

Tetratherix Pty Ltd

ABN 72 607 771 077

Interim Financial Report - 31 December 2024

Tetratherix Pty Ltd
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31 December 2024

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Tetratherix Pty Ltd
Directors' report
31 December 2024

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or 'group') consisting of Tetratherix Pty Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2024.

Directors

The following persons were directors of Tetratherix Pty Ltd during the half-year and up to the date of this report, unless otherwise stated:

Ali Fathi
David Harold Bottomley
William Anthony Knox
Gillian Shea (appointed 13 March 2025)
Emma Jane Cleary (appointed 13 March 2025)
Atlanta Daniel (appointed 10 April 2025)

Principal activities

Tetratherix is a biomedical company that has developed an advanced biomaterial platform called Tetramatrix, a proprietary fluid matrix that induces minimal foreign body reaction. The principal activities include development programs in the areas of regenerative medicine and commercialising medical device technology across multiple applications including Skeletal Reconstruction, Surgical Spacing and Tissue Healing.

Dividends

There were no dividends paid, recommended or declared during the current or previous half-year.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$2,080,490 (31 December 2023: \$1,332,242).

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the half-year.

Matters subsequent to the end of the half-year

On 25 March 2025, the parent entity Tetratherix Pty Ltd changed its company name to Tetratherix Limited and became an unlisted public company limited by shares (previously proprietary company limited by shares).

On 3 April 2025, Tetratherix BTX Pty Ltd (a wholly owned subsidiary of the parent entity) was incorporated.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and results of operations

Notwithstanding the group's loss of \$2,080,490 (31 December 2023: \$1,332,242) and net liability of \$8,420,810 (30 June 2024: \$6,777,019), the annual report has been prepared on a going concern basis.

The group's ability to continue as a going concern is contingent upon additional capital raising activities. The company is planning an Initial Public Offering (IPO), and given its past success from potential investors at the Non Deal Roadshow (NDR), the directors are confident in securing the necessary funding. Whilst the directors are confident in securing the necessary funding, there remains material uncertainty that may cast significant doubt on the group's ability to continue as a going concern. Should the IPO not proceed as expected, the group may be required to seek alternative fundings sources or continue other strategic options to continue as a going concern.

The group directors have considered this uncertainty and have prepared a comprehensive plan to manage the risk associated with the IPO. A scenario was developed where capital raising was delayed until the end of Q3 FY2026 and still showed a going concern position. This provides contingency to mitigate against potential delays with the IPO or alternate capital raising.


Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Tetratherix Pty Ltd
Directors' report
31 December 2024

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors


box SIGN 4YX8KL31-465XRY78

8 May 2025

To the Board of Directors of Tetratherix Pty Ltd

Auditor's Independence Declaration under section 307C of the *Corporations Act 2001*

As lead auditor for the review of the financial statements of Tetratherix Pty Ltd for the half-year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) any applicable code of professional conduct in relation to the review.

Yours sincerely,



Nexia Sydney Audit Pty Ltd



Erin Tanyag

Director

Date: 8 May 2025

Tetratherix Pty Ltd
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2024

		Consolidated	
	Note	31 December 2024	31 December 2023
		\$	\$
Revenue and other income	3	458,728	545,778
Total revenue and other income		<u>458,728</u>	<u>545,778</u>
Expenses			
Employee benefits expense	4	(1,167,476)	(676,458)
Depreciation and amortisation expense	4	(33,334)	(32,073)
Product development expense		(151,257)	(380,803)
Administrative expense		(724,096)	(715,306)
Finance costs	4	(40,720)	(73,380)
Net fair value loss on financial liabilities		(422,335)	-
Total expenses		<u>(2,539,218)</u>	<u>(1,878,020)</u>
Loss before income tax expense		(2,080,490)	(1,332,242)
Income tax expense		<u>-</u>	<u>-</u>
Loss after income tax expense for the half-year		(2,080,490)	(1,332,242)
Other comprehensive income for the half-year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive loss for the half-year		<u><u>(2,080,490)</u></u>	<u><u>(1,332,242)</u></u>
		Cents	Cents
Earnings per share for loss			
Basic earnings per share	27	(5,501)	(3,775)
Diluted earnings per share	27	<u>(5,501)</u>	<u>(3,775)</u>

