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 2023	31 December 2022

2. Results for announcement to the market

2.1 Revenues from ordinary activities	up	15.1%	to	26,339,389
2.2 Loss from ordinary activities after tax attributable to members	down	(28.9%)	to	(4,700,806)
2.3 Net Loss for the period attributable to members	down	(28.9%)	to	(4,700,806)

2.4 Dividends	Amount per security	Franked amount per security
Final dividend proposed	None	None
Interim dividend - 2023	0.5 cent	0.0 cent

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 2023 year included:

- Record Group Total revenue of $32.21 million, up 29.0% on the prior comparable period (pcp)
- Record Group Sales revenue of $26.34 million, up 15.1% on the prior comparable period (pcp)
- Technegas™ sales increased by 5.6% to $14.43 million
- Third party distribution revenue up 29.3% to $11.91 million
- Balance Sheet of $11.73 million net cash to fund USA launch
- Litigation proceeds of $1.28 million received
- $3.16 million reversal of impairment to the cyclotron facility
- Continued progress in developing new, 'Beyond PE', clinical applications providing significant, long term growth opportunities for Technegas™
- Total unfranked dividends for 2023 of 0.5 cents per share. No Final Dividend declared.

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

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Appendix 4E

Preliminary Final Report

For the year ended 31 December 2023

cyclopharm

Cyclopharm Limited and its Controlled Entities
ABN 74 116 931 250

MANAGING DIRECTOR'S REVIEW

Key features of Cyclopharm's financial results for the 2023 year include:

- **Revenues:**
    - **Record Group Total revenue of $32.21 million, up 29.0% on the prior comparable period (pcp)**
    - **Record Group Sales revenue of $26.34 million, up 15.1% on the prior comparable period (pcp)**
    - **Technegas™ related sales increased by 5.6% to $14.43 million**
    - **Third party distribution revenue up 29.3% to $11.91 million**
- **Balance Sheet of $11.73 million net cash to fund USA launch**
- **Litigation proceeds of $1.28 million received**
- **$3.16 million reversal of impairment to the cyclotron facility**
- **Continued progress in developing new, 'Beyond PE', clinical applications providing significant, long term growth opportunities for Technegas™**
- **Total Unfranked dividends for 2023 of 0.5 cents per share. No Final Dividend declared.**

Dear Shareholders,

Cyclopharm delivered another solid financial and operational performance in 2023 and the start of our market expansion of Technegas following United States Food and Drug Administration (USFDA) approval on 29 September 2023. Access to the US market, the single largest market for Technegas™ globally, is expected to significantly grow sales of Technegas™ in coming years.

Cyclopharm's core Technegas™ products are now available in 65 countries, with 7 of our offices directly servicing 17 out of those countries. Cyclopharm will continue to leverage this expanding global footprint, regulatory expertise and direct marketing capabilities to grow global Technegas™ sales and to continue the rapid expansion of our successful third-party distribution partnerships business.

The company continued to invest in further R&D and support of clinicians to expand the use of Technegas™ in new diagnostic applications as part of our 'Beyond PE' growth strategy. Entry to the US market is also expected to accelerate 'Beyond PE' globally.

FINANCIAL PERFORMANCE

Cyclopharm continued to generate record Group revenue of $32.21 million up 29.0% from the previous year. Revenues from direct sales in 2023 of $26.34 million, were up 15.1% from $22.88 million in the prior year.

Sales of our proprietary Technegas™ Systems and PAS consumables, used in functional lung imaging primarily for the detection of pulmonary embolism, performed well in 2023 with revenue from the Systems and consumables exceeding FY2023 revenues by 5.6% to $14.43 million.

Sales revenue from Third-Party distribution sales continued to grow strongly, up $2.70 million to $11.91 million, a rise of 29.3%. This revenue, whilst at lower margin than sales of our proprietary Technegas™ products, is expected to continue to complement revenues in existing markets. Third-party distribution consists of a mix of radiopharmaceuticals, capital equipment and associated consumables. 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 $4.70 million in 2023, compared to $6.61 million in 2022. This figure was assisted by $3.16 million reversal of impairment to the cyclotron facility in recognition of the financial contributions derived from Cyclotek NSW Pty Ltd. The results included $3.49 million of expenses associated with the USFDA approval process in 2023. In total, $23.41 million has been expensed 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 USA market now that approval has been granted. The net loss before tax of approximately $4.19 million in 2023, down 30.5% from $6.03 million in 2022. This result includes $1.28 million of recovered litigation costs from ongoing strategies to actively protect Cyclopharm's commercial interests in Europe and Australia. Staffing costs have also increased over the period by $2.61 million predominantly driven by the increasing costs of global regulatory compliance and preparations for the Company's rapid roll out of Technegas™ in the US market following USFDA approval.

The results were assisted by a decrease in distribution costs. Distribution costs of $1.07 million were recorded in 2023, down from $2.39 million in 2022. This decrease resulted from the easing in inflationary pressures of distribution and logistics costs globally as worldwide supply chains continue to moderate.

Cyclopharm ended the financial year with a healthy balance sheet and a cash balance of approximately $11.73 million, reflecting prudent expense and capital management supported by ongoing operational cashflows. This cash balance allows the Company to launch its rollout of Technegas™ in the US, continue its R&D activities and support the working capital needs of the business.

R&D tax incentives are ongoing but now in the form of offsets to future taxable income, rather than refunds, as CYC has exceeded the aggregated turnover threshold. Therefore, there was no Research and Development Tax incentive payment for the 2023 financial year, versus a payment of $1.64 million from the Australian Taxation Office in 2022.

Operations and Strategy deliverables

During the year to 31 December 2023, we continued to successfully execute the Company's growth strategy of leveraging its significant intellectual property, technology and technical expertise to broaden sales and service into new countries and expanding end-use product applications and complementary businesses.

Operating highlights for the 2023 calendar year included:

- Successful USFDA manufacturing facility inspection completed
- USFDA approval to market Technegas™ in the US, received on 29 September.
- First US contract signed with Duke University Hospital in December.
- Advanced preparation for US commercialization of Technegas™, including personnel training and inventory buildup, to facilitate a rapid rollout in 2024.
- Ongoing support for Technegas™ continues to build from frontline US healthcare workers and clinicians based on superior clinical outcomes, operational efficiencies and an unprecedented safety profile.
- Continuation of pilot clinical trials targeting new applications for Technegas™ in chronic respiratory disease states and long-COVID-19, COPD, asthma and lung cancer.
- Strong growth of 29.3% in Third-Party Distribution

Cyclopharm also continues to prioritise employee safety and welfare while executing our growth strategies.

EXPANDING TECHNEGAS™ REVENUES

Technegas™ sales grew by 5.6% to $14.43 million, matching pre-pandemic levels. Sales of Patient Administration Sets (PAS) represented 70.7% of Technegas™ revenue (73% in FY22). Each box of PAS is equal to 50 patient doses of Technegas™.

PAS sales resulted in 161,700 patient procedures in 2023 or 3,234 boxes of PAS. Despite 113 fewer boxes sold in 2023, the result was pleasing given the temporary shortage of global contrast media in 2022 which benefited Technegas sales for that year.

In 2023, 58 TechnegasPlus™ Systems (Systems) were sold compared to 76 in the prior year. The previous year's sales were assisted by a boost in COVID related TechnegasPlus™ System.

Sales of Systems and other service revenue represented 29.3% of Technegas™ total revenue, up from 26.5% in 2022. The increase was primarily a result of the pricing increase in Systems combined with the execution of the Company's direct market expansion.

ACCELERATED US ROLLOUT

Cyclopharm received United States Food and Drug Administration (USFDA) approval to commence commercial sales of Technegas™ in the US market on 29 September 2023. The approval provides Cyclopharm access to the single largest market for Technegas™ globally, and one which the company estimates to be initially worth approximately US$180 million annually for the diagnosis and management of Pulmonary Embolism (PE).

In preparation for the USFDA approval, Cyclopharm established a rapid rollout plan for Technegas™ into a market estimated to represent 2,000 facilities. The company invested in building up inventory levels and had the necessary parts to launch with 200 systems ready to deploy. The USFDA approval covers the complete Technegas™ product line, including its manufacture in and distribution from Australia.

