Radiopharm Theranostics Limited
Appendix 4E
Preliminary Final Report
Year ended 30 June 2022

Name of entity:	Radiopharm Theranostics Limited
ABN:	57 647 877 889
Year ended:	30 June 2022
Previous period:	30 June 2021

Results for announcement to the market

				$
Revenue for ordinary activities	-	-%	to	-
Loss from ordinary activities after tax attributable to members	Up	6,153.0%	to	(30,338,979)
Net loss for the year attributable to members	Up	6,153.0%	to	(30,338,979)

Distributions

No dividends have been paid or declared by the group for the current financial year. No dividends were paid for the previous financial year.

Explanation of results

The group reported a loss for the year ended 30 June 2022 of $30,294,582 (period ended 30 June 2021: $485,190). This increased loss compared to the comparative period is due to the increased activity in the group and the clinical trial and research activities that have been undertaken.

On the back of successful raises through the issue of convertible notes and initial public offering, the group's net assets increased to $62,962,719 (30 June 2021: ($124,703)). As at 30 June 2022, the group had cash reserves of $26,979,105 (30 June 2021: $27,091).

The Appendix 4E financial report follows, with the further details to be included in the audited financial statements to be released by 30 September 2022.

Net tangible assets per security

	30 June 2022 Cents	30 June 2021 Cents
Net tangible asset backing (per share)	**2.70**	(12,470.30)

Changes in controlled entities

There have been no changes in controlled entities during the year ended 30 June 2022.

Other information required by Listing Rule 4.3A

a. Details of individual and total dividends or distributions and dividend or distribution payments:	N/A
b. Details of any dividend or distribution reinvestment plans:	N/A
c. Details of associates and joint venture entities:	N/A
d. Other information	N/A

Audit

The financial statements have been audited by the group's independent auditor without any modified opinion, disclaimer or emphasis of matter.

Directors	Mr Paul Hopper *Executive Chairman* Mr Riccardo Canevari (appointed 13 September 2021) *Chief Executive Officer and Managing Director* Dr Michael Baker *Non-Executive Director* Mr Ian Turner *Non-Executive Director* Ms Hester Larkin (appointed 3 February 2022) *Non-Executive Director* Dr Leila Alland (appointed 6 June 2022) *Non-Executive Director*
Secretary	Mr Phillip Hains Mr Nathan Jong
Principal registered office in Australia	Level 3, 62 Lygon Street Carlton VIC 3053 Australia Telephone: +61 (0)3 9824 5254 Facsimile: +61 (0)3 9822 7735
Share and debenture register	Automic Pty Ltd Level 5, 126 Phillip Street Sydney NSW 2000 +61 (0)2 9698 5414
Auditor	Grant Thornton Australia Collins Square Tower 5, 727 Collins Street Melbourne VIC 3008 Telephone: +61 (0)3 8320 2222
Solicitors	McCullough Robertson Level 11, Central Plaza Two 66 Eagle Street Brisbane QLD 4000 Telephone: +61 (0)7 3233 8888
Bankers	National Australia Bank 330 Collins Street Melbourne VIC 3000
Stock exchange listings	Radiopharm Theranostics Limited shares are listed on the Australian Securities Exchange (ASX: RAD)
Website	www.radiopharmtheranostics.com

Radiopharm Theranostics Limited

ABN 57 647 877 889

Preliminary final report - 30 June 2022

Financial statements

This financial statements is consolidated financial statements for the group consisting of Radiopharm Theranostics Limited and its subsidiaries. A list of major subsidiaries is included in note 9.

The financial statements is presented in the Australian currency.

Radiopharm Theranostics Limited is a group limited by shares, incorporated and domiciled in Australia.

Its registered office is:
Level 3, 62 Lygon Street
Carlton VIC 3053

Its principal place of business is:
Level 3, 62 Lygon Street
Carlton VIC 3053

The financial statements was authorised for issue by the directors on XX August 2022. The directors have the power to amend and reissue the financial statements.

Radiopharm Theranostics Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Notes	30 June 2022 $	From 11 February to 30 June 2021 $
Other income		**8,831**	-
Other losses	2(a)	**(1,028,491)**	(437)
General and administrative expenses	2(b)	**(7,637,884)**	(125,266)
Research and development	2(b)	**(7,486,616)**	-
Share-based payments		**(4,800,683)**	(359,487)
Operating loss		**(20,944,843)**	(485,190)
Finance expenses		**(9,349,739)**	-
Loss before income tax		**(30,294,582)**	(485,190)
Income tax expense		**(44,397)**	-
Loss for the year		**(30,338,979)**	(485,190)
Other comprehensive loss			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		(100,072)	-
Total comprehensive loss for the year		**(30,439,051)**	(485,190)
		Cents	Cents
Loss per share for loss attributable to the ordinary equity holders of the group:			
Basic and diluted loss per share	16	**(16.74)**	(48519.00)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Radiopharm Theranostics Limited
Consolidated statement of financial position
As at 30 June 2022

	Notes	**30 June 2022 $**	30 June 2021 $
ASSETS			
Current assets			
Cash and cash equivalents	3(a)	**26,979,105**	27,091
Trade and other receivables		**56,482**	6,347
Other current assets		**228,818**	-
Total current assets		**27,264,405**	33,438
Non-current assets			
Property, plant and equipment		**1,578**	-
Intangible assets	4(a)	**56,075,308**	-
Other financial assets		**40,000**	-
Total non-current assets		**56,116,886**	-
Total assets		**83,381,291**	33,438
Current liabilities			
Trade and other payables	3(b)	**2,153,318**	98,376
Borrowings		**-**	59,000
Other financial liabilities	3(c)	**5,632,168**	-
Employee benefit obligations	4(b)	**93,141**	765
Total current liabilities		**7,878,627**	158,141
Non-current liabilities			
Trade and other payables	3(b)	**152,447**	-
Other financial liabilities	3(c)	**12,387,498**	-
Total non-current liabilities		**12,539,945**	-
Total liabilities		**20,418,572**	158,141
Net assets		**62,962,719**	(124,703)
EQUITY			
Share capital	5(a)	**86,758,783**	1,000
Other reserves	5(b)	**7,028,105**	359,487
Accumulated losses		**(30,824,169)**	(485,190)
Total equity		**62,962,719**	(124,703)

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Radiopharm Theranostics Limited
Consolidated statement of changes in equity
For the year ended 30 June 2022

	Notes	Attributable to owners of Radiopharm Theranostics Limited			
		Share capital	**Other reserves**	**Accumulated losses**	**Total equity**
		$	**$**	**$**	**$**
Balance at 11 February 2021		-	-	-	-
Loss for the period		-	-	(485,190)	(485,190)
Total comprehensive loss for the period		**-**	**-**	**(485,190)**	**(485,190)**
Transactions with owners in their capacity as owners:					
Contributions of equity net of transaction costs	5(a)	1,000	-	-	1,000
Issue of options	5(b)	-	359,487	-	359,487
		1,000	359,487	-	360,487
Balance at 30 June 2021		**1,000**	**359,487**	**(485,190)**	**(124,703)**
Balance at 1 July 2021		1,000	359,487	(485,190)	(124,703)
Loss for the year		-	-	(30,338,979)	(30,338,979)
Other comprehensive loss		-	(100,072)	-	(100,072)
Total comprehensive loss for the year		**-**	**(100,072)**	**(30,338,979)**	**(30,439,051)**
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs and tax	5(a)	43,958,325	-	-	43,958,325
Issue of options	5(b)	-	6,194,825	-	6,194,825
Equity-settled payments	5(b)	-	573,865	-	573,865
Conversion of convertible notes	5(a)	26,666,667	-	-	26,666,667
Issue of shares as part of license acquisitions	5(a)	16,028,683	-	-	16,028,683
Issue of shares under the employee incentive scheme	5(a)	104,108	-	-	104,108
		86,757,783	6,768,690	-	93,526,473
Balance at 30 June 2022		**86,758,783**	**7,028,105**	**(30,824,169)**	**62,962,719**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Radiopharm Theranostics Limited
Consolidated statement of cash flows
For the year ended 30 June 2022

