Annual Financial Report

LTR Pharma Limited

LTR Pharma

Lee Rodne

Executive Chairman

August 2024

ltrpharma.com

30 August 2024

The Manager, Listings
ASX Market Announcements Office
ASX Limited Level 4, North Tower
Rialto Building
525 Collins Street
Melbourne VIC 3000

LTR Pharma Limited (ASX:LTP) – Market Release – Results for the year ended 30 June 2024

We attach the Appendix 4E Preliminary Final Report and Annual Financial Report for LTR Pharma Limited, incorporating the consolidated Financial Report and the Directors' Report, for release to the market in accordance with Listing Rule 4.2A.

Yours faithfully,

Lee Rodne
Executive Chairman
LTR Pharma Limited

Appendix 4E Preliminary Final Report

LTR Pharma Limited

ABN 64 644 924 569

Reporting period: For the year ended 30 June 2024
Previous period: For the year ended 30 June 2023

Results for announcement to the market	Period Ended 30 June 2024 ($)	Period Ended 30 June 2023 ($)	Change ($)	Change (%)
Revenues from ordinary activities	329	90	239	266%
Loss before income tax	(6,954,487)	(1,454,905)	(5,499,582)	(378%)
Income tax (expense) / benefit	-	-		
Loss for the year	(6,954,487)	(1,454,905)	(5,499,582)	(378%)

Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible asset per ordinary share	2.109	1.487

Control gained over entities
Not applicable

Loss of control over entities
Not applicable

Dividends

Current period
There were no dividends paid, recommended, or declared during the current financial year.

Previous period
There were no dividends paid, recommended, or declared during the previous financial year.

Foreign entities

Details of origin of accounting standards used in compiling the report
Not applicable.

Audit qualification or emphasis of matter

Details of audit/review dispute or qualification:
The financial statements were subject to an audit by the auditors and the audit report is attached as part of the Annual Financial Report. An unmodified opinion has been issued.

Attachments

Details of attachments (if any)
The Annual Financial Report of LTR Pharma Limited for the year ended 30 June 2024 is attached.

Signed

Lee Rodne
Executive Chairman
LTR Pharma Limited

Annual Financial Report

For the year ended

30 June 2024

Contents

General Information

This Annual Report is of LTR Pharma (the Company). These financial statements are for the year ended 30 June 2024. Unless otherwise stated, all amounts are presented in $AU.

A description of the Company's operations and of its principal activities is included in the Directors' Report on pages 20 to 23. The Directors' Report is not part of the financial statements.

Corporate Directory

Directors
Mr. Lee Rodne (Executive Chairman)
Dr. Julian Chick (Non-Executive Director)
Ms. Maja McGuire (Non-Executive Director)

Executive Chairman
Lee Rodne

Auditor
William Buck (WA) Pty Ltd
Level 3, 15 Labouchere Road
South Perth, Western Australia 6151

Company Secretary
Belinda Cleminson
(appointed 15 September 2023)

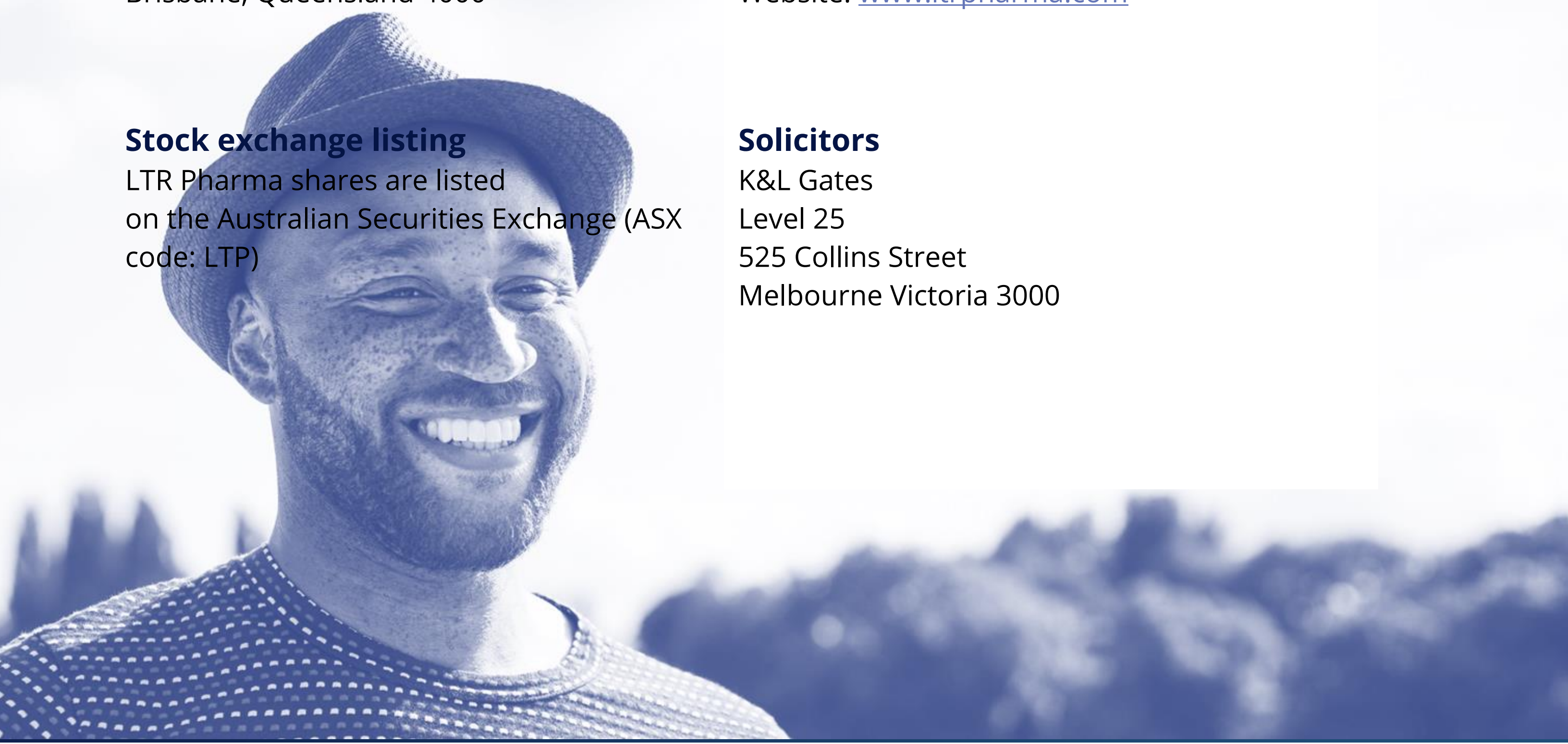
Share register
Automic Group
Deutsche Bank, Tower Level 5
126 Phillip Street,
Sydney, NSW 2000

Registered Office and principal place of business
9/204 Alice Street
Brisbane, Queensland 4000

Contact information
Phone: 1800 519 711
Email: info@ltrpharma.com
Website: www.ltrpharma.com

Stock exchange listing
LTR Pharma shares are listed on the Australian Securities Exchange (ASX code: LTP)

Solicitors
K&L Gates
Level 25
525 Collins Street
Melbourne Victoria 3000



Directors' Report

The Directors present their report, together with the financial statements, on LTR Pharma Limited and the entities it controlled (referred to hereafter as the 'Company' or 'entity') for the year ended 30 June 2024.