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

Tetratherix Pty Ltd
Consolidated statement of financial position
As at 31 December 2024

		Consolidated	
	Note	31 December 2024	30 June 2024
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	5	9,222,544	126,946
Trade and other receivables	6	524,103	850,954
Other assets	7	12,882	6,197
Total current assets		<u>9,759,529</u>	<u>984,097</u>
Non-current assets			
Investments accounted for using the equity method	10	-	-
Property, plant and equipment	8	329,008	236,634
Right-of-use assets	9	152,229	168,835
Intangibles	11	15,238	16,040
Total non-current assets		<u>496,475</u>	<u>421,509</u>
Total assets		<u>10,256,004</u>	<u>1,405,606</u>
Liabilities			
Current liabilities			
Trade and other payables	12	349,746	266,574
Borrowings	13	4,950	4,950
Lease liabilities	14	45,653	38,732
Employee benefits	15	181,759	122,756
Preference shares	16	5,709,203	5,709,203
Convertible subscription notes	17	7,317,869	-
SAFE notes	18	2,969,681	-
Total current liabilities		<u>16,578,861</u>	<u>6,142,215</u>
Non-current liabilities			
Borrowings	13	1,799,067	1,769,748
Lease liabilities	14	196,616	222,004
Employee benefits	15	102,270	48,658
Total non-current liabilities		<u>2,097,953</u>	<u>2,040,410</u>
Total liabilities		<u>18,676,814</u>	<u>8,182,625</u>
Net liabilities		<u>(8,420,810)</u>	<u>(6,777,019)</u>
Equity			
Issued capital	19	3,983,860	2,610,970
Reserves	20	208,359	1,144,550
Accumulated losses		<u>(12,613,029)</u>	<u>(10,532,539)</u>
Total deficiency in equity		<u>(8,420,810)</u>	<u>(6,777,019)</u>

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

Tetratherix Pty Ltd
Consolidated statement of changes in equity
For the half-year ended 31 December 2024

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total deficiency in equity \$
Balance at 1 July 2023	1,886,540	1,536,089	(7,978,563)	(4,555,934)
Loss after income tax expense for the half-year	-	-	(1,332,242)	(1,332,242)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	(1,332,242)	(1,332,242)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	178,828	-	-	178,828
Share based payments	-	164,304	-	164,304
Balance at 31 December 2023	<u>2,065,368</u>	<u>1,700,393</u>	<u>(9,310,805)</u>	<u>(5,545,044)</u>
Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total deficiency in equity \$
Balance at 1 July 2024	2,610,970	1,144,549	(10,532,539)	(6,777,020)
Loss after income tax expense for the half-year	-	-	(2,080,490)	(2,080,490)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	(2,080,490)	(2,080,490)
<i>Transactions with owners in their capacity as owners:</i>				
Movement of reserves/issue of shares	1,372,890	(1,372,890)	-	-
Share based payments	-	436,700	-	436,700
Balance at 31 December 2024	<u>3,983,860</u>	<u>208,359</u>	<u>(12,613,029)</u>	<u>(8,420,810)</u>

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

Tetratherix Pty Ltd
Consolidated statement of cash flows
For the half-year ended 31 December 2024

	Consolidated	
	31 December 2024	31 December 2023
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	-	37,352
Payments to suppliers (inclusive of GST)	(1,461,144)	(1,115,785)
	(1,461,144)	(1,078,433)
Interest and other finance costs	(11,401)	(65,667)
Research and development grants	829,695	-
Net cash used in operating activities	(642,850)	(1,144,100)
Cash flows from investing activities		
Payments for property, plant and equipment	(108,300)	(19,991)
Payments for intangibles	-	(8,000)
Net cash used in investing activities	(108,300)	(27,991)
Cash flows from financing activities		
Proceeds from issue of shares	-	2,207,713
Proceeds from issue of convertible and SAFE notes	9,865,215	-
Repayment of borrowings	-	(332,357)
Repayment of lease liabilities	(18,467)	(18,000)
Net cash from financing activities	9,846,748	1,857,356
Net increase in cash and cash equivalents	9,095,598	685,265
Cash and cash equivalents at the beginning of the year	126,946	260,575
Cash and cash equivalents at the end of the half-year	<u>9,222,544</u>	<u>945,840</u>