	Notes	30 June 2022 $	From 11 February to 30 June 2021 $
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		**(9,915,654)**	(32,909)
Net cash (outflow) from operating activities		**(9,915,654)**	(32,909)
Cash flows from investing activities			
Payments for property, plant and equipment		**(2,749)**	-
Payments for intellectual property		**(28,335,901)**	-
Interest received		**8,831**	-
Payments for financial assets at amortised cost		**(40,000)**	-
Net cash (outflow) from investing activities		**(28,369,819)**	-
Cash flows from financing activities			
Proceeds from issues of shares		**70,000,000**	1,000
Share issue transaction costs		**(4,830,886)**	-
Proceeds from borrowings		**10,000**	59,000
Repayment of borrowings		**(69,000)**	-
Net cash inflow from financing activities		**65,110,114**	60,000
Net increase in cash and cash equivalents		**26,824,641**	27,091
Cash and cash equivalents at the beginning of the year/ period		**27,091**	-
Effects of exchange rate changes on cash and cash equivalents		**127,373**	-
Cash and cash equivalents at end of the year/period	3(a)	**26,979,105**	27,091

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Contents of the notes to the financial statements

1 Segment information

Management has determined, based on the reports reviewed by the chief operating decision maker that are used to make strategic decisions, that the group has one reportable segment being the research, development and commercialisation of health technologies. The segment details are therefore fully reflected in the body of the financial report.

2 Other income and expense items

(a) Other losses

	Notes	30 June 2022 $	From 11 February to 30 June 2021 $
Net foreign exchange losses		**(1,028,491)**	(437)
		(1,028,491)	(437)

(b) Breakdown of expenses by nature

	30 June 2022 $	From 11 February to 30 June 2021 $
General and administrative expenses		
Accounting and audit	**534,165**	70,000
Consulting	**691,083**	3,999
Depreciation	**1,171**	-
Employee benefits	**4,441,848**	13,299
Insurance	**253,687**	-
Investor relations	**262,642**	919
Legal	**364,232**	18,364
Listing and share registry	**208,083**	-
Patent costs	**182,318**	14,000
Travel and entertainment	**379,005**	2,585
Other	**319,650**	2,100
	7,637,884	125,266
Research and development		
Amortisation	**2,980,313**	-
AVb6 Integrin (TRIMT)	**1,920,558**	-
Consulting Fees (R&D)	**381,551**	-
hu PSA Anti-body (Diaprost)	**82,533**	-
NanoMab	**1,971,037**	-
Pharma15	**90,906**	-
UCLA	**59,718**	-
	7,486,616	-

3 Financial assets and financial liabilities

(a) Cash and cash equivalents

	30 June 2022 $	30 June 2021 $
Current assets		
Cash at bank and in hand	**26,979,105**	27,091
	26,979,105	27,091

(i) Reconciliation to cash flow statement

The above figures reconcile to the amount of cash shown in the consolidated statement of cash flows at the end of the financial year and period, respectively, as follows:

	30 June 2022 $	30 June 2021 $
Balances as above	**26,979,105**	27,091
Balances per statement of cash flows	**26,979,105**	27,091

(ii) Classification as cash equivalents

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest. See note 18(g) for the group’s other accounting policies on cash and cash equivalents.

(iii) Risk exposure

The group's exposure to interest rate risk is discussed in note 7. The maximum exposure to credit risk at the end of the reporting year is the carrying amount of each class of cash and cash equivalents mentioned above.

3 Financial assets and financial liabilities (continued)

(b) Trade and other payables

	Notes	30 June 2022 Current $	30 June 2022 Non-current $	30 June 2022 Total $	30 June 2021 Current $	30 June 2021 Non-current $	30 June 2021 Total $
Trade payables		**1,189,640**	**-**	**1,189,640**	64,376	-	64,376
Amounts due to employees	13(b)	**185,244**	**152,447**	**337,691**	-	-	-
Accrued expenses		**746,269**	**-**	**746,269**	34,000	-	34,000
Other payables		**32,165**	**-**	**32,165**	-	-	-
		2,153,318	**152,447**	**2,305,765**	98,376	-	98,376

(c) Other financial liabilities

	30 June 2022 Current $	30 June 2022 Non-current $	30 June 2022 Total $	30 June 2021 Current $	30 June 2021 Non-current $	30 June 2021 Total $
Diaprost contingent consideration	**-**	**7,592,929**	**7,592,929**	-	-	-
NanoMab contingent consideration*	**5,588,620**	**-**	**5,588,620**	-	-	-
NeoIndicate contingent consideration	**-**	**144,207**	**144,207**	-	-	-
NeoIndicate deferred consideration	**43,548**	**-**	**43,548**	-	-	-
TRIMT contingent consideration	**-**	**4,650,362**	**4,650,362**	-	-	-
	5,632,168	**12,387,498**	**18,019,666**	-	-	-

* Payment to be made in the form of ordinary shares in the company, based on the price of the 7 day volume weighted average price (VWAP) prior to the announcement of the milestone on the ASX.

Deferred consideration includes amounts related to the provision of upfront license fees to NeoIndicate and contingent consideration includes amounts related to the provision of milestone payments. For more information, please refer to note 10.

3 Financial assets and financial liabilities (continued)

(d) Recognised fair value measurements

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

Recurring fair value measurements		**Level 1**	**Level 2**	**Level 3**	**Total**
At 30 June 2022	**Notes**	**$**	**$**	**$**	**$**
Financial Liabilities					
NanoMab contingent consideration		**-**	**-**	**5,588,620**	**5,588,620**
Diaprost contingent consideration		**-**	**-**	**7,592,929**	**7,592,929**
TRIMT contingent consideration		**-**	**-**	**4,650,362**	**4,650,362**
NeoIndicate contingent consideration		**-**	**-**	**144,207**	**144,207**
Total financial liabilities		**-**	**-**	**17,976,118**	**17,976,118**

The group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting year.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting year. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Contingent consideration

The fair value of contingent consideration relating to the acquisition of licences is estimated using a present value technique which discounts the management's estimate of the probability that the milestone will be achieved. For more information refer to note 10.

The discount rate used at 30 June 2022 was 4.52%. The discount rate is based on benchmark interest rates provided by the Australian Taxation Office for the income year that agreements are entered into.