The following persons were Directors of LTR Pharma Limited during the whole of the financial period and up to the date of this report, unless otherwise stated:

Mr Lee Rodne, (Chairman)
Dr Julian Chick (Non-Executive Director)
Ms Maja McGuire (Non-Executive Director)

Name	Lee Rodne
Title	Executive Chairman
Experience and expertise	Qualifications: MBA from the University of St Thomas, Minnesota and B.A. degree in Business Management from St John's University. Lee is currently a director of LTR medical Pty Ltd, LTR Logistics Pty Ltd, LTR Consulting Pty Ltd, Trexapharm Pty Ltd, Trexapharm Inc and CT4 Pty Ltd and of LTR Consulting. Lee holds over 25 years' experience in the healthcare and technology sectors and has been in executive leadership roles in both Public and Private enterprises. He previously worked in Fortescue Metals Group and led a healthcare technology spin out (Allied Medical) as its CEO and Managing Director that resulted in increasing its valuation from $800k to a peak of $250m (ASX: AHZ AVR). He was also the Senior Executive of Sirius Minerals Plc that led to its lead acquisition project and reached a peak market capitalisation of over $1 billion on the London exchange. Lee has not held other directorships. Lee holds a 59.1% holding shareholding in LTR Medical which holds 46,373,750 shares. Lee holds a 49% interest in Trexapharm Inc. which holds 4,188,000 and holds an 100% interest in LTR Consulting which holds 982,143 shares. Further lee has 1,000,000 share options.
Special Responsibilities	None

Name	**Julian Chick**
Title	Non-Executive Director
Experience and expertise	Qualifications: PhD in Physiology. Julian is the currently Chair of ASX listed medicinal cannabis company Cann Group Ltd (ASX:CAN) and current director of MABT Pty Ltd, ReNerve Ltd and LTR Medical Pty Ltd. Julian is an experienced healthcare executive with over 20 years' experience in senior management and board positions including in ASX listed companies Avexa (ASX: AVX) and Admedus (ASX: AHZ, AVR). He has eight years' investment banking experience and has also held a role as an analyst reviewing healthcare and biotechnology investment opportunities for private equity investors and venture capitalists. Julian was chair of Opyl Limited (ASX:OPL) (May 2019 – September 2022), deputy chair of Cann Group Ltd (June - August 2023) and non-executive director of Cann group (September 2022 - June 2023) and Opyl (September 2022 - February 2023) Julian has an indirect holding in 19.70% of LTR Medical which holds 46,373,750 shares and holds 500,000 share options.
Special Responsibilities	Chair of the nomination and committee

Name	**Maja McGuire**
Title	Non-Executive Director
Experience and expertise	Qualifications: BComm and LLB qualifications from The University of Western Australia. Maja is an experienced corporate executive and company director, bringing over 15 years' experience at board and senior management level. This includes working with listed companies as a non-executive chair/director, general counsel and in top tier legal private practice. Maja has led strategy and corporate development for both small start-ups focussed on growth and funding, and for larger mature organisations focussed on corporate transformation and investing in next generation assets and technology. Maja is currently the non-executive chair of ASX listed TechGen Metals (ASX:TG1), non-executive director of Kuniko (ASX:KNI), non-executive director of Indiana Resources (ASX:IDA).

	Maja commenced her career at Clayton Utz (Perth), gaining experience in a broad range of corporate, commercial and banking and finance matters. Transitioning to the Canadian Bankers Association (Toronto), she advocated on behalf of Canadian banks on issues pertaining to developments in domestic and international banking regulation related primarily to capital adequacy and funding. Subsequently, Maja was General Counsel and Company Secretary of US based Anteris Technologies Ltd (ASX: AVR) and Alexium International Group Ltd (ASX: AJC), building strong competence in strategy and corporate management, with expertise in legal and governance. Maja continues her career as a corporate advisor and board director. She is currently the Non-Executive Chair of TechGen Metals Ltd (ASX:TG1) and Non-Executive Director of Kuniko Ltd (ASX:KNI), Indiana Resources Limited (ASX:IDA) and LTR Pharma Ltd (ASX: LTP). Maja holds BComm and LLB qualifications from The University of Western Australia and is considered an independent director. Maja was non-executive director of OliveX (NSX: OLX) (August 2021 - October 2023. Maja holds 235,492 shares and 500,000 share options under the Scaraf Trust.
Special Responsibilities	Chair of the audit and risk committee

Company secretary

Lee Rodne held the role of Company Secretary up to the 14th of September 2023.

Belinda Clemenson on behalf of Automic Legal Pty Ltd has held the role of Company Secretary since 15th of September 2023.

Belinda has over 20 years' experience as a company secretary of Australian listed and unlisted companies including ASX 200 clients. Belinda is the company secretary of various public and private companies, including ASX, NZX and OTC listed companies across a range of industries. Belinda is a member of the Governance Institute of Australia, and a member of the Australian Institute of Company Directors.

Meetings of Directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2024, and the number of meetings attended by each director were:

	Board		Remuneration Committee		Audit and Risk Committee	
	Attended	Held[1]	Attended	Held[1]	Attended	Held[1]
Lee Rodne	3	3	-	-	-	-
Maja McGuire	3	3	1	1	1	1
Julian Chick	3	3	1	1	1	1

[1]Represents the number of meetings held when the director held office or was a relevant committee member.

		Cents	Cents
Basic earnings per share	3	(4.99)	(0.56)
Diluted earnings per share	3	(4.99)	(0.56)

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Share-based compensation
- Service agreements
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The Company has a Nomination and Remuneration Committee, which consists of Maja McGuire and Julian Chick (Chair of Nomination and Remuneration Committee). The remuneration policy, which is set out below, is designed to promote superior performance and long-term commitment to the Company. The Remuneration Committee establishes, amends, reviews and approves the compensation and equity incentive plans with respect to senior management and employees of the Company, including determining individual elements of total compensation of the Executive Chairman and other members of senior management. The Remuneration Committee is also responsible for reviewing the performance of the Company’s executive officers with respect to these elements of compensation. It recommends the Director nominees for each annual general meeting and ensures that the Audit & Risk Committee and Nomination Remuneration Committee have the benefit of qualified and experienced directors.