Prior to USFDA approval, there was significant pre-existing demand for Technegas™ in the US healthcare market with US clinicians and their representative bodies having lobbied heavily for access to Technegas™. Cyclopharm had logged over 420 individual expressions of interest pre-approval and the company in prioritising this strong demand for Technegas™ in US medical facilities in the following order:

1. US Clinical trial sites involved in Technegas'™ New Drug Application (NDA), such as Duke University Hospital, Cyclopharm's first signed contract in the US for Technegas™
2. Key Opinion Leaders involved in the NDA process
3. Advocates that have supported Technegas™ during the NDA process
4. Large Government and Large Private Health Care Groups
5. Large University affiliated teaching hospitals

Since USFDA approval in September, Cyclopharm has specifically engaged with over 80 individual clinical sites and buying groups aligned to over 280 individual locations. This internal process is generally first driven by strong clinical support from the nuclear medicine department, followed by several interdepartmental reviews conducted which includes an analysis of commercial terms. Administrative approval and contract execution then progresses to installation and training. Our first US Technegas™ installation and sales to Yale University was recorded in February 2024.

Installations of the first wave of Technegas™ Systems for the US will continue through H1 2024, with plans for completion, shipment and installation of 200 Systems by the end of 2024. Under the US sales model, based on anticipated high volumes, Cyclopharm will provide and install

Technegas™ Systems to nuclear medicine departments to increase adoption and use of the single patient consumables which generate recurring annuity-style revenue. Already in place are agreements for third-party distribution, System service, installation, and administrative support for Technegas™ in the US.

Maximising the US Opportunity

To rapidly penetrate the US market, Cyclopharm will use its experience from the successful introduction of Technegas™ in the 64 existing country markets globally including its largest country market, Canada. In Canada, the company has displaced the same competitive products currently being used in the US to a level where almost all of Canada's nuclear medicine ventilation procedures are imaged using Technegas™.

In the US, there are approximately 4 million procedures conducted annually to rule out the presence of PE. Of those procedures, 85% are imaged through Computed Tomography Pulmonary Angiography (commonly known as CT or CTPA). The remaining 15% of the market (or 600,000 procedures) which utilize nuclear medicine rather than CT to diagnose PE, comprises patients with contraindications including those who are pregnant, have renal impairment, allergies to CT contrast media, or radiation concerns.

Cyclopharm is initially targeting the existing 600,000 nuclear medicine imaging procedures for PE, a market which it estimates to be approximately US$90 million per annum. Based on Cyclopharm's experience in the Canadian market and globally, the company reiterates expectations it can achieve a 50% share of this existing market over the next 2 to 3 years, rising to more than 80% share over a 3 to 5-year period.

The second stage Involves increasing the total US PE diagnostic market that is imaged through nuclear medicine from 15% to 30%. This target raises the total potential PE market for Technegas™ in the US to US$180 million annually, Cyclopharm's confidence the US market can be expanded to US$180 million is based on the company's extensive and successful global track record, the unique properties of Technegas™ including its ability to enhance 3-D imaging technology and create superior clinical outcomes to CTPA.

Underpinning these projections is the key fact that US reimbursement codes are based on established nuclear medicine procedures. Technegas can therefore be immediately utilised under existing bundled procedural codes.

BEYOND PE – SUBSTANTIALLY EXPANDING THE USE OF TECHNEGAS™

USFDA approval also allows for the broader use of Technegas™ in "*visualisation of pulmonary ventilation*" which supports wider future use across other respiratory disease states including Chronic Obstructive Pulmonary Disease (COPD), Asthma, Long COVID and lung cancer. The US represents the largest individual markets in the world for diagnostic lung ventilation imaging.

As an indication of the larger Beyond PE markets in the US, Cyclopharm estimates the global COPD market to be approximately 30 times the size of the PE market. Clinical studies have supported the potential for over 500 million patients globally suffering with COPD and a similar number with Asthma, benefiting from the use of Technegas™ in diagnosis and ongoing patient monitoring and management. These respiratory disease states represent significant opportunities to expand sales of Technegas™, drive shareholder value over the medium term and ultimately improve patient outcomes.

Cyclopharm is confident that the extension of Technegas™ into these new applications in the US will drive substantive opportunities globally to exponentially expand the market for Technegas™ beyond its traditional PE market.

Technegas™ remains the recognised functional ventilation imaging agent used in diagnosing Pulmonary Embolism as referenced in both the recently published Canadian Association of Nuclear Medicine Guidelines[1] and the updated 2019 European Association of Nuclear Medicine Guidelines[2]. Both guidelines also reinforce the superior use of Technegas™ particularly in patients with COPD and the potential for nuclear medicine imaging.

OTHER BUSINESSES

Third-party distribution

The Technegas™ division benefited significantly from the robust increase in third-party distribution revenues to $11.91 million. Third-party revenue was driven by a strong contribution from Australia/NZ and a sound performance in Europe.

Cyclopharm leveraged its regulatory expertise and operational footprint through the establishment, in 2020, of a third-party distribution business that continues to deliver exceptional growth. The Company entered into third-party distribution agreements for Europe in 2020, followed by agreements in the Asia Pacific region in 2021. In 2023, the third-party distribution revenues expanded by 29.3% to $11.91 million, still a significant rise despite more than doubling in 2022 at solid, albeit lower, margins than Cyclopharm's proprietary Technegas™ products.

These complementary third-party revenue streams have supported Cyclopharm's overall revenue performance since 2020, particularly through the years when the COVID pandemic had its most profound impact on our Technegas™ business. The continued and substantial growth of the Company's third-party distribution business in 2023 demonstrates that it is delivering a material contribution to the overall business.

Third-party revenue is a combination of capital works projects and ongoing sales from consumables and related service support. Of the total $11.91 million third-party revenues generated in 2023, capital works projects equalled $4.37 million with the ongoing revenues associated with recurring consumable sales and service equating to $7.54 million.

These growing third-party partnerships continue to reinforce the Company's strategy of pursuing additional and complementary revenue streams. Initially introduced to leverage off our Technegas™ sales and service infrastructure, this initiative is now providing a material contribution to the Company's earnings and revenue and is emerging as a core and complementary part of the business.

Cyclotek NSW Pty Ltd

During the year, Cyclotek NSW Pty Ltd made a $0.80 million positive contribution to the Group's results. 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 legacy Cyclotron 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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[1] Leblanc et. Al. CANM Guidelines for Ventilation/Perfusion (V/P SPECT) In Pulmonary Embolism. November 2018

[2] Bajc et. Al. EANM guideline for ventilation/perfusion single-photon emission computed tomography (SPECT) for diagnosis of pulmonary embolism and beyond. European Journal of Nuclear Medicine and Molecular Imaging. July 2019. https://doi.org/10.1007/s00259-019-04450-0

Litigation Progress

In August 2023 Cyclopharm advised that the Company and its wholly owned subsidiary Cyclomedica (CYC) had reached a settlement with two of the parties involved in legal proceedings initiated by CYC in Australia, which resulted in the Company receiving a cash settlement and asset purchase equalling a net receipt of $0.70 million.

This settlement follows the receipt of $0.58 million from the favourable judgment handed down in Germany against Mr Bjorn Altmann and Almedis Altmann GmbH in December 2022, and is a partial settlement of the Company's ongoing legal action in Australia.

Cyclopharm is continuing to vigorously protect its intellectual property by pursuing its ongoing legal action against the remaining Australian and German defendants. During 2024, 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.

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.

On 19 February 2024, Cyclopharm announced that Mr John Wigglesworth was appointed as a Non-Executive Director to fill a casual vacancy on the board. Mr Wigglesworth is a Chartered Accountant and Company Director with 37 years professional experience, including nearly 25 years as a Partner at KPMG.

As Cyclopharm enters its next phase of substantial growth, Mr Wigglesworth's experience will be a valuable asset to the company.

Leadership Team

Cyclopharm's focus on its strategic pillars allowed the Company to grow and build a talented team, specifically in the US, to prepare for the rapid roll out of Technegas™ following the USFDA approval in September this year. This meant that the Company has hit the ground running in the US market, which will create both a step change in the business' financial and operational performance as well as mark a new phase in the growth of the business.

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 2023 Cyclopharm has again demonstrated the strength and resilience of the business by delivering another record revenue performance. We have initiated sales process of our proprietary Technegas™ technology into the US market, which we expect to drive an exponential change in the growth of our core business. In addition, we continue to grow third party sales and cumulatively we are delivering on our strategy of revenue diversification across the group.

Cyclopharm's ability to initiate sales of Technegas™ in the US is the result of the persistence and hard work of our highly skilled global team along with the unwavering support of our Board and shareholders through the process to secured USFDA approval. Importantly, USFDA approval has also established a platform for maximising the breadth of clinical use of Technegas™ across a wide range of respiratory applications going forward.