4 Non-financial assets and liabilities

(a) Intangible assets

	AVb6 Integrin $	hu PSA Anti-body $	NanoMab $	Pivalate $	Other Intellectual Property $	Total $
At 30 June 2021						
Cost	-	-	-	-	-	-
Accumulated amortisation and impairment	-	-	-	-	-	-
Net book amount	-	-	-	-	-	-
Year ended 30 June 2022						
Additions	17,691,796	16,212,081	24,354,566	336,055	461,123	59,055,621
Amortisation charge	(854,020)	(892,683)	(1,188,353)	(42,210)	(3,047)	(2,980,313)
Closing net book amount	16,837,776	15,319,398	23,166,213	293,845	458,076	56,075,308
At 30 June 2022						
Cost	17,691,796	16,212,081	24,354,566	336,055	461,123	59,055,621
Accumulated amortisation and impairment	(854,020)	(892,683)	(1,188,353)	(42,210)	(3,047)	(2,980,313)
Net book amount	16,837,776	15,319,398	23,166,213	293,845	458,076	56,075,308

The group's intellectual property is measured at initial cost, less any accumulated amortisation and impairment losses.

(i) AVb6 Integrin

The group has recognised the Intellectual Property “AVb6 Integrin” through the acquisition of a license developed at TRIMT GmbH (TRIMT), a world-renowned independent research and treatment centre specialising in cancer, based in Radeberg, Germany.

It is the board's expectation that the acquired intellectual property will generate future economic benefits for the group. The amounts recognised as intangible assets relate to the upfront licenses fee paid in respect of the license agreement, value of equity issued to the licensor and contingent consideration. The contingent consideration arrangements require the group to pay the licensor at the completion of each milestone per the license agreements. The fair value of the contingent considerations was probability-adjusted based on the directors' assumptions, 70% probability of completing the first therapeutic milestone (milestone 3). Other milestones were deemed uncertain as per managements assessment.

AVb6 Integrin is amortised over a period of 20 years, being management's assessed useful life of the intangible asset.

(ii) hu PSA Anti-body

The group has recognised the Intellectual Property “hu PSA Anti-body” through the acquisition exclusive license developed at Diaprost AB (Diaprost), a world-renowned independent research and treatment centre specialising in prostate cancer, based in Lund, Sweden.

4 Non-financial assets and liabilities (continued)

(a) Intangible assets (continued)

(ii) hu PSA Anti-body (continued)

It is the board's expectation that the acquired intellectual property will generate future economic benefits for the group. The amounts recognised as intangible assets relate to the upfront licenses fee paid in respect of the license agreement and contingent consideration. The contingent consideration arrangements require the group to pay the licensor at the completion of each milestone per the license agreements. The fair value of the contingent considerations was probability-adjusted based on the directors' assumptions, 70% probability of completing milestones 1 and 2.

hu PSA Anti-body is amortised over a period of 15 years, being management's assessed useful life of the intangible asset.

(iii) NanoMab

The board has recognised the Intellectual Property “NanoMab” through the acquisition of a license developed at NanoMab Technology Limited, a world-renowned independent biopharmaceutical company focusing on cancer precision therapies through radiopharmaceuticals, based in Hong Kong.

It is the board's expectation that the acquired intellectual property will generate future economic benefits for the group. The amounts recognised as intangible assets relate to the upfront licenses fee paid in respect of the license agreement, value of equity issued to the licensor and contingent consideration. The contingent consideration arrangements require the group to pay the licensor at the completion of each milestone per the license agreements. The fair value of the contingent considerations was probability-adjusted based on the directors' assumptions, 70% probability of completing milestone 1 and also 70% probability of completing milestone 1 in the amended agreement.

NanoMab is amortised over a period of 20 years, being management's assessed useful life of the intangible asset.

(iv) Pivalate

The group has recognised the Intellectual Property “Pivalate” through the acquisition of a license developed at Cancer Research Technologies Limited (CRT), a world-renowned independent research and treatment centre for cancer, based in London, United Kingdom.

It is the board's expectation that the acquired intellectual property will generate future economic benefits for the group. The amounts recognised as intangible assets relate to the upfront licenses fee paid in respect of the license agreement and contingent consideration. The contingent consideration arrangements require the group to pay the licensor at the completion of each milestone per the license agreements. The group has reassessed the contingent consideration for Pivalate at 30 June 2022 deemed it not appropriate to include as the milestone targets were either concluded or ongoing, thus not payable by the group.

Pivalate is amortised over a period of 15 years, being management's assessed useful life of the intangible asset.

(v) Other intellectual property

Other intellectual property includes the following IP acquired by the group.

NeoIndicate

The group has recognised the Intellectual Property “NeoIndicate” through the acquisition of a sublicense developed at NeoIndicate LLC, a private research university based in Ohio.

It is the board's expectation that the acquired intellectual property will generate future economic benefits for the group. The amounts recognised as intangible assets relate to the upfront licenses fee paid in respect of the license agreement and contingent consideration. The contingent consideration arrangements require the group to pay the licensor at the completion of each milestone per the license agreements.

NeoIndicate is amortised over a period of 16 years, being management's assessed useful life of the intangible asset.

4 Non-financial assets and liabilities (continued)

(a) Intangible assets (continued)

(v) Other intellectual property (continued)

Pharma 15

The group has recognised the Intellectual Property “Pharma 15” through an agreement with Pharma 15 Corporation for the exclusive rights to purchase the Pharma 15 license from the corporation. It is the board's expectation that once the license is acquired, it will generate future economic benefits for the group. The amounts currently recognised are the upfront costs of signing the option agreement.

UCLA

The group has recognised the Intellectual Property “UCLA” through the acquisition of a license developed at The Regents of the University of California, a university based in California.

It is the board's expectation that the acquired intellectual property will generate future economic benefits for the group. The amounts recognised as intangible assets relate to the upfront licenses fee paid in respect of the license agreement and contingent consideration.

UCLA is amortised over a period of 19 years, being management's assessed useful life of the intangible asset.

(vi) Impairment test for intellectual property

Intellectual property held by the group is assessed for indicators of impairment annually. If an impairment indicator exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

The group identified impairment indicators at 30 June 2022 and completed a valuation of the AVb6 Integrin, huPSA Antobody, NanoMab, Pivalate, and Pharma 15 licenses as of that date utilising the fair value less costs of disposal method. The assessment considered the status of advancement of R&D projects related to each of these licenses and identified that the value-in-use exceeded the carried amounts and are recoverable either through further development and commercial exploitation by the group or by out-licensing. The rest of the intangible assets have not been assessed for impairment due to the proximity of the acquisition dates to the reporting date, which led us to believe that the carrying amount approximates their fair value.

In addition, there have been no significant changes that have taken place during the year that have adversely affected the radiopharmaceutical sector or scientific results and progress of trials.

Based on this, we determined there was no impairment of intellectual property held by the group.

See note 18(k) for the other accounting policies relevant to intangible assets, and note 18(f) for the group’s policy regarding impairments.

4 Non-financial assets and liabilities (continued)

(b) Employee benefit obligations

	30 June 2022			30 June 2021		
	Current $	**Non-current $**	**Total $**	Current $	Non-current $	Total $
Leave obligations (i)	**93,141**	**-**	**93,141**	765	-	765

(i) Leave obligations

The leave obligations cover the group's liabilities for long service leave and annual leave which are classified as either other long-term benefits or short-term benefits, as explained in note 18(n).