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

Remuneration policy and relationship with company performance

The role of the Nomination and Remuneration Committee is to assist and advise the Board on:

- Board succession planning generally;
- Induction and continuing professional development programs for Directors;
- The development and implementation of a process for evaluating the performance of the Board, its committees and Directors;
- The process for recruiting new Director, including evaluating the balance of skills, knowledge, experience, independence and diversity on the Board and, in the light of this evaluation, preparing a description of the role and capabilities for a particular appointment;
- The appointment and re-election of Directors;
- Ensuring there are plans in place to manage the succession of senior executives of the Company;
- To ensure the Board is of a size and composition conducive to making appropriate decisions, with the benefit of various perspectives and skills and in the Company's best interests as a whole.

The Company has an Audit and Risk Committee, which consists of Maja McGuire (Chair of Audit and Risk Committee) and Julian Chick. The role of the Audit and Risk Committee is to assist the Board in fulfilling its accounting, auditing and financial reporting responsibilities, including oversight of:

- The integrity of the Company’s financial reporting systems, internal and external financial reporting and financial systems
- The appointment, remuneration, independence and competence of the Company's external auditors;

- The performance of the Company's system of risk management and internal controls; and
- The Company’s systems and procedures for compliance with applicable legal and regulatory requirements.

In consultation with external remuneration consultants (refer to the section 'Use of remuneration consultants' below), the Nomination and Remuneration Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors’ remuneration

Fees and payments to non-executive directors (NEDs) reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration. Non-executive directors received share options upon public listing of the company but currently do not receive other performance related share options or incentives.

The Constitution and the ASX Listing Rules specify that the aggregate compensation of NEDs shall be determined from time to time by a general meeting. An amount not exceeding the amount approved by shareholders is then divided between the directors as agreed by the Board. For each NED an amount of $40,000 plus superannuation was approved by the Company’s shareholder in December 2023 as well as effective on listing of the company’s shares on an exchange 500,000 options for fully paid shares. The Board does not intend to seek any increase for the NEDs maximum fee pool at the 2024 AGM. The board seeks to set NEDs fees at a level which provides the Group with the ability to attract and retain NEDs of the highest calibre, whilst incurring a cost which is acceptable to shareholders. The fee structure will be reviewed annually against fees paid to NEDs of comparable companies in similar industries. NEDs may be reimbursed for expenses reasonably incurred in attending to the Group's affairs.

Executive remuneration
The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay
- Share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary and superannuation are reviewed annually by the Nomination and Remuneration Committee based on individual and business performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

Use of remuneration consultants
During the financial year ended 30 June 2024, the consolidated entity, through the Nomination and Remuneration Committee, engaged The Reward Practice, remuneration consultants, to review its existing remuneration policies and provide recommendations on how to improve both the STI and LTI programs. This has resulted in share-based payments remuneration in the form of options (LTI) and performance rights (STI) being implemented. The Reward Practice was paid $28,050 for these services.

An agreed set of protocols were put in place to ensure that the remuneration recommendations would be free from undue influence from key management personnel. These protocols include requiring that the consultant not communicate with affected key management personnel without a member of the Nomination and Remuneration Committee being present, and that the consultant not provide any information relating to the outcome of the engagement with the affected key management personnel. The Board is also required to make inquiries of the consultant's processes at the conclusion of the engagement to ensure that they are satisfied that any recommendations made have been free from undue influence. The Board is satisfied that these protocols were followed and as such there was no undue influence.

Details of remuneration

	Short-term benefits 2024			Post-employment benefit	Long-term benefit	Share-based payments	Total	At Risk
	Cash Salary and Fees ($)	Cash Bonus ($)	Non-monetary ($)	Super ($)	Long service leave ($)	Equity settled options ($)	Total ($)	Proportion at risk (%)
Lee Rodne	250,000	-	-	27,500	2,083	113,954	393,537	-
Maja McGuire	40,000	-	-	4,400	-	56,977	101,377	-
Julian Chick	40,000	-	-	4,400	-	56,977	101,377	-
Total	330,000	-	-	36,300	2,083	227,908	596,291	

	Short-term benefits 2023			Post-employment benefit	Long-term benefit	Share-based payments	Total	At Risk
	Cash Salary and Fees ($)	Cash Bonus ($)	Non-monetary ($)	Super ($)	Long service leave ($)	Equity settled options ($)	Total ($)	Proportion at risk (%)
Lee Rodne	250,000	-	-	26,250	-	-	276,250	-
Maja McGuire	20,000	-	-	2,100	-	-	22,100	-
Julian Chick	20,000	-	-	2,100	-	-	22,100	-
Total	290,000	-	-	30,450	-	-	320,450	

Share-based compensation

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Lee Rodne	1,000,000	7 December 2023	Upon Listing	7 December 2029	0.22	0.114
Maja McGuire	500,000	7 December 2023	Upon Listing	7 December 2029	0.22	0.114

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Julian Chick	500,000	7 December 2023	Upon Listing	7 December 2029	0.22	0.114

Service Arrangements with key management personnel

Position	Annual Salary (exclusive of superannuation)
Executive Chair	$250,000
Non-Executive Director	$40,000

Executive chair remuneration
Lee Rodne is employed in the position of executive chair of the Company on the following material terms: (1) Effective 1 July 2021, a salary of $250,000 exclusive of statutory superannuation. (2) Effective on listing of the company's shares on an exchange of 1,000,000 options for fully paid shares. (3) Employment is on an on-going basis. (4) 9 month notice are required to terminate the contract and the termination payments are provided for under the contract.

Non-executive directors (NEDs) remuneration
Maja McGuire and Julian Chick have been appointed as non-executive directors on the following material terms: (1) Effective on 1 January 2022, from date of listing on the ASX an annualised fee of $40,000 exclusive of statutory superannuation. (2). Effective on listing of the Company's shares on an exchange of 500,000 options for fully paid shares. (3) Appointment may be withdrawn at any time without entitlement for damages or claims against the company.

