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RECORD FY2023 REVENUES DRIVEN BY SOLID TECHNEGAS PERFORMANCE AND CONTINUING STRONG GROWTH IN THIRD PARTY SALES

Radiopharmaceutical company, Cyclopharm Limited (ASX: CYC) today announced its preliminary unaudited financial results for its record revenue year ending 31 December 2023.

Key features of the 2023 Financial Year include:

- **Revenues:**
  - **Record Group 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 pcp**
  - **Technegas™ related sales of $14.43 million, up 5.6% on pcp**
  - **Third party distribution revenue of $11.91 million, up 29.3% on pcp**
- **USFDA approval for sales of Technegas™ in the US market**
- **Cash of $11.73 million, sufficient to fund initial USA rollout of Technegas™**
- **Litigation proceeds of $1.28 million received**
- **$3.16 million reversal of prior period impairment to the cyclotron facility**
- **Progress on 'Beyond PE' strategy to access significant, long term growth opportunities for Technegas™**
- **Total FY2023 Unfranked Dividends of 0.5 cents per share. No Final Dividend declared.**

Cyclopharm delivered another solid financial and operational performance in 2023, highlighted by the commencement of our market expansion of Technegas™ in the US, 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 exponentially grow sales of Technegas™ in coming years.

Cyclopharm's core Technegas™ products used in functional lung imaging primarily for the detection of pulmonary embolism 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.

James McBrayer, Managing Director, noted "*Our record revenues in 2023 reflect continuing rapid growth of Cyclopharm's third party distribution business. In addition, sales in our core Technegas™ business grew by 5.6%.*

"We are commencing the rapid rollout of Technegas™ in the US market from a position of exceptional clinical support. Our strategy for entry into the US is informed by our global experience, including building our inventory and US service and training capabilities, to unlock a new phase of rapid growth for Technegas™. Importantly, meeting the strong existing US demand does not require a large sales force given Technegas™ has been long sought after in the US market.

"We also continued to invest in our "Beyond PE" initiatives during 2023, targeting substantially larger markets than pulmonary embolism, such as COPD and Asthma. It is an exciting time for Cyclopharm as the Company is primed to enter its next growth phase."

FY23 Financial Summary

Cyclopharm's record Group revenue of $32.21 million was up 29.0% on pcp, comprising record sales of $26.34 million, $1.28 million in litigation proceeds, and $3.16 million non-cash reversal of cyclotron impairment and increased revenues from Cyclotek and Interest.

Sales of our proprietary Technegas™ Systems and PAS consumables grew by 5.6% to $14.43 million. Revenue from 3rd Party distribution sales grew strongly, up 29.3% vs pcp, to $11.91 million. Third-party distribution consists of a mix of radiopharmaceuticals, capital equipment and associated consumables. Continued growth of this revenue, whilst at lower margin than sales of Technegas™ products, is expected to be driven by a wider range of third-party partnerships providing access to a broader geographic reach.

Cyclopharm recorded a loss after tax of $4.70 million, compared to $6.61 million in 2022. This loss includes $3.49 million of non-recurring expenses associated with the completion of the USFDA approval process. In total, $23.41 million has been expensed on the current USFDA process over the past 15 years, which reflects the Board's confidence in the anticipated returns from Technegas™ sales in the USA market.

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 commence the US rollout of Technegas™.

R&D Tax Incentives are ongoing in the form of offsets to future taxable income, rather than refunds, as CYC has now exceeded the aggregated turnover threshold. Therefore, there was no R&D Tax incentive payment for FY2023, versus a payment of $1.64 million for 2022.

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 secure 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 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 sales 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.

This ASX announcement was approved and authorised for release by James McBrayer, Managing Director, CEO and Company Secretary.

For more information, please contact:
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