The current portion of this liability includes all of the accrued annual leave and pro-rata payments employees are entitled to in certain circumstances. The entire amount of the provision of $93,141 (2021: $765) is presented as current, since the group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

5 Equity

(a) Share capital

	Notes	**30 June 2022 Shares**	30 June 2021 Shares	**30 June 2022 $**	30 June 2021 $
Ordinary shares					
Fully paid		**255,433,248**	1,000	**86,758,783**	1,000
	5(a)(i)	**255,433,248**	1,000	**86,758,783**	1,000

(i) Movements in ordinary shares:

Details	**Notes**	**Number of shares**	**Total $**
Balance at 11 February 2021		**-**	**-**
Issue at $1.00 pursuant to private placement (2021-02-11)		1,000	1,000
Balance at 30 June 2021		**1,000**	**1,000**
Share split (2021-08-10)		99,999,000	-
Shares issued at $0.60 for licence acquisitions (2021-11-18)	5(a)(ii)	25,555,555	15,333,333
Issue at $0.45 on conversion of convertible notes (2021-11-16)		44,444,669	26,666,667
Issue at $0.60 at initial public offering (2021-11-25)		83,333,333	50,000,000
Shares issued at $0.361 licence acquisitions (2022-01-27)	5(a)(ii)	1,926,177	695,350
Shares issued at $0.60 employee incentive scheme (2022-05-27)		173,514	104,108
Less: Transaction costs arising on share issues		-	(6,041,675)
Balance 30 June 2022		**255,433,248**	**86,758,783**

(ii) Shares issued on acquisition of licence

The share price for shares issued for the acquisition of the licence were calculated by referencing to the IPO price and adjusted for uncertainty at the time of license acquisition date.

5 Equity (continued)

(b) Other reserves

The following table shows a breakdown of the balance sheet line item 'other reserves' and the movements in these reserves during the year and period, respectively. A description of the nature and purpose of each reserve is provided below the table.

	Notes	Share- based payments $	Equity settled payments $	Foreign currency translation $	Total other reserves $
At 11 February 2021		**-**	**-**	**-**	**-**
Transactions with owners in their capacity as owners					
Issue of shares as part of forfeiture payments		-	-	-	-
Issue of options	5(b)(ii)	359,487	-	-	359,487
At 30 June 2021		**359,487**	**-**	**-**	**359,487**
Currency translation differences		-	-	(100,072)	(100,072)
Other comprehensive loss		-	-	(100,072)	(100,072)
Transactions with owners in their capacity as owners					
Issue of shares as part of forfeiture payments		-	573,865	-	573,865
Issue of options	5(b)(ii)	6,194,825	-	-	6,194,825
At 30 June 2022		**6,554,312**	**573,865**	**(100,072)**	**7,028,105**

(i) Nature and purpose of other reserves

Share-based payments

The share-based payment reserve records items recognised as expenses on valuation of share options issued to key management personnel, other employees and and eligible contractors.

Foreign currency translations

Exchange differences arising on translation of foreign controlled entities are recognised in other comprehensive income as described in note 18(d) and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Equity settled payments

Equity settled payments reserve records items recognised as expenses on valuation of shares to be issued to key management personnel and other employees for forfeiture of long term incentives at previous employers.

5 Equity (continued)

(b) Other reserves (continued)

(ii) Movements in options:

Details	Number of options	Total $
Balance at 11 February 2021	**-**	**-**
Issue of ESOP unlisted options*	8,233,342	359,487
Balance at 30 June 2021	**8,233,342**	**359,487**
Issue of ESOP unlisted options*	19,640,018	2,067,788
Issue of unlisted options	13,680,012	2,767,466
Expense for share-based payments for options previously issued	-	1,359,571
Balance at 30 June 2022	**41,553,372**	**6,554,312**

* 3,800,004 options are subject to shareholder approval.

6 Critical estimates, judgements and errors

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements.

(a) Significant estimates and judgements

The areas involving significant estimates or judgements are:

- Estimation of contingent consideration - note 3(d)(i)
- Impairment of patents, licences and other rights - note 4(a)(vi)
- Estimation of employee benefit obligations - note 4(b)(i)
- Estimation of share-based payments - note 14(a)
- Estimation of employee forfeiture payments - note 18(n)(iv)

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

7 Financial risk management

This note explains the group's exposure to financial risks and how these risks could affect the group's future financial performance.

The group's risk management is predominantly controlled by the board. The board monitors the group's financial risk management policies and exposures and approves substantial financial transactions. It also reviews the effectiveness of internal controls relating to market risk, credit risk and liquidity risk.

(a) Market risk

(i) Foreign exchange risk

The group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange rate risk arises from financial assets and financial liabilities denominated in a currency that is not the group's functional currency. Exposure to foreign currency risk may result in the fair value of future cash flows of a financial instrument fluctuating due to the movement in foreign exchange rates of currencies in which the group holds financial instruments which are other than the Australian dollar (AUD) functional currency of the group. This risk is measured using sensitivity analysis and cash flow forecasting. The cost of hedging at this time outweighs any benefits that may be obtained.

Exposure

The group's exposure to foreign currency risk at the end of the reporting year and period, respectively, expressed in Australian dollar, was as follows:

	30 June 2022		30 June 2021	
	USD	**EUR**	USD	EUR
	$	**$**	$	$
Cash and cash equivalents	**2,871,338**	**-**	-	-
Trade payables	**438,584**	**570,688**	2,585	-
Total exposure	**3,309,922**	**570,688**	**2,585**	**-**

Sensitivity

As shown in the table above, the group is primarily exposed to changes in USD/AUD exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from USD denominated financial instruments.

The group has conducted a sensitivity analysis of its exposure to foreign currency risk. The group is currently materially exposed to the United States dollar (USD). The sensitivity analysis is conducted on a currency-by-currency basis using the sensitivity analysis variable, which is based on the average annual movement in exchange rates over the past five years at year-end spot rates. The variable for each currency the group is materially exposed to is listed below:cash flow hedges.

- USD: 5.8% (2021: 4.9%)
- EUR: 3.4% (2021: 2.7%)

	Impact on post-tax profit		**Impact on other components of equity**	
	2022	2021	**2022**	2021
	$	$	**$**	$
USD/AUD exchange rate - change by 5.8% (2021: 4.9%)*	**191,975**	127	**-**	-
EUR/AUD exchange rate - change by 3.4% (2021: 2.7%)*	**19,403**	-	**-**	-

* Holding all other variables constant

7 Financial risk management (continued)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

Sensitivity (continued)

Profit is more sensitive to movements in the AUD/USD exchange rates in 2022 than 2021 because of the increased amount of USD denominated cash and cash equivalents. The group's exposure to other foreign exchange movements is not material.

(ii) Cash flow and fair value interest rate risk

The group's main interest rate risk arises from cash and cash equivalents held, which expose the group to cash flow interest rate risk. During 2022 and 2021, the group's cash and cash equivalents at variable rates were denominated in Australian dollars.

