Cyclopharm Limited
Appendix 4E

1. Company details

Name of entity

CYCLOPHARM LIMITED

ABN or equivalent company reference	Financial year ended ('current period')	Financial year ended ('previous period')
74 116 931 250	31 December 2024	31 December 2023

2. Results for announcement to the market

2.1 Revenues from ordinary activities	up	4.7%	to	27,572,581
2.2 Loss from ordinary activities after tax attributable to members	up	180.8%	to	(13,197,618)
2.3 Net Loss for the period attributable to members	up	180.8%	to	(13,197,618)

2.4 Dividends	Amount per security	Franked amount per security
Final dividend proposed	None	None
Interim dividend - 2024	None	None

2.5 Brief explanation of any of the figures in 2.1 to 2.4 above necessary to enable the figures to be understood.

Key features of Cyclopharm's financial results for the 2024 year included:

- Group Sales revenue of $27.57 million, up 4.7% on the prior comparable period (pcp)
- Technegas™ sales increased by 5.4% to $15.21 million
- Third party distribution revenue up 3.8% to $12.36 million
- Cash and cash equivalents of $20.57 million
- Continued progress in developing new, 'Beyond PE', clinical applications providing significant, long term growth opportunities for Technegas™

Further information is included in Attachment 1.

3. Statement of financial performance

Refer Attachment 1.

4. Statement of financial position

Refer Attachment 1.

5. Statement of cash flows

Refer Attachment 1.

6. Statement of retained earnings

Refer Attachment 1.

7. Dividends

Refer paragraph 2.4

8. Dividend reinvestment plans

The Group does not have a dividend reinvestment plan.

9. Net tangible assets

Refer Attachment 1.

Cyclopharm Limited
Appendix 4E

10. Entities over which control has been gained or lost during the period

Control over entities

Name of entity (or group of entities)	Refer Attachment 1.

Loss of control over entities

Name of entity (or group of entities)	Refer Attachment 1.

11. Details of associates and joint venture entities

Refer Attachment 1.

12. Significant Information

Refer Attachment 1.

13. Foreign Entities

Refer Attachment 1.

14. Commentary on results for the period

Refer Attachment 1.

15. A statement as to whether the report is based on accounts which have been audited or subject to review, are in the process of being audited or reviewed, or have not yet been audited or reviewed.

The accounts are in the process of being audited.

16. If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, details are described below

The accounts are unlikely to be subject to dispute or qualification.

17. If the accounts have been audited or subject to review and are subject to dispute or qualification, details are described below

Not applicable

Contact details:

Mr James McBrayer
Managing Director and Company Secretary
Cyclopharm Limited

Phone: +61 (02) 9541 0411
Email: jmcbrayer@cyclopharm.com.au

Attachment 1

Appendix 4E
Preliminary Final Report
For the year ended 31 December 2024

cyclopharm

Cyclopharm Limited and its Controlled Entities
ABN 74 116 931 250

Managing Director's Report

MANAGING DIRECTOR'S REVIEW

2024 Highlights:

- **Revenues:**
  - **Record Group Sales Revenue of A$27.6 million, up 5% on the prior comparable period (pcp)**
  - **Total Technegas™ sales of $15.2 million up 5% on pcp**
  - **Total Third-Party distribution sales of $12.4 million up 4% on pcp for the year and up 57% in the second half of 2024 on 1H2024**
- **US sales of Technegas™ initiated and US Technegas™ revenue up 131% on 1H2024**
- **Significant US sales and supply contracts awarded to accelerate Technegas™ roll out**
- **Strong balance sheet at $20.6 million net cash to support the growth strategy**
- **'Beyond PE' longer term growth strategy for Technegas™ supported by clinical trials in multiple indications, including asthma and lung transplant evaluation**

Dear Shareholders,

Cyclopharm delivered a solid financial and operational performance in 2024 to generate another year of record sales revenue. The 5% increase in group sales revenue was driven largely from initial Technegas™ sales in the US. Following USFDA approval in late 2023, we initiated US sales for Technegas™ in the first half of 2024, with sales increasing by 131% in the second half to reach full year revenues of $826,605. This strong second half 2024 performance from Technegas™, driven by early adoption by notable Key Opinion Leaders (KOLs) in the US, reflects the increasing momentum in Cyclopharm's US roll out strategy for our innovative technology. The US is the single largest healthcare market in the world. In all current global markets, Technegas™ is the dominant nuclear medicine ventilation imaging technology. Once established in the US, sales for Technegas™ are expected to eclipse revenues in the rest of the world.

Cyclopharm's core Technegas™ products, built on a strong annuity-based revenue model, are now available in 66 countries, with 7 international offices directly servicing 17 of those markets. This recurring revenue stream made a significant contribution to 2024 Group Sales Revenue, complemented by the continued solid performance of the Company's Third-Party product sales, which also largely follow an annuity-based model. Leveraging its expanding global footprint, regulatory expertise, engineering support, and direct marketing capabilities, Cyclopharm remains focused on driving sustained growth in Technegas™ sales while rapidly expanding its highly successful, recurring-revenue Third-Party distribution partnerships.

Cyclopharm continues to invest in our Beyond Pulmonary Embolism (Beyond PE) longer term growth strategy by supporting new and existing clinical trials to expand the use of Technegas™ for broader diagnostic applications. Cyclopharm's entry into the US market is expected to help accelerate the 'Beyond PE' growth strategy as the USFDA approval allows for the use of Technegas™ in an extensive use of respiratory applications without the need to seek further FDA approval.

FINANCIAL PERFORMANCE

Cyclopharm continues to grow, generating record sales revenue of $27.6 million, up 5% from the previous year. This performance was driven by a strong second half year for both Technegas™ and Third-Party sales.

Sales of our proprietary Technegas™ Systems, comprising a Generator and single-use Patient Administration Sets, performed well in 2024. The $15.21 million of revenue from Generator and PAS consumable sales exceeded the prior year by 5%.

Revenue from Third-Party distribution sales also continued to grow, up $0.45 million to $12.36 million, a rise of 4%. This revenue, whilst at a lower margin than sales of our proprietary Technegas™ products, is expected to continue to complement revenues in existing markets. Third-Party distribution sales consist of a mix of radiopharmaceuticals, service support, capital equipment and associated consumables.

Managing Director's Report

Cyclopharm expects to continue to expand this revenue stream through a wider range of Third-Party partnerships to a broader geographic reach in the coming year and beyond.

As anticipated, Cyclopharm recorded a loss after tax of $13.2 million in 2024, compared to a loss after tax of $4.7 million in 2023. The 2023 loss after tax benefited from adjustments of $3.2 million from a reversal of impairment at the Cyclotek NSW Pty Ltd joint venture and $1.3 million from recoveries from litigation to protect Cyclopharm's Intellectual Property (IP). The 2023 results also included $3.49 million of expenses associated with the USFDA approval process in October 2023. Notably, $23.41 million has been expensed in total on the current USFDA approval process over the past 15 years, which reflects the Board's confidence in the anticipated returns from Technegas™ sales in the US market now that approval has been granted. Staffing costs also increased over the period by $4.42 million, predominantly driven by US based personnel, the increasing costs of global regulatory compliance and the Company's investment in manufacturing capacity to service the US market demand following USFDA approval.

Cyclopharm ended the financial year with a strong balance sheet with net cash of $20.6 million, reflecting prudent expense and capital management, ongoing operational cashflows and a strongly supported capital raise with a heavily oversubscribed Share Purchase Plan (SPP) mid-2024. This cash balance supports the rollout of Technegas™ in the US, continue R&D activities to develop the Beyond PE longer term growth strategy and to fund the working capital needs of the business.

OPERATIONAL REVIEW

During the year to 31 December 2024, we continued to successfully execute Cyclopharm's growth strategies. The Company is leveraging its intellectual property, proprietary technology and technical expertise to broaden Technegas™ while expanding Third-Party sales and service into new countries.

Operating highlights for the 2024 calendar year included:

- US Sales of Technegas™ ramping up, as evidenced by:
  - Major sales contract with Hospital Corporation of America Healthcare (HCA) covering more than 168 private hospitals signed in January 2025
  - Major interim sales contract with the US Veterans Health Administration (VA) covering 120 public hospitals signed in October 2024 with initial VA installations occurring in December 2024
  - Initial US Department of Defense hospital (DoD) PO received in October 2024.
  - As of 31 December 2024, 17 US installations are operational with a further 21 locations to be installed in early 2025
- Technegas™ global footprint expands with sales in 66 countries
- Beyond PE longer term growth strategy boosted by the commencement of an extensive French clinical trial program into the use of Technegas™ to improve the detection of residual pulmonary vascular obstruction, and clinical papers highlighting the use of Technegas™ in patients with severe asthma
- Continuation of clinical trials into the use of Technegas™ in chronic respiratory disease states and long-COVID, COPD, asthma and lung cancer
- Continued growth in the Third-Party distribution business, including an increase of 57% in the second half

EXPANDING TECHNEGAS™ REVENUES

Technegas™ sales revenue of $15.21 million was underpinned by PAS sales, which represented 72.6% of Technegas™ revenue compared to 70.7% in the 2023 pcp.

PAS sales supported 162,450 patient procedures in 2024, which equates to 3,249 boxes of PAS, flat on the previous year. Each Patient Administration Set (PAS) box equals 50 patient Technegas™ procedures.

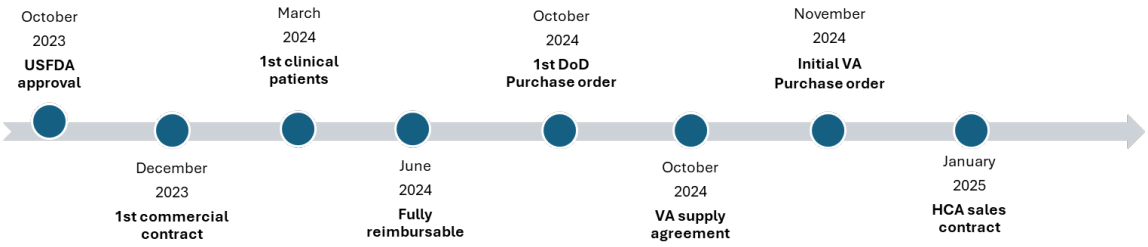
In 2024, 55 TechnegasPlus™ Systems (Systems) units were sold compared to 58 in the prior year. These sales do not include the Systems placed in the US market. The 17 operational Systems placed in the US at the close of 2024 are charged an annual access fee and remain the property of Cyclopharm.

Managing Director's Report

Outside of the US, TechnegasPlus™ Systems are sold to nuclear medicine departments in markets where the Company directly operates. These direct markets also generate ongoing service revenues. Sales of Systems and other service revenue represented 27.4% of Technegas™ total revenue, down slightly from 29.3% in 2023.

OVERVIEW OF PROGRESS IN THE US ROLLOUT

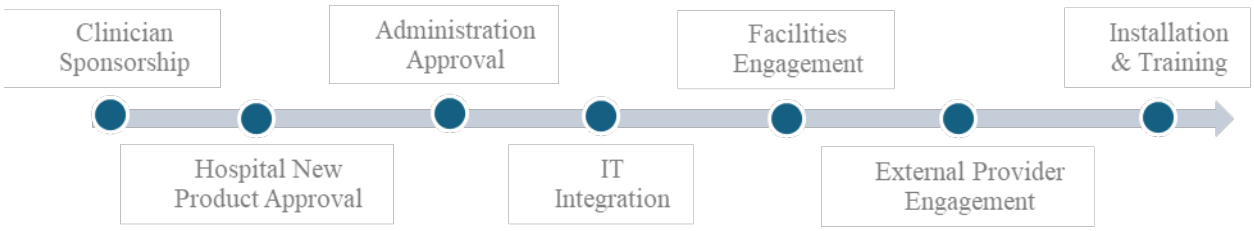
Key **milestones in the roll out plan for Technegas™ in the US** to date include:



The United States Food and Drug Administration (USFDA) approved commercial sales of Technegas™ in the US market in late 2023. Cyclopharm had, based on our successful business worldwide, developed a US roll out plan for Technegas™ in anticipation of this approval and immediately began executing against this plan. The US represents the single largest market for Technegas™ globally, which Cyclopharm estimates to ultimately be worth US$180 million annually for the diagnosis and management for Pulmonary Embolism (PE) alone. As Technegas™ is more widely adopted in the US market this will accelerate Cyclopharm's Beyond PE initiatives with a potential global addressable market of US$900 million.

