

**BTC Health Limited
Appendix 4D
Half Year Report****1. Company Details**

Name of entity:	BTC Health Limited
ABN:	45 091 979 172
Reporting period:	For the half year ended 31 December 2024
Previous period:	For the half year ended 31 December 2023

2. Results for announcement to the market

All amounts are in AUD

	31 Dec 2024	31 Dec 2023	Increase/ (Decrease)	Change %
	\$	\$		
Revenues from ordinary activities	7,519	8,550	(1,031)	(12%)
Profit from ordinary activities after tax attributable to the owners of BTC Health Limited	4,938,024	1,650,883	3,287,141	199%
Profit/ for the half year attributable to the owners of BTC Health Limited	4,938,024	1,650,883	3,287,141	199%

	31 Dec 2024	31 Dec 2023
Basic earnings per share (cents)	1.52	0.53
Diluted earnings per share (cents)	1.46	0.53

Comments

The profit for the Company after providing for income tax amounted to \$4,938,024 (31 December 2023: \$1,650,883)

Refer to Review of Operations on page 3 of the accompanying half-year financial report and the BTC Health shareholders update for detailed explanation and commentary on the results.

3. Dividends

There were no dividends paid, recommended, or declared during the half-year reporting period.

4. Net Tangible Assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	3.08	1.67

Audit qualification or review

The financial statements were subject to a review by the auditors Grant Thornton and the review report is attached as part of the half year report.

5. Attachments

The half-year report of BTC Health Limited for the half-year ended 31 December 2024 is attached and includes all the information required by Listing Rule 4.2A.

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BTC HEALTH LIMITED

ABN 45 091 979 172

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED

31 DECEMBER 2024

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BTC HEALTH LIMITED
ABN 45 091 979 172

HALF-YEAR FINANCIAL REPORT

DIRECTORS' REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

The Directors of BTC Health Limited ("the Company") present the half-year financial report for the half-year ended 31 December 2024.

Directors

The following persons were Directors of the Company during the financial period and up to the date of this report, unless stated otherwise.

Richard Treagus – Executive Chairman
Felicity McNeill – Non-Executive Director
Brendan York – Non-Executive Director

Principal Activities

The Company is a Pooled Development Fund, registered under the Pooled Development Funds Act 1992 and invests in entities operating in the healthcare sector. There have been no changes to principal activities of the Company during the half-year period.

As at 31 December 2024, the Company held direct interests in three investee companies:

- BTC Specialty Health Pty Limited ("BTC Specialty Health");
- BTC Pharma Pty Limited ("BTC Pharma") – previously BiolImpact Pty Ltd; and
- BTC Cardio Pty Limited ("BTC Cardio").

The Company continues to seek investment opportunities in the sector.

Review of Operations

The following is a review of operations for the six-month period to 31 December 2024:

Financial Performance:

Summary Results

	31 December 2024	31 December 2023
	\$	\$
Revenue	7,519	8,550
Expenses	(410,000)	(321,265)
Fair value gain on investments held at fair value	5,340,505	1,963,598
Profit for the period	4,938,024	1,650,883

The company made a profit after tax during the half-year of \$4,938,024 (31 December 2023: profit of \$1,650,883). Revenue of \$7,519 comprises interest income on cash reserves. Expenses of \$410,000 (31 December 2023: \$321,265) increased as compared to the prior reporting period due to an increase in legal expenses of \$70,873 (31 December 2023: \$nil) relating to investee company BTC Cardio's Corcym transaction as well as a small increase in other advisory and administrative costs. In the current reporting period, the Company recognised a fair value gain of \$5,340,505 in relation to its investments (31 December 2023: \$1,963,598).

BTC HEALTH LIMITED
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HALF-YEAR FINANCIAL REPORT

DIRECTORS' REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

Statement of Financial Position & Funding:

The cash balance as at 31 December 2024 was \$794,679 (30 June 2024: \$2,022,155). The decrease in the cash balance was primarily due to a loan advanced to BTC Cardio of \$890,000 to support additional working capital requirements of that investee company, in addition to the operating cash outflows of \$335,279 in the reporting period.

Investments:

The valuation of each investee company is recognised on the statement of financial position with changes in fair value recognised through the profit and loss. During the half year reporting period the investee companies made good progress with their respective growth strategies and BTC Health continued to assess new potential investment opportunities to further diversify its investments in the healthcare sector, consistent with its stated growth strategy.

