principal amount of \$133,000, with principal and the interest thereon convertible into shares of the Company's common stock at the option of Redstart Holdings any time after 180 days of issuance. At the time of closing on May 31, 2019, Redstart Holdings deducted \$3,000 from the principal payment due under the May 2019 Redstart Holdings Note to be applied to its legal expenses, such that the Company received aggregate net proceeds of \$130,000 at closing. The maturity date of the May 2019 Redstart Holdings Note was May 23, 2020 and bore interest at a rate of 8% per annum. The total principal amount outstanding and accrued interest under the above Redstart Holdings financing agreement, specifically the May 23, 2019 agreement at June 30, 2019 was \$133,000 and \$1,137 respectively and as of June 30, 2020 total principal amount outstanding and accrued interest totaled \$0 and \$0 respectively following conversion of \$133,000 of the principal balance and \$5,320 of accrued interest during the year ended June 30, 2020.

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### **PROPANC BIOPHARMA, INC. AND SUBSIDIARY NOTES TO CONSOLIDATED FINANCIAL STATEMENTS June 30, 2021 and 2020**

#### ***Odyssey Capital Financing Agreements***

##### *July 30, 2019 Securities Purchase Agreement*

Effective July 30, 2019, the Company entered into a securities purchase agreement with Odyssey Capital Funding LLC, ("Odyssey"), pursuant to which Odyssey purchased a convertible promissory note (the "July 30, 2019 Odyssey Note") from the Company in the aggregate principal amount of \$320,000, such principal and the interest thereon convertible into shares of the Company's common stock at the option of Odyssey. The July 30, 2019 Odyssey Note contains an original discount of \$25,000. The transaction closed on July 30, 2019 and the Company received payment on August 1, 2019 in the amount of \$295,000, of which \$10,000 was paid directly toward legal fees, resulting in net cash proceeds of \$285,000. The maturity date of the July 30, 2019 Odyssey Note was July 30, 2020. The July 2019 Odyssey Note bore interest at a rate of 10% per annum, which interest may be paid by the Company to Odyssey in shares of the Company's common stock but was not payable until the July 30, 2019 Odyssey Note became payable, whether at the maturity date or upon acceleration or by prepayment. The July 30, 2019 Odyssey Note contained certain events of default, upon which principal and accrued interest would become immediately due and payable. In addition, upon an event of default, interest on the outstanding principal would accrue at a default interest rate of 24% per annum. The note was treated as stock settled debt under ASC 480 and accordingly the Company recorded a \$172,308 put premium.

Additionally, Odyssey had the option to convert all or any amount of the principal face amount of the July 30, 2019 Odyssey Note, starting on January 31, 2020 and ending on the later of the maturity date or the date the Default Amount was paid if an event of default occurred, which was an amount equal to 120% of an amount equal to the then outstanding principal amount of the July 30, 2019 Odyssey Note plus any interest accrued from July 30, 2019 at the default interest rate of 24% per annum for shares of the Company's common stock at the then-applicable conversion price.

The conversion price for the July 30, 2019 Odyssey Note was equal to 65% of the lowest closing bid price of the Common Stock as reported on the OTC Markets on which the Company's shares were then traded or any exchange upon which the Common Stock may be traded in the future, for the ten prior trading days including the day upon which a Notice of Conversion is received by the Company.

The total principal amount outstanding under the above Odyssey financing agreement, specifically the July 30, 2019 Odyssey Note, was \$0 and accrued interest of \$0 as of June 30, 2020 following conversion of \$320,000 of the principal balance and \$23,220 of accrued interest during the year ended June 30, 2020 resulting in full repayment of the note and a full reduction of the put premium. The note was fully converted in fiscal 2020.

#### ***Auctus Fund Financing Agreements***

##### *August 30, 2019 Securities Purchase Agreement*

Effective August 30, 2019, the Company entered into a securities purchase agreement with Auctus Fund, LLC ("Auctus"), pursuant to which Auctus purchased a convertible promissory note (the "August 30, 2019 Auctus Note") from the Company in the aggregate principal amount of \$550,000, such principal and the interest thereon convertible into shares of the Company's common stock at the option of Auctus. The transaction closed on August 30, 2019 and the Company received payment on September 4, 2019 in the amount of \$550,000, of which \$5,000 was paid directly toward legal fees and \$40,000 to Auctus for due diligence fees resulting in net cash proceeds of \$505,000. The maturity date of the August 30, 2019 Auctus Note was August 30, 2020 and is currently past due. The August 30, 2019 Auctus Note bears interest at a rate of 10% per annum, but not

payable until the August 30, 2019 Auctus Note became payable, whether at the maturity date or upon acceleration or by prepayment. The note is treated as stock settled debt under ASC 480 and accordingly the Company recorded a \$366,667 put premium. The August 30, 2019 Auctus Note may not be prepaid without the written consent of Auctus. Any amount of principal or interest which is not paid when due shall bear interest at the rate of 24% per annum.

Additionally, Auctus has the option to convert all or any amount of the principal face amount and accrued interest of the August 30, 2019 Auctus Note, at any time following the issue date and ending on the later of the maturity date or the date of payment of the Default Amount if an event of default occurs, which is an amount equal to 125% of an amount equal to the then outstanding principal amount of the August 30, 2019 Auctus Note (but not less than \$15,000) plus any interest accrued from August 30, 2019 at the default interest rate of 24% per annum, for shares of the Company's common stock at the then-applicable conversion price. Upon the holder's election to convert accrued interest, default interest or any penalty amounts as stipulated, the Company may elect to pay those amounts in cash. The note may also be prepaid by the Company at any time between the date of issuance and August 13, 2020 at 135% multiplied by the sum of (a) the then outstanding principal amount plus (b) accrued and unpaid interest plus (c) default interests, if any.

The conversion price for the August 30, 2019 Auctus Note shall be the Variable Conversion Price, being 60% of the Market Price on the date of conversion. Notwithstanding the foregoing, Auctus shall be restricted from effecting a conversion if such conversion, along with other shares of the Company's common stock beneficially owned by Auctus and its affiliates, exceeds 4.99% of the outstanding shares of the Company's common stock.

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**PROPANC BIOPHARMA, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**June 30, 2021 and 2020**

In connection with the issuance of the August 2019 Auctus Note, the Company issued common stock purchase warrants to Auctus to purchase 450 shares of the Company's common stock (the "First Warrant") as a commitment fee upon the terms and subject to the limitations and conditions set forth in such First Warrant at an "Exercise Price" of \$2,250. In connection with the issuance of the Note, the Company shall issue a common stock purchase warrant to Buyer to purchase 300 shares of the Company's common stock (the "Second Warrant") as a commitment fee upon the terms and subject to the limitations and conditions set forth in such Second Warrant at an "Exercise Price" of \$3,330. In connection with the issuance of the Note, the Company shall issue a common stock purchase warrant to Buyer to purchase 225 shares of the Company's common stock (the "Third Warrant") as a commitment fee upon the terms and subject to the limitations and conditions set forth in such Third Warrant at an "Exercise Price" of \$4,500. The First Warrant, Second Warrant, and Third Warrant shall collectively be referred as the "Warrants". The Warrants have an "Exercise Period" of five years from the date of issuance being August 30, 2019. Under the terms of the Purchase Agreement and the Warrants, the Selling Security Holder may not either convert the Notes nor exercise the Warrants to the extent (but only to the extent) that the Selling Security Holder or any of its affiliates would beneficially own a number of shares of our Common Stock which would exceed 4.99% of our outstanding shares. The Company accounted for the warrants by using the relative fair value method and recorded debt discount from the relative fair value of the warrants of \$375,905 using a simple binomial lattice model.

In connection with the Purchase Agreement, the Company and the Purchaser entered into a Registration Rights Agreement (the "Registration Rights Agreement"). Pursuant to the Registration Rights Agreement, the Company agreed to register the shares of Common Stock underlying the Securities in a Registration Statement with the SEC as well as the Commitment Shares (as defined herein). The Registration Rights Agreement contains customary representations, warranties, agreements and indemnification rights and obligations of the parties.

The Note is subject to customary default provisions and also includes a cross-default provision which provides that a breach or default by the Borrower of any covenant or other term or condition contained in any of the Other Agreements (as defined therein), after the passage of all applicable notice and cure or grace periods, shall, at the option of the Holder, be considered a default under this Note and the Other Agreements. Upon occurrence of any such event, the Holder shall be entitled (but in no event required) to apply all rights and remedies of the Holder under the terms of this Note and the Other Agreements by reason of a default under said Other Agreements or the Note.

The August 30, 2019 Auctus Note contain certain events of default, upon which principal and accrued interest will become immediately due and payable. In addition, upon an event of default, interest on the outstanding principal shall accrue at a default interest rate of 24% per annum.

The total principal amount outstanding under the above Auctus financing agreement, specifically the August 30, 2019 Auctus Note, was \$358,965 and accrued interest of \$486 as of June 30, 2020 following conversion of \$191,035 of the principal balance and \$43,176 of accrued interest during the year ended June 30, 2020. Accordingly, \$127,356 of the put premium was released in respect of the August 30, 2019 Auctus Note during the year ended June 30, 2020 following conversion of the principal balance.

The total principal amount outstanding under the above Auctus financing agreement, specifically the August 30, 2019 Auctus Note, was \$32,848 and accrued interest of \$0 as of June 30, 2021 following conversion of \$326,117 of the principal balance and \$39,536 of accrued interest during the year ended June 30, 2021. Accordingly, \$217,411 of the put premium was released in respect of the August 30, 2019 Auctus Note during the year ended June 30, 2021 following conversion of the principal balance.

***GW Holdings Securities Purchase Agreements***

*October 1, 2019 Securities Purchase Agreement*

Effective October 1, 2019, the Company entered into a securities purchase agreement with GW Holdings, pursuant to which GW Holdings purchased a convertible promissory note (the "October 1, 2019 GW Note") from the Company in the aggregate principal amount of \$131,000, such principal and the interest thereon convertible into shares of the Company's common stock at the option of GW Holdings any time after the six-month anniversary of the October 1, 2019 GW Holdings Note. The transactions contemplated by the GW Holdings Securities Purchase Agreement closed on October 1, 2019. Pursuant to the terms of the GW Holdings Securities Purchase Agreement, the lender deducted \$6,000 from the principal payment due under the October 1, 2019 GW Note, at the time of closing, to be applied to its legal expenses. The Company used the net proceeds of \$125,000 from the October 1, 2019 GW Note for general working capital purposes. The maturity date of the October 1, 2019 GW Holdings was October 1, 2020 and is currently past due. The October 1, 2019 GW Holdings Note bore interest at a rate of 8% per annum, which interest was paid by the Company to GW Holdings in shares of the Company's common stock; but was not payable until the October 1, 2019 GW Holdings Note became payable, whether at the maturity date or upon acceleration or by prepayment.

*December 10, 2020 Securities Purchase Agreement*

Effective December 10, 2020, the Company entered into a securities purchase agreement with GW Holdings, pursuant to which GW Holdings purchased a convertible promissory note (the "December 10, 2020 GW Note") from the Company in the aggregate principal amount of \$131,000, such principal and the interest thereon convertible into shares of the Company's common stock at the option of GW Holdings anytime from the issuance of the December 10, 2020 GW Holdings Note. The transactions contemplated by the GW Holdings Securities Purchase Agreement closed on December 10, 2020. Pursuant to the terms of the GW Holdings Securities Purchase Agreement, the lender deducted \$6,000 from the principal payment due under the December 10, 2020 GW Note, at the time of closing, to be applied to its legal expenses. The Company intends to use the net proceeds of \$125,000 from the December 10, 2020 GW Note for general working capital purposes. The maturity date of the December 10, 2020 GW Holdings is December 10, 2021. The December 10, 2020 GW Holdings Note bears interest at a rate of 8% per annum, which interest may be paid by the Company to GW Holdings in shares of the Company's common stock; but shall not be payable until the December 10, 2020 GW Holdings Note becomes payable, whether at the maturity date or upon acceleration or by prepayment.

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**PROPANC BIOPHARMA, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**June 30, 2021 and 2020**

The above notes issued to GW Holdings contain certain events of default, upon which principal and accrued interest will become immediately due and payable. In addition, upon an event of default, interest on the outstanding principal shall accrue at a default interest rate of 24% per annum, or if such rate is usurious or not permitted by current law, then at the highest rate of interest permitted by law. Further, certain events of default may trigger penalty and liquidated damage provisions.

Additionally, GW Holdings has the option to convert all or any amount of the principal face amount of the notes issued to GW Holdings at any time from the date of issuance and ending on the later of the maturity date or the date the Default Amount is paid if an event of default occurs, which is an amount between 110% and 150% of an amount equal to the then outstanding principal amount of such notes plus any interest accrued, for shares of the Company's common stock at the then-applicable conversion price.

The conversion price for the above GW Holdings notes shall be equal to a 40% discount of the lowest closing bid price ("Lowest Trading Price") of the Common Stock for the ten trading days immediately prior to the delivery of a Notice of Conversion, including the day upon which a Notice of Conversion is received. Notwithstanding the foregoing, GW Holdings shall be restricted from effecting a conversion if such conversion, along with other shares of the Company's common stock beneficially owned by GW Holdings and its affiliates, exceeds 4.99% of the outstanding shares of the Company's common stock which may be increased up to 9.99% upon 60 days prior written notice by the GW Holdings to the Company.

These notes are treated as stock settled debt under ASC 480 and accordingly the Company recorded a total of \$174,666 put premium.

The total principal amount outstanding under the above October 1, 2019 GW Holdings financing agreement was \$30,000 and accrued interest of \$1,776 as of June 30, 2020 following conversion of \$101,000 of the principal balance and \$5,082 of accrued interest during the year ended June 30, 2020. The total principal amount and accrued interest outstanding under the above October 1, 2019 GW Holdings financing agreement was \$0 as of June 30, 2021 following conversion of \$30,000 of the principal balance and \$3,877 of accrued interest during the year ended June 30, 2021. Accordingly, \$67,333 and \$20,000 of the put premium was reclassified to additional paid in capital during the year ended June 30, 2020 and 2021, respectively, following conversion of the principal balance. This note was fully converted into common stock in fiscal 2021.

The total principal amount outstanding under the above December 10, 2020 GW Holdings financing agreement, was \$90,000 and accrued interest of \$4,636 as of June 30, 2021 following conversion of \$41,000 of the principal balance and \$1,084 of accrued interest during the year ended June 30, 2021. Accordingly, \$27,333 of the put premium was reclassified to additional paid in capital in respect of the October 1, 2019 GW Holdings Note during the year ended June 30, 2021 following conversion of the principal balance.

***Crown Bridge Securities Purchase Agreements***

Effective October 3, 2019, the Company entered into a securities purchase agreement with Crown Bridge Partners, pursuant to which Crown Bridge purchased a convertible promissory note (the "October 3, 2019 Crown Bridge Note") from the Company in the aggregate principal amount of \$108,000, such principal and the interest thereon convertible into shares of the Company's common stock at the option of Crown Bridge any time from the date of issuance of the October 3, 2019 Crown Bridge Note. The transactions contemplated by the Crown Bridge Securities Purchase Agreement closed on October 3, 2019. Pursuant to the terms of the Crown Bridge Securities Purchase Agreement, Crown Bridge deducted \$3,000 from the principal payment due under the October 3, 2019 Crown Bridge Note, at the time of closing, to be applied to its legal expenses, and there was a \$5,000 original issuance discount resulting in \$100,000 net proceeds to the Company. The Company intends to use the net proceeds from the October 3, 2019 Crown Bridge Note for general working capital purposes. The maturity date of the October 3, 2019 Crown Bridge Note was October 3, 2020 and is currently past due. The October 3, 2019 Crown Bridge Note bears interest at a rate of 10% per annum, which interest may be paid by the Company to Crown Bridge in shares of the Company's common stock; but shall not be payable until the October 2019 Crown Bridge Note becomes payable, whether at the maturity date or upon acceleration or by prepayment.

Additionally, Crown Bridge has the option to convert all or any amount of the principal face amount of the October 3, 2019 Crown Bridge Note at any time from the date of issuance and ending on the later of the maturity date or the date the Default Amount is paid if an event of default occurs, which is an amount between 110% and 150% of an amount equal to the then outstanding principal amount of the October 3, 2019 Crown Bridge Note plus any interest accrued, for shares of the Company's common stock at the then-applicable conversion price.

The conversion price for the October 3, 2019 Crown Bridge Note shall be equal to a 40% discount of the lowest closing bid price ("Lowest Trading Price") of the Common Stock for the ten trading days immediately prior to the delivery of a Notice of Conversion, including the day upon which a Notice of Conversion is received. Notwithstanding the foregoing, Crown Bridge shall be restricted from effecting a conversion if such conversion, along with other shares of the Company's common stock beneficially owned by Crown Bridge and its affiliates, exceeds 4.99% of the outstanding shares of the Company's common stock which may be increased up to 9.99% upon 60 days prior written notice by the Crown Bridge to the Company. The note is treated as stock settled debt under ASC 480 and accordingly the Company recorded a \$72,000 put premium.

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**PROPANC BIOPHARMA, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**June 30, 2021 and 2020**

The October 3, 2019 Crown Bridge Note contain certain events of default, upon which principal and accrued interest will become immediately due and payable. In addition, upon an event of default, interest on the outstanding principal shall accrue at a default interest rate of 15% per annum, or if such rate is usurious or not permitted by current law, then at the highest rate of interest permitted by law. Further, certain events of default may trigger penalty and liquidated damage provisions.

The total principal amount outstanding under the above Crown Bridge financing agreement was \$65,280 and accrued interest of \$7,232 as of as of June 30, 2020 following conversion of \$42,720 of the principal balance during the year ended June 30, 2020. Accordingly, \$28,480 of the put premium was released in respect of the October 3, 2019 Crown Bridge Note during the year ended June 30, 2020 following conversion of the principal balance.

The total principal amount outstanding under the above Crown Bridge financing agreement was \$65,280 and accrued interest of \$16,138 as of as of June 30, 2021.

There were 15,000 unissued shares which were considered issuable for accounting purposes during the 4<sup>th</sup> quarter of fiscal 2021 related to a conversion notice dated and received on September 16, 2020. In November 2020, the Company was notified by the note holder of the cancellation of this conversion notice as a result of the reverse stock split and as such the Company reversed the effects of this transaction thereby increasing the principal balance by \$9,600 and put premium by \$6,400 and a corresponding decrease in equity of \$16,000.

***Ader Alef Securities Purchase Agreements***

Effective January 13, 2020, the Company entered into a securities purchase agreement with Ader Alef, pursuant to which Ader Alef purchased a convertible promissory note (the "January 13, 2020 Ader Alef Note") from the Company in the aggregate principal amount of \$110,250, such principal and the interest thereon convertible into shares of the Company's common stock at the option of Ader Alef any time after the six-month anniversary of the January 13, 2020 Ader Alef Note. The January 13, 2020 Ader Alef Note contained an original discount of \$5,250. The transactions contemplated by the Ader Alef Securities Purchase Agreement closed on January 13, 2020. Pursuant to the terms of the Ader Alef Securities Purchase Agreement, Ader Alef deducted \$5,000 from the principal payment due under the January 13, 2020 Ader Alef Note at the time of closing, to

be applied to its legal expenses and the Company received net cash proceeds of \$100,000 on January 15, 2020. The Company used the net proceeds from the January 13, 2020 Ader Alef Note for general working capital purposes. The maturity date of the January 13, 2020 Ader Alef was January 13, 2021. The January 13, 2020 Ader Alef Note bore interest at a rate of 8% per annum, which interest may be paid by the Company to Ader Alef in shares of the Company's common stock; but was not payable until the January 13, 2020 Ader Alef Note became payable, whether at the maturity date or upon acceleration or by prepayment.

Additionally, Ader Alef had the option to convert all or any amount of the principal face amount of the January 13, 2020 Ader Alef Note at any time from the date of issuance and ending on the later of the maturity date or the date the Default Amount was paid if an event of default occurs, which was an amount between 120% and 150% of an amount equal to the then outstanding principal amount of the January 13, 2020 Ader Alef Note plus any interest accrued, for shares of the Company's common stock at the then-applicable conversion price.

The conversion price for the January 13, 2020 Ader Alef Note during the first 6 months the January 13, 2020 Ader Alef Note was fixed at \$2.50 and thereafter would be equal to a 35% discount of the lowest closing bid price ("Lowest Trading Price") of the Common Stock for the ten trading days immediately prior to the delivery of a Notice of Conversion, including the day upon which a Notice of Conversion was received. Notwithstanding the foregoing, Ader Alef was restricted from effecting a conversion if such conversion, along with other shares of the Company's common stock beneficially owned by Ader Alef and its affiliates, exceeds 4.99% of the outstanding shares of the Company's common stock which may be increased up to 9.99% upon 60 days prior written notice by the Ader Alef to the Company. The note was treated as stock settled debt under ASC 480 and accordingly the Company recorded a \$59,365 put premium.

The January 13, 2020 Ader Alef Note contained certain events of default, upon which principal and accrued interest would become immediately due and payable. In addition, upon an event of default, interest on the outstanding principal would accrue at a default interest rate of 24% per annum, or if such rate was usurious or not permitted by current law, then at the highest rate of interest permitted by law. Further, certain events of default may trigger penalty and liquidated damage provisions.

The total principal amount outstanding under the above Ader Alef financing agreement was \$110,250 and accrued interest of \$4,073 as of June 30, 2020. The total principal amount outstanding and accrued interest under the above Ader Alef financing agreement was \$0 as of as of June 30, 2021 following conversion of \$110,250 of the principal balance and \$7,493 accrued interest during the year ended June 30, 2021. Accordingly, \$59,365 of the put premium was released in respect of the Ader Alef Note during the year ended June 30, 2021 following conversion of the principal balance. This note was fully converted into common stock in fiscal 2021.

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**PROPANC BIOPHARMA, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**June 30, 2021 and 2020**

***LG Capital Securities Purchase Agreements***

Effective February 19, 2020, the Company entered into a securities purchase agreement with LG Capital Funding, LLC ("LG Capital"), pursuant to which LG Capital purchased a convertible promissory note (the "February 19, 2020 LG Capital Note") from the Company in the aggregate principal amount of \$75,000, such principal and the interest thereon convertible into shares of the Company's common stock at the option of LG Capital any time after the six month anniversary of the February 19, 2020 LG Capital Note. The February 19, 2020 LG Capital Note contained an original discount of \$3,750. The transactions contemplated by the LG Capital Securities Purchase Agreement closed on March 4, 2020. Pursuant to the terms of the LG Capital Securities Purchase Agreement, LG Capital deducted \$2,500 from the principal payment due under the February 19, 2020 LG Capital Note at the time of closing, to be applied to its legal expenses and the Company received net cash proceeds of \$71,250 on March 25, 2020. The Company used the net proceeds from the February 19, 2020 LG Capital Note for general working capital purposes. The maturity date of the February 19, 2020 LG Capital Note was February 19, 2021. The February 19, 2020 LG Capital Note bore interest at a rate of 8% per annum, which interest was paid by the Company to LG Capital in shares of the Company's common stock; but was not payable until the February 19, 2020 LG Capital Note became payable, whether at the maturity date or upon acceleration or by prepayment.

During the first 60 to 180 days following the date of the note, the Company had the right to prepay the principal and accrued but unpaid interest due under the February 19, 2020 LG Capital Note, together with any other amounts that the Company may owe the holder under the terms of the note, at a premium ranging from 112% to 135% as defined in the note agreement. After this initial 180-day period, the Company did not have a right to prepay the February 19, 2020 LG Capital Note.

The conversion price for the February 19, 2020 LG Capital Note during the first 6 months the February 19, 2020 LG Capital Note was fixed at \$500 and thereafter was equal to a 35% discount of the lowest closing bid price ("Lowest Trading Price") of the Common Stock for the ten trading days immediately prior to the delivery of a Notice of Conversion, including the day upon which a Notice of Conversion was received. Notwithstanding the foregoing, LG Capital was restricted from effecting a conversion if such conversion, along with other shares of the Company's common stock beneficially owned by LG Capital and its affiliates, exceeds 9.99% of the outstanding shares of the Company's common stock. The note was treated as stock settled debt under ASC 480 and accordingly the Company recorded a \$40,385 put premium.

The February 19, 2020 LG Capital Note contained certain events of default, upon which principal and accrued interest would become immediately due and payable. In addition, upon an event of default, interest on the outstanding principal would accrue at a default interest rate of 24% per annum, or if such rate was usurious or not permitted by current law, then at the highest rate of interest permitted by law. Further, certain events of default may trigger penalty and liquidated damage provisions.

The total principal amount outstanding under the above LG Capital financing agreement was \$75,000 and accrued interest of \$2,164 as of June 30, 2020. The total principal amount outstanding and accrued interest under the above LG Capital financing agreement was \$0 as of June 30 2021 following conversion of \$75,000 of the principal balance and \$5,421 accrued interest during the year ended June 30, 2021. Accordingly, \$40,385 of the put premium was released in respect of the February 19, 2020 LG Capital Note during the year ended June 30, 2021 following conversion of the principal balance. This note was fully converted into common stock in fiscal 2021.

There were 9,427 unissued shares which were considered issuable for accounting purposes during the first quarter of fiscal 2021 related to a conversion notice dated and received on September 9, 2020. In November 2020, the Company was notified by the note holder of the cancellation of this conversion notice as a result of the reverse stock split and as such the Company reversed the effects of this transaction thereby increasing the principal balance by \$10,000, accrued interest of \$416 and put premium by \$5,385 and a corresponding decrease in equity of \$15,801.

***Geneva Roth Remark Securities Purchase Agreements***

***December 2, 2020 Securities Purchase Agreement***

Effective December 2, 2020, the Company entered into a securities purchase agreement with Geneva Roth Remark Holdings, Inc. ("Geneva Roth"), pursuant to which Geneva Roth purchased a convertible promissory note (the "December 2, 2020 Geneva Roth") from the Company in the aggregate principal amount of \$78,000, such principal and the interest thereon convertible into shares of the Company's common stock at the option of Geneva Roth any time after the six month anniversary of the December 2, 2020 Geneva Roth. The December 2, 2020 Geneva Roth contains an original discount of \$3,000. The Company intends to use the net proceeds from the December 2, 2020 Geneva Roth for general working capital purposes. The maturity date of the December 2, 2020 Geneva Roth Note is December 2, 2021. The December 2, 2020 Geneva Roth Note bears interest at a rate of 8% per annum, which interest may be paid by the Company to Geneva Roth in shares of the Company's common stock; but shall not be payable until the December 2, 2020 Geneva Roth Note becomes payable, whether at the maturity date or upon acceleration or by prepayment.

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**PROPANC BIOPHARMA, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
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*January 5, 2021 Securities Purchase Agreement*

Effective January 5, 2021, the Company entered into a securities purchase agreement with Geneva Roth Remark Holdings, Inc., pursuant to which Geneva Roth purchased a convertible promissory note (the "January 5, 2021 Geneva Roth") from the Company in the aggregate principal amount of \$68,500, such principal and the interest thereon convertible into shares of the Company's common stock at the option of Geneva Roth any time after the six-month anniversary of the January 5, 2021 Geneva Roth. The January 5, 2021 Geneva Roth contains an original issue discount of \$3,500. The Company intends to use the net proceeds from the January 5, 2021 Geneva Roth for general working capital purposes. The maturity date of the January 5, 2021 Geneva Roth Note is January 5, 2022. The January 5, 2021 Geneva Roth Note bears interest at a rate of 8% per annum, which interest may be paid by the Company to Geneva Roth in shares of the Company's common stock; but shall not be payable until the January 5, 2021 Geneva Roth Note becomes payable, whether at the maturity date or upon acceleration or by prepayment.

*March 16, 2021 Securities Purchase Agreement*

Effective March 16, 2021, the Company entered into a securities purchase agreement with Geneva Roth Remark Holdings, Inc., pursuant to which Geneva Roth purchased a convertible promissory note (the "March 16, 2021 Geneva Roth") from the Company in the aggregate principal amount of \$63,500, such principal and the interest thereon convertible into shares of the Company's common stock at the option of Geneva Roth any time after the six-month anniversary of the March 16, 2021 Geneva Roth. The March 16, 2021 Geneva Roth contains an original discount of \$3,500. The Company intends to use the net proceeds from the March 16, 2021 Geneva Roth for general working capital purposes.

The maturity date of the March 16, 2021 Geneva Roth Note is March 16, 2022. The March 16, 2021 Geneva Roth Note bears interest at a rate of 8% per annum, which interest may be paid by the Company to Geneva Roth in shares of the Company's common stock; but shall not be payable until the March 16, 2021 Geneva Roth Note becomes payable, whether at the maturity date or upon acceleration or by prepayment.

During the first 60 to 180 days following the date of these notes, the Company has the right to prepay the principal and accrued but unpaid interest due under the above notes issued to Geneva Roth, together with any other amounts that the Company may owe the holder under the terms of the note, at a premium ranging from 110% to 129% as defined in the note agreement. After this initial 180-day period, the Company does not have a right to prepay such notes.

The conversion price for the above Geneva Roth notes shall be equal to a 35% discount of the market price based on the average of the lowest three trading prices of the Common Stock for the ten trading days immediately prior to the delivery of a Notice of Conversion. Notwithstanding the foregoing, Geneva Roth shall be restricted from effecting a conversion if such conversion, along with other shares of the Company's common stock beneficially owned by Geneva Roth and its affiliates, exceeds 9.99% of the outstanding shares of the Company's common stock. These notes are treated as stock settled debt under ASC 480 and accordingly the Company recorded a total of \$13,077 put premium for the three notes.

The above Geneva Roth notes contain certain events of default, upon which principal and accrued interest will become immediately due and payable. In addition, upon an event of default, interest on the outstanding principal shall accrue at a default interest rate of 22% per annum, or if such rate is usurious or not permitted by current law, then at the highest rate of interest permitted by law. Further, certain events of default may trigger penalty and liquidated damage provisions.

The total principal amounts outstanding under the above Geneva Roth financing agreements were \$32,000 and accrued interest of \$3,477 as of June 30, 2021 following conversion of \$78,000 of the principal balance and \$3,120 accrued interest during the year ended June 30, 2021. Accordingly, \$42,000 of the put premium was released in respect of the Geneva Roth financing agreements during the year ended June 30, 2021 following conversion of the principal balance.

*Amortization of debt discounts*

The Company recorded \$211,000 and \$728,904 of debt discounts related to the above note issuances during the years ended June 30, 2021 and 2020, respectively. The Company recorded \$498,160 and \$836,724 of put premiums related to the above note issuances during the years ended June 30, 2021 and 2020, respectively. The debt discounts are being amortized over the term of the debt and the put premiums are expensed on issuance of the debt with the liability released to additional paid in capital on conversion of the principal.

Amortization of all debt discounts for the years ended June 30, 2021 and 2020 was \$36,527 and \$734,130, respectively.

The Company reclassified \$590,504 and \$874,924 in put premiums to additional paid in capital following conversions during the year ended June 30, 2021 and 2020, respectively.

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**NOTE 7 – INCOME TAXES**

The Company follows ASC 740-10-10, under which an entity recognizes deferred tax assets and liabilities for future tax consequences or for events that were previously recognized in the Company's financial statements or tax returns. The measurement of deferred tax assets and liabilities is based on enacted tax law provisions. The effects of future changes in tax laws or rates are not anticipated. Through June 30, 2010, the Company operated exclusively in Australia. The Company was wholly subject to Australian income tax laws and regulations, which are administered by the Australian Taxation Office for the years ended June 30, 2010 and all prior years.

On November 23, 2010, the Company was incorporated in the state of Delaware. In January 2011, the Company acquired all of the outstanding shares of Propanc PTY LTD on a one-for-one basis with Propanc PTY LTD becoming a wholly owned subsidiary of the Company. As a result of these transactions, the Company is subject to the income tax laws of both the United States and Australia for the years ended June 30, 2013 through June 30, 2021.

The reconciliation of income tax expense computed at the U.S. federal statutory rate of 21% to the income tax provision for the years ended June 30, 2021 and 2020 is as follows:

	<b>Year Ended</b>	
	<b>June 30, 2021</b>	<b>June 30, 2020</b>
US		
Loss before Income taxes	\$ (2,025,947)	\$ (4,740,723)

Taxes under statutory US tax rates	\$	(425,449)	\$	(995,552)
Increase (decrease) in valuation allowance		1,146,001		1,137,716
Prior period adjustment		(1,063,710)		(14,624)
Foreign tax rate differential		(51,169)		(128,492)
Income tax rate change		392,767		-
Other		1,559		952
Income tax (expense) benefit	\$	-	\$	-

The Company reflects a tax benefit on its consolidated statement of operations and comprehensive income (loss) in 2021 and 2020 of \$13,415 and \$134,728, respectively. These amounts are research and development tax credits and are not considered income tax.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted in response to the COVID-19 pandemic. The CARES Act, among other things, permits NOL carryovers and carrybacks to offset 100% of taxable income for taxable years beginning before 2021. In addition, the CARES Act allows NOLs incurred in 2018, 2019, and 2020 to be carried back to each of the five preceding taxable years to generate a refund of previously paid income taxes. The Company is currently evaluating the impact of the CARES Act, but due to sustained losses, the NOL carryback provision of the CARES Act would not yield a benefit to us.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities consist of the following:

	Year Ended	
	June 30, 2021	June 30, 2020
<b>Deferred tax assets</b>		
Warrant Derivative Liability	\$ 7,403	\$ 7,403
Accrued Expenses	342,464	297,086
Prepaid Investor Services	444,411	470,050
Non-cash interest	687,529	596,004
Intangibles (Intellectual Property and Patent Cost)	259,743	240,428
Deferred Rent	4,262	1,969
Formation Expense	6,815	7,208
Net Operating Loss CF	8,546,920	7,438,911
Foreign Exchange Loss (OCI)	(39,379)	(39,379)
Revalue of derivative liability	439,958	438,239
Stock Based Compensation	51,481	51,481
Total Deferred tax assets	\$ 10,751,607	\$ 9,509,400
<b>Deferred tax liabilities</b>		
R&D	\$ (197,604)	\$ (177,702)
Gain on extinguishment of debt	(277,614)	266,987
Capital Raising Costs	(321,291)	(255,614)
Total deferred tax liabilities	\$ (796,509)	\$ (700,303)
Net deferred tax assets (liabilities)	\$ 9,955,098	\$ 8,809,097
<b>Valuation allowance</b>	(9,955,098)	(8,809,097)
Net deferred tax assets (liabilities)	\$ -	\$ -

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At June 30, 2021, the Company had U.S. net operating loss carry forwards of approximately \$9,588,164 that may be offset against future taxable income, subject to limitation under IRC Section 382. Of the approximately \$9.6 million of net operating loss carryforwards, \$7.2 million will begin to expire in 2024 and the remaining \$2.4 million will not expire. The Australian tax rate changed from 27.5% in 2020 to 26% in 2021. At June 30, 2021, the Company had Australia net operating loss carry forwards of approximately \$25,128,485 million which can be carried forward without expiration. No tax benefit has been reported in the June 30, 2021 and 2020 consolidated financial statements due to the uncertainty surrounding the realizability of the benefit, based on a more likely than not criteria and in consideration of available positive and negative evidence.

The Company applied the "more-likely-than-not" recognition threshold to all tax positions taken or expected to be taken in a tax return, which resulted in unrecognized tax benefits as of June 30, 2021 and 2020, respectively.

Management has determined that the realization of the net deferred tax asset is not assured and has created a valuation allowance for the entire amount of such benefits.

The Company follows ASC 740-10, which provides guidance for the recognition and measurement of certain tax positions in an enterprise's financial statements. Recognition involves a determination whether it is more likely than not that a tax position will be sustained upon examination with the presumption that the tax position will be examined by the appropriate taxing authority having full knowledge of all relevant information.

The Company applied the "more-likely-than-not" recognition threshold to all tax positions taken or expected to be taken in a tax return, which resulted in no unrecognized tax benefits as of June 30, 2021 and 2020, respectively.

The Company's policy is to record interest and penalties associated with unrecognized tax benefits as additional income taxes in the consolidated statement of operations. As of June 30, 2021, the Company had no unrecognized tax benefits. There were no changes in the Company's unrecognized tax benefits during the years ended June 30, 2021 and 2020. The Company did not recognize any interest or penalties during fiscal 2021 or 2020 related to unrecognized tax benefits.

The income tax returns filed for the tax years from inception will be subject to examination by the relevant taxing authorities.