Addition information

Key Management Personnel
The directors and other key management personnel of the Group during the financial year were:

Non-Executive Director	Position	Appointed
Maja McGuire	Non-Executive Director	6 September 2021
Julian Chick	Non-Executive Director	1st July 2021
Executive Directors	**Position**	**Appointed**
Lee Rodne	Executive Chair	1st July 2021

Additional Disclosures relating to key management personnel

Shareholding

The relevant interest of each director in the share capital of the Company, as notified by the Company to the ASX in accordance with S205G (1) of the Corporations Act 2001, as at the date of this report is as follows:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals	Balance at the end of the year
Ordinary shares 2024					
Lee Rodne[1]	52,673,534	-	-	-	52,673,534
Maja McGuire[2]	235,492	-	-	-	235,492
Julian Chick[3]	808,492	-	-	-	808,492
Total	53,717,518	-	-	-	53,717,518

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals	Balance at the end of the year
Ordinary shares 2023					
Lee Rodne[1]	52,673,534	-	-	-	52,673,534
Maja McGuire[2]	235,492	-	-	-	235,492
Julian Chick[3]	808,492	-	-	-	808,492
Total	53,717,518	-	-	-	53,717,518

Option holding

The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals	Balance at the end of the year
Options over ordinary shares – 2024					
Lee Rodne	-	1,000,000	-	-	1,000,000
Maja McGuire	-	500,000	-	-	500,000
Julian Chick	-	500,000	-	-	500,000

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals	Balance at the end of the year
	-	2,000,000	-	-	2,000,000

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals	Balance at the end of the year
Options over ordinary shares – 2023					
Lee Rodne	-	-	-	-	-
Maja McGuire	-	-	-	-	-
Julian Chick	-	-	-	-	-
	-	-	-	-	-

1 This represents the aggregate holding interest of Lee Rodne's direct and indirect holdings via associated entities including, LTR Medical (59.10% shareholding), LTR Consulting (100% shareholding), and Trexapharm (49% shareholding)

2 Held by Maja McGuire as trustee for the Scaraf Trust

3 Dr. Julian Chick has a 19.70% shareholding in LTR Medical who holds 46,373,750 shares in LTP which is not shown here.

This concludes the remuneration report, which has been audited

Principal activities

During the financial period, the principal activities of the entity consisted of continued development of a ‘First in Class’ rapid on-demand nasal spray product SPONTAN® (SPONTAN) for the treatment of Erectile Dysfunction (ED). This included completing product packaging studies and increased manufacturing preparations for its pivotal bioequivalence study. The Company also completed its Initial Public Offering (IPO) and commenced trading on the Australian Securities Exchange (ASX) on 11 December 2023. On 25 March, the Company announced it had completed the SPONTAN pivotal pharmacokinetic clinical study (the Study). The Study was a randomised, open-label, single-dose, two-period, two-treatment, cross-over study. The Study's primary objective was to evaluate SPONTAN nasal spray (5 mg vardenafil) compared to vardenafil tablets (10 mg vardenafil) in 18 healthy adult male subjects aged 18-45 years of age under fasting conditions.

Review of operations

Key highlights from this period include

Successfully completed an oversubscribed IPO. Listed on the ASX on 11 December 2023 and raised $7 million.

Extremely positive results from SPONTAN pivotal bioequivalence clinical study. Initial analysis concluded that SPONTAN® achieves rapid absorption and a faster onset of action, at a lower dose, compared to oral PDE5 inhibitors.

SPONTAN® intranasal spray clinical data was presented at the World Meeting on Sexual Medicine in Dubai. LTR Pharma’s key scientific and clinical advisor, **Professor Eric Chung, was also honoured with the prestigious ISSM Emil Tanagho Prize.**

The Company has achieved manufacturing validation for SPONTAN. This includes meeting essential criteria for a pivotal FDA clinical study – stability testing, quality control checks, product purity and packaging integrity.

LTR Pharma continues its mission to revolutionise men's health through the clinical development and commercialisation of SPONTAN, an innovative nasal spray treatment for Erectile Dysfunction (ED). ED remains a significant health concern affecting millions of men worldwide, impacting their self-esteem and relationships across all age groups.

SPONTAN distinguishes itself from existing ED therapies through its unique mechanism of action – intranasal delivery of Vardenafil, a proven, effective, and regulatory-cleared PDE5 inhibitor. This novel approach is designed to bypass first-pass metabolism associated with oral PDE5 medications, offering a potential solution to the limitations of current treatments.

SPONTAN is designed to work within 10 minutes. The nasal cavity is a highly vascular part of the body that supports even and rapid drug absorption. Current oral PDE5 tablets such as Viagra can take up to one hour to take effect, with efficacy often impacted by the consumption of food and beverages.

Key Operational Highlights

The financial year ending June 30, 2024, marked a significant milestone in our company's history, with substantial progress made towards the commercialisation of SPONTAN.

ASX Listing

In December 2023, LTR Pharma achieved a pivotal moment in its growth trajectory by listing on the Australian Securities Exchange (ASX) under the ticker ASX: LTP. This listing garnered robust shareholder support, reflecting the market's enthusiasm for innovative treatments for ED.

Clinical Study Success

A significant achievement was completing our pivotal pharmacokinetic clinical study for SPONTAN. Patient enrolment and study completion occurred in March 2024, yielding impressive results:

- Rapid onset of action: SPONTAN achieved maximum concentration levels (Tmax) in as little as 9 minutes, with an average of 12 minutes across the study.
- Significant improvement over oral treatments: The 12-minute average compares favourably to the 56-minute average for oral treatments, underscoring SPONTAN’s potential to address the need for spontaneity in intimate moments.
- Enhanced safety profile: SPONTAN exhibited an improved safety and tolerance profile compared to oral PDE5 inhibitors.
- Consistent response: The nasal spray cohort demonstrated better consistency in response, achieving both primary and secondary endpoints.

Parameter	SPONTAN (5mg)	Vardenafil (10mg) oral
Cmax (ng/ml).	13.0	16.7
Tmax(min)	12 (range 9-15)	56 (longest 150)
Adverse Events	0	1

The final study report data analysis commenced for release in the second half of CY24.

Manufacturing and Quality Control

Throughout the year, LTR successfully scaled up commercial manufacturing processes for SPONTAN, adhering to Good Manufacturing Practice (GMP) standards. In collaboration with our Contract Manufacturing Organization (CMO) partner, we continued stability and quality control milestones to support extended shelf life, assess packaging integrity, and confirm the purity of active ingredients. These efforts met essential U.S. Food and Drug Administration (FDA) requirements for the SPONTAN pivotal pharmacokinetic clinical study, positioning the Company for future commercial scale-up, distribution, and sales upon regulatory approval.

International Recognition

At the World Meeting on Sexual Medicine in Dubai, LTR's Chief Scientific Advisor, Professor Eric Chung, was awarded the prestigious International Society for Sexual Medicine (ISSM) Emil Tanagho Prize. This accolade, recognising the most innovative research data presented at the event, validates the global medical interest in fast-acting, on-demand treatments for ED.

Medical Advocacy and Education

Professor Chung continued to build medical advocacy by presenting SPONTAN's Pilot Study data at the USANZ meeting in Adelaide. He also spearheaded the company's ED education initiative, conducting recorded interviews on various aspects of the condition, available here.