Key to the roll out strategy, after receiving USFDA approval in late 2023, Cyclopharm moved quickly to secure full reimbursement of Technegas™ by the Center for Medicare and Medicaid (CMS). Securing reimbursement in July 2024 proved to be an essential step that paved the way for an increase in customer conversion for Technegas™, with 17 installations operational by 31 December 2024 and a significant increase in the sales pipeline. With a further 21 locations slated for installation in early 2025, Technegas™ US installations are expected to accelerate, leveraging off existing installations and the recent sales contract wins with Hospital Corporation of America Healthcare (HCA) and the Veterans Health Administration (VA).

The implementation process for Technegas™ typically follows a 7-step process:



Cyclopharm has worked to accelerate the implementation process. For example, the agreement with HCA, signed in January 2025, streamlines some of the administrative approval processes for the use of Technegas™ in up to 168 nuclear medicine departments across HCA's extensive network of over 180 hospitals and approximately 2,400 sites of care in 20 states. Cyclopharm will now engage directly with individual HCA locations, clinical leaders and Divisional Directors to implement Technegas™, prioritising those sites which had already entered preliminary discussions with Cyclopharm before the national deal was secured.

The HCA agreement also paves the way for discussions with HCA's affiliated group purchasing organisation HealthTrust, serving as the contracting and purchasing arm to a further network of over 1,800 hospitals in the US.

The agreement with the VA, the largest integrated US Government health care system, is an interim agreement (IA) for the supply of the pharmaceutical and consumable components of Technegas™. It immediately provides the 120 VA hospitals, which have nuclear medicine departments, access to an agreed contract for Technegas™ per patient consumables. The IA is a first step to the inclusion of Technegas™ on the broader US Federal Supply Schedule (FSS), a simplified procurement service covering the entire US Government system, including the DoD, VA and Public Health Service (PHS) hospitals which is expected to be secured in early 2025.

Early signs of adoption in the largest public health organisation is beginning to bear fruit with the first installations of Technegas™ within the VA system completed in December 2024 resulting in the immediate generation of revenues.

These agreements underscore the commercial demand in the US for Technegas™, which is already the preferred agent of choice across an additional 65 countries[1] for diagnosing lung conditions, including pulmonary embolism, hypertension, chronic obstructive pulmonary disease (COPD), and other respiratory diseases.

MAXIMISING THE US OPPORTUNITY

The US market remains the key driver of Cyclopharm's growth ambitions, complementing its well-established presence in 65 other countries. An independent survey conducted before Technegas'™ US approval indicated an 85% market share in existing markets[2], reinforcing confidence in its adoption in the US.[3]

In the US, there are approximately 600,000 nuclear medicine procedures conducted annually to rule out the presence of PE. This is the initial target market for Cyclopharm, which the Company estimates to be approximately US$90 million per annum.

Based on Cyclopharm's experience in the Canadian market and globally, the Company's expectation is that it can achieve in excess of an 80% share over a 5-to-8-year period.

Cyclopharm's initial target of 600,000 procedures a year represents 15% of the total US PE diagnostic market. The remaining 85% of PE imaging procedures are through Computed Tomography Pulmonary Angiography (CT) imaging. The second stage of Cyclopharm's strategy for US growth involves doubling the share of the total PE imaging market for Technegas™ from 15% to 30%, to create a total US market for Technegas™ of US$180 million annually. Cyclopharm's confidence in its ability to double the US nuclear medicine imaging for PE is based on leveraging the unique properties of Technegas™, combined with the latest and widely available nuclear medicine imaging and hybrid imaging techniques to include Artificial Intelligence (AI).

BEYOND PE – SUBSTANTIALLY EXPANDING THE USE OF TECHNEGAS™

The USFDA approval for Technegas™ is a broad indication that includes its stated use 'for the visualisation of pulmonary ventilation'. This expansive indication allows for the approved use of Technegas™ in the US across multiple applications in the field of respiratory medicine. Its wide indication for use is expected to facilitate independent US clinical trials that will likely independently accelerate Cyclopharm's Beyond PE initiatives targeting the use of Technegas™ to help diagnose and manage other

[1] Le Roux et al, Scintigraphic Diagnosis of Acute Pulmonary Embolism: From Basics to Best Practices. Semin Nucl Med. 2023 Nov;53(6):743-751. doi: 10.1053/j.semnuclmed.2023.04.002. Epub 2023 May 3. PMID: 37142520.

[2] Le Pennec,, et al. Performance and Interpretation of Lung Scintigraphy: An Evaluation of Current Practices in Australia, Canada, France, Germany, and United States. Clinical Nuclear Medicine 49(11):p 997-1003, November 2024. | DOI: 10.1097/RLU.0000000000005396

[3] Currie GM, Bailey DL. V/Q SPECT and SPECT/CT in Pulmonary Embolism. J Nucl Med Technol. 2023 Mar;51(1):9-15. doi: 10.2967/jnmt.122.264880. Epub 2023 Jan 4. PMID: 36599703.

respiratory disease states[4], such as Chronic Obstructive Pulmonary Disease (COPD)[5], Asthma[6], long-COVID and lung cancer.

The Beyond PE strategy has the potential to provide Cyclopharm with access to a global market it estimates at up to US$900 million. Several clinical studies in support of the Beyond PE strategy are already underway across some of the 65 markets outside the US, where Technegas™ is the functional imaging agent of choice. Most recently, in France, the first patients have been imaged in a significant clinical trial program involving 660 patients across ten medical sites into the use of Technegas™ to improve detection of residual pulmonary vascular obstruction (**RPVO**), a clinical area currently dominated by CT imaging. RPVO can be a predictor for the recurrence of PE which, left untreated, is fatal in one in ten cases.

The USFDA's broad indication for the use of Technegas™ is expected to enhance Cyclopharm's Beyond PE growth strategy and increase its potential to deliver improved patient outcomes immediately and add significant shareholder value over the medium term.

OTHER BUSINESSES

Third-Party Distribution

Cyclopharm's Third-Party distribution strategy includes leveraging its regulatory expertise and operational footprint to pursue additional and complementary revenue streams. This strategy is built on Cyclopharm's existing Technegas™ sales and service infrastructure. Initially established in Europe in 2020, agreements have followed in the Asia Pacific region in 2021. Since launching in 2020, Third-Party distribution has delivered exceptional growth and supported Cyclopharm's overall revenue performance.

In 2024, Cyclopharm's total revenues benefited significantly from a solid increase of 4% in Third-Party distribution revenues to $12.36 million, compared to $11.91 million in the 2023 pcp. Third-Party revenue is made up of a combination of capital works projects and ongoing annuity sales from consumables and related service support.

In 2024, Third-Party capital works project revenue was driven by a strong second half, up 83%. Overall capital works revenue was $2.83 million down 35% on the 2023 pcp.

Third-Party recurring consumable sales and service revenue grew throughout the year to $9.53 million, up 26% on the pcp. This revenue performance was strongly weighted to the 2024 second half, up 54% on the pcp, with growth across all supplier categories.

Cyclopharm's ability to continue to grow the Third-Party distribution business, including a particularly strong overall performance in the second half of 2024, up 62% on the pcp, demonstrates it is core to current and future earnings.

Cyclotek NSW Pty Ltd

During the year, Cyclotek NSW Pty Ltd made a $0.92 million contribution to the Group's results, compared to a $0.8 million contribution in the prior year. Cyclotek NSW Pty Ltd is a collaboration between Cyclopharm, Cyclotek (Aust) Pty Ltd and the Australian Nuclear Science and Technical Organisation (ANSTO) set up in part to realise the inherent value of Cyclopharm's Cyclotron facility assets both to generate profits and contribute to enhanced health outcomes for the Australian community.

Cyclotek NSW Pty Ltd was formed as a joint venture in late 2019, with Cyclopharm required to contribute $40k per annum, over a period of 9 years, to fund the ongoing research activities of Cyclotek NSW in exchange for a share of profits from the business venture collaboration.

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[4] Parihar AS, Mhlanga JC, Royal HD, Siegel BA. Comparability of Quantifying Relative Lung Ventilation with Inhaled ^{99m}Tc-Technegas^{TM} and ^{133}Xe in Patients Undergoing Evaluation for Lung Transplantation. J Nucl Med. 2025 Jan 3;66(1):104-109. doi: 10.2967/jnumed.124.268801. PMID: 39638430; PMCID: PMC11705794

[5] Juneau et al, SPECT/CT to quantify early small airway disease and its relationship to clinical symptoms in smokers with normal lung function: a pilot study. Front Physiol. 2024 Aug 15;15:1417463. doi: 10.3389/fphys.2024.1417463. PMID: 39210972; PMCID: PMC11358551.

[6] Gibson et al, Ventilation Heterogeneity Is a Treatable Trait in Severe Asthma. J Allergy Clin Immunol Pract. 2024 Apr;12(4):929-935.e4. doi: 10.1016/j.jaip.2023.12.030. Epub 2023 Dec 25. PMID: 38151119

Litigation Progress

Cyclopharm continues to vigorously protect its intellectual property by pursuing its ongoing legal action against the remaining Australian and German defendants. During 2025, the Company expects to return to the NSW Supreme Court and proceedings in Germany to progress Cyclopharm's claims. The Board remains confident of a favourable outcome to these legal proceedings.

Ultralute

The Company continues to navigate through the regulatory delays impacting new device registration in Europe. In parallel, Cyclopharm is engaging in partnering opportunities with this innovative technology.

Corporate Governance

In line with good corporate governance practices, Cyclopharm's Board continually evaluates its skills and composition to ensure they appropriately support the Company's growth and governance requirements.

Leadership Team

Cyclopharm's strategic focus has driven growth and enabled the Company to build a strong, talented team in Australia and the US to support the rapid rollout of Technegas™ following its USFDA approval in September 2023. This momentum has positioned the Company for a transformative shift in its financial and operational performance, ushering in a new phase of growth in the US market.

On 12 February 2024 Cyclopharm announced the appointment of Mr Jason Smith as Chief Financial Officer (CFO), effective 26 February 2024. Mr Smith brings a wealth of industry experience in Financial Control and Accounting, both at Cochlear and at a large multinational in the United Kingdom. He is CA qualified, gained through his time working as an external auditor at Deloitte.

The breadth and depth of experience and the integration of complementary skills across the Cyclopharm management team, which we have put in place, developed and refined over the past several years, ensures that we are well positioned to rapidly take advantage of entry into the US market and the opportunities that will naturally flow from our Beyond PE initiatives.

SUMMARY AND OUTLOOK

In 2024 Cyclopharm demonstrated the strength of the business by delivering another record revenue performance. The Company has also made significant inroads in expanding the Technegas™ footprint into the US, the largest healthcare market in the world. The availability of Cyclopharm's proprietary Technegas™ technology in the US market is expected to drive an exponential change in the Company's growth. Following initial US sales of Technegas™ Cyclopharm signed important US sales agreements that will provide a platform to deliver the Company's aspirational growth targets. In addition, Cyclopharm continues to grow Third-Party sales which helps to facilitate the Company's revenue diversification strategy across the Group.

Cyclopharm's ability to initiate and grow sales of Technegas™ in the US market is the direct result of the persistence and hard work over many years of the Company's highly skilled global team, along with the unwavering support of the Board and shareholders through the process. Importantly, USFDA approval in 2023 has also established an important platform from which to maximise the breadth of clinical use of Technegas™ across a wide range of respiratory applications and deliver the Company's aspirational and attainable Beyond PE growth targets.

While USFDA approval for Technegas™ was a major milestone, making Technegas™ available to US clinicians and to the patients they serve is key. Cyclopharm leveraged the Company's global experience to prepare, in advance of USFDA approval, for rapid entry into the US market. This has proved invaluable and resulted in the signing of key sales contracts with Hospital Corporation of America Healthcare (HCA), covering more than 168 private hospitals (signed in January 2025), and a major sales contract with the US Veterans Health Administration (VA) covering 120 public hospitals (signed in October 2024). The HCA agreement also paves the way for discussions with HCA's affiliated group purchasing organisation, serving as the contracting and purchasing arm to a further network of over 1,800 hospitals in the US.