While USFDA approval for Technegas™ is a major milestone for Cyclopharm, our ability to now make this technology available to US clinicians and to the patients they serve, is where the key significance lies. Our preparation for a rapid entry into the US market, based on our global experience, consisted of building our inventory along with US service and training capabilities. The existing and substantial clinical demand does not require a large sales force to promote a product that has been long sought after clinically in the US market. We look forward to providing you with regular updates on the US rollout of Technegas as we proceed with this exciting new phase for the company.

The Company's strong balance sheet and cash balance at year-end of $11.73 million means we are sufficiently funded to launch the initial rollout of Technegas in the US market as well as our growth aspirations in the rest of the countries in which we operate.

We are also continuing to accelerate opportunities, via clinical trials, to develop our 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. 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 has never been better placed to extend its market leadership in lung imaging and drive ongoing growth in revenue and earnings. Following USFDA approval, the Company is entering its next growth phase from a position of strength, having delivered record 2023 sales revenues, robust sales of Technegas™ and continuing strong growth in third party sales.

The Company has already commenced sales in the USA and we expect that to continue at pace in 2024. The US market will be a major catalyst for our growth aspirations, alongside our well established existing operations in 64 additional countries.

Finally, I thank all my colleagues, the Cyclopharm Board, with a special thanks to my entire 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 S McBrayer

James McBrayer
Managing Director

Consolidated Statement of Profit or Loss And Other Comprehensive Income for the year ended 31 December 2023

UNAUDITED

	Notes	Consolidated 2023 $	2022 $
CONTINUING OPERATIONS			
Sales revenue	5	26,339,389	22,878,333
Finance revenue	5	489,169	109,733
Other revenue	5	5,376,495	1,976,320
Total revenue		**32,205,053**	**24,964,386**
Cost of materials and manufacturing	5a	(10,255,757)	(7,440,608)
Employee benefits expense	5e	(11,690,163)	(9,081,003)
Advertising and promotion expense		(979,765)	(538,338)
Depreciation and amortisation expense	5c	(938,834)	(931,484)
Freight and duty expense		(1,069,613)	(2,385,834)
Research and development expense	5d	(3,689,115)	(3,439,980)
Administration expense	5f	(7,399,820)	(6,681,478)
Other expense	5g	(155,722)	(229,584)
Loss before tax and finance costs		**(3,973,736)**	**(5,763,923)**
Finance costs	5b	(215,992)	(265,923)
Loss before income tax		**(4,189,728)**	**(6,029,846)**
Income tax	6	(511,078)	(581,669)
Loss for the year		**(4,700,806)**	**(6,611,515)**
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)		423,826	(131,589)
Total comprehensive loss for the year		**(4,276,980)**	**(6,743,104)**
Loss per share (cents per share)	7	**cents**	**cents**
-basic loss per share from continuing operations		(5.07)	(7.17)
-basic loss per share		(5.07)	(7.17)
-diluted loss per share		(5.07)	(7.17)

The Consolidated 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 2023

UNAUDITED

		Consolidated	
		2023	**2022**
	Notes	**$**	**$**
Assets			
Current Assets			
Cash and cash equivalents	8	11,726,424	20,296,176
Trade and other receivables	9	7,895,053	7,706,025
Inventories	10	10,122,016	8,292,668
Current tax asset	6	170	4,947
Other assets		452,102	570,519
Total Current Assets		**30,195,765**	**36,870,335**
Non-current Assets			
Inventories	10	33,836	-
Property, plant and equipment	11	5,972,888	3,189,165
Right-of-use assets	12	3,213,315	3,410,439
Investments	13	-	-
Intangible assets	14	5,736,075	5,436,401
Deferred tax assets	6	762,310	635,811
Total Non-current Assets		**15,718,424**	**12,671,816**
Total Assets		**45,914,189**	**49,542,151**
Liabilities			
Current Liabilities			
Trade and other payables	15	6,941,912	6,502,920
Lease liabilities	16	214,465	209,992
Provisions	17	1,475,407	1,133,574
Tax liabilities	6	37,095	89,198
Total Current Liabilities		**8,668,879**	**7,935,684**
Non-current Liabilities			
Lease liabilities	16	4,012,832	4,121,592
Provisions	17	71,184	46,453
Deferred income liabilities	18	901,812	901,812
Total Non-current Liabilities		**4,985,828**	**5,069,857**
Total Liabilities		**13,654,707**	**13,005,541**
Net Assets		**32,259,482**	**36,536,610**
Equity			
Contributed equity	19	63,781,302	63,420,810
Employee equity benefits reserve	27	3,765,955	3,241,763
Foreign currency translation reserve	27	(629,303)	(1,053,129)
Accumulated losses		(34,658,472)	(29,072,834)
Total Equity		**32,259,482**	**36,536,610**

The Consolidated 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 2023

UNAUDITED

	Notes	Consolidated 2023 $	Consolidated 2022 $
Operating activities			
Receipts from customers		29,198,240	24,289,662
Receipt from business venture collaboration		800,172	340,464
Payments to suppliers and employees		(36,728,860)	(34,557,416)
Interest received		489,169	109,733
Borrowing costs paid		(215,992)	(265,923)
Income tax (paid) / received		(710,831)	3,418,995
Net cash flows used in operating activities	8	**(7,168,102)**	**(6,664,485)**
Investing activities			
Purchase of property, plant and equipment		(236,823)	(1,274,027)
Payments for intangible assets		(301,173)	(274,371)
Net cash flows used in investing activities		**(537,996)**	**(1,548,398)**
Financing activities			
Settlement of loan for Long Term Incentive Plan Shares		142,492	446,370
Dividends paid		(884,832)	(882,592)
Payment for lease liabilities		(276,426)	(289,422)
Net cash flows used in financing activities		**(1,018,766)**	**(725,644)**
Net decrease in cash and cash equivalents		**(8,724,864)**	**(8,938,527)**
Cash and cash equivalents			
- at beginning of the period		**20,296,176**	**29,249,255**
- net foreign exchange differences from translation of cash and cash equivalents		155,112	(14,552)
- at end of the year	8	**11,726,424**	**20,296,176**

The Consolidated 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 2023

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 27(a)) $	Total $
Balance at 1 January 2022	**68,307,598**	**(5,333,158)**	**62,974,440**	**(21,578,727)**	**(921,540)**	**2,593,561**	**43,067,734**
Loss for the year	-	-	-	(6,611,515)	-	-	(6,611,515)
Other comprehensive loss	-	-	-	-	(131,589)	-	(131,589)
Total comprehensive loss for the year	**-**	**-**	**-**	**(6,611,515)**	**(131,589)**	**-**	**(6,743,104)**
Payment of loan for Long Term Incentive Plan shares	446,370	-	446,370	-	-	-	446,370
Dividends paid	-	-	-	(882,592)	-	-	(882,592)
Cost of share based payments	-	-	-	-	-	648,202	648,202
Total transactions with owners and other transfers	**446,370**	**-**	**446,370**	**(882,592)**	**-**	**648,202**	**211,980**
	-	-	-	-	-	-	-
Balance at 31 December 2022	**68,753,968**	**(5,333,158)**	**63,420,810**	**(29,072,834)**	**(1,053,129)**	**3,241,763**	**36,536,610**
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**

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

1. CORPORATE INFORMATION

Cyclopharm Limited 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 SIGNIFICANT 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 report is presented in Australian dollars.

b) New and Amended Accounting Standards and Interpretations 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.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

2. SUMMARY OF SIGNIFICANT 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 2023. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

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 2023. 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 SIGNIFICANT 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 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 (Can $) and Cyclomedica UK Ltd is Great British Pound (GBP).

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 currency translation reserve in equity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Income tax

Income tax on the profit and loss for the year comprises current and deferred tax. Income tax is recognised in the Statement of 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.

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 SIGNIFICANT 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 Comprehensive Income during the financial period in which they are incurred.

Impairment

The carrying amount of plant and equipment is reviewed annually by Directors 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.

Depreciation

The depreciable amount of all fixed assets including capitalised lease 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 Comprehensive Income in the year the item is derecognised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 Group. 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.

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.

Profit and 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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expenditure on the development of the Technegas™Plus and Ultralute System has been capitalised. Costs will be amortised once the asset development is completed and the asset 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.

	New Patents and licences	Technegas Development costs
Useful lives	Patents - Finite Licenses - Infinite	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.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:
- Raw materials: purchase cost on a first-in, first-out basis;
- Finished goods and work-in-progress: cost of direct materials and labour and an appropriate portion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 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 Comprehensive Income net of any reimbursement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 yield 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.

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

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

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 SIGNIFICANT 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

In accordance with *AASB112 Income Taxes*, additional contributed equity was recorded to recognise the transfer of tax liabilities from Vita Medical Limited to Vita Life Sciences Limited, being the parent of the Australian tax consolidated group at the relevant time. This event occurred prior to Cyclopharm Limited acquiring its interests in the net assets of Vita Medical Limited.