**NOTE 8 – STOCKHOLDERS' DEFICIT**

Increase in Authorized Shares of Common Stock and Reverse Stock Split

On February 4, 2020 the Directors resolved to increase the Common Stock of the Company from 100,000,000 authorized shares to 1,000,000,000 authorized shares and

believes that such number of authorized shares of Common Stock will be in the best interests of the Corporation and its stockholders because the Board believes that the availability of more shares of Common Stock for issuance will allow the Corporation greater flexibility in pursuing financing from investors, meeting business needs as they arise, taking advantage of favorable opportunities and responding to a changing corporate environment. The Company filed the necessary documents with the U.S. Securities and Exchange Commission on February 6, 2020 and with the amendment to the authorized shares being approved by the State of Delaware on March 13, 2020.

On November 17, 2020, the Company effected a one-for-one thousand (1:1,000) reverse stock split of the Company's issued and outstanding shares of common stock (the "Reverse Stock Split"). Proportional adjustments for the Reverse Stock Split were made to the Company's outstanding stock options, warrants and equity incentive plans. All share and per-share data and amounts have been retroactively adjusted as of the earliest period presented in the consolidated financial statements to reflect the Reverse Stock Split.

### **Preferred Stock**

The total number of shares of preferred stock that the Company is authorized to issue is 1,500,005, \$0.01 par value per share. These preferred shares have no rights to dividends, profit sharing or liquidation preferences.

Of the total preferred shares authorized, 500,000 have been designated as Series A Preferred Stock ("Series A Preferred Stock"), pursuant to the Certificate of Designation filed with the Secretary of State of the State of Delaware on December 9, 2014. James Nathanielsz, the Company's Chief Executive Officer and Chief Financial Officer, beneficially owns all of the outstanding shares of Series A Preferred Stock via North Horizon Pty Ltd., which entitles him, as a holder of Series A Preferred Stock, to vote on all matters submitted or required to be submitted to a vote of the Company's stockholders, except election and removal of directors, and each share of Series A Preferred Stock entitles him to two votes per share of Series A Preferred Stock. North Horizon Pty Ltd. is a Nathanielsz Family Trust. Mr. James Nathanielsz, the Chief Executive Officer, Chief Financial Officer and a director of our Company, has voting and investment power over these shares. 500,000 shares of Series A Preferred Stock are issued and outstanding as of June 30, 2021 and 2020.

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**PROPANC BIOPHARMA, INC. AND SUBSIDIARY**  
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Of the total preferred shares authorized, pursuant to the Certificate of Designation filed with the Secretary of State of the State of Delaware on June 16, 2015, up to five shares have been designated as Series B Preferred Stock ("Series B Preferred Stock"). Each holder of outstanding shares of Series B Preferred Stock is entitled to voting power equivalent to the number of votes equal to the total number of shares of common stock outstanding as of the record date for the determination of stockholders entitled to vote at each meeting of stockholders of the Company and entitled to vote on all matters submitted or required to be submitted to a vote of the stockholders of the Company. One share of Series B Preferred Stock is issued and outstanding as of June 30, 2021 and 2020. Mr. Nathanielsz directly beneficially owns such one share of Series B Preferred Stock.

No additional shares of Series A Preferred Stock or Series B Preferred Stock were issued during fiscal year 2021 and 2020.

### **Common Stock**

#### ***Shares Issued for Cash***

##### ***April 3, 2020 Security Purchase Agreement***

On April 3, 2020, the Company closed on a transaction related to a Securities Purchase Agreement (the "Securities Purchase Agreement") entered into on March 30, 2020, whereby an investor (the "Investor") purchased from the Company, 7,500 units (the "Units"), each consisting of (i) 1.5 shares of the Company's common stock (the "Common Stock"), or pre-funded warrants (the "Prefunded Warrants") upon Investor's election due to the 4.99% blocker provision as discussed below and (ii) 1.5 warrants to purchase one share of Common Stock ("Series A Warrants", and collectively with the Common Stock the "Units"). In addition to the Units, the Investor was issued 63,750 warrants to purchase one share of Common Stock (the "Series B Warrants") and an additional 63,750 warrants to purchase one share of Common Stock, subject to a vesting schedule (the "Series C Warrants" and, together with the Prefunded Warrants, the Series A Warrants, and the Series B Warrants, the "Warrants").

The aggregate purchase price for the Units, the Series A Warrants with exercise price of \$200 per share, the Series B Warrants with exercise price of \$40 per share and the Series C Warrants with exercise price of \$200 per share, of \$450,000 was paid at closing (the "Purchase Price") or \$60 per unit purchase price (see Warrants below). The Company received net proceeds of \$424,990, net of offering cost of \$25,010.

The Securities Purchase Agreement contains a blocker provision whereby the Investor or any of its affiliates would not beneficially own in excess of 4.99% of the outstanding number of shares of Common Stock ("Beneficial Ownership Limitation"). As such, the Investor may elect to purchase Prefunded Warrants equal to the same number of shares of Common Stock that the Company would have been issued.

Due to the Beneficial Ownership Limitation, the 11,250 shares of Common Stock underlying the Units issuable at closing of the Securities Purchase Agreement are comprised of 804 shares of restricted Common Stock and 10,446 Prefunded Warrants with exercise price of \$1 (but can be less than par value). The Prefunded Warrants shall be exercisable immediately and shall expire when exercised in full.

The Securities Purchase Agreement contains such representations, warranties and covenants as are typical for a transaction of this nature.

#### ***Shares issued for conversion of convertible debt***

During the year ended June 30, 2020, the Company issued 247,619 shares of its common stock at an average contractual conversion price of \$, ranging from \$2 to \$910, as a result of the conversion of principal and interest in the aggregate amount of \$1,814,336 underlying certain outstanding principal amount and accrued interest of convertible notes converted during such period, including \$15,000 of conversion fees. The total recorded to equity was \$2,125,174. Notes with principal amounts totaling \$254,500 and accrued interest of \$15,408 contained bifurcated embedded conversion option derivatives. Accordingly, the fair market value of the shares issued was \$65,746 resulting in a loss on extinguishment at the time of conversion of \$295,838 and \$362,961 of derivative fair value was recorded as a gain on extinguishment at the time of conversion. The Company reclassified \$874,924 in put premiums to additional paid in capital following conversions during the year ended June 30, 2020.

During the year ended June 30, 2021, the Company issued an aggregate of 8,786,113 shares of its common stock at an average contractual conversion price of \$0.13, ranging from \$0.03 to \$2.00, as a result of the conversion of principal of \$1,018,867, interest of \$103,321 and conversion fees \$16,500 underlying certain outstanding convertible notes converted during such period. The total recorded to equity was \$1,239,075 prior to the reversal of unissued shares.

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There were 24,427 unissued shares which were considered issuable for accounting purposes during the first quarter of fiscal 2021 related to conversion notices dated and received in September 2020. In November 2020, the Company was notified by the note holder of the cancellation of these conversion notices and as such the Company reversed the effects of these transactions thereby increasing the principal balance by \$19,600, accrued interest of \$416 and put premium by \$11,785 and a corresponding decrease in equity of \$31,801.

Converted notes totaling principal amount of \$95,000 and accrued interest of \$3,000 contained bifurcated embedded conversion option derivatives. Accordingly, the fair market value of the shares issued was \$178,368 resulting in a loss on extinguishment at the time of conversion of \$80,368 and \$130,975 of derivative fair value was recorded as a gain on extinguishment at the time of conversion.

The Company reclassified \$590,504 to additional paid in capital following conversions of notes accounted for as stock settled debt during the year ended June 30, 2021.

The Company has 197,308,116 shares of its common stock reserved for future issuances based on lender reserve requirements pursuant to underlying financing agreements at June 30, 2021.

**Shares issued for services**

On July 19, 2019, the Company entered into an agreement with a certain consultant to provide services over a two-month period beginning July 1, 2019 and ending September 1, 2019 in exchange for 20 shares of the Company's common stock. On July 19, 2019, the Company issued the 20 shares of the Company's common stock valued at \$1,990 per share; being the closing price of the stock on the date of the agreement, to such consultant, or \$39,800, which will be amortized over the term of the agreement. The Company recorded \$39,800 of consulting expense with respect to such shares of its common stock during the year ended June 30, 2020.

Between February 3, 2020 and June 26, 2020, the Company issued an aggregate of 8,709 shares of the Company's common stock to a consultant for services rendered pursuant to an engagement agreement dated on September 10, 2019 which agreement was later amended in February 2020. Between February 3, 2020 and June 26, 2020, the Company issued an aggregate of 8,709 shares of the Company's common stock valued at an average price of \$8 per share; being the closing price of the stock on the date of the agreement, to such consultant, or \$73,842. The Company recorded \$73,842 of consulting expense with respect to such shares of its common stock during the year ended June 30, 2020.

On March 22, 2021, the Company issued an aggregate of 225,037 shares of the Company's common stock to a consultant for services rendered from January 1, 2021 to March 22, 2021. The Company issued 225,037 shares of the Company's common stock valued at \$0.30 per share, being the closing price of the stock on the date of grant to such consultant, or \$67,511. The Company recorded \$67,511 of consulting expense with respect to such shares of its common stock during the year ended June 30, 2021.

Between March 2021 and June 2021, the Company issued an aggregate of 580,609 shares of the Company's common stock to a consultant for services rendered from April 1, 2021 to June 30, 2021. The Company issued 580,609 shares of the Company's common stock valued at \$0.10 per share, being the closing price of the stock on the date of grant to such consultant, or \$58,061. The Company recorded \$58,061 of consulting expense with respect to such shares of its common stock during the year ended June 30, 2021.

**Shares issued for exercise of warrants**

During the year ended June 30, 2021, the Company received aggregate gross proceeds of \$776,044 from the exercise of 10,445 prefunded warrants and 19,375 Series B Warrants resulting in the issuance of 29,820 shares of common stock.

Additionally, during 2021 the Company issued 4,199,979 shares of common stock from the alternate cashless exercise of 20 Series A and 1 Series C warrants. The Company recognized the value of the effect of a down round feature in such warrants when triggered. Upon the occurrence of the triggering event that resulted in a reduction of the strike price, the Company measured the value of the effect of the feature as the difference between the fair value of the warrants without the down round feature or before the strike price reduction and the fair value of the warrants with a strike price corresponding to the reduced strike price upon the down round feature being triggered. Accordingly, the Company recognized deemed dividend of \$391,749 and a corresponding reduction of income available to common stockholders upon the alternate cashless exercise of these warrants.

**Restricted Stock Units**

Pursuant to employment agreements dated in May 2019, the Company granted an aggregate of 78 and 39 restricted stock unit to the Company's Chief Executive Officer and Chief Scientific Officer, respectively. The total 117 restricted stock units are subject to vesting terms as defined in the employment agreements. The 117 restricted stock units were valued at the fair value of \$4,250 per unit or \$497,240 based on the quoted trading price on the date of grant. During the year ended June 30, 2021 and 2020, the Company recognized stock-based compensation of \$0 and \$217,543, respectively, related to vested restricted stock units. There were 248,620 unrecognized restricted stock units expense as of June 30, 2021. There are 59 unvested restricted stock units which are subject to various performance conditions which have not yet been met and such restricted stock units have not yet vested as of June 30, 2021 and 2020 to which the \$248,620 relates.

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**Options**

A summary of the Company's option activity during the years ended June 30, 2021 and 2020 is presented below:

	<b>Number of Options</b>	<b>Weighted Average Price Per Share</b>
Outstanding at June 30, 2019	60	\$ 76,370
Issued	-	-
Exercised	-	-
Expired	-	-
Outstanding at June 30, 2020	60	\$ 76,370
Issued	-	-
Exercised	-	-
Expired	(1)	3,750,000
Outstanding at June 30, 2021	59	\$ 13,730
Exercisable at June 30, 2021	40	\$ 18,193
Outstanding and Exercisable:		



Weighted average remaining contractual term	7.86
Weighted average fair value of options granted during the period	\$ -
Aggregate intrinsic value	\$ -

On the Effective Date, the Company's board of directors approved and adopted the Company's 2019 Equity Incentive Plan (the "2019 Plan"), which reserves a total of 234 shares of the Company's common stock for issuance under the 2019 Plan. Incentive awards authorized under the 2019 Plan include, but are not limited to, incentive stock options, non-qualified stock options, restricted stock awards and restricted stock units.

During the year ended June 30, 2021 and 2020, the Company recognized stock-based compensation of \$82,872 and \$82,873 related to vested stock options. There was \$72,514 of unvested stock options expense as of June 30, 2021 that will be recognized over a remaining vesting period of 0.87 year.

No stock options were granted during the years ended June 30, 2021 and 2020.

#### Warrants

The following table summarizes warrant activity for the years ended June 30, 2021 and 2020:

	Number of Warrants	Weighted Average Price Per Share
Outstanding at June 30, 2019	-	\$ -
Issued	151,170	150.00
Exercised	-	-
Forfeited	-	-
Expired	-	-
Outstanding at June 30, 2020	151,170	\$ 150.00
Issued	-	-
Exercised	(29,841)	26.15
Forfeited	-	-
Expired	-	-
Outstanding at June 30, 2021	121,329	\$ 179.63
Exercisable at June 30, 2021	76,955	\$ 283.21
Outstanding and Exercisable:		
Weighted average remaining contractual term	1.77	
Aggregate intrinsic value	\$ -	

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In connection with the issuance of the August 2019 Auctus Note, the Company issued common stock purchase warrants to Auctus to purchase 450 shares of the Company's common stock (the "First Warrant") as a commitment fee upon the terms and subject to the limitations and conditions set forth in such First Warrant at an "Exercise Price" of \$2,250. In connection with the issuance of the Note, the Company shall issue a common stock purchase warrant to Buyer to purchase 300 shares of the Company's common stock (the "Second Warrant") as a commitment fee upon the terms and subject to the limitations and conditions set forth in such Second Warrant at an "Exercise Price" of \$3,330. In connection with the issuance of the Note, the Company shall issue a common stock purchase warrant to Buyer to purchase 225 shares of the Company's common stock (the "Third Warrant") as a commitment fee upon the terms and subject to the limitations and conditions set forth in such Third Warrant at an "Exercise Price" of \$4,500. The First Warrant, Second Warrant, and Third Warrant shall collectively be referred as the "Warrants". The Warrants have an "Exercise Period" of five years from the date of issuance being August 30, 2019 (see Note 6).

On September 10, 2019, the Company entered into an agreement with a certain consultant to provide services over a three-month period beginning September 10, 2019 and ending December 10, 2019 in exchange for 1,000 warrants to purchase the Company's common stock at \$2,000 per share with an expiry date of September 10, 2022. The Fair Market Value of the warrants was \$984,810 on the date of grant as calculated under the Black Scholes Option Pricing model. The Company recorded \$984,810 of share-based compensation expenses with respect to the grant of such warrants during the year ended June 30, 2020.

In connection with the issuance of shares on April 3, 2020 as discussed above, the Company closed on a transaction related to a Securities Purchase Agreement (the "Securities Purchase Agreement") entered into on March 30, 2020, whereby an investor purchased from the Company, 7,500 units, each consisting of (i) 1.5 shares of the Company's common stock, or pre-funded warrants upon Investor's election due to the 4.99% blocker provision and (ii) 1.5 warrants to purchase one share of Common Stock ("Series A Warrants", and collectively with the Common Stock the "Units"). In addition to the Units, the Investor was issued 63,750 warrants to purchase one share of Common Stock (the "Series B Warrants") and an additional 63,750 warrants to purchase one share of Common Stock, subject to a vesting schedule (the "Series C Warrants" and, together with the Prefunded Warrants, the Series A Warrants, and the Series B Warrants, the "Warrants").

Due to the Beneficial Ownership Limitation, the Company granted 10,445 Prefunded Warrants with exercise price of \$0.10 (but can be less than par value). The Prefunded Warrants shall be exercisable immediately and shall expire when exercised in full.

#### Series A Warrants

Pursuant to the Securities Purchase Agreement entered into March 20, 2020 as discussed above, the Investor purchased Series A Warrants to purchase up to 11,250 shares of Common Stock, subject to adjustment as provided therein. The Series A Warrants have a cash exercise price of \$200 per share and are immediately exercisable and expire in 3 years. The Series A Warrants contain a provision for cashless exercise in the event there is no effective registration statement registering the shares underlying the Series A Warrants calculated based on the difference between the exercise price of the Series A Warrant and the trading price of the stock (the "Cashless Exercise"). Additionally, the Series A Warrants contain a provision for a cashless conversion at the Holder's option should the trading price of the Common Stock fall below \$200 per share calculated based on the difference between the exercise price of the Series A Warrant and 70% of the Market Price, as defined therein (the "Alternate Cashless Exercise"). See above "Shares issued for exercise of warrants" for discussion of deemed dividend related to alternate cashless exercise.

#### Series B Warrants

Pursuant to the Securities Purchase Agreement entered into March 20, 2020 as discussed above, the Investor purchased Series B Warrants to purchase up to 63,750 shares of

Common Stock, subject to adjustment as provided therein; provided, however, commencing on the 90th day following the effective date, the Company may reduce the number of Warrant Shares issuable upon exercise thereof by 37,500 upon 10 Trading Days' prior written notice to the Holder provided that the Company issues to the Holder 3,750 shares of Common Stock (or, at the election of the Holder, an equivalent number of pre-funded warrants) and Series A Warrants to purchase up to 3,750 shares of Common Stock, which shares shall be issued pursuant to a registration statement without restrictions on resale. The Series B Warrants have a cash exercise price of \$40 per share and expire in 3 years. The Series B Warrants contain a provision for Cashless Exercise.

#### Series C Warrants

Pursuant to the Securities Purchase Agreement entered into March 20, 2020 as discussed above, the Investor purchased Series C Warrants to purchase up to 63,750 shares of Common Stock, subject to adjustment as provided therein and expire in 3 years. The Series C Warrants have a cash exercise price of \$200 per share, subject to a vesting schedule, which is based on such Holder's exercise of the Series B Warrants (warrants shall be exercisable ratably upon exercise of Series B Warrants). The Series C Warrants contain provisions for Cashless Exercise and Alternate Cashless Exercise.

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**PROPANC BIOPHARMA, INC. AND SUBSIDIARY**  
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#### *Exercise of Warrants*

During the year ended June 30, 2021, the Company received aggregate gross proceeds of \$776,044 from the exercise of 10,445 prefunded warrants and 19,375 Series B Warrants resulting in the issuance of 29,820 shares of common stock. Additionally, the Company issued 4,199,979 shares of common stock from the alternate cashless exercise of 20 Series A and 1 Series C warrants.

#### **NOTE 9 – COMMITMENTS AND CONTINGENCIES**

##### **Legal Matters**

On September 26, 2019, a complaint was filed against the Company with Supreme Court of the State of New York, County of New York, by Foley Shechter Ablovatskiy LLP ("Foley Shechter"), our former counsel, seeking \$151,031 in professional fees allegedly owed, in addition to interest and costs of suit. The Company filed an answer, together with affirmative defenses and counterclaims. Certain amounts related to this claim were included in accounts payable and accrued expenses in the accompanying consolidated financial statements at June 30, 2020. On March 22, 2021, the Company entered into a settlement agreement with Foley Shechter whereby both parties agreed to settle all claims for professional fees owed for a total of \$51,032. The Company paid the settlement amount of \$51,032 on March 22, 2021. Prior to the settlement agreement, the Company recorded total accounts payable and accrued expenses \$142,660. Accordingly, the Company recognized gain from settlement of debt of \$92,556 during the year ended June 30, 2021.

Regal Consulting, LLC ("Regal") initiated litigation against the Company in Clark County District Court, Nevada. Regal was demanding approximately \$400,000 and 60 shares of the Company's common stock as payment for services that Regal purports to have performed. Regal additionally claimed that \$106,500 remained due on a Convertible Note executed by the Company in May of 2017 and asserted that it was owed in excess of \$100,000 in penalties in connection with the Company's refusal to honor certain Conversion Notices. The Company filed an Answer and Counterclaim, denying liability and alleging that Regal procured by fraud the Company's execution of various consulting agreements and additionally failed to provide the consulting services contemplated by said agreements. On December 23, 2020, the parties mediated their dispute and negotiated a settlement agreement. On March 15, 2021, the Company entered into a Settlement and Mutual Release Agreement with Regal whereby both parties agreed to settle all claims and liabilities under the August 10, 2017 Convertible note (see Note 6) for a total of \$100,000. All other terms of the August 10, 2017 Convertible Note shall remain in full force and effect. Both parties agree that all future penalties under this convertible note are waived unless the Company fails to authorize the issuance of the requested shares upon conversion. The Company has the right to pay off the balance of any remaining amounts due under this convertible note in cash at any time 61 days after March 15, 2021. Prior to the Settlement Agreement, the Company recorded total liabilities \$56,762 consisting of remaining principal amount of \$8,500, accrued interest of \$23,262 and accrued expenses of \$25,000. Accordingly, the Company recognized loss from settlement of debt of \$43,238 during the year ended June 30, 2021.

##### **IRS Liability**

As part of its requirement for having a foreign operating subsidiary, the Company's parent U.S. entity is required to file an informational Form 5471 to the Internal Revenue Service (the "IRS"), which is a form that explains the nature of the relationship between the foreign subsidiary and the parent company. From 2012 through the 2014, the Company did not file this form in a timely manner. As a result of the non-timely filings, the Company incurred a penalty from the IRS in the amount of \$10,000 per year, or \$30,000 in total, plus accrued interest, such penalty and interest having been accrued and is included in the accrued expenses and other payable figure in the June 30, 2021 and 2020 consolidated balance sheet. The Company recorded the penalties for all three years during the year ended June 30, 2018. The Company is current on all subsequent filings. The Company's tax advisor is awaiting a response from the IRS on this matter.

##### **Operating Agreements**

In November 2009, the Company entered into a commercialization agreement with the University of Bath (UK) (the "University") whereby the Company and the University co-owned the intellectual property relating to the Company's pro-enzyme formulations. In June 2012, the Company and the University entered into an assignment and amendment whereby the Company assumed full ownership of the intellectual property while agreeing to pay royalties of 2% of net revenues to the University. Additionally, the Company agreed to pay 5% of each and every license agreement subscribed for. The contract is cancellable at any time by either party. To date, no amounts are owed under the agreement.

##### **Operating Leases**

On May 5, 2016, the Company entered into a new five-year operating lease agreement with a Horizon Pty Ltd., a related party, of which Mr. Nathanielsz, our CEO, CFO and a director, and his wife are owners and directors, with monthly rent currently at \$3,606 AUD or \$2,469 USD, inclusive of GST (See Note 10 – Related Party Transactions). The initial rental amount was \$3,000 AUD and subject to 3% yearly escalation. In adopting ASC Topic 842, Leases (Topic 842), the Company has elected the 'package of practical expedients', which permit it not to reassess under the new standard its prior conclusions about lease identification, lease classification and initial direct costs. In addition, the Company elected not to apply ASC Topic 842 to arrangements with lease terms of 12 month or less. On July 1, 2019, upon adoption of ASC Topic 842, the Company recorded right-of-use assets \$48,662 and total lease liabilities of \$48,662 based on an incremental borrowing rate of 6%. Such lease expired in May 2021 and was renewed for another one-year term from May 2021 to May 2022. The Company is currently obligated to pay \$3,606 AUD or \$2,431 USD (depending on exchange rate), inclusive of tax, in rent per month.

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ROU is summarized below:

	June 30, 2021	June 30, 2020
Office lease (24 months)	\$ 48,662	\$ 48,662
Less accumulated amortization	(48,662)	(26,980)
Right-of-use asset, net	\$ -	\$ 21,682

Operating Lease liabilities are summarized below:

	June 30, 2021	June 30, 2020
Office lease	\$ 48,662	\$ 48,662
Reduction of lease liability	(48,662)	(23,590)
Long term portion of lease liability	\$ -	\$ 25,072

#### Collaboration Agreement

On September 13, 2018, the Company entered into a two-year collaboration agreement with the University of Jaén (the “University”) to provide certain research services to the Company. In consideration of such services, the Company agreed to pay the University approximately 52,000 Euros (\$59,508 USD) in year one and a maximum of 40,000 Euros (\$45,775 USD) in year two. The Company paid 31,754 Euros (\$36,117 USD) in 2019 and has accrued 28,493 Euros (\$24,043 USD) as of June 30, 2021. Additionally, in exchange for full ownership of the intellectual property the Company agreed to pay royalties of 2% of net revenues to the University. On October 1, 2020, the Company entered into another two-year collaboration agreement with the University of Jaén to provide certain research services to the Company. In consideration of such services, the Company agreed to pay the University approximately 30,000 Euros (\$35,145 USD) which shall be paid in four installment payments of 5,000 Euros in November 2020, 5,000 Euros (\$5,858) in March 2021, 10,000 Euros (\$11,715) in December 2021 and 10,000 Euros (\$11,715) in September 2022. Additionally, the University shall hire and train a doctoral student for this project and as such the Company shall pay the University 25,837 Euros (\$30,268 USD). In exchange for full ownership of the intellectual property the Company agreed to pay royalties of 2% of net revenues to the University.

#### NOTE 10 – RELATED PARTY TRANSACTIONS

Since its inception, the Company has conducted transactions with its directors and entities related to such directors. These transactions have included the following:

As of June 30, 2021 and 2020, the Company owed its former director a total of \$5,500 and \$50,993, respectively, for money loaned to the Company throughout the years. The total loans balance owed at June 30, 2021 and 2020 is not interest bearing (See Note 5 – Loans and Notes Payable).

As of June 30, 2021 and 2020, the Company owed its former director a total of \$3,347 and \$30,639, respectively, related to expenses paid on behalf of the Company related to corporate startup costs and intellectual property (See Note 4 – Due to Former Director – Related Party).

Effective May 5, 2016, the Company entered into an agreement for the lease of its principal executive offices with North Horizon Pty Ltd., a related party, of which Mr. Nathanielsz, our CEO, CFO and a director, and his wife are owners and directors. The lease has a five-year term and provides for annual rental payments of \$39,600 AUD or \$28,325 USD, which includes \$3,600 AUD or \$2,575 USD of goods and service tax for total payments of \$198,000 AUD or \$141,629 USD during the term of the lease. As of June 30, 2021, total rent payable of \$86,129 AUD (\$64,597 USD) is included in accrued expenses in the accompanying consolidated balance sheet. Such lease expired in May 2021 and was renewed for another one-year term from May 2021 to May 2022 (See Note 9 – Commitments and Contingencies).

**PROPANC BIOPHARMA, INC. AND SUBSIDIARY**  
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#### *Employment and Services Agreements with Management*

The Company and Mr. Nathanielsz entered into an employment agreement as of February 25, 2015 (the “Nathanielsz Employment Agreement”) setting forth the terms and conditions of Mr. Nathanielsz employment as the Company’s President and Chief Executive Officer. The Nathanielsz Employment Agreement was scheduled to expire on February 25, 2019; however, the term of the Nathanielsz Employment Agreement automatically renews for successive one-year periods unless either party provides 30 days’ prior written notice of its intent not to renew. The Nathanielsz Employment Agreement continues in effect as of June 30, 2021 as amended May 14, 2019 (see below). The Nathanielsz Employment Agreement provides Mr. Nathanielsz with a base salary of \$25,000 AUD per month (\$300,000 AUD annually or \$205,680 USD) and a monthly contribution to Mr. Nathanielsz’s pension equal to 9.5% of his monthly salary. Mr. Nathanielsz has the ability to convert any accrued but unpaid salary into common stock at the end of each fiscal year at a conversion price to be determined by Mr. Nathanielsz and the Company, which will in no event be lower than par value or higher than the closing bid price on the date of conversion. Pursuant to the Nathanielsz Employment Agreement, Mr. Nathanielsz is entitled to an annual discretionary bonus in an amount up to 200% of his annual base salary, which bonus shall be determined by the Company’s board of directors based upon the performance of the Company. On March 16, 2018, the Company’s board of directors approved an increase of Mr. Nathanielsz’s annual base salary from \$300,000 AUD (\$205,680 USD) to \$400,000 AUD (\$274,240 USD), effective February 2018.

Mr. Nathanielsz’s wife, Sylvia Nathanielsz, is and has been a non-executive part-time employee of the Company since October 2015. Effective February 1, 2018, Mrs. Nathanielsz receives an annual salary of \$120,000 AUD (\$80,904 USD) and is entitled to customary benefits.

Pursuant to a February 25, 2016 board resolution, James Nathanielsz shall be paid \$4,481 AUD (\$3,205 USD), on a monthly basis for the purpose of acquiring and maintaining an automobile. For the year ended June 30, 2020, a total of \$44,918 AUD (\$30,284 USD) in payments have been made with respect to Mr. Nathanielsz’s car allowance. For the year ended June 30, 2021, a total of \$46,135 AUD (\$34,476 USD) in payments have been made with respect to Mr. Nathanielsz’s car allowance.

Pursuant to the approval of the Company’s board of directors, on May 14, 2019, Mr. Nathanielsz was granted a \$460,000 AUD (\$315,376 USD) bonus for accomplishments achieved while serving as the Company’s Chief Executive Officer during the fiscal year ended June 30, 2019 with \$200,000 AUD (\$137,120 USD) of such bonus payable by the Corporation to the CEO throughout the Corporation’s 2019 fiscal year as the Corporation’s cash resources allow, with the remaining \$260,000 AUD (\$178,256 USD) of such bonus to be deferred by the CEO until a future date when the Corporation’s cash resources allow for such payment, as agreed to by the CEO. A total of \$90,000 AUD (\$64,377 USD) in payments were made in the year ended June 30, 2019. On July 13, 2020, the Board approved a bonus of \$40,000 AUD being equal to 60% of Mr. Nathanielsz base salary which was accrued as of June 30, 2020. A total of \$202,620 AUD (\$136,606 USD) in payments were made against the bonuses during the year ended June 30, 2020 which resulted to a remaining balance of \$407,380 AUD (\$280,726 USD) bonus payable as of June 30, 2020. On August 12, 2021, the Board approved a bonus of \$177,840 USD. A total of \$221,890 AUD (\$166,418 USD) in payments were made against the bonuses during the year ended June 30, 2021 resulting in a remaining balance of \$22,610 AUD (\$316,957 USD) bonus payable as of June 30, 2021 which is included in accrued expenses in the accompanying consolidated balance sheet. On August 12, 2021, pursuant to the Cancellation Agreement, Mr. Nathanielsz agreed to cancel \$177,840 of the bonus payable in exchange for 5,928,000 shares of the common stock of the Company (see Note 13).

Amended and Restated Employment Agreement - On May 14, 2019 (the “Effective Date”), the Company entered into an Amended and Restated Employment Agreement (the “Employment Agreement”) with James Nathanielsz, the Company’s Chief Executive Officer, Chairman, acting Chief Financial Officer and a director, for a term of three years, subject to automatic one-year renewals, at an annual salary of \$400,000 AUD. Pursuant to the Employment Agreement, Mr. Nathanielsz was granted options to purchase 39 shares of the Company’s common stock (the “Nathanielsz Options”), with an exercise price per share of \$4,675 (110% of the closing market price of the Company’s common stock on May 14, 2019 (or \$4,250), the date of approval of such grant by the Company’s board of directors), (ii) 39 restricted stock units of the Company (the “Initial Nathanielsz RSUs”), and (iii) an additional 39 restricted stock units of the Company (the “Additional Nathanielsz RSUs”). Such options and restricted stock units were granted pursuant to the 2019 Plan approved by the Company’s board of directors on the Effective Date. The Nathanielsz Options have a term of 10 years from the date of grant. 1/3rd of the Nathanielsz Options shall vest every successive one-year anniversary following the Effective Date, provided, that on each such vesting date Mr. Nathanielsz is employed by the Company and subject to the other provisions of the Employment Agreement. The Initial Nathanielsz RSUs shall vest on the one-year anniversary of the Effective Date, subject to Mr. Nathanielsz’s continued employment with the Company through such vesting date. The Additional Nathanielsz RSUs will vest as follows, subject to Mr. Nathanielsz’s continued employment with the Company through the applicable vesting date: (i) 7.80 of the Additional Nathanielsz RSUs shall vest upon the Company submitting Clinical Trial Application (the “CTA”) for PRP, the Company’s lead product candidate (“PRP”), for a First-In-Human study for PRP (the “Study”) in an applicable jurisdiction to be selected by the Company, (ii) 7.80 of the Additional Nathanielsz RSUs shall vest upon the CTA being approved in an applicable jurisdiction, (iii) 7.80 of the Additional RSUs shall vest upon the Company completing an equity financing in the amount of at least \$4,000,000 in gross proceeds, (iv) 7.80 of the Additional Nathanielsz RSUs shall vest upon the shares of the Company’s Common Stock being listed on a senior stock exchange (NYSE, NYSEMKT or NASDAQ), and (v) the remaining 7.80 of the Additional Nathanielsz RSUs shall vest upon the Company enrolling its first patient in the Study. Each vested restricted stock unit shall be settled by delivery to Mr. Nathanielsz of one share of the Company’s common stock and/or the fair market value of one share of common stock in cash, at the sole discretion of the Company’s board of directors and subject to the 2019 Plan, on the first to occur of: (i) the date of a Change of Control (as defined in the Employment Agreement), (ii) the date that is ten business days following the vesting of such restricted stock unit, (iii) the date of Mr. Nathanielsz’s death or Disability (as defined in the Employment Agreement), and (iv) Mr. Nathanielsz’s employment being terminated either by the Company without Cause or by Mr. Nathanielsz for Good Reason (each as defined in the Employment Agreement). In the event of a Change of Control, any unvested portion of the Nathanielsz Options and such restricted stock units shall vest immediately prior to such event. The 39 vested restricted stock unit are considered issuable as of June 30, 2021.

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**PROPANC BIOPHARMA, INC. AND SUBSIDIARY**  
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Amended and Restated Services Agreement - On May 14, 2019, the Company also entered into an Amended and Restated Services Agreement (the “Services Agreement”) with Dr. Kenyon, the Company’s Chief Scientific Officer and a director, for a term of three years, subject to automatic one-year renewals, at an annual salary of \$54,000 AUD. In connection with the execution of the Services Agreement, Dr. Kenyon was designated as an executive officer of the Company and assumed a more active executive role with the Company. Pursuant to the Services Agreement, Dr. Kenyon was granted options to purchase 20 shares of the Company’s common stock (the “Kenyon Options”), with an exercise price per share of \$4,250 (100% of the closing market price of the Company’s common stock on May 14, 2019, the date of approval of such grant by the Company’s board of directors), (ii) 20 restricted stock units of the Company (the “Initial Kenyon RSUs”), and (iii) an additional 20 restricted stock units of the Company (the “Additional Kenyon RSUs”). Such options and restricted stock units were granted pursuant to the 2019 Plan approved by the Company’s board of directors on the Effective Date. The Kenyon Options have a term of 10 years from the date of grant. 1/3rd of the Kenyon Options shall vest every successive one-year anniversary following the Effective Date, provided, that on each such vesting date Dr. Kenyon is employed by the Company and subject to the other provisions of the Services Agreement. The Initial Kenyon RSUs shall vest on the one-year anniversary of the Effective Date, subject to Dr. Kenyon’s continued employment with the Company through such vesting date. The Additional Kenyon RSUs will vest as follows, subject to Dr. Kenyon’s continued employment with the Company through the applicable vesting date: (i) 5 of the Additional Kenyon RSUs shall vest upon the Company submitting the CTA for PRP for the Study in an applicable jurisdiction to be selected by the Company, (ii) 5 of the Additional Kenyon RSUs shall vest upon the Company completing an equity financing in the amount of at least \$4,000,000 in gross proceeds, (iii) 5 of the Additional Kenyon RSUs shall vest upon the shares of the Company’s Common Stock being listed on a senior stock exchange (NYSE, NYSEMKT or NASDAQ), and (iv) the remaining 5 of the Additional Kenyon RSUs shall vest upon the Company enrolling its first patient in the Study. Each vested Kenyon RSU shall be settled by delivery to Mr. Kenyon of one share of the Company’s common stock and/or the fair market value of one share of common stock in cash, at the sole discretion of the Company’s board of directors and subject to the Plan, on the first to occur of: (i) the date of a Change of Control (as defined in the Services Agreement), (ii) the date that is ten business days following the vesting of such Kenyon RSU, (iii) the date of Dr. Kenyon’s death or Disability (as defined in the Services Agreement), and (iv) Dr. Kenyon’s employment being terminated either by the Company without Cause or by Dr. Kenyon for Good Reason (as defined in the Services Agreement). In the event of a Change of Control (as defined in the Services Agreement), 50% of any unvested portion of the Kenyon Options and the Kenyon RSUs shall vest immediately prior to such event. As of June 30, 2021, total accrued salaries of \$135,000 AUD (\$101,250 USD) is included in accrued expenses in the accompanying consolidated balance sheet. The 20 vested restricted stock unit are considered issuable as of June 30, 2021. On August 12, 2021, pursuant to the Cancellation Agreement, Mr. Kenyon agreed to cancel accrued salaries of \$102,600 in exchange for 3,420,000 shares of the common stock of the Company (see Note 13).