Managing Director's Report

Notably, the existing and substantial clinical demand in the US market does not require a large sales force to promote a product that has been long sought after clinically.

The Company's strong balance sheet and cash balance at year-end of $20.6 million will help support the rollout of Technegas™ in the US market and support growth across the 65 additional countries where we operate. Cyclopharm continues to provide the market with regular updates on the US rollout of Technegas™.

Cyclopharm is continuing to accelerate opportunities, via clinical trials, to develop the Beyond PE strategy, designed to expand the use of Technegas™ into the treatment and management of additional and exponentially larger indications, such as COPD, Asthma and Long-COVID. In France, the first of 660 patients have been imaged in a clinical trial into the use of Technegas™ to improve the detection of residual pulmonary vascular obstruction (**RPVO**).

Cyclopharm estimates there are over 500 million patients suffering collectively with COPD and/or Asthma who may benefit from the use of Technegas™. Notably, the global COPD market is approximately 30 times the size of the PE market. The Company's entry into the US market, the largest medical market in the world, is also expected to accelerate this Beyond PE strategy.

Cyclopharm is strategically placed to extend its market leadership in functional lung imaging and drive ongoing growth in revenue and earnings. The Company enters this next growth phase from a position of strength, having delivered record 2024 sales revenues, robust sales of Technegas™ and continuing solid growth in Third-Party sales.

With US sales now underway, Cyclopharm is focused on rapidly expanding its presence in this key market. Given Technegas'™ proven clinical, operational, and safety advantages, the Company expects a strong market uptake in the US like that of Canada and other established markets in the medium term and beyond.

The US sales completed to date have provided valuable insight into the commercial and operational review process conducted by nuclear medicine groups in the US. The Company notes the evolving political landscape in the US with relation to healthcare funding and the potential new customers to extend commercial and operational review processes. As a result, we are taking a conservative approach regarding the possibility of extensions in the process of completing new contracts and, consequently, are revising our US installation target in the near term. The Company anticipates reaching a total of 250 to 300 installed Technegas™ systems in the US during the second half of 2026. There are no changes to the Company's medium- and longer-term growth ambitions.

Finally, I would like to thank all my colleagues, the Cyclopharm Board and give a special thanks to Cyclopharm's global team who, collectively, have contributed to the growth of the Company over recent years. On behalf of the Cyclopharm management team, with the ongoing support of the Board, we are absolutely committed to delivering positive health outcomes for our patients and growing financial rewards to our shareholders.

James McBrayer
Managing Director

Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 December 2024

UNAUDITED

	Notes	Consolidated 2024 $	Consolidated 2023 $
CONTINUING OPERATIONS			
Sales revenue	4	27,572,581	26,339,389
Total revenue		**27,572,581**	**26,339,389**
Cost of materials and manufacturing		(9,639,791)	(10,255,757)
Employee benefits expenses	5 (a)	(16,111,165)	(11,690,163)
Advertising and promotion expenses		(1,466,416)	(979,765)
Depreciation and amortisation expenses	5 (b)	(1,476,407)	(938,834)
Freight and duty expenses		(1,681,443)	(1,069,613)
Research and development expenses	5 (c)	(365,016)	(3,689,115)
Administration expenses	5 (d)	(11,356,913)	(7,740,985)
Other income	5 (e)	232,595	4,761,766
Other expenses	5 (f)	(54,900)	-
Operating loss		**(14,346,875)**	**(5,263,077)**
Share of profit from joint ventures		924,875	800,172
Loss before financing and income tax		**(13,422,000)**	**(4,462,905)**
Net interest income	5(g)	350,553	273,177
Loss before income tax		**(13,071,447)**	**(4,189,728)**
Income tax expense	6	(126,171)	(511,078)
Loss for the year		**(13,197,618)**	**(4,700,806)**
Other comprehensive income after income tax			
Items that will be re-classified subsequently to profit and loss when specific conditions are met:			
Exchange differences on translating foreign controlled entities (net of tax)		14,663	423,826
Total comprehensive loss for the year		**(13,182,955)**	**(4,276,980)**
Loss per share (cents per share)	7	**cents**	**cents**
-basic loss per share from continuing operations		(12.83)	(5.07)
-basic loss per share		(12.83)	(5.07)
-diluted loss per share		(12.83)	(5.07)

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the financial statements.

Consolidated Statement of Financial Position
as at 31 December 2024

UNAUDITED

	Notes	Consolidated 2024 $	Consolidated 2023 $
Assets			
Current Assets			
Cash and cash equivalents	8	20,567,898	11,726,424
Trade and other receivables	9	7,503,240	7,895,053
Inventories	10	13,247,691	10,122,016
Current tax asset	6	152,989	170
Other assets		913,348	452,102
Total Current Assets		**42,385,166**	**30,195,765**
Non-current Assets			
Inventories	10	-	33,836
Property, plant and equipment	11	6,039,763	5,972,888
Right-of-use assets	12	7,060,068	3,213,315
Investments	13	-	-
Intangible assets	14	5,896,080	5,736,075
Deferred tax assets	6	745,584	762,310
Total Non-current Assets		**19,741,495**	**15,718,424**
Total Assets		**62,126,661**	**45,914,189**
Liabilities			
Current Liabilities			
Trade and other payables	15	7,226,646	6,941,912
Lease liabilities	16	625,870	214,465
Provisions	17	2,758,151	1,475,407
Tax liabilities	6	-	37,095
Total Current Liabilities		**10,610,667**	**8,668,879**
Non-current Liabilities			
Lease liabilities	16	7,659,894	4,012,832
Provisions	17	224,419	71,184
Deferred income liabilities	18	901,812	901,812
Total Non-current Liabilities		**8,786,125**	**4,985,828**
Total Liabilities		**19,396,792**	**13,654,707**
Net Assets		**42,729,869**	**32,259,482**
Equity			
Contributed equity	19	87,073,747	63,781,302
Employee equity benefits reserve	27	4,126,852	3,765,955
Foreign currency translation reserve	27	(614,640)	(629,303)
Accumulated losses		(47,856,090)	(34,658,472)
Total Equity		**42,729,869**	**32,259,482**

The Statement of Financial Position is to be read in conjunction with the notes to the financial statements.

Consolidated Statement of Cash Flows
for the year ended 31 December 2024

UNAUDITED

	Notes	Consolidated 2024 $	Consolidated 2023 $
Operating activities			
Receipts from customers		28,164,533	29,168,710
Receipt from business venture collaboration		924,875	800,172
Payments to suppliers and employees		(41,522,988)	(36,728,860)
Interest received		477,629	489,169
Borrowing costs paid		(319,095)	(215,992)
Income tax (paid) / received		(299,359)	(710,831)
Net cash flows used in operating activities	8	**(12,574,405)**	**(7,197,632)**
Investing activities			
Payments for acquisition of subsidiary		-	(31,796)
Cash acquired upon acquisition of subsidiary		-	61,326
Purchase of property, plant and equipment		(803,534)	(236,823)
Payments for intangible assets		(168,323)	(301,173)
Net cash flows used in investing activities		**(971,857)**	**(508,466)**
Financing activities			
Proceeds from issue of shares		24,002,712	-
Share issue cost (net of tax)		(1,144,915)	-
Settlement of loan for Long Term Incentive Plan Shares		5,925	142,492
Dividends paid		-	(884,832)
Payments for lease liabilities		(641,720)	(276,426)
Net cash flows from/(used in) financing activities		**22,222,003**	**(1,018,766)**
Net increase/(decrease) in cash and cash equivalents		**8,675,741**	**(8,724,864)**
Cash and cash equivalents			
- at beginning of the period		**11,726,424**	**20,296,176**
- net foreign exchange differences from translation of cash and cash equivalents		165,733	155,112
- at end of the year	8	**20,567,898**	**11,726,424**

The Statement of Cash Flows is to be read in conjunction with the notes to the financial statements.

Consolidated Statement of Changes in Equity
for the year ended 31 December 2024

UNAUDITED

CONSOLIDATED	Contributed Equity	Other Contributed Equity	Total Contributed Equity	Retained Earnings / (Accumulated Losses)	Foreign Currency Translation Reserve (Note 27(b))	Employee Equity Benefits Reserve (Note 25(a))	Total
	$	$	$	$	$	$	$
Balance at 1 January 2023	**68,753,968**	**(5,333,158)**	**63,420,810**	**(29,072,834)**	**(1,053,129)**	**3,241,763**	**36,536,610**
Loss for the year	-	-	-	(4,700,806)	-	-	(4,700,806)
Other comprehensive income	-	-	-	-	423,826	-	423,826
Total comprehensive loss for the year	**-**	**-**	**-**	**(4,700,806)**	**423,826**	**-**	**(4,276,980)**
Issue of shares	218,000	-	218,000	-	-	-	218,000
Payment of loan for Long Term Incentive Plan shares	142,492	-	142,492	-	-	-	142,492
Dividends paid	-	-	-	(884,832)	-	-	(884,832)
Cost of share based payments	-	-	-	-	-	524,192	524,192
Total transactions with owners and other transfers	**360,492**	**-**	**360,492**	**(884,832)**	**-**	**524,192**	**(148)**
Balance at 31 December 2023	**69,114,460**	**(5,333,158)**	**63,781,302**	**(34,658,472)**	**(629,303)**	**3,765,955**	**32,259,482**
Balance at 1 January 2024	**69,114,460**	**(5,333,158)**	**63,781,302**	**(34,658,472)**	**(629,303)**	**3,765,955**	**32,259,482**
Loss for the year	-	-	-	(13,197,618)	-	-	(13,197,618)
Other comprehensive income	-	-	-	-	14,663	-	14,663
Total comprehensive loss for the year	**-**	**-**	**-**	**(13,197,618)**	**14,663**	**-**	**(13,182,955)**
Issue of shares	24,238,685	-	24,238,685	-	-	-	24,238,685
Share issue cost (net of tax)	(1,144,915)	-	(1,144,915)	-	-	-	(1,144,915)
Payment of loan for Long Term Incentive Plan shares	198,675	-	198,675	-	-	-	198,675
Dividends paid	-	-	-	-	-	-	-
Cost of share based payments	-	-	-	-	-	360,897	360,897
Total transactions with owners and other transfers	**23,292,445**	**-**	**23,292,445**	**-**	**-**	**360,897**	**23,653,342**
Balance at 31 December 2024	**92,406,905**	**(5,333,158)**	**87,073,747**	**(47,856,090)**	**(614,640)**	**4,126,852**	**42,729,869**

The Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.

1. CORPORATE INFORMATION

The financial report of Cyclopharm Limited ("Cyclopharm" or "the Company") for the year ended 31 December 2024 was authorised for issue by a resolution of the Directors as at the date of this report.

Cyclopharm is a Company limited by shares incorporated and domiciled in Australia. The shares are publicly traded on the Australian Securities Exchange ("ASX") under the code "CYC".

During the year, the principal continuing activities of the consolidated entity ("the Group") consisted of the manufacture and sale of medical equipment and radiopharmaceuticals, including associated research and development, and installation and distribution of third-party products to the diagnostic imaging sector.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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

The financial statements have been prepared on a going concern basis which assumes the realisation of assets and discharge of liabilities in the normal course of business for a period of at least twelve months from the date of approval of the financial statements. In assessing and concluding on going concern, the directors have considered the Group's business plan including the accelerated US market roll out along with related cashflow forecasts informing the group's future capital requirements and information on the availability of additional equity or debt capital to the Group.

The financial report is presented in Australian dollars ("AUD").

b) New and Amended Accounting Policies Adopted by the Group

Consolidated financial statements

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

None of the new or amended Accounting Standards and Interpretations has had a material impact on the Group's financial statements.

Certain comparative disclosures have been restated to comply with the current year presentation, namely the reclassification of finance revenue from total revenue to net interest income (Note 5(g)), reclassification of other revenue from total revenue to other income (Note 5(e)) and segment information (Note 3).

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) New Accounting Standards and Interpretations Not Yet Mandatory or Early Adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 31 December 2024. These new or amended Accounting Standards and Interpretations are not expected to have a material impact on the consolidated entity's financial statements.

d) Basis of consolidation

Cyclopharm Limited is the ultimate parent entity ("the Parent") in the wholly owned group. The consolidated financial statements comprise the financial statements of Cyclopharm and its subsidiaries as at 31 December each year ('the Group').

