

To	COMPANY ANNOUNCEMENTS		
Company	Australian Securities Exchange	No of Pages	33 incl. cover
Date	17 August 2022		
From	James McBrayer		
Subject	Appendix 4D		

Please see attached 30 June 2022 Half Year Report for Cyclopharm Limited (ASX - CYC).

This announcement is made pursuant to Listing Rule 4.2A.3.

For all enquiries please contact

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1. Company details

Name of entity

CYCLOPHARM LIMITED

ABN or equivalent company reference	Half year ended ('current reporting period')	Half year ended (‘previous corresponding period’)
74 116 931 250	30 June 2022	30 June 2021

The information contained in this report is to be read in conjunction with Cyclopharm Limited’s 2021 Annual Report and any announcements to the market by Cyclopharm Limited during the half year ended 30 June 2022 and up until the date of this Appendix 4D.

2. Results for announcement to the market

2.1 Revenues from ordinary activities	Up 35%	to 11,427,483
2.2 Loss from ordinary activities after tax attributable to members	Down 35% (lower loss)	to (2,564,256)
2.3 Loss for the period attributable to members	Down 35% (lower loss)	to (2,564,256)
2.4 Dividends	Amount per security	Franked amount per security
Final dividend proposed	Not applicable	Not applicable
Interim dividend	0.5 cents per share	0 cents per share
2.5 Record date for determining entitlements for the final dividend	5 September 2022	

2. Results for announcement to the market (continued)

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

Key highlights of Cyclopharm's financial results for the half year ending 30 June 2022 included:

- Group revenue of \$11,427,483 (1H2021: \$8,481,555),
- Net loss after tax of \$2,564,256 (1H2021: \$3,928,319), and
- Net cash balance of \$26.518 million.

Cyclopharm recorded total consolidated revenue of \$11,427,483 in 1H2022, up from \$8,481,555 in 1H2021 and 76% higher than the same period in 2019, demonstrating the business continues to deliver better than pre-COVID-19 revenue performance. The increase in total revenue of 35% compared to the pcp was driven by improved Sales and Service revenues achieved across all product lines in 1H2022, and in particular third-party Sales.

Revenue from TechnegasTM products rose 21% in 1H2022 to \$7.74 million up from \$6.39 million in the prior corresponding period (**pcp**). TechnegasTM Patient Administration Sets (PAS) revenue was 18% higher at \$5.26 million up from \$4.46 million in the pcp, with more consumable sales reported in higher margin markets. TechnegasTM Generator revenues grew 32% to \$1.65 million up from \$1.25 million in the pcp. TechnegasTM Service revenue of \$0.83 million in 1H2022 was 21% higher than 1H2021 and 36% higher than pre-COVID-19 service revenue in 1H2019.

Cyclopharm's complementary revenue stream from the sale of third-party products continues to deliver exceptional growth, rising 114% from the prior corresponding period to \$3.3 million in 1H2022. Cyclotek NSW Pty Ltd, the joint venture collaboration between Cyclopharm, Cyclotek (Aust) Pty Ltd and the Australian Nuclear Science and Technical Organisation ('ANSTO') made a \$0.37 million positive contribution to the Company's results.

Gross sales margins for the period fell from 73.5% to 69.7% as lower margin third party products increased their relative contribution to total revenue. The net loss after tax for the period was \$2,564,256, a 35% improvement on the net loss after tax of \$3,928,319 in 1H2021.

The \$2.95 million increase in consolidated revenue, primarily due to an increase in third party sales in conjunction with a substantial reduction in USFDA costs of \$1.02 million, has reduced the first half loss before tax to \$2.25 million down from \$3.61 million in the pcp.

Cyclopharm continues to enhance its quality processes, systems and management depth. In particular, during the period, the Company made further investments in its internal ERP and financial management systems and appointed a new Head of People & Culture. Together, these actions have materially improved management processes, ensuring Cyclopharm's systems and operations are well placed to support its strong growth prospects. Litigation expenses were \$0.40 million compared to \$0.46 million in the first half of 2021. The Company continues to defend its intellectual property in German and Australian courts, and while progress is being made to resolve each matter, legal proceedings are expected to continue throughout 2022.

As at 30 June 2022, cash balances were \$26.52 million. Cyclopharm continues to responsibly manage its growth objectives together in balance with its day-to-day operations across the 63 countries it distributes to. The company is well funded to deliver on its current growth strategy of both attaining USFDA approval and commercial launch in the USA as well as expanding the use of Technegas in more substantial chronic conditions.

OUTLOOK

The Board remains highly confident that demand for Technegas™ will continue to grow across our existing markets. Clinicians reiterate their strong support for Technegas™ as the functional ventilation imaging agent of choice in determining PE.

The higher number of generator sales made in the first half of 2022 also gives the Board confidence of continued robust growth in PAS revenue as these new sales will lead to ongoing repeat PAS orders through the life of these new assets.

In addition, we expect the solid growth from third party sales, albeit at lower margins than our Technegas™ business, to continue to provide a significant source of additional revenue for our business. The Company continues to work with the USFDA to address the outstanding technical issues required for approval of Technegas™ into the USA. The board remains confident that Cyclopharm will address these issues and is excited by the near-term major opportunity to significantly grow sales and profitability in the United States market.

The development of new applications for Technegas™, as part of the Beyond PE growth strategy, is also a key priority for the Company. Beyond PE is designed to move Technegas™ into diagnosis and management of other respiratory diseases like COPD and Long-COVID and create opportunities to significantly increase revenues and shareholder value.

3. Net tangible assets

	30 June 2022	30 June 2021
Net Tangible Assets per security	\$0.38	\$0.42

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

Control over entities

Name of entity (or group of entities)

None

Loss of control over entities

Name of entity (or group of entities)

None

5. Dividends

An unfranked dividend of 0.5 cents per share was paid to shareholders on 12 April 2022 for the year ended 31 December 2021. The Directors have declared an unfranked interim dividend of 0.5 cents per share to be paid on 12 September 2022.

6. Dividend reinvestment plans

Not applicable

7. Details of associates and joint venture entities

Material investment in associates and joint ventures are as follows :

	30 June 2022	30 June 2021
Macquarie Medical Imaging Pty Ltd	20%	20%

The share of the associate's loss for the period was \$nil (2021: \$nil).

8. For Foreign Entities, which accounting standards were used in compiling this report

International Financial Reporting Standards (IFRS)

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

The accounts have been subject to review.