Business Development

In June, management team members attended the BIO International Convention 2024 in San Diego, engaging with potential global partners and licensees. Subsequently, the team travelled to New York for a non-deal roadshow, introducing the LTR Pharma story and highlighting SPONTAN to investors.

This financial year has laid a solid foundation for LTR Pharma's future growth and success in the ED treatment market. Our progress in clinical studies, manufacturing, and business development positions us strongly for the commercialisation of SPONTAN.

For a review of the risks the company is subject to, please refer to the replacement prospectus issued on December 7, 2023, which is still applicable to the company.

Funding

On 11 December 2023 LTR Pharma (ASX:LTP) commenced trading on the Australian Securities Exchange ("ASX") through an IPO, raising $7,000,000 to support R&D activities and the commercialisation pathway of SPONTAN®.

Notably, this past financial year included several non-recurring payments, including IPO costs, a patent milestone payment, and the SPONTAN Pharmacokinetic Clinical Study. The one-off payments were anticipated in the Use of Funds of the IPO and the expenditure program is on track to meet the Company's stated objectives of the use of funds as stated in the Prospectus.

Board and management changes

Lee Rodne held the role of Company Secretary up to the 14th of September 2023. On behalf of Automic Legal Pty Ltd, Belinda Clemenson was appointed Company Secretary of LTR Pharma Limited on the 15th of September 2023.

Significant changes in the state of affairs

The Company listed on the Australian Stock Exchange during the period. There were no further significant changes to the state of affairs.

Dividends

No dividend has been proposed or paid during the period ended 30 June 2024

Matters subsequent to the end of the financial year

Since the end of the reported financial period and the date of this report, the Company has completed a $10,500,000 share placement and signed a Global Co-Development agreement with Nasdaq listed Aptar Pharma, a global leader in drug delivery systems, services and active material science solutions.

SPONTAN has been successfully prescribed under the two Therapeutic Goods Administration's (TGA) early access schemes, which is a significant milestone for LTR Pharma. Initially, SPONTAN was administered to select patients via the Special Access Scheme (SAS), facilitated by two well-known sexual health clinics. A significant advancement quickly followed when SPONTAN was prescribed through the Authorised Prescriber Scheme (APS). Under the APS, internationally acclaimed urological expert Professor Eric Chung began prescribing SPONTAN to a broader patient cohort.

These developments not only underscore the urgent market need for a rapid-onset, on-demand erectile dysfunction treatment but also align seamlessly with our strategic, Key Opinion Leader

(KOL)-driven approach to market introduction. Through these schemes, we are gathering invaluable real-world data while raising awareness within the medical community, paving the way for broader patient access in the future.

There are no other events which have significantly affected, or may significantly affect, the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Shares under option

Unissued ordinary shares of LTR Pharma Limited under option at the date of this report are as follows:

No. of Options	Grant date	Expiry date	Exercise price	Grantee
2,792,344	11/12/2023	11/12/2026	0.26	Broker options
2,000,000	31/10/2023	31/10/2028	0.22	Board Options
170,368	15/02/2024	15/02/2028	0.295	Key Consultants Options
6,294,967	10/04/2024	10/04/2028	0.406	LTI Options
230,769	17/04/2024	17/04/2028	0.403	Key Consultants options

Shares issued on the exercise of options

No ordinary shares of LTR Pharma Limited were issued during the year ended 30 June 2024 and up to the date of this report on the exercise of options granted.

Indemnity and insurance of officers

The Company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 12 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 12 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

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 on page 27.

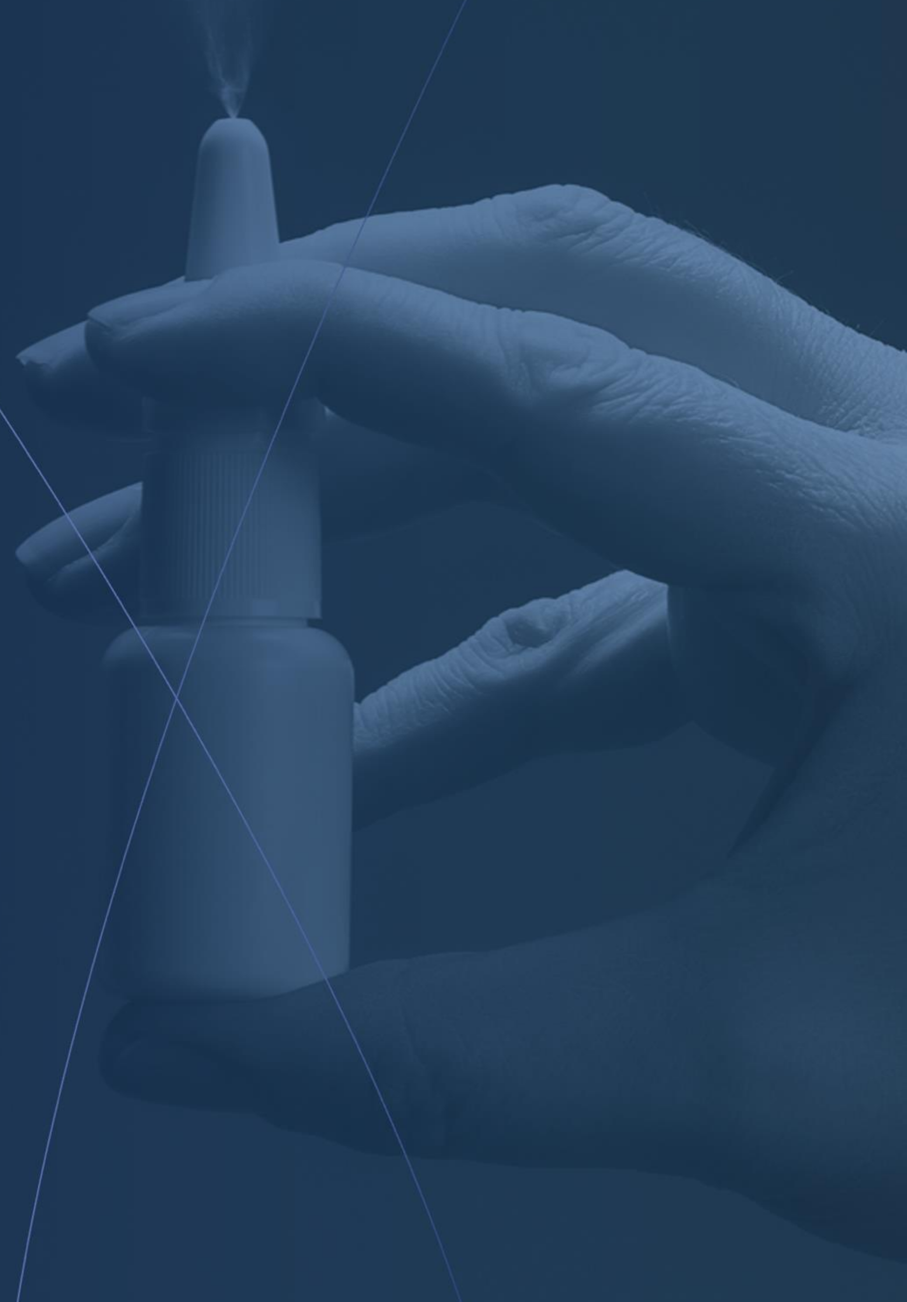
This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors,

Lee Rodne

Lee Rodne
Chairman
29 August 2024
Brisbane

Auditor's
Independence Declaration



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of LTR Pharma Limited

As lead auditor for the audit of LTR Pharma Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

— no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

— no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of LTR Pharma Limited and the entity it controlled during the year.