Intercompany Loans

All Intercompany loans were made by the parent to the subsidiary, Propanc PTY LTD, which have not been repaid as of June 30, 2021. Effective fiscal year 2021, the parent company determined that intercompany loans will not be repaid in the foreseeable future and thus, per ASC 830-20-35-3, gains and losses from measuring the intercompany balances are recorded within cumulative translation adjustment, a component of other comprehensive income. Prior to July 1, 2020, the Company recorded the foreign currency transaction gains and losses from measuring the intercompany balances as a component of other income (expenses) as reflected in the consolidated statements of operations.

**NOTE 11 – CONCENTRATIONS AND RISKS**

Concentration of Credit Risk

The Company maintains its cash in banks and financial institutions in Australia. Bank deposits in Australian banks are uninsured. The Company has not experienced any losses in such accounts through June 30, 2021.

In fiscal year 2020, the Company currently primarily relied on funding from three convertible debt lenders. Proceeds received during the year ended June 30, 2020 from each of the three lenders were \$285,000, \$505,000, and \$227,000, respectively, which represents approximately 19%, 34% and 15%, respectively of total proceeds received by the Company during fiscal year 2020.

In fiscal year 2021, the Company primarily relied on funding from two convertible debt lenders and received net proceeds after deductions of \$6,000 for original issue discounts and debt issue costs during the year ended June 30, 2021 from each of the two lenders of \$125,000 and \$200,000, respectively, which represents approximately 39%, and 61%, respectively of total proceeds received by the Company during fiscal year 2021.

Receivable Concentration

As of June 30, 2021 and 2020, the Company’s receivables were 100% related to reimbursements on GST taxes paid.

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**PROPANC BIOPHARMA, INC. AND SUBSIDIARY**  
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Patent and Patent Concentration

The Company has filed multiple patent applications relating to its lead product, PRP. The Company's lead patent application has been granted and remains in force in the United States, Belgium, Czech Republic, Denmark, France, Germany, Ireland, Italy, Netherlands, Portugal, Spain, Sweden, Switzerland, Liechtenstein, Turkey, United Kingdom, Australia, China, Japan, Indonesia, Israel, New Zealand, Singapore, Malaysia, South Africa, Mexico, Republic of Korea, India and Brazil. In Canada, the patent application remains under examination.

In 2016 and early 2017, we filed other patent applications. Three applications were filed under the Patent Cooperation Treaty (the "PCT"). The PCT assists applicants in seeking patent protection by filing one international patent application under the PCT, applicants can simultaneously seek protection for an invention in over 150 countries. Once filed, the application is placed under the control of the national or regional patent offices, as applicable, in what is called the national phase. One of the PCT applications filed in November 2016, entered national phase in July 2018 and another PCT application is currently entering national phase in August 2018. A third PCT application entered the national phase in October 2018.

In July 2020, a world first patent was granted in Australia for the cancer treatment method patent family. Presently, there are 31 granted patents and 34 patents under examination in key global jurisdictions relating to the use of proenzymes against solid tumors, covering the lead product candidate PRP.

Further patent applications are expected to be filed to capture and protect additional patentable subject matter based on the Company's field of technology relating to pharmaceutical compositions of proenzymes for treating cancer.

Foreign Operations

As of June 30, 2021 and 2020, the Company's operations are based in Camberwell, Australia, however the majority of research and development is being conducted in the European Union.

On July 22, 2016, the Company formed a wholly owned subsidiary, Propanc (UK) Limited under the laws of England and Wales for the purpose of submitting an orphan drug application with the European Medicines Agency as a small and medium-sized enterprise. As of June 30, 2021 and 2020, there has been no activity within this entity.

**NOTE 12 - DERIVATIVE FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS**

*Derivative Financial Instruments:*

The Company applies the provisions of ASC 815-40, *Contracts in Entity's Own Equity*, under which convertible instruments and warrants, which contain terms that protect holders from declines in the stock price (reset provisions), may not be exempt from derivative accounting treatment. As a result, warrants and embedded conversion options in convertible debt are recorded as a liability and are revalued at fair value at each reporting date. If the fair value of the warrants exceeds the face value of the related debt, the excess is recorded as change in fair value in operations on the issuance date. The Company had \$80,000 (1 note) and \$126,500 (3 notes) of convertible debt, which is treated as derivative instruments outstanding at June 30, 2021 and 2020 respectively.

The Company calculates the estimated fair values of the liabilities for derivative instruments using the Binomial Trees Method. The closing price of the Company's common stock at June 30, 2021, the last trading day of the fiscal year ended June 30, 2021, was \$0.0517. Volatility, expected remaining term and risk-free interest rates used to estimate the fair value of derivative liabilities at June 30, 2021 and 2020 are indicated in the table that follows. The expected term is equal to the remaining term of the warrants or convertible instruments and the risk free rate is based upon rates for treasury securities with the same term.

**Convertible Debt**

	Initial Valuations during the year ended June 30, 2021	Initial Valuations during the year ended June 30, 2020	June 30, 2021	June 30, 2020
Volatility	N/A	227-279%	222%	264%
Expected remaining term	N/A	1.00	0.01	0.01 – 0.70
Risk-free interest rate	N/A	1.53 – 1.59%	0.05%	0.13 – 0.18%
Expected dividend yield	N/A	None	None	None

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**PROPANC BIOPHARMA, INC. AND SUBSIDIARY**  
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*Fair Value Measurements:*

The Company measures and reports at fair value the liability for derivative instruments. The fair value liabilities for price adjustable warrants and embedded conversion options have been recorded as determined utilizing the Binomial Trees model. The following tables summarize the Company's financial assets and liabilities measured at fair value on a recurring basis as of June 30, 2021:

	Balance at June 30, 2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Embedded conversion option liabilities	\$ 54,220	\$ —	\$ —	\$ 54,220
Total	<u>\$ 54,220</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 54,220</u>

The following tables summarize the Company's financial assets and liabilities measured at fair value on a recurring basis as of June 30, 2020:

	Balance at June 30, 2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Embedded conversion option liabilities	\$ 177,009	\$ —	\$ —	\$ 177,009
Total	<u>\$ 177,009</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 177,009</u>

The following is a roll forward for the years ended June 30, 2021 and 2020 of the fair value liability of price adjustable derivative instruments:

	Fair Value of Liability for Derivative Instruments
<b>Balance at June 30, 2019</b>	<u>\$ 698,264</u>
Reductions due to conversions	(362,962)
Initial fair value of embedded conversion option derivative liability recorded as debt discount	227,000
Initial fair value of embedded conversion option derivative liability recorded as expense	351,461
Change in fair value included in statements of operations	<u>(736,754)</u>
<b>Balance at June 30, 2020</b>	<u>177,009</u>
Gain on debt extinguishment	(130,975)
Change in fair value included in statements of operations	8,186
<b>Balance at June 30, 2021</b>	<u>\$ 54,220</u>

### NOTE 13 – SUBSEQUENT EVENTS

#### *Exercise of Warrants*

From July 9, 2021 through September 7, 2021, the Company received aggregate gross proceeds of \$275,000 from the exercise of 6,875 Series B Warrants and issued 6,875 shares of common stock. Additionally, the Company issued 2,399,988 shares of common stock from the alternate cashless exercise of 12 Series A warrants.

#### *Note Conversions*

From July 1, 2021 through September 20, 2021, the Company issued an aggregate of 6,702,152 shares of its common stock at an average contractual conversion price of \$0.02, ranging from \$0.01 to \$0.04, as a result of the conversion of principal of \$146,348, interest of \$4,887 and conversion fees \$2,250 underlying certain outstanding convertible notes converted during such period. The Company reclassified \$86,219 in put premiums to additional paid in capital following conversions between July 2021 and September 2021.

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**PROPANC BIOPHARMA, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**June 30, 2021 and 2020**

#### *Nathanielsz Cancellation Agreement*

On August 12, 2021, the Company entered into a Cancellation Agreement with James Nathanielsz (“Nathanielsz”), Chief Executive Officer and Director of the Company, whereby Nathanielsz agreed to cancel his cash compensation bonus award for fiscal year 2021, ended June 30, 2021, in exchange for common stock of the Company. The Company and Nathanielsz entered into an Amended and Restated Employment Agreement dated May 14, 2019 (the “Agreement”). Pursuant to the terms of the Agreement, Nathanielsz was eligible to earn an annual fiscal year cash performance bonus for each fiscal year of his employment period with the Company with a target performance bonus of 200% of his average annualized base salary during the fiscal year for which the performance bonus is earned. On July 20, 2021, Nathanielsz was awarded a “target” bonus of 78%, or \$177,840 USD (the “Debt”) for the fiscal year ended June 30, 2021, by the Company’s Board of Directors (the “Board”). Pursuant to the Cancellation Agreement, Nathanielsz agreed to cancel this Debt in exchange for 5,928,000 shares of the common stock of the Company (the “Shares”), valued at approximately \$0.03 per share, being the closing price of the stock on the date of grant. The shares were issued on August 17, 2021.

#### *Kenyon Cancellation Agreement*

On August 12, 2021, the Company entered into a Cancellation Agreement with Dr. Julian Kenyon (“Kenyon”), Chief Scientific Officer and Director of the Company, whereby Kenyon agreed to cancel of \$102,600 USD of accrued salary due him as of June 30, 2021, pursuant to that certain Amended and Restated Services Agreement by and between Kenyon and the Company, dated May 14, 2019, in exchange for 3,420,000 shares of common stock of the Company (the “Shares”), valued at approximately \$0.03 per share, being the closing price of the stock on the date of grant. The shares were issued on August 17, 2021.

#### *Zelinger Amended and Restated Director Agreement*

On August 12, 2021, the Company entered into an Amended and Restated Director Agreement (the “Director Agreement”) with Josef Zelinger (“Zelinger”). Pursuant to the terms of the Director Agreement, the Company shall pay Zelinger a base salary of \$250.00 AUD per month, payable on the first day of each month. In addition, the Company may compensate Zelinger additional consideration for advisory services performed by the Director, either in the form of cash or common stock, at the discretion of the Board. The Company issued 2,800,000 shares of common stock of the Company for accrued director services of \$4,000 as of June 30, 2021. The 2,800,000 shares of common stock was valued at approximately \$0.03 per share, being the closing price of the stock on the date of grant. The shares were issued on August 17, 2021.

#### *Common Stock Issued for Services*

On August 12, 2021, the Board approved the issuance of 2,800,000 shares of the Company’s common stock for bonus payable of \$84,000 as of June 30, 2021 to an employee who is the wife of the CEO of the Company. The 2,800,000 shares of common stock was valued at approximately \$0.03 per share, being the closing price of the stock on the date of grant. The shares were issued on August 17, 2021.

On August 12, 2021, the Board approved the issuance of 166,667 shares of the Company’s common stock for legal services rendered in August 2021 worth \$5,000. The 5,000 shares of common stock was valued at approximately \$0.03 per share, being the closing price of the stock on the date of grant. The shares were issued on September 3, 2021.



In September 2021, the Company issued 2,819,712 shares of the Company's common stock to a consultant for services rendered from July 2021 to September 2021. The Company issued 2,819,712 shares of the Company's common stock valued at approximately \$0.04 per share, being the closing price of the stock on the date of grant to such consultant, or approximately \$113,000.

*August 19, 2021 and September 22, 2021 Securities Purchase Agreement*

Effective August 19, 2021, the Company entered into a securities purchase agreement with Geneva Roth Remark Holdings, Inc., pursuant to which Geneva Roth purchased a convertible promissory note (the "August 19, 2021 Geneva Roth") from the Company in the aggregate principal amount of \$103,750, such principal and the interest thereon convertible into shares of the Company's common stock at the option of Geneva Roth any time after the six-month anniversary of the August 19, 2021 Geneva Roth. The August 19, 2021 Geneva Roth contains an original discount of \$3,750. The Company intends to use the net proceeds from the August 19, 2021 Geneva Roth for general working capital purposes. The maturity date of the August 19, 2021 Geneva Roth Note is August 19, 2022. The August 19, 2021 Geneva Roth Note bears interest at a rate of 8% per annum, which interest may be paid by the Company to Geneva Roth in shares of the Company's common stock; but shall not be payable until the August 19, 2021 Geneva Roth Note becomes payable, whether at the maturity date or upon acceleration or by prepayment.

Additionally, effective September 22, 2021, the Company entered into a securities purchase agreement with Geneva Roth Remark Holdings, Inc., pursuant to which Geneva Roth purchased a convertible promissory note (the "September 22, 2021 Geneva Roth") from the Company in the aggregate principal amount of \$63,750, such principal and the interest thereon convertible into shares of the Company's common stock at the option of Geneva Roth any time after the six-month anniversary of the September 22, 2021 Geneva Roth. The September 22, 2021 Geneva Roth contains an original discount of \$3,750. The Company intends to use the net proceeds from the September 22, 2021 Geneva Roth for general working capital purposes. The maturity date of the September 22, 2021 Geneva Roth Note is September 22, 2022. The September 22, 2021 Geneva Roth Note bears interest at a rate of 8% per annum, which interest may be paid by the Company to Geneva Roth in shares of the Company's common stock; but shall not be payable until the September 22, 2021 Geneva Roth Note becomes payable, whether at the maturity date or upon acceleration or by prepayment.

During the first 60 to 180 days following the date of these notes, the Company has the right to prepay the principal and accrued but unpaid interest due under the above notes issued to Geneva Roth, together with any other amounts that the Company may owe the holder under the terms of the note, at a premium ranging from 110% to 129% as defined in the note agreement. After this initial 180-day period, the Company does not have a right to prepay such notes.

The conversion price for the above Geneva Roth notes shall be equal to a 35% discount of the market price which means the average of the lowest three trading prices of the Common Stock for the ten trading days immediately prior to the delivery of a Notice of Conversion. Notwithstanding the foregoing, Geneva Roth shall be restricted from effecting a conversion if such conversion, along with other shares of the Company's common stock beneficially owned by Geneva Roth and its affiliates, exceeds 9.99% of the outstanding shares of the Company's common stock. These notes are treated as stock settled debt under ASC 480 and accordingly the Company recorded a total of \$90,192 put premium.

The above Geneva Roth notes contain certain events of default, upon which principal and accrued interest will become immediately due and payable. In addition, upon an event of default, interest on the outstanding principal shall accrue at a default interest rate of 22% per annum or if such rate is usurious or not permitted by current law, then at the highest rate of interest permitted by law. Further, certain events of default may trigger penalty and liquidated damage provisions.

**PROPANC BIOPHARMA, INC. AND SUBSIDIARY  
CONDENSED CONSOLIDATED BALANCE SHEETS**

	<u>September 30, 2021</u>	<u>June 30, 2021</u>
	<u>(Unaudited)</u>	
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS:</b>		
Cash	\$ 45,817	\$ 2,255
GST tax receivable	2,238	4,341
Prepaid expenses and other current assets	8,353	-
<b>TOTAL CURRENT ASSETS</b>	<b>56,408</b>	<b>6,596</b>
Security deposit - related party	2,164	2,250
Property and equipment, net	3,593	4,255
<b>TOTAL ASSETS</b>	<b>\$ 62,165</b>	<b>\$ 13,101</b>
<b><u>LIABILITIES AND STOCKHOLDERS' DEFICIT</u></b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 826,184	\$ 1,002,335
Accrued expenses and other payables	407,775	892,151
Convertible notes and related accrued interest, net of discounts and premiums	584,608	624,583
Embedded conversion option liabilities	58,124	54,220
Due to former director - related party	32,076	33,347
Loan from former director - related party	53,384	55,500
Employee benefit liability	406,644	418,538
<b>TOTAL CURRENT LIABILITIES</b>	<b>2,368,795</b>	<b>3,080,674</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 2,368,795</b>	<b>\$ 3,080,674</b>
<b>Commitments and Contingencies (See Note 8)</b>		
<b>STOCKHOLDERS' DEFICIT:</b>		
Preferred stock, 1,500,005 shares authorized, \$0.01 par value:		
Series A preferred stock, \$0.01 par value; 500,000 shares authorized; 500,000 shares issued and outstanding as of September 30, 2021 and June 30, 2021	\$ 5,000	\$ 5,000
Series B preferred stock, \$0.01 par value; 5 shares authorized; 1 share issued and outstanding as of September 30, 2021 and June 30, 2021	-	-

Common stock, \$0.001 par value; 1,000,000,000 shares authorized; 43,841,644 and 14,055,393 shares issued and outstanding as of September 30, 2021 and June 30, 2021, respectively	43,842	14,056
Common stock issuable (2,002,549 and 59 shares as of September 30, 2021 and June 30, 2021, respectively)	2,002	-
Additional paid-in capital	55,444,574	54,074,110
Subscription receivable	(100,000)	-
Accumulated other comprehensive income	1,149,397	1,085,204
Accumulated deficit	(58,804,968)	(58,199,466)
Treasury stock (1 share)	(46,477)	(46,477)
<b>TOTAL STOCKHOLDERS' DEFICIT</b>	<b>(2,306,630)</b>	<b>(3,067,573)</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT</b>	<b>\$ 62,165</b>	<b>\$ 13,101</b>

The accompanying unaudited condensed notes are an integral part of these unaudited condensed consolidated financial statements.

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**PROPANC BIOPHARMA, INC. AND SUBSIDIARY**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)**  
(Unaudited)

	<u>Three Months Ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
<b>REVENUE</b>		
Revenue	\$ -	\$ -
<b>OPERATING EXPENSES</b>		
Administration expenses	431,740	323,111
Occupancy expenses	7,736	9,204
Research and development	46,554	50,846
<b>TOTAL OPERATING EXPENSES</b>	<b>486,030</b>	<b>383,161</b>
<b>LOSS FROM OPERATIONS</b>	<b>(486,030)</b>	<b>(383,161)</b>
<b>OTHER INCOME (EXPENSE)</b>		
Interest expense	(109,853)	(159,281)
Change in fair value of derivative liabilities	(3,904)	64,952
Gain on extinguishment of debt, net	-	49,985
Foreign currency transaction gain	109,129	1,960
<b>TOTAL OTHER EXPENSE, NET</b>	<b>(4,628)</b>	<b>(42,384)</b>
<b>LOSS BEFORE TAXES</b>	<b>(490,658)</b>	<b>(425,545)</b>
Tax benefit	-	-
<b>NET LOSS</b>	<b>(490,658)</b>	<b>(425,545)</b>
<b>Deemed Dividend</b>	<b>(114,844)</b>	<b>-</b>
<b>NET LOSS AVAILABLE TO COMMON STOCKHOLDERS</b>	<b>\$ (605,502)</b>	<b>\$ (425,545)</b>
<b>BASIC AND DILUTED NET LOSS PER SHARE</b>	<b>\$ (0.02)</b>	<b>\$ (0.71)</b>
<b>BASIC AND DILUTED WEIGHTED AVERAGE SHARES OUTSTANDING</b>	<b>27,142,519</b>	<b>597,314</b>
<b>NET LOSS AVAILABLE TO COMMON STOCKHOLDERS</b>	<b>\$ (605,502)</b>	<b>\$ (425,545)</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>		
Unrealized foreign currency translation gain (loss)	64,193	(75,755)
<b>TOTAL OTHER COMPREHENSIVE INCOME (LOSS)</b>	<b>64,193</b>	<b>(75,755)</b>
<b>TOTAL COMPREHENSIVE LOSS</b>	<b>\$ (541,309)</b>	<b>\$ (501,300)</b>

The accompanying unaudited condensed notes are an integral part of these unaudited condensed consolidated financial statements.

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**PROPANC BIOPHARMA, INC. AND SUBSIDIARY**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020**  
(Unaudited)

Preferred Stock	Common Stock			Accumulated	Total
Series A	Series B	Common Stock	Issuable	Other	Total



	<u>No. of Shares</u>		<u>No. of Shares</u>		<u>No. of Shares</u>		<u>No. of Shares</u>		<u>Paid-in Capital</u>	<u>Subscription Receivable</u>	<u>Accumulated Deficit</u>	<u>Comprehensive Income</u>	<u>Treasury Stock</u>	<u>Stockholders' Deficit</u>
	<u>Value</u>	<u>Value</u>	<u>Value</u>	<u>Value</u>	<u>Value</u>	<u>Value</u>	<u>Value</u>	<u>Value</u>						
<b>Balance at June 30, 2020</b>	<b>500,000</b>	<b>\$ 5,000</b>	<b>1</b>	<b>\$ -</b>	<b>258,120</b>	<b>\$ 258</b>	<b>-</b>	<b>\$ -</b>	<b>\$ 50,913,893</b>	<b>\$ -</b>	<b>\$ (55,781,770)</b>	<b>\$ 1,267,671</b>	<b>\$ (46,477)</b>	<b>\$ (3,641,425)</b>
Issuance of common stock for conversion of convertible debt and accrued interest	-	-	-	-	442,031	442	-	-	480,133	-	-	-	-	480,575
Reclassification of put premium upon debt conversion	-	-	-	-	-	-	-	-	204,919	-	-	-	-	204,919
Issuance of common stock for exercise of warrants	-	-	-	-	15,445	15	-	-	201,029	-	-	-	-	201,044
Stock based compensation in connection with fair value of warrants issued for services	-	-	-	-	-	-	-	-	20,718	-	-	-	-	20,718
Foreign currency translation gain	-	-	-	-	-	-	-	-	-	-	-	(75,755)	-	(75,755)
Net loss for the three months ended September 30, 2020	-	-	-	-	-	-	-	-	-	-	(425,545)	-	-	(425,545)
<b>Balance at September 30, 2020</b>	<b>500,000</b>	<b>\$ 5,000</b>	<b>1</b>	<b>\$ -</b>	<b>715,596</b>	<b>\$ 715</b>	<b>-</b>	<b>\$ -</b>	<b>\$ 51,820,692</b>	<b>\$ -</b>	<b>\$ (56,207,315)</b>	<b>\$ 1,191,916</b>	<b>\$ (46,477)</b>	<b>\$ (3,235,469)</b>
<b>Balance at June 30, 2021</b>	<b>500,000</b>	<b>\$ 5,000</b>	<b>1</b>	<b>\$ -</b>	<b>14,055,393</b>	<b>\$ 14,056</b>	<b>59</b>	<b>\$ -</b>	<b>\$ 54,074,110</b>	<b>\$ -</b>	<b>\$ (58,199,466)</b>	<b>\$ 1,085,204</b>	<b>\$ (46,477)</b>	<b>\$ (3,067,573)</b>
Issuance of common stock for conversion of convertible debt, conversion fee, and accrued interest	-	-	-	-	9,445,009	9,445	-	-	190,741	-	-	-	-	200,186
Issuance of common stock for services and accrued expenses	-	-	-	-	17,934,379	17,934	-	-	563,927	-	-	-	-	581,861
Issuance of common stock for exercise of warrants	-	-	-	-	6,875	7	2,500	2	374,991	(100,000)	-	-	-	275,000
Issuance of common stock for alternate cashless exercise of warrants	-	-	-	-	2,399,988	2,400	1,999,990	2,000	(4,400)	-	-	-	-	-
Reclassification of put premium upon debt conversion	-	-	-	-	-	-	-	-	109,643	-	-	-	-	109,643
Stock based compensation in connection with stock option grants	-	-	-	-	-	-	-	-	20,718	-	-	-	-	20,718
Foreign currency translation gain	-	-	-	-	-	-	-	-	-	-	-	64,193	-	64,193
Deemed dividend upon alternate cashless exercise of warrants	-	-	-	-	-	-	-	-	114,844	-	(114,844)	-	-	-
Net loss for the three months ended September 30, 2021	-	-	-	-	-	-	-	-	-	-	(490,658)	-	-	(490,658)

Balance at September 30, 2021	500,000	\$ 5,000	1	\$ -	43,841,644	\$ 43,842	2,002,549	\$ 2,002	\$ 55,444,574	\$ (100,000)	\$ (58,804,968)	\$ 1,149,397	\$ (46,477)	\$ (2,306,630)
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The accompanying unaudited condensed notes are an integral part of these unaudited condensed consolidated financial statements.

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**PROPANC BIOPHARMA, INC. AND SUBSIDIARY**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

	<u>Three Months Ended September 30,</u>	
	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss	\$ (490,658)	\$ (425,545)
<u>Adjustments to Reconcile Net Loss to Net Cash Used in Operating Activities:</u>		
Issuance and amortization of common stock for services	133,422	-
Foreign currency transaction gain	(109,129)	(1,960)
Depreciation expense	509	438
Amortization of debt discounts	6,074	121,281
Change in fair value of derivative liabilities	3,904	(64,952)
Gain on extinguishment of debt, net	-	(49,985)
Stock option and restricted stock expense	20,718	20,718
Non-cash interest expense	2,250	6,750
Accretion of put premium	90,192	-
<u>Changes in Assets and Liabilities:</u>		
GST receivable	1,937	(755)
Prepaid expenses and other assets	(8,353)	-
Accounts payable	(137,927)	53,576
Deferred rent	-	633
Employee benefit liability	4,067	10,544
Accrued expenses and other payables	(15,102)	133,046
Accrued interest	11,338	16,262
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<u>(486,758)</u>	<u>(179,949)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from convertible promissory notes, net of original issue discounts and issue costs	160,000	-
Repayments of convertible promissory notes	-	(43,000)
Proceeds from the exercise of warrants	275,000	201,044
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<u>435,000</u>	<u>158,044</u>
Effect of exchange rate changes on cash	95,320	6,116
<b>NET INCREASE (DECREASE) IN CASH</b>	43,562	(15,789)
<b>CASH AT BEGINNING OF PERIOD</b>	2,255	67,007
<b>CASH AT END OF PERIOD</b>	<u>\$ 45,817</u>	<u>\$ 51,218</u>
<b><u>Supplemental Disclosure of Cash Flow Information</u></b>		
<b>Cash paid during the period:</b>		
Interest	\$ -	\$ 13,172
Income Tax	\$ -	\$ -
<b><u>Supplemental Disclosure of Non-Cash Investing and Financing Activities</u></b>		
Reduction of put premium related to conversions of convertible notes	\$ 109,643	\$ 204,919
Conversion of convertible notes and accrued interest to common stock	\$ 197,936	\$ 417,670
Common stock issued for accrued services	\$ 448,440	\$ -
Deemed dividend upon alternate cashless exercise of warrants	\$ 114,844	\$ -
Subscription receivable	\$ 100,000	\$ -

The accompanying unaudited condensed notes are an integral part of these unaudited condensed consolidated financial statements.

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**PROPANC BIOPHARMA, INC. AND SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**  
(Unaudited)

**NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES**

Nature of Operations

Propanc Biopharma, Inc. (the "Company," "we," "us" or "our") was originally incorporated in Melbourne, Victoria Australia on October 15, 2007 as Propanc PTY LTD, and

continues to be based in Camberwell, Victoria Australia. Since its inception, substantially all of the operations of the Company have been focused on the development of new cancer treatments targeting high-risk patients, particularly cancer survivors, who need a follow-up, non-toxic, long-term therapy designed to prevent the cancer from returning and spreading. The Company anticipates establishing global markets for its technologies. Our lead product candidate, which we refer to as PRP, is an enhanced pro-enzyme formulation designed to enhance the anti-cancer effects of multiple enzymes acting synergistically. It is currently in the preclinical phase of development.

On November 23, 2010, the Company was incorporated in the state of Delaware as Propanc Health Group Corporation. In January 2011, to reorganize the Company, we acquired all of the outstanding shares of Propanc PTY LTD on a one-for-one basis making it a wholly-owned subsidiary of the Company.

On July 22, 2016, the Company formed a wholly owned subsidiary, Propanc (UK) Limited under the laws of England and Wales for the purpose of submitting an orphan drug application to the European Medicines Agency as a small and medium-sized enterprise. As of September 30, 2021, there has been no activity within this entity.

Effective April 20, 2017, the Company changed its name to “Propanc Biopharma, Inc.” to better reflect the Company’s stage of operations and development.

In July 2020, a world first patent was granted in Australia for the cancer treatment method patent family. Presently, there are 29 granted patents and 33 patents under examination in key global jurisdictions relating to the use of proenzymes against solid tumors, covering the lead product candidate PRP.

The Company hopes to capture and protect additional patentable subject matter based on the Company’s field of technology relating to pharmaceutical compositions of proenzymes for treating cancer by filing additional patent applications as it advances its lead product candidate, PRP, through various stages of development.

On November 17, 2020, the Company effected a one-for-one thousand (1:1,000) reverse stock split of the Company’s issued and outstanding shares of common stock (the “Reverse Stock Split”). Proportional adjustments for the Reverse Stock Split were made to the Company’s outstanding stock options, warrants and equity incentive plans. All share and per-share data and amounts have been retroactively adjusted as of the earliest period presented in the consolidated financial statements to reflect the Reverse Stock Split.

#### Basis of Presentation

The Company’s interim unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q (this “Quarterly Report”) have been prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”) and pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (“SEC”). In the opinion of the Company’s management, all adjustments (consisting of normal recurring adjustments and reclassifications and non-recurring adjustments) necessary to present fairly our results of operations for the three months ended September 30, 2021 and 2020 and cash flows for the three months ended September 30, 2021 and 2020 and our financial position at September 30, 2021 have been made. The Company’s results of operations for the three months ended September 30, 2021 are not necessarily indicative of the operating results to be expected for the full fiscal year ending June 30, 2022.

Certain information and disclosures normally included in the notes to the Company’s annual audited consolidated financial statements have been condensed or omitted from the Company’s interim unaudited condensed consolidated financial statements included in this Quarterly Report. Accordingly, these interim unaudited condensed consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements and notes thereto for the fiscal year ended June 30, 2021. The June 30, 2021 balance sheet is derived from those statements.

#### Principles of Consolidation

The unaudited condensed consolidated financial statements include the accounts of Propanc Biopharma, Inc., the parent entity, and its wholly-owned subsidiary, Propanc PTY LTD. All inter-company balances and transactions have been eliminated in consolidation. Propanc (UK) Limited was an inactive subsidiary at September 30, 2021.

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### **PROPANC BIOPHARMA, INC. AND SUBSIDIARY NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2021 (Unaudited)**

#### Use of Estimates

The preparation of financial statements in conformity with the accounting principles generally accepted in the United States of America (“US GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Significant estimates in the accompanying consolidated financial statements include the estimates of useful lives for depreciation, valuation of the operating lease liability and related right-of-use asset, valuation of derivatives, valuation of beneficial conversion features on convertible debt, allowance for uncollectable receivables, valuation of equity based instruments issued for other than cash, the valuation allowance on deferred tax assets and foreign currency translation due to certain average exchange rates applied in lieu of spot rates on transaction dates.

#### Foreign Currency Translation and Other Comprehensive Income (Loss)

The Company’s wholly owned subsidiary’s functional currency is the Australian dollar (AUD). For financial reporting purposes, the Australian dollar has been translated into the Company’s reporting currency which is the United States dollar (\$) and/or (USD). Assets and liabilities are translated at the exchange rate in effect at the balance sheet date. Revenues and expenses are translated at the average rate of exchange prevailing during the reporting period. Equity transactions are translated at each historical transaction date spot rate. Translation adjustments arising from the use of different exchange rates from period to period are included as a component of stockholders’ equity (deficit) as “Accumulated other comprehensive income (loss).” Gains and losses resulting from foreign currency transactions are included in the statements of operations and comprehensive income (loss) as a component of other comprehensive income (loss). There have been no significant fluctuations in the exchange rate for the conversion of Australian dollars to USD after the balance sheet date.

Other Comprehensive Income (Loss) for all periods presented includes only foreign currency translation gains (losses).

Assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing at the consolidated balance sheet date with any transaction gains and losses that arise from exchange rate fluctuations on transactions denominated in a currency other than the functional currency included in the consolidated results of operations as incurred. Effective fiscal year 2021, the parent company determined that these intercompany loans will not be repaid in the foreseeable future and thus, per ASC 830-20-35-3, gains and losses from measuring the intercompany balances are recorded within cumulative translation adjustment, a component of accumulated other comprehensive income (loss). Prior to July 1, 2020, the Company recorded the foreign currency transaction gains and losses from measuring the intercompany balances as a component of other income (expenses) titled foreign currency transaction gain (loss). For the three months ended September 30, 2021 and 2020, the Company recognized an exchange gain (loss) of approximately \$619,000 and (\$583,000), on intercompany loans made by the parent to the subsidiary which have not been repaid as of September 30, 2021.

As of September 30, 2021 and June 30, 2021, the exchange rates used to translate amounts in Australian dollars into USD for the purposes of preparing the consolidated financial statements were as follows:

	<u>September 30, 2021</u>	<u>June 30, 2021</u>
Exchange rate on balance sheet dates		
USD : AUD exchange rate	0.7214	0.7500
Average exchange rate for the period		
USD : AUD exchange rate	0.7350	0.7473

The change in Accumulated Other Comprehensive Income (Loss) by component during the three months ended September 30, 2021 was as follows:

	Foreign Currency Items:
Balance, June 30, 2021	\$ 1,085,204
Unrealized foreign currency translation gain	64,193
Ending balance, September 30, 2021	<u>\$ 1,149,397</u>

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**PROPANC BIOPHARMA, INC. AND SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**  
**(Unaudited)**

Fair Value of Financial Instruments and Fair Value Measurements

The Company measures its financial assets and liabilities in accordance with US GAAP. For certain financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, the carrying amounts approximate fair value due to their short maturities. Amounts recorded for notes payable, net of discount, and loans payable also approximate fair value because current interest rates available for debt with similar terms and maturities are substantially the same.

The Company follows accounting guidance for financial assets and liabilities. This standard defines fair value, provides guidance for measuring fair value and requires certain disclosures. This standard does not require any new fair value measurements, but rather applies to all other accounting pronouncements that require or permit fair value measurements. This guidance does not apply to measurements related to share-based payments. This guidance discusses valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flow), and the cost approach (cost to replace the service capacity of an asset or replacement cost).

The guidance utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those three levels:

Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs, other than quoted prices that are observable, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.

Level 3: Unobservable inputs in which little or no market data exists, therefore developed using estimates and assumptions developed by us, which reflect those that a market participant would use.

Also see Note 11 - Derivative Financial Instruments and Fair Value Measurements.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less with financial institutions, and bank overdrafts. Bank overdrafts are reflected as a current liability on the balance sheets. There were no cash equivalents as of September 30, 2021 or June 30, 2021.

Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation. Expenditures for maintenance and repairs are expensed as incurred; additions, renewals, and betterments are capitalized. When property and equipment are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the respective accounts, and any gain or loss is included in operations. Depreciation of property and equipment is provided using the declining balance method. The depreciable amount is the cost less its residual value.

The estimated useful lives are as follows:

Machinery and equipment	- 5 years
Furniture	- 7 years

Patents

Patents are stated at cost and amortized on a straight-line basis over the estimated future periods if and once the patent has been granted by a regulatory agency. However, the Company will expense any patent costs as long as we are in the startup stage. Accordingly, as the Company's products are not currently approved for market, all patent costs incurred from 2013 through September 30, 2021 were expensed immediately. This practice of expensing patent costs immediately ends when a product receives market authorization from a government regulatory agency.

Impairment of Long-Lived Assets

In accordance with ASC 360-10, "Long-lived assets," which include property and equipment and intangible assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of long-lived assets to be held and used is measured by a comparison of the carrying amount of an asset to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated undiscounted future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the assets. Fair value is generally determined using the asset's expected future discounted cash flows or market value, if readily determinable.

**PROPANC BIOPHARMA, INC. AND SUBSIDIARY**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**  
**(Unaudited)**

Employee Benefit/Liability

Liabilities arising in respect of wages and salaries, accumulated annual leave, accumulated long service leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured based on the employee's remuneration rates applicable at the reporting date. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. All employee liabilities are owed within the next twelve months.

