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CYCLOPHARM FIRST HALF 2024 RESULTS AND US EXPANSION UPDATE

Key features of the 2024 Half Year results to 30 June 2024 include:

- **First commercial revenues of $250,000 from the sale of Technegas™ in the US, Cyclopharm's 65th country market**
- **Major progress by commercial team with signed sales contracts for up to 71 installations (at 26 August 2024) with a strong and growing sales pipeline**
- **Technegas™ awarded special 'Transitional Pass-Through' (TPT) status in the US making clinical use of Technegas™ in the US fully reimbursable for 3 years**
- **Total global first half 2024 Technegas™ revenue, primarily from 64 country markets including the US, of $7.46 million, broadly flat on prior corresponding period (pcp)**
- **Recurring third-party consumables revenues +4% higher than pcp at $4.33 million**
- **Total third-party distribution revenues of $4.81 million, down (33.8)% due to the timing of income in pcp and is expected to rebound in 2H2024**
- **Successful 1H2024 Capital Raising of $24 million strengthens the balance sheet and supports rapid US expansion**
- **Cyclopharm's Beyond PE strategy further supported by new clinical evidence**
- **Net cash at the half year of $27.56 million – positioning the company to continue to deliver on our growth strategy**

Technegas™ US progress

Cyclopharm initiated the US launch strategy for Technegas™ during 1H2024, following receipt of USFDA approval to market Technegas™ in the US market in late 2023. During the half year, six Technegas™ generators were installed in the US contributing to $250,000 of revenues from that market. In total, and including the installation during the half year, the company had, as at 27 August, 2024, signed commercial contracts for Technegas™ in the US for up to 71 installations.

The US launch strategy received a significant boost on 5 June 2024 when the Center for Medicare and Medicaid Services (CMS) awarded Technegas™ with a special 'Transitional Pass-Through' (TPT) status. This means the clinical use of Technegas™, in the US, is fully reimbursable for the maximum of three years, providing hospitals a significant commercial incentive to adopt Technegas™.

"With full reimbursement approval secured in June 2024, contract discussions have accelerated and we are now seeing a step change in demand for Technegas™ in the US, the world's largest healthcare market," Cyclopharm CEO James McBrayer said.

"The company's senior management as well as its enhanced US management team is currently well embedded in driving the opportunity pipeline through stages including proposals, signed contracts, internal committee progress within medical institutions and installation and ongoing service," he said.

The Company's active engagement with individual sites and buying group networks in both the public and private sectors as at the end of August 2024 is summarised in the table below. These numbers are continually changing as requested proposals progress toward installation. The highlighted numbers comprise the signed commercial contracts for Technegas™ in the US for up to 71 installations.

US Technegas™ Sales Pipeline:	**Initial Installation***	**Additional Sites+**	**Total Potential Installations**
Requested Proposal	298	24	322
Internal Committee	81	330	411
Contract Review	20	8	28
Contract Signed	10	55	65
Installed and Imaging	6	-	6
Total	**415**	**417**	**832**

**Initial Installation = Locations that are engaged for Technegas™ System installation*
+Additional Sites = Sites that are contractually linked to initial installations on a secondary installation basis because of size, customer priority or buying group affiliation

The US sales model for Technegas™ includes a one-off installation and training fee and ongoing recurring revenues from an annual technology access fee. Cyclopharm then generates ongoing annuity sales revenues for per-patient consumables.

"Cyclopharm's expectation is that the combination of Technegas' clinically superior performance for lung imaging and its TPT status will continue to drive a significant acceleration in Technegas™ sales and revenues from the US market."

"We remain confident of meeting our target of having 300 Technegas™ generators in place by December 2025."

Cyclopharm estimates that, when fully penetrated, the US market for Pulmonary Embolism will be a US$180 million a year opportunity for the company. The US market also provides scope to accelerate the expansion of Technegas™ globally into the treatment and management of additional and much larger indications Beyond PE, such as Chronic Obstructive Pulmonary Disease (COPD), Asthma and Long COVID, that is estimated to be a market size in excess of US$900 million per annum.

Financial Results

Cyclopharm generated total revenues of $13.32 million during the first half of 2024, down from $16.49 million in the pcp.

Revenue from Technegas™ product lines, incorporating its worldwide income from 65 countries including the US, was consistent at $7.46 million, compared to $7.65 million in pcp.