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

Tetratherix Pty Ltd
Notes to the consolidated financial statements
31 December 2024

Note 1. Material accounting policy information

General information

The financial statements cover Tetratherix Pty Ltd as a consolidated entity consisting of Tetratherix Pty Ltd and the entities it controlled ("the consolidated entity" or "the group") for the half-year ended 31 December 2024. The financial statements are presented in Australian dollars, which is Tetratherix Pty Ltd's functional and presentation currency.

Tetratherix Pty Ltd is a proprietary company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Suite 5307, Level 53
25 Martin Place
Sydney, 2000, NSW

Principal place of business

Unit 29, 34-36 Ralph Street
Alexandria, NSW, 2015

A description of the nature of the consolidated entity's operations and its 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 8 May 2025. The directors have the power to amend and reissue the financial statements.

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the consolidated entity's financial statements for the year ended 30 June 2024.

The material accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any material impact on the financial performance or position of the Group during the half-year ended 31 December 2024.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The amended Accounting Standards that are mandatory for the current reporting period and are relevant to the Group are set out below.

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and *AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants*

AASB 2020-1 was issued in March 2020 and is applicable to annual periods beginning on or after 1 January 2024, as extended by AASB 2020-6. Early adoption is permitted. AASB 2022-6 was issued in December 2022 and is applicable to annual periods beginning on or after 1 January 2024. Early adoption is permitted where AASB 2020-1 is also early adopted.

Note 1. Material accounting policy information (continued)

These standards amend AASB 101 'Presentation of Financial Statements' to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. The amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. If the deferral right is subject to the entity complying with covenants in the loan arrangement based on information up to and including reporting date, the deferral right will exist where the entity is able to comply with the covenant on or before the end of the reporting date even if compliance is assessed after the reporting date. The deferral right will be deemed to exist at reporting date if the entity is required to comply with the covenant only after the reporting date based on post-reporting date information. Additional disclosure is required about loan arrangements classified as non-current liabilities in such circumstances which enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period. Classification of a liability as non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least 12 months after the reporting date or even if the entity settles the liability prior to issue of the financial statements. The meaning of settlement of a liability is also clarified. These amendments do not have a material impact on the financial performance or position of the Group.

Going concern

The group has prepared the financial statements for half year ended 31 December 2024 on the going concern basis which assumes normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

For the half year ended 31 December 2024, the group incurred a loss of \$ 2,080,490 (2023: loss of \$ 1,332,242) and incurred operating cash outflows of \$642,850 (2023: operating cash outflows of \$1,144,100). As at 31 December 2024, the group had a net asset deficiency of \$ 8,420,810 (30 June 2024: \$6,777,019). These matters give rise to a material uncertainty that may cast significant doubt on the group's ability to continue as a going concern.

Despite this, the Directors believe that the going concern assumption remains appropriate due to the following mitigating factors:

- The entity has \$9.2m in cash and cash equivalents to ensure sufficient cash inflows to meet its obligations as they fall due over the next 12 months after signing date of these financial statements.
- The group is planning to undertake an Initial Public Offering (IPO) within the next 12 months, with a view of raising further capital. The proceeds from the IPO are expected to strengthen the group's liquidity position and enable it to continue its operations and achieve its business objectives. Should the IPO not proceed as expected, the group will be able to seek alternative funding sources or continue other strategic options to continue as a going concern.
- Ongoing R&D grants are expected based on the nature of business activities in the next 12 months.
- Management has prepared a cash flow forecast for the next 12 months, considering expected capital and operational inflows and outflows. Based on these forecasts, the group expects to have adequate resources to continue in operational existence for beyond the next 12 months.

If the above plans do not come to fruition, then the company and group may not be able to continue as going concerns. In that event, the carrying value of assets and liabilities may not be realised and settled at the amounts presented in the consolidated statement of financial position.