BTC Speciality Health

BTC Health's 100% owned investee company BTC Speciality Health is an established distributor of medical devices, consumables, and speciality pharmaceuticals in the Australian and New Zealand public and private hospital markets.

The investment is valued at \$2,466,406 at 31 December 2024 (30 June 2024: \$1,472,094). The increase in value primarily due to the successful inclusion of Elasto-Q and Micrel pain infusion pumps onto the Prescribed list of Medical Devices in November 2024 and initial positive response from customers on both pumps.

BTC Specialty Health's revenue for the half-year ended 31 December 2024 was \$2.6m which reduced by \$1.7m compared to the prior year (31 December 2023: \$4.3m) primarily due to the discontinued ambIT infusion pumps. Effective 1 November 2024, both Micrel and Elasto-Q were included on the Prescribed list, leading to successful hospital trials and subsequent purchase orders. BTC Specialty Health expects to see the growth from these products in H2FY25.

BTC Pharma

BTC Health's 100% owned investee company BTC Pharma is in the business of licensing and/or acquiring the rights to specialized pharmaceutical products. The company also has the right to sublicense these rights to BTC Specialty Health, which in turn, uses its expertise to register, promote and distribute the products in the territory, typically defined as the Asia Pacific region.

The investment is valued at \$2,045,147 at 31 December 2024 (30 June 2024: \$1,392,396), which comprises the fair value of the license and distribution agreement with Arna Pharma for respiratory products, Bronchitol and Aridol, which are sold within the Australian and New Zealand markets.

BTC Pharma revenue attributable to the respiratory products; Bronchitol® and Aridol® for the half year ended 31 December 2024 was \$0.64m which increased 10% compared to the prior year (31 December 2023: \$0.58m).

BTC HEALTH LIMITED
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HALF-YEAR FINANCIAL REPORT

DIRECTORS' REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

BTC Cardio

BTC Health's wholly owned investee company, BTC Cardio, was established in October 2023 to develop a diversified, high-quality portfolio of specialized cardiology, cardiothoracic, and critical care products. In December 2024, BTC Cardio entered into an exclusive partnership with the multinational group Corcym Srl. Under this agreement, BTC Cardio has assumed responsibility for Corcym's established heart valve business in Australia and New Zealand, effective 1 January 2025. This partnership strengthens BTC Cardio's existing portfolio, which includes cardiothoracic surgical instruments, PEARS aortic grafts, and cardiopulmonary oxygenator products. Corcym's heart valve products are highly complementary to our current offerings, enhancing our market presence in the region.

The investment is valued at \$3,743,761 at 31 December 2024 (30 June 2024: \$50,319) with the increase primarily due to the Corcym transaction in addition to value being attributable to the growing ECMO product range which was highlighted by the award of the \$5.0m Royal Children's Hospital tender in September 2024.

BTC Cardio's revenue for the half-year ended 31 December 2024 was \$2.1m (31 December 2023: \$0.1m) with revenue being generated from Eurosets, Wexler and PEARS products.

Significant Changes in the State of Affairs

There were no significant changes to the state of affairs of the Company in the reporting period.

Dividends

No dividends have been declared in respect of the financial half-year ended 31 December 2024.

Subsequent Events

On 1 January 2025, BTC Cardio completed its exclusive distribution and supply agreement with Corcym as outlined above.

Other than the above, at the date of these financial statements authorised for issue, there are no events arising since 31 December 2024 that require amendment or disclosure.

Business Risks and Uncertainties

The Company is subject to general risks as well as risks that are specific to the Company and the Company's business activities. The following is a list of risks which the Directors believe are or potentially will be material to the Company's business, however, this is not a complete list of all risks which the Company is or may be subject to.

General economic risks

Economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's procurement and distribution activities, as well as its ability to fund those activities.

HALF-YEAR FINANCIAL REPORT

DIRECTORS' REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

Environmental risks

There are a number of environmental factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:

- the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on the industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and
- climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

Reliance on key personnel

The Company's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of those services may be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.

Dependence on product supply agreements

The Company is inherently exposed to the risks experienced by manufacturers of its product supply agreements, including product quality, input supply, operational, transport and distribution constraints, financial strength or other issues including agreements which may be terminable by the Company's partners. Non-performance, suspension or termination of relevant agreements could negatively impact the progress or success of the Company's financial condition and results of operations.