Australian Goods and Services Tax ("GST")

Revenues, expenses and balance sheet items are recognized net of the amount of GST, except payable and receivable balances which are shown inclusive of GST. The GST incurred is payable on revenues to, and recoverable on purchases from, the Australian Taxation Office.

Cash flows are presented in the statements of cash flow on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

As of September 30, 2021, and June 30, 2021, the Company was owed \$2,238 and \$4,341, respectively, from the Australian Taxation Office. These amounts were fully collected subsequent to the balance sheet reporting dates.

Derivative Instruments

ASC Topic 815, *Derivatives and Hedging* ("ASC Topic 815"), establishes accounting and reporting standards for derivative instruments and for hedging activities by requiring that all derivatives be recognized in the balance sheet and measured at fair value. Gains or losses resulting from changes in the fair value of derivatives are recognized in earnings. On the date of conversion or payoff of debt, the Company records the fair value of the conversion shares, removes the fair value of the related derivative liability, removes any discounts and records a net gain or loss on debt extinguishment. On July 1, 2019 the Company adopted ASU 2017-11 under which down-round Features in Financial Instruments will no longer cause derivative treatment. The Company applies the modified prospective method of adoption. There were no cumulative effects on adoption.

Convertible Notes With Variable Conversion Options

The Company has entered into convertible notes, some of which contain variable conversion options, whereby the outstanding principal and accrued interest may be converted, by the holder, into common shares at a fixed discount to the price of the common stock at or around the time of conversion. The Company treats these convertible notes as stock settled debt under ASC 480, "*Distinguishing Liabilities from Equity*" and measures the fair value of the notes at the time of issuance, which is the result of the share price discount at the time of conversion and records the put premium as interest expense.

Income Taxes

The Company is governed by Australia and United States income tax laws, which are administered by the Australian Taxation Office and the United States Internal Revenue Service, respectively. The Company follows ASC 740 "*Accounting for Income Taxes*," when accounting for income taxes, which requires an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed annually for temporary differences between the financial statements and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities.

The Company follows ASC 740, Sections 25 through 60, "*Accounting for Uncertainty in Income Taxes*." These sections provide detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in the financial statements. Tax positions must meet a "more-likely-than-not" recognition threshold at the effective date to be recognized upon the adoption of ASC 740 and in subsequent periods.

Research and Development Costs and Tax Credits

In accordance with ASC 730-10, "*Research and Development-Overall*," research and development costs are expensed when incurred. Total research and development costs for the three months ended September 30, 2021 and 2020 were \$46,554 and \$50,846, respectively.

**PROPANC BIOPHARMA, INC. AND SUBSIDIARY**  
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The Company may apply for research and development tax concessions with the Australian Taxation Office on an annual basis. Although the amount is possible to estimate at year end, the Australian Taxation Office may reject or materially alter the claim amount. Accordingly, the Company does not recognize the benefit of the claim amount until cash receipt since collectability is not certain until such time. The tax concession is a refundable credit. If the Company has net income, then the Company can receive the credit which reduces its income tax liability. If the Company has net losses, then the Company may still receive a cash payment for the credit, however, the Company's net operating loss carryforwards are reduced by the gross equivalent loss that would produce the credit amount when the income tax rate is applied to that gross amount. The concession is recognized as tax benefit, in operations, upon receipt.

During each of the three months ended September 30, 2021 and 2020, the Company applied for, and received from the Australian Taxation Office, a research and development tax credit in the amount of \$0, which is reflected as a tax benefit in the accompanying unaudited condensed consolidated statements of operations and comprehensive income (loss).

Stock Based Compensation

The Company records stock-based compensation in accordance with ASC 718, "*Stock Compensation*". ASC 718 requires the fair value of all stock-based employee

compensation awarded to employees to be recorded as an expense over the shorter of the service period or the vesting period. The Company values employee and non-employee stock-based compensation at fair value using the Black-Scholes Option Pricing Model.

The Company adopted ASU 2018-07 and accounts for non-employee share-based awards in accordance with the measurement and recognition criteria of ASC 718 and recognizes the fair value of such awards over the service period. The Company used the modified prospective method of adoption. There was no cumulative effect of adoption on July 1, 2019.

#### Revenue Recognition

The Company adopted and implemented on July 1, 2018, ASC 606 – Revenue from Contracts with Customers (“ASC 606”). ASC 606 did not have a material impact on the consolidated financial statements.

Upon implementation of ASC 606, the Company recognizes revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

Subject to these criteria, the Company intends to recognize revenue relating to royalties on product sales in the period in which the sale occurs and the royalty term has begun.

#### Legal Expenses

All legal costs for litigation are charged to expense as incurred.

#### Leases

In February 2016, the Financial Accounting Standards Board (“FASB”) issued ASU 2016-02, *Leases* (Topic 842). The updated guidance requires lessees to recognize lease assets and lease liabilities for most operating leases. In addition, the updated guidance requires that lessors separate lease and non-lease components in a contract in accordance with the new revenue guidance in ASC 606. This guidance is effective for interim and annual reporting periods beginning after December 15, 2018. The Company adopted this guidance effective July 1, 2019.

On July 1, 2019, the Company adopted ASU No. 2016-02, applying the package of practical expedients to leases that commenced before the effective date whereby the Company elected to not reassess the following: (i) whether any expired or existing contracts contain leases and; (ii) initial direct costs for any existing leases. For contracts entered into on or after the effective date, at the inception of a contract the Company assessed whether the contract is, or contains, a lease. The Company’s assessment is based on: (1) whether the contract involves the use of a distinct identified asset, (2) whether we obtain the right to substantially all the economic benefit from the use of the asset throughout the period, and (3) whether it has the right to direct the use of the asset. The Company will allocate the consideration in the contract to each lease component based on its relative stand-alone price to determine the lease payments. In addition, the Company elected not to apply ASC Topic 842 to arrangements with lease terms of 12 months or less.

Operating lease ROU assets represents the right to use the leased asset for the lease term and operating lease liabilities are recognized based on the present value of future minimum lease payments over the lease term at commencement date. As most leases do not provide an implicit rate, the Company use an incremental borrowing rate based on the information available at the adoption date in determining the present value of future payments. Lease expense for minimum lease payments is amortized on a straight-line basis over the lease term and will be included in general and administrative expenses.

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#### Basic and Diluted Net Loss Per Common Share

Basic net loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. Diluted net loss per common share is computed by dividing the net loss by the weighted average number of common shares outstanding for the period and, if dilutive, potential common shares outstanding during the period. Potentially dilutive securities consist of the incremental common shares issuable upon exercise of common stock equivalents such as stock options, warrants and convertible debt instruments. Potentially dilutive securities are excluded from the computation if their effect is anti-dilutive. As a result, the basic and diluted per share amounts for all periods presented are identical. Each holder of the notes has agreed to a 4.99% beneficial ownership conversion limitation (subject to certain noteholders’ ability to increase such limitation to 9.99% upon 60 days’ notice to the Company), and each note may not be converted during the first six-month period from the date of issuance. The securities for the period ended September 30, 2021 and 2020 were considered dilutive securities which were excluded from the computation since the effect is anti-dilutive.

	<u>September 30, 2021</u>	<u>September 30, 2020</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>
Stock Options	59	60
Stock Warrants	111,932	135,725
Unvested restricted stock	59	117
Convertible Debt	23,293,971	510,674
Total	<u>23,406,021</u>	<u>646,576</u>

#### Recent Accounting Pronouncements

We have reviewed the FASB issued ASU accounting pronouncements and interpretations thereof that have effectiveness dates during the periods reported and in future periods. We have carefully considered the new pronouncements that alter previous generally accepted accounting principles and do not believe that any new or modified principles will have a material impact on the Company’s reported financial position or operations in the near term. The applicability of any standard is subject to the formal review of the Company’s financial management.

In August 2020, the FASB issued ASU 2020-06, “Debt – Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging – Contracts in Entity’s Own Equity (Subtopic 815-40)”. This ASU reduces the number of accounting models for convertible debt instruments and convertible preferred stock. As well as amend the guidance for the derivatives scope exception for contracts in an entity’s own equity to reduce form-over-substance-based accounting conclusions. In addition, this ASU

improves and amends the related EPS guidance. This standard is effective for us on July 1, 2022, including interim periods within those fiscal years. Adoption is either a modified retrospective method or a fully retrospective method of transition. The Company is currently assessing the impact the new guidance will have on our consolidated financial statements.

## NOTE 2 – GOING CONCERN

The accompanying unaudited condensed consolidated financial statements have been prepared in conformity with US GAAP, which contemplate continuation of the Company as a going concern. For the three months ended September 30, 2021, the Company had no revenues, had a net loss of \$490,658, and had net cash used in operations of \$486,758. Additionally, as of September 30, 2021, the Company had a working capital deficit, stockholders' deficit and accumulated deficit of \$ 2,312,387, \$2,306,630 and \$58,804,968, respectively. It is management's opinion that these conditions raise substantial doubt about the Company's ability to continue as a going concern for a period of at least twelve months from the issue date of this Quarterly Report.

The unaudited condensed consolidated financial statements do not include any adjustments to reflect the possible future effect on the recoverability and classification of assets or the amounts and classifications of liabilities that may result from the outcome of this uncertainty.

Successful completion of the Company's development program and, ultimately, the attainment of profitable operations are dependent upon future events, including obtaining adequate financing to fulfill its development activities, acceptance of the Company's patent applications, obtaining additional sources of suitable and adequate financing and ultimately achieving a level of sales adequate to support the Company's cost structure and business plan. The Company's ability to continue as a going concern is also dependent on its ability to further develop and execute on its business plan. However, there can be no assurances that any or all of these endeavors will be successful.

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In March 2020, the outbreak of COVID-19 (coronavirus) caused by a novel strain of the coronavirus was recognized as a pandemic by the World Health Organization, and the outbreak has become increasingly widespread in the United States, Europe and Australia, including in each of the areas in which the Company operates. The COVID-19 (coronavirus) outbreak has had a notable impact on general economic conditions, including but not limited to the temporary closures of many businesses, "shelter in place" and other governmental regulations, reduced business and consumer spending due to both job losses, reduced investing activity and M&A transactions, among many other effects attributable to the COVID-19 (coronavirus), and there continue to be many unknowns. While to date the Company has not been required to stop operating, management is evaluating its use of its office space, virtual meetings and the like. The Company continues to monitor the impact of the COVID-19 (coronavirus) outbreak closely. The extent to which the COVID-19 (coronavirus) outbreak will impact our operations, ability to obtain financing or future financial results is uncertain.

## NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of September 30, 2021 and June 30, 2021.

	<u>September 30, 2021</u>	<u>June 30, 2021</u>
	(Unaudited)	
Office equipment at cost	\$ 27,532	\$ 28,623
Less: Accumulated depreciation	(23,939)	(24,368)
Total property, plant, and equipment	<u>\$ 3,593</u>	<u>\$ 4,255</u>

Depreciation expense for the three months ended September 30, 2021 and 2020 were \$509 and \$438, respectively.

## NOTE 4 – DUE TO FORMER DIRECTOR - RELATED PARTY

Due to former director - related party represents unsecured advances made primarily by a former director for operating expenses on behalf of the Company such as intellectual property and formation expenses. The expenses were paid for on behalf of the Company and are due upon demand. The Company is currently not being charged interest under these advances. The total amount owed the former director at September 30, 2021 and June 30, 2021 were \$32,076 and \$33,347, respectively. The Company plans to repay the advances as its cash resources allow (see Note 9).

## NOTE 5 – LOANS AND NOTES PAYABLE

### Loan from Former Director - Related Party

Loan from the Company's former director at September 30, 2021 and June 30, 2021 were \$53,384 and \$55,500, respectively. The loan bears no interest and is payable on demand. The Company did not repay any amount on this loan during the three months ended September 30, 2021 and 2020, respectively (see Note 9).

## NOTE 6 – CONVERTIBLE NOTES

The Company's convertible notes outstanding at September 30, 2021 and June 30, 2021 were as follows:

	<u>September 30, 2021</u>	<u>June 30, 2021</u>
	(Unaudited)	
Convertible notes and debenture	\$ 377,780	\$ 400,128
Unamortized discounts	(7,565)	(6,139)
Accrued interest	37,348	34,098
Premium, net	177,045	196,496
Convertible notes, net	<u>\$ 584,608</u>	<u>\$ 624,583</u>

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**Convertible Note Issued with Consulting Agreement**

*August 10, 2017 Consulting Agreement*

On August 10, 2017, the Company entered into a consulting agreement, retroactive to May 16, 2017, with a certain consultant, pursuant to which the consultant agreed to provide certain consulting and business advisory services in exchange for a \$310,000 junior subordinated convertible note. The maturity date of the August 10, 2017 Convertible Note was August 2019 and is currently past due (see Note 8). The note accrues interest at a rate of 10% per annum and is convertible into common stock at the lesser of \$750 or 65% of the three lowest trades in the ten trading days prior to the conversion. The note was fully earned upon signing the agreement and matures on August 10, 2019. The Company accrued \$155,000 related to this expense at June 30, 2017 and recorded the remaining \$155,000 related to this expense in fiscal year 2018. Upon an event of default, principal and accrued interest will become immediately due and payable under the note. Additionally, upon an event of default, at the election of the holder, the note would accrue interest at a default interest rate of 18% per annum or the highest rate of interest permitted by law. The consulting agreement had a three-month term and expired on August 16, 2017. An aggregate total of \$ 578,212 of this note was bifurcated with the embedded conversion option recorded as a derivative liability at fair value. During the year ended June 30, 2018, the consultant converted \$140,000 of principal and \$10,764 of interest. During the year ended June 30, 2019, the consultant converted an additional \$161,000 of principal and \$19,418 of interest leaving a principal balance owed of \$9,000 at June 30, 2019. During the year ended June 30, 2020, the consultant converted an additional \$500 of principal and \$5,248 of interest such that the remaining principal outstanding and accrued interest under this note as of June 30, 2020 was \$,500 and \$22,168, respectively.

On March 15, 2021, the Company entered into a Settlement and Mutual Release Agreement (the "Settlement Agreement") with the consultant whereby both parties agreed to settle all claims and liabilities under the August 10, 2017 Convertible note for a total of \$100,000 in the form of a convertible note. All other terms of the August 10, 2017 Convertible Note shall remain in full force and effect. Both parties agree that all future penalties under this note are waived unless the Company fails to authorize to distribute the requested shares upon conversion. The Company has the right to pay off the balance of any remaining amounts dues under this note in cash at any time more than 60 days after March 15, 2021. Prior to the Settlement Agreement, the Company recorded total liabilities \$56,762 consisting of remaining principal amount of \$8,500, accrued interest of \$23,262 and accrued expenses of \$25,000. Accordingly, the Company recognized loss from settlement of debt of \$43,238 during the year ended June 30, 2021.

The total principal outstanding after adjustment due to the above-mentioned March 15, 2021 settlement agreement and accrued interest under the August 10, 2017 Convertible Note was \$80,000 and \$3,738, respectively, as of June 30, 2021 following conversion of \$20,000 of principal during the year ended June 30, 2021. The total principal amount outstanding under the August 10, 2017 Convertible Note was \$80,000 and accrued interest of \$7,381 as of as of September 30, 2021.

**Auctus Fund Financing Agreements**

*August 30, 2019 Securities Purchase Agreement*

Effective August 30, 2019, the Company entered into a securities purchase agreement with Auctus Fund, LLC ("Auctus"), pursuant to which Auctus purchased a convertible promissory note (the "August 30, 2019 Auctus Note") from the Company in the aggregate principal amount of \$ 550,000, such principal and the interest thereon convertible into shares of the Company's common stock at the option of Auctus. The transaction closed on August 30, 2019 and the Company received payment on September 4, 2019 in the amount of \$550,000, of which \$5,000 was paid directly toward legal fees and \$40,000 to Auctus for due diligence fees resulting in net cash proceeds of \$505,000. The maturity date of the August 30, 2019 Auctus Note was August 30, 2020 and was currently past due. The August 30, 2019 Auctus Note bore interest at a rate of 10% per annum, but not payable until the August 30, 2019 Auctus Note became payable, whether at the maturity date or upon acceleration or by prepayment. The note was treated as stock settled debt under ASC 480 and accordingly the Company recorded a \$366,667 put premium. The August 30, 2019 Auctus Note may not be prepaid without the written consent of Auctus. Any amount of principal or interest which was not paid when due shall bear interest at the rate of 24% per annum.

Additionally, Auctus had the option to convert all or any amount of the principal face amount and accrued interest of the August 30, 2019 Auctus Note, at any time following the issue date and ending on the later of the maturity date or the date of payment of the Default Amount if an event of default occurs, which was an amount equal to 125% of an amount equal to the then outstanding principal amount of the August 30, 2019 Auctus Note (but not less than \$15,000) plus any interest accrued from August 30, 2019 at the default interest rate of 24% per annum, for shares of the Company's common stock at the then-applicable conversion price. Upon the holder's election to convert accrued interest, default interest or any penalty amounts as stipulated, the Company may elect to pay those amounts in cash. The note may also be prepaid by the Company at any time between the date of issuance and August 13, 2020 at 135% multiplied by the sum of (a) the then outstanding principal amount plus (b) accrued and unpaid interest plus (c) default interests, if any.

The conversion price for the August 30, 2019 Auctus Note was equal to the Variable Conversion Price of 60% of the Market Price on the date of conversion. Notwithstanding the foregoing, Auctus shall be restricted from effecting a conversion if such conversion, along with other shares of the Company's common stock beneficially owned by Auctus and its affiliates, exceeds 4.99% of the outstanding shares of the Company's common stock.

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In connection with the issuance of the August 2019 Auctus Note, the Company issued common stock purchase warrants to Auctus to purchase 450 shares of the Company's common stock (the "First Warrant") as a commitment fee upon the terms and subject to the limitations and conditions set forth in such First Warrant at an "Exercise Price" of \$2,250. In connection with the issuance of the Note, the Company issued a common stock purchase warrant to Buyer to purchase 300 shares of the Company's common stock (the "Second Warrant") as a commitment fee upon the terms and subject to the limitations and conditions set forth in such Second Warrant at an "Exercise Price" of \$3,330. In connection with the issuance of the Note, the Company shall issue a common stock purchase warrant to Buyer to purchase 225 shares of the Company's common stock (the "Third Warrant") as a commitment fee upon the terms and subject to the limitations and conditions set forth in such Third Warrant at an "Exercise Price" of \$4,500. The First Warrant, Second Warrant, and Third Warrant were collectively be referred as the "Warrants". The Warrants have an "Exercise Period" of five years from the date of issuance being August 30, 2019. Under the terms of the Purchase Agreement and the Warrants, the Selling Security Holder may not either convert the Notes nor exercise the Warrants to the extent (but only to the extent) that the Selling Security Holder or any of its affiliates would beneficially own a number of shares of our Common Stock which would exceed 4.99% of our outstanding shares. The Company accounted for the warrants by using the relative fair value method and recorded debt discount from the relative fair value of the warrants of \$375,905 using a simple binomial lattice model.

In connection with the Purchase Agreement, the Company and the Purchaser entered into a Registration Rights Agreement (the "Registration Rights Agreement"). Pursuant to the Registration Rights Agreement, the Company agreed to register the shares of Common Stock underlying the Securities in a Registration Statement with the SEC as well as the Commitment Shares (as defined herein). The Registration Rights Agreement contains customary representations, warranties, agreements and indemnification rights and obligations of the parties.

The Note was subject to customary default provisions and also includes a cross-default provision which provides that a breach or default by the Borrower of any covenant or other term or condition contained in any of the Other Agreements (as defined therein), after the passage of all applicable notice and cure or grace periods, shall, at the option of the Holder, be considered a default under this Note and the Other Agreements. Upon occurrence of any such event, the Holder was entitled (but in no event required) to apply all rights and remedies of the Holder under the terms of this Note and the Other Agreements by reason of a default under said Other Agreements or the Note.



The August 30, 2019 Auctus Note contained certain events of default, upon which principal and accrued interest will become immediately due and payable. In addition, upon an event of default, interest on the outstanding principal accrued at a default interest rate of 24% per annum.

The total principal amount outstanding under the above Auctus financing agreement, specifically the August 30, 2019 Auctus Note, was \$358,965 and accrued interest of \$486 as of June 30, 2020 following conversion of \$191,035 of the principal balance and \$43,176 of accrued interest during the year ended June 30, 2020. Accordingly, \$127,356 of the put premium was released in respect of the August 30, 2019 Auctus Note during the year ended June 30, 2020 following conversion of the principal balance.

The total principal amount outstanding under the above Auctus financing agreement, specifically the August 30, 2019 Auctus Note, was \$32,848 and accrued interest of \$0 as of June 30, 2021 following conversion of \$326,117 of the principal balance and \$39,536 of accrued interest during the year ended June 30, 2021. Accordingly, \$217,411 of the put premium was released in respect of the August 30, 2019 Auctus Note during the year ended June 30, 2021 following conversion of the principal balance.

The total principal amount outstanding under the above Auctus financing agreement, specifically the August 30, 2019 Auctus Note, was \$0 and accrued interest of \$0 as of September 30, 2021 following conversion of \$32,848 of the principal balance and \$716 of accrued interest during the three months ended September 30, 2021. Accordingly, \$21,899 of the put premium was released in respect of the August 30, 2019 Auctus Note during the three months ended September 30, 2021 following conversion of the principal balance. Accordingly, there was no outstanding principal balance as of September 30, 2021.

#### ***Crown Bridge Securities Purchase Agreements***

Effective October 3, 2019, the Company entered into a securities purchase agreement with Crown Bridge Partners, pursuant to which Crown Bridge purchased a convertible promissory note (the "October 3, 2019 Crown Bridge Note") from the Company in the aggregate principal amount of \$108,000, such principal and the interest thereon convertible into shares of the Company's common stock at the option of Crown Bridge any time from the of issuance of the of the October 3, 2019 Crown Bridge Note. The transactions contemplated by the Crown Bridge Securities Purchase Agreement closed on October 3, 2019. Pursuant to the terms of the Crown Bridge Securities Purchase Agreement, Crown Bridge deducted \$3,000 from the principal payment due under the October 3, 2019 Crown Bridge Note, at the time of closing, to be applied to its legal expenses, and there was a \$5,000 original issuance discount resulting in \$100,000 net proceeds to the Company. The Company intends to use the net proceeds from the October 3, 2019 Crown Bridge Note for general working capital purposes. The maturity date of the October 3, 2019 Crown Bridge Note was October 3, 2020 and is currently past due. The October 3, 2019 Crown Bridge Note bears interest at a rate of 0% per annum, which interest may be paid by the Company to Crown Bridge in shares of the Company's common stock; but shall not be payable until the October 2019 Crown Bridge Note becomes payable, whether at the maturity date or upon acceleration or by prepayment.

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Additionally, Crown Bridge has the option to convert all or any amount of the principal face amount of the October 3, 2019 Crown Bridge Note at any time from the date of issuance and ending on the later of the maturity date or the date the Default Amount is paid if an event of default occurs, which is an amount between 110% and 150% of an amount equal to the then outstanding principal amount of the October 3, 2019 Crown Bridge Note plus any interest accrued, for shares of the Company's common stock at the then-applicable conversion price.

The conversion price for the October 3, 2019 Crown Bridge Note shall be equal to a 40% discount of the lowest closing bid price ("Lowest Trading Price") of the Common Stock for the ten trading days immediately prior to the delivery of a Notice of Conversion, including the day upon which a Notice of Conversion is received. Notwithstanding the foregoing, Crown Bridge shall be restricted from effecting a conversion if such conversion, along with other shares of the Company's common stock beneficially owned by Crown Bridge and its affiliates, exceeds 4.99% of the outstanding shares of the Company's common stock which may be increased up to 9.99% upon 60 days prior written notice by the Crown Bridge to the Company. The note is treated as stock settled debt under ASC 480 and accordingly the Company recorded a \$72,000 put premium.

The October 3, 2019 Crown Bridge Note contain certain events of default, upon which principal and accrued interest will become immediately due and payable. In addition, upon an event of default, interest on the outstanding principal shall accrue at a default interest rate of 15% per annum, or if such rate is usurious or not permitted by current law, then at the highest rate of interest permitted by law. Further, certain events of default may trigger penalty and liquidated damage provisions.

The total principal amount outstanding under the above Crown Bridge financing agreement was \$5,280 and accrued interest of \$7,232 as of as of June 30, 2020 following conversion of \$42,720 of the principal balance during the year ended June 30, 2020. Accordingly, \$28,480 of the put premium was released in respect of the October 3, 2019 Crown Bridge Note during the year ended June 30, 2020 following conversion of the principal balance.

There were 15,000 unissued shares which were considered issuable for accounting purposes during the 1<sup>st</sup> quarter of fiscal 2021 related to a conversion notice dated and received on September 16, 2020. In November 2020, the Company was notified by the note holder of the cancellation of this conversion notice as a result of the reverse stock split and as such the Company reversed the effects of this transaction thereby increasing the principal balance by \$9,600 and put premium by \$6,400 and a corresponding decrease in equity of \$16,000.

The total principal amount outstanding under the above Crown Bridge financing agreement was \$5,280 and accrued interest of \$16,138 as of June 30, 2021. The total principal amount outstanding under the above Crown Bridge financing agreement was \$65,280 and accrued interest of \$18,606 as of as of September 30, 2021.

#### ***GW Holdings Securities Purchase Agreements***

##### ***December 10, 2020 Securities Purchase Agreement***

Effective December 10, 2020, the Company entered into a securities purchase agreement with GW Holdings, pursuant to which GW Holdings purchased a convertible promissory note (the "December 10, 2020 GW Note") from the Company in the aggregate principal amount of \$131,000, such principal and the interest thereon convertible into shares of the Company's common stock at the option of GW Holdings anytime from the issuance of the December 10, 2020 GW Holdings Note. The transactions contemplated by the GW Holdings Securities Purchase Agreement closed on December 10, 2020. Pursuant to the terms of the GW Holdings Securities Purchase Agreement, the lender deducted \$6,000 from the principal payment due under the December 10, 2020 GW Note, at the time of closing, to be applied to its legal expenses. The Company intends to use the net proceeds of \$125,000 from the December 10, 2020 GW Note for general working capital purposes. The maturity date of the December 10, 2020 GW Holdings is December 10, 2021. The December 10, 2020 GW Holdings Note bears interest at a rate of 8% per annum, which interest may be paid by the Company to GW Holdings in shares of the Company's common stock; but shall not be payable until the December 10, 2020 GW Holdings Note becomes payable, whether at the maturity date or upon acceleration or by prepayment.

The above notes issued to GW Holdings contain certain events of default, upon which principal and accrued interest will become immediately due and payable. In addition, upon an event of default, interest on the outstanding principal shall accrue at a default interest rate of 24% per annum, or if such rate is usurious or not permitted by current law, then at the highest rate of interest permitted by law. Further, certain events of default may trigger penalty and liquidated damage provisions.

Additionally, GW Holdings has the option to convert all or any amount of the principal face amount of the notes issued to GW Holdings at any time from the date of issuance and ending on the later of the maturity date or the date the Default Amount is paid if an event of default occurs, which is an amount between 110% and 150% of an amount

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The conversion price for the above GW Holdings notes shall be equal to a 40% discount of the lowest closing bid price ("Lowest Trading Price") of the Common Stock for the ten trading days immediately prior to the delivery of a Notice of Conversion, including the day upon which a Notice of Conversion is received. Notwithstanding the foregoing, GW Holdings shall be restricted from effecting a conversion if such conversion, along with other shares of the Company's common stock beneficially owned by GW Holdings and its affiliates, exceeds 4.99% of the outstanding shares of the Company's common stock which may be increased up to 9.99% upon 60 days prior written notice by the GW Holdings to the Company.

These notes are treated as stock settled debt under ASC 480 and accordingly the Company recorded a total of \$7,333 put premium.

The total principal amount outstanding under the above December 10, 2020 GW Holdings financing agreement, was \$90,000 and accrued interest of \$4,636 as of June 30, 2021 following conversion of \$41,000 of the principal balance and \$1,084 of accrued interest during the year ended June 30, 2021. Accordingly, \$27,333 of the put premium was reclassified to additional paid in capital in respect of the October 1, 2019 GW Holdings Note during the year ended June 30, 2021 following conversion of the principal balance.

The total principal amount outstanding under the above December 10, 2020 GW Holdings financing agreement, was \$65,000 and accrued interest of \$4,174 as of September 30, 2021 following conversion of \$25,000 of the principal balance and \$2,091 of accrued interest during the three months ended September 30, 2021. Accordingly, \$16,667 of the put premium was reclassified to additional paid in capital in respect of the October 1, 2019 GW Holdings Note during the three months ended September 30, 2021 following conversion of the principal balance.

***Geneva Roth Remark Securities Purchase Agreements***

***January 5, 2021 Securities Purchase Agreement***

Effective January 5, 2021, the Company entered into a securities purchase agreement with Geneva Roth Remark Holdings, Inc., pursuant to which Geneva Roth purchased a convertible promissory note (the "January 5, 2021 Geneva Roth") from the Company in the aggregate principal amount of \$68,500, such principal and the interest thereon convertible into shares of the Company's common stock at the option of Geneva Roth any time after the six-month anniversary of the January 5, 2021 Geneva Roth. The January 5, 2021 Geneva Roth contained an original issue discount of \$3,500. The Company intended to use the net proceeds from the January 5, 2021 Geneva Roth for general working capital purposes. The maturity date of the January 5, 2021 Geneva Roth Note was January 5, 2022. The January 5, 2021 Geneva Roth Note bore interest at a rate of 8% per annum, which interest may be paid by the Company to Geneva Roth in shares of the Company's common stock; but shall not be payable until the January 5, 2021 Geneva Roth Note becomes payable, whether at the maturity date or upon acceleration or by prepayment.

***March 16, 2021 Securities Purchase Agreement***

Effective March 16, 2021, the Company entered into a securities purchase agreement with Geneva Roth Remark Holdings, Inc., pursuant to which Geneva Roth purchased a convertible promissory note (the "March 16, 2021 Geneva Roth") from the Company in the aggregate principal amount of \$63,500, such principal and the interest thereon convertible into shares of the Company's common stock at the option of Geneva Roth any time after the six-month anniversary of the March 16, 2021 Geneva Roth. The March 16, 2021 Geneva Roth contained an original discount of \$3,500. The Company intended to use the net proceeds from the March 16, 2021 Geneva Roth for general working capital purposes. The maturity date of the March 16, 2021 Geneva Roth Note was March 16, 2022. The March 16, 2021 Geneva Roth Note bears interest at a rate of 8% per annum, which interest may be paid by the Company to Geneva Roth in shares of the Company's common stock; but shall not be payable until the March 16, 2021 Geneva Roth Note becomes payable, whether at the maturity date or upon acceleration or by prepayment.

***August 19, 2021 Securities Purchase Agreement***

Effective August 19, 2021, the Company entered into a securities purchase agreement with Geneva Roth Remark Holdings, Inc., pursuant to which Geneva Roth purchased a convertible promissory note (the "August 19, 2021 Geneva Roth") from the Company in the aggregate principal amount of \$103,750, such principal and the interest thereon convertible into shares of the Company's common stock at the option of Geneva Roth any time after the six-month anniversary of the August 19, 2021 Geneva Roth. The August 19, 2021 Geneva Roth contains an original discount of \$3,750. The Company intends to use the net proceeds from the August 19, 2021 Geneva Roth for general working capital purposes. The maturity date of the August 19, 2021 Geneva Roth Note is August 19, 2022. The August 19, 2021 Geneva Roth Note bears interest at a rate of 8% per annum, which interest may be paid by the Company to Geneva Roth in shares of the Company's common stock; but shall not be payable until the August 19, 2021 Geneva Roth Note becomes payable, whether at the maturity date or upon acceleration or by prepayment.

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***September 22, 2021 Securities Purchase Agreement***

Additionally, effective September 22, 2021, the Company entered into a securities purchase agreement with Geneva Roth Remark Holdings, Inc., pursuant to which Geneva Roth purchased a convertible promissory note (the "September 22, 2021 Geneva Roth") from the Company in the aggregate principal amount of \$63,750, such principal and the interest thereon convertible into shares of the Company's common stock at the option of Geneva Roth any time after the six-month anniversary of the September 22, 2021 Geneva Roth. The September 22, 2021 Geneva Roth contains an original discount of \$3,750. The Company intends to use the net proceeds from the September 22, 2021 Geneva Roth for general working capital purposes. The maturity date of the September 22, 2021 Geneva Roth Note is September 22, 2022. The September 22, 2021 Geneva Roth Note bears interest at a rate of 8% per annum, which interest may be paid by the Company to Geneva Roth in shares of the Company's common stock; but shall not be payable until the September 22, 2021 Geneva Roth Note becomes payable, whether at the maturity date or upon acceleration or by prepayment.

During the first 60 to 180 days following the date of these notes, the Company has the right to prepay the principal and accrued but unpaid interest due under the above notes issued to Geneva Roth, together with any other amounts that the Company may owe the holder under the terms of the note, at a premium ranging from 110% to 129% as defined in the note agreement. After this initial 180-day period, the Company does not have a right to prepay such notes.

The conversion price for the above Geneva Roth notes shall be equal to a 35% discount of the market price based on the average of the lowest three trading prices of the Common Stock for the ten trading days immediately prior to the delivery of a Notice of Conversion. Notwithstanding the foregoing, Geneva Roth shall be restricted from

effecting a conversion if such conversion, along with other shares of the Company's common stock beneficially owned by Geneva Roth and its affiliates, exceeds 9.99% of the outstanding shares of the Company's common stock. These notes are treated as stock settled debt under ASC 480 and accordingly the Company recorded a total of \$ 161,269 put premium for the four notes.

The above Geneva Roth notes contain certain events of default, upon which principal and accrued interest will become immediately due and payable. In addition, upon an event of default, interest on the outstanding principal shall accrue at a default interest rate of 22% per annum, or if such rate is usurious or not permitted by current law, then at the highest rate of interest permitted by law. Further, certain events of default may trigger penalty and liquidated damage provisions.

The total principal amounts outstanding under the above Geneva Roth financing agreements were \$132,000 and accrued interest of \$3,477 as of June 30, 2021 following conversion of \$78,000 of the principal balance and \$3,120 accrued interest during the year ended June 30, 2021. Accordingly, \$42,000 of the put premium was released in respect of the Geneva Roth financing agreements during the year ended June 30, 2021 following conversion of the principal balance.

The total principal amounts outstanding under the above Geneva Roth financing agreements were \$167,500 and accrued interest of \$1,081 as of September 30, 2021 following conversion of \$132,000 of the principal balance and \$5,280 accrued interest during the three months ended September 30, 2021. Accordingly, \$71,077 of the put premium was released in respect of the Geneva Roth financing agreements during the three months ended September 30, 2021 following conversion of the principal balance.

#### *Amortization of debt discounts*

The Company recorded \$7,500 and \$0 of debt discounts (including warrants, derivatives, debt issue costs and original issue discounts) related to the above note issuances during the three months ended September 30, 2021 and 2020, respectively. The Company recorded \$90,192 and \$0 of put premiums related to the above note issuances during the three months ended September 30, 2021 and 2020, respectively. The debt discounts are being amortized over the term of the debt and the put premiums are expensed on issuance of the debt with the liability released to additional paid in capital on conversion of the principal.

Amortization of all debt discounts for the three months ended September 30, 2021 and 2020 was \$,074 and \$121,281, respectively.

The Company reclassified \$109,643 and \$204,919 in put premiums to additional paid in capital following conversions during the three months ended September 30, 2021 and 2020, respectively.

#### **NOTE 7 – STOCKHOLDERS' DEFICIT**

##### Increase in Authorized Shares of Common Stock and Reverse Stock Split

On February 4, 2020 the Directors resolved to increase the Common Stock of the Company from 100,000,000 authorized shares to 1,000,000,000 authorized shares and believes that such number of authorized shares of Common Stock will be in the best interests of the Corporation and its stockholders because the Board believes that the availability of more shares of Common Stock for issuance will allow the Corporation greater flexibility in pursuing financing from investors, meeting business needs as they arise, taking advantage of favorable opportunities and responding to a changing corporate environment. The Company filed the necessary documents with the U.S. Securities and Exchange Commission on February 6, 2020 and with the amendment to the authorized shares being approved by the State of Delaware on March 13, 2020.