The group's exposure to interest rate risk at the end of the reporting year and period, respectively, expressed in Australian dollars, was as follows:

	30 June 2022 $	30 June 2021 $
Financial instruments with cash flow risk		
Cash and cash equivalents	**26,979,105**	27,091
Other financial assets	**40,000**	-
	27,019,105	27,091

Sensitivity

The group's exposure to interest rate risk at the end of the reporting year and period, respectively, expressed in Australian dollars, was as follows:

	Impact on post-tax profit		**Impact on other components of equity**	
	2022 $	2021 $	**2022 $**	2021 $
Interest rates - change by 121 basis points (2021: 31 basis points)*	**326,931**	84	**-**	-

* Holding all other variables constant

The use of 1.21 percent (2021: 0.31 percent) was determined based on analysis of the Reserve Bank of Australia cash rate change, on an absolute value basis, at 30 June 2022 and the previous four balance dates. The average cash rate at these balance dates was 0.77 percent (2021: 0.93 percent). The average change to the cash rate between balance dates was 157.03 percent (2021: 33.88 percent). By multiplying these two values, the interest rate risk was derived.

7 Financial risk management (continued)

(b) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the group.

There has been an increase in the group's exposure to credit risk in 2022 due to increased cash and cash equivalents. The group's exposure to other classes of financial assets with credit risk is not material.

(i) Risk management

Risk is minimised through investing surplus funds in financial institutions that maintain a high credit rating.

(ii) Impairment of financial assets

While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

(c) Liquidity risk

Liquidity risk arises from the possibility that the group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The group manages this risk through the following mechanisms:

- preparing forward looking cash flow analyses in relation to its operating, investing and financing activities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- investing cash and cash equivalents and deposits at call with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

(i) Maturities of financial liabilities

The tables below analyse the group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Contractual maturities of financial liabilities **At 30 June 2022**	**Less than 6 months** **$**	**6 - 12 months** **$**	**Between 1 and 2 years** **$**	**Between 2 and 5 years** **$**	**Over 5 years** **$**	**Total contractual cash flows** **$**	**Carrying amount liabilities** **$**
Trade payables	**2,153,318**	**-**	**-**	**-**	**-**	**2,153,318**	**2,153,318**
Other financial liabilities	**5,630,420**	**-**	**13,361,881**	**-**	**-**	**18,992,301**	**18,992,301**
Total non-derivatives	**7,783,738**	**-**	**13,361,881**	**-**	**-**	**21,145,619**	**21,145,619**

There is a portion of other financial liabilities that is payable in the next six months that is payable in shares. Refer to note 3(c) for further information.

8 Capital management

(a) Risk management

The group's objectives when managing capital are to

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may issue new shares or reduce its capital, subject to the provisions of the group's constitution. The capital structure of the group consists of equity attributed to equity holders of the group, comprising contributed equity, reserves and accumulated losses. By monitoring undiscounted cash flow forecasts and actual cash flows provided to the board by the group's management, the board monitors the need to raise additional equity from the equity markets.

(b) Dividends

No dividends were declared or paid to members for the year ended 30 June 2022. The group’s franking account balance was nil at 30 June 2022.

9 Interests in other entities

(a) Material subsidiaries

The group’s principal subsidiaries at 30 June 2022 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group	
		2022	2021
		%	%
Radiopharm Theranostics (USA) Inc	United States	**100**	100

10 Contingent liabilities

(a) AVb6 Integrin intellectual property

The group has the licence agreement with TRIMT GmbH (TRIMT). The key financial terms of the license agreement includes payments of cash and shares in the group worth US$10 million.

The company may also incur liabilities contingent on future events in respect of the licence agreement, which are summarised below:

(i) Development milestone payments

Within 30 days after the occurrence of each milestone below, the group is required to pay TRIMT the amount indicated below:

Milestones	Requirements	Payment to TRIMT
1.	Commencement of Phase 3 diagnostic clinical trial for (68Ga-TRIVEHEXIN) (Diagnostic)	US$2m
2.	Any Marketing Approval in Japan, China, Hong Kong or the United States of (68Ga-TRIVEHEXIN) for diagnostic application (Diagnostic)	US$3m
3.	Last patient Phase 1 (Therapeutic)	US$5m
4.	First patient Phase 2 (Therapeutic)	US$10m
5.	Last patient Phase 2 (Therapeutic)	US$10m
6.	First patient Phase 3 (Therapeutic)	US$15m
7.	Last patient Phase 3 (Therapeutic)	US$15m
8.	Any Marketing Approval in Japan, China, Hong Kong or the United States (Therapeutic)	US$30m

Management expects milestone 3 to be met with 70% certainty, however it is uncertain whether other milestones will be met due to number of factors which are outside the group's control affect this outcome. Hence, management has accounted for those payments in relation to milestone 3 for this current reporting year.

(ii) Royalties on net sales

The group is obliged to pay TRIMT royalties on net sales based on industry standard single digit royalty rates and also on sublicence revenues.

10 Contingent liabilities (continued)

(b) hu PSA Anti-body intellectual property

The group has the licence agreement with Diaprost AB. The key financial terms of the license agreement include upfront cash payments of US$7 million.

The company may also incur liabilities contingent on future events in respect of the licence agreement, which are summarised below:

(i) Development milestone payments

Within 30 days after the occurrence of each milestone below, the group is required to pay Diaprost the amount indicated below:

Milestones	Requirements	Payment to Diaprost
1.	IND allowance	US$3m
2.	Last patient Phase 1	US$5m
3.	First patient Phase 2	US$11m
4.	Last patient Phase 2B	US$11m
5.	First patient Pivotal Study	US$15m
6.	Upon the dosing of the final patient in a Pivotal Study	US$15m
7.	FDA submission	US$7m
8.	FDA approval	US$25m
9.	EMA approval	US$10m
10.	PMDA approval	US$5m
11.	Second indication, approval at first of FDA, EMA, PMDA	US$10m
12.	Approval at first of FDA, EMA, PMDA for Diagnostic trials.	US$5m

Management expects milestones 1 and 2 to be met with 70% certainty, however it is uncertain whether other milestones will be met due to number of factors which are outside the group's control affect this outcome. Hence, management has accounted for those payments in relation to the milestones 1 and 2 for this current reporting year.

(ii) Royalties

The group is obliged to pay Diaprost AB royalties on sublicensing based on industry standard royalty rates.

10 Contingent liabilities (continued)

(c) NanoMab intellectual property

The group has the licence agreement with the NanoMab Technology Limited. The key financial terms of the license agreement includes payments of cash and shares in the group worth US$12.5 million.

The company may also incur liabilities contingent on future events in respect of the licence agreement, which are summarised below:

(i) Development milestone payments

Within 30 days after the occurrence of each milestone below, the group is required to pay Nanomab the amount indicated below:

Milestones	Requirements	Payment to Nanomab
1.	IND allowance by the U.S. FDA or the EMA or the NMPA (for either the HER-2 or the TROP-2 Therapeutic)	US$5m*
2.	IND allowance by the U.S. FDA or the EMA or the NMPA (for the PKT-7 Therapeutic)	US$0.5m*
3.	First patient dosed in the first Phase 1 therapeutic clinical trial	US$1m*
4.	First patient dosed in the first Phase 2 therapeutic clinical trial	US$2m*
5.	First patient dosed in the first Phase 3 therapeutic clinical trial, or approval of a Licensed Product	US$3m*

* Payment to be made in the form of ordinary shares in the company, based on the price of the 7 day volume weighted average price (VWAP) prior to the announcement of the milestone on the ASX.

Management expects milestone 1 to be met with 70% certainty, however it is uncertain whether other milestones will be met due to number of factors which are outside the group's control affect this outcome. Hence, management has accounted for those payments in relation to the milestone 1 for this current reporting year.