The Group's financial statements consolidate those of the parent company and all of its subsidiaries as of 31 December 2024. All subsidiaries have a reporting date of 31 December.

Subsidiaries

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which the Parent has control.

The financial statements of subsidiaries are prepared for the same reporting period as the parent Company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

Transactions eliminated on consolidation

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

For business combinations involving entities under common control, which are outside the scope of *AASB 3 Business Combinations*, the Company applies the purchase method of accounting by the legal parent.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

e) Foreign currency translation

Functional and presentation currency

The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars (AUD $) which is the parent entity's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items that are measured in terms of historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate when the fair value was determined.

Exchange differences arising on the translation of monetary items are recognised in the Statement of Profit or Loss and Other Comprehensive Income, except where deferred in equity as a qualifying cash flow hedge or net investment hedge. On disposal of a foreign entity the deferred cumulative amount in equity is recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Group companies

The functional currency of the overseas subsidiaries Cyclomedica Ireland Limited, Cyclomedica Germany GmbH, Cyclomedica Europe Limited, and Cyclomedica Benelux bvba, is European Euro (Euro €), Cyclomedica Nordic AB is Swedish Kroner (SEK), Cyclomedica Canada Limited is Canadian dollars (CAD), Cyclomedica UK Ltd is Great British Pound (GBP), Cyclomedica USA LLC is United States dollars (USD) and Cyclomedica Danmark ApS is Danish Kroner (DKK).

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at the reporting date.
- Income and expenses are translated at the average exchange rates for the period.
- Retained profits/equity are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on the translation of foreign operations are recognised in other comprehensive income and are transferred directly to the Group's foreign currency translation reserve in the Statement of Financial Position. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal. Exchange differences are charged or credited to other comprehensive income and recognised in the foreign currency translation reserve in equity.

f) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the Statement of Profit or Loss and Other Comprehensive Income, except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the Statement of Financial Position date, and any adjustment to tax payable in respect of previous years.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Deferred tax is provided using the Statement of Financial Position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the Statement of Financial Position date and are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Tax consolidation

Cyclopharm Limited is the head entity of the tax consolidated group comprising all the Australian wholly owned subsidiaries. The implementation date for the tax consolidated group was 31 May 2006. Current tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax consolidated group are recognised in the separate financial statements of the members of the tax consolidated group using a "stand-alone basis without adjusting for intercompany transactions" approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under consolidation.

Any current Australian tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries is assumed by the head entity in the tax consolidated group and are recognised as amounts payable (receivable) to (from) other entities in the tax consolidated group. Any difference between these amounts is recognised by the head entity as an equity contribution or distribution.

Cyclopharm Limited recognises deferred tax assets arising from unused tax losses of the tax consolidated group to the extent that it is probable that future taxable profits of the tax consolidated group will be available against which the asset can be utilised.

Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

g) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

h) Property, plant and equipment

Plant and equipment is measured at cost less accumulated depreciation and impairment losses.

The cost of fixed assets constructed within the economic entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit or Loss and Other Comprehensive Income during the financial period in which they are incurred.

Impairment

The carrying amount of plant and equipment is reviewed annually to consider impairment. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Useful lives of property, plant and equipment

The estimation of the useful lives of assets has been based on historical experience as well as lease terms and turnover policies. In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

Depreciation

The depreciable amount of all fixed assets including capitalised leased assets are depreciated on a straight-line basis over their useful lives commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

	Basis	Method
Plant and equipment	5 - 33%	Straight-line method
Leasehold Improvements	7.5 - 10%	Straight-line method
Motor vehicles	16.67 - 25%	Straight-line method

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the Statement of Profit or Loss and Other Comprehensive Income in the year the item is derecognised.

i) Investments Accounted For Using The Equity Method

Associates are companies in which the Group has significant influence through holding, directly or indirectly, 20% or more of the voting power of the Associate. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate company. In addition, the Group's share of the profit or loss of the associate company is included in the Group's profit or loss.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The carrying amount of the investment includes goodwill relating to the associate. Any discount on acquisition whereby the Group's share of the net fair value of the associate exceeds the cost of investment is recognised in profit or loss in the period in which the investment is acquired. The carrying amount of the investment also includes loans made to the associate which are not expected to be repaid in the short term.

Profits or losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Group will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

Details of the Group's investments in associates are provided in Note 13.

j) Intangibles

Intangible assets

Intangible assets acquired as part of a business combination other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost.

Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment.

The gains and losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible assets. The method and useful lives of finite life intangible assets are reviewed annually.

Internally generated intangible assets, excluding development costs, are not capitalised and are recorded as an expense in the Statement of Profit or Loss and Other Comprehensive Income.

Intangible assets are tested for impairment where an indicator of impairment exists, and in the case of indefinite life intangibles, at each reporting date, either individually or at the cash generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

Expenditure on the development of the Technegas™Plus and Ultralute generator has been capitalised. Costs will be amortised once the asset development is completed and the asset is ready for use. No impairment provision has been deemed appropriate. The Directors are satisfied that the future economic benefits will eventuate to justify the capitalisation of the expenditure incurred. Development expenditure is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

	New Patents and licences	Technegas Development costs
Useful lives	Patents - Finite Licenses - Finite	Finite
Method used	8 - 10 years - Straight line	9 years - Straight line
Impairment test / Recoverable Amount testing	Annually and where an indicator of impairment exists	Amortisation method reviewed at each financial year-end; Reviewed annually for indicator of impairment

Research and development costs

Expenditure on research activities is recognised as an expense when incurred.

Expenditure on development activities is capitalised only when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources; and intend to complete the development and its costs can be measured reliably. Development expenditure is measured at cost less any accumulated amortisation and impairment losses. Amortisation is calculated using a straight-line method to allocate the costs over a period during which the related benefits are expected to be realised.

k) Inventories

Inventories are valued at the lower of cost and net realisable value where net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Purchase costs incurred in bringing each product to its present location and condition are accounted for on a first-in, first-out basis for both raw materials and finished goods.

l) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 90 days. The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

m) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks, short-term deposits with an original maturity of three months or less and bank overdrafts. For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

n) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade payables are normally settled within 30 to 60 days.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

o) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement. Gains and losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income when the liabilities are derecognised and as well as through the amortisation process.

p) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

q) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, for which it is probable that an outflow of economic benefits will result and that an outflow can be reliably measured. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Profit or Loss and Other Comprehensive Income net of any reimbursement.

r) Employee entitlements

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave.

Employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled plus related on-costs. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow (after applying probability) to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the market yields as at the reporting date on national government bonds, which have terms to maturity approximating the terms of the related liability, are used.

Employee benefit expenses and revenues arising in respect of wages and salaries, non-monetary benefits, annual leave, long service leave and other leave benefits, and other types of employee benefits, are recognised against profits on a net basis in their respective categories.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

s) Employee share and performance share schemes

The fair value of performance rights issued under the Cyclopharm Long Term Incentive Plan are recognised as a personnel expense over the vesting period with a corresponding increase in Employee Equity Benefits Reserve.

The fair value of the implied option attached to shares granted is determined using a pricing model that takes into account factors that include exercise price, the term of the performance option, the vesting and performance criteria, the share price at grant date and the expected price volatility of the underlying share. The fair value calculation excludes the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of performance options that are expected to become exercisable. At each balance date, the entity revises its estimate of the number of performance rights that are expected to become exercisable. The personnel expense recognised each period takes into account the most recent estimate.

Shares issued under employee and executive share plans are held in trust until vesting date. Unvested shares held by the trust are consolidated into the group financial statements.

t) Revenue recognition

Revenue recognition begins by identifying the contract with the customer, ensuring it meets criteria such as enforceability, rights, payment terms, and commercial substance. Performance obligations in the contract are determined by identifying the distinct product or service being delivered. The transaction price is then calculated, reflecting the amount of the consideration the company expects to receive. This price is allocated to the performance obligations based on their standalone selling prices. Finally, revenue is recognised when each performance obligation is satisfied, aligning the recognition of revenue with the transfer of goods or services to the customer.

u) Other Revenue

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Research & development tax incentive

Government grants, including Research and Development incentives, are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met.

Grants relating to cost reimbursements are recognised as other income in profit or loss in the period when the costs were incurred or when the incentive meets the recognition requirements (if later).

Government grants relating to assets are deferred and recognised in profit or loss over the period necessary to match them with the assets that they are intended to compensate.

All revenue is stated net of the amount of goods and services tax (“GST”).

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

v) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except where the GST incurred is not recoverable from the Australian Taxation Office ("ATO") and is therefore recognised as part of the asset's cost or as part of the expense item. Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position. Cash flows are presented in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to the taxation authority are classified as operating cash flows.

w) Financial instruments

Financial assets and liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

De-recognition of financial instruments

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group assesses at each Statement of Financial Position date whether a financial asset or group of financial assets is impaired.

x) Contributed equity

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Other contributed equity

Other contributed equity arises from prior period transfers of tax liabilities within the group and the 2006 demerger from Vita Life Sciences Limited.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

y) Earnings per share

Basic earnings per share

Basic earnings per share is determined by dividing the net profit/(loss) after income tax attributable to members of the Company by the weighted average number of ordinary shares outstanding during the financial year. Where there is a change in the number of ordinary shares on issue without a corresponding change in recognised resources during the year, the number of ordinary shares for all periods presented are correspondingly adjusted as if the event had occurred at the beginning of the earliest period presented.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares. Where there is a change in the number of ordinary shares on issue without a corresponding change in recognised resources during the year, the number of ordinary shares for all periods presented are correspondingly adjusted as if the event had occurred at the beginning of the earliest period presented.

z) Fair Value

The Group subsequently measures some of its assets at fair value on a non-recurring basis. Fair value is the price the Group would receive to sell an asset in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset (i.e. the market with the greatest volume and level of activity for the asset) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs). For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

aa) Significant Accounting Judgments and Estimates

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

- Notes 2(t) and 4: revenue recognition – estimation of percentage-of-completion method;
- Note 2(f): tax liabilities and recognition of deferred taxes - uncertain tax treatments and judgements regarding the availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised;
- Note 2(j): capitalisation of development costs;
- Notes 2(j) and 14: impairment test of intangible assets and goodwill – key assumptions underlying recoverable amounts, including the recoverability of development costs;
- Notes 2(k) and 10: measurement of net realisable value of inventory;
- Notes 2(p) and 16: lease liabilities – incremental borrowing rate;
- Notes 2(q), 17 and 21(b): recognition and measurement of provisions and contingencies – key assumptions about the likelihood and magnitude of an outflow of resources;
- Notes 2(s) and 25: share based payment transactions – estimates of fair value;
- Notes 2(h) and 11: property, plant and equipment – estimates of fair value;
- Notes 2(l), 2(w) and 9: measurement of ECL allowance for trade receivables and contract assets – key assumptions in determining the weighted-average loss rate.

3. SEGMENT INFORMATION

Operating Segment

The Group has identified it has only one operating segment based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources in order to progress the commercialisation of Technegas™. These internal reports were restructured during the current financial year, hence the identification of only one operating segment.

The chief operating decision makers review the results of the business on a single entity basis. Performance assessment is based on underlying EBITDA (underlying earnings before interest, tax, depreciation and amortisation). This underlying EBITDA measurement differs from the profit or loss reported in the consolidated financial statements, which is shown after net interest and income tax expense and includes items related to underlying operational performance such as impairment, acquisition and disposal costs.

		Consolidated	
		2024	2023
	Notes	$	$
Loss for the year		**(13,197,618)**	**(4,700,806)**
Underlying adjustments:			
Reversal of impairment	5 (e)	-	(3,160,301)
Recoveries from litigation	5 (e)	-	(1,279,492)
Underlying net loss		**(13,197,618)**	**(9,140,599)**
Depreciation and amortisation	5 (b)	1,476,407	938,834
Net interest income	5 (g)	(350,553)	(273,177)
Income tax expense		126,171	511,078
Underlying EBITDA		**(11,945,593)**	**(7,963,864)**

Geographical areas

The table below presents revenue information regarding the geographical areas that the Group operates in for the years ended 31 December 2024 and 31 December 2023:

Revenue from contracts with customers

	Consolidated	
	2024	2023
Geographical areas	$	$
Asia Pacific	7,991,800	8,669,613
Europe	15,846,261	14,814,185
Canada	2,518,920	2,738,218
USA	826,605	-
Other countries	388,995	117,373
	27,572,581	**26,339,389**

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

All customer contracts are standardised and meet criteria for transaction approval, which includes identification of each party's rights, payment terms, commercial substance, and probable collection based on the customer's ability to pay. The Group also operates via a distributor model in certain overseas markets and the same criteria applies.