Government Policy Changes

Adverse changes in government policies or legislation may affect future pricing reforms for medical and pharmaceutical products, taxation, royalties, land access, labour relations, export activities and Pooled Development Fund registration of the Company. In particular, it is possible that changes to pricing under the Prescribed List of Medical Devices and Pharmaceutical Benefits Scheme may occur as a result of industry agreements being re-negotiated, potentially having an adverse impact on the financial condition and results of operations.

BTC HEALTH LIMITED
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HALF-YEAR FINANCIAL REPORT

DIRECTORS' REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as: general economic outlook;

- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

Litigation

The Company is not currently involved in any litigation. However, the Company may in the ordinary course of business become involved in litigation and disputes, for example with its contractors or employees over a broad range of matters. Any such litigation or dispute could involve significant economic costs and damage to relationships with contractors or other stakeholders. Any such outcomes may have an adverse impact on the Company's business, market reputation and financial condition and financial performance.

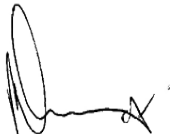
IT system failure and cyber security risks

Any information technology system is potentially vulnerable to interruption and/or damage from a number of sources, including but not limited to computer viruses, cyber security attacks and other security breaches, power, systems, internet and data network failures, and natural disasters. The Company is committed to preventing and reducing cyber security risks through having outsourced the IT management to a reputable services provider.

Auditor's Declaration of Independence

A copy of the auditor's declaration under section 307C in relation to the half year is included on page 8.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.



Richard Treagus
Executive Chairman

24 February 2025

Grant Thornton Audit Pty Ltd

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Auditor's Independence Declaration

To the Directors of BTC Health Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of BTC Health Limited for the half-year ended 31 December 2024. I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



Grant Thornton Audit Pty Ltd
Chartered Accountants



Peter Glynn
Partner – Audit & Assurance

Melbourne, 24 February 2025

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BTC HEALTH LIMITED
ABN 45 091 979 172

**STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024**

	31 December 2024	31 December 2023
	\$	\$
Revenue		
Interest income	7,519	8,550
	7,519	8,550
Executive Director fees	(20,000)	(20,000)
Non-Executive Director fees	(40,015)	(40,000)
Listing and CHESS fees	(19,560)	(12,260)
Share registry fees	(10,107)	(9,473)
Share based payments	(98,000)	(95,825)
Insurance	(41,470)	(36,981)
Legal Fees	(70,873)	-
Audit Fees	(42,000)	(65,872)
Company Secretarial	(30,900)	(38,204)
Gain on financial assets held at fair value through profit or loss	5,340,505	1,963,598
Other expenses from operations	(37,075)	(2,650)
	4,930,505	1,642,333
Profit before income tax expense	4,938,024	1,650,883
Income tax (Note 4)	-	-
Profit for the period	4,938,024	1,650,883
Other comprehensive income for the half year	-	-
Total comprehensive income for the half year period attributable to owners of BTC Health Limited	4,938,024	1,650,883
Basic earnings per share (cents per share)	1.52	0.53
Diluted earnings per share (cents per share)	1.46	0.53

The accompanying notes form part of this financial report.

BTC HEALTH LIMITED
ABN 45 091 979 172

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	31 December 2024	30 June 2024
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	794,679	2,022,155
Prepayments	71,738	14,040
TOTAL CURRENT ASSETS	866,417	2,036,195
NON-CURRENT ASSETS		
Financial assets (Note 3)	8,255,314	2,914,809
Loans to investee companies (Note 2)	1,090,000	197,803
TOTAL NON-CURRENT ASSETS	9,345,314	3,112,612
TOTAL ASSETS	10,211,731	5,148,807
CURRENT LIABILITIES		
Trade and other payables	126,267	99,367
Unclaimed monies	104,581	104,581
TOTAL CURRENT LIABILITIES	230,848	203,948
TOTAL LIABILITIES	230,848	203,948
NET ASSETS	9,980,883	4,944,859
EQUITY		
Issued capital (Note 5)	56,553,428	56,553,428
Share based payment reserve	606,586	508,586
Accumulated losses	(47,179,131)	(52,117,155)
TOTAL EQUITY	9,980,883	4,944,859