On November 17, 2020, the Company effected a one-for-one thousand (1:1,000) reverse stock split of the Company's issued and outstanding shares of common stock (the "Reverse Stock Split"). Proportional adjustments for the Reverse Stock Split were made to the Company's outstanding stock options, warrants and equity incentive plans. All share and per-share data and amounts have been retroactively adjusted as of the earliest period presented in the consolidated financial statements to reflect the Reverse Stock Split.

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#### Preferred Stock

The total number of shares of preferred stock that the Company is authorized to issue is 1,500,005, \$0.01 par value per share. These preferred shares have no rights to dividends, profit sharing or liquidation preferences.

Of the total preferred shares authorized, 500,000 have been designated as Series A Preferred Stock ("Series A Preferred Stock"), pursuant to the Certificate of Designation filed with the Secretary of State of the State of Delaware on December 9, 2014. James Nathanielsz, the Company's Chief Executive Officer and Chief Financial Officer, beneficially owns all of the outstanding shares of Series A Preferred Stock via North Horizon Pty Ltd., which entitles him, as a holder of Series A Preferred Stock, to vote on all matters submitted or required to be submitted to a vote of the Company's stockholders, except election and removal of directors, and each share of Series A Preferred Stock entitles him to two votes per share of Series A Preferred Stock. North Horizon Pty Ltd. is a Nathanielsz Family Trust. Mr. James Nathanielsz, the Chief Executive Officer, Chief Financial Officer and a director of our Company, has voting and investment power over these shares. 500,000 shares of Series A Preferred Stock are issued and outstanding as of September 30, 2021 and June 30, 2021.

Of the total preferred shares authorized, pursuant to the Certificate of Designation filed with the Secretary of State of the State of Delaware on June 16, 2015, up to five shares have been designated as Series B Preferred Stock ("Series B Preferred Stock"). Each holder of outstanding shares of Series B Preferred Stock is entitled to voting power equivalent to the number of votes equal to the total number of shares of common stock outstanding as of the record date for the determination of stockholders entitled to vote at each meeting of stockholders of the Company and entitled to vote on all matters submitted or required to be submitted to a vote of the stockholders of the Company. One share of Series B Preferred Stock is issued and outstanding as of September 30, 2021 and June 30, 2021. Mr. Nathanielsz directly beneficially owns such one share of Series B Preferred Stock.

No additional shares of Series A Preferred Stock or Series B Preferred Stock were issued during the three months ended September 30, 2021 and fiscal year 2021.

#### **Common Stock:**

##### *Shares issued for conversion of convertible debt*

From July 1, 2021 through September 30, 2021, the Company issued an aggregate of 9,445,009 shares of its common stock at an average contractual conversion price of \$0.02, ranging from \$0.02 to \$0.04, as a result of the conversion of principal of \$189,849, interest of \$8,087 and conversion fees \$2,250 underlying certain outstanding convertible notes converted during such period. The total recorded to equity was \$200,186.

The Company reclassified \$109,643, net of reversal of put premium upon cancellation of conversion notices by two lenders discussed above, to additional paid in capital following conversions during the three months ended September 30, 2021.

The Company has 197,308,116 shares of its common stock reserved for future issuances based on lender reserve requirements pursuant to underlying financing agreements at September 30, 2021.

#### *Shares issued for services and accrued expenses*

On August 12, 2021, the Board approved the issuance of 2,800,000 shares of the Company's common stock for bonus payable of \$84,000 as of June 30, 2021 to an employee who is the wife of the CEO of the Company. The 2,800,000 shares of common stock were valued at approximately \$0.03 per share or \$87,920, being the closing price of the stock on the date of grant. The shares were issued on August 17, 2021. The Company recorded stock-based compensation of \$3,920 during the three months ended September 30, 2021 and reclassified bonus payable of \$84,000 to additional paid in capital upon issuance.

On August 12, 2021, the Board approved the issuance of 166,667 shares of the Company's common stock for legal services rendered for the month of August 2021. The 166,667 shares of common stock were valued at approximately \$0.05 per share or \$7,883, being the closing price of the stock on August 31, 2021, the date of grant. The shares were issued on September 3, 2021. The Company recorded stock-based compensation of \$7,883 during the three months ended September 30, 2021.

In September 2021, the Company issued 2,819,712 shares of the Company's common stock to a consultant for services rendered from July 2021 to September 2021. The Company issued 2,819,712 shares of the Company's common stock valued at approximately \$0.04 per share or \$104,611, being the closing price of the stock on the date of grant to such consultant. The Company recorded stock-based compensation of \$104,611 during the three months ended September 30, 2021.

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#### *Nathanielsz Cancellation Agreement*

On August 12, 2021, the Company entered into a Cancellation Agreement with James Nathanielsz ("Nathanielsz"), Chief Executive Officer and Director of the Company, whereby Nathanielsz agreed to cancel his cash compensation bonus award for fiscal year 2021, ended June 30, 2021, in exchange for common stock of the Company. The Company and Nathanielsz entered into an Amended and Restated Employment Agreement dated May 14, 2019 (the "Agreement"). Pursuant to the terms of the Agreement, Nathanielsz was eligible to earn an annual fiscal year cash performance bonus for each fiscal year of his employment period with the Company with a target performance bonus of 200% of his average annualized base salary during the fiscal year for which the performance bonus is earned. On July 20, 2021, Nathanielsz was awarded a "target" bonus of 78%, or \$177,840 USD (the "Debt") for the fiscal year ended June 30, 2021, by the Company's Board of Directors (the "Board"). Pursuant to the Cancellation Agreement, Nathanielsz agreed to cancel this Debt in exchange for 5,928,000 shares of the common stock of the Company (the "Shares"), valued at approximately \$0.03 per share or \$186,139, being the closing price of the stock on the date of grant. The shares were issued on August 17, 2021. The Company recorded stock-based compensation of \$,299 during the three months ended September 30, 2021 and reclassified bonus payable of \$177,840 to additional paid in capital upon issuance.

#### *Kenyon Cancellation Agreement*

On August 12, 2021, the Company entered into a Cancellation Agreement with Dr. Julian Kenyon ("Kenyon"), Chief Scientific Officer and Director of the Company, whereby Kenyon agreed to cancel of \$102,600 USD of accrued salary due him as of June 30, 2021, pursuant to that certain Amended and Restated Services Agreement by and between Kenyon and the Company, dated May 14, 2019, in exchange for 3,420,000 shares of common stock of the Company (the "Shares"), valued at approximately \$0.03 per share or \$107,388, being the closing price of the stock on the date of grant. The shares were issued on August 17, 2021. The Company recorded stock-based compensation of \$,788 during the three months ended September 30, 2021 and reclassified accrued expenses of \$102,600 to additional paid in capital upon issuance.

#### *Zelinger Amended and Restated Director Agreement*

On August 12, 2021, the Company entered into an Amended and Restated Director Agreement (the "Director Agreement") with Josef Zelinger ("Zelinger"). Pursuant to the terms of the Director Agreement, the Company shall pay Zelinger a base salary of \$250.00 AUD (\$184 USD) per month, payable on the first day of each month. In addition, the Company may compensate Zelinger additional consideration for advisory services performed by the Director, either in the form of cash or common stock, at the discretion of the Board. The Company issued 2,800,000 shares of common stock of the Company for accrued director services of \$84,000 as of June 30, 2021. The 2,800,000 shares of common stock were valued at approximately \$0.03 per share \$87,920, being the closing price of the stock on the date of grant. The shares were issued on August 17, 2021. The Company recorded stock-based compensation of \$3,920 during the three months ended September 30, 2021 and reclassified accrued expenses of \$84,000 to additional paid in capital upon issuance.

#### *Shares issued for exercise of warrants*

From July 9, 2021 through September 27, 2021, the Company received aggregate gross proceeds of \$275,000 and subscription receivable of \$100,000 from the exercise of 9,375 Series B Warrants and issued 6,875 shares of common stock and 2,500 shares of common stock issuable as of September 30, 2021.

During the three months ended September 30, 2021, additionally, the Company issued 2,399,988 shares of common stock and 1,999,990 shares of common stock issuable from the alternate cashless exercise of 22 Series A warrants. The Company recognized the value of the effect of a down round feature in such warrants when triggered. Upon the occurrence of the triggering event that resulted in a reduction of the strike price, the Company measured the value of the effect of the feature as the difference between the fair value of the warrants without the down round feature or before the strike price reduction and the fair value of the warrants with a strike price corresponding to the reduced strike price upon the down round feature being triggered. Accordingly, the Company recognized deemed dividend of \$ 114,844 and a corresponding reduction of income available to common stockholders upon the alternate cashless exercise of these warrants.

A total of 2,002,490 common stock issuable were issued in October 2021. The Company collected the \$100,000 subscription receivable in October 2021.

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#### **Warrants:**

The following table summarizes warrant activity for the three months ended September 30, 2021:

**Weighted**

	Number of Shares	Average Price Per Share
Outstanding at June 30, 2021	121,329	\$ 179.63
Issued	-	-
Exercised	(9,397)	40.37
Forfeited	-	-
Expired	-	-
Outstanding at September 30, 2021	111,932	\$ 191.32
Exercisable at September 30, 2021	76,933	\$ 278.36
Outstanding and Exercisable:		
Weighted average remaining contractual term	1.52	
Aggregate intrinsic value	\$ -	

No stock warrants were granted during the three months ended September 30, 2021.

#### Options:

A summary of the Company's option activity during the three months ended September 30, 2021 is presented below:

	Number of Shares	Weighted Average Exercise Price Per Share
Outstanding at June 30, 2021	59	\$ 13,730
Issued	-	-
Exercised	-	-
Forfeited	-	-
Expired	-	-
Outstanding at September 30, 2021	59	\$ 4,533.33
Exercisable at September 30, 2021	39	\$ 4,530.93
Outstanding and Exercisable:		
Weighted average remaining contractual term	7.62	
Weighted average fair value of options granted during the period	\$ -	
Aggregate intrinsic value	\$ -	

During the three months ended September 30, 2021 and 2020, the Company recognized stock-based compensation of \$20,718 and \$20,718, respectively related to vested stock options. There was \$51,796 of unvested stock options expense as of September 30, 2021 that will be recognized through May 2022 on 0.62 years.

No stock options were granted during the three months ended September 30, 2021.

#### NOTE 8 – COMMITMENTS AND CONTINGENCIES

##### Legal Matters

From time to time, the Company may be subject to litigation and claims arising in the ordinary course of business. The Company is not currently a party to any material legal proceedings and the Company is not aware of any pending or threatened legal proceeding against the Company that we believe could have a material adverse effect on our business, operating results, cash flows or financial condition.

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##### IRS Liability

As part of its requirement for having a foreign operating subsidiary, the Company's parent U.S. entity is required to file an informational Form 5471 to the Internal Revenue Service (the "IRS"), which is a form that explains the nature of the relationship between the foreign subsidiary and the parent company. From 2012 through the 2014, the Company did not file this form in a timely manner. As a result of the non-timely filings, the Company incurred a penalty from the IRS in the amount of \$ 10,000 per year, or \$30,000 in total, plus accrued interest, such penalty and interest having been accrued and is included in the accrued expenses and other payable figure in the September 30, 2021 and June 30, 2021 consolidated balance sheet. The Company recorded the penalties for all three years during the year ended June 30, 2018. The Company is current on all subsequent filings. The Company's tax advisor is awaiting a response from the IRS on this matter.

##### Operating Agreements

In November 2009, the Company entered into a commercialization agreement with the University of Bath (UK) (the "University") whereby the Company and the University co-owned the intellectual property relating to the Company's pro-enzyme formulations. In June 2012, the Company and the University entered into an assignment and amendment whereby the Company assumed full ownership of the intellectual property while agreeing to pay royalties of 2% of net revenues to the University. Additionally, the Company agreed to pay 5% of each and every license agreement subscribed for. The contract is cancellable at any time by either party. To date, no amounts are owed under the agreement.

##### Collaboration Agreement

On September 13, 2018, the Company entered into a two-year collaboration agreement with the University of Jaén (the "University") to provide certain research services to the Company. In consideration of such services, the Company agreed to pay the University approximately 52,000 Euros (\$59,508 USD) in year one and a maximum of 40,000 Euros (\$45,775 USD) in year two. The Company paid 31,754 Euros (\$36,117 USD) in 2019 and has accrued 28,493 Euros (\$24,043 USD) as of June 30, 2021. Additionally, in

exchange for full ownership of the intellectual property the Company agreed to pay royalties of 2% of net revenues to the University. On October 1, 2020, the Company entered into another two-year collaboration agreement with the University of Jaén to provide certain research services to the Company. In consideration of such services, the Company agreed to pay the University approximately 30,000 Euros (\$35,145 USD) which shall be paid in four installment payment of 5,000 Euros in November 2020, 5,000 Euros (\$5,858) in March 2021, 10,000 Euros (\$11,715) in December 2021 and 10,000 Euros (\$11,715) in September 2022. Additionally, the University shall hire and train a doctoral student for this project and as such the Company shall pay the University 25,837 Euros (\$30,268 USD). In exchange for full ownership of the intellectual property the Company agreed to pay royalties of 2% of net revenues to the University.

#### NOTE 9 – RELATED PARTY TRANSACTIONS

Since its inception, the Company has conducted transactions with its directors and entities related to such directors. These transactions have included the following:

As of September 30, 2021 and June 30, 2021, the Company owed its former director a total of \$3,384 and \$55,500, respectively, for money loaned to the Company throughout the years. The total loans balance owed at September 30, 2021 and June 30, 2021 is not interest bearing (See Note 5 – Loans and Notes Payable).

As of September 30, 2021 and June 30, 2021, the Company owed its former director a total of \$2,076 and \$33,347, respectively, related to expenses paid on behalf of the Company related to corporate startup costs and intellectual property (See Note 4 – Due to Former Director – Related Party).

On May 6, 2021, the Company entered into an agreement for the lease of its principal executive offices with North Horizon Pty Ltd., a related party, of which Mr. Nathanielsz, our CEO, CFO and a director, and his wife are owners and directors. The lease has a one-year term commencing May 6, 2021, and the Company is currently obligated to pay \$3,606 AUD or \$2,431 USD (depending on exchange rate), inclusive of tax, inrent per month. During the three months ended September 30, 2021 and 2020, rent expense amounted \$7,735 USD and \$9,204 USD. As of September 30, 2021, total rent payable of \$84,000 AUD (\$60,598 USD) is included in accrued expenses in the accompanying condensed consolidated balance sheet.

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#### *Employment and Services Agreements with Management*

The Company and Mr. Nathanielsz entered into an employment agreement as of February 25, 2015 (the “Nathanielsz Employment Agreement”) setting forth the terms and conditions of Mr. Nathanielsz employment as the Company’s President and Chief Executive Officer. The Nathanielsz Employment Agreement was scheduled to expire on February 25, 2019; however, the term of the Nathanielsz Employment Agreement automatically renews for successive one-year periods unless either party provides 30 days’ prior written notice of its intent not to renew. The Nathanielsz Employment Agreement continues in effect as of September 30, 2021 as amended May 14, 2019 (see below). The Nathanielsz Employment Agreement provides Mr. Nathanielsz with a base salary of \$25,000 AUD per month (\$300,000 AUD annually or \$205,680 USD) and a monthly contribution to Mr. Nathanielsz’s pension equal to 9.5% of his monthly salary. Mr. Nathanielsz has the ability to convert any accrued but unpaid salary into common stock at the end of each fiscal year at a conversion price to be determined by Mr. Nathanielsz and the Company, which will in no event be lower than par value or higher than the closing bid price on the date of conversion. Pursuant to the Nathanielsz Employment Agreement, Mr. Nathanielsz is entitled to an annual discretionary bonus in an amount up to 200% of his annual base salary, which bonus shall be determined by the Company’s board of directors based upon the performance of the Company. On March 16, 2018, the Company’s board of directors approved an increase of Mr. Nathanielsz’s annual base salary from \$300,000 AUD (\$205,680 USD) to \$400,000 AUD (\$274,240 USD), effective February 2018.

Mr. Nathanielsz’s wife, Sylvia Nathanielsz, is and has been a non-executive part-time employee of the Company since October 2015. Effective February 1, 2018, Mrs. Nathanielsz receives an annual salary of \$120,000 AUD (\$80,904 USD) and is entitled to customary benefits.

Pursuant to a February 25, 2016 board resolution, James Nathanielsz shall be paid \$4,481 AUD (\$3,205 USD), on a monthly basis for the purpose of acquiring and maintaining an automobile. For the three months ended September 30, 2021, a total of \$57,689 AUD (\$5,651 USD) in payments have been made with respect to Mr. Nathanielsz’s car allowance.

Pursuant to the approval of the Company’s board of directors, on May 14, 2019, Mr. Nathanielsz was granted a \$460,000 AUD (\$315,376 USD) bonus for accomplishments achieved while serving as the Company’s Chief Executive Officer during the fiscal year ended June 30, 2019 with \$200,000 AUD (\$137,120 USD) of such bonus payable by the Corporation to the CEO throughout the Corporation’s 2019 fiscal year as the Corporation’s cash resources allow, with the remaining \$260,000 AUD (\$178,256 USD) of such bonus to be deferred by the CEO until a future date when the Corporation’s cash resources allow for such payment, as agreed to by the CEO. A total of \$221,890 AUD (\$166,418 USD) in payments were made against the bonuses during the year ended June 30, 2021 resulting in a remaining balance of \$22,610 AUD (\$316,957 USD) bonus payable as of June 30, 2021. On August 12, 2021, the Board approved a bonus of \$177,840 USD. On August 12, 2021, pursuant to the Cancellation Agreement, Mr. Nathanielsz agreed to cancel \$177,840 of the bonus payable in exchange for 5,928,000 shares of the common stock of the Company (see Note 7). A total of \$42,500 AUD (\$30,660 USD) in payments were made against the bonuses during the three months ended September 30, 2021 which resulted to a remaining balance of \$42,990 AUD (\$103,153 USD) bonus payable as of September 30, 2021 which is included in accrued expenses in the accompanying condensed consolidated balance sheet.

Amended and Restated Employment Agreement - On May 14, 2019 (the “Effective Date”), the Company entered into an Amended and Restated Employment Agreement (the “Employment Agreement”) with James Nathanielsz, the Company’s Chief Executive Officer, Chairman, acting Chief Financial Officer and a director, for a term of three years, subject to automatic one-year renewals, at an annual salary of \$400,000 AUD. Pursuant to the Employment Agreement, Mr. Nathanielsz was granted options to purchase 39 shares of the Company’s common stock (the “Nathanielsz Options”), with an exercise price per share of \$4,675 (110% of the closing market price of the Company’s common stock on May 14, 2019 (or \$4,250), the date of approval of such grant by the Company’s board of directors), (ii) 39 restricted stock units of the Company (the “Initial Nathanielsz RSUs”), and (iii) an additional 39 restricted stock units of the Company (the “Additional Nathanielsz RSUs”). Such options and restricted stock units were granted pursuant to the 2019 Plan approved by the Company’s board of directors on the Effective Date. The Nathanielsz Options have a term of 10 years from the date of grant. 1/3rd of the Nathanielsz Options shall vest every successive one-year anniversary following the Effective Date, provided, that on each such vesting date Mr. Nathanielsz is employed by the Company and subject to the other provisions of the Employment Agreement. The Initial Nathanielsz RSUs shall vest on the one-year anniversary of the Effective Date, subject to Mr. Nathanielsz’s continued employment with the Company through such vesting date. The Additional Nathanielsz RSUs will vest as follows, subject to Mr. Nathanielsz’s continued employment with the Company through the applicable vesting date: (i) 7.80 of the Additional Nathanielsz RSUs shall vest upon the Company submitting Clinical Trial Application (the “CTA”) for PRP, the Company’s lead product candidate (“PRP”), for a First-In-Human study for PRP (the “Study”) in an applicable jurisdiction to be selected by the Company, (ii) 7.80 of the Additional Nathanielsz RSUs shall vest upon the CTA being approved in an applicable jurisdiction, (iii) 7.80 of the Additional RSUs shall vest upon the Company completing an equity financing in the amount of at least \$4,000,000 in gross proceeds, (iv) 7.80 of the Additional Nathanielsz RSUs shall vest upon the shares of the Company’s Common Stock being listed on a senior stock exchange (NYSE, NYSEMKT or NASDAQ), and (v) the remaining 7.80 of the Additional Nathanielsz RSUs shall vest upon the Company enrolling its first patient in the Study. Each vested restricted stock unit shall be settled by delivery to Mr. Nathanielsz of one share of the Company’s common stock and/or the fair market value of one share of common stock in cash, at the sole discretion of the Company’s board of directors and subject to the 2019 Plan, on the first to occur of: (i) the date of a Change of Control (as defined in the Employment Agreement), (ii) the date that is ten business days following the vesting of such restricted stock unit, (iii) the date of Mr. Nathanielsz’s death or Disability (as defined in the Employment Agreement), and (iv) Mr. Nathanielsz’s employment being terminated either by the Company without Cause or by Mr. Nathanielsz for Good Reason (each as defined in the Employment Agreement). In the event of a Change of Control, any unvested portion of the Nathanielsz Options and such restricted stock units shall vest immediately prior to such event. The 39 vested restricted stock unit are considered issuable as of September 30, 2021.

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Amended and Restated Services Agreement - On May 14, 2019, the Company also entered into an Amended and Restated Services Agreement (the "Services Agreement") with Dr. Kenyon, the Company's Chief Scientific Officer and a director, for a term of three years, subject to automatic one-year renewals, at an annual salary of \$54,000 AUD. In connection with the execution of the Services Agreement, Dr. Kenyon was designated as an executive officer of the Company and assumed a more active executive role with the Company. Pursuant to the Services Agreement, Dr. Kenyon was granted options to purchase 20 shares of the Company's common stock (the "Kenyon Options"), with an exercise price per share of \$4,250 (100% of the closing market price of the Company's common stock on May 14, 2019, the date of approval of such grant by the Company's board of directors), (ii) 20 restricted stock units of the Company (the "Initial Kenyon RSUs"), and (iii) an additional 20 restricted stock units of the Company (the "Additional Kenyon RSUs"). Such options and restricted stock units were granted pursuant to the 2019 Plan approved by the Company's board of directors on the Effective Date. The Kenyon Options have a term of 10 years from the date of grant. 1/3rd of the Kenyon Options shall vest every successive one-year anniversary following the Effective Date, provided, that on each such vesting date Dr. Kenyon is employed by the Company and subject to the other provisions of the Services Agreement. The Initial Kenyon RSUs shall vest on the one-year anniversary of the Effective Date, subject to Dr. Kenyon's continued employment with the Company through such vesting date. The Additional Kenyon RSUs will vest as follows, subject to Dr. Kenyon's continued employment with the Company through the applicable vesting date: (i) 5 of the Additional Kenyon RSUs shall vest upon the Company submitting the CTA for PRP for the Study in an applicable jurisdiction to be selected by the Company, (ii) 5 of the Additional Kenyon RSUs shall vest upon the Company completing an equity financing in the amount of at least \$4,000,000 in gross proceeds, (iii) 5 of the Additional Kenyon RSUs shall vest upon the shares of the Company's Common Stock being listed on a senior stock exchange (NYSE, NYSEMKT or NASDAQ), and (iv) the remaining 5 of the Additional Kenyon RSUs shall vest upon the Company enrolling its first patient in the Study. Each vested Kenyon RSU shall be settled by delivery to Mr. Kenyon of one share of the Company's common stock and/or the fair market value of one share of common stock in cash, at the sole discretion of the Company's board of directors and subject to the Plan, on the first to occur of: (i) the date of a Change of Control (as defined in the Services Agreement), (ii) the date that is ten business days following the vesting of such Kenyon RSU, (iii) the date of Dr. Kenyon's death or Disability (as defined in the Services Agreement), and (iv) Dr. Kenyon's employment being terminated either by the Company without Cause or by Dr. Kenyon for Good Reason (as defined in the Services Agreement). In the event of a Change of Control (as defined in the Services Agreement), 50% of any unvested portion of the Kenyon Options and the Kenyon RSUs shall vest immediately prior to such event. The 20 vested restricted stock units are considered issuable as of September 30, 2021. As of June 30, 2021, total accrued salaries of \$135,000 AUD (\$101,250 USD) was included in accrued expenses. On August 12, 2021, pursuant to the Cancellation Agreement, Mr. Kenyon agreed to cancel accrued salaries of \$102,600 in exchange for 3,420,000 shares of the common stock of the Company (see Note 7). As of September 30, 2021, total accrued salaries of \$13,500 AUD (\$9,739 USD) was included in accrued expenses in the accompanying condensed consolidated balance sheet.

Intercompany Loans

All Intercompany loans were made by the parent to the subsidiary, Propanc PTY LTD, which have not been repaid as of September 30, 2021. Effective fiscal year 2021, the parent company determined that intercompany loans will not be repaid in the foreseeable future and thus, per ASC 830-20-35-3, gains and losses from measuring the intercompany balances are recorded within cumulative translation adjustment, a component of other comprehensive income.

**NOTE 10 – CONCENTRATIONS AND RISKS**

Concentration of Credit Risk

The Company maintains its cash in banks and financial institutions in Australia. Bank deposits in Australian banks are uninsured. The Company has not experienced any losses in such accounts through September 30, 2021.

The Company primarily relied on funding from one convertible debt lender and received proceeds after deductions of \$,500 for original issue discounts and debt issue costs during the three months ended September 30, 2021 from a lender of \$160,000 which represents approximately 100% of total proceeds received by the Company during the three months ended September 30, 2021.

The Company did not receive any funding from lenders during the three months ended September 30, 2020.

Receivable Concentration

As of September 30, 2021 and June 30, 2021, the Company's receivables were 100% related to reimbursements on GST taxes paid.

Patent and Patent Concentration

The Company has filed multiple patent applications relating to its lead product, PRP. The Company's lead patent application has been granted and remains in force in the United States, Belgium, Czech Republic, Denmark, France, Germany, Ireland, Italy, Netherlands, Portugal, Spain, Sweden, Switzerland, Liechtenstein, Turkey, United Kingdom, Australia, China, Japan, Indonesia, Israel, New Zealand, Singapore, Malaysia, South Africa, Mexico, Republic of Korea, India and Brazil. In Canada, the patent application remains under examination.

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In 2016 and early 2017, we filed other patent applications. Three applications were filed under the Patent Cooperation Treaty (the "PCT"). The PCT assists applicants in seeking patent protection by filing one international patent application under the PCT, applicants can simultaneously seek protection for an invention in over 150 countries. Once filed, the application is placed under the control of the national or regional patent offices, as applicable, in what is called the national phase. One of the PCT applications filed in November 2016, entered national phase in July 2018 and another PCT application is currently entering national phase in August 2018. A third PCT application entered the national phase in October 2018.

In July 2020, a world first patent was granted in Australia for the cancer treatment method patent family. Presently, there are 31 granted patents and 34 patents under examination in key global jurisdictions relating to the use of proenzymes against solid tumors, covering the lead product candidate PRP.

Further patent applications are expected to be filed to capture and protect additional patentable subject matter based on the Company's field of technology relating to pharmaceutical compositions of proenzymes for treating cancer.

## Foreign Operations

As of September 30, 2021 and June 30, 2021, the Company's operations are based in Camberwell, Australia, however the majority of research and development is being conducted in the European Union.

On July 22, 2016, the Company formed a wholly owned subsidiary, Propanc (UK) Limited under the laws of England and Wales for the purpose of submitting an orphan drug application with the European Medicines Agency as a small and medium-sized enterprise. As of September 30, 2021 and June 30, 2021, there has been no activity within this entity.

## NOTE 11 - DERIVATIVE FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

### Derivative Financial Instruments:

The Company applies the provisions of ASC 815-40, *Contracts in Entity's Own Equity*, under which convertible instruments and warrants, which contain terms that protect holders from declines in the stock price (reset provisions), may not be exempt from derivative accounting treatment. As a result, warrants and embedded conversion options in convertible debt are recorded as a liability and are revalued at fair value at each reporting date. If the fair value of the warrants exceeds the face value of the related debt, the excess is recorded as change in fair value in operations on the issuance date. The Company had \$80,000 (1 note) of convertible debt, which is treated as derivative instruments outstanding at September 30, 2021 and June 30, 2021.

The Company calculates the estimated fair values of the liabilities for derivative instruments using the Binomial Trees Method. The closing price of the Company's common stock at September 30, 2021, the last trading day of the period ended September 30, 2021, was \$0.026. The Volatility, expected remaining term and risk-free interest rates used to estimate the fair value of derivative liabilities at September 30, 2021 are indicated in the table that follows. The expected term is equal to the remaining term of the warrants or convertible instruments and the risk-free rate is based upon rates for treasury securities with the same term.

### Convertible Debt

	Initial Valuations (on new derivative instruments entered into during the three months ended September 30, 2021)	September 30, 2021
Volatility	-	206.00%
Expected Remaining Term (in years)	-	0.01
Risk Free Interest Rate	-	0.07%
Expected dividend yield	None	None

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### Fair Value Measurements:

The Company measures and reports at fair value the liability for derivative instruments. The fair value liabilities for price adjustable warrants and embedded conversion options have been recorded as determined utilizing the Binomial Trees model. The following tables summarize the Company's financial assets and liabilities measured at fair value on a recurring basis as of September 30, 2021 and June 30, 2021:

	Balance at September 30, 2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Embedded conversion option liabilities	\$ 58,124	\$ —	\$ —	\$ 58,124
Total	\$ 58,124	\$ —	\$ —	\$ 58,124

	Balance at June 30, 2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Embedded conversion option liabilities	\$ 54,220	\$ —	\$ —	\$ 54,220
Total	\$ 54,220	\$ —	\$ —	\$ 54,220

The following is a roll forward for the three months ended September 30, 2021 of the fair value liability of price adjustable derivative instruments:

	Fair Value of Liability for Derivative Instruments
Balance at June 30, 2021	\$ 54,220
Change in fair value included in statements of operations	3,904
Balance at September 30, 2021	\$ 58,124

## NOTE 12 – SUBSEQUENT EVENTS



### Exercise of Warrants

In October 2021, the Company issued 2,199,989 shares of common stock from the alternate cashless exercise of 11 Series A warrants.

### Note Conversions

In October 2021, the Company issued an aggregate of 1,818,097 shares of its common stock at an average contractual conversion price of \$0.01, as a result of the conversion of principal of \$25,000, interest of \$1,726 and conversion fees \$0 underlying certain outstanding convertible notes converted during such period. The Company reclassified \$16,667 in put premiums to additional paid in capital following these conversions.

### Common Stock Issuable

The 2,002,490 shares of common stock issuable as of September 30, 2021 were issued in October 2021.

### Consulting Agreement

On October 1, 2021, the Company entered into a consulting agreement (the "Consulting Agreement") with a consultant who will assist in the development of the Company's business and financing activities. The consultant will serve initially as an independent contractor, and upon certain mutually agreed upon conditions being met, will be appointed Vice Chairman, President and Interim CFO. The term of the Consulting Agreement shall be for three years commencing on October 1, 2021, and can be terminated by either party upon 30 day written notice. The monthly payment per the Consulting Agreement is \$7,000. The Company will also issue shares of common stock equal to 1% of the total issued and outstanding shares at the end of each year of service.

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### October 21, 2021 Securities Purchase Agreement

Effective October 21, 2021, the Company entered into a securities purchase agreement with Sixth Street Lending LLC ("Sixth Street"), pursuant to which Sixth Street purchased a convertible promissory note (the "October 21, 2021 Sixth Street") from the Company in the aggregate principal amount of \$63,750, such principal and the interest thereon convertible into shares of the Company's common stock at the option of Sixth Street any time after the six-month anniversary of the October 21, 2021 Sixth Street. The October 21, 2021 Sixth Street contains an original discount of \$3,750. The Company intends to use the net proceeds from the October 21, 2021 Sixth Street for general working capital purposes. The maturity date of the October 21, 2021 Sixth Street Note is October 21, 2022. The October 21, 2021 Sixth Street Note bears interest at a rate of 8% per annum, which interest may be paid by the Company to Sixth Street in shares of the Company's common stock; but shall not be payable until the October 21, 2021 Sixth Street Note becomes payable, whether at the maturity date or upon acceleration or by prepayment.

During the first 60 to 180 days following the date of these notes, the Company has the right to prepay the principal and accrued but unpaid interest due under the above notes issued to Sixth Street, together with any other amounts that the Company may owe the holder under the terms of the note, at a premium ranging from 110% to 129% as defined in the note agreement. After this initial 180-day period, the Company does not have a right to prepay such notes.

The conversion price for the above Sixth Street notes shall be equal to a 35% discount of the market price which means the average of the lowest three trading prices of the Common Stock for the ten trading days immediately prior to the delivery of a Notice of Conversion. Notwithstanding the foregoing, Sixth Street shall be restricted from effecting a conversion if such conversion, along with other shares of the Company's common stock beneficially owned by Sixth Street and its affiliates, exceeds 9.99% of the outstanding shares of the Company's common stock. These notes are treated as stock settled debt under ASC 480 and accordingly the Company recorded a total of \$34,327 put premium.

The above Sixth Street notes contain certain events of default, upon which principal and accrued interest will become immediately due and payable. In addition, upon an event of default, interest on the outstanding principal shall accrue at a default interest rate of 22% per annum or if such rate is usurious or not permitted by current law, then at the highest rate of interest permitted by law. Further, certain events of default may trigger penalty and liquidated damage provisions.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion and analysis of the results of operations and financial condition for the years ended June 30, 2021 and 2020, and for the three month period ended September 30, 2021 should be read in conjunction with our consolidated financial statements and the notes to those consolidated financial statements that are included elsewhere in this Registration Statement. Our discussion includes forward-looking statements based upon current expectations that involve risks and uncertainties, such as our plans, objectives, expectations and intentions. Actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of a number of factors. See "Forward-Looking Statements."*

Management's discussion and analysis of results of operations and financial condition ("MD&A") is a supplement to the accompanying financial statements and provides additional information on Propanc Biopharma, Inc. ("Propanc" or the "Company") business, current developments, financial condition, cash flows and results of operations.

When we say "we," "us," "our," "Company," or "Propanc," we mean Propanc Biopharma, Inc.

### Overview

We were incorporated in the state of Delaware as Propanc Health Group Corporation on November 23, 2010. In January 2011, to reorganize our Company, we acquired all of the outstanding shares of Propanc PTY LTD, an Australian corporation, on a one-for-one basis and Propanc PTY LTD became our wholly-owned subsidiary. Effective April 20, 2017, we changed our name to "Propanc Biopharma, Inc." to better reflect our current stage of operations and development.

We are a development-stage healthcare company that is currently focused on developing new cancer treatments for patients suffering from pancreatic, ovarian and colorectal cancer. Utilizing our scientific and oncology consultants, we have developed a rational, composite formulation of anti-cancer compounds, which together exert a number of effects designed to control or prevent tumors from recurring and spreading through the body. Our lead product candidate, PRP, is a variation upon our novel formulation and involves pro-enzymes, the inactive precursors of enzymes.

### Recent Developments

On October 1, 2020, the Company entered into a two-year collaboration agreement with the University of Jaén (the “University”) to provide certain research services to the Company. In consideration of such services, the Company agreed to pay the University approximately 30,000 Euros (\$35,145 USD) which shall be paid in four installment payments of 5,000 Euros in November 2020, 5,000 Euros (\$5,858) in March 2021, 10,000 Euros (\$11,715) in December 2021 and 10,000 Euros (\$11,715) in September 2022. Additionally, the University shall hire and train a doctoral student for this project and as such the Company shall pay the University 25,837 Euros (\$30,268 USD). In exchange for full ownership of the intellectual property, the Company agreed to pay royalties of 2% of net revenues to the University.

On May 11, 2021, the Company’s scientific researchers with the Universities of Jaén and Granada, published data in a peer reviewed journal, *Expert Opinion on Biological Therapy*, confirming the anti-tumor potential of a mixture of two pancreatic proenzymes trypsinogen and chymotrypsinogen. Treatment with proenzymes sensitizes cancer stem cells which may allow standard treatment approaches like chemotherapy and radiotherapy to be more effective.

Between August 2020 to November 2021, advancements were made with the Company’s patent portfolio including allowed claims describing a pharmaceutical composition for treating cancer in Brazil and a divisional application covering additional claims describing a pharmaceutical composition for treating cancer was granted in China (both covering the Company’s lead patent application), a first granted patent describing a method to treat cancer stem cells in Australia, and granted patents in Australia, Indonesia and Singapore, citing higher doses of a pharmaceutical composition. The advancements represent three of four patent families covering the Company’s lead product, PRP.