As part of the restructure a subsidiary of Cyclopharm Limited, Vita Medical Australia Pty Ltd acquired all the assets, liabilities and business from Vita Medical Limited, the former group parent.

With effect from 31 May 2006, Cyclopharm Limited also acquired 100% of the other group operating subsidiaries from the ultimate holding company, Vita Life Sciences Limited. Accordingly, the group at that date comprised of Cyclopharm Limited and the following wholly owned subsidiaries:

- Cyclomedica Australia Pty Ltd (formerly Vita Medical Australia Pty Ltd)
- Cyclomedica Ireland Ltd (formerly Vitamedica Europe Ltd)
- Cyclomedica Europe Ltd
- Cyclomedica Canada Limited (formerly Vita Medical Canada Ltd)
- Cyclomedica Germany GmbH
- Allrad 28 Pty Ltd (deregistered 16 July 2017)
- Allrad 29 Pty Ltd (deregistered 16 July 2017)

These entities collectively comprise the medical diagnostic equipment and associated consumables business formerly operated as the Vita Medical Group – now known as the Cyclopharm Group. The transaction has been accounted for as a ‘reverse acquisition’ as defined in *AASB 3 Business Combinations* whereby Cyclopharm Limited is the legal parent and Cyclomedica Australia Pty Limited is the financial parent, which for accounting purposes is deemed to be the acquirer.

The consideration for the minority interests of the controlled entities and costs of acquisition have been charged to other contributed equity in accordance with *AASB 10 Consolidated Financial Statements*.

2. SUMMARY OF SIGNIFICANT 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.

aa) Significant Accounting Judgements and Estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The following are the critical judgements and estimates that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Key Estimates

Impairment – general

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.

The Group's property, plant and equipment relating to the Cyclotron facility have been fully impaired, based on management's assessment that the fair value of those assets is nil in the current industry circumstances and the condition of the damaged assets. Extensive damage to the Cyclotron facility caused by substantial water damage in June 2014, delayed any decisions about the future use of the Cyclotron facility until it is restored to its former operational status. In 2019, the Company entered into a Business Venture Collaboration Agreement (Collaboration Agreement) with Cyclotek Australia Pty Ltd and Pettech, a wholly owned subsidiary of ANSTO. In parallel the Company entered into a Business Sale Transfer agreement for the operations conducted at the Company's Cyclotron facility located at Macquarie University Hospital.

In 2023, the Group's Cyclotron facility was operationally restored, and whilst regulatory approval is still pending before its commercial use by Cyclotek NSW Pty Ltd, in recognition of the financial contributions derived from the Collaboration Agreement, the fair value of the Cyclotron was written back from nil to $3,160,301 as at 31 December 2023.

The assumptions used in the estimation of recoverable amount and the carrying amount of intangible assets are discussed in Note 14. No impairment has been recognised in respect of intangible assets at the end of the reporting period.

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.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

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 Company 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share based payment transactions

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 Group measures the cost of share-based payments at fair value at the grant date using the Black-Scholes formula, taking into account the terms and conditions upon which the instruments were granted. Refer to Note 25 for details of the Company's Share Based Payment Plan.

Key Judgements

Income Tax

The Group's accounting policy for income tax requires management's judgement 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.

Judgements are also required about the application of income tax legislation. These judgements 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 consolidated statement of comprehensive income.

3. REVENUE FROM CONTRACTS WITH CUSTOMERS

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

	For the year ended 31 December 2023		
	Technegas	Molecular Imaging	Total
Segments	$	$	$
Type of goods or service			
Sales of equipment and consumables - Technegas	13,076,737	-	13,076,737
Sales of equipment and consumables - third-party products	10,571,536	-	10,571,536
After sales services - Technegas	1,349,235	-	1,349,235
After sales services - third-party products	1,341,881	-	1,341,881
Total revenue from contracts with customers	**26,339,389**	**-**	**26,339,389**
Geographical markets			
Asia Pacific	8,669,613	-	8,669,613
Europe	14,814,185	-	14,814,185
Canada	2,738,218	-	2,738,218
Other	117,373	-	117,373
Total revenue from contracts with customers	**26,339,389**	**-**	**26,339,389**
Timing of revenue recognition			
Goods transferred at a point in time	25,200,506	-	25,200,506
Services transferred over time	1,138,883	-	1,138,883
Total revenue from contracts with customers	**26,339,389**	**-**	**26,339,389**

3. REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)

	For the year ended 31 December 2022		
	Technegas	**Molecular Imaging**	**Total**
Segments	**$**	**$**	**$**
Type of goods or service			
Sales of equipment and consumables - Technegas	12,596,143	-	12,596,143
Sales of equipment and consumables - third-party products	8,120,239	-	8,120,239
After sales services - Technegas	1,067,119	-	1,067,119
After sales services - third-party products	1,094,832	-	1,094,832
Total revenue from contracts with customers	**22,878,333**	**-**	**22,878,333**
Geographical markets			
Asia Pacific	7,451,101	-	7,451,101
Europe	12,166,950	-	12,166,950
Canada	2,960,306	-	2,960,306
Other	299,976	-	299,976
Total revenue from contracts with customers	**22,878,333**	**-**	**22,878,333**
Timing of revenue recognition			
Goods transferred at a point in time	22,269,365	-	22,269,365
Services transferred over time	608,968	-	608,968
Total revenue from contracts with customers	**22,878,333**	**-**	**22,878,333**

The allowance for expected credit losses on receivables at the end of the year was $100,317 (2022: $156,919).

4. OPERATING SEGMENTS

The Group has identified its operating segments 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. The Group is managed primarily on the basis of product category as the Group's risks and returns are affected predominantly by differences in the products and services produced. The Group also monitors the performance of the business on a geographical basis.

The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Technegas™ segment is a supplier of diagnostic equipment and consumables used by physicians in the detection of pulmonary embolism and a distributor of third party products to the diagnostic imaging sector.

The Molecular Imaging segment will produce radiopharmaceuticals to be used by physicians in the detection of cancer, neurological disorders and cardiac disease.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, segment expense and segment result include transfers between business segments. Those transfers are eliminated on consolidation.

Business segments
The tables under the heading business segments present revenue and profit information and certain asset and liability information regarding business segments for the years ended 31 December 2023 and 31 December 2022.

Geographical segments
The tables under the heading geographical segment present revenue and asset information regarding geographical segments for the years ended 31 December 2023 and 31 December 2022.

4. OPERATING SEGMENTS (continued)

Business Segments

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

For the year ended 31 December 2023	Technegas $	Consolidated Molecular Imaging $	Total $
Revenue			
Sales - Technegas	14,425,971	-	14,425,971
Sales - third-party products	11,913,418	-	11,913,418
Sales to external customers	26,339,389	-	26,339,389
Finance revenue	489,169	-	489,169
Other revenue	1,416,022	3,960,473	5,376,495
Total revenue	**28,244,580**	**3,960,473**	**32,205,053**
Result			
(Loss) / profit before tax and finance costs	**(7,933,884)**	**3,960,148**	**(3,973,736)**
Finance costs	(215,632)	(360)	(215,992)
(Loss) / profit before income tax	**(8,149,516)**	**3,959,788**	**(4,189,728)**
Income tax	(214,799)	(296,279)	(511,078)
(Loss) / profit after income tax	**(8,364,315)**	**3,663,509**	**(4,700,806)**
Assets and liabilities			
Segment assets	42,425,382	3,488,807	45,914,189
Segment asset increases for the period :			
- capital expenditure	236,823	-	236,823
Segment liabilities	(13,553,709)	(100,998)	(13,654,707)
Other segment information			
Depreciation and amortisation	(938,834)	-	(938,834)

Notes to the Consolidated Financial Statements
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Continued

4. OPERATING SEGMENTS (continued)

Business Segments

For the year ended 31 December 2022	Technegas $	Consolidated Molecular Imaging $	Total $
Revenue			
Sales - Technegas	13,663,262	-	13,663,262
Sales - third-party products	9,215,071	-	9,215,071
Sales to external customers	22,878,333	-	22,878,333
Finance revenue	109,733	-	109,733
Other revenue	1,635,856	340,464	1,976,320
Total revenue	**24,623,922**	**340,464**	**24,964,386**
Result			
(Loss) / profit before tax and finance costs	**(6,145,066)**	**381,143**	**(5,763,923)**
Finance costs	(265,493)	(430)	(265,923)
(Loss) / profit before income tax	**(6,410,559)**	**380,713**	**(6,029,846)**
Income tax expense	(549,484)	(32,185)	(581,669)
(Loss) / profit after income tax	**(6,960,043)**	**348,528**	**(6,611,515)**
Assets and liabilities			
Segment assets	48,524,326	1,017,825	49,542,151
Segment asset increases for the period :			
- capital expenditure	1,274,027	-	1,274,027
Segment liabilities	(12,950,439)	(55,102)	(13,005,541)
Other segment information			
Depreciation and amortisation	(931,484)	-	(931,484)