Fair value measurement

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Note 2. Operating segments

The company operates as a single operating segment, and its activities are not subdivided into different operating segments for internal management purposes. Accordingly, the company does not prepare segmental financial information, as the directors monitor the group as a whole.

Tetratherix Pty Ltd
Notes to the consolidated financial statements
31 December 2024

Note 3. Revenue and other income

	Consolidated	
	31 December 2024	31 December 2023
	\$	\$
<i>Other income</i>		
Royalty income	-	33,956
Research and development grant income	458,728	511,822
Revenue and other income	<u>458,728</u>	<u>545,778</u>

Note 4. Expenses

	Consolidated	
	31 December 2024	31 December 2023
	\$	\$
Loss before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Plant and equipment	13,288	12,728
Fixtures and fittings	2,638	2,739
Buildings right-of-use assets	16,606	16,606
Total depreciation	<u>32,532</u>	<u>32,073</u>
<i>Amortisation</i>		
Other intangible asset	802	-
Total depreciation and amortisation	<u>33,334</u>	<u>32,073</u>
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	33,701	65,667
Interest and finance charges paid/payable on lease liabilities	7,019	7,713
Finance costs expensed	<u>40,720</u>	<u>73,380</u>
<i>Superannuation expense</i>		
Defined contribution superannuation expense	65,759	42,658
<i>Share-based payments expense</i>		
Share-based payments expense	436,699	176,422
<i>Employee benefits expense excluding superannuation</i>		
Employee benefits expense excluding superannuation	<u>665,018</u>	<u>457,378</u>

Note 5. Cash and cash equivalents

	Consolidated	
	31 December 2024	30 June 2024
	\$	\$
<i>Current assets</i>		
Cash at bank	<u>9,222,544</u>	<u>126,946</u>

Tetratherix Pty Ltd
Notes to the consolidated financial statements
31 December 2024

Note 6. Trade and other receivables

	Consolidated	
	31 December	30 June
	2024	2024
	\$	\$
<i>Current assets</i>		
Other receivables	1,494	1,494
Government grant (R&D)	458,728	829,695
GST receivable	63,881	19,765
	<u>524,103</u>	<u>850,954</u>

Note 7. Other assets

	Consolidated	
	31 December	30 June
	2024	2024
	\$	\$
<i>Current assets</i>		
Prepayments	<u>12,882</u>	<u>6,197</u>

Note 8. Property, plant and equipment

	Consolidated	
	31 December	30 June
	2024	2024
	\$	\$
<i>Non-current assets</i>		
Plant and equipment - at cost	361,135	303,435
Less: Accumulated depreciation	<u>(210,885)</u>	<u>(197,597)</u>
	150,250	105,838
Fixtures and fittings - at cost	212,830	162,230
Less: Accumulated depreciation	<u>(34,072)</u>	<u>(31,434)</u>
	178,758	130,796
Motor vehicles - at cost	19,991	19,991
Less: Accumulated depreciation	<u>(19,991)</u>	<u>(19,991)</u>
	-	-
	<u>329,008</u>	<u>236,634</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current half-year are set out below:

	Plant and equipment \$	Fixtures and fittings \$	Motor vehicle \$	Total \$
Consolidated				
Balance at 1 July 2024	105,838	130,796	-	236,634
Additions	57,700	50,600	-	108,300
Depreciation expense	<u>(13,288)</u>	<u>(2,638)</u>	<u>-</u>	<u>(15,926)</u>
Balance at 31 December 2024	<u>150,250</u>	<u>178,758</u>	<u>-</u>	<u>329,008</u>

Tetratherix Pty Ltd
Notes to the consolidated financial statements
31 December 2024

Note 9. Right-of-use assets

	Consolidated	
	31 December 2024	30 June 2024
	\$	\$
<i>Non-current assets</i>		
Buildings - right-of-use assets	332,134	332,134
Less: Accumulated depreciation	(179,905)	(163,299)
	<u>152,229</u>	<u>168,835</u>

The consolidated entity leases buildings for its offices located at Unit 29, 33 Ralph Street, Alexandria, for 5 years with an option to renew for a further 5 years.