William Buck

William Buck Audit (WA) Pty Ltd
ABN 67 125 012 124

Amar Nathwani

Amar Nathwani
Director
Dated this 29th day of August 2024

Level 3, 15 Labouchere Road, South Perth WA 6151
PO Box 748, South Perth WA 6951
+61 8 6436 2888
wa.info@williambuck.com
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Consolidated statement of profit or loss and other comprehensive income

Consolidated Group	Note	30 June 2024 ($)	30 June 2023 ($)
Revenue			
Other income		49,002	-
Interest income		329	90
Expenses			
Employee benefits expense		(631,360)	(445,994)
Consultancy and legal fees	4	(667,401)	(129,315)
Office and administrative costs		(349,497)	(16,089)
Research and development expense	5	(3,505,775)	(817,835)
Finance costs		(422)	(20)
Other expenses		(531,452)	(26,450)
Share based payments		(1,303,315)	-
Currency gains/(losses)		(14,596)	(19,292)
Loss before income tax		**(6,954,487)**	**(1,454,905)**
Income tax expense		-	-
Loss after income tax expense for the year		**(6,954,487)**	**(1,454,905)**
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		23,264	23,507
Other comprehensive income for the year		**23,264**	**23,507**
Total comprehensive income (loss) for the year		**(6,931,223)**	**(1,431,398)**

		Cents	Cents
Basic earnings per share	3	(4.99)	(0.56)
Diluted earnings per share	3	(4.99)	(0.56)

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

Consolidated statement of financial position

Consolidated Group	Note	As at 30 June 2024 ($)	As at 30 June 2023 ($)
Assets			
Current Assets			
Cash and cash equivalents	7	3,102,323	1,728,742
Trade and other receivables	8	265,155	64,821
Total Current assets		**3,367,478**	**1,793,563**
Non-current assets			
Trade and other receivables	8	-	300,180
Fixed Assets		1,678	-
Total Non-current assets		**1,678**	**300,180**
Total Assets		**3,369,156**	**2,093,743**
Liabilities			
Current liabilities			
Trade and other payables		242,409	11,259
Other liabilities	9	186,135	10,000
Total current liabilities		**428,544**	**21,259**
Total liabilities		**428,544**	**21,259**
Net assets		**2,940,612**	**2,072,484**
Equity			
Issued capital	10	10,743,013	4,526,979
Foreign currency translation reserve	20	91,598	68,334
Share based payments reserve	20	1,583,315	-
Accumulated losses	11	(9,477,314)	(2,522,829)
Total equity		**2,940,612**	**2,072,484**

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

Consolidated statement of changes in equity

Consolidated Group	Note	Ordinary Share capital ($)	Accumulated losses ($)	Foreign currency translation reserve ($)	Total ($)
Balance at 1 July 2022		2,792,563	(1,067,924)	44,827	1,769,466
Comprehensive income					
Loss for the year		-	(1,454,905)	-	(1,454,905)
Currency translation differences		-	-	23,507	23,507
Total comprehensive loss for the year		-	(1,454,905)	23,507	(1,431,398)
Transactions with owners, in their capacity as owners, and other transfers					
Capital raising fees		(69,054)	-	-	(69,054)
Shares placement		1,447,510	-	-	1,447,510
Settlement of advisory fees		355,960	-	-	355,960
Total transactions with owners and other transfers		1,734,416	-	-	1,734,416
Balance at 30 June 2023		4,526,979	(2,522,829)	68,334	2,072,484

Consolidated statement of changes in equity

Consolidated Group	Note	Ordinary Share capital ($)	Accumulated losses ($)	Foreign currency translation reserve ($)	Share based payment reserve ($)	Total ($)
Balance at 1 July 2023		4,526,979	(2,522,829)	68,334	-	2,072,484
Comprehensive (loss)						
Loss for the year		-	(6,954,487)	-	-	(6,954,487)
Currency translation differences		-	-	23,264	-	23,264
Total comprehensive loss for the year		-	(6,954,487)	23,264	-	(6,931,223)
Transactions with owners, in their capacity as owners, and other transfers						
Share based payments reserve		-	-	-	1,583,315	1,583,315
Capital raising fees		(783,965)	-	-	-	(783,965)
Shares placement		7,000,000	-	-	-	7,000,000
Total transactions with owners and other transfers		6,216,035	-	-	1,583,315	7,799,350
Balance at 30 June 2024		10,743,014	(9,477,314)	91,598	1,583,315	2,940,612

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

Consolidated statement of cash flows

Consolidated Group	Note	30 June 2024 ($)	30 June 2023 ($)
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest income		329	90
Payments to suppliers and employees		(5,140,805)	(1,535,497)
Interest paid		(422)	(20)
R&D tax incentives received		49,002	-
Net cash (outflow) by operating activities	15	(5,092,554)	(1,535,607)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for Computer Equipment		(1,976)	(1,987)
Net cash (outflow) from investing activities		(1,976)	(1,987)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		7,000,000	1,447,510
Share issue costs		(503,965)	(69,055)
Proceeds from borrowings		-	-
Loans advanced		-	-
Net cash inflow by financing activities		6,496,035	1,378,455
Cash and cash equivalents at beginning of year		1,728,742	1,911,397
Net increase/(decrease) in cash held		1,401,505	(159,139)
Effects of exchange rate changes on cash and cash equivalents		(27,924)	(23,606)
Cash and cash equivalents at end of year	7	3,102,323	1,728,652

Notes to the financial statements

Note 1. Material accounting policy information

General information

The financial statements cover “LTR Pharma” or the “Company” and the entities it controlled (the “group”) during the year ended 30 June 2024. The financial statements are presented in Australian dollars, which is LTR Pharma Limited’s functional and presentation currency.