Additionally, the group signed an amendment with NanoMab Technology Limited that included the additional milestones. Within 30 days after occurrence of each milestone below, the group is required to pay NanoMab the amount indicated below:

Milestones	Requirements	Payment to Nanomab
1.	IND submission to the U.S. FDA or the EMA or the NMPA for PDL-1 Therapeutic)	US$0.5m*
2.	First patient dosed in the first Phase 1 therapeutic clinical trial	US$1m*
3.	First patient dosed in the first Phase 2 therapeutic clinical trial	US$2m*
4.	First patient dosed in the first Phase 3 therapeutic clinical trial	US$3m*

* Payment to be made in the form of ordinary shares in the company, based on the price of the 7 day volume weighted average price (VWAP) prior to the announcement of the milestone on the ASX.

Management expects milestone 1 to be met with 70% certainty, however it is uncertain whether other milestones will be met due to number of factors which are outside the group's control affect this outcome. Hence, management has accounted for those payments in relation to the milestone 1 for this current reporting year.

(ii) Royalties

The group is obliged to pay Nanomab royalties on net sales based on industry standard single digit royalty rates and also on sublicence revenues.

10 Contingent liabilities (continued)

(d) Pivalate intellectual property

The group has the licence agreement with Cancer Research Technologies Limited (CRT). The key financial terms of the license agreement include an upfront cash payment of £180,000.

The company may also incur liabilities contingent on future events in respect of the licence agreement, which are summarised below:

(i) Development milestone payments

Within 30 days after the occurrence of each milestone below, the group is required to pay Imperial the amount indicated below:

Diagnostic development milestones:

Milestones	Requirements	Payment to Imperial
1.	Phase 1 clinical trial commencement limited to each of the 1st indication	£45k
2.	Phase 2 clinical trial commencement limited to each of the 1st 3 indications	£225k
3.	Phase 3 clinical trial commencement limited to each of the 1st 3 indications	£630k
4.	Grant of US Regulatory Approval	£900k
5.	Grant of EU (or UK) Regulatory Approval	£450k
6.	First commercial sale	£900k
7.	Aggregate Net Sales worldwide exceeding £10m	£630k
8.	Aggregate Net Sales worldwide exceeding £50m	£3.15m

Therapeutic development milestones:

Milestones	Requirements	Payment to Imperial
1.	Clearing of IND in the US or any country in Territory	£90k
2.	Phase 1 clinical trial/pivotal study commencement, limited to each of the 1st indication	£225k
3.	Phase 2 clinical trial/pivotal study commencement, limited to each of the 1st 3 indications	£630k
4.	Phase 3 clinical trial/pivotal study commencement, limited to each of the 1st 3 indications	£1.8m
5.	Grant of US Regulatory Approval	£3.6m
6.	Grant of MA in the EU (or UK)	£1.8m
7.	First commercial sale	£4.5m
8.	Aggregate Net Sales worldwide exceeding £100m	£2.7m
9.	Aggregate Net Sales worldwide exceeding £500m	£13.5m

10 Contingent liabilities (continued)

(d) Pivalate intellectual property (continued)

(i) Development milestone payments (continued)

Management is uncertain whether milestones will be met due to number of factors which are outside the group's control affect this outcome. Hence, management has not accounted for any milestones for this current reporting year.

(ii) Royalties

The group is obliged to pay CRT royalties on net sales based on industry standard single digit royalty rates.

(e) NeoIndicate intellectual property

The group has the sublicence agreement with NeoIndicate LLC (NeoIndicate). The key financial terms of the license agreement include an upfront cash payment of US$100,000.

The company may also incur liabilities contingent on future events in respect of the licence agreement, which are summarised below:

(i) Development milestone payments

Within 30 days after the occurrence of each milestone below, the group is required to pay NeoIndicate the amount indicated below:

Diagnostic development milestones:

Milestones	Requirements	Payment to NeoIndicate
1.	eIND or IND Diagnostic approval	US$75k
2.	First dose of Diagnostic in Phase I anywhere in world	US$75k
3.	First dose of Diagnostic in Phase II anywhere in world	US$150k
4.	First dose of Diagnostic in Phase III anywhere in world	US$300k
5.	US FDA Regulatory Approval Diagnostic	US$1m
6.	Outside of US Regulatory Approval Diagnostic	US$0.5m
7.	Upon first reaching cumulative aggregate gross sales of $25M Diagnostic	US$0.75m
8.	Upon first reaching cumulative aggregate gross sales of $100M Diagnostic	US$3m
9.	Upon first reaching cumulative aggregate gross sales of US$250M Diagnostic	US$7.5m
10.	Upon first reaching cumulative aggregate gross sales of US$500M Diagnostic	US$15m
11.	Upon first reaching cumulative aggregate gross sales of US$1 Billion Diagnostic	US$30m
12.	Upon first reaching cumulative aggregate gross sales of US$2 Billion Diagnostic	US$60m

10 Contingent liabilities (continued)

(e) NeoIndicate intellectual property (continued)

(i) Development milestone payments (continued)

Therapeutic Licensed Product Milestone Payments:

Milestones	Requirements	Payment to NeoIndicate
1.	eIND or IND approval of therapeutic	US$100k
2.	First dosing Therapeutic of patients in Phase I anywhere in world	US$100k
3.	First dosing Therapeutic of patients in Phase II anywhere in world	US$200k
4.	First dosing Therapeutic of patients in Phase III anywhere in world	US$0.5m
5.	US FDA Approval Therapeutic	US$2m
6.	Outside of US Regulatory Approval Therapeutic	US$1m
7.	Upon first reaching cumulative aggregate gross sales of $25M Therapeutic	US$1m
8.	Upon first reaching cumulative aggregate gross sales of $100M Therapeutic	US$5m
9.	Upon first reaching cumulative aggregate gross sales of $250M Therapeutic	US$10m
10.	Upon first reaching cumulative aggregate gross sales of US$500M Therapeutic	US$20m
11.	Upon first reaching cumulative aggregate gross sales of US$1 Billion Therapeutic	US$5m
12.	Upon first reaching cumulative aggregate gross sales of US$2 Billion Therapeutic	US$10m

Management expects Diagnostic milestones 1 and 2 to be met with 70%, however it is uncertain whether other milestones will be met due to number of factors which are outside the group's control affect this outcome. Hence, management has accounted for those payments in relation to the Diagnostic milestones 1 and 2 for this current reporting year.

(ii) Royalties

The group is obliged to pay NeoIndicate royalties on net sales based on industry standard single digit royalty rates.

10 Contingent liabilities (continued)

(f) UCLA intellectual property

The group has the licence agreement with The Regents of the University of California (UCLA). The key financial terms of the license agreement include an upfront cash payment of US$100,000

The company may also incur liabilities contingent on future events in respect of the licence agreement, which are summarised below:

(i) Development milestone payments

Within 30 days after the occurrence of each milestone below, the group is required to pay Imperial the amount indicated below:

Diagnostic development milestones:

Milestones	Requirements	Payment to UCLA
1.	Upon enrolling the first patient in a phase II clinical trial of a Licensed Product being developed in the Therapeutics Field	US$100k
2.	Upon enrolling the first patient in a phase III clinical trial of a Licensed Product being developed in the Therapeutics Field	US$250k
3.	Upon receiving FDA approval for a Licensed Product being developed in the Therapeutics Field	US$2.5m
4.	Upon receiving EMA approval for a Licensed Product being developed in the Therapeutics Field	US$2m
5.	Upon achieving a First Commercial Sale of a Licensed Product in the Therapeutics Field	US$1m
6.	When cumulative Net Sales of all Licensed Products reaches fifty million dollars ($50,000,000)	US$1.5m
7.	Cumulative Net Sales of all Licensed Products reaches two hundred and fifty million dollars ($250,000,000)	US$5m

Management is uncertain whether milestones will be met due to number of factors which are outside the group's control affect this outcome. Hence, management has not accounted for any milestones for this current reporting year.