Reconciliations

Reconciliations of the written down values at the beginning and end of the current half-year are set out below:

Consolidated	Right-of-use assets \$
Balance at 1 July 2024	168,835
Depreciation expense	(16,606)
Balance at 31 December 2024	<u>152,229</u>

Note 10. Investments accounted for using the equity method

	Consolidated	
	31 December 2024	30 June 2024
	\$	\$
<i>Non-current assets</i>		
Investment in Tutelix	-	-

In January 2024, the Group entered into a Joint Venture (JV) with Koda Ventures Pty Ltd, each with 50% equity in the company, Tutelix Pty Ltd (Tutelix). Tutelix is a start up company producing a biostealth hydrogel material. They are currently awaiting TGA approval for distribution. The JV is accounted using the equity accounting method and had a nil carrying value as at 31 December 2024 (30 June 2024: nil)

Tetratherix Pty Ltd
Notes to the consolidated financial statements
31 December 2024

Note 11. Intangibles

	Consolidated	
	31 December 2024	30 June 2024
	\$	\$
<i>Non-current assets</i>		
Website - at cost	11,520	11,520
Less: Accumulated amortisation	(11,520)	(11,520)
	-	-
Other intangible assets - at cost	16,040	16,040
Less: Accumulated amortisation	(802)	-
	15,238	16,040
	15,238	16,040

Reconciliations

Reconciliations of the written down values at the beginning and end of the current half-year are set out below:

	Website	Other intangibles	Total
	\$	\$	\$
Balance at 1 July 2024	-	16,040	16,040
Amortisation expense	-	(802)	(802)
Balance at 31 December 2024	-	15,238	15,238

Note 12. Trade and other payables

	Consolidated	
	31 December 2024	30 June 2024
	\$	\$
<i>Current liabilities</i>		
Trade payables	220,488	38,854
Other payables	129,258	227,720
	349,746	266,574

Note 13. Borrowings

	Consolidated	
	31 December 2024	30 June 2024
	\$	\$
<i>Current liabilities</i>		
Loan - related parties	4,950	4,950
<i>Non-current liabilities</i>		
Loan - NSW Medical Fund Device	1,799,067	1,769,748
	1,804,017	1,774,698

Tetratherix Pty Ltd
Notes to the consolidated financial statements
31 December 2024

Note 13. Borrowings (continued)

NSW Medical Device Fund

The consolidated entity entered into a funding agreement with NSW Health Administration Corporation in October 2018. The funding is to be used for the commercialisation of TrimphDent Medical Device.

The consolidated entity is not required to make any repayment of the loan until the project has achieved commercial success. The applicable interest rate for the loan is calculated using the annual Consumer Price Index (CPI).

Note 14. Lease liabilities

	Consolidated	
	31 December	30 June
	2024	2024
	\$	\$
<i>Current liabilities</i>		
Lease liability	45,653	38,732
<i>Non-current liabilities</i>		
Lease liability	196,616	222,004
	<u>242,269</u>	<u>260,736</u>

Note 15. Employee benefits

	Consolidated	
	31 December	30 June
	2024	2024
	\$	\$
<i>Current liabilities</i>		
Annual leave	181,759	122,756
<i>Non-current liabilities</i>		
Long service leave	102,270	48,658
	<u>284,029</u>	<u>171,414</u>

Note 16. Preference shares

	Consolidated	
	31 December	30 June
	2024	2024
	\$	\$
<i>Current liabilities</i>		
Preference shares	5,709,203	5,709,203

Preference shares

Class A Preference Shares (Preference Shares) are Shares which essentially carry the same rights as Ordinary Shares. Preference Shares can be converted to Ordinary Shares using a conversion price. There is no redemption option for the holder of the Preference Shares and returns are in the form of dividends at the discretion of the group.

The Preference Shares are initially recognised at fair value, net of any transaction costs directly attributable to their issuance. They are classified as financial liabilities in accordance with AASB 132 Financial Instruments: Presentation due to the anti-dilution clause resulting in the conversion rate to Ordinary Shares not being fixed. At IPO these preference shares will convert to Ordinary Shares and be reclassified to equity. Any interest earned will be capitalised on conversion with no liability to the company for this interest.