4. OPERATING SEGMENTS (continued)

Geographical Segments

	Consolidated				
For the year ended	**Asia Pacific**	**Europe**	**Canada**	**Other**	**Total**
31 December 2023	**$**	**$**	**$**	**$**	**$**
Revenue					
Sales to external customers	8,669,613	14,814,185	2,738,218	117,373	26,339,389
Finance revenue	489,169	-	-	-	489,169
Other revenue	4,802,722	573,773	-	-	5,376,495
Total segment revenue	**13,961,504**	**15,387,958**	**2,738,218**	**117,373**	**32,205,053**
Assets					
Segment assets	33,411,607	10,758,563	1,744,019	-	45,914,189

	Consolidated				
For the year ended	**Asia Pacific**	**Europe**	**Canada**	**Other**	**Total**
31 December 2022	**$**	**$**	**$**	**$**	**$**
Revenue					
Sales to external customers	7,451,101	12,166,950	2,960,306	299,976	22,878,333
Finance revenue	109,733	-	-	-	109,733
Other revenue	1,976,320	-	-	-	1,976,320
Total segment revenue	**9,537,154**	**12,166,950**	**2,960,306**	**299,976**	**24,964,386**
Assets					
Segment assets	38,032,765	10,650,908	858,478	-	49,542,151

5. REVENUES AND EXPENSES

	Notes	Consolidated 2023 $	Consolidated 2022 $
Revenue			
Sales revenue		26,339,389	22,878,333
Finance revenue - Interest received from other parties		489,169	109,733
Other Revenue			
Income from business venture collaboration		800,172	340,464
Reversal of impairment		3,160,301	-
Recoveries from litigation		1,279,492	-
Insurance recoveries		136,530	-
R&D Tax incentive refund		-	1,635,856
Total other revenue		5,376,495	1,976,320
(Note 3 discloses the disaggregation of the Group's revenue from contracts with customers)			
Expenses			
a) Cost of materials and manufacturing			
Cost of materials and manufacturing		10,255,757	7,440,608
b) Finance costs			
Interest paid on loans from external parties		23,935	67,434
Interest on leased assets (AASB 16)		192,057	198,489
Total finance costs		**215,992**	**265,923**
c) Depreciation and amortisation			
Depreciation of plant and equipment		235,042	234,806
Depreciation of leasehold improvements		280,971	266,704
Depreciation of leased assets (AASB 16)		276,426	289,422
Amortisation of intangibles		146,395	140,552
		938,834	931,484
d) Research & development expense			
FDA expenses		3,490,346	2,973,729
Pilot Clinical Trial expenses		49,898	126,818
Research expenses		148,871	339,433
		3,689,115	3,439,980
e) Employee benefits expense			
Salaries and wages		9,942,009	7,712,904
Defined contribution superannuation expense		981,441	545,565
Non-Executive Director fees		242,521	174,332
Share-based payments expense	25a	524,192	648,202
		11,690,163	9,081,003
f) Administration expense			
Legal and professional costs		3,522,787	3,473,853
Office and facility costs		2,308,942	1,883,668
(Reversal) / Provision of doubtful debts		(65,191)	65,422
Travel and motor vehicle costs		1,633,282	1,258,535
		7,399,820	6,681,478
g) Other expense			
Realised Foreign exchange gains		(8,177)	(63,821)
Unrealised Foreign exchange gains		(177,266)	(60,751)
Other		341,165	354,156
		155,722	229,584

6. INCOME TAX

	2023	2022
	$	$
The components of income tax expense comprise:		
Current income tax expense	(637,577)	(397,074)
Deferred tax benefit / (expense)	126,499	(184,595)
	(511,078)	**(581,669)**

A reconciliation of income tax expense applicable to accounting loss before income tax at the statutory income tax rate to income tax expense at the Group's effective income tax rate is as follows:

	2023	2022
Accounting loss before income tax	**(4,189,728)**	**(6,029,846)**
Statutory income tax rate of 25% (2022: 25%)	1,047,434	1,507,462
Effects of lower rates on overseas income	212,420	225,067
Expenditure not allowable for income tax purposes	(378,033)	(1,714,959)
Non-assessable income	-	409,460
Temporary differences recognised / (reversed) in Australian group	126,499	(184,595)
Tax losses not recognised in Australia	(1,519,398)	(824,104)
Total income tax expense	**(511,078)**	**(581,669)**
Effective income tax rate	12.2%	9.6%
Current income tax asset	**170**	**4,947**
Current income tax liability	**37,095**	**89,198**
Deferred tax relating to capital raising costs, credited directly to equity	**-**	**-**
Deferred tax assets		
Deferred tax assets from temporary differences on:		
Investments	(1,198,993)	(1,180,925)
Provisions and accruals	1,542,655	1,384,838
Other	418,648	431,898
Total deferred tax assets	**762,310**	**635,811**
Movements in deferred tax assets		
Opening balance	635,811	820,406
Temporary differences brought to account (reversed)	126,499	(184,595)
Closing balance	**762,310**	**635,811**
Deferred tax assets for which no benefit has been recognised:		
- arising from temporary differences - at 25% (2022 - 25%)	74,120	567,136
- arising from revenue tax losses - at 25% (2022 - 25%)	1,802,383	1,861,215
- arising from capital tax losses - at 25% (2022 - 25%)	19,715	19,715

7. NET TANGIBLE ASSETS AND LOSS PER SHARE

Net Tangible Assets per share

	Consolidated	
	2023 $	2022 $
Net assets per share	0.34	0.39
Net tangible assets per share	0.28	0.33
	Number	Number
Number of ordinary shares for net assets per share	94,095,728	93,053,826
	2023 $	2022 $
Net assets	32,259,482	36,536,610
Less: Intangible assets	(5,736,075)	(5,436,401)
Net tangible assets	26,523,407	31,100,209

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 (2022: 408,059 LTIP shares issued on 19 February 2021 and excludes 320,997 lapsed LTIP shares cancelled on 4 October 2022) 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	
	2023 cents	2022 cents
Basic loss per share for continuing operations	(5.07)	(7.17)
Basic loss per share	(5.07)	(7.17)
Diluted loss per share	(5.07)	(7.17)
	Number	Number
Weighted average number of ordinary shares for basic loss per share	92,663,584	92,178,892
Weighted average number of ordinary shares for diluted loss per share	92,663,584	92,178,892
	2023 $	2022 $
Loss used to calculate basic earnings per share	(4,700,806)	(6,611,515)
Loss used to calculate diluted earnings per share	(4,700,806)	(6,611,515)

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 2023 $	Consolidated 2022 $
Cash at bank and in hand	11,726,424	20,296,176
Total cash and cash equivalents	**11,726,424**	**20,296,176**

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 $11,726,424 (2022: $20,296,176).

Reconciliation of Statement of Cash Flows	2023 $	2022 $
For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise the following:		
Cash at bank and in hand	11,726,424	20,296,176
	11,726,424	**20,296,176**
(a) Reconciliation of net loss after tax to net cash flows from operations		
Net loss after tax	**(4,700,806)**	**(6,611,515)**
Adjustments for non-cash income and expense items:		
Depreciation	792,439	790,932
Amortisation	146,395	140,552
Property, plant and equipment written off	97,388	-
Reversal of impairment	(3,160,301)	-
Movement in intangible assets	(291,291)	-
Movement provision for employee benefits	366,564	(80,161)
Movement in foreign exchange	268,714	(117,037)
Movement in employee benefits reserve	524,192	648,202
Movement in other provisions	(65,191)	65,422
	(6,021,897)	**(5,163,605)**
Increase/decrease in assets and liabilities:		
Increase in receivables	(492,556)	(587,987)
Increase in inventories	(1,863,184)	(2,781,293)
Decrease in other receivables	421,945	744,435
Decrease in current tax asset	4,777	53,814
(Increase) / Decrease in deferred tax assets	(126,499)	184,595
Increase in creditors	961,415	890,133
Decrease in current tax liabilities	(52,103)	(8,934)
Increase in deferred income liability	-	4,357
Net cash flow used in operating activities	**(7,168,102)**	**(6,664,485)**

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, 850,000 LTIP shares vested (2022: 660,000) and an election was made to extend the exercise period until 30 June 2024, whilst no LTIP shares lapsed and were cancelled (2022: 320,997). Refer to Note 19 Contributed Equity and Note 25 Share Based Payment Plans.