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In November 2021, a Strategic Advisor to the Propanc Biopharma Executive team was appointed to initiate the process of establishing a wholly owned, US based, R&D operating subsidiary, located in New Jersey. The Strategic Advisor will oversee establishment of the R&D operating subsidiary and identify strategic partners to assist with financing and resourcing to advance PRP towards a First-In-Human study for advanced cancer patients suffering from solid tumors.

On November 26, 2021, the Company entered into a securities purchase agreement (the “Purchase Agreement”) with Sixth Street Lending, LLC (“Sixth Street”), pursuant to which Sixth Street purchased a convertible promissory note (the “Note”) from the Company in the aggregate principal amount of \$53,750, such principal and the interest thereon convertible into shares of the Company’s common stock at the option of Sixth Street. The transaction contemplated by the Purchase Agreement closed on or about December 2, 2021. The Company intends to use the net proceeds (\$50,000) from the Note for general working capital purposes.

On November 30, 2021, the Company entered into a Common Stock Purchase Agreement (the “Purchase Agreement”) with Dutchess Capital Growth Fund LP, a Delaware limited partnership, (“Dutchess”), providing for an equity financing facility (the “Equity Line”). The Purchase Agreement provides that upon the terms and subject to the conditions in the Purchase Agreement, Dutchess is committed to purchase up to Five Million Dollars (\$5,000,000) of shares of common stock, \$0.001 par value per share (the “Common Stock”), over the 36 month term of the Purchase Agreement (the “Total Commitment”).

Under the terms of the Purchase Agreement, Dutchess will not be obligated to purchase shares of Common Stock unless and until certain conditions are met, including but not limited to a Registration Statement on Form S-1 (the “Registration Statement”) becoming effective which registers Dutchess’ resale of any Common Stock purchased by Dutchess under the Equity Line. From time to time over the 36-month term of the Purchase Agreement, commencing on the trading day immediately following the date on which the Registration Statement becomes effective, the Company, in our sole discretion, may provide Dutchess with a draw down notice (each, a “Draw Down Notice”), to purchase a specified number of shares of Common Stock (each, a “Draw Down Amount Requested”), subject to the limitations discussed below. The actual amount of proceeds the Company will receive pursuant to each Draw Down Notice (each, a “Draw Down Amount”) is to be determined by multiplying the Draw Down Amount Requested by the applicable purchase price. The purchase price of each share of Common Stock equals 92% of the lowest trading price of the Common Stock during the five (5) business days prior to the Closing Date. Closing Date shall mean the five (5) business days after the Clearing Date. Clearing Date shall mean the first business day that the Selling Security Holder holds the Draw Down Amount in its brokerage account and is eligible to trade the shares.

The maximum number of shares of Common Stock requested to be purchased pursuant to any single Draw Down Notice cannot exceed the lesser of (i) 300% of the average daily share volume of the Common Stock in the five (5) trading days immediately preceding the Draw Down Notice or (ii) an aggregate value of \$250,000.

The Company agreed to pay to Dutchess a commitment fee for entering into the Purchase Agreement of 1,000,000 restricted shares of our common stock. The shares were issued December 10, 2021.

On December 7, 2021, the Company entered into a securities purchase agreement (the “Purchase Agreement”) with ONE44 Capital LLC, (“ONE44”), pursuant to which ONE44 purchased a convertible promissory note (the “Note”) from the Company in the aggregate principal amount of \$170,000, such principal and the interest thereon convertible into shares of the Company’s common stock at the option of ONE44. The transaction contemplated by the Purchase Agreement closed on or about December 13, 2021. The Company intends to use the net proceeds (\$153,000) from the Note for general working capital purposes. The Note contains an original issue discount amount of \$17,000.

On January 4, 2022, Propanc Biopharma, Inc. (the “Company”) entered into a securities purchase agreement (the “Purchase Agreement”) with Sixth Street Lending, LLC (“Sixth Street”), pursuant to which Sixth Street purchased a convertible promissory note from the Company in the aggregate principal amount of \$63,750, such principal and the interest thereon convertible into shares of the Company’s common stock at the option of Sixth Street. The transaction contemplated by the Purchase Agreement closed on January 6, 2022. The Company intends to use the net proceeds (\$60,000) from the Note for general working capital purposes.

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## Results of Operations

The following discussion should be read in conjunction with the Company’s consolidated financial statements and notes thereto included elsewhere in this Registration Statement. The results discussed below are of the Company and its wholly-owned Australian subsidiary, Propanc PTY LTD.

### Three months ended September 30, 2021, as compared to the Three months ended September 30, 2020

#### Revenue

For the three and three months ended September 30, 2021 and 2020, we generated no revenue because we are currently undertaking research and development activities for market approval and no sales were generated in this period.

#### Administration Expense

Administration expense increased to \$431,740 for the three months ended September 30, 2021 as compared to \$323,111 for the three months ended September 30, 2020. This decrease of approximately \$109,000 is primarily attributable to an increase of approximately \$133,000 in stock-based expenses for services and increase in other general and administrative expenses of approximately \$3,000, offset by decrease in general consulting, legal and investor relation fees of approximately \$1,000, decrease in accounting fees of approximately \$13,000, and decrease in approximately \$13,000 in employee remuneration expense.

#### Occupancy Expense

Occupancy expense decreased by \$1,468 to \$7,736 for the three months ended September 30, 2021. The decrease primarily relates to exchange rate movements over the period

when compared to the same period in 2020.

#### ***Research and Development Expenses***

Research and development expenses were \$46,554 for the three months ended September 30, 2021, as compared to \$50,846 for the three months ended September 30, 2020, a decrease of approximately \$4,000. The research and development expenses incurred are primarily attributable to research and development expenses incurred in relation to the two-year collaboration agreement we entered with University of Jaén in October 2020.

#### ***Interest Expense/Income***

Interest expense decreased to \$109,853 for the three months ended September 30, 2021, as compared to \$159,281 for the three months ended September 30, 2020, respectively. Interest expense is primarily comprised of approximately \$6,000 and \$90,000 of debt discount amortization and accretion of put premium for the three months ended September 30, 2021 and interest expense from conversion fees of \$2,000 and accrual of interest expense for approximately \$11,000 for the three months ended September 30, 2021.

This decrease is primarily attributable to a decrease in amortization of debt discount of approximately \$115,000 for three months ended September 30, 2021, decrease in prepayment penalty fees of approximately \$13,000 and decrease in conversion fees of \$4,000 offset by increases in accretion of put premium interest expense of approximately \$90,000, and accrual of interest expense for a total of \$7,000 for the three months ended September 30, 2021.

#### ***Change in Fair Value of Derivative Liabilities***

Change in fair value of derivative liabilities changed by \$68,856, to a loss of \$3,904 for the three months ended September 30, 2021, as compared to a gain of \$64,952 for the three months ended September 30, 2020. This change is primarily attributable to an increase in fair value of the principal amount of a convertible note with bifurcated embedded conversion option derivatives during the three months ended September 30, 2021.

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#### ***Gain (loss) on Extinguishment of Debt, net***

During the three months ended September 30, 2020, notes were converted with principal amounts totaling \$75,000 and accrued interest of \$3,000 contained bifurcated embedded conversion option derivatives. Accordingly, the fair market value of the shares issued was \$134,155 resulting in a loss on extinguishment at the time of conversion of \$56,155 and \$106,140 of derivative fair value was recorded as a gain on extinguishment at the time of conversion.

During the three months ended September 30, 2021, there were no notes converted that contained bifurcated embedded conversion option derivatives.

#### ***Foreign Currency Transaction Gain (Loss)***

Foreign currency transaction increased to a gain of \$109,129 for the three months ended September 30, 2021 as compared with \$1,960 for the three months ended September 30, 2020.

The foreign currency transaction decreased to a gain is partially attributable to the increase in exchange rates during the three months ended September 30 2021, as compared to the three months ended September 30, 2020.

#### ***Net loss***

Net loss increased to \$490,658 for the three months ended September 30, 2021 as compared to a net loss of \$425,545 for the three months ended September 30, 2020. The change relates to the factors discussed above.

#### ***Deemed dividend***

The Company recognized the value of the effect of a down round feature related to our Series A warrants when triggered. Upon the occurrence of the triggering event that resulted in a reduction of the strike price, the Company measured the value of the effect of the feature as the difference between the fair value of the warrants without the down round feature or before the strike price reduction and the fair value of the warrants with a strike price corresponding to the reduced strike price upon the down round feature being triggered. Accordingly, the Company recognized deemed dividend of \$114,844 and a corresponding reduction of income available to common stockholders upon the alternate cashless exercise of these warrants.

#### ***Net loss available to common stockholders***

Net loss available to common stockholders increased to \$605,502 for the three months ended September 30, 2021 as compared to a net loss available to common stockholders of \$425,545 for the three months ended September 30, 2020. The change relates to the factors discussed above.

#### **Liquidity and Capital Resources**

##### ***Current Financial Condition***

As of September 30, 2021, we had total assets of \$62,165, comprised primarily of cash of \$45,817, GST tax receivable of \$2,238, prepaid expenses and other current assets of \$8,353, property and equipment, net, of \$3,593 and security deposit of \$2,164. As compared to June 30, 2021, we had total assets of \$13,101, comprised primarily of cash of \$2,255, GST tax receivable of \$4,341, property and equipment, net, of \$4,255 and security deposit of \$2,250.

We had current liabilities of \$2,368,795, primarily comprised of net convertible debt of \$584,608, accounts payable and accrued expenses of \$1,233,959, employee benefit liability of \$406,644, and embedded conversion option liabilities of \$58,124 as of September 30, 2021. As compared to June 30, 2021, 3,080,674, primarily comprised of net convertible debt of \$624,583, accounts payable and accrued expenses of \$1,894,486, employee benefit liability of \$418,538, and embedded conversion option liabilities of \$54,220 as of June 30, 2021.

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We have funded our operations primarily through the issuance of equity and/or convertible securities for cash. The cash was used primarily for payments for research and development, administration expenses, occupancy expenses, professional fees, consultants and travel.

During the three months ended September 30, 2021 we received proceeds from exercise of warrants of \$275,000 and net proceeds from issuance of convertible notes of \$160,000.

We have substantial capital resource requirements and have incurred significant losses since inception. As of September 30, 2021, we had \$45,817 in cash. We depend upon debt and/or equity financing to fund our ongoing operations and to execute our current business plan. Such capital requirements are in excess of what we have in available cash and for which we currently have commitments. Therefore, we presently do not have enough available cash to meet our obligations over the next 12 months. If continued funding and capital resources are unavailable at reasonable terms, we may curtail our plan of operations. We will be required to obtain alternative or additional financing from financial institutions, investors or otherwise, in order to maintain and expand our existing operations. The failure by us to obtain such financing would have a material adverse effect upon our business, financial condition and results of operations, and adversely affecting our ability to complete ongoing activities in connection with our research and development programs.

#### *Sources and Uses of Cash*

	<b>For the Three months ended September 30,</b>	
	<b>2021</b>	<b>2020</b>
Net cash used in operating activities	\$ (486,758)	\$ (179,949)
Net cash used in investing activities	\$ -	\$ -
Net cash provided by financing activities	\$ 435,000	\$ 158,044
Effect of exchange rate changes on cash	\$ 95,320	\$ 6,116

#### *Net Cash Flow from Operating Activities*

Net cash used in operating activities was \$486,758 for the three months ended September 30, 2021, due to our net loss of \$490,658 offset primarily by non-cash charges of amortization of debt discount of \$6,074, stock-based compensation of \$154,140 non-cash interest expense of \$2,250, accretion of put premium of \$90,192, change in fair value of derivatives of \$3,904 addback foreign currency transaction gain of \$109,129. Net changes in operating assets and liabilities totaled \$144,040, which is primarily attributable to increase in prepaid expense of \$8,353, increase accrued interest of \$11,338 offset by decrease in accounts payable of \$137,927 and decrease in accrued expenses of \$15,102.

Net cash used in operating activities was \$179,949 for the three months ended September 30, 2020, due to our net loss of \$425,545 offset primarily by non-cash charges of amortization of debt discount of \$121,281, stock-based compensation of \$20,718, non-cash interest expense of \$6,750 addback \$64,952 of change in fair value of derivatives and \$49,985 gain on extinguishment of debt. Net changes in operating assets and liabilities totaled \$213,306, which is primarily attributable to increase in accounts payable of \$53,576, employee benefit liability of \$10,544, accrued expenses of \$133,046, and accrued interest of \$16,262.

#### *Net Cash Flow from Financing Activities*

Cash flows provided by financing activities for the three months ended September 30, 2021 were \$435,000 as compared to \$158,044 for the three months ended September 30, 2020. During the three months ended September 30, 2021 we received proceeds from the exercise of warrants of \$275,000 and net proceeds from issuance of convertible notes of \$160,000. During the three months ended September 30, 2020 we received proceeds from the exercise of warrants of \$201,044 offset by repayments of convertible notes of \$43,000.

#### *Effect of Exchange Rate*

The effect of the exchange rate on cash resulted in a \$95,320 positive adjustment to cash flows in the three months ended September 30, 2021 as compared to an adjustment of \$6,116 to cash flows in the three months ended September 30, 2020. The reason for the fluctuation is due to the application of currency translation rates throughout the cash flow statement, the volume of transactions within each period and the daily fluctuation in exchange rates

#### **Going Concern Qualification**

We did not generate any revenue for the three months ended September 30, 2021 and 2020 and have incurred significant losses and cash used in operations, and such losses and use of cash are expected to continue. Our independent registered public accounting firm has included a “Going Concern Qualification” in their audit report for each of the fiscal years ended June 30, 2021 and 2020. In addition, we have negative working capital and convertible debt that is past maturity that we are currently negotiating with lenders in order to amend the maturity dates. The foregoing raises substantial doubt about our ability to continue as a going concern for a period of 12 months from the issue date of this report. Our ability to continue as a going concern is dependent on our ability to execute our strategy and on our ability to raise additional funds and/or to consummate a public offering. Management is currently seeking additional funds, primarily through the issuance of equity and/or debt securities for cash to operate our business. No assurance can be given that any future financing will be available or, if available, that it will be on terms that are satisfactory to us. Even if we are able to obtain additional financing, it may contain undue restrictions on our operations, in the case of debt financing or cause substantial dilution for our stockholders, in case of equity and/or convertible debt financing. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. The “Going Concern Qualification” might make it substantially more difficult to raise capital.

#### **Fiscal Year Ended June 30, 2021, as compared to the Fiscal Year Ended June 30, 2020**

##### *Revenue*

For the fiscal years 2021 and 2020 we generated no revenue because we are currently undertaking research and development activities for market approval and no sales were generated in this period.

##### *Administration Expense*

Administration expense decreased to \$1,553,075 for the year ended June 30, 2021 as compared to \$3,281,464 for the year ended June 30, 2020. This decrease of approximately \$1,728,000 is primarily attributable to a decrease of approximately \$1,190,000 in stock-based expenses for services, decrease of approximately \$128,000 of indirect capital raising costs, decrease in general consulting, legal, and investor relation fees of approximately \$265,000, decrease in accounting fees of approximately \$17,000, decrease in insurance expense of approximately \$75,000, decrease of approximately \$124,000 in marketing and market research expense, decrease in travel expenses of approximately \$28,000, decrease of approximately \$19,000 of other general and administrative expenses and offset by increase of approximately \$118,000 in employee remuneration expense.

##### *Occupancy Expense*

Occupancy expense decreased by approximately \$4,700 to \$28,112 for the year ended June 30, 2021. The decrease primarily relates to exchange rate movements over the period when compared to the same period in 2020.

##### *Research and Development Expenses*

Research and development expenses were \$230,956 for the year ended June 30, 2021, as compared to \$179,987 for the year ended June 30, 2020. The increase in research and development expenses is primarily attributable to the two-year collaboration agreement with University Jaén which was executed in October 2020 to provide certain research services to the Company.

**Interest Expense/Income**

Interest expense decreased to \$449,457 for the year ended June 30, 2021, as compared to \$1,748,381 for the year ended June 30, 2020. Interest expense is primarily comprised of approximately \$337,000 of debt discount amortization and accretion of put premium for the year ended June 30, 2021, and interest expense from conversion fees, prepayment penalty fees and accrual of interest expense for a total of approximately \$113,000 for the year ended June 30, 2021.

This decrease of \$1,298,924 is primarily attributable to a decrease in the issuance of convertible notes and was further reduced due to the conversion and repayment of convertible notes during the year ended June 30, 2021 which resulted to a decrease in accretion of put premium of approximately \$636,000 during the year ended June 30, 2021, and the decrease in amortization of debt discount of approximately \$598,000 during the year ended June 30, 2021. Additionally, interest expense from prepayment penalty fees decreased by approximately \$99,000 offset by increase in conversion fees and accrual of interest expense for a total of \$34,000 during the year ended June 30, 2021.

**Change in Fair Value of Derivative Liabilities**

Change in fair value of derivative liabilities changed by \$393,479, to a loss of \$8,186 for the year ended June 30, 2021, as compared to a gain of \$385,293 for the year ended June 30, 2020. This change is primarily attributable to a decrease in the principal amount of convertible notes with bifurcated embedded conversion option derivatives during the year ended June 30, 2021.

**Gain from Settlement of Debt, net**

During the year ended June 30, 2021, the Company recorded gain from settlement of debt, net of \$49,319 relating to two transactions. On March 22, 2021, the Company entered into a settlement agreement with our former counsel, Foley Shechter, whereby both parties agreed to settle all claims for professional fees owed for a total of \$51,057. The Company paid the settlement amount of \$51,057 on March 22, 2021. Prior to the settlement agreement, the Company recorded total accounts payable and accrued expenses \$143,614. Accordingly, the Company recognized gain from settlement of debt of \$92,557 during the year ended June 30, 2021.

Additionally, on March 15, 2021, the Company entered into a Settlement and Mutual Release Agreement with Regal whereby both parties agreed to settle all claims and liabilities under the August 10, 2017 Convertible note for a total of \$100,000. All other terms of the August 10, 2017 Convertible Note shall remain in full force and effect. Both parties agree that all future penalties under this note are waived unless the Company fails to authorize to distribute the requested shares upon conversion. The Company has the right to pay off the balance of any remaining amounts due under this note in cash at any time more than 60 days after March 15, 2021. Prior to the Settlement Agreement, the Company recorded total liabilities \$56,762 consisting of remaining principal amount of \$8,500, accrued interest of \$23,262 and accrued expenses of \$25,000. Accordingly, the Company recognized loss from settlement of debt of \$43,238 during the year ended June 30, 2021.

**Gain (loss) on Extinguishment of Debt, net**

During the year ended June 30, 2020, notes with principal amounts totaling \$254,500 and accrued interest of \$15,408 contained bifurcated embedded conversion option derivatives. Accordingly, the fair market value of the shares issued was \$565,746 resulting in a loss on extinguishment at the time of conversion of \$295,838 and \$362,961 of derivative fair value was recorded as a gain on extinguishment at the time of conversion.

During the year ended June 30, 2021, notes with principal amounts totaling \$95,000 and accrued interest of \$3,000 contained bifurcated embedded conversion option derivatives. Accordingly, the fair market value of the shares issued was \$178,368 resulting in a loss on extinguishment at the time of conversion of \$80,368 and \$130,975 of derivative fair value was recorded as a gain on extinguishment at the time of conversion, resulting in a net gain of \$50,607.

**Foreign Currency Transaction Gain (Loss)**

Foreign currency transaction changed to a gain of \$30,497 for the year ended June 30, 2021 as compared with a loss of \$143,808 for the year ended June 30, 2020.

The foreign currency transaction decreased to a gain is partially attributable to the increase in exchange rates during the year ended June 30 2021, as compared to the year ended June 30, 2020.

**Benefit (provision) for taxes**

During the year ended June 30, 2021 and 2020, the Company applied for and received from the Australian Taxation Office a research and development tax credit in the amount of \$113,415 and \$134,728, respectively.

**Net loss**

Net loss decreased to \$2,025,947 for the year ended June 30, 2021 as compared to a net loss of \$4,740,723 for the year ended June 30, 2020. The change relates to the factors discussed above.

**Deemed dividend**

The Company recognized the value of the effect of a down round feature related to our Series A and C warrants when triggered. Upon the occurrence of the triggering event that resulted in a reduction of the strike price, the Company measured the value of the effect of the feature as the difference between the fair value of the warrants without the down round feature or before the strike price reduction and the fair value of the warrants with a strike price corresponding to the reduced strike price upon the down round feature being triggered. Accordingly, the Company recognized deemed dividend of \$391,749 and a corresponding reduction of income available to common stockholders upon the alternate cashless exercise of these warrants.

**Net loss available to common stockholders**

Net loss available to common stockholders decreased to \$2,417,696 for the year ended June 30, 2021 as compared to a net loss of \$4,740,723 for the year ended June 30, 2020. The change relates to the factors discussed above.

**Liquidity and Capital Resources****Current Financial Condition**

As of June 30, 2021, we had total assets of \$13,101, comprised primarily of cash of \$2,255, GST tax receivable of \$4,341, property and equipment, net, of \$4,255 and security

deposit of \$2,250. As compared to June 30, 2020, we had total assets of \$98,518, comprised primarily of cash of \$67,007, GST tax receivable of \$2,015, property and equipment, net, of \$5,747 and operating lease right of use asset, net, \$21,682.

We had current liabilities of \$3,080,674, primarily comprised of net convertible debt of \$624,583, accounts payable and accrued expenses of \$1,894,486, employee benefit liability of \$418,538, and embedded conversion option liabilities of \$54,220 as of June 30, 2021. As compared to June 30, 2020, we had current liabilities of \$3,739,943, primarily comprised of net convertible debt of \$1,557,734, accounts payable and accrued expenses of \$1,544,387, employee benefit liability of \$354,109, and embedded conversion option liabilities of \$354,109.

We have funded our operations primarily through the issuance of equity and/or convertible securities for cash. The cash was used primarily for payments for research and development, administration expenses, occupancy expenses, professional fees, consultants and travel.

During the year ended June 30, 2021 we received proceeds from exercise of warrants of \$776,044 and proceeds from issuance of convertible notes of \$325,000.

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We have substantial capital resource requirements and have incurred significant losses since inception. As of June 30, 2021, we had \$2,255 in cash. We depend upon debt and/or equity financing to fund our ongoing operations and to execute our current business plan. Such capital requirements are in excess of what we have in available cash and for which we currently have commitments. Therefore, we presently do not have enough available cash to meet our obligations over the next 12 months. If continued funding and capital resources are unavailable at reasonable terms, we may curtail our plan of operations. We will be required to obtain alternative or additional financing from financial institutions, investors or otherwise, in order to maintain and expand our existing operations. The failure by us to obtain such financing would have a material adverse effect upon our business, financial condition and results of operations, and adversely affecting our ability to complete ongoing activities in connection with our research and development programs.

#### Sources and Uses of Cash

	For the years ended June 30,	
	2021	2020
Net cash used in operating activities	\$ (1,145,264)	\$ (1,849,589)
Net cash provided by financing activities	\$ 1,058,044	\$ 1,890,240
Effect of exchange rate changes on cash	\$ 22,468	\$ 23,962

#### Net Cash Flow from Operating Activities

Net cash used in operating activities was \$1,145,264 for the year ended June 30, 2021, due to our net loss of \$2,025,947, offset primarily by non-cash charges of amortization of debt discount of \$136,527, stock-based compensation of \$208,444, non-cash interest expense of \$16,500, accretion of put premium of \$200,410, change in fair value of derivatives of \$8,186 addback foreign currency transaction gain of \$30,497, gain from settlement of debt of \$48,390 and \$50,607 gain on extinguishment of debt. Net changes in operating assets and liabilities totaled \$92,277, which is primarily attributable to increase in accounts payable of \$177,382, increase in accrued expenses and other payables of \$152,861, employee benefit liability of \$33,134, and accrued interest of \$80,582.

Net cash used in operating activities was \$1,849,589 for the year ended June 30, 2020, due to our net loss of \$4,740,723 offset primarily by non-cash charges of amortization of debt discount of \$734,130, stock-based compensation of \$1,398,868, accretion of put premium of \$836,724, non-cash interest expense of \$15,000, foreign currency transaction loss of \$143,808 addback gain on extinguishment of debt of \$67,123 and \$385,293 of change in fair value of derivatives. Net changes in operating assets and liabilities totaled \$212,547, which is primarily attributable to decrease in prepaid expenses and other assets of \$83,157, increase in employee benefit liability of \$35,724, and accrued interest of \$156,417 and offset by decrease in accounts payable of \$29,737 and accrued expenses and other payables of \$9,740.

#### Net Cash Flow from Financing Activities

Cash flows provided by financing activities for the year ended June 30, 2021 were \$1,058,044 as compared to \$1,890,240 for the year ended June 30, 2020. During the year ended June 30, 2021 we received proceeds from the exercise of warrants of \$776,044 and proceeds from issuance of convertible notes of \$325,000 offset by repayments of convertible notes of \$43,000. During the year ended June 30, 2020, we received proceeds from the sale of convertible promissory notes of \$1,465,250 and sale of common stock of \$450,000, net of \$25,010 in issue costs.

#### Effect of Exchange Rate

The effect of the exchange rate on cash resulted in a \$22,468 positive adjustment to cash flows in the year ended June 30, 2021 as compared to an adjustment of \$23,962 to cash flows in the year ended June 30, 2020. The reason for the fluctuation is due to the application of currency translation rates throughout the cash flow statement, the volume of transactions within each period and the daily fluctuation in exchange rates.

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### Critical Accounting Estimates

Below is a discussion of our more subjective accounting estimation processes for purposes of explaining (i) the methodology used in calculating the estimates, (ii) the inherent uncertainties pertaining to such estimates, and (iii) the possible effects of a significant variance in actual experience, from that of the estimate, on our financial condition. Estimates involve numerous assumptions that, if incorrect, could create a material adverse impact on the Company's results of operations and financial condition.

Reference is frequently made herein to the Financial Accounting Standards Board (the "FASB") Accounting Standards Codification ("ASC"). This is the source of authoritative US GAAP recognized by the FASB to be applied to non-governmental entities. Each ASC reference in this filing is presented with a three-digit number, which represents its Topic. As necessary for explanation and as applicable, an ASC topic may be followed with a two-digit subtopic, a two-digit section or a two-or-three-digit paragraph.

**Foreign Currency Translation and Comprehensive Income (Loss):** The Company's wholly owned subsidiary's functional currency is the AUD. For financial reporting purposes, the Australian Dollar ("AUD") has been translated into USD as the Company's reporting currency. Assets and liabilities are translated at the exchange rate in effect at the balance sheet date. Revenues and expenses are translated at the average rate of exchange prevailing during the reporting period. Equity transactions are translated at each historical transaction date spot rate. Translation adjustments arising from the use of different exchange rates from period to period are included as a component of stockholders' equity (deficit) as "accumulated other comprehensive income (loss)." Gains and losses resulting from foreign currency transactions are included in the statement of operations and comprehensive loss as other income (expense). Effective fiscal year 2021, the parent company determined that intercompany loans will not be repaid in the foreseeable future and thus, per ASC 830-20-35-3, gains and losses from measuring the intercompany balances are recorded within cumulative translation adjustment, a component of other comprehensive income.

**Accounting for Income Taxes:** We are governed by Australian and United States income tax laws, which are administered by the Australian Taxation Office and the United States Internal Revenue Service, respectively. We follow ASC 740, "Accounting for Income Taxes," which requires an asset and liability approach to financial accounting and

reporting for income taxes. Deferred income tax assets and liabilities are computed annually for temporary differences between the financial statements and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary, to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities.

The Company adopted provisions of ASC 740, Sections 25 through 60, "Accounting for Uncertainty in Income Taxes." These sections provide detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in the financial statements. Tax positions must meet a "more-likely-than-not" recognition threshold at the effective date to be recognized upon the adoption of ASC 740 and in subsequent periods.

*Accounting for Stock Based Compensation.* We record stock-based compensation in accordance with ASC 718, "Stock Compensation" and Staff Accounting Bulletin No. 107 issued by the SEC in March 2005 regarding its interpretation of ASC 718. ASC 718 requires the fair value of all stock-based employee compensation awarded to employees to be recorded as an expense over the related requisite service period. The statement also requires the recognition of compensation expense for the fair value of any unvested stock option awards outstanding at the date of adoption. We value any employee or non-employee stock-based compensation at fair value using the Black-Scholes Option Pricing Model.

We account for non-employee share-based awards in accordance with the measurement and recognition criteria of ASC 718.

*Derivative Instruments:* ASC 815, "Derivatives and Hedging," establishes accounting and reporting standards for derivative instruments and for hedging activities by requiring that all derivatives be recognized in the balance sheet and measured at fair value. Gains or losses resulting from changes in the fair value of derivatives are recognized in earnings. On the date of conversion, or payoff, of debt, we record the fair value of the conversion shares, remove the fair value of the related derivative liability, remove any discounts and record a net gain or loss on debt extinguishment.

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*Convertible Notes with Variable Conversion Options.* We have entered into convertible notes, some of which contain variable conversion options, whereby the outstanding principal and accrued interest may be converted, by the holder, into common shares at or around a fixed discount to the price of the common stock at the time of conversion. We treat these convertible notes as stock settled debt under ASC 480 and measure the fair value of the notes at the time of issuance, which is the result of the share price discount at the time of conversion and record the put premium as accretion to interest expense.

*Research and Development Tax Credits.* We may apply for Research and Development tax concessions with the Australian Taxation Office on an annual basis. Although the amount is possible to estimate at year end, the Australian Taxation Office may reject or materially alter the claim amount. Accordingly, we do not recognize the benefit of the claim amount until cash receipt since collectability is not certain until such time. The tax concession is a refundable credit. If we have net income then we can receive the credit which reduces its income tax liability. If we have net losses, then we may still receive a cash payment for the credit, however, our net operating loss carry forwards are reduced by the gross equivalent loss that would produce the credit amount when the income tax rate is applied to that gross amount. The concession is recognized as an income tax benefit, in operations, upon receipt.

*Leases:* In February 2016, the Financial Accounting Standards Board ("FASB") issued ASU 2016-02, *Leases* (Topic 842). The updated guidance requires lessees to recognize lease assets and lease liabilities for most operating leases. In addition, the updated guidance requires that lessors separate lease and non-lease components in a contract in accordance with the new revenue guidance in ASC 606. This guidance is effective for interim and annual reporting periods beginning after December 15, 2018. The Company adopted this guidance effective July 1, 2019.

On July 1, 2019, the Company adopted ASU No. 2016-02, applying the package of practical expedients to leases that commenced before the effective date whereby the Company elected to not reassess the following: (i) whether any expired or existing contracts contain leases and; (ii) initial direct costs for any existing leases. For contracts entered into on or after the effective date, at the inception of a contract the Company assessed whether the contract is, or contains, a lease. The Company's assessment is based on: (1) whether the contract involves the use of a distinct identified asset, (2) whether we obtain the right to substantially all the economic benefit from the use of the asset throughout the period, and (3) whether it has the right to direct the use of the asset. The Company will allocate the consideration in the contract to each lease component based on its relative stand-alone price to determine the lease payments.

Operating lease ROU assets represents the right to use the leased asset for the lease term and operating lease liabilities are recognized based on the present value of future minimum lease payments over the lease term at commencement date. As most leases do not provide an implicit rate, the Company use an incremental borrowing rate based on the information available at the adoption date in determining the present value of future payments. Lease expense for minimum lease payments is amortized on a straight-line basis over the lease term and is included in general and administrative expenses in the consolidated statements of operations.

#### Going Concern Qualification

The accompanying consolidated financial statements have been prepared in conformity with US GAAP, which contemplate continuation of the Company as a going concern. For the fiscal year ended June 30, 2021, the Company had no revenues, had a net loss of \$2,025,947 and had net cash used in operations of \$1,145,264. Additionally, as of June 30, 2021, the Company had a working capital deficit, stockholders' deficit and accumulated deficit of \$3,074,078, \$3,067,573, and \$58,199,466, respectively.

Our independent registered public accounting firm has included a "Going Concern Qualification" in their audit report for each of the fiscal years ended June 30, 2021 and 2020. In addition, we have negative working capital and convertible debt that is past maturity that we are currently negotiating with lenders in order to amend the maturity dates. The foregoing raises substantial doubt about our ability to continue as a going concern for a period of 12 months from the issue date of this report. Our ability to continue as a going concern is dependent on our ability to execute our strategy and on our ability to raise additional funds and/or to consummate a public offering. Management is currently seeking additional funds, primarily through the issuance of equity and/or debt securities for cash to operate our business. No assurance can be given that any future financing will be available or, if available, that it will be on terms that are satisfactory to us. Even if we are able to obtain additional financing, it may contain undue restrictions on our operations, in the case of debt financing or cause substantial dilution for our stockholders, in case of equity and/or convertible debt financing. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. The "Going Concern Qualification" might make it substantially more difficult to raise capital.

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#### Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

#### DIRECTORS, EXECUTIVE OFFICERS AND KEY EMPLOYEES

The following table sets forth certain information regarding our current executive officers and directors as of February 2, 2022:

<u>Name</u>	<u>Age</u>	<u>Position</u>
James Nathanielsz	47	Chief Executive Officer, Chief Financial Officer, and Director

Dr. Julian Kenyon	74	Director
Josef Zelinger	70	Independent Director

**James Nathanielsz** has served as Chief Executive Officer and director of our Company since inception, and has served as our Chief Financial Officer since December, 2020. He also has served as a director and Chief Executive Officer of our Australian subsidiary since October 2007. From July 2006 until October 2007, Mr. Nathanielsz served as the New Products Manager of Biota Holdings Limited, an anti- infective drug development company in Australia.

Mr. Nathanielsz graduated with a Bachelor of Applied Science, majoring in Biochemistry/Applied Chemistry and with a Master of Entrepreneurship & Innovation from Swinburne University of Technology in Melbourne, Australia.

Our board of directors has concluded that Mr. Nathanielsz is well-qualified to serve on our board of directors and has the requisite qualifications, skills and perspectives based on, among other factors, him being a Co-Founder of our Australian company and for his experience in research and development and manufacturing and distribution, as well as him being our controlling stockholder, and his significant business, investment, finance and public company experience, particularly with biotech companies.

**Dr. Julian Kenyon** has served as a director of our Company since inception. Dr. Kenyon co-founded our Australian subsidiary and was appointed as a director of our Australian subsidiary on February 12, 2008. Since 2000, Dr. Kenyon has served as an integrated medical physician and Medical Director of the Dove Clinic for Integrated Medicine in Winchester and London.

Dr. Kenyon graduated from the University of Liverpool with a Bachelor of Medicine and Surgery and with a research degree, Doctor of Medicine. Since 1972, he was appointed a Primary Fellow of the Royal College of Surgeons, Edinburgh.

Our board of directors has concluded that Dr. Kenyon is well-qualified to serve on our board of directors and has the requisite qualifications, skills and perspectives based on, among other factors, him being a Co-Founder of our Australian subsidiary and because our business is based on his initial work at the Dove Clinic.

**Josef Zelinger** has served as a director of the Company since December, 2020. He is a Certified Practicing Accountant with 45 years of experience in tax, auditing, finance, investment and management consulting. Mr. Zelinger also has significant expertise in property management and import/export businesses. Mr. Zelinger commenced his career as an accountant at L.M. Stanton & Partners - Chartered Accountants, subsequently joining Caston Pty Ltd in 1980, a steel manufacturer as Chief Financial Officer, and company director, until 1983.

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Since the mid-1980's until current date, Mr. Zelinger serves as director in several private investment companies in a range of businesses including property portfolio manager of commercial real estate, import/export businesses and a range of commercial and financial investment companies. Since 1980, Mr. Zelinger also operates as a sole practitioner in accountancy and tax consulting.

In 1973, Mr. Zelinger graduated in Accounting and was admitted as a Fellow of RMIT University in Business.

Our board of directors has concluded that Mr. Zelinger is well-qualified to serve on our board of directors and has the requisite qualifications, skills and perspectives based upon his professional experience.

#### **Term of Office**

Our directors are appointed for a one-year term to hold office until the next annual general meeting of our stockholders or until removed from office in accordance with our Bylaws and the provisions of the Delaware General Corporation Law. Our directors hold office after the expiration of his or her term until his or her successor is elected and qualified, or until his or her resignation, death or removal in accordance with our Bylaws or the Delaware General Corporation Law.

Our officers are appointed by our board of directors and hold office until removed by our board of directors at any time for any reason.