Revenue from the distribution of third-party products was $4.81 million, down from $7.27 million in the first half of 2023, a period which included a $3.1 million of revenue associated with third-party capital works and installation project. Revenue for this category is expected to rebound in the current six-month period to December 2024 to be in line with FY2023.

During the six months to 30 June 2024, the underlying recurring revenue performance from the distribution of third-party consumables rose +4% to $4.33 million. The company continues to expand the third-party distribution business into new markets to drive growth in this additional revenue stream.

The Company recorded a net loss before tax $7.48 million, up from $2.66 million in 1H2023 – an increase driven by investments made in expanding US operations during the six months, and by offsetting benefits in the corresponding half in 2023 which included the timing of third-party capital works revenue, a one-off legal recovery benefit and foreign exchange gains.

No dividend was issued for 1H2024 as the Board is prioritising investment to meet the strong demand in the US market.

Cyclopharm remains well funded with an excess of $27 million of cash and cash equivalents on 30 June 2024, following a successful capital raising and an oversubscribed Share Purchase Plan that raised a total of $24 million to support an accelerated roll out of Technegas™ in the US market, the continuing build of the third-party distribution business and advancing initiatives in Cyclopharm's Beyond PE strategy.

Leadership and US team strengthened

Cyclopharm has also strengthened its leadership team. In February 2024, Jason Smith was appointed Chief Financial Officer, bringing over 15 years of healthcare industry experience to that role. In the same month, Dr. Tina Buehner was appointed Director of Clinical Affairs of Cyclomedica US, LLC, a wholly owned subsidiary of Cyclopharm Limited, bringing over 25-years' experience in Nuclear Medicine and Molecular Imaging to support the US roll out.
The company has established US Headquarters in Atlanta, Georgia and is onboarding new team members, including Service Engineers, Application Specialists, a Customer Success Manager and most recently a Business Development Manager.

Outlook

Cyclopharm expects continued strong demand across its 64 established country markets, where Technegas™ is the dominant nuclear medicine ventilation imaging agent for PE, to continue.

The company delivered underlying recurring revenue growth in its third-party distribution business during the six months to 30 June 2024 and expects to continue to grow and broaden this business, with full year results for third-party products expecting to rebound during 2H2024 to finish the year on par with 2023 full year results.

In the US, the company confirms its guidance of 300 Technegas™ generators in place by December 2025 and generating revenues. The US approval of Technegas™ is also expected to drive US clinician led studies that will in turn accelerate Cyclopharm's Beyond PE strategy. This strategy is already well supported by multiple clinical trials into the use of Technegas™ in the diagnosis and management of Asthma, COPD, lung cancer and other respiratory interventional studies.

Cyclopharm is confident its Pass-Through status, combined with Technegas' superior performance in lung imaging procedures, underpins the Company's confidence in unlocking the US$90 million US market opportunity over the next 5 years, rising to a US$180 million opportunity over the next 8 years as Technegas™ is adopted for CTPA scans in the US. The Company continues to build capacity to drive this US success.

Cyclopharm expects to significantly increase revenues and shareholder value over time through:

- the strong foundation of Cyclopharm's existing global Technegas™ and third-party sales business
- accelerating US growth momentum
- the execution of the Company's 'Beyond PE' strategy for the expansion of Technegas™ into the treatment and management of additional and much larger indications

- ENDS -

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

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Cyclopharm Limited
Cyclopharm is an ASX Listed radiopharmaceutical company servicing the global medical community. The Company's mission is to provide nuclear medicine and other clinicians with the ability to improve patient care outcomes. Cyclopharm achieves this objective primarily through the provision of its core radiopharmaceutical product, Technegas™ used in functional lung ventilation imaging.

Technegas™
The Technegas™ technology is a structured ultra-fine dispersion of radioactive labelled carbon, produced by using dried Technetium-99m in a carbon crucible, micro furnaced for a few seconds at around 2,700^{o} C. The resultant gas like substance is inhaled by the patient (lung ventilation) via a breathing apparatus, which then allows multiple views and tomography imaging under a gamma or single photon emission computed tomography (SPECT) camera for evaluating functional ventilation imaging. Historically used in the diagnosis of pulmonary embolism, Technegas™, together with advancements in complementary technology to multimodality imaging and analytical software, is being used in other disease states to include COPD, asthma, pulmonary hypertension and certain interventional applications to include lobectomies in lung cancer and lung volume reduction surgery.