742,500 LTIP shares were issued by way of loans during the year (2022: nil).

9. TRADE AND OTHER RECEIVABLES

		Consolidated	
		2023	2022
	Notes	$	$
Current			
Trade receivables, third parties		5,844,950	5,408,996
Allowance for expected credit loss		(100,317)	(156,919)
Net Trade receivables, third parties	(i)	5,744,633	5,252,077
Other receivables	(ii)	2,150,420	2,453,948
Total Current trade and other receivables		**7,895,053**	**7,706,025**
Total trade and other receivables		**7,895,053**	**7,706,025**

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 have repayment terms between 30 and 90 days.
(iii) Related party details are set out in the Note 22 Related Party Disclosures.

10. INVENTORIES

		Consolidated	
		2023	2022
	Notes	$	$
Current			
Raw materials at cost		8,287,237	6,665,536
Finished goods at lower of cost or net realisable value		1,899,508	1,691,331
Provision for obsolescence		(64,729)	(64,199)
Total current inventory		**10,122,016**	**8,292,668**
Non-current			
Finished goods at lower of cost or net realisable value		33,836	-
Total non-current inventory		**33,836**	**-**
Total inventory		**10,155,852**	**8,292,668**

11. PROPERTY, PLANT AND EQUIPMENT

Year ended 31 December 2023 Consolidated	Leasehold Land and buildings $	Leasehold improvements $	Plant and equipment $	Leased Plant and Equipment $	Capital Work in Progress $	Total $
1 January 2023						
at written down value	260,242	1,743,985	1,087,550	-	97,388	3,189,165
Additions / Transfers	62,116	8,681	166,026	-		236,823
Written off	-	-	-	-	(97,388)	(97,388)
Reversal of impairment	834,553	1,188,494	1,137,254	-	-	3,160,301
Depreciation for the year	(10,371)	(280,971)	(224,671)	-	-	(516,013)
31 December 2023						
at written down value	**1,146,540**	**2,660,189**	**2,166,159**	**-**	**-**	**5,972,888**
1 January 2023						
Cost value	2,384,043	5,860,574	9,220,014	10,380	97,388	17,572,399
Impairment - Molecular Imaging*	(1,881,960)	(2,608,912)	(4,369,291)	-	-	(8,860,163)
Accumulated depreciation	(241,841)	(1,507,677)	(3,763,173)	(10,380)	-	(5,523,071)
Net carrying amount	**260,242**	**1,743,985**	**1,087,550**	**-**	**97,388**	**3,189,165**
31 December 2023						
Cost value	2,445,676	5,680,362	8,989,744	10,380	-	17,126,162
Impairment - Molecular Imaging*	(1,047,407)	(1,420,418)	(3,232,037)	-	-	(5,699,862)
Accumulated depreciation	(251,729)	(1,599,755)	(3,591,548)	(10,380)	-	(5,453,412)
Net carrying amount	**1,146,540**	**2,660,189**	**2,166,159**	**-**	**-**	**5,972,888**

Year ended 31 December 2022 Consolidated	Leasehold Land and buildings $	Leasehold improvements $	Plant and equipment $	Leased Plant and Equipment $	Capital Work in Progress $	Total $
1 January 2022						
at written down value	320,755	1,287,438	711,067	-	97,388	2,416,648
Additions / Transfers	(50,767)	723,251	601,543	-		1,274,027
Depreciation for the year	(9,746)	(266,704)	(225,060)	-	-	(501,510)
31 December 2022						
at written down value	**260,242**	**1,743,985**	**1,087,550**	**-**	**97,388**	**3,189,165**
1 January 2022						
Cost value	2,435,293	5,326,216	9,014,767	120,901	97,388	16,994,565
Impairment - Molecular Imaging*	(1,881,960)	(2,608,912)	(4,369,291)	-	-	(8,860,163)
Accumulated depreciation	(232,578)	(1,429,866)	(3,934,409)	(120,901)	-	(5,717,754)
Net carrying amount	**320,755**	**1,287,438**	**711,067**	**-**	**97,388**	**2,416,648**
31 December 2022						
Cost value	2,384,043	5,860,574	9,220,014	10,380	97,388	17,572,399
Impairment - Molecular Imaging*	(1,881,960)	(2,608,912)	(4,369,291)	-	-	(8,860,163)
Accumulated depreciation	(241,841)	(1,507,677)	(3,763,173)	(10,380)	-	(5,523,071)
Net carrying amount	**260,242**	**1,743,985**	**1,087,550**	**-**	**97,388**	**3,189,165**

11. PROPERTY, PLANT AND EQUIPMENT (continued)

* Impairment arising from the Group's decision to cease commercial production at its cyclotron facility at the end of April 2014. A collaboration agreement was signed in 2019 between the Group, Cyclotek (Aust) Pty Ltd and the Australian Nuclear Science and Technology Organisation whereby Cyclotek NSW Pty Ltd, a wholly owned subsidiary of Cyclotek (Aust) Pty Ltd, will leverage the cyclotron facilities of the collaborators to manufacture new PET diagnostics and undertake research and development activities (Collaboration Agreement). However, extensive damage to the cyclotron facility was caused by substantial water damage in June 2014. The Group's cyclotron facility has been operationally restored and is pending regulatory approval before its commercial use by Cyclotek NSW Pty Ltd. The Group initially recognises and measures its Land and Buildings, Plant and Equipment and Leasehold Improvements at cost. The Group subsequently measures some of its Buildings, Plant and Equipment and its Leasehold Improvements at fair value on a non-recurring basis in accordance with AASB 136*: Impairment of Assets*. Refer Note 2 (aa).

Fair Value Measurement

AASB 13 Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into, as follows:

- 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.

Cyclopharm's management considers that the inputs used for the fair value measurement are Level 2 inputs.

Valuation techniques

AASB 13 requires the valuation technique used to be consistent with one of the following valuation approaches:

- Market approach: techniques that use prices and other information generated by market transactions for identical or similar assets.
- Income approach: techniques that convert future cash flows or income and expenses into a single discounted present value.
- Cost approach: techniques that reflect the current replacement cost of an asset at its current service capacity.

The Cyclopharm Board decided to cease commercial production at its Cyclotron facility at the end of April 2014 due to the impact on the Group's profits of the government-owned competition. In making that decision, the Board valued the Cyclotron facility, comprised of buildings, leasehold improvements and plant and equipment at a fair value of nil, using the market approach and income approach techniques. The market technique predominantly used recent observable market data for similar new equipment in Australia, adjusted for loss in value caused by physical deterioration, functional obsolescence, economic obsolescence and the industry specific aspects affecting this highly specialised asset i.e. the government-owned competition which had rendered further participation in the molecular imaging industry uneconomic and its future use uncertain. The same industry specific factors were applied to the income approach technique. Both techniques resulted in a fair value of nil being recognised for the Cyclotron facility as at 31 December 2014. 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 has concluded based on their latest valuation using the income approach, that the fair value of the Cyclotron be written back from nil to $3,160,301 as at 31 December 2023.

11. PROPERTY, PLANT AND EQUIPMENT (continued)

Inputs used in the market approach technique to measure Level 2 fair values were:

- current replacement cost of the property being appraised less the loss in value caused by physical deterioration, functional obsolescence and economic obsolescence, and industry specific factors set out above.
- historical cost and relevant market data and industry expertise.
- sales comparison for assets where available.

The assessments of the physical condition, functional obsolescence and economic obsolescence are considered Level 3 inputs.

Non-Recurring fair value measurements:

	Level 2 2023 $	Level 2 2022 $
Buildings	834,553	-
Plant and equipment	1,137,254	-
Leasehold improvements	1,188,494	-
Total non-financial assets recognised at fair value	3,160,301	-

The highest and best use of the assets in normal circumstances is the value in continued use, using the income approach technique.

12. RIGHT-OF-USE ASSETS

	Consolidated	
	2023	2022
	$	$
Land and buildings - right-of-use	5,217,008	5,195,614
Less: Accumulated depreciation	(2,033,633)	(1,820,733)
	3,183,375	**3,374,881**
Motor vehicle - right-of-use	158,993	157,989
Less: Accumulated depreciation	(129,053)	(122,431)
	29,940	**35,558**
Total right-of-use assets	**3,213,315**	**3,410,439**

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 four years.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Equity accounted investments	Notes	Consolidated 2023 $	Consolidated 2022 $
Associated companies	(a)	-	-

Name	Principal Activities	Principal place of business	Measurement Method	Ownership Interest 2023	Ownership Interest 2022
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.