#### **Family Relationships**

There are no family relationships between or among any of our directors or executive officers or persons nominated or chosen by us to become directors or executive officers.

#### **Director Independence**

Our board of directors has reviewed the independence of our directors and has determined that Josef Zelinger qualifies as an independent director pursuant to Rule 5605(a)(2) of Nasdaq and applicable SEC rules and regulations. In making this determination, our board of directors considered the relationships that each of our directors has with us and all other facts and circumstances our board of directors deemed relevant in determining their independence.

#### **Board Committees**

Our board of directors has no separately designated committees and our board members carry out the functions of both an audit committee and a compensation committee. We do not have an audit committee financial expert serving on our board of directors. Due to our limited financial resources, we are not in a position to retain an independent director with the qualifications to serve as an audit committee financial expert at this time.

#### **Scientific Advisory Board**

We have a Scientific Advisory Board that provides advice to our management relating to the following:

- The identification, assessment, evaluation, selection, conduct and management of research projects, both those which are under review and are in progress;
- Intellectual property; and
- Commercialization.

The Scientific Advisory Board may also address issues related to improving project selection, formal review processes and management procedures within our Company. The Scientific Advisory Board will generally be composed of an advisory panel of clinicians with expertise in translational research.

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As of February 2, 2022, the members of our Scientific Advisory Board were:

- Professor Klaus Kutz (also serving as our acting Chief Medical Officer);



- Professor Macarena Perán;
- Professor Juan Antonio Marchal Corrales;
- Dr. Maria Garcia; and
- Dr. Ralf Brandt.

Each of the members of our Scientific Advisory Board acts as an independent consultant and is compensated on an hourly basis for his or her services. There is presently no stock based compensation for their services. In addition, we may have relationships with entities with which the members may be associated.

Professor Kutz is also acting as Chief Medical Officer for Propanc in a non-executive capacity. His compensation continues to be based on an hourly rate as per his Advisory Board Agreement. Propanc intends to appoint Professor Kutz as Chief Medical Officer of Propanc in a full-time executive officer capacity at a time that is mutually agreed upon between both parties.

**Professor Klaus Kutz** has over 20 years of experience as an independent consultant in Clinical Pharmacology and Safety for pharmaceutical companies and clinical research organizations. His specialty over the last six years is Oncology, including preparation of multiple NDAs and INDs for small and medium sized pharmaceutical companies. He has prepared, organized and reported clinical Phase I studies in oncology and Phase II studies in different cancer indications (prostate, gastric, ovarian, small cell lung cancer) and Non-Hodgkin Lymphomas. Professor Kutz has more than 13 years of experience as Head of Clinical Pharmacology with world-wide responsibilities for Phase I and Clinical Pharmacokinetics in two internationally operating pharmaceutical companies, setting up and restructuring international Clinical Pharmacology departments. His achievements include the successful world-wide registration of multiple important Sandoz' compounds by preparation of multiple NDAs (New Drug Applications) and Expert reports (including Written Summary), as well as the preparation of multiple INDs (Investigational New Drug Applications) for Sandoz Pharma Ltd and Sanofi Research. He is a specialist for Internal Medicine, Gastroenterology, and Clinical Pharmacology and he is also Professor of Medicine at the University of Bonn, Germany.

**Professor Macarena Perán** holds a B.S. in Biology and an M.S. in Biochemistry and Molecular Biology from the University of Málaga, Spain. Dr. Perán moved to the Neuroscience Department at Durham University, UK, where she studied the Cellular Distribution and Immobilization of GABAA Receptors on the cell membrane and graduated in 2000 with a Ph.D. She moved back to Spain and completed another Ph.D. program in the Faculty of Medicine focused on Changes in the Behavior of Central Nervous Proteins; she completed a second Ph.D. from Granada University. In 2005/2006, she attended Bath University, UK, Prof. David Tosh lab, and changed her research interest to the development of new anti-cancer drugs and cell therapy for regenerative medicine. In 2011, she spent a year as a visiting scientist in the Salk Institute for Biological Studies, California, Prof. Juan Carlos Izpisua-Belmonte lab. Currently, Dr. Perán is Reader in Anatomy at University of Jaén in Spain and is working with the Institute for Regenerative Medicine and Pathobiology (IBIMER).

**Professor Juan Antonio Marchal Corrales** is Professor of Anatomy and Embryology at the Faculty of Medicine of University of Granada. He graduated in Medicine and Surgery in 1992, obtaining the degree "summa cum laude". He defended his doctoral thesis in 1996. Prof. Marchal has worked at three universities in different educational categories and is responsible for the research group "Differentiation, Regeneration and Cancer". He has participated in 39 research projects of national and international character, being principal investigator in 13 of them. He has a total of 145 publications in journals, of which 125 are listed in the Journal Citation Reports. He has spent time at the University of Sassari (Italy) and as visiting professor. He is inventor of 14 patents, 4 of them licensed. He is a member of the Advisory Board of the International Graduate School of the University of Granada, member of the standing committee of the Scientific Council and coordinator of Area Research in the Biosanitary Institute of Granada (ibs.GRANADA) and member of the Governing Board at the Institute of Pathobiology and Regenerative Medicine (IBIMER). He has recently been named director of the Chair Drs. Galera and Requena of Cancer Stem Cell Research at the University of Granada.

**Dr. Maria Garcia** graduated in Biology from University of Granada (Spain) in 1997, became a Molecular Biologist working in the National Centre of Biotechnology characterizing the mechanism of action of "Protein kinase induced by interferon: PKR". These studies gave rise to a PhD title awarded with an Extraordinary Thesis Award by the Autonomous University of Madrid in 2004. In 2002, Dr. Garcia completed a 3-months stay at the University of Wyoming with Dr. Roth. During the postdoctoral period, she got major public and private funding to characterize new activity of the main tumor suppressor genes that are mutated in more than 50% of human cancers such as p53, ARF and Rb. Dr. Garcia currently has a competitive research contract from the National Health System to lead translational cancer research, aiming at the integration of basic, clinical and epidemiological cancer research in the University Hospital Complex of Granada. She leads a line of research involving new antitumor drugs, biological therapies, biomarkers and cancer stem cell studies. Finally, Dr. Garcia has more than 30 peer-reviewed publications in international journals with an average impact factor of 5 and a H-Index of 14.

**Dr. Ralf Brandt** is the co-founder of vivoPharm, a global oncology and immuno-oncology discovery services company providing a range of preclinical services, which merged and became a part of Cancer Genetics, Inc., a Nasdaq listed company enabling precision medicine in oncology from bench to bedside. Dr. Brandt currently serves as President of Discovery and Early Development of Cancer Genetics. Dr. Brandt is a biochemist and cell biologist with over 15 years of experience in research programs of experimental oncology. He has immense experience in in vivo pharmacology and anti-cancer drug profiling. Dr. Brandt received his License (BSc in Biochemistry and Animal Physiology) in 1986, and his PhD (in Biochemistry) in 1991 from the Martin-Luther University of Halle-Wittenberg, Germany. Dr. Brandt was employed at research positions at the National Cancer Institute in Bethesda, MD, USA and at Schering AG, Germany. Since 1990, Dr. Brandt has been active in the field of preclinical oncology. He led the Tumor Biology program at Novartis Pharma AG, Switzerland and established several transgenic mouse lines developing tumors under the control of oncogenes. During Dr. Brandt's long career in the pharmaceutical industry he has acquired significant knowledge and expertise in leading business units and representation of services to the pre-clinical research market. Dr. Brandt is also a member of the Scientific Advisory Board at Receptor Inc. in Toronto Canada.

#### **Risk Oversight**

Our board of directors will oversee a company-wide approach to risk management. Our board of directors will determine the appropriate risk level for us generally, assess the specific risks faced by us and review the steps taken by management to manage those risks. While our board of directors will have ultimate oversight responsibility for the risk management process, its committees will oversee risk in certain specified areas.

Until we have established our compensation committee of our board of directors, our board of directors will be responsible for overseeing the management of risks relating to our executive compensation plans and arrangements, and the incentives created by the compensation awards it administers. Until we have established our audit committee, our board of directors will oversee management of enterprise risks and financial risks, as well as potential conflicts of interests. Our board of directors will be responsible for overseeing the management of risks associated with the independence of our board of directors.

#### **Code of Ethics**

The Board has adopted a Code of Ethics (the "Code") to apply to all of our directors, officers and employees. The Code is intended to promote ethical conduct and compliance with laws and regulations, to provide guidance with respect to the handling of ethical issues, to implement mechanisms to report unethical conduct, to foster a culture of honesty and accountability, to deter wrongdoing and to ensure fair and accurate financial reporting. A copy of the Code is available at our website [www.propanc.com](http://www.propanc.com).

#### **Compensation Committee Interlocks and Insider Participation**

None of our executive officers currently serves, or in the past three years has served, as a member of the board of directors or compensation committee of another entity that has one or more executive officers serving on our board of directors or the compensation committee. No member of our compensation committee has any other business

## Nominations to the Board of Directors

*General* — Our directors take a critical role in guiding our strategic direction and oversee the management of the Company. Our board of directors' candidates are considered based upon various criteria, such as their broad-based business and professional skills and experiences, a global business and social perspective, concern for the long-term interests of the shareholders, diversity, and personal integrity and judgment. In addition, directors must have time available to devote to our board of directors' activities and to enhance their knowledge of our business. Accordingly, we seek to attract and retain highly qualified directors who have sufficient time to attend to their substantial duties and responsibilities to our Company.

## Section 16(a) Beneficial Ownership Reporting Compliance

Under Section 16(a) of the Exchange Act, our directors and certain of our officers, and persons holding more than 10 percent of our common stock are required to file forms reporting their beneficial ownership of our common stock and subsequent changes in that ownership with the United States Securities and Exchange Commission.

Based solely upon a review of copies of such forms filed on Forms 3, 4, and 5 furnished to us, we believe that during the year ended June 30, 2021, our executive officers, directors and greater than 10 percent beneficial owners complied on a timely basis with all Section 16(a) filing requirements.

## Legal Proceedings

To the best of our knowledge, none of our directors or executive officers has, during the past ten years:

- been convicted in a criminal proceeding or been subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);
- had any bankruptcy petition filed by or against the business or property of the person, or of any partnership, corporation or business association of which he was a general partner or executive officer, either at the time of the bankruptcy filing or within two years prior to that time;
- been subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction or federal or state authority, permanently or temporarily enjoining, barring, suspending or otherwise limiting, his involvement in any type of business, securities, futures, commodities, investment, banking, savings and loan, or insurance activities, or to be associated with persons engaged in any such activity;
- been found by a court of competent jurisdiction in a civil action or by the Securities and Exchange Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated;
- been the subject of, or a party to, any federal or state judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated (not including any settlement of a civil proceeding among private litigants), relating to an alleged violation of any federal or state securities or commodities law or regulation, any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order, or any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or
- been the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

None of our directors, officers or affiliates, or any beneficial owner of 5% or more of our common stock, or any associate of such persons, is an adverse party in any material proceeding to, or has a material interest adverse to, us or any of our subsidiaries.

## EXECUTIVE COMPENSATION

The following table sets forth the compensation paid or accrued by us to our Executive Officers for the fiscal years ended June 30, 2021 and 2020.

**Summary Compensation Table**

	Year	Salary (\$)	Bonus (\$)	Option Awards (\$)	All Other Compensation (\$)	Total (\$)
James Nathanielsz <sup>(1) (5)</sup> <i>Chief Executive Officer</i>	2020	\$ 357,988 <sup>(2)</sup>	\$ 165,384 <sup>(3)</sup>	\$ -	\$ 66,821 <sup>(4)</sup>	\$ 590,193
	2021	\$ 298,920 <sup>(2)</sup>	\$ 177,840 <sup>(5)</sup>	\$ -	\$ 64,532 <sup>(4)</sup>	\$ 541,292
Carlo Campiciano <sup>(6)</sup> <i>Chief Financial Officer</i>	2020	\$ 51,222	\$ -	\$ -	\$ -	\$ 51,222
	2021	\$ 19,530	\$ -	\$ -	\$ -	\$ 19,530
Julian Kenyon <sup>(7)</sup> <i>Chief Scientific Officer</i>	2020	\$ 37,211	\$ -	\$ -	\$ -	\$ 37,211
	2021	\$ 40,534	\$ -	\$ -	\$ -	\$ 40,534

(1) For purposes of the information included in the table, the conversion rates as of June 30, 2021 and 2020, \$0.7473 and \$0.6891, respectively, were used to convert amounts from AUD to USD.

(2) Under the Nathanielsz Employment Agreement (as defined below), Mr. Nathanielsz received a gross annual salary of \$400,000 AUD per year effective February 1, 2018 as approved by the board of directors. Mr. Nathanielsz has also accrued unused annual and long service leave in the amounts of \$41,110 (AUD) (\$30,722 USD) and \$46,187 (AUD) (\$31,827 USD) for fiscal years 2021 and 2020, respectively, which are included in the total above.

(3) On July 13, 2020 the Board approved a bonus of \$240,000 AUD (\$165,384 USD) being equal to 60% of Mr. Nathanielsz base salary.

(4) Under the Nathanielsz Employment Agreement, Mr. Nathanielsz receives a 9.5% contribution to a pension of which he is the beneficiary. In addition, pursuant to the Nathanielsz Employment Agreement, we may make a monthly payment to cover the costs relating to Mr. Nathanielsz use of a vehicle. For the fiscal years ended June 30, 2021 and 2020, \$34,476 and \$32,757, respectively, was paid to Mr. Nathanielsz for use of a vehicle.

- (5) On August 12, 2021, the Company entered into a Cancellation Agreement with James Nathanielsz (“Nathanielsz”), Chief Executive Officer and Director of the Company, whereby Nathanielsz agreed to cancel his cash compensation bonus award for fiscal year 2021, ended June 30, 2021, in exchange for common stock of the Company. The Company and Nathanielsz entered into an Amended and Restated Employment Agreement dated May 14, 2019 (the “Agreement”). Pursuant to the terms of the Agreement, Nathanielsz was eligible to earn an annual fiscal year cash performance bonus for each fiscal year of his employment period with the Company with a target performance bonus of 200% of his average annualized base salary during the fiscal year for which the performance bonus is earned. On July 20, 2021, Nathanielsz was awarded a “target” bonus of 78%, or \$177,840 USD (the “Debt”) for the fiscal year ended June 30, 2021, by the Company’s Board of Directors (the “Board”). Pursuant to the Cancellation Agreement, Nathanielsz agreed to cancel this Debt in exchange for 5,928,000 shares of the common stock of the Company, valued at approximately \$0.03 per share, being the closing price of the stock on the date of grant. The shares were issued on August 17, 2021.
- (6) On December 23, 2020, Carlo Campiciano resigned as the Chief Financial Officer and Secretary of Propanc Biopharma, Inc. (the “Company”), and effective on that date. James Nathanielsz, the Company’s Chief Executive Officer, assumed the duties and additional position of Chief Financial Officer.

- (7) On August 12, 2021, the Company entered into a Cancellation Agreement with Dr. Julian Kenyon (“Kenyon”), Chief Scientific Officer and Director of the Company, whereby Kenyon agreed to cancel \$102,600 USD of accrued salary due him as of June 30, 2021, pursuant to that certain Amended and Restated Services Agreement by and between Kenyon and the Company, dated May 14, 2019, in exchange for 3,420,000 shares of common stock of the Company, valued at approximately \$0.03 per share, being the closing price of the stock on the date of grant. The shares were issued on August 17, 2021.

## **Narrative to Summary Compensation Table**

### *Employment Agreement with James Nathanielsz*

The Company and James Nathanielsz entered into a new employment agreement as of May 14, 2019 (the “Nathanielsz Employment Agreement”) setting forth the terms and conditions of Mr. Nathanielsz employment as the Company’s President and Chief Executive Officer. The Nathanielsz Employment Agreement also contemplates that Mr. Nathanielsz serves as a member of the Board.

The Nathanielsz Employment Agreement provides Mr. Nathanielsz with a base salary of \$33,333 AUD per month (\$400,000 AUD annually) and a monthly contribution to Mr. Nathanielsz’s pension equal to 9.5% of his monthly salary. Mr. Nathanielsz has the ability to convert any accrued but unpaid salary into common stock at the end of each fiscal year at a conversion price to be determined by Mr. Nathanielsz and the Company, which will in no event be lower than par value or higher than the closing bid price on the date of conversion. The Company has also agreed to pay Mr. Nathanielsz an annual discretionary bonus in an amount up to 200% of his annual base salary, which bonus shall be determined by the Board and based upon the performance of the Company.

Mr. Nathanielsz is entitled to 20 days of annual leave and 10 days of paid sick leave. Mr. Nathanielsz is also entitled to participate in employee benefits plans, fringe benefits and perquisites maintained by the Company to the extent the Company provides similar benefits or perquisites (or both) to similarly situated executives of the Company.

In the event that the Company provides notice of non-renewal of the Nathanielsz Employment Agreement, the Company terminates Mr. Nathanielsz without cause (as defined in the Nathanielsz Employment Agreement) or Mr. Nathanielsz terminates his employment for good reason (as defined in the Nathanielsz Employment Agreement), the Company has agreed to pay Mr. Nathanielsz a severance payment in an amount equal to Mr. Nathanielsz’s base salary for the year of termination in addition to accrued but unpaid salary, reimbursement of expenses and certain other employee benefits as determined under the terms of the applicable plans (“Accrued Amounts”). In the event that Mr. Nathanielsz provides notice of non-renewal of the Nathanielsz Employment Agreement, the Company terminates Mr. Nathanielsz for cause or Mr. Nathanielsz terminates his employment without good reason, Mr. Nathanielsz is only entitled to the Accrued Amounts.

The Company has agreed to indemnify Mr. Nathanielsz for any liabilities, costs and expenses incurred in the event that he is made a party to a proceeding due to his roles with the Company, other than any proceeding initiated by Mr. Nathanielsz or the Company relating to any dispute with respect to the Nathanielsz Employment Agreement or Mr. Nathanielsz’s employment.

Under the terms of the Nathanielsz Employment Agreement, Mr. Nathanielsz is also subject to certain restrictive covenants, including a one-year non-compete.

### *Employment Agreement with Carlo Campiciano*

In connection with Mr. Campiciano’s appointment as the Company’s Chief Financial Officer and Secretary, effective as of June 24, 2019, Propanc PTY entered into an Employment Agreement with Mr. Campiciano. Pursuant to the Employment Agreement, Mr. Campiciano will be compensated at an hourly rate based on a pro-rated annual salary for the number of hours of services to be provided to the Company. If Mr. Campiciano’s employment is terminated by either party, he will be entitled to certain termination benefits, including payment of accrued but untaken annual leave, salary payments pro-rated based on applicable notice period required under the Employment Agreement, reimbursement of incurred business related expenses and such other payments as may be required by the Australian National Employment Standards. The Employment Agreement contains covenants for the benefit of Propanc PTY relating to non-interference with Propanc PTY’s business after termination of employment and protection of Propanc PTY’s confidential information, certain customary representations and warranties and standard Propanc PTY indemnification obligations.

On December 23, 2020, Carlo Campiciano resigned as the Chief Financial Officer and Secretary of Propanc Biopharma, Inc. (the “Company”), effective on that date.

### *Amended and Restated Services Agreement – Julian Kenyon*

On May 14, 2019, the Company entered into an Amended and Restated Services Agreement (the “Services Agreement”) with Dr. Kenyon, the Company’s Chief Scientific Officer and a director, for a term of three years, subject to automatic one-year renewals, at an annual salary of \$54,000 AUD. In connection with the execution of the Services Agreement, Dr. Kenyon was designated as an executive officer of the Company and assumed a more active executive role with the Company. Pursuant to the Services Agreement, Dr. Kenyon was granted options to purchase 20 shares of the Company’s common stock (the “Kenyon Options”), with an exercise price per share of \$4,250 (100% of the closing market price of the Company’s common stock on May 14, 2019, the date of approval of such grant by the Company’s board of directors), (ii) 20 restricted stock units of the Company (the “Initial Kenyon RSUs”), and (iii) an additional 20 restricted stock units of the Company (the “Additional Kenyon RSUs”). Such options and restricted stock units were granted pursuant to the 2019 Plan approved by the Company’s board of directors on the Effective Date. The Kenyon Options have a term of 10 years from the date of grant. 1/3rd of the Kenyon Options shall vest every successive one-year anniversary following the Effective Date, provided, that on each such vesting date Dr. Kenyon is employed by the Company and subject to the other provisions of the Services Agreement. The Initial Kenyon RSUs shall vest on the one-year anniversary of the Effective Date, subject to Dr. Kenyon’s continued employment with the Company through such vesting date. The Additional Kenyon RSUs will vest as follows, subject to Dr. Kenyon’s continued employment with the Company through the applicable vesting date: (i) 5 of the Additional Kenyon RSUs shall vest upon the Company submitting the CTA for PRP for the Study in an applicable jurisdiction to be selected by the Company, (ii) 5 of the Additional Kenyon RSUs shall vest upon the Company completing an equity financing in the amount of at least \$4,000,000 in gross proceeds, (iii) 5 of the Additional Kenyon RSUs shall vest upon the shares of the Company’s Common Stock being listed on a senior stock exchange (NYSE, NYSEMKT or NASDAQ), and (iv) the remaining 5 of the Additional Kenyon RSUs shall vest upon the Company enrolling its first patient in the Study. Each vested Kenyon RSU shall be settled by delivery to Mr. Kenyon of one share of the Company’s common stock and/or the fair market value of one

share of common stock in cash, at the sole discretion of the Company's board of directors and subject to the Plan, on the first to occur of: (i) the date of a Change of Control (as defined in the Services Agreement), (ii) the date that is ten business days following the vesting of such Kenyon RSU, (iii) the date of Dr. Kenyon's death or Disability (as defined in the Services Agreement), and (iv) Dr. Kenyon's employment being terminated either by the Company without Cause or by Dr. Kenyon for Good Reason (as defined in the Services Agreement). In the event of a Change of Control (as defined in the Services Agreement), 50% of any unvested portion of the Kenyon Options and the Kenyon RSUs shall vest immediately prior to such event.

### 2019 Equity Incentive Plan

On May 14, 2019, our board of directors adopted our 2019 Equity Incentive Plan (the "2019 Plan"), which reserves a total of 234,000 shares of our common stock for issuance under the 2019 Plan (adjusted for the planned Reverse Stock Split). As described below, incentive awards authorized under the 2019 Plan include, but are not limited to, incentive stock options within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"). If an incentive award granted under the 2019 Plan expires, terminates, is unexercised or is forfeited, or if any shares are surrendered to us in connection with the exercise of an incentive award, the shares subject to such award and the surrendered shares will become available for further awards under the 2019 Plan.

*Administration* - Our board of directors will administer the 2019 Plan. Subject to the terms of the 2019 Plan, our board of directors has complete authority and discretion to determine the terms upon which awards may be granted under the 2019 Plan.

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*Grants* - The 2019 Plan authorizes the grant to participants of nonqualified stock options, incentive stock options, restricted stock awards, restricted stock units, performance grants intended to comply with Section 162(m) of the Code and stock appreciation rights, as described below:

- Options granted under the 2019 Plan entitle the grantee, upon exercise, to purchase up to a specified number of shares from us at a specified exercise price per share. The exercise price for shares of Common Stock covered by an option generally cannot be less than the fair market value of Common Stock on the date of grant unless agreed to otherwise at the time of the grant. In addition, in the case of an incentive stock option granted to an employee who, at the time the incentive stock option is granted, owns stock representing more than 10% of the voting power of all classes of stock of the Company or any parent or subsidiary, the per share exercise price will be no less than 110% of the fair market value of Common Stock on the date of grant.
- Restricted stock awards and restricted stock units may be awarded on terms and conditions established by the compensation committee, which may include performance conditions for restricted stock awards and the lapse of restrictions on the achievement of one or more performance goals for restricted stock units.
- The board of directors may make performance grants, each of which will contain performance goals for the award, including the performance criteria, the target and maximum amounts payable, and other terms and conditions.
- The 2019 Plan authorizes the granting of stock awards. The board of directors will establish the number of shares of our common stock to be awarded (subject to the aggregate limit established under the 2019 Plan upon the number of shares of our common stock that may be awarded or sold under the 2019 Plan) and the terms applicable to each award, including performance restrictions.
- Stock appreciation rights ("SARs") entitle the participant to receive a distribution in an amount not to exceed the number of shares of Common Stock subject to the portion of the SAR exercised multiplied by the difference between the market price of a share of Common Stock on the date of exercise of the SAR and the market price of a share of our common Stock on the date of grant of the SAR.

*Duration, Amendment, and Termination* - Our board of directors has the power to amend, suspend or terminate the 2019 Plan without stockholder approval or ratification at any time or from time to time. No change may be made that increases the total number of shares of Common Stock reserved for issuance pursuant to incentive awards or reduces the minimum exercise price for options or exchange of options for other incentive awards, unless such change is authorized by our stockholders within one year of such change. Unless sooner terminated, the 2019 Plan would terminate ten years after it is adopted.

No awards or any shares of our common stock were issued during the fiscal year 2021 under the 2019 Plan.

### Outstanding Equity Awards at Fiscal Year-End

The following table sets forth certain information with respect to grants of plan-based awards for the fiscal year ended June 30, 2021 to the Named Executive Officer. Except as set forth below, all of the outstanding equity awards granted to our Named Executive Officer were fully vested as of June 30, 2021.

Name	Option awards			Stock awards			Market Value or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Shares, Units or Other Rights That Have Not Vested (#)		
James Nathanielsz <sup>(1)</sup>	26	13	\$ 4,675	May 13, 2029	39	165,747	
Julian Kenyon <sup>(2)</sup>	13	6	\$ 4,250	May 13, 2029	20	82,873	

(1) On May 14, 2019, the Board granted Mr. Nathanielsz 39 tenure based stock options at an exercise price of \$4,675 per share and 78 performance based restricted stock units. The fair value of the 39 options and 78 restricted stock units at the grant date was \$165,747 and \$331,493, respectively. With 39 of such restricted stock vested on May 14, 2020 and the balance subject to performance conditions.

(2) On May 14, 2019, the Board granted Mr. Kenyon 20 tenure based stock options at an exercise price of \$4,250 per share and 40 performance based restricted stock units. The fair value of the 20 options and 40 restricted stock units at the grant date was \$82,873 and \$165,747, respectively. With 20 of such restricted stock vested on May 14, 2020 and the balance subject to performance conditions.

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Name	Fees earned or paid in cash (\$)	Option Awards (\$)	All Other Compensation (\$)	Total (\$)
Josef Zelinger <sup>(1)</sup>	\$ -	\$ -	84,000	\$ 84,000

(1) The Company issued 2,800,000 shares of common stock of the Company for accrued director services of \$84,000 as of June 30, 2021. The 2,800,000 shares of common stock was valued at approximately \$0.03 per share, being the closing price of the stock on the date of grant. The shares were issued on August 17, 2021.

*Amended and Restated Director Agreement – Josef Zelinger*

On August 12, 2021, the Company entered into an Amended and Restated Director Agreement (the “Director Agreement”) with Josef Zelinger (“Zelinger”). Pursuant to the terms of the Director Agreement, the Company shall pay Zelinger a base salary of \$250.00 AUD per month, payable on the first day of each month. In addition, the Company may compensate Zelinger additional consideration for advisory services performed by the Director, either in the form of cash or common stock, at the discretion of the Board. The Company issued 2,800,000 shares of common stock of the Company for accrued director services of \$84,000 as of June 30, 2021. The 2,800,000 shares of common stock was valued at approximately \$0.03 per share, being the closing price of the stock on the date of grant. The shares were issued on August 17, 2021.

**Other Director Compensation**

Directors are reimbursed for reasonable expenses incurred in attending meetings and carrying out duties as board members.

**Scientific Advisory Board Members Compensation**

The Company has entered into Scientific Advisory Board Member Agreements with certain members of its Scientific Advisory Board (the “SAB Agreements”). The SAB Agreements contain substantially similar terms and primarily relate to the protection of the Company’s intellectual property. The SAB Agreements also include provisions for the members’ compensation for the services performed as a member of the Scientific Advisory Board. Messrs. Kutz, Brandt and Smyth each are paid a monetary fee for each year of service provided.

**Narrative Disclosure of Compensation Policies and Practices as They Relate to Our Risk Management**

We believe that our compensation policies and practices for all employees and other individual service providers, including executive officers, do not create risks that are reasonably likely to have a material adverse effect on us.

**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The following sets forth information as of February 2, 2022 regarding the number of shares of our common stock beneficially owned by (i) each person that we know beneficially owns more than 5% of our outstanding common stock, (ii) each of our directors and named executive officer and (iii) all of our directors and named executive officers as a group.

The amounts and percentages of our Common Stock beneficially owned are reported on the basis of SEC rules governing the determination of beneficial ownership of securities. Under the SEC rules, a person is deemed to be a “beneficial owner” of a security if that person has or shares “voting power,” which includes the power to vote or to direct the voting of such security, or “investment power,” which includes the power to dispose of or to direct the disposition of such security. A person is also deemed to be a beneficial owner of any securities of which that person has the right to acquire beneficial ownership within 60 days through the exercise of any stock option, warrant or other right, and the conversion of preferred stock. Under these rules, more than one person may be deemed a beneficial owner of the same securities and a person may be deemed to be a beneficial owner of securities as to which such person has no economic interest. Unless otherwise indicated, each of the shareholders named in the table below, or his or her family members, has sole voting and investment power with respect to such shares of our Common Stock. Except as otherwise indicated, the address of each of the shareholders listed below is: c/o Propanc Biopharma, Inc., 302, 6 Butler Street, Camberwell, VIC, 3124 Australia.

Name and Address of Beneficial Owner	Common Stock Beneficially Owned		Series A Preferred Stock Beneficially Owned		Series B Preferred Stock Beneficially Owned	
	Number of Shares Beneficially Owned	Percentage of Class <sup>(1)</sup>	Number of Shares Beneficially Owned	Percentage of Class <sup>(2)</sup>	Number of Shares Beneficially Owned	Percentage of Class <sup>(2)</sup>
North Horizon Pty Ltd. <sup>(3)</sup>	5,928,004	9.65%	500,001	100%	-	-
James Nathanielsz <sup>(4)</sup>	-	-	-	-	1	100%
Dr. Julian Kenyon <sup>(5)</sup>	3,420,005	5.57%	-	-	-	-
Josef Zelinger	2,800,005	4.56%	-	-	-	-
All directors and executive officers, as a group (3 persons)	12,148,014	19.78%	500,001	100%	1	100%
<b>5% Shareholders</b>						
Sylva International LLC <sup>(6)</sup>	5,908,291	9.62%	-	-	-	-
Sylvia Nathanielsz <sup>(7)</sup>	2,800,000	4.73%	-	-	-	-

(1) Applicable percentages are based on 61,417,527 shares of our common stock outstanding as of February 2, 2022.

(2) Applicable percentages are based on 500,000 shares of our Series A Preferred Stock and 1 share of our Series B Preferred Stock outstanding as of February 2, 2022.

(3) North Horizon Pty Ltd. is a Nathanielsz Family Trust. Mr. James Nathanielsz, the Chief Executive Officer and a director of our Company, has investing and dispositive power of shares beneficially owned by North Horizon Pty Ltd.

(4) Excludes 26 vested stock options, 13 unvested stock options, 39 restricted stock units that vested in May 2020 and 39 restricted stock units that are subject to certain vesting conditions, as discussed above in the section captioned “Executive Compensation - New Employment Agreement with James Nathanielsz.”

(5) Excludes 13 vested stock options, 6 unvested stock options, and 20 restricted stock units that vested in May 2020, and 20 restricted stock units that are subject to certain vesting conditions, as discussed above in the section captioned “Executive Compensation - New Services Agreement with Julian Kenyon”.

(6) Ross Silver has investing and dispositive power of shares beneficially owned by Sylva International LLC.

(7) Sylvia Nathanielsz is the wife of James Nathanielsz.

## CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

### Related-Party Transactions

The following includes a summary of transactions since July 1, 2019 to which we have been a party, in which the amount involved in the transaction exceeded \$120,000, and in which any of our directors, executive officers or, to our knowledge, beneficial owners of more than 5% of our capital stock or any member of the immediate family of any of the foregoing persons had or will have a direct or indirect material interest, other than equity and other compensation, termination, change in control and other arrangements, which are described above under “Item 11. Executive Compensation.”

Our principal executive office is located at 302, 6 Butler Street, Camberwell, VIC, 3124 Australia, which we lease from Horizon Pty Ltd., a related party, of which Mr. Nathanielsz, our Chief Executive Officer, Chief Financial Officer and a director, and his wife are owners and directors. The lease has a one-year term commencing May 6, 2021, and we are currently obligated to pay \$3,606 AUD or \$2,431 USD (depending on exchange rate), inclusive of tax, in rent per month

Mr. Nathanielsz’s wife, Sylvia Nathanielsz, is and has been an employee of our Company since October 2015. Mrs. Nathanielsz receives an annual salary of \$120,000 AUD, or \$80,904 USD, and is entitled to benefits customarily expected to be provided to employees of the Company.

### Employment and Director Compensation Arrangements

The relationships and related party transactions described herein are in addition to any employment and director compensation arrangements with our executive officers and directors, which are described above under “Executive Compensation — Narrative to Summary Compensation Table and Director Compensation.”

### Indemnification Agreements

Our Certificate of Incorporation provides that none of our officers or directors shall be personally liable for any obligations of our Company or for any duties or obligations arising out of any acts or conduct of said officer or director performed for or on behalf of our Company, including without limitation, acts of negligence or contributory negligence. In addition, our Bylaws provide that we shall indemnify and hold harmless each person and their heirs and administrators who shall serve at any time hereafter as a director or officer of our Company from and against any and all claims, judgments and liabilities to which such persons shall become subject by reason of their having heretofore or hereafter been a director or officer of our Company, or by reason of any action alleged to have heretofore or hereafter taken or omitted to have been taken by him or her as such director or officer, and that we shall reimburse each such person for all legal and other expenses reasonably incurred by him or her in connection with any such claim, judgment or liability, including our power to defend such persons from all suits or claims as provided for under the provisions of the Delaware General Corporation Law; provided, however, that no such persons shall be indemnified against, or be reimbursed for, any expense incurred in connection with any claim or liability arising out of his (or her) own willful misconduct. In addition, we intend to enter into indemnification agreements with our directors and officers and some of our executives may have certain indemnification rights arising under their employment agreements with us. We believe that these bylaw provisions and indemnification agreements are necessary to attract and retain qualified persons as directors and officers.

The limitation of liability and indemnification provisions in our Certificate of Incorporation may discourage stockholders from bringing a lawsuit against our directors for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against our directors and officers, even though an action, if successful, might benefit us and our stockholders. A stockholder’s investment may be harmed to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions.

On May 14, 2019, our board of directors approved a form of Indemnification Agreement (“Indemnification Agreement”) for each of our officers and directors. The Indemnification Agreement requires us to indemnify our directors and officers and to advance expenses on behalf of such directors or officers to the fullest extent permitted by applicable law and establish the procedures by which a director or executive officer may request and receive indemnification. The Indemnification Agreement is in addition to other rights to which a director or officer may be entitled under our Certificate of Incorporation, Bylaws and applicable law.

### Director Independence

Our board of directors has reviewed the independence of our directors and has determined that Josef Zelinger qualifies as an independent director pursuant to Rule 5605(a)(2) of Nasdaq and applicable SEC rules and regulations. In making this determination, our board of directors considered the relationships that each of our directors has with us and all other facts and circumstances our board of directors deemed relevant in determining their independence.

## CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

There have been no changes in our independent registered public accounting firm during the last two fiscal years, and we have not had any material disagreements with our independent registered public accounting firm during that time.

## DISCLOSURE OF COMMISSION POSITION ON INDEMNIFICATION FOR SECURITIES ACT LIABILITIES

Our Certificate of Incorporation contains provisions that limit the liability of our directors for monetary damages to the fullest extent permitted by Delaware law. Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for:

- any breach of the director’s duty of loyalty to us or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the General Corporation Law of the State of Delaware; or
- any transaction from which the director derived an improper personal benefit.

Our Certificate of Incorporation, as amended, provides that we are required to indemnify our directors and officers, in each case to the fullest extent permitted by Delaware law.