Judgement applies to assessing when risks and rewards of ownership have been transferred to a customer based on the terms of the contract and the nature of the product or service. The company also evaluates whether a contract contains multiple performance obligations and allocates the transaction price to each performance obligation based on standalone selling prices.

The Group has identified the following main categories of revenue:

Technegas™ revenue

The Group revenue consists primarily of Technegas™ products and services, which includes the sale of diagnostic equipment and consumables used by physicians in the detection of pulmonary embolism and other respiratory conditions.

Revenue is recognised as follows:

- Equipment and consumables: when the risks and rewards of ownership pass to the customer.
- Service: as the service obligation is rendered and the performance obligations are satisfied.

Third-party distribution revenue

Third-party distribution revenue is a combination of capital works projects and ongoing sales from consumables and service support.

Revenue is recognised as follows:

- Capital works projects: using the percentage-of-completion method by monitoring progress and milestone achievements.
- Consumables: when the risks and rewards of ownership pass to the customer.
- Service: as the service obligation is rendered and the performance obligations are satisfied.

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	Consolidated	
Type of goods or service	**2024**	**2023**
	$	**$**
Technegas	15,209,759	14,425,972
Third-party distribution	12,362,822	11,913,417
Total revenue from contracts with customers	**27,572,581**	**26,339,389**
Timing of revenue recognition		
Goods transferred at a point in time	25,955,874	25,200,506
Services transferred over time	1,616,707	1,138,883
Total revenue from contracts with customers	**27,572,581**	**26,339,389**

5. EXPENSES

	Notes	Consolidated 2024 $	2023 $
(a) Employee benefits expenses			
Salaries and wages		(14,446,293)	(9,942,009)
Defined contribution superannuation expense		(978,550)	(981,441)
Non-Executive Director fees		(325,425)	(242,521)
Share-based payments expense	25(a)	(360,897)	(524,192)
		(16,111,165)	(11,690,163)
(b) Depreciation and amortisation			
Depreciation of land and buildings		(41,343)	(10,371)
Depreciation of plant and equipment		(402,353)	(224,671)
Depreciation of leasehold improvements		(325,916)	(280,971)
Depreciation of leased assets		(641,720)	(276,426)
Amortisation of intangibles		(65,075)	(146,395)
		(1,476,407)	(938,834)
(c) Research & development expenses			
FDA expenses		-	(3,490,346)
Pilot Clinical Trial expenses		(252,725)	(49,898)
Research expenses		(112,291)	(148,871)
		(365,016)	(3,689,115)
(d) Administration expenses			
Legal and professional costs		(2,521,906)	(1,722,830)
Office and facility costs		(1,825,324)	(1,778,623)
Provision for doubtful debts		(72,493)	65,191
Consulting fees		(1,042,006)	(925,704)
Regulatory costs		(2,275,462)	(764,070)
ASX and share registry costs		(105,928)	(111,524)
Travel and motor vehicle costs		(2,356,425)	(1,633,282)
Other administration expenses		(1,157,369)	(870,143)
		(11,356,913)	(7,740,985)
(e) Other income			
Reversal of impairment		-	3,160,301
Recoveries from litigation		-	1,279,492
Insurance recoveries		7,520	136,530
Realised foreign exchange gains		-	8,177
Unrealised foreign exchange gains		225,075	177,266
		232,595	4,761,766
(f) Other expenses			
Realised foreign exchange losses		(51,560)	-
Loss on sale of assets		(3,340)	-
		(54,900)	-
(g) Net interest income			
Interest received from other parties		669,648	489,169
Bank and other finance charges		(36,217)	(23,935)
Interest on leased assets		(282,878)	(192,057)
		350,553	273,177

6. INCOME TAX

	Consolidated	
	2024	2023
	$	$
The components of income tax expense comprise:		
Current income tax (expense) / benefit	(142,897)	(637,577)
Deferred tax (expense) / benefit	16,726	126,499
Income tax reported in income statement	**(126,171)**	**(511,078)**
Reconciliation of income tax expense to prima facie tax payable:		
Accounting profit / (loss) before income tax	**(13,071,447)**	**(4,189,728)**
Statutory income tax rate of 25% (2023: 25%)	3,267,862	1,047,434
Effects of lower rates on overseas income	44,092	212,420
Expenditure not allowable for income tax purposes	(813,841)	(378,033)
Non-assessable income	(917,923)	-
Temporary differences recognised/(reversed) in Australian group	16,726	126,499
Tax losses not recognised in Australia	(1,723,087)	(1,519,398)
Total income tax (expense) / benefit	**(126,171)**	**(511,078)**
Effective income tax rate	1.0%	12.2%
Current income tax asset	152,989	**170**
Current income tax liability	-	**37,095**
Deferred tax assets		
Deferred tax assets from temporary differences on:		
Investments	(2,454,728)	(1,198,993)
Provisions and accruals	2,893,049	1,542,655
Other	307,263	418,648
Total deferred tax assets	**745,584**	**762,310**
Movements in deferred tax assets		
Opening balance	762,310	635,811
Temporary differences brought to account (reversed)	(16,726)	126,499
Closing balance	**745,584**	**762,310**
Deferred tax assets for which no benefit has been recognised:		
- arising from temporary differences - at 25% (2023: 25%)	**47,647**	74,120
- arising from revenue tax losses - at 25% (2023: 25%)	**2,266,064**	1,802,383
- arising from capital tax losses - at 25% (2023: 25%)	**19,715**	19,715

6. INCOME TAX (continued)

The Group's accounting policy for income tax requires management's judgment in assessing whether deferred tax assets and certain deferred tax liabilities are recognised on the statement of financial position. Deferred tax assets, including those arising from unrecouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits.

Judgments are also required about the application of income tax legislation. These judgments and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the Statement of Financial Position and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amounts of recognised deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to the Statement of Profit or Loss and Other Comprehensive Income.

7. NET TANGIBLE ASSETS AND LOSS PER SHARE

Net Tangible Assets per share

	Consolidated	
	2024	2023
	$	$
Net assets per share	0.38	0.34
Net tangible assets per share	0.33	0.28
	Number	Number
Number of ordinary shares for net assets per share	111,136,850	94,096,326
	2024	2023
	$	$
Net assets	42,729,869	32,259,482
Less: Intangible assets	(5,896,080)	(5,736,075)
Net tangible assets	36,833,789	26,523,407

The number of ordinary shares includes the effects of 642,500 Long Term Incentive Performance (LTIP) shares issued on 23 March 2023 and 100,000 LTIP Shares issued on 12 September 2023 (2023: no change) as set out in Note 19. The net assets includes both right-of-use assets and lease liabilities accounted for in accordance with AASB 16 Leases.

Loss per share

	Consolidated	
	2024	2023
	cents	cents
Basic loss per share from continuing operations	(12.83)	(5.07)
Basic loss per share	(12.83)	(5.07)
Diluted loss per share	(12.83)	(5.07)
	Number	Number
Weighted average number of ordinary shares for basic loss per share	102,901,831	92,663,584
Weighted average number of ordinary shares for diluted loss per share	102,901,831	92,663,584
	2024	2023
	$	$
Loss used to calculate basic earnings per share	(13,197,618)	(4,700,806)
Loss used to calculate diluted earnings per share	(13,197,618)	(4,700,806)

The weighted average number of ordinary shares for basic loss per share excludes the effects of 267,062 LTIP shares issued on 19 February 2021, 642,500 LTIP shares issued on 23 March 2023 and 100,000 LTIP shares issued on 12 September 2023 set out in Note 19 as they are contingently returnable.

8. CASH AND CASH EQUIVALENTS

	Consolidated	
	2024	**2023**
	$	**$**
Cash at bank and in hand	20,567,898	11,726,424
Total cash and cash equivalents	**20,567,898**	**11,726,424**

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates and at fixed rates for that portion of cash invested in short-term bank deposit accounts.

The fair value of cash and cash equivalents is $20,567,898 (2023: $11,726,424).

Reconciliation of Statement of Cash Flows	**2024**	**2023**
	$	**$**
For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise the following:		
Cash at bank and in hand	20,567,898	11,726,424
	20,567,898	**11,726,424**
(a) Reconciliation of net loss after tax to net cash flows from operations		
Net loss after tax	**(13,197,618)**	**(4,700,806)**
Adjustments for non-cash income and expense items:		
Depreciation	1,411,332	792,439
Amortisation	65,075	146,395
Property, plant and equipment disposed	7,330	97,388
Reversal of impairment	-	(3,160,301)
Movement in intangible assets	(65,075)	(291,291)
Movement in provision for employee benefits	1,435,979	366,564
Movement in foreign exchange	14,663	268,714
Movement in employee benefits reserve	360,897	524,192
Movement in other provisions	-	(65,191)
	(9,967,417)	**(6,021,897)**
Increase/decrease in assets and liabilities:		
(Increase) / decrease in receivables	837,140	(492,556)
Increase in inventories	(3,091,838)	(1,863,184)
(Increase) / decrease in other receivables	(445,327)	421,945
(Increase) / decrease in current tax asset	(152,819)	4,777
(Increase) / decrease in deferred tax assets	16,726	(126,499)
Increase in creditors	266,225	931,885
Decrease in current tax liabilities	(37,095)	(52,103)
Net cash flow used in operating activities	**(12,574,405)**	**(7,197,632)**

8. CASH AND CASH EQUIVALENTS (continued)

(b) Non-cash financing and investing activities

All Long Term Incentive Plan (LTIP) shares as set out in Note 25 Share Based Payment Plans are issued by way of loans.

During the year, no LTIP shares vested (2023: 850,000) and an election was made to extend the exercise period until 30 June 2025, whilst no LTIP shares lapsed and were cancelled (2023: nil). Refer to Note 19 Contributed Equity and Note 25 Share Based Payment Plans.

No LTIP shares were issued by way of loans during the year (2023: 742,500).

9. TRADE AND OTHER RECEIVABLES

		Consolidated	
	Notes	2024 $	2023 $
Current			
Trade receivables		5,063,579	5,844,950
Allowance for expected credit loss		(156,086)	(100,317)
Net trade receivables	(i)	4,907,493	5,744,633
Other receivables	(ii)	1,368,334	923,607
Deposits to suppliers		1,227,413	1,226,813
Total current trade and other receivables		**7,503,240**	**7,895,053**

Terms and conditions

Terms and conditions relating to the above financial instruments:

(i) Trade receivables are non-interest bearing and generally on 30 and 60-day terms.
(ii) Other receivables are non-interest bearing and include security deposits on leased premises and amounts refundable in relation to GST and VAT credits.