The accompanying notes form part of this financial report

BTC HEALTH LIMITED
ABN 45 091 979 172

STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

	31 December 2024 \$	31 December 2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	7,519	8,550
Payments to suppliers and employees	(342,798)	(272,123)
Net cash used in operating activities	(335,279)	(263,573)
CASH FLOWS FROM INVESTING ACTIVITIES		
Loans advanced to investee companies	(892,197)	(241,970)
Net cash used in investing activities	(892,197)	(241,970)
CASH FLOW FROM FINANCING ACTIVITIES		
Share placement	-	887,816
Net cash provided by financing activities	-	887,816
Net increase/(decrease) in cash and cash equivalents held	(1,227,476)	382,273
Cash and cash equivalents at beginning of the half-year	2,022,155	1,736,899
Cash and cash equivalents at end of half-year	794,679	2,119,172

The accompanying notes form part of this financial report

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BTC HEALTH LIMITED
ABN 45 091 979 172

STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

	Issued capital \$	Accumulated losses \$	Share based payment reserve \$	Total \$
At 1 July 2023	55,665,612	(53,172,442)	286,760	2,779,930
Profit for the period	-	1,650,883	-	1,650,883
Total comprehensive Income for the period	-	1,650,883	-	1,650,883
Transactions with owners in their capacity as owners:				
Issue of shares	887,816	-	-	887,816
Share based payments expense	-	-	95,825	95,825
At 31 December 2023	56,553,428	(51,521,559)	382,585	5,414,454
At 1 July 2024	56,553,428	(52,117,155)	508,586	4,944,859
Profit for the period	-	4,938,024	-	4,938,024
Total comprehensive income for the period	-	4,938,024	-	4,938,024
Transactions with owners in their capacity as owners:				
Share based payments expense	-	-	98,000	98,000
At 31 December 2024	56,553,428	(47,179,131)	606,586	9,980,883

The accompanying notes form part of this financial report

BTC HEALTH LIMITED
ABN 45 091 979 172

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

Note 1: Material Accounting Policies

General information

BTC Health is a listed public company on the Australian Securities Exchange limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is Level 1, 10 Oxley Street, Hawthorn VIC 3122.

A description of the Company's principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 24 February 2025.

Statement of compliance

The condensed half-year financial report is a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 'Interim Financial Reporting'.

The half-year financial report does not include all notes of the type normally included within the full financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the entity as the full financial report.

This financial report should be read in conjunction with the annual financial report for the year ended 30 June 2024 and any announcements made by BTC Health Limited during the interim reporting period in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

Basis of Preparation

This general purpose half-year condensed financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements and interpretations of the Australian Accounting Standards Board (the 'AASB') and the *Corporations Act 2001* in Australia.

The accounting policies have been consistently applied and are consistent with those applied in the 30 June 2024 annual report. The half-year financial report has been prepared on a historical cost basis, except for financial assets that have been measured at fair value.

The preparation of the financial statements in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. The resulting accounting judgements and estimates may not equal the related future actual results.

Reporting Currency

All amounts are presented in Australian dollars as the functional and presentation currency of the Company.

BTC HEALTH LIMITED
ABN 45 091 979 172

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

Note 1: Material Accounting Policies – Continued

Going Concern Basis

The financial statements for the half-year ended 31 December 2024 have been prepared on a going concern basis that contemplates the continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

For the half year ended 31 December 2024, the Company recorded a profit after tax of \$4,938,024 (31 December 2023: \$1,650,883) and operating cash outflows of \$335,279 (31 December 2023: \$263,573). The Company has a net asset surplus of \$9,980,883 (30 June 2024: \$4,944,859). At half year end, the Company had \$794,679 (30 June 2024: \$2,022,155) cash on hand.

The Directors regularly monitor the Company's cash position and cash forecast, and the cash positions and cash forecasts of its investee entities, and on an ongoing basis consider a number of strategic and operational plans and initiatives to ensure that adequate funding continues to be available for the Company and investee entities to meet their business objectives. The Company's cashflow forecast (including investee companies) for the period to 28 February 2026 (12 months after the issue of the Company's financial statements) indicates that it expects to generate positive cashflows and does not forecast additional capital being required.

The Directors are also satisfied that this is the position in the Company's investee entities. The Directors have undertaken solvency tests at half year end and as at the date of signing the Company's financial statements, which consider the Company's ability to pay liabilities when they are due.

The Directors have taken the factors above into consideration and determined that there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable and the Directors consider the going concern basis of preparation to be appropriate.