Tetratherix Pty Ltd
Notes to the consolidated financial statements
31 December 2024

Note 17. Convertible subscription notes

Consolidated	
31 December	30 June
2024	2024
\$	\$

Current liabilities

Convertible notes	<u>7,317,869</u>	<u>-</u>
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The convertible notes were issued with an option to convert into ordinary shares on redemption or the occurrence of a conversion event (e.g. IPO). Each note accrues interest at a rate of 8.00% per annum. Interest is calculated on the face value of the note and accrues daily until redemption or conversion. They are classified as financial liabilities in accordance with AASB 132 Financial Instruments: Presentation due to the host contract at the option of the note holder being redeemable for cash upon maturity or a default event; whilst the conversion feature will result in a variable number of ordinary shares being issued in accordance with the conversion formula. At IPO these convertible notes will convert to Ordinary Shares and be reclassified to equity. Any interest earned will be capitalised on conversion with no liability to the company for this interest. The convertible notes are measured fair value through profit and loss as per AASB 9.

Note 18. SAFE notes

Consolidated	
31 December	30 June
2024	2024
\$	\$

Current liabilities

SAFE notes	<u>2,969,681</u>	<u>-</u>
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The company issued Simple Agreements for Future Equity (SAFE) notes, entitling the holders to convert their notes into Senior Shares upon the occurrence of a qualifying financing event or upon a designated exit event and may redeem their notes for cash or convert them into Senior Shares. They are classified as financial liabilities in accordance with AASB 132 Financial Instruments: Presentation due to the host contract at the option of the note holder being redeemable for cash upon exit events, whilst the conversion feature will result in a variable number of Senior Shares being issued in accordance with the conversion formula. At IPO, the Directors expect the SAFE notes to convert to Ordinary Shares, which will result in a reclassification to equity. The SAFE notes are measured fair value through profit and loss as per AASB 9.

Note 19. Issued capital

Consolidated			
31 December	30 June	31 December	30 June
2024	2024	2024	2024
Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>41,939</u>	<u>37,508</u>	<u>3,983,860</u>
			<u>2,610,970</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2024	37,508		2,610,970
Issue of shares on exercise of options	15 December 2024	4,431	\$0.50	2,215
Share premium on exercise of share options	15 December 2024	-	\$309.34	1,370,675
Balance	31 December 2024	<u>41,939</u>		<u>3,983,860</u>

Tetratherix Pty Ltd
Notes to the consolidated financial statements
31 December 2024

Note 19. Issued capital (continued)

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns to shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Note 20. Reserves

	Consolidated	
	31 December	30 June
	2024	2024
	\$	\$
Share-based payments reserve	<u>208,359</u>	<u>1,144,550</u>

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Note 21. Dividends

There were no dividends paid, recommended or declared during the current or previous half-year.

Note 22. Fair value measurement

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Consolidated - 31 December 2024				
<i>Liabilities</i>				
Convertible subscription notes	-	-	7,317,869	7,317,869
SAFE notes	-	-	2,969,681	2,969,681
Total liabilities	-	-	<u>10,287,550</u>	<u>10,287,550</u>

There were no transfers between levels during the half-year.

Tetratherix Pty Ltd
Notes to the consolidated financial statements
31 December 2024

Note 22. Fair value measurement (continued)

Valuation techniques for fair value measurements categorised within level 2 and level 3

The SAFE notes have been valued using a black scholes model.

The convertible subscription notes have been valued at the transaction price plus interest accrued as the notes were issued in December 2024. The directors do not believe that there has been a material movement in fair value since the transaction date other than interest accrued.

Level 3 assets and liabilities

Movements in level 3 assets and liabilities during the current half-year are set out below:

Consolidated	Convertible subscription notes \$	SAFE notes \$	Total \$
Balance at 1 July 2024	-	-	-
Additions	7,295,000	2,570,215	9,865,215
Fair value loss in profit and loss	22,869	399,466	422,335
Balance at 31 December 2024	<u>7,317,869</u>	<u>2,969,681</u>	<u>10,287,550</u>

The level 3 assets and liabilities unobservable inputs and sensitivity are as follows:

Description	Unobservable inputs	Amount	Sensitivity
SAFE notes	1) Fair value of shares	\$1,758	A 5% increase or decrease in the fair value of shares would result in an approximate decrease of \$74,278 and an approximate increase of \$77,935
	2) Risk free rate	3.88%	A 1% increase or decrease in the risk-free rate would result in a movement of approximately +/- \$886
	3) Volatility	67.5%	A 2.5% increase or decrease in the volatility would result in a movement of approximately +/- \$37,019

Note 23. Contingent liabilities

The group had no contingent liabilities as at 31 December 2024 and 30 June 2024.