LTR Pharma Limited is a company limited by shares, incorporated, and domiciled in Australia. Its registered office and principal place of business are:

Registered office & principal place of business

Registered office
9A/204 Alice Street
Brisbane

A description of the nature of the Company'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 29 August 2024. The directors have the power to amend and reissue the financial statements.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

New and amended standards adopted by the Company

There were no new standards effective for the first time for years beginning on or after 1 July 2023 that have had a material effect on the Company’s financial statements.

New standards, amendments and interpretations not yet adopted

Any standards and interpretations that have been issued but are not yet effective, and that are available for early application, have not been applied by the Company in these financial statements. There would be no material impact of those issued but not yet effective standards on the financial statements. Australian Accounting Standards that have recently been issued or amended but are not yet effective have not been adopted for the reporting year ended 30 June 2024.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the AASB and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and realisation of assets and discharge of liabilities in the ordinary course of business.

As disclosed in the financial statements, the Company incurred a net loss of $6,954,487 and had net cash outflow from operating and investing activities of $5,094,530 for the financial year ended 30 June 2024. As at that date, the Company had cash balances of $3,102,323 and net assets of $2,940,612.

The Directors believe that it is reasonably foreseeable that the Company will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- There are no loans or borrowings and, if required, majority shareholder LTR Medical is prepared to further support.
- In addition, in the past the executives of the company have a demonstrated ability for being able to raise funds as and when required the Directors believe that, should it be required, it can do so in the future. To reinforce this position the company has raised $10,500,000 of funds (before expenses) during July 2024.
- New partnerships and alliances.
- Monitoring, management, and containment of discretionary costs, including R&D costs, and capital expenditures.

- The Group's cash flow forecasts that incorporate some but not all the above factors, thus providing some upside sensitivity, indicated that the Company will be in a positive cash position during twelve months from the date of approval of this report
- During the period of twelve months from the date of this report it is anticipated that the company will lodge an application to receive an R&D refundable tax offset in relation to its R&D expenditure.

Accordingly, the directors believe that the Company will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

Segment reporting

AASB 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the Chief Operating Decision Makers in order to allocate resources to the segment and to assess its performance.

The Company operates one segment this has been determined with reference to the monthly management accounts used by the Chief Operating Decision Maker to make decisions regarding the Company's operations and allocation of working capital. Due to the size and nature of the Company, the Board as a whole has been determined as the Chief Operating Decision Maker.

Foreign currency translation

The financial statements are presented in Australian dollars, which is LTR Pharma Limited's functional and presentation currency.

Foreign currency transactions

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

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Income tax

The income tax expense or benefit for the year is the tax payable on that year's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior years, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

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

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting year; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting year. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting year; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting year. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

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.

Share-Based Payments

Equity-settled share-based payments are provided to officers, consultants and other advisors. These share-based payments are measured at the fair value of the equity instrument at the grant date. The fair value of Options is determined using an appropriate pricing model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest where they are subject to non-market vesting conditions. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with a corresponding adjustment to the share-based payments reserve. Equity-settled share-based payments may also be provided as consideration for the acquisition of assets and/or extinguishment of liabilities. Where Shares are issued and vest immediately and the fair value of the assets acquired or liabilities extinguished is not readily determinable, the transaction is recorded at fair value based on the quoted price of the Shares at the date of issue.

Research and Development

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated entity is able to use or sell the asset; the consolidated entity has sufficient resources and intent to complete the development; and its costs can be measured reliably.

Research and Development Rebate accounting policy

Refundable R&D tax offsets are accounted for as government grants and are recognised in profit and loss when there are reasonable assurances that the entity will comply with the conditions attaching to grants, and the grants will be received.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue, and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events that management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payments

Share-based payments are subject to estimation and uncertainty based on the estimation of assumptions determining the fair value, the choice of pricing model and assumptions regarding the achievement of vesting conditions.

Note 3. Loss per share

	30 June 2024 ($)	**30 June 2023 ($)**
Loss after income tax attributable to the owners of LTR Pharma Limited	(6,931,223)	(1,431,398)

	Number	**Number**
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	139,420,252	104,420,252
Adjusted weighted average number of ordinary shares used in calculating basic and diluted earnings per share	139,420,252	104,420,252

	Cents	**Cents**
Basic earnings per share	(4.99)	(0.56)
Diluted earnings per share	(4.99)	(0.56)

Options are not considered to be dilutive therefore options are not included in the calculation of diluted loss per share. As at the reporting date there are 11,488,448 options (June 2023: nil) issued, there are options issued and currently in the money that could potentially dilute basic earning per shares in the future.

Note 4. Expenses Consulting, Accounting and Audit fees

	30 June 2024 ($)	**30 June 2023 ($)**
Loss before income tax includes the following specific expenses:		
Consultancy and legal fees		
Consulting, Accounting and Audit fees	340,973	99,156
Legal fees	326,428	30,159
Total Consultancy and legal fees	667,401	129,315

Note 5. Research and development expenses

	30 June 2024 ($)	**30 June 2023 ($)**
Loss before income tax includes the following specific expenses:		
Research and development expenses		
Bioequivalence Trial	1,211,004	-
Other Research and development expenses	743,869	817,835
SDS Milestone Payments Expensed	1,550,902	-
Total Research and development expenses	3,505,775	817,835

Note 6. Share based payments

(a) Share Options

The LTR Pharma Employee Incentive Plan (EIP) has been approved by shareholders. Eligible employees can participate in the Plan. The key terms of the EIP Options are outlined in the consolidated financial statements of the Group as at and for the period ended 30 June 2024.

The Company granted options under the EIP during the period as Long-Term incentive as well as remuneration in kind for key consultants.

Director options

On 11 December 2023 on listing of the Company on the ASX following approval by shareholders at the Annual General Meeting on 31 October 2023, the Company issued 1,000,000 options to Lee Rodne (Executive Chairman), 500,000 options to Maja McGuire (Non-Executive Director) and 500,000 options to Julian Chick (Non-Executive Director) at an exercise price of $0.22. In the prior period, no options were granted.

(b) Other Options Granted – Broker options

The Company granted options as consideration for lead manager services provided, with the cost of the issues being recognised as an equity transaction cost.

(c) EIP

The Company has adopted the Equity Incentive Plan in order to assist in the motivation and retention of selected Company employees. The Equity Incentive Plan is designed to align the interests of eligible employees more closely with the interests of the Company by providing an opportunity for eligible employees to receive an equity interest in the Company. Under the Equity Incentive Plan, eligible employees may be offered performance rights, options, loan shares, deferred share awards or exempt share awards which may be subject to vesting conditions set by the Board.