Movements in the allowance for expected credit losses are as follows:

	Consolidated	
	2024 $	2023 $
Opening balance	100,317	156,919
Provisions recognised/(reversed)	55,769	(56,602)
Closing balance	156,086	100,317

9. TRADE AND OTHER RECEIVABLES (continued)

The ageing of Cyclopharm's trade receivables and allowance for expected credit losses are as follows:

	Trade receivables		Allowance for expected credit losses		Trade receivables net of allowance for impairment losses	
	2024	2023	2024	2023	2024	2023
	$	$	$	$	$	$
Trade receivables						
0 - 30 days	4,120,415	3,715,962	-	-	4,120,415	3,715,962
31 - 60 days	250,413	369,596	-	-	250,413	369,596
61 - 90 days	341,700	189,768	-	-	341,700	189,768
over 90 days	351,051	1,569,624	(156,086)	(100,317)	194,965	1,469,307
	5,063,579	**5,844,950**	**(156,086)**	**(100,317)**	**4,907,493**	**5,744,633**
Other receivables	1,368,334	923,607	-	-	1,368,334	923,607
Deposits to suppliers	1,227,413	1,226,813	-	-	1,227,413	1,226,813
Trade and other receivables	**7,659,326**	**7,995,370**	**(156,086)**	**(100,317)**	**7,503,240**	**7,895,053**

10. INVENTORIES

	Consolidated	
	2024	2023
	$	$
Current		
Raw materials at cost	7,840,223	8,287,237
Finished goods at lower of cost or net realisable value	5,483,979	1,899,508
Provision for obsolescence	(76,511)	(64,729)
Total current inventory	**13,247,691**	**10,122,016**
Non-current		
Finished goods at lower of cost or net realisable value	-	33,836
Total non-current inventory	**-**	**33,836**
Total inventory	**13,247,691**	**10,155,852**

11. PROPERTY, PLANT AND EQUIPMENT

Reconciliation of carrying amount

Consolidated	Leasehold land and buildings $	Leasehold improvements $	Plant and equipment $	Leased plant and equipment $	Capital work in progress $	Total $
Cost						
Balance 1 January 2023	2,384,043	5,860,574	9,220,014	10,380	97,388	17,572,399
Additions/transfers	62,116	8,681	166,026	-	-	236,823
Disposals	-	-	-	-	(97,388)	(97,388)
Efffect of movements in exchange rates	(483)	(188,893)	(396,296)	-	-	(585,672)
Balance 31 December 2023	**2,445,676**	**5,680,362**	**8,989,744**	**10,380**	**-**	**17,126,162**
Balance 1 January 2024	2,445,676	5,680,362	8,989,744	10,380	-	17,126,162
Additions/transfers	(50,000)	-	832,207	-	21,327	803,534
Disposals	-	-	(7,330)	-	-	(7,330)
Efffect of movements in exchange rates	13,806	189,980	853,288	-	-	1,057,074
Balance 31 December 2024	**2,409,482**	**5,870,342**	**10,667,909**	**10,380**	**21,327**	**18,979,440**
Accumulation depreciation and impairment losses						
Balance 1 January 2023	(2,123,801)	(4,116,589)	(8,132,464)	(10,380)	-	(14,383,234)
Depreciation	(10,371)	(280,971)	(224,671)	-	-	(516,013)
Impairment reversal/(loss)	834,553	1,188,494	1,137,254	-	-	3,160,301
Disposal	-	-	-	-	-	-
Efffect of movements in exchange rates	483	188,893	396,296	-	-	585,672
Balance 31 December 2023	**(1,299,136)**	**(3,020,173)**	**(6,823,585)**	**(10,380)**	**-**	**(11,153,274)**
Balance 1 January 2024	(1,299,136)	(3,020,173)	(6,823,585)	(10,380)	-	(11,153,274)
Depreciation	(41,343)	(325,916)	(402,353)	-	-	(769,612)
Disposals	-	-	(7,330)	-	-	(7,330)
Efffect of movements in exchange rates	(6,693)	(189,980)	(812,788)	-	-	(1,009,461)
Balance 31 December 2024	**(1,347,172)**	**(3,536,069)**	**(8,046,056)**	**(10,380)**	**-**	**(12,939,677)**
Carrying amounts						
At 1 January 2023	260,242	1,743,985	1,087,550	-	97,388	**3,189,165**
At 31 December 2023	1,146,540	2,660,189	2,166,159	-	-	**5,972,888**
At 31 December 2024	**1,062,310**	**2,334,273**	**2,621,853**	**-**	**21,327**	**6,039,763**

11. PROPERTY, PLANT AND EQUIPMENT (continued)

In 2023, the Cyclotron facility was operationally restored, and whilst regulatory approval is still pending, the Cyclopharm Board in recognition of the financial contributions derived from the Collaboration Agreement concluded, based on their latest valuation using the income approach, that the fair value of the Cyclotron was written back from 'nil' to $3,160,301 as at 31 December 2023.

Impairment

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions. There was no impairment of any assets in the current year.

12. RIGHT-OF-USE ASSETS

	Consolidated	
	2024	**2023**
	$	**$**
Land and buildings - right-of-use	9,586,953	5,217,008
Less: Accumulated depreciation	(2,693,373)	(2,033,633)
	6,893,580	**3,183,375**
Motor vehicle - right-of-use	425,016	158,993
Less: Accumulated depreciation	(258,528)	(129,053)
	166,488	**29,940**
Total right-of-use assets	**7,060,068**	**3,213,315**

The Group leases land and buildings for its offices, manufacturing facilities and warehouse under agreements of between two to ten years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are negotiated. The Group also leases motor vehicles under agreements of three to four years.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

		Consolidated	
		2024	2023
Equity accounted investments	**Notes**	**$**	**$**
Associated companies	(a)	-	-

Name	**Principal activities**	**Principal place of business**	**Measurement method**	**Ownership Interest**	
				2024	**2023**
Macquarie Medical Imaging Pty Ltd	Imaging centre	Sydney, Australia	Equity method	20%	20%

Macquarie Medical Imaging Pty Ltd ("MMI") is a private entity that provided medical imaging facilities for Macquarie University Hospital. From 7 December 2019, the business operations of MMI have been transferred to MQ Health, an entity associated with Macquarie University Hospital.

		Consolidated	
		2024	2023
Extract from the associate's statement of financial position:	**Notes**	**$**	**$**
Current Assets		191,888	112,546
Current Liabilities		(987,136)	(13,459,097)
Net Liabilities		(795,248)	(13,346,551)
Share of associate's Net Liabilities	(a)	(159,050)	(2,669,310)

		Consolidated	
		2024	2023
Extract from the associate's statement of comprehensive income:	**Notes**	**$**	**$**
Revenue		1,105	90,250
Net Profit / (Loss)	(a)	(17,548)	118,830

(a) The share of the associate's loss not recognised during the year was $3,510 (2023: profit of $23,766) and the cumulative share of the associate's loss not recognised as at 31 December 2024 was $2,718,207 (31 December 2023: $2,714,697).

The share of profit of associate not recognised as at 31 December 2024 is extracted from the unaudited financial report of the associate, and it may be revised when that financial report has been audited.

The fair value of the Group's investment in Macquarie Medical Imaging Pty Ltd was $nil (2023: $nil). It is anticipated that MMI will be de-registered upon the finalisation of its accounts payable and receivables.

14. INTANGIBLE ASSETS

Consolidated	Intellectual Property $	Goodwill* $	Licences $	Technegas Development $	Target $	Ultralute $	Total $
Balance at							
1 January 2024	161,176	903,513	795,117	788,588	27,419	3,060,262	5,736,075
Additions	-	-	-	-	-	168,323	168,323
Foreign exchange translation	-	25,597	31,160	-	-	-	56,757
Amortisation	(27,110)	-	(37,965)	-	-	-	(65,075)
Balance at							
31 December 2024	**134,066**	**929,110**	**788,312**	**788,588**	**27,419**	**3,228,585**	**5,896,080**
31 December 2024							
Non-current	134,066	929,110	788,312	788,588	27,419	3,228,585	5,896,080
Total	**134,066**	**929,110**	**788,312**	**788,588**	**27,419**	**3,228,585**	**5,896,080**
31 December 2023							
Non-current	161,176	903,513	795,117	788,588	27,419	3,060,262	5,736,075
Total	**161,176**	**903,513**	**795,117**	**788,588**	**27,419**	**3,060,262**	**5,736,075**

* Goodwill on consolidation arising upon the acquisition of Cyclomedica Benelux bvba on 1 October 2017, Cyclomedica Nordic AB on 1 May 2018 and Dupharma ApS on 1 April 2023.

The following assumptions are made in respect of the following intangible assets: (a) Goodwill, (b) Technegas™ Development and (c) Ultralute and were separately applied in assessing each asset.

The recoverable amount of intangible assets have been assessed using a discounted cash flow methodology forecasting five years of pre-tax cash flows.

The following describes each key assumption on which management has based its value in use calculations:

(a) Five-year pre-tax cash flow projections, based upon management approved budgets and growth rates covering a one year period, with the subsequent periods based upon management expectations of growth excluding the impact of possible future acquisitions, business improvement capital expenditure and restructuring, together with a terminal value.

(b) A range of pre-tax discount rates were considered between 3.92% to 22.50% (2023: between 9.01% to 25%). The discount rates reflect management's estimate of the time value of money and the Group's adjusted weighted average cost of capital to reflect the current market risk–free rate but also price for the uncertainty inherent in the assets.

(c) Management believes the projected 3% (2023: 3%) revenue growth rate for existing markets is prudent and justified.

Management assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

No changes in estimations were made by management compared to prior years. The key assumptions used for assessing the carrying value of intangible assets reflects the risk estimates of the business and respective assets.

There were no other key assumptions for Goodwill, Technegas™ Development costs and Ultralute costs.

14. INTANGIBLE ASSETS (continued)

Management have concluded that the recoverable amount of Goodwill, Technegas™ Development costs, and Ultralute costs exceed their respective carrying values. Based on the above, no impairment charge was recognised.

Sensitivity

Judgments and estimates have been made in respect of impairment, as noted above. Should these judgments and estimates not occur the resulting carrying amounts may change.

Goodwill

All other assumptions remaining constant, the sensitivity in the value of goodwill is that revenue would need to decrease by more than 10% (2023: by more than 4%) before any impairment would arise.

Management believes that other reasonable changes in the key assumptions on which the recoverable amount of Goodwill is calculated would not cause the carrying amount to exceed its recoverable amount.

Technegas™ development and Ultralute development costs

Sensitivity analysis has been performed by adjusting underlying assumptions for each asset by up to 10% (2023: up to 10%). The analysis indicated that headroom exists in the cash flow projections to support the carrying value of the intangible assets.

15. TRADE AND OTHER PAYABLES

		Consolidated	
		2024	2023
	Notes	$	$
Current			
Trade payables	(i)	3,798,618	3,147,364
Other payables and accruals	(ii)	2,438,233	2,437,010
Deposits from customers		989,795	1,357,538
Total current trade and other payables		**7,226,646**	**6,941,912**

Terms and conditions

Terms and conditions relating to the above financial instruments:

(i) Trade payables are non-interest bearing and are normally settled on 30-60 day terms.
(ii) Other payables and accruals are non-interest bearing and have an average term of 4 months.

16. LEASE LIABILITIES

	Consolidated	
	2024	2023
	$	$
Current		
Lease liabilities	625,870	214,465
Non-current		
Lease liabilities	7,659,894	4,012,832
Total Lease liabilities	**8,285,764**	**4,227,297**

At the date of commencement of a lease, a lease liability is recognised. The liability is initially measured at the present value of future lease payments, discounted using the Group's incremental borrowing rate.

Over the life of the lease, the lease liability will be increased by interest costs and will be reduced as lease payments are made.

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Group estimates it would have to pay a third-party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

17. PROVISIONS

	Consolidated
	Total *
	$
Balance at 1 January 2024	**1,546,591**
Arising during the year	2,734,432
Utilised during the year	(1,298,453)
Balance at 31 December 2024	**2,982,570**
31 December 2024	
Current	2,758,151
Non-Current	224,419
Total	**2,982,570**
Number of employees	
Number of employees at year end	95
31 December 2023	
Current	1,475,407
Non-Current	71,184
Total	**1,546,591**
Number of employees	
Number of employees at year end	87

* The total provision includes employee entitlements relating to long service and annual leave. The measurement and recognition criteria relating to employee entitlements have been disclosed in Note 2(r).

18. DEFERRED INCOME LIABILITIES

	Consolidated	
	2024	2023
	$	$
Deferred income liabilities	**901,812**	**901,812**

A portion of the Research & Development Grant refund received in previous years has been recognised as a deferred income liability and will be amortised over the same period as the amortisation of the related intangible development asset.

19. CONTRIBUTED EQUITY

		Consolidated			
		2024	2023	2024	2023
	Notes	Number	Number	$	$
Issued and paid up capital					
Ordinary shares	(a)	111,136,850	94,096,326	92,406,905	69,114,460
Other contributed equity	(b)	-	-	(5,333,158)	(5,333,158)
Total issued and paid up capital		**111,136,850**	**94,096,326**	**87,073,747**	**63,781,302**
(a) Ordinary shares					
Balance at the beginning of the period		94,096,326	93,053,826	69,114,460	68,753,968
Issue of Long Term Incentive Plan shares	(i)	-	742,500	-	-
Issue of shares	(ii)	-	100,000	-	218,000
Exercise of options	(iii)	-	200,000	-	-
Settlement of loans for Long Term Incentive Plan shares	(iv)	-	-	198,675	142,492
Issue of shares	(v)	16,903,181	-	24,002,712	-
Issue of shares	(vi)	137,343	-	235,973	-
Share issue cost (net of tax)		-	-	(1,144,915)	-
Balance at end of period		**111,136,850**	**94,096,326**	**92,406,905**	**69,114,460**
(b) Other contributed equity					
Balance at the beginning of the period		-	-	(5,333,158)	(5,333,158)
Balance at the end of the period		**-**	**-**	**(5,333,158)**	**(5,333,158)**
Total contributed equity				**87,073,747**	**63,781,302**

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

(i) On 23 March 2023, 642,500 LTIP shares were issued at an exercise price of $1.82 per share and 100,000 LTIP shares were issued at an exercise price of $3.04 per share on 12 September 2023 under the non-recourse loan payment plan, as set out in Note 25.