Note 24. Commitments

No capital commitments have been noted as at 31 December 2024 and 30 June 2024.

Note 25. Related party transactions

Parent entity

Tetratherix Pty Ltd is the parent entity.

Transactions with related parties

Transactions with related parties during the current and previous half-year are set out below:

Lease payments made to related parties

The entity has a lease agreement to a related party. The following are the total lease payments made to the related party for the reporting period:

Tetratherix Pty Ltd
Notes to the consolidated financial statements
31 December 2024

Note 25. Related party transactions (continued)

	Consolidated	
	31 December	30 June
	2024	2024
	\$	\$
Lease payments	24,000	36,000
Shares issued in exchange for lease payments	2,594	31,126
	<u>26,594</u>	<u>67,126</u>

All terms and conditions of the lease agreement, including the issuance of shares, were reviewed to ensure compliance with the entity's policies on related party transactions and were deemed to be on terms equivalent to those prevailing in arm's length transactions.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	31 December	30 June
	2024	2024
	\$	\$
Current borrowings:		
Loan from other related party	4,950	4,950

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 26. Events after the reporting period

On 25 March 2025, the parent entity Tetratherix Pty Ltd changed its company name to Tetratherix Limited and became an unlisted public company limited by shares (previously proprietary company limited by shares).

On 3 April 2025, Tetratherix BTX Pty Ltd (a wholly owned subsidiary of the parent entity) was incorporated.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 27. Earnings per share

	Consolidated	
	31 December	31 December
	2024	2023
	\$	\$
Loss after income tax	(2,080,490)	(1,332,242)
	<u>Number</u>	<u>Number</u>
Weighted average number of ordinary shares used in calculating basic earnings per share	37,821	35,288
Weighted average number of ordinary shares used in calculating diluted earnings per share	37,821	35,288

Tetratherix Pty Ltd
Notes to the consolidated financial statements
31 December 2024

Note 27. Earnings per share (continued)

	Cents	Cents
Basic earnings per share	(5,501)	(3,775)
Diluted earnings per share	<u>(5,501)</u>	<u>(3,775)</u>

The Preference shares, Convertible notes, and SAFE instruments are anti-dilutive due to the net loss for the period. Accordingly, the basic and diluted EPS are the same.

Tetratherix Pty Ltd
Directors' declaration
31 December 2024

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standard IAS 134 as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes gives a true and fair view of the consolidated entity'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 directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors


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8 May 2025

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Tetratherix Pty Ltd

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Tetratherix Pty Ltd (the Company and its subsidiaries ("the Group")), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of material accounting policies and other explanatory information, 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 the Group does not comply with the Corporations Act 2001 including:

- a) giving a true and fair view of the Group's 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 Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & 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.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty related to going concern

We draw attention to Note 1 'Going concern' in the financial report, which indicates that the Group incurred a net loss of \$2,080,490 during the period ended 31 December 2024, incurred operating cash outflows of \$642,850 and had a net asset deficiency of \$8,420,810. As stated in Note 1, these events or conditions, along with other matters as set forth in the note, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other matter

We were appointed as auditors of the Group on the 08 August 2024. The corresponding figures for the six months ended 31 December 2023 were not reviewed by us. Accordingly, we do not express a conclusion on the comparative financial information. The comparative figures presented are based solely on the information provided by management and were not subject to review procedures by us.

Responsibility of the Directors for the 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. ASRE 2410 requires us to conclude whether 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 Group'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.

Nexia

Nexia Sydney Audit Pty Ltd



Erin Tanyag

Director

Dated: 8 May 2025

Sydney