(ii) Royalties

The group is obliged to pay UCLA royalties on net sales based on industry standard single digit royalty rates.

11 Commitments

(a) Research and development commitments

(i) Pivalate intellectual property

Under the License Agreement, a non-refundable annual license fee is payable to CRT of £9,000. This is payable within 30 days of the first, second, third and forth anniversaries of the effective date. Within 30 days of the fifth and each subsequent anniversary of the effective date and until the calendar year in which the first commercial sale of a licensed product occurs, Radiopharm shall pay to the CRT £18,000.

12 Events occurring after the reporting year

No matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the group, the results of those operations or the state of affairs of the group or economic entity in subsequent financial years.

13 Related party transactions

(a) Key management personnel compensation

	30 June 2022	From 11 February to 30 June 2021
	$	$
Short-term employee benefits	**2,792,048**	-
Post-employment benefits	**75,957**	-
Long-term benefits	**301,702**	-
Share-based payments	**2,755,669**	359,486
	5,925,376	359,486

Detailed remuneration disclosures are provided in the remuneration report on pages to .

(b) Transactions with key management personal

The following transactions occurred with key management personnel:

	30 June 2022	From 11 February to 30 June 2021
	$	$
Other transactions		
Forfeiture payments expense to key management personnel	**337,691**	-

(i) Forfeiture payments expense to key management personal

The group has entered agreements to pay employees for forfeiture of long-term incentives with their former employment. At 30 June 2022 the group has recognised $185,244 as payable for the current year in cash. The expense is cumulative and vests dependent to the employees agreements with Radiopharm.

13 Related party transactions (continued)

(c) Loans to/from related parties

	30 June 2022 $	30 June 2021 $
Loans from key management personnel		
Beginning of the year/period	**59,000**	-
Loans advanced	**10,000**	59,000
Loans repayments made	**(69,000)**	-
End of year/period	**-**	59,000

(d) Terms and conditions

At 30 June 2022 the group repaid the full amount owed to Paul Hopper amounting $69,000. These funds were originally received to fund working capital in the group at the time of inception.

14 Share-based payments

(a) Employee Option Plan

The establishment of the 'Omnibus Incentive Plan' (OIP) was approved by shareholders at the annual general meeting held on 22 November 2021, and will be subject to shareholder approval at the 2022 annual general meeting. The plan is designed to provide long-term incentives for employees (including directors) to deliver long-term shareholder returns. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Set out below are summaries of all listed and unlisted options

	2022		2021	
	Average exercise price per share option	**Number of options**	Average exercise price per share option	Number of options
As at 1 July 2021 and 11 February 2021 respectively	**$0.60**	**8,233,342**	-	-
Granted during the year/period	**$0.60**	**19,640,018**	$0.60	8,233,342
As at 30 June	**$0.60**	**27,873,360**	$0.60	8,233,342
Vested and exercisable at 30 June	**$0.60**	**4,050,535**	-	-

Share options outstanding at the end of the year and period, respectively, have the following expiry date and exercise prices:

Grant date	**Expiry date**	**Exercise price**	**Share options 30 June 2022**	Share options 30 June 2021
2021-03-29	2025-11-25	0.60	1,900,002	1,900,002
2021-04-05	2025-11-25	0.60	1,900,002	1,900,002
2021-04-26	2025-11-25	0.60	1,900,002	1,900,002
2021-06-27	2026-11-25	0.60	2,533,336	2,533,336
2021-07-28	2026-11-25	0.60	2,533,336	-
2021-08-02	2026-11-25	0.60	8,666,678	-
2021-12-21	2025-12-21	0.60	1,400,000	-
2022-02-07*	2026-11-16	0.60	1,900,002	-
2022-03-02	2027-05-27	0.60	740,000	-
2022-04-22	2027-06-01	0.60	2,500,000	-
2022-05-26*	2026-11-16	0.60	1,900,002	-
Total			27,873,360	8,233,342

* Options subject to shareholder approval.

14 Share-based payments (continued)

(a) Employee Option Plan (continued)

The following options were granted outside of the OSIP plan and have the outstanding balance at the end of the year and period, respectively, as detailed below:

Grant date	Expiry date	Exercise price	Share options 30 June 2022	Share options 30 June 2021
2021-09-13	2024-11-25	0.90	13,680,012	-
Total			13,680,012	-

Weighted average remaining contractual life of options outstanding at end of year/period	3.62	4.72

(i) Fair value of options granted

The assessed fair value of options at grant date was determined using the Black-Scholes option pricing model that takes into account the exercise price, term of the option, security price at grant date and expected price volatility of the underlying security, the expected dividend yield, the risk-free interest rate for the term of the security and certain probability assumptions.

The model inputs for options granted during the year ended 30 June 2022 included:

Grant date	Expiry date	Exercise price ($)	No. of options	Share price at grant date ($)	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date per option ($)
2021-07-28	2026-11-25	0.60	2,533,336	0.420	100%	0.00%	0.55%	0.2979
2021-08-02	2026-11-25	0.60	8,666,678	0.420	100%	0.00%	0.56%	0.2976
2021-09-13	2024-11-25	0.90	13,680,012	0.420	100%	0.00%	0.18%	0.2023
2021-12-21	2025-12-21	0.60	1,400,000	0.370	100%	0.00%	0.96%	0.2253
2022-03-02	2027-05-27	0.60	740,000	0.310	100%	0.00%	1.75%	0.2078
2022-02-07	2026-11-16	0.60	1,900,002	0.305	100%	0.00%	1.39%	0.1978
2022-05-26	2026-11-16	0.60	1,900,002	0.190	100%	0.00%	2.74%	0.1036
2022-04-22	2027-06-01	0.60	2,500,000	0.255	100%	0.00%	2.92%	0.1678
			33,320,030					

(b) Expenses arising from share-based payment transactions

	30 June 2022 $	30 June 2021 $
Options issued	**6,194,825**	359,487

15 Remuneration of auditors

During the year and period, respectively, the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

(a) Grant Thornton Australia

(i) Audit and other assurance services

	30 June 2022 $	From 11 February to 30 June 2021 $
Audit and review of financial statements	**111,038**	20,000
Total remuneration for audit and other assurance services	**111,038**	20,000

(ii) Taxation services

Tax compliance services	**16,715**	-
Total remuneration for taxation services	**16,715**	-

(iii) Other services

Investigating accountant's report	**42,685**	-
Total remuneration for other services	**42,685**	-
Total auditors' remuneration	**170,438**	20,000

16 Loss per share

(a) Reconciliations of loss used in calculating loss per share

	30 June 2022 $	From 11 February to 30 June 2021 $
Basic and diluted loss per share		
Loss attributable to the ordinary equity holders of the group used in calculating loss per share:		
From continuing operations	**30,338,979**	485,190

(b) Weighted average number of shares used as the denominator

	2022 Number	2021 Number
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	**181,246,144**	1,000

On the basis of the group's losses, the outstanding options as at 30 June 2022 are considered to be anti-dilutive and therefore were excluded from the diluted weighted average number of ordinary shares calculation.