(ii) On 14 April 2023, 100,000 ordinary shares were issued at a deemed price of $2.18 per share as part consideration to acquire 100% of the shares in Dupharma ApS. These shares were subject to voluntary escrow until 31 March 2025 and had no dividend or voting rights until 1 April 2025. These shares were released from voluntary escrow on 1 April 2024.

(iii) On 30 November 2023, 200,000 options issued at nil exercise price were converted in accordance with the terms and conditions approved by the Company's shareholders on 21 May 2019.

(iv) Proceeds from settlement of loans to acquire LTIP shares.

(v) On 30 May 2024, 11,971,832 ordinary shares were issued at a price of $1.42 per new share in connection with an institutional share placement. On 4 June 2024 a further 2,112,676 ordinary shares were issued at a price of $1.42 per new share in connection with the same institutional share placement. On 28 June 2024, 2,818,673 ordinary shares were issued at a price of $1.42 per new share in connection with a share purchase plan to eligible shareholders.

(vi) On 5 April 2024, 93,443 ordinary shares were issued at a price of $1.83 per new share as consideration for an employee performance bonus. On 28 June 2024, 43,900 ordinary shares were issued at a price of $1.48 as consideration for an employee performance bonus.

19. CONTRIBUTED EQUITY (continued)

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns for shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

Management constantly assesses the capital structure to take advantage of favourable costs of capital and/or high returns on assets. As the market is continually changing, management may issue dividends to shareholders, issue new shares, increase the entity's short or long term borrowings or sell assets to reduce borrowings.

As at 31 December 2024, the Group has no interest bearing loans and borrowings.

		Consolidated	
		2024	2023
	Notes	$	$
Total interest bearing loans and borrowings		-	-
Add: cash and cash equivalents	8	20,567,898	11,726,424
Net cash		**20,567,898**	**11,726,424**
Total equity		42,729,869	32,259,482
Gearing ratio		0.0%	0.0%

Dividends

During the current financial year, the Directors did not declare any dividends. During the 2023 financial year, the Directors declared an unfranked interim dividend of 0.5 cent per share in respect of the financial year ended 31 December 2023 and an unfranked final dividend of 0.5 cent per share in respect of the financial year ended 31 December 2022.

	Consolidated			
	2024	2023	2024	2023
	Cents per share	Cents per share	$	$
Fully paid ordinary shares				
Final dividend in respect of the previous financial year				
- No franking credits attached	-	0.50	-	442,395
Interim dividend in respect of the current financial year				
- No franking credits attached	-	0.50	-	442,437
	-	**1.00**	**-**	**884,832**

20. FINANCIAL RISK MANAGEMENT OBJECTIVES

The Group's principal financial instruments comprise receivables, payables, cash and short-term deposits. The Group manages its exposure to key financial risks, including interest rate and currency risk in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets while protecting future financial security.

The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate, foreign exchange risk and assessments of market forecasts for interest rate, foreign exchange and commodity prices. Ageing analysis and monitoring of specified credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board review and agrees policies for managing each of these risks as summarised below.

Primary responsibility for identification and control of financial risks rests with the Audit and Risk Committee under the authority from the Board. The Board reviews and agrees policies for managing each of the risks identified below, including for interest rate risk, credit allowances and cash flow forecast projections. It is, and has been throughout the year under review, the Group's policy that no trading in financial instruments shall be undertaken.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed throughout Note 2.

(a) Interest rate risk

As the Group has moved into a no debt, strong cash position, the main interest rate risk is now in cash assets exposure.

The following sensitivity analysis is based on the interest rate risk exposures in existence at the Statement of Financial Position date.

At 31 December 2024, if interest rates had moved, as illustrated in the table below, with all other variables held constant, pre-tax profit would have been affected as follows:

	Consolidated	
	2024	**2023**
	$	**$**
Judgements of reasonably possible movements:		
Loss before income tax		
+1.0% (100 basis points)	205,679	117,264
-0.5% (50 basis points)	(102,839)	(58,632)

The movements in profit/(loss) are due to possible higher or lower interest income from cash balances.

20. FINANCIAL RISK MANAGEMENT OBJECTIVES (continued)

At balance date, the Group had the following mix of financial assets and liabilities exposed to variable interest rate risk:

(a) Interest rate risk (continued)

Consolidated Year ended 31 December 2024		Weighted average interest rate	Non interest bearing	Floating interest rate	Fixed interest maturing in			Total
					1 year or less	1 to 5 years	More than 5 years	
		%	$	$	$	$	$	$
FINANCIAL ASSETS								
Cash and cash equivalents	8	4.15%	-	4,949,798	15,618,100	-	-	20,567,898
Trade and other receivables	9	n/a	7,503,240	-	-	-	-	7,503,240
Total financial assets			**7,503,240**	**4,949,798**	**15,618,100**	**-**	**-**	**28,071,138**
FINANCIAL LIABILITIES								
Trade payables	15	n/a	7,226,646	-	-	-	-	7,226,646
Leases	16	6.90%	-	-	625,871	1,876,390	5,783,503	8,285,764
Total financial liabilities			**7,226,646**	**-**	**625,871**	**1,876,390**	**5,783,503**	**15,512,410**
Net exposure			**276,594**	**4,949,798**	**14,992,229**	**(1,876,390)**	**(5,783,503)**	**12,558,728**

Consolidated Year ended 31 December 2023		Weighted average interest rate	Non interest bearing	Floating interest rate	Fixed interest maturing in			Total
					1 year or less	1 to 5 years	More than 5 years	
		%	$	$	$	$	$	$
FINANCIAL ASSETS								
Cash and cash equivalents	8	3.20%	-	5,640,559	6,085,865	-	-	11,726,424
Trade and other receivables	9	n/a	7,895,053	-	-	-	-	7,895,053
Total financial assets			**7,895,053**	**5,640,559**	**6,085,865**	**-**	**-**	**19,621,477**
FINANCIAL LIABILITIES								
Trade payables	15	n/a	6,941,912	-	-	-	-	6,941,912
Leases	16	4.50%	-	-	214,465	1,003,712	3,009,120	4,227,297
Total financial liabilities			**6,941,912**	**-**	**214,465**	**1,003,712**	**3,009,120**	**11,169,209**
Net exposure			**953,141**	**5,640,559**	**5,871,400**	**(1,003,712)**	**(3,009,120)**	**8,452,268**

20. FINANCIAL RISK MANAGEMENT OBJECTIVES (continued)

(b) Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents and trade and other receivables. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable note.

The Group does not hold any credit derivatives to offset its credit exposure.

The Group trades only with recognised, creditworthy third parties and as such collateral is not requested nor is it the Group's policy to scrutinise the counterparty's trade and other receivables. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures such as reviewing their industry reputation, financial position and credit rating. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is constantly managed.

There are no significant unprovided concentrations of credit risk within the Group.

(c) Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and, for major growth initiatives, capital raisings. The Group completed a capital raising in May 2024 (see Note 19) and has no borrowings as at 31 December 2024.

Refer to the table above in Note 20(a) Interest Rate Risk, which reflects all contractually fixed pay-offs for settlement of financial liabilities and collection of financial assets. Trade payables and other financial liabilities generally originate from the financing of assets used in our ongoing operations such as investments in working capital e.g. inventories and trade receivables and investment in property, plant and equipment. These assets are considered in the Group's overall liquidity risk. To monitor existing financial assets and liabilities as well as to enable an effective controlling of future risks, the Board and management monitor the Group's expected settlement of financial assets and liabilities on an ongoing basis.

The Group monitors the rolling forecast of liquidity reserves based on expected cash flow together with capital and debt market conditions to assess the availability of funding.

Consolidated Year ended		Less than 6 months	6 months to 1 year	1 year to 5 years	Greater than 5 years	Total
31 December 2024	**Note**	**$**	**$**	**$**	**$**	**$**
Trade payables	15	7,226,646	-	-	-	7,226,646
Leases	16	304,070	321,801	1,876,390	5,783,503	8,285,764
		7,530,716	321,801	1,876,390	5,783,503	15,512,410
31 December 2023						
Trade payables	15	6,941,912	-	-	-	6,941,912
Leases	16	106,086	108,379	1,003,712	3,009,120	4,227,297
		7,047,998	108,379	1,003,712	3,009,120	11,169,209

(d) Commodity price risk

The Group's exposure to commodity price risk is minimal.

20. FINANCIAL RISK MANAGEMENT OBJECTIVES (continued)

(e) Foreign currency risk

As a result of significant investment operations in Europe, the Group's Statement of Financial Position can be affected significantly by movements in the Euro/$A exchange rates. The Group does not hedge this exposure but mitigates this risk by maintaining bank accounts in Australia denominated in Euro.

The Group also has transactional currency exposures. Such exposure arises from sales or purchases by an entity in currencies other than the entity's functional currency. Approximately 70% (2023: 67%) of the Group's sales are denominated in currencies other than the Group's reporting currency (AUD), whilst approximately 58% (2023: 52%) of costs are denominated in the Group's reporting currency (AUD).

At 31 December 2024, the Group had the following financial instrument exposures to foreign currency fluctuations:

	Consolidated	
	2024	2023
	$	$
United States dollars		
Trade payables	672,807	26,293
Trade receivables	396,638	-
Euros		
Trade payables	1,385,248	967,145
Trade receivables	1,797,781	1,548,111
Canadian dollars		
Trade payables	928	57,118
Trade receivables	524,400	604,682
Swedish Kroners		
Trade payables	72,556	653,943
Trade receivables	1,094,644	1,228,199
Japanese Yen		
Trade payables	3,120	-
Trade receivables	-	-
Great British Pound		
Trade payables	59,929	82,824
Trade receivables	390,382	163,289
Danish Krone		
Trade payables	4,652	-
Trade receivables	46,009	-
Net exposure	**(2,050,614)**	**(1,756,958)**

Management believes the balance date risk exposures are representative of the risk exposure inherent in the financial instruments.

20. FINANCIAL RISK MANAGEMENT OBJECTIVES (continued)

(e) Foreign currency risk (continued)

Forward Exchange Contracts

The Company has not entered into foreign exchange forward contracts as at 31 December 2024.

Foreign currency sensitivity

Currency risk is measured using sensitivity analysis. A portion of Cyclopharm's receivables and payables are exposed to movements in the values of those currencies relative to the Australian dollar. Cyclopharm management have determined that it is not cost effective to hedge against foreign currency fluctuations.

Cyclopharm is most exposed to the European Euro (Euro), Canadian Dollar (CAD), US Dollar (USD), Swedish Kroner (SEK) and Great British Pound (GBP) movements. The following table details Cyclopharm's sensitivity to a 10% change in the Australian dollar against those respective currencies with all other variables held constant as at reporting date for unhedged foreign exposure risk. A positive number indicates an increase in net profit/equity.

A sensitivity has been selected as this is considered reasonable given the current level of exchange rates and the volatility observed on a historic basis and market expectation for future movement.