Adoption of New and Revised Accounting Standards

New or amended Accounting Standard Interpretations adopted in the current period

The Company has adopted all of the new or amended Accounting Standards and interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. These Standards and Interpretations did not have a material impact on these financial statements.

New Accounting Standards and interpretations not yet adopted

There are no new accounting standards or interpretations applicable that would have a material impact for the Company.

Critical accounting judgments, estimates and assumptions

In applying the Company's accounting policies, management continually evaluates judgments, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Company. All judgments, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the judgments, estimates and assumptions. No other critical judgements, other than in the determination of accounting policies as set out within this note, have been made.

BTC HEALTH LIMITED
ABN 45 091 979 172

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

Note 1: Material Accounting Policies – Continued

There have been no material changes, except as described below, to the critical judgements made or the basis of estimation for significant estimates between the previous annual financial statements and these interim financial statements.

Determination of investment entity status

BTC Health was admitted to the Australian Securities Exchange as an investment entity and continues to meet the criteria set out under AASB 10 *Consolidated Financial Statements* to qualify as an investment entity. This judgement is reconsidered by management and the Board at each reporting date. Consequently, investee companies are not consolidated in BTC Health's financial statements. Instead, the investments held by BTC Health in these companies is recorded as an investment held at fair value through profit or loss in BTC Health's financial statements.

Valuation of investments

Investments in investee companies are held at fair value. These investments are 'Level 3' in the fair value hierarchy, based on unobservable inputs, as the investee companies are unlisted and not traded in an active market. Consequently, they are valued in accordance with the Directors' valuations. The Directors have used the historical and budgeted performance of the investee companies as the basis for the valuation of the investments, adjusted for reasonable assumptions about future performance (such as estimated cash flows, projected business growth plans, tender wins and other market data available).

Should the assumptions used by the Directors change in subsequent periods, the fair value may be impacted and accounted for through the profit or loss. Further disclosure as required by AASB 13 *Fair Value Measurement* is set out in Note 6.

Note 2: Loans to investee companies

	31 December 2024 \$	30 June 2024 \$
Loans to investee companies		
<i>Non-Current:</i>		
BTC Cardio	1,090,000	200,000
BTC Pharma	-	(2,197)
Total Loans to investee companies	1,090,000	197,803

There are no loans to BTC Speciality Health as at 31 December 2024 or 30 June 2024.

BTC HEALTH LIMITED
ABN 45 091 979 172

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

Note 3: Financial Assets

	31 December 2024	30 June 2024
	\$	\$
Financial assets carried at fair value through profit or loss		
<i>Non-Current:</i>		
BTC Pharma	2,045,147	1,392,396
BTC Speciality Health	2,466,406	1,472,094
BTC Cardio	3,743,761	50,319
Sensear Pty Limited	-	-
Total Non-Current Financial Assets	8,255,314	2,914,809

BTC Health Limited, as an investment entity, has applied the exception to consolidation in accordance with AASB10 *Consolidated Financial Statements* and measures its investments in its subsidiaries at fair value through profit or loss in accordance with AASB 9 *Financial Instruments*.

BTC Pharma is 100% owned by BTC Health and is in the business of acquiring specialized pharmaceutical assets. It has the right to sub-license the intellectual property rights to BTC Specialty Health, which in turn, uses its expertise to register, promote and distribute the respective products in the territory, typically defined as the Asia Pacific region.

BTC Speciality Health is 100% owned by BTC Health Limited and is an established distributor of medical devices and consumables in the Australian and New Zealand public and private hospital market.

BTC Cardio is 100% owned by BTC Health and is in the business of supplying a quality portfolio of highly specialised cardiology, cardio thoracic and critical care products.

Further disclosures required by AASB 13 *Fair Value Measurement* are included at Note 6.

BTC HEALTH LIMITED
ABN 45 091 979 172

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

Note 4: Income Tax

Numerical reconciliation of income tax expense and tax at the statutory rate

Profit before taxation	4,938,024	1,650,883
	<hr/>	<hr/>
Income tax at the statutory rate of 25%	1,234,506	412,721
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share based payments charges	24,500	23,971
Tax impact on fair value gain offset by available carried forward losses	(1,335,126)	(490,900)
Tax losses not brought to account	76,120	54,208
Adjustments for prior periods	-	-
	<hr/>	<hr/>
	-	-

The Company is a Pooled Development Fund (PDF) and is taxed:

- At 15% on income and gains from investments in small to medium enterprises; and
- At 25% on all other income.