17 Parent entity financial information

(a) Summary financial information

The individual financial statements for the parent entity shows the following aggregate amounts:

	30 June 2022 $	30 June 2021 $
Balance sheet		
Current assets	**27,264,405**	33,438
Non-current assets	**56,116,886**	-
Total assets	**83,381,291**	33,438
Current liabilities	**7,738,746**	158,141
Non-current liabilities	**12,539,945**	-
Total liabilities	**20,278,691**	158,141
Shareholders' equity		
Issued capital	**86,758,783**	1,000
Reserves		
Share-based payments	**6,554,312**	359,487
Equity Settled Payments	**573,865**	-
Retained earnings	**(28,897,379)**	(485,190)
	64,989,581	(124,703)
Loss for the year/period	**28,412,190**	485,190
Total comprehensive loss	**28,412,190**	485,190

(b) Guarantees entered into by the parent entity

The parent entity has not entered into any guarantees in relation to debts of its subsidiaries in the year ended 30 June 2022.

(c) Contingent liabilities of the parent entity

The parent entity had contingent liabilities at 30 June 2022 identical to those of the group, as outlined in note 10.

(d) Contractual commitments for the acquisition of property, plant or equipment

The parent entity has not entered into any contractual commitments for the acquisition of property, plant or equipment in the year ended 30 June 2022.

(e) Determining the parent entity financial information

The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries are accounted for at cost in the financial statements of Radiopharm Theranostics Limited.

Contents of the summary of significant accounting policies

18 Summary of significant accounting policies

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Radiopharm Theranostics Limited is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with IFRS

The financial statements of the Radiopharm Theranostics Limited group also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) Historical cost convention

The financial statements has been prepared on a historical cost basis.

(iii) Going concern

Some of the risks inherent in the development of radiopharmaceuticals include the uncertainty of patent protection and proprietary rights, whether patent applications and issued patents will offer adequate protection to enable product development or may infringe intellectual property rights of other parties, and obtaining the necessary drug clinical regulatory authority approvals. Furthermore, a particular project may fail the research and the clinical development process through lack of efficacy or safety, or may be stopped or abandoned due to strategic imperatives including an assessment that the projects will not deliver a sufficient return on investment or have been superseded by newer competitive products or technologies. There is a risk that the group will be unable to find suitable development or commercial partners for its projects, and that these arrangements may not generate a material return for the group.

Based on current budget forecast assumptions, the group is in a position to meet future commitments in the current business cycle and pay its debts as and when they fall due. Furthermore, the group is able to progress its research and development programs for at least the next 12 months.

(iv) New standards and interpretations not yet adopted

There are no standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting years and on foreseeable future transactions.

(b) Principles of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

18 Summary of significant accounting policies (continued)

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements is presented in the Australian dollar ($), which is Radiopharm Theranostics Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of profit or loss and other comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss and other comprehensive income on a net basis within finance income.

(e) Income tax

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year in the countries where the group and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(f) Impairment of assets

Intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting year.

18 Summary of significant accounting policies (continued)

(g) Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

(h) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent year, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(i) Investments and other financial assets

(i) Classification

The group classifies its financial assets in the following categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

18 Summary of significant accounting policies (continued)

(i) Investments and other financial assets (continued)

(iv) Financial instruments

Subsequent measurement of financial instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its financial instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of profit or loss.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the consolidated statement of profit or loss.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the year in which it arises.

(v) Impairment

The group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(j) Classification and measurement of financial liabilities

Financial liabilities are initially measured at fair value, and where applicable adjusted for transaction costs unless the group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

(k) Intangible assets

Intangible assets are initially measured at cost. Following initial recognition, intangible assets are carried at historical cost, less any accumulated amortisation and impairment losses. The useful lives of intangible assets that are available for use are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication of impairment. Amortisation methods and periods for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation method and/or period, as appropriate, which is a change in accounting estimate and applied prospectively. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss and other comprehensive income.

18 Summary of significant accounting policies (continued)

(k) Intangible assets (continued)

(i) Acquisition of intangible assets

The group has applied judgement in determining the accounting treatment for the acquisition of license agreements. License agreements have been determined to be stand alone transactions, independent from any other agreement entered between the group and the licensor. Management has also made the decision to account for the cost of the asset conferred by the license agreement based on the milestones that are probable of being payable, that is, those for which there is judged to be a probability of greater than 50% that the milestone will be triggered and expected to be triggered within 24 months.

(ii) Research and development

Expenditure on research activities, undertaken with the prospect of obtaining new scientific or technical knowledge and understanding, is recognised in the consolidated statement of profit or loss and other comprehensive income as an expense when it is incurred.

Expenditure on development activities, being the application of research findings or other knowledge to a plan or design for the production of new or substantially improved products or services before the start of commercial production or use, is capitalised if it is probable that the product or service is technically and commercially feasible, will generate probable economic benefits, adequate resources are available to complete development and cost can be measured reliably. Other development expenditure is recognised in the consolidated statement of profit or loss and other comprehensive income as an expense as incurred.

(iii) Amortisation methods and useful lives

Management has assessed capitalised patents, licences and other rights as available for their intended use. These assets are amortised on a straight-line basis over the period of their expected benefit.

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting year. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(m) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

(n) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

18 Summary of significant accounting policies (continued)

(n) Employee benefits (continued)

(ii) Other long-term employee benefit obligations

The group also has liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting year using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and years of service. Expected future payments are discounted using market yields at the end of the reporting year of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting year, regardless of when the actual settlement is expected to occur.

(iii) Share-based payments

Share-based compensation benefits are provided to employees via the 'Omnibus Incentive Plan' (OIP). Information relating to these schemes is set out in note 14.

Employee options

The fair value of options granted under the OIP is recognised as a share-based payment expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g. the company's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period , which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each year, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

(iv) Forfeiture payments

The group has incurred liabilities for forfeiture payments relating to the forfeiture of long-term incentive with their former employment. Costs are discounted using RBA risk-free rates based on the years until payment from the employees commencement date. The total expense is recognised over the vesting period, which is the period between the commencement of the employee and the date the payment is due.

(o) Contributed equity

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.

18 Summary of significant accounting policies (continued)

(p) Convertible notes

Convertible notes are assessed for embedded derivatives at issue. The embedded derivatives are separated from the notes and accounted for at the fair value through profit or loss. The residual vale of the note is accounted for at amortised cost using the effective interest method. Transaction costs of issues are allocated proportionately to the two components. Costs allocated to the note liability reduced the initial carrying value, while costs allocated to the embedded derivative were recognised in the profit or loss immediately. The fair value change for the derivative and effective interest for the note is accounted for until conversion where the note is converted to ordinary shares. The carrying values of both the note liability and derivative liability were transferred to share capital at conversion date.

(q) Loss per share

(i) Basic loss per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the group, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted loss 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 additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(r) Rounding of amounts

The company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest dollar.

(s) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the consolidated statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.