20. FINANCIAL RISK MANAGEMENT OBJECTIVES (continued)

(e) Foreign currency risk (continued)

	Consolidated	
	Increase in AUD of 10% $	Decrease in AUD of 10% $
Euros		
31 December 2024		
Net (loss) / profit	(37,503)	41,253
Equity (decrease) / increase	(37,503)	41,253
31 December 2023		
Net (loss) / profit	(28,683)	31,551
Equity (decrease) / increase	(28,683)	31,551
Canadian dollars		
31 December 2024		
Net (loss) / profit	(47,633)	52,396
Equity (decrease) / increase	(47,633)	52,396
31 December 2023		
Net (loss) / profit	(49,778)	54,756
Equity (decrease) / increase	(49,778)	54,756
United States dollars		
31 December 2024		
Net profit / (loss)	25,106	(27,617)
Equity increase / (decrease)	25,106	(27,617)
31 December 2023		
Net profit / (loss)	2,390	(2,629)
Equity increase / (decrease)	2,390	(2,629)
Swedish Kroners		
31 December 2024		
Net (loss) / profit	(92,917)	102,209
Equity (decrease) / increase	(92,917)	102,209
31 December 2023		
Net (loss) / profit	(52,205)	57,426
Equity (decrease) / increase	(52,205)	57,426
Great British Pound		
31 December 2024		
Net (loss) / profit	(34,389)	37,828
Equity (decrease) / increase	(34,389)	37,828
31 December 2023		
Net (loss) / profit	(7,315)	8,047
Equity (decrease) / increase	(7,315)	8,047

20. FINANCIAL RISK MANAGEMENT OBJECTIVES (continued)

(f) Fair value measurement

For financial assets and liabilities measured and carried at fair value, the Company uses the following levels to categorise the valuation methods used:

- Level 1: Measurements based on quoted prices in active markets for identical assets that the entity can access at the measurement date.
- Level 2: Measurements based on inputs other than the quoted prices included in Level 1, but that are observable for the asset, either directly or indirectly.
- Level 3: Measurements based on unobservable inputs for the asset or liability.

Items subject to fair value measurement include goodwill at initial recognition (note 14), share based payments (note 25) and investments (note 13).

21. COMMITMENTS & CONTINGENCIES

(a) Capital commitments

Cyclopharm has entered into agreements to fund research projects with unrelated institutions. The commitments for these projects total $961,228 (2023: $262,502) and will be expensed when incurred. Payments will be made based on the achievement of certain milestones.

There were no other capital commitments as at the date of this report. (2023: $nil)

(b) Contingent liabilities

In December 2019, a business venture collaboration agreement combined CycloPet Pty Ltd and Pettech Solutions Limited's cyclotron facilities under a single operating enterprise known as Cyclotek NSW Pty Limited (Cyclotek NSW). Cyclopharm and Cyclotek NSW have entered into a sub-lease agreement as tenants in common whereby Cyclotek NSW is solely responsible for the tenant's obligations except for make good obligations until such time as it exercises the right to transfer its interest as tenant in common to Cyclopharm. Being a tenant in common, Cyclopharm's contingent liabilities as at 31 December 2024 amounts to $3,042,657 (2023: $3,206,657) if Cyclotek NSW is unable to fulfil its obligations as tenant. The amount comprises payments under a sub-lease agreement commencing 1 January 2020 until the expiry of two options to renew expiring on 31 December 2039 with a rent-free period until 31 December 2022.

There were no other contingent liabilities as at the date of this report (2023: $nil).

22. RELATED PARTY TRANSACTIONS

The consolidated financial statements include the financial statements of Cyclopharm Limited and its subsidiaries as listed in Note 28 of this report. Balances and transactions between the Company and its subsidiaries, which are related parties of the Company have been eliminated on consolidation and are not disclosed in this note.

Mr Robert Branch, a director of Cyclomedica UK Limited, provides accounting and taxation services to the Company through BQC Limited. BQC Limited was paid £18,000 during the financial year (2023: £18,000).

Ms Edith Lau, a director of Cyclomedica Nordic AB, provides accounting and taxation services to the Company through Metric Accounting AB. Metric Accounting AB was paid kr363,881 during the financial year (2023: kr326,377).

There were no transactions that were entered into with other related parties during the financial year.

23. EVENTS AFTER THE BALANCE DATE

No matters or circumstances have arisen since the end of the financial year, not otherwise dealt with in the financial report, which significantly affected or may significantly affect the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in future financial periods.

24. AUDITORS' REMUNERATION

The following total remuneration was received, or is due and receivable, by auditors of the Company in respect of:

	Consolidated	
	2024	**2023**
	$	**$**
Amounts received or due and receivable by the auditor of the parent entity and associated entities for:		
Audit and review of the financial statements	165,313	148,095
Other services:		
- tax compliance	20,964	19,277
	186,277	**167,372**
Amounts received or due and receivable by other audit firms for:		
Audit of the financial statements of controlled entities	239,586	208,251
Other services	46,730	138,026
	286,316	**346,277**

25. SHARE BASED PAYMENT PLANS

(a) Recognised share-based payment expenses

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

The expense recognised for employee services received in relation to share based payments during the year is shown in the table below:

	Consolidated	
	2024	2023
	$	$
Expense arising from equity-settled share-based payment transactions (note 5(a))	360,897	524,192

The share-based payment reserve at 31 December 2024 was $4,126,852 (2023: $3,765,955).

(b) Share-based payment other than implied options

No share-based payments other than implied options were made during the year.

(c) Type of share based payment plans

The share-based payment plan is described below. An updated Plan was approved by members at the Annual General Meetings held on 29 May 2018 and 4 May 2021.

Shares

Long Term Incentive Plan ("Plan") Shares ("Shares") are granted to certain Directors and certain employees.

In valuing transactions settled by way of issue of shares, performance conditions and market conditions linked to the price of the shares of Cyclopharm Limited are taken into account. All shares issued have market performance conditions so as to align shareholder return and reward for the Company's selected management and staff ("Participants").

The Shares vest upon the satisfaction of certain performance conditions ("Hurdles") within the term ("Term") specified for Participants in the Plan. The Board has residual discretion to accelerate vesting (i.e. reduce or waive the Hurdles) and exercise of Shares in the event of a takeover or merger or any other circumstance in accordance with the terms of the Plan.

Shares in relation to which Hurdles have not been satisfied (i.e. that do not vest) will lapse and will not be able to be exercised, except in the circumstances described below. However, the Board may at any time amend any rules governing the operation of the Plan or waive or modify the application of the rules in relation to any Participant. Shares which have not vested will lapse where a Participant ceases employment with Cyclopharm other than on retirement, redundancy, death or total and permanent disablement or unless as otherwise determined by the Board in its absolute discretion.

25. SHARE BASED PAYMENT PLANS (continued)

Where a Participant has ceased employment with Cyclopharm as a result of resignation, retirement, redundancy, death or total and permanent disablement prior to the end of a performance period, only shares that have vested may be retained by the Participant on a pro-rata basis. If a Participant ceases employment for any reasons mentioned above prior to the first anniversary of the grant date, the Participant forfeits all entitlement to Shares.

LTIP Shares issued

At the Annual General Meeting held on 8 May 2007, Shareholders approved the Company's Plan with an updated Plan approved by Shareholders on 29 May 2018 and 4 May 2021.

Implied Options

AASB 2 Share Based Payments requires that the benefit to an employee arising from an employee share scheme such as the Cyclopharm Long Term Incentive Plan be treated as an expense over the vesting period. All of the issues of Plan shares have been treated as Plan Share Options ("Implied Options") in accordance with AASB 2. The employee benefit is deemed to be the Implied Option arising from the Plan. Consequently, the value of the discount which has been determined using the Black Scholes option pricing model will be charged to the Statement of Comprehensive Income and credited to the Employee Equity Benefits Reserve over the vesting period.

Where employee shares are issued under a non-recourse loan payment plan, the loan assets and the increments to Contributed Equity are not recognised at grant date but rather the increments to Contributed Equity are recognised when the share loans are settled by the relevant employees.

(d) Summary of Options and Implied Options granted

The following table summarises the movements in Options and Implied Options during the current year:

		Consolidated 2024 Number	Consolidated 2023 Number	Weighted Average Exercise Price 2024 $	Weighted Average Exercise Price 2023 $
Balance at the beginning of the year		1,009,562	1,317,062	2.31	1.50
Granted during the year		-	742,500	-	1.98
Vested but unexercised during the year	(i)	-	(850,000)	-	-
Vested and exercised during the year	(ii)	-	(200,000)	-	-
Balance at the end of the year		**1,009,562**	**1,009,562**	**2.31**	**2.31**
Vested but unexercised at the end of the year		4,175,804	4,175,804		

(i) No LTIP shares (2023: 850,000) vested during the year.

(ii) On 30 November 2023, 200,000 Options issued at nil exercise price were converted in accordance with the terms and conditions approved by the Company's shareholders on 21 May 2019. After the conversion, there are nil Options (2023: nil) and 5,030,701 LTIP shares (2023: 5,185,366) on issue as at 31 December 2024.

25. SHARE BASED PAYMENT PLANS (continued)

(e) Range of exercise price, weighted average remaining contractual life and weighted average fair value

The weighted average exercise price for Implied Options at the end of the year was $2.31 (2023: $2.31). The weighted average remaining contractual life for Implied Options outstanding as at 31 December 2024 is 0.98 years (2023: 1.72 years). The weighted average fair value of Implied Options granted during the year was nil (2023: $1.98).

(f) Option pricing models

The following assumptions were used to derive a value for the Options and Implied Options granted using the Black Scholes Option model as at the grant date, taking into account the terms and conditions upon which the Shares were granted:

	Implied Options	Implied Options	Implied Options	Implied Options
Exercise price per Option	**$3.20**	**$3.20**	**$1.82**	**$3.04**
Number of recipients	25	1	38	1
Number of Options	264,062	3,000	642,500	100,000
Grant Date	19/02/2021	19/02/2021	23/03/2023	12/09/2023
Dividend yield	-	-	-	-
Expected annual volatility	61.00%	61.00%	46.00%	48.00%
Risk-free interest rate	0.08%	0.37%	3.48%	3.90%
Expected life of Option (years)	*4.36 years	6 years	3 years	2 years
Fair value per Option	$1.012	$1.447	$0.419	$0.594
Share price at grant date	$2.79	$2.79	$1.50	$2.56
Model used	Black Scholes	Black Scholes	Black Scholes	Black Scholes

* Extended to 30 June 2025.

Expected volatility percentages used for the Option pricing calculations were determined using historic data over 24 months and were adjusted to reflect comparable companies in terms of industry and market capitalisation. The Implied Options are not listed and as such do not have a market value.

26. PARENT ENTITY DISCLOSURE

	2024 $	2023 $
(i) **Financial Position**		
Assets		
Current assets	16,262,173	7,502,194
Non-current assets	68,558,560	54,759,970
Total assets	**84,820,733**	**62,262,164**
Liabilities		
Current liabilities	231,058	442,050
Non-current liabilities	10,757,312	10,323,448
Total liabilities	**10,988,370**	**10,765,498**
Net assets	**73,832,363**	**51,496,666**
Equity		
Contributed equity	87,274,279	63,981,835
Employee equity benefits reserve	4,126,852	3,765,955
Accumulated losses	(17,568,768)	(16,251,124)
Total equity	**73,832,363**	**51,496,666**
(ii) **Financial Performance**		
Loss for the year	(1,317,644)	(525,440)
Other comprehensive income	-	-
Total comprehensive loss for the year	**(1,317,644)**	**(525,440)**

27. RESERVES AND OTHER CONTRIBUTED EQUITY

Nature and purpose of reserves:

(a) Employee equity benefits reserve

The employee share-based payments reserve is used to record the value of share-based payments provided to employees, including key management personnel, as part of their remuneration.

(b) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

(c) Other contributed equity

Other contributed equity arises from prior period transfers of tax liabilities within the group (refer Note 2(f)) and the 2006 demerger from Vita Life Sciences Limited.

28. CONTROLLED ENTITIES

Ultimate parent entity

Cyclopharm Limited is the ultimate parent entity in the wholly owned group.

Controlled Entities

Name	Country of Incorporation	Percentage of equity interest held	
		2024	2023
Cyclopharm Limited	Australia		
Controlled entities			
CycloPET Pty Ltd	Australia	100%	100%
Cyclomedica Australia Pty Limited	Australia	100%	100%
Cyclomedica Ireland Limited	Ireland	100%	100%
Cyclomedica Europe Limited	Ireland	100%	100%
Cyclomedica Benelux bvba	Belgium	100%	100%
Cyclomedica Nordic AB	Sweden	100%	100%
Cyclomedica Germany GmbH	Germany	100%	100%
Cyclomedica Canada Limited	Canada	100%	100%
Cyclomedica USA LLC	USA	100%	100%
Cyclomedica UK Ltd	United Kingdom	100%	100%
Cyclomedica New Zealand Limited	New Zealand	100%	100%
Cyclomedica Danmark ApS *	Denmark	100%	100%

* Previous name, Dupharma ApS, changed 23 October 2024.

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