Our Certificate of Incorporation also provides that we are obligated to advance expenses incurred by a director or officer in advance of the final disposition of any action or proceeding, and permit us to secure insurance on behalf of any officer, director, employee or other agent for any liability arising out of his or her actions in that capacity regardless of whether we would otherwise be permitted to indemnify him or her under the provisions of Delaware law.

To the extent that indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling our company pursuant to the foregoing provisions, we have been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

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#### WHERE YOU CAN FIND MORE INFORMATION

We have filed a registration statement on Form S-1 with the SEC covering the shares and warrants we are offering by this prospectus. This prospectus does not include all of the information contained in the registration statement. You should refer to the registration statement and its exhibits for additional information. Whenever we make reference in this prospectus to any of our contracts, agreements or other documents, the references are not necessarily complete and you should refer to the exhibits filed or documents incorporated by reference as part of the registration statement for copies of the actual contract, agreement or other document.

We file annual, quarterly and other periodic reports, proxy statements and other information with the SEC. You can read our SEC filings, including this registration statement, over the Internet at the SEC's website at [www.sec.gov](http://www.sec.gov). You may also read and copy any document we file with the SEC at its public reference facilities at 100 F Street NE, Washington, D.C. 20549. You may also obtain copies of these documents at prescribed rates by writing to the Public Reference Section of the SEC at 100 F Street NE, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facilities.

Our Internet address is [www.propanc.com](http://www.propanc.com). There we make available free of charge, on or through the investor relations section of our website, Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we electronically file such material with the SEC. The information found on our website is not part of this prospectus and investors should not rely on any such information in deciding whether to invest.

Statements contained in this prospectus as to the contents of any contract or other document that we have filed as an exhibit to the registration statement are qualified in their entirety by reference to the exhibits for a complete statement of their terms and conditions.

The representations, warranties and covenants made by us in any agreement that is filed as an exhibit to the registration statement of which this prospectus is a part were made solely for the benefit of the parties to such agreement, including, in some cases, for the purpose of allocating risk among the parties to such agreements, and should not be deemed to be a representation, warranty or covenant to you. Moreover, such representations, warranties or covenants were made as of an earlier date. Accordingly, such representations, warranties and covenants should not be deemed as accurately representing the current state of our affairs.

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#### 40,000,000 Shares of Common Stock



#### PROSPECTUS

February \_\_, 2022

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#### PART II

#### INFORMATION NOT REQUIRED IN PROSPECTUS

##### Item 13. Other Expenses of Issuance and Distribution

The following table sets forth the costs and expenses, other than underwriting discounts and commissions, to be paid by the Registrant in connection with the issuance and distribution of the securities being registered. All amounts other than the SEC registration fees are estimates.

SEC Registration Fee	\$	463.50
Accounting Fees and Expenses*	\$	10,000.00
Legal Fees and Expenses	\$	35,000.00
Transfer Agent and Registrar Fees	\$	500.00



Miscellaneous Fees and Expenses*	\$ 1,000.00
<b>Total*</b>	<b>\$ 46,963.50</b>

\* Estimated expenses.

#### Item 14. Indemnification of Directors and Officers

Our Certificate of Incorporation contains provisions that limit the liability of our directors for monetary damages to the fullest extent permitted by Delaware law. Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for:

- any breach of the director's duty of loyalty to us or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law; or
- any transaction from which the director derived an improper personal benefit.

Our Certificate of Incorporation provides that we are required to indemnify our directors and officers, in each case to the fullest extent permitted by Delaware law. Our Certificate of Incorporation also provides that we are obligated to advance expenses incurred by a director or officer in advance of the final disposition of any action or proceeding, and permit us to secure insurance on behalf of any officer, director, employee or other agent for any liability arising out of his or her actions in that capacity regardless of whether we would otherwise be permitted to indemnify him or her under the provisions of Delaware law.

The limitation of liability and indemnification provisions in our Certificate of Incorporation may discourage stockholders from bringing a lawsuit against our directors and officers for breach of their fiduciary duty. They may also reduce the likelihood of derivative litigation against our directors and officers, even though an action, if successful, might benefit us and other stockholders. Further, a stockholder's investment may be adversely affected to the extent that we pay the costs of settlement and damage awards against directors and officers as required by these indemnification provisions.

In addition, in the future, we intend to enter into indemnification agreements with our directors and officers and some of our executives may have certain indemnification rights arising under their employment agreements with us. These indemnification agreements may require us, among other things, to indemnify our directors and officers for some expenses, including attorneys' fees, judgments, fines and settlement amounts incurred by a director or officer in any action or proceeding arising out of his or her service as one of our directors or officers, or any of our subsidiaries or any other company or enterprise to which the person provides services at our request.

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The above discussion of our Certificate of Incorporation and Delaware law is not intended to be exhaustive and is respectively qualified in its entirety by such bylaws and applicable Delaware law.

These indemnification provisions and the indemnification agreements may be sufficiently broad to permit indemnification of our officers and directors for liabilities, including reimbursement of expenses incurred, arising under the Securities Act. We have been advised that, in the opinion of the SEC, indemnification of directors or officers for liabilities arising under the Securities Act is against public policy and, therefore, such indemnification provisions may be unenforceable.

We maintain a general liability insurance policy that covers certain liabilities of directors and officers of our corporation arising out of claims based on acts or omissions in their capacities as directors or officers.

#### Item 15. Recent Sales of Unregistered Securities

During the last three completed fiscal years and to date in the current fiscal year, we sold the following unregistered securities:

##### Shares Issued for Services

On July 19, 2019, the Company entered into an agreement with a certain consultant to provide services over a two-month period beginning July 1, 2019 and ending September 1, 2019 in exchange for 20,000 shares of the Company's common stock. On July 19, 2019, the Company issued the 20,000 shares of the Company's common stock valued at \$1.99 per share; being the closing price of the stock on the date of the agreement, to such consultant, or \$39,800, which will be amortized over the term of the agreement. The Company recorded \$39,800 of consulting expense with respect to such shares of its common stock during the three months ended September 30, 2019.

Between February 3, 2020 and June 26, 2020, the Company issued an aggregate of 8,708,574 shares of the Company's common stock to a consultant for services rendered pursuant to an engagement agreement dated on September 10, 2019 which agreement was later amended in February 2020. Between February 3, 2020 and June 26, 2020, the Company issued an aggregate of 8,708,574 shares of the Company's common stock valued at an average price of \$0.008 per share; being the closing price of the stock on the date of the agreement, to such consultant, or \$73,842. The Company recorded \$73,842 of consulting expense with respect to such shares of its common stock during the year ended June 30, 2020.

On November 17, 2020, the Company effected a one-for-one thousand (1:1,000) reverse stock split of the Company's issued and outstanding shares of common stock (the "Reverse Stock Split"). Proportional adjustments for the Reverse Stock Split were made to the Company's outstanding stock options, warrants and equity incentive plans. All share and per-share data and amounts have been retroactively adjusted as of the earliest period presented in the consolidated financial statements to reflect the Reverse Stock Split.

On March 22, 2021, the Company issued an aggregate of 225,037 shares of the Company's common stock to a consultant for services rendered from January 1, 2021 to March 22, 2021. The Company issued 225,037 shares of the Company's common stock valued at \$0.30 per share, being the closing price of the stock on the date of grant to such consultant, or \$67,511. The Company recorded \$67,511 of consulting expense with respect to such shares of its common stock during the year ended June 30, 2021.

Between March 2021 and June 2021, the Company issued an aggregate of 580,609 shares of the Company's common stock to a consultant for services rendered from April 1, 2021 to June 30, 2021. The Company issued 580,609 shares of the Company's common stock valued at \$0.10 per share, being the closing price of the stock on the date of grant to such consultant, or \$58,061.

On August 12, 2021, the Board approved the issuance of 2,800,000 shares of the Company's common stock for bonus payable of \$84,000 as of June 30, 2021 to an employee who is the wife of the CEO of the Company. The 2,800,000 shares of common stock were valued at approximately \$0.03 per share or \$87,920, being the closing price of the stock on the date of grant. The shares were issued on August 17, 2021.

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On August 12, 2021, the Board approved the issuance of 166,667 shares of the Company's common stock for legal services rendered for the month of August 2021. The 166,667 shares of common stock were valued at approximately \$0.05 per share or \$7,883, being the closing price of the stock on August 31, 2021, the date of grant. The shares were issued on September 3, 2021.

In September 2021, the Company issued 2,819,712 shares of the Company's common stock to a consultant for services rendered from July 2021 to September 2021. The Company issued 2,819,712 shares of the Company's common stock valued at approximately \$0.04 per share or \$104,611, being the closing price of the stock on the date of grant to such consultant.

On December 10, 2021, the Company issued 1,000,000 shares of the Company's common stock to a purchaser as consideration for entering into a common stock purchase agreement in November 2021. The shares were valued at approximately \$0.018 per share or \$18,000, being the closing price of the stock on December 10, 2021.

In January 2021, the Company issued 666,667 shares of the Company's common stock to a consultant as a bonus for services rendered. The Company issued 666,667 shares of the Company's common stock valued at approximately \$0.03 per share or \$20,000, being the closing price of the stock on the date of grant to such consultant.

#### **Issuance of Shares of Common Stock upon Conversion**

During our first quarter ended September 30, 2018, we issued 258,285 shares of our common stock at an average conversion price of \$5 as a result of the conversion of principal and interest in the aggregate amount of \$1,413,317 underlying certain convertible notes converted during such period.

During our second quarter ended December 31, 2018, we issued 127,684 shares of our common stock at an average conversion price of \$10 as a result of the conversion of principal and interest in the aggregate amount of \$1,095,100 underlying certain outstanding convertible notes converted during such period.

During our third quarter ended March 31, 2019, we issued 140,673 shares of our common stock at an average conversion price of \$4.20, as a result of the conversion of principal and interest in the aggregate amount of \$583,331 underlying certain outstanding convertible notes converted during such period.

During our fourth quarter ended June 30, 2019, we issued 177,615 shares of our common stock at an average conversion price of \$1.46, as a result of the conversion of principal and interest in the aggregate amount of \$259,034 underlying certain outstanding convertible notes converted during such period.

During our first quarter ended September 30, 2019, we issued 181,939 shares of our common stock at an average conversion price of \$0.68 as a result of the conversion of principal and interest in the aggregate amount of \$123,712 underlying certain convertible notes converted during such period.

During our second quarter ended December 31, 2019, we issued 1,064,920 shares of our common stock at an average conversion price of \$0.206 as a result of the conversion of principal and interest in the aggregate amount of \$219,466 underlying certain outstanding convertible notes converted during such period.

During our third quarter ended March 31, 2020, we issued 16,096,509 shares of our common stock at an average conversion price of \$0.053, as a result of the conversion of principal and interest in the aggregate amount of \$856,338 underlying certain outstanding convertible notes converted during such period.

During our fourth quarter ended June 30, 2020, we issued 230,275,879 shares of our common stock at an average conversion price of \$0.004, as a result of the conversion of principal and interest in the aggregate amount of \$925,658 underlying certain outstanding convertible notes converted during such period. From July 1, 2020 through September 28, 2020, the Company issued an aggregate of 442,031,352 shares of its common stock at an average contractual conversion price of \$0.00096, ranging from \$0.00056 to \$0.0020, as a result of the conversion of principal of \$391,935, interest of \$25,735 and conversion fees \$6,750 underlying certain outstanding convertible notes converted during such period. On September 18, 2020, the Company prepaid an outstanding convertible note in the amount of \$57,671 comprising the note principal of \$43,000 plus \$1,705 of accrued interest and a prepayment penalty of \$12,966.

On November 17, 2020, the Company effected a one-for-one thousand (1:1,000) reverse stock split of the Company's issued and outstanding shares of common stock (the "Reverse Stock Split"). Proportional adjustments for the Reverse Stock Split were made to the Company's outstanding stock options, warrants and equity incentive plans. All share and per-share data and amounts have been retroactively adjusted as of the earliest period presented in the consolidated financial statements to reflect the Reverse Stock Split.

During the year ended June 30, 2021, the Company issued an aggregate of 8,786,113 shares of its common stock at an average contractual conversion price of \$0.13, ranging from \$0.03 to \$2.00, as a result of the conversion of principal of \$1,018,867, interest of \$103,321 and conversion fees \$16,500 underlying certain outstanding convertible notes converted during such period. The total recorded to equity was \$1,239,075 prior to the reversal of unissued shares.

From July 1, 2021 through September 30, 2021, the Company issued an aggregate of 9,445,009 shares of its common stock at an average contractual conversion price of \$0.02, ranging from \$0.02 to \$0.04, as a result of the conversion of principal of \$189,849, interest of \$8,087 and conversion fees \$2,250 underlying certain outstanding convertible notes converted during such period. The total recorded to equity was \$200,186.

In October 2021, the Company issued 1,818,097 shares of its common stock at an average contractual conversion price of \$0.01 as a result of the conversion of principal of \$25,000 and interest of \$1,726 underlying certain outstanding convertible notes converted during such period. The total recorded to equity was \$26,726.

In January 2022, the Company issued 2,613,191 shares of its common stock at an average contractual conversion price of \$0.01 as a result of the conversion of principal of \$26,000 and interest of \$2,222 underlying certain outstanding convertible notes converted during such period. The total recorded to equity was \$28,222.

#### **Issuance of Restricted Stock Units**

Pursuant to employment agreements dated in May 2019, the Company granted an aggregate of 78,000 and 39,000 restricted stock units to the Company's Chief Executive Officer and Chief Scientific Officer, respectively. The total 117,000 restricted stock units are subject to vesting terms as defined in the employment agreements. The 117,000 restricted stock units were valued at the fair value of \$4.25 per unit or \$497,240 based on the quoted trading price on the date of grant. During the year ended June 30, 2020 and 2019, the Company recognized stock-based compensation of \$217,543 and \$31,077, respectively, related to vested restricted stock units. There were \$248,620 unrecognized restricted stock units expense as of June 30, 2020 which may be recognized upon achievement of certain performance conditions.

#### **Issuance of Options**

As of June 30, 2020, the Company had entered into agreements to grant options to purchase 59,644 shares of its common stock, with a weighted average exercise price per share of \$76.37.

On May 14, 2019, our board of directors approved a grant of 39,000 stock options to Mr. Nathanielsz, with an exercise price of \$4.675 per share, which shall vest annually over a period of three years from the date of the grant, provided, that on each such vesting date Mr. Nathanielsz is employed by us and subject to the other provisions of his Amended and Restated Employment Agreement.

On May 14, 2019, our board of directors also approved a grant of 19,500 stock options to Dr. Kenyon, with an exercise price of \$4.25 per share, which shall vest annually over

a period of three years from the date of the grant, provided, that on each such vesting date Dr. Kenyon is employed by us and subject to the other provisions of his Amended and Restated Services Agreement.

No stock options were issued during the fiscal year ended June 30, 2020 and 2021.

## Issuance of Warrants

On August 30, 2019, pursuant to a Securities Purchase Agreement, we issued to Auctus Fund LLC (i) a Common Stock Purchase Warrant permitting the holder to purchase 450,000 shares of common stock of the Company for an exercise price of \$2.25, (ii) a Common Stock Purchase Warrant permitting the holder to purchase 300,000 shares of common stock of the Company for an exercise price of \$3.33, and (iii) a Common Stock Purchase Warrant permitting the holder to purchase 225,000 shares of common stock of the Company for an exercise price of \$4.50.

On September 10, 2019, the Company entered into an agreement with a certain consultant to provide services over a three-month period beginning September 10, 2019 and ending December 10, 2019 in exchange for 1,000,000 warrants to purchase the Company's common stock at \$2.00 per share with an expiry date of September 10, 2022. The Fair Market Value of the warrants was \$984,810 on the date of grant as calculated under the Black Scholes Option Pricing model. The Company recorded \$984,810 of share based compensation expenses with respect to the grant of such warrants during the six months ended December 31, 2019.

On March 30, 2020, the Company entered into a Securities Purchase Agreement (the "Securities Purchase Agreement") whereby an investor (the "Investor") purchased from the Company, 7,500,000 units (the "Units"), each consisting of (i) 1.5 shares of the Company's common stock (the "Common Stock"), or pre-funded warrants (the "Prefunded Warrants") and (ii) 1.5 warrants to purchase one share of Common Stock ("Series A Warrants", and collectively with the Common Stock the "Units"). In addition to the Units, the Investor was issued 63,750,000 warrants to purchase one share of Common Stock (the "Series B Warrants") and an additional 63,750,000 warrants to purchase one share of Common Stock, subject to a vesting schedule (the "Series C Warrants" and, together with the Prefunded Warrants, the Series A Warrants, and the Series B Warrants, the "Warrants"). The aggregate purchase price for the Units, the Series A Warrants, the Series B Warrants and the Series C Warrants of \$450,000 was paid at closing (the "Purchase Price"). The 11,250,000 shares of Common Stock underlying the Units issuable at closing of the Securities Purchase Agreement are comprised of 804,518 shares of restricted Common Stock and 10,445,482 Prefunded Warrants.

As of June 30, 2021, there were 121,329 warrants outstanding and exercisable with expiration dates commencing September 2022 and continuing through August 2024, with a weighted average exercise price per share of \$0.15.

On November 17, 2020, the Company effected a one-for-one thousand (1:1,000) reverse stock split of the Company's issued and outstanding shares of common stock (the "Reverse Stock Split"). Proportional adjustments for the Reverse Stock Split were made to the Company's outstanding stock options, warrants and equity incentive plans. All share and per-share data and amounts have been retroactively adjusted as of the earliest period presented in the consolidated financial statements to reflect the Reverse Stock Split.

During the year ended June 30, 2021, the Company received aggregate gross proceeds of \$776,044 from the exercise of 10,445 prefunded warrants and 19,375 Series B Warrants resulting in the issuance of 29,820 shares of common stock. Additionally, the Company issued 4,199,979 shares of common stock from the alternate cashless exercise of 20 Series A and 1 Series C warrants.

From July 9, 2021 through September 27, 2021, the Company received aggregate gross proceeds of \$275,000 and subscription receivable of \$100,000 from the exercise of 9,375 Series B Warrants and issued 6,875 shares of common stock and 2,500 shares of common stock issuable as of September 30, 2021. During the three months ended September 30, 2021, additionally, the Company issued 2,399,988 shares of common stock and 1,999,990 shares of common stock issuable from the alternate cashless exercise of 22 Series A warrants. A total of 2,002,490 common stock issuable were issued in October 2021. The Company collected the \$100,000 subscription receivable in October 2021.

On October 1, 2021, the Company received aggregate gross proceeds of \$100,000 from the exercise of 2,500 Series B Warrants and issued 2,500 shares of common stock. Additionally, from October 5, 2021 through December 16, 2021, the Company issued 6,399,968 shares of common stock from the alternate cashless exercise of 32 Series A warrants.

In January 2022, the Company issued 2,799,986 shares of common stock from alternative cashless exercise of Series A warrants.

Except as otherwise noted, the securities in the transactions describe above were sold in reliance on the exemption from registration provided in Section 4(a)(2) of the Securities Act for transactions not involving any public offering. Each of the persons acquiring the foregoing securities was an accredited investor (as defined in Rule 501(a) of Regulation D) and confirmed the foregoing and acknowledged, in writing, that the securities must be acquired and held for investment. All certificates evidencing the shares sold bore a restrictive legend. No underwriter participated in the offer and sale of these securities, and no commission or other remuneration was paid or given directly or indirectly in connection therewith. The proceeds from these sales were used for general corporate purposes.

## Item 15. Exhibits, Financial Statement Schedules

### (a) Exhibits

Exhibit Number	Description
3.1	<a href="#">Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form S-1, as amended, filed with the SEC on June 23, 2011).</a>
3.2	<a href="#">Bylaws of the Company (incorporated by reference to Exhibit 3.2 to the Company's Registration Statement on Form S-1, as amended, filed with the SEC on June 23, 2011).</a>
3.3	<a href="#">Certificate of Amendment to the Certificate of Incorporation of the Company, dated November 11, 2014 (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed on December 16, 2014).</a>
3.4	<a href="#">Certificate of Amendment to the Certificate of Incorporation of the Company, dated July 9, 2015 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on July 15, 2015).</a>
3.5	<a href="#">Certificate of Amendment to the Certificate of Incorporation of the Company, dated April 20, 2017 (incorporated by reference to Exhibit 3.1.1 to the Company's Current Report on Form 8-K filed on April 26, 2017).</a>

- 3.6 [Certificate of Amendment to the Certificate of Incorporation of the Company, dated April 20, 2017 \(incorporated by reference to Exhibit 3.1.2 to the Company's Current Report on Form 8-K filed on April 26, 2017\).](#)
- 3.7 [Certificate of Amendment to the Certificate of Incorporation of the Company, dated as of January 23, 2018 \(incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on January 26, 2018\).](#)
- 3.8 [Certificate of Amendment, dated as of June 7, 2019 \(incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on June 21, 2019\).](#)
- 3.9 [Certificate of Correction, dated as of June 10, 2019 \(incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed on June 21, 2019\).](#)
- 3.10 [Certificate of Amendment, dated as of March 13, 2020 \(incorporated by reference to Exhibit 3.10 to the Company's Form S-1/A filed on August 13, 2020\).](#)
- 3.11 [Certificate of Amendment to the Certificate of Incorporation of the Company, dated as of November 17, 2020 \(incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on November 19, 2020\).](#)
- 3.12 [Certificate of Designation of Series A Preferred Stock of the Company, dated December 2, 2014 \(incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on December 16, 2014\).](#)

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- 3.13 [Certificate of Designation of Series B Preferred Stock of the Company, dated June 16, 2015 \(incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on July 15, 2015\).](#)
- 4.1 [8% Convertible Redeemable Note, dated October 2, 2019, issued by the Company to Eagle Equities, LLC \(incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on October 5, 2018\).](#)
- 4.2 [8% Convertible Redeemable Note, dated October 2, 2019, issued by the Company to GS Capital Partners, LLC \(incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on October 5, 2018\).](#)
- 4.3 [8% Convertible Redeemable Back End Note, dated October 2, 2019, issued by the Company to GS Capital Partners, LLC \(incorporated by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed on October 5, 2018\).](#)
- 4.4 [Collateralized Secured Promissory Note, dated October 2, 2018, issued by GS Capital Partners, LLC to the Company \(incorporated by reference to Exhibit 4.4 to the Company's Current Report on Form 8-K filed on October 5, 2018\).](#)
- 4.5 [8% Convertible Redeemable Note, dated November 30, 2018, issued by the Company to Eagle Equities, LLC \(incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on December 6, 2018\).](#)
- 4.6 [8% Convertible Redeemable Note, dated December 24, 2018, issued by the Company to Eagle Equities, LLC \(incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on December 28, 2018\).](#)
- 4.7 [10% Convertible Redeemable Note dated July 30, 2019, by and between the Company and Odyssey Capital Funding LLC. \(incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on August 6, 2019\).](#)
- 4.8 [Convertible Redeemable Note, issued to Auctus Fund LLC on August 30, 2019 and effective as of September 3, 2019 \(incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on September 9, 2019\).](#)
- 4.9 [Common Stock Purchase Warrant for the purchase of up to 450,000 shares of the Company's common stock \(incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on September 9, 2019\).](#)
- 4.10 [Common Stock Purchase Warrant for the purchase of up to 300,000 shares of the Company's common stock \(incorporated by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed on September 9, 2019\).](#)
- 4.11 [Common Stock Purchase Warrant for the purchase of up to 225,000 shares of the Company's common stock \(incorporated by reference to Exhibit 4.4 to the Company's Current Report on Form 8-K filed on September 9, 2019\).](#)
- 4.12 [Form of Convertible Promissory Note \(incorporated by reference to Exhibit 4.55 to the Company's Annual Report on Form 10-K filed on October 15, 2019\)](#)
- 4.13 [Form of First Convertible Redeemable Promissory Note \(incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on January 17, 2020\)](#)
- 4.14 [Form of Second Convertible Redeemable Promissory Note \(incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on January 17, 2020\)](#)

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- 4.15 [8% Convertible Promissory Note, dated December 2, 2020, issued by the Company to Geneva Roth Remark Holdings Inc. \(incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on December 7, 2020\)](#)
- 4.16 [8% Convertible Redeemable Promissory Note, dated December 10, 2020, issued by the Company to GW Holdings Group, LLC \(incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on December 16, 2020\)](#)
- 4.17 [8% Convertible Promissory Note, dated January 5, 2021, issued by the Company to Geneva Roth Remark Holdings, Inc. \(incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on January 11, 2021\)](#)
- 4.18 [8% Convertible Promissory Note, dated March 16, 2021, issued by the Company to Geneva Roth Remark Holdings, Inc. \(incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on March 19, 2021\)](#)
- 4.19 [8% Convertible Promissory Note, dated August 19, 2021, issued by the Company to Geneva Roth Remark Holdings, Inc. \(incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on August 25, 2021\)](#)

- 4.20 [8% Convertible Promissory Note, dated September 22, 2021, issued by the Company to Geneva Roth Remark Holdings, Inc. \(incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on September 28, 2021\)](#)
- 4.21 [8% Convertible Promissory Note, dated October 21, 2021, issued by the Company to Sixth Street Lending LLC \(incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on October 27, 2021\)](#)
- 4.22 [8% Convertible Promissory Note, dated November 26, 2021, issued by the Company to Sixth Street Lending LLC \(incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on December 1, 2021\)](#)
- 4.23 [10% Convertible Promissory Note, dated December 7, issued by the Company to One44 Lending LLC \(incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on December 13, 2021\)](#)
- 4.24 [Form of Prefunded Warrant \(incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed on April 3, 2020\)](#)
- 4.25 [Form of Series A Warrant \(incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed on April 3, 2020\)](#)
- 4.26 [Form of Series B Warrant \(incorporated by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K filed on April 3, 2020\)](#)
- 4.27 [Form of Series C Warrant \(incorporated by reference to Exhibit 4.4 to the Company's Current Report on Form 8-K filed on April 3, 2020\)](#)
- 5.1 \*\* Opinion of Patrizio & O'Leary LLP
- 10.1 [Debt Settlement Agreement between the Company and James Nathanielsz, dated February 4, 2015 \(incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q filed on February 17, 2015\).](#)

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- 10.2 [Debt Settlement Agreement between the Company and Julian Kenyon, dated February 4, 2015 \(incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q filed on February 17, 2015\).](#)
- 10.3 † [Employment Agreement entered into as of February 25, 2015 by and between James Nathanielsz and the Company \(incorporated by reference to Exhibit 10.10 to the Company's Registration Statement on Form S-1 filed on March 25, 2016\).](#)
- 10.4 † [Director Agreement entered into as of February 25, 2015 by and between Julian Kenyon and the Company \(incorporated by reference to Exhibit 10.11 to the Company's Registration Statement on Form S-1 filed on March 25, 2016\).](#)
- 10.5 † [Form of Scientific Advisory Board Member Agreement, incorporated by reference to Exhibit 10.12 to the Registration Statement on Form S-1 filed on March 25, 2016.](#)
- 10.6 † [Amendment No. 1 to Employment Agreement entered into as of April 14, 2016 by and between James Nathanielsz and the Company \(incorporated by reference to Exhibit 10.9 to the Company's Quarterly Report on Form 10-Q filed on May 16, 2016\).](#)
- 10.7 † [Amendment No. 2 to Employment Agreement entered into as of September 25, 2017 by and between James Nathanielsz and the Company \(incorporated by reference to Exhibit 10.11 to the Company's Annual Report on Form 10-K filed on September 28, 2017\).](#)
- 10.8 † [Amended and Restated Employment Agreement, dated as of May 14, 2019, by and between the James Nathanielsz and the Company \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on May 15, 2019\).](#)
- 10.9 † [Amended and Restated Services Agreement, by and between Julian Kenyon and the Company, dated as of May 19, 2019 \(incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on May 15, 2019\).](#)
- 10.10 † [Form of Indemnification Agreement \(incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed on May 15, 2019\).](#)
- 10.11 † [Director Agreement by and between Josef Zelinger and the Company \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 30, 2020\).](#)
- 10.12 † [Amended and Restated Director Agreement by and between Josef Zelinger and the Company, dated August 12, 2021 \(incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K filed on August 18, 2021\).](#)
- 10.13 [Cancellation Agreement by and between James Nathanielsz and the Company, dated August 12, 2021 \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on August 18, 2021\).](#)
- 10.14 [Cancellation Agreement by and between Julian Kenyon and the Company, dated August 12, 2021 \(incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on August 18, 2021\).](#)
- 10.15 [Manufacturing Services Agreement by and between Q-Biologicals NV \(now Amatsigroup NV\) and the Company, dated August 12, 2016 \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on August 23, 2016\).](#)
- 10.16 [Quality Assurance Agreement by and between Q-Biologicals NV \(now Amatsigroup NV\) and the Company dated August 12, 2016 \(incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on August 23, 2016\).](#)

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- 10.17 [Consulting Agreement between the Company and Regal Consulting, LLC, dated November 18, 2016 \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on November 23, 2016\).](#)
- 10.18 [Securities Purchase Agreement by and between the Company and Eagle Equities, LLC, dated August 29, 2018 \(incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on September 4, 2018\).](#)

- 10.19 [Employment Agreement by and between the Company and Carlo Campiciano dated June 24, 2019 \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on July 1, 2019\).](#)
- 10.20 [Securities Purchase Agreement, dated October 2, 2018, between the Company and GS Capital Partners, LLC \(incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on October 5, 2018\).](#)
- 10.21 [Securities Purchase Agreement, dated November 30, 2018, between the Company and Eagle Equities, LLC \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 6, 2018\).](#)
- 10.22 [Securities Purchase Agreement, dated as of December 24, 2018, between the Company and Eagle Equities, LLC \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 28, 2018\)](#)
- 10.23 [Securities Purchase Agreement, dated December 2, 2020, by and between the Company and Geneva Roth Remark Holdings, Inc. \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 7, 2020\)](#)
- 10.24 [Securities Purchase Agreement, dated December 10, 2020, by and between the Company and GW Holdings Group, LLC \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 16, 2020\)](#)
- 10.25 [Securities Purchase Agreement, dated January 5, 2021, by and between the Company and Geneva Roth Remark Holdings, Inc. \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on January 11, 2021\)](#)
- 10.26 [Securities Purchase Agreement, dated March 16, 2021, by and between the Company and Geneva Roth Remark Holdings, Inc. \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on March 19, 2021\)](#)
- 10.27 [Propac Biopharma, Inc.'s 2019 Equity Incentive Plan \(incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on May 15, 2019\).](#)
- 10.28 [Securities Purchase Agreement dated May 23, 2019, by and between the Company and Redstart Holdings Corp \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on May 30, 2019\)](#)
- 10.29 [Securities Purchase Agreement, dated July 3, 2019, by and between the Company and Power Up Lending Group Ltd. \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on July 10, 2019\).](#)
- 10.30 [Securities Purchase Agreement dated July 30, 2019, by and between the Company and Odyssey Capital Funding LLC. \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on August 6, 2019\).](#)

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- 10.31 [Securities Purchase Agreement dated August 30, 2019, by and between the Company and Auctus Fund LLC \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on September 9, 2019\).](#)
- 10.32 [Registration Rights Agreement dated August 30, 2019, by and between the Company and Auctus Fund LLC \(incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on September 9, 2019\).](#)
- 10.33 [Form of Securities Purchase Agreement \(incorporated by reference to Exhibit 10.56 to the Company's Annual Report on Form 10-K filed on October 15, 2019\).](#)
- 10.34 [Form of First Securities Purchase Agreement \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on January 17, 2020\)](#)
- 10.35 [Form of Second Convertible Redeemable Promissory Note \(incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on January 17, 2020\)](#)
- 10.36 [Form of Securities Purchase Agreement \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on April 3, 2020\)](#)
- 10.37 [Securities Purchase Agreement, dated August 19, 2021, by and between the Company and Geneva Roth Remark Holdings, Inc. \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on August 25, 2021\)](#)
- 10.38 [Securities Purchase Agreement, dated September 22, 2021, by and between the Company and Geneva Roth Remark Holdings, Inc. \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on September 28, 2021\)](#)
- 10.39 [Securities Purchase Agreement, dated October 21, 2021, by and between the Company and Sixth Street Lending LLC \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on October 27, 2021\)](#)
- 10.40 [Securities Purchase Agreement, dated November 26, 2021, by and between the Company and Sixth Street Lending LLC \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 1, 2021\)](#)
- 10.41 [Common Stock Purchase Agreement, dated November 30, 2021, by and between the Company and Dutchess Capital Growth Fund LP \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 7, 2021\)](#)
- 10.42 [Registration Rights Agreement, dated November 30, 2021, by and between the Company and Dutchess Capital Growth Fund LP \(incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on December 7, 2021\)](#)
- 10.43 [Securities Purchase Agreement, dated December 7, 2021, by and between the Company and ONE44, Lending LLC \(incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 13, 2021\)](#)
- 21.1 [List of subsidiaries of the Company \(incorporated by reference to Exhibit 21.1 to the Company's Annual Report on Form 10-K filed on October 15, 2019\).](#)
- 23.1\* [Consent of Salberg & Company, P.A., independent registered public accounting firm.](#)
- 23.2\*\* Consent of Patrizio & O'Leary, LLP (included in Exhibit 5.1)
- 107 [Filing Fees Exhibit](#)

- \* Filed herewith.
- \*\* To be filed by amendment
- † Management contract or compensatory plan or arrangement

**(b) Financial Statement Schedules.**

All schedules have been omitted because either they are not required, are not applicable or the information is otherwise set forth in the financial statements and related notes thereto.

**Item 16. Undertakings**

The undersigned registrant hereby undertakes:

- (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:
  - (i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;
  - (ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and
  - (iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.
- (2) That for the purpose of determining any liability under the Securities Act of 1933 each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.
- (4) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

- (5) That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities:

The undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

- (i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;
  - (ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;
  - (iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and
  - (iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.
- (6) The undersigned Registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.
  - (7) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the provisions described in Item 14 above, or otherwise, the Registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.
  - (8) The undersigned Registrant hereby undertakes:
    - (1) That for purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4), or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.
    - (2) That for the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and this offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

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**SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Melbourne, in the State of Victoria, Australia, on February 3, 2022.

**PROPANC BIOPHARMA, INC.**

By: /s/ James Nathanielsz  
Name: James Nathanielsz  
Title: Chief Executive Officer and Chief Financial Officer (Principal Executive Officer and Principal Accounting Officer)

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated:

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ James Nathanielsz</u> James Nathanielsz	Chief Executive Officer, Chief Financial Officer (Principal Executive Officer, Principal Accounting Officer), Director	February 3, 2022
<u>/s/ Dr. Julian Kenyon</u> Dr. Julian Kenyon	Chief Technology Officer, Director	February 3, 2022
<u>/s/ Josef Zelinger</u> Josef Zelinger	Director	February 3, 2022

**Consent of Independent Registered Public Accounting Firm**

We hereby consent to the use of our report dated September 28, 2021, on the consolidated financial statements of Propanc Biopharma, Inc. and Subsidiary for the years ended June 30, 2021 and 2020, included herein on the registration statement of Propanc Biopharma, Inc. on Form S-1, and to the reference to our firm under the heading "Experts" in the prospectus.

*/s/ Salberg & Company, P.A.*

SALBERG & COMPANY, P.A.  
Boca Raton, Florida  
February 2, 2022

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## CALCULATION OF REGISTRATION FEE

<u>Title of Each Class of securities to be registered</u>	<u>Number of shares of common stock to be registered</u>	<u>Proposed Maximum Offering Price Per Share</u>	<u>Proposed Maximum Aggregate Offering Price (1)</u>	<u>Amount of Registration Fee (2)</u>
Common Stock to be offered for resale by Selling Security Holder	40,000,000	\$ 0.0198(3)	\$ 5,000,000	\$ 463.50
<b>Total</b>			\$	\$

(1) Offering price computed in accordance with Rule 457(o).

(2) Estimated solely for the purpose of calculating the amount of the registration fee in accordance with Rule 457(o) under the Securities Act of 1933.

(3) Based on the lowest bid price for our common stock on February 2, 2022. The shares offered, hereunder, may be sold by the Selling Security Holder from time to time in the open market, through privately negotiated transactions, or a combination of these methods at market prices prevailing at the time of sale or at negotiated prices.

Pursuant to Rule 416, this Registration Statement includes such indeterminate number of additional securities as may be required for issuance upon any adjustment in the number of securities issuable by reason of stock splits or similar capital reorganizations.

**The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**