PDF's are not permitted to consolidate for tax purposes.

Note 5: Issued Capital

	31 December 2024 Shares	30 June 2024 Shares	31 December 2024 \$	30 June 2024 \$
Ordinary shares – fully paid	324,123,308	324,123,308	56,553,428	56,553,428
	<hr/>	<hr/>	<hr/>	<hr/>

BTC HEALTH LIMITED
ABN 45 091 979 172

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

Note 6: Fair value of financial instruments: Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of unlisted investments are determined in accordance with Directors' valuations, which are based on their experience in the industry. These investments are considered to be Level 3 in the fair value hierarchy. Directors have used assumptions, such as estimated cash flows, projected business growth plans, tender wins and other market data available in determining their valuation of unlisted investments. Directors have reviewed discounted cash flows to determine the fair value of the investments.

There was a gain recognised in the profit or loss for the half-year ended 31 December 2024 of \$5,340,505 (31 December 2023: \$1,963,598).

Significant assumptions used in determining fair value of unlisted investments

The key inputs used in the determination of the fair value of the investments includes the execution of strategic plans which are commercial in confidence. The strategic plans consider cashflow forecasts for products which are currently marketed and distributed by BTC health's investee companies. Cash flows for expected or pipeline future licensed products have not been included in the cash flow assumptions. The cash flow assumptions include unobservable inputs on forecast revenue, growth rates, gross margin and operating costs. The Company has applied a current average growth rate of between 3% and 5% reflecting expected growth of products licenced.

The discount rate applied to cash flow projections is derived from the Company's weighted average cost of capital (WACC), adjusted for varying risk profiles. As of 31 December 2024, the WACC rates for each investment have changed from a uniform rate applied at 30 June 2024 to investment-specific rates as follows:

	31-Dec-24		30-Jun-24	
	<u>Pre-Tax</u>	<u>Post Tax</u>	<u>Pre-Tax</u>	<u>Post Tax</u>
BTC Cardio Pty Ltd	16.0%	21.33%	14.58%	19.44%
BTC Speciality Health Pty Ltd	15.5%	20.67%	14.58%	19.44%
BTC Pharma Pty Ltd	15.0%	20.00%	14.58%	19.44%

These adjustments reflect the more pronounced marginal differences in risk and cash flow characteristics across the investments.

An increase/decrease in the discount rate by 100 basis points would result in a change in fair value of -8/+9%.

A 5% increase/decrease in revenue forecasts of the cash flow projections for the investee Companies would result in a change in fair value of +\$1.97m/-\$3.01m.

BTC HEALTH LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

Note 6 : Fair value of financial instruments: Valuation techniques and assumptions applied for the purposes of measuring fair value - continued

Name of Investment	Core Activity	Basis of Valuation
BTC Pharma Pty Ltd	In licence speciality pharmaceuticals and medical devices	<p>Valuation is based on an 'income approach', being a present value technique taking into account the future cash flows expected from the investment over a five-year period and a terminal value.</p> <p>The approach has been consistent year-on-year, with exception to the adoption of a perpetuity model with terminal value. The company reviews its valuation policy at each reporting date to ensure it remains appropriate. The valuation model used by the company is updated at each reporting date, taking into account changes in assumptions in the period, updated financial results and budgeted performance of the investee companies, and analysis of past performance against initial forecasts.</p>
BTC Speciality Health Pty Ltd	Commercialisation and distribution of pharmaceuticals and medical devices	<p>Valuation is based on an 'income approach', being a present value technique taking into account the future cash flows expected from the investment over a five-year period and a terminal value.</p> <p>The approach has been consistent year-on-year, with exception to the adoption of a perpetuity model with terminal value. The company reviews its valuation policy at each reporting date to ensure it remains appropriate. The valuation model used by the company is updated at each reporting date, taking into account changes in assumptions in the period, updated financial results and budgeted performance of the investee companies, and analysis of past performance against initial forecasts.</p>
BTC Cardio Pty Limited	Commercialisation of cardiology, cardio thoracic and critical care products	<p>Valuation is based on an 'income approach', being a present value technique taking into account the future cash flows expected from the investment over a five-year period and a terminal value.</p> <p>The approach has been consistent year-on-year, with exception to the adoption of a perpetuity model with terminal value. The company reviews its valuation policy at each reporting date to ensure it remains appropriate. The valuation model used by the company is updated at each reporting date, taking into account changes in assumptions in the period, updated financial results and budgeted performance of the investee companies, and analysis of past performance against initial forecasts.</p>