Extract from the associate's statement of financial position:	Notes	Consolidated 2023 $	Consolidated 2022 $
Current Assets		112,546	4,033,133
Current Liabilities		(13,459,097)	(17,498,514)
Net Liabilities		(13,346,551)	(13,465,381)
Share of associate's Net Liabilities	(a)	(2,669,310)	(2,693,076)

Extract from the associate's statement of comprehensive income:	Notes	Consolidated 2023 $	Consolidated 2022 $
Revenue		90,250	-
Net Profit / (Loss)	(a)	118,830	(28,723)

(a) The share of the associate’s profit not recognised during the year was $23,766 (2022: loss of $5,745) and the cumulative share of the associate’s loss not recognised as at 31 December 2023 was $2,714,697 (31 December 2022: $2,738,463).

The share of profit of associate not recognised as at 31 December 2023 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 (2022: $nil). It is anticipated that MMI will be de-registered upon the finalisation of its accounts payable and receivables.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

Contingent liabilities

(b) 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 2023 amounts to $3,206,657 (2022: $3,366,657) 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 in respect of MMI or Cyclotek NSW (2022: $nil).

14. INTANGIBLE ASSETS

Consolidated	Intellectual Property $	Goodwill on consolidation* $	Licences $	Technegas Development $	Target $	Ultralute $	Total $
Balance at							
1 January 2023	161,985	865,273	662,344	788,588	27,419	2,930,792	5,436,401
Additions	25,308	38,240	253,051	-	-	129,470	446,069
Amortisation	(26,117)	-	(120,278)	-	-	-	(146,395)
Balance at							
31 December 2023	**161,176**	**903,513**	**795,117**	**788,588**	**27,419**	**3,060,262**	**5,736,075**
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**
31 December 2022							
Non-Current	161,985	865,273	662,344	788,588	27,419	2,930,792	5,436,401
Total	**161,985**	**865,273**	**662,344**	**788,588**	**27,419**	**2,930,792**	**5,436,401**

* 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.

15. TRADE AND OTHER PAYABLES

		Consolidated	
		2023	**2022**
	Notes	**$**	**$**
Current			
Trade payables, third parties	(i)	3,147,364	4,399,786
Other payables and accruals	(ii)	2,437,010	1,627,295
Deposits from customers		1,357,538	475,839
Total current trade and other payables		**6,941,912**	**6,502,920**
Total trade and other payables		**6,941,912**	**6,502,920**

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.

(iii) Related party details are set out in the Note 22 Related Party Disclosures.

16. LEASE LIABILITIES

	Consolidated	
	2023	**2022**
	$	**$**
Current		
Lease liabilities	214,465	209,992
Lease liabilities (current)	**214,465**	**209,992**
Non-current		
Lease liabilities	4,012,832	4,121,592
Lease liabilities (non-current)	**4,012,832**	**4,121,592**
Total Lease liabilities	**4,227,297**	**4,331,584**

17. PROVISIONS

	Consolidated Employee Entitlements $	Total $
Balance at 1 January 2023	**1,180,027**	**1,180,027**
Arising during the year	1,171,255	1,171,255
Utilised	(804,691)	(804,691)
Balance at 31 December 2023	**1,546,591**	**1,546,591**
31 December 2023		
Current	1,475,407	1,475,407
Non-Current	71,184	71,184
Total	**1,546,591**	**1,546,591**
Number of employees		
Number of employees at year end	87	
31 December 2022		
Current	1,133,574	1,133,574
Non-Current	46,453	46,453
Total	**1,180,027**	**1,180,027**
Number of employees		
Number of employees at year end	63	

A provision has been recognised for employee entitlements relating to long service and annual leave. The measurement and recognition criteria relating to employee benefits have been disclosed in Note 2(r).

18. DEFERRED INCOME LIABILITIES

	Consolidated 2023 $	2022 $
Deferred income liabilities	**901,812**	**901,812**

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

19. CONTRIBUTED EQUITY

	Notes	Consolidated 2023 Number	2022 Number	2023 $	2022 $
Issued and paid up capital					
Ordinary shares	(a)	94,096,326	93,053,826	69,114,460	68,753,968
Other contributed equity	(b)	-	-	(5,333,158)	(5,333,158)
Total issued and paid up capital		**94,096,326**	**93,053,826**	**63,781,302**	**63,420,810**
(a) Ordinary shares					
Balance at the beginning of the period		93,053,826	93,374,823	68,753,968	68,307,598
Issue of Long Term Incentive Plan shares	(i)	742,500	-	-	-
Issue of shares	(ii)	100,000	-	218,000	-
Exercise of options	(iii)	200,000	-	-	-
Cancellation of expired Long Term Incentive Plan shares	(iv)	-	(320,997)	-	-
Settlement of loans for Long Term Incentive Plan shares	(v)	-	-	142,492	446,370
Balance at end of period		**94,096,326**	**93,053,826**	**69,114,460**	**68,753,968**
(b) Other contributed equity					
Balance at the beginning and end of the period		**-**	**-**	**(5,333,158)**	**(5,333,158)**

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 are subject to voluntary escrow until 31 March 2025 and have no dividend or voting rights until 1 April 2025.

(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) 320,997 lapsed Long Term Incentive Plan shares were cancelled on 4 October 2022.

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

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 2023, the Group has no interest bearing loans and borrowings.

		Consolidated	
		2023	2022
	Notes	$	$
Total interest bearing loans and borrowings		-	-
Add: cash and cash equivalents	8	11,726,424	20,296,176
Net cash		**11,726,424**	**20,296,176**
Total equity		32,259,482	36,536,610
Gearing ratio		0.0%	0.0%

Dividends

During the current 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. During the 2022 financial year, the Directors declared an unfranked interim dividend of 0.5 cent per share in respect of the financial year ended 31 December 2022 and an unfranked final dividend of 0.5 cent per share in respect of the financial year ended 31 December 2021.

	2023	2022	2023	2022
	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	0.50	442,395	441,296
Interim dividend in respect of the current financial year				
- No franking credits attached	0.50	0.50	442,437	441,296
	1.00	**1.00**	**884,832**	**882,592**

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 reviews 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 Management 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 in 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 2023, 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	
	2023	**2022**
	$	**$**
Judgements of reasonably possible movements:		
Loss before income tax		
+1.0% (100 basis points)	117,264	202,962
-0.5% (50 basis points)	(58,632)	(101,481)

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 2023		Weighted average interest rate %	Non interest bearing $	Floating interest rate $	Fixed interest maturing in 1 year or less $	1 to 5 years $	More than 5 years $	Total $
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, third parties	15	n/a	6,941,912	-	-	-	-	6,941,912
Leases, third party	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**

Consolidated Year ended 31 December 2022		Weighted average interest rate %	Non interest bearing $	Floating interest rate $	Fixed interest maturing in 1 year or less $	1 to 5 years $	More than 5 years $	Total $
FINANCIAL ASSETS								
Cash and cash equivalents	8	1.37%	-	12,296,176	8,000,000	-	-	20,296,176
Trade and other receivables	9	n/a	7,706,025	-	-	-	-	7,706,025
Total financial assets			**7,706,025**	**12,296,176**	**8,000,000**	**-**	**-**	**28,002,201**
FINANCIAL LIABILITIES								
Trade payables, third parties	15	n/a	6,502,920	-	-	-	-	6,502,920
Leases, third party	16	4.50%	-	-	209,992	812,863	3,308,729	4,331,584
Total financial liabilities			**6,502,920**	**-**	**209,992**	**812,863**	**3,308,729**	**10,834,504**
Net exposure			**1,203,105**	**12,296,176**	**7,790,008**	**(812,863)**	**(3,308,729)**	**17,167,697**

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 and bank loans. The Group has no borrowings as at 31 December 2023.

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.

Consolidated Year ended		Less than 6 months	6 months to 1 year	1 year to 5 years	Greater than 5 years	Total
31 December 2023	**Note**	**$**	**$**	**$**	**$**	**$**
Trade payables, third parties	15	6,941,912	-	-	-	6,941,912
Leases, third party	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
31 December 2022						
Trade payables, third parties	15	6,502,920	-	-	-	6,502,920
Leases, third party	16	103,883	106,109	812,863	3,308,729	4,331,584
		6,606,803	106,109	812,863	3,308,729	10,834,504

(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 USD.

The Group also has transactional currency exposures. Such exposure arises from sales or purchases by an operating unit in currencies other than the unit's functional currency. Approximately 67% (2022: 66%) of the Group's sales are denominated in currencies other than the functional currency of the operating unit making the sale, whilst approximately 52% (2022: 50%) of costs are denominated in the unit's functional currency.