BTC HEALTH LIMITED
ABN 45 091 979 172

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

Note 6: Fair value of financial instruments: Valuation techniques and assumptions applied for the purposes of measuring fair value - Continued

Fair value hierarchy

The following table provides an analysis of financial instruments that are measured or disclosed at fair value, grouped into Levels 1 to 3 based on the lowest level of input that is significant to the entire fair value measurement, being:

- a) Level 1 – Financial instruments are valued by reference to quoted prices in an active market for identical assets or liabilities. These quoted prices represent actual and regularly occurring market transactions on an arm’s length basis.
- b) Level 2 - Financial instruments are valued using inputs other than quoted prices covered in Level 1. These other inputs include quoted prices that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). The inputs included in this level encompass quoted prices in active markets for similar assets or liability, quoted prices in markets in which there are few transactions for identical or similar assets or liabilities. Financial instruments that are valued using other inputs that are not quoted prices but are observable for the assets or liabilities also fall into this level.
- c) Level 3 - Financial instruments that have been valued, in whole or in part, by using valuation techniques or models that are based on unobservable inputs that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Unobservable valuation inputs are determined based on the best information available, which might include the Company’s own data, reflecting its assumptions as well as best practices carried out or undertaken by other market participants. These valuation techniques are used to the extent that observable inputs are not available.

Financial assets measured and recognised at fair value:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
31 December 2024				
Financial assets				
Unlisted investments – Financial assets carried at fair value through profit or loss	-	-	8,255,314	8,255,314
	-	-	8,255,314	8,255,314
30 June 2024				
Financial assets				
Unlisted investments – Financial assets carried at fair value through profit or loss	-	-	2,914,809	2,914,809
	-	-	2,914,809	2,914,809

There were no transfers between levels during the year.
There are no financial liabilities measured at fair value.

BTC HEALTH LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

Note 6: Fair value of financial instruments: Valuation techniques and assumptions applied for the purposes of measuring fair value – Continued

Reconciliation of Level 3 fair value measurements of financial assets:

	31 December 2024	30 June 2024
	\$	\$
Opening Balance	2,914,809	1,200,000
Gain on fair value of financial assets	5,340,505	1,714,809
Closing Balance	<u>8,255,314</u>	<u>2,914,809</u>

Note 7: Contingent Liabilities

The Company had no contingent liabilities as at 31 December 2024 (30 June 2024: \$nil).

Note 8: Subsequent Events

On 1 January 2025, BTC Cardio completed its exclusive distribution and supply agreement with Corcym.

Other than the above, no matters or circumstances have arisen since 31 December 2024 which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Note 9: Operating Segments

The Directors have assessed that the Company has a single operating segment, being investments in biotechnology and pharmaceutical ventures. The single operating segment has been identified on the basis of internal reports of the Company that are regularly reviewed and used by the Chief Operating Decision Maker (CODM) in order to allocate resources and assess performance. The CODM has been identified as the Executive Chairman. Financial information about this operating segment is reported on at least a monthly basis.

The single operating segment resides and operates in Australia, being the only geographical segment and all of the assets of the Company are held in Australia.

Note 10: Related Parties

There are net loans from the Company to investee companies as at 31 December 2024 of \$1,090,000 (30 June 2024: \$197,803). Loans between the Company and investee companies are unsecured and repayable on demand. Refer to Note 2 Loans to investee companies for further details.

Payments to Executive and Non-Executive Directors under key management personnel compensation are set out in Statement of Profit or Loss and Other Comprehensive Income.

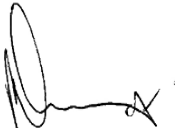
DIRECTORS' DECLARATION

In the Directors opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statement and notes give a true and fair view of the Company's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors,



Richard Treagus
Executive Chairman

24 February 2025

Independent Auditor's Review Report

To the Members of BTC Health Limited

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of BTC Health Limited (the Company), which comprises the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, including material accounting policy information, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of BTC Health Limited does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of the Company financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Directors' responsibility for the half-year financial report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Grant Thornton Audit Pty Ltd
Chartered Accountants



Peter Glynn
Partner – Audit & Assurance

Melbourne, 24 February 2025