At 31 December 2023, the Group had the following financial instrument exposure to foreign currency fluctuations:

	Consolidated	
	2023	**2022**
	$	**$**
United States dollars		
Amounts payable	26,293	252,594
Amounts receivable	-	-
Euros		
Amounts payable	967,145	229,703
Amounts receivable	1,548,111	1,508,591
Canadian dollars		
Amounts payable	57,118	123,666
Amounts receivable	604,682	427,871
Swedish Kroners		
Amounts payable	653,943	634,107
Amounts receivable	1,228,199	1,441,833
Japanese Yen		
Amounts payable	-	10,104
Amounts receivable	-	-
Great British Pound		
Amounts payable	82,824	55,796
Amounts receivable	163,289	245,643
Net exposure	**(1,756,958)**	**(2,317,968)**

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 2023.

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 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.

20. FINANCIAL RISK MANAGEMENT OBJECTIVES (continued)

(e) Foreign currency risk (continued)

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.

	Consolidated	
	Increase in AUD of 10% $	Decrease in AUD of 10% $
Euro		
31 December 2023		
Net (loss) / profit	(28,683)	31,551
Equity (decrease) / increase	(28,683)	31,551
31 December 2022		
Net (loss) / profit	(108,560)	119,416
Equity (decrease) / increase	(108,560)	119,416
CAD		
31 December 2023		
Net (loss) / profit	(49,778)	54,756
Equity (decrease) / increase	(49,778)	54,756
31 December 2022		
Net (loss) / profit	(27,655)	30,421
Equity (decrease) / increase	(27,655)	30,421
USD		
31 December 2023		
Net profit / (loss)	2,390	(2,629)
Equity increase / (decrease)	2,390	(2,629)
31 December 2022		
Net profit / (loss)	22,963	(25,259)
Equity increase / (decrease)	22,963	(25,259)
SEK		
31 December 2023		
Net (loss) / profit	(52,205)	57,426
Equity (decrease) / increase	(52,205)	57,426
31 December 2022		
Net (loss) / profit	(73,430)	80,773
Equity (decrease) / increase	(73,430)	80,773
GBP		
31 December 2023		
Net (loss) / profit	(7,315)	8,047
Equity (decrease) / increase	(7,315)	8,047
31 December 2022		
Net (loss) / profit	(17,259)	18,985
Equity (decrease) / increase	(17,259)	18,985

21. COMMITMENTS & CONTINGENCIES

(a) Capital commitments

Cyclopharm has entered into agreements to fund research projects with unrelated institutions. The commitments for these projects total $262,502 (2022: $257,063) 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.

(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 2023 amounts to $3,206,657 (2021: $3,366,657) 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 (2022: $nil).

22. RELATED PARTY DISCLOSURES

The consolidated financial statements include the financial statements of Cyclopharm and its subsidiaries as listed below. 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. There were no transactions entered into with related parties for the relevant financial year.

Ultimate parent entity

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

Controlled Entities

Name	Note	Country of Incorporation	Percentage of equity interest held 2023	Percentage of equity interest held 2022
Cyclopharm Limited	1,2	Australia		
Controlled entities				
CycloPET Pty Ltd	2	Australia	100%	100%
Cyclomedica Australia Pty Limited	2	Australia	100%	100%
Cyclomedica Ireland Limited	3	Ireland	100%	100%
Cyclomedica Europe Limited	3	Ireland	100%	100%
Cyclomedica Benelux bvba	4	Belgium	100%	100%
Cyclomedica Nordic AB	5	Sweden	100%	100%
Cyclomedica Germany GmbH	6	Germany	100%	100%
Cyclomedica Canada Limited	7	Canada	100%	100%
Cyclomedica USA LLC	8	United States of America	100%	100%
Cyclomedica UK Ltd	9	United Kingdom	100%	100%
Cyclomedica New Zealand Limited	10	New Zealand	100%	100%
Dupharma ApS	11	Denmark	100%	0%

Notes

1. Cyclopharm Limited is the ultimate parent entity in the wholly owned group.
2. Audited by Nexia Sydney Audit Pty Ltd, Australia.
3. Audited by Andrew P.Quinn & Associates Limited, Republic of Ireland.
4. Audited by VGD Gent, Belgium.
5. Audited by Nexia Revision, Stockholm, Sweden.
6. Audited by Bilanzia GmbH Wirtschaftsprufungsgesellschaft, Germany.
7. Audited by Schwartz Levitsky & Feldman LLP, Toronto, Canada.
8. Unaudited as results are not material.
9. Audited by Saffery Champness LLP, Bristol, United Kingdom.
10. Dormant.
11. Unaudited as results are not material.

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	
	2023	**2022**
	$	**$**
Amounts received or due and receivable by the auditor of the parent entity and associated entities for:		
Audit and review of the financial statements	148,095	138,138
Other services:		
- tax compliance	19,277	26,909
	167,372	**165,047**
Amounts received or due and receivable by other audit firms for:		
Audit of the financial statements of controlled entities	208,251	175,905
Other services	138,026	109,206
	346,277	**285,111**

25. SHARE BASED PAYMENT PLANS

(a) Recognised share-based payment expenses

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

	Consolidated	
	2023	**2022**
	$	**$**
Expense arising from equity-settled share-based payment transactions (note 5)	524,192	648,202

The share-based payment reserve at 31 December 2023 was $3,765,955 (2022: $3,241,763).

25. SHARE BASED PAYMENT PLANS (continued)

(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 Meeting 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.

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.

25. SHARE BASED PAYMENT PLANS (continued)

(d) Summary of Options and Implied Options granted

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

		Consolidated 2023 Number	Consolidated 2022 Number	Weighted Average Exercise Price 2023 $	Weighted Average Exercise Price 2022 $
Balance at the beginning of the year		1,317,062	2,853,059	1.50	1.33
Granted during the year		742,500	-	1.98	-
Vested but unexercised during the year	(i)	(850,000)	(910,000)	-	-
Vested and exercised during the year	(ii)	(200,000)	(325,000)	-	-
Lapsed during the year		-	(300,997)	-	-
Balance at the end of the year		**1,009,562**	**1,317,062**	**2.31**	**1.50**
Vested but unexercised at the end of the year		4,175,804	3,453,020		

(i) 850,000 LTIP shares (2022: 660,000) 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 no Options (2022: 200,000) and 5,185,366 LTIP shares (2022: 4,570,082) on issue as at 31 December 2023.

(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 (2022: $1.50). The weighted average remaining contractual life for Implied Options outstanding as at 31 December 2023 is 1.72 years (2022: 0.90 years). The weighted average fair value of Implied Options granted during the year was $1.98 (2022: nil).

25. SHARE BASED PAYMENT PLANS (continued)

(f) Option pricing models

The following assumptions were used to derive a value for the 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	19/02/21	19/02/21	23/03/23	12/09/23
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)	*3.36 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 2024.

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

	2023 $	2022 $
(i) **Financial Position**		
Assets		
Current Assets	7,502,194	14,960,192
Non-current Assets	54,759,970	47,967,544
Total Assets	**62,262,164**	**62,927,736**
Liabilities		
Current Liabilities	442,050	486,736
Non-current Liabilities	10,323,448	10,323,448
Total Liabilities	**10,765,498**	**10,810,184**
Net assets	**51,496,666**	**52,117,552**
Equity		
Contributed equity	63,981,835	63,621,343
Employee equity benefits reserve	3,765,955	3,241,763
Accumulated Losses	(16,251,124)	(14,745,554)
Total Equity	**51,496,666**	**52,117,552**
(ii) **Financial Performance**		
Loss for the year	(525,440)	(1,973,802)
Other comprehensive income	-	-
Total comprehensive loss for the year	**(525,440)**	**(1,973,802)**

27. RESERVES

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.

28. BUSINESS COMBINATIONS

Acquisition of Dupharma ApS

On 1 April 2023, the Group acquired via a Share Sale Agreement 100% of the ordinary shares of Dupharma ApS ("Dupharma"), a company incorporated in Denmark. Dupharma is a distributor of nuclear medicine products in Denmark and is the distributor for Technegas products in Denmark.

The acquisition has been accounted for using the acquisition method.

The fair values of identifiable net assets of Dupharma at the date of acquisition were:

	Fair value recognised on acquisition
	$
Total identifiable net assets at fair value	241,460
Goodwill arising on acquisition	38,240
Purchase consideration transferred/transferable	**279,700**

Dupharma contributed revenue of $444,675 to the continuing operations of the Group.

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