The Equity Incentive Plan (EIP) was adopted by a resolution of shareholders on 7 October 2020 to provide ongoing incentives to any full time or part time employee of the Company or any of its subsidiaries (including a director or company secretary of the Company or its subsidiaries who holds salaried employment with the Company or its subsidiaries on a full or part time basis), or a consultant, who is determined by the Board to be eligible to receive grants of Options under the EIP (Eligible Participants).

The key terms of the Equity Incentive Plan are summarised below.

Employee Rights

Under the Equity Incentive Plan, the Company may offer or issue to eligible employees, the following Employee Rights:

- **performance rights**: a right to be issued or provided with a Share at nil issue price on specific vesting conditions being achieved;
- **options**: a right to be issued or provided with a Share on payment of an exercise price and which can only be exercised if specific vesting conditions are achieved;

Eligible employees

Employee Rights may be granted at the discretion of the Board to any person who is an employee, officer, director or consultant of a member of the Company.

Vesting and exercise of Employee Rights
The Board has discretion to determine the issue price and/or exercise price for the Employee Rights. Vesting Condition: Subject to the Plan, the Options do not vest and become exercisable unless you remain an ESS Participant for three (3) years from the Acquisition Date.
Takeover and control transactions
In the event of a takeover bid or other control transaction as set out in the Plan, any Vesting Conditions in respect of the Options will be deemed to be automatically waived [pro rata to reflect time elapsed and performance, as determined by the Board acting reasonably].
Ceasing to be an ESS Participant
If you cease to be an ESS Participant (e.g. by ceasing employment or engagement by the Company), any unvested Options will lapse unless the Board exercises its discretion to vest, in whole or in part, the Options or allow them to continue unvested.
ESS Provisions
This Invitation in respect of the Options is being made under Division 1A of Part 7.12 of the Corporations Act as replaced or modified from time to time.

(d) Fair Value of Equity instruments Granted or Modified

Employee share options, Broker and Director options
The fair value of the above Broker options granted during the period has been determined using a Black-Scholes option pricing model that considers the exercise price, the term of the option, the share price at grant date, expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option based on government bonds. The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

(e) Option Inputs

The weighted average inputs (based on number of options granted or modified) used in the measurement of the fair values of the above options at grant or modification date are shown in the below table. The inputs for the EIP options have been aggregated given the small volume of options issued.

Options and performance rights on issue

The following share-based payment arrangements were in existence at the end of the current reporting
period:

No. of Options	Grant Date	Expiry date	Grant date fair value	Vesting Date	Exercise price	Number vested
2,792,344	11/12/2023	11/12/2026	0.1003	11/12/2025	0.403	-
2,000,000	31/10/2023	31/10/2028	0.114	31/10/2023	0.260	2,000,000
170,368	15/02/2024	15/02/2028	0.193	15/02/2027	0.220	-

No. of Options	Grant Date	Expiry date	Grant date fair value	Vesting Date	Exercise price	Number vested
6,294,967	10/04/2024	10/04/2028	0.157	10/04/2027	0.295	-
230,769	17/04/2024	17/04/2028	0.158	17/04/2027	0.406	-

As at 30 June 2024, the range of exercise price of options is between $0.220 and $0.406 with the weighted average exercise price of $0.3168. The weighted average remaining contractual life of options outstanding at the end of the financial year was 3.6 years

No. of Performance Rights	Grant Date	Expiry date	Grant date fair value	Vesting Date	Exercise price	Number vested
577,556	10/04/2024	30/06/2028	0.285	30/06/2025	Nil	-

As at 30 June 2024, The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 1 years

Option Class	Tranche 1 Broker Options	Tranche 2 Board options
Option pricing model used	Black-Scholes	Black-Scholes
Quantity of options	2,792,344	2,000,000
Weighted average fair value per option	0.1002	0.1140
Key input assumptions		
Share price at grant	0.20	0.20
Exercise price	0.26	0.22
Expected life	3.0 years	5.0 years
Risk free rate	4.02%	4.02%
Expected Volatility	90%	90%

Option Class	Tranche 3 Key Consultants Options	Tranche 4 LTI Options	Tranche 5 Key Consultants Options
Option pricing model used	Black-Scholes	Black-Scholes	Black-Scholes
Quantity of options	170,368	6,294,967	230,769
Weighted average fair value per option	0.193	0.157	0.158

Option Class	Tranche 3 Key Consultants Options	Tranche 4 LTI Options	Tranche 5 Key Consultants Options
Key input assumptions:			
Share price at grant	0.31	0.29	0.29
Exercise price	0.295	0.406	0.403
Expected life	4.0 years	4.0 years	4.0 years
Risk free rate	4.35%	4.35%	4.35%
Expected Volatility	80%	80%	80%

(f) Performance Rights

Performance rights were issues to eligible participants under the EIP

Performance rights	Tranche 6 Performance Rights
Option pricing model used	Fair value
Quantity of performance rights	577,566
Weighted average fair value per right	0.285
Expiry Date	30 June 2028
Vesting Period	30 June 2025
Key input assumptions	
Probability	60%
Share Price at grant date	0.285
Vesting Conditions	
Commencement of bioequivalence study	10%
Co-Development Agreement finalized with device partner	5%
Bioequivalence study meeting primary endpoints	20%
Application for SAS/APS	10%
1st sales in SAS/APS	15%
2nd product initiated	10%
FDA pre-IND guidance meeting	5%

Performance rights	Tranche 6 Performance Rights
EU/Asia Pac Regulatory pathway confirmed	10%
TGA Resource confirmed	15%

The Board or its delegate will assess performance against the Vesting Conditions following the end of FY25 and determine the percentage of Performance Rights that will vest. Any Performance rights that do not vest will automatically lapse (unless the Board resolves otherwise).

Note 7. Cash and cash equivalents

	30 June 2024 ($)	**30 June 2023 ($)**
Cash at bank LTR Pharma Limited	3,071,990	1,210,553
Cash at bank LTR Pharma Inc	30,333	518,189
Total Cash at bank	3,102,323	1,728,742

Note 8. Trade and other receivables

	30 June 2024 ($)	**30 June 2023 ($)**
GST receivables - current	265,155	64,821
SDS Continuing Development Loan - non-current	-	300,180
	265,155	365,001

The Company agreed to pay US$500,000 and a further amount of US$300,000 under a variation to the SDS Licence Agreement net of the SDS Continuing Development Loan of US$200,000 which the Company previously paid under the Agreement as disclosed in the replacement prospectus.

The SDS Continuing Development loan is unsecured and fully funded. No interest is charged on this loan. The loan has been offset against milestone payments during the 2024 financial year due to SDS under a variation to the SDS License Agreement.

Note 9. Other liabilities

	30 June 2024 ($)	**30 June 2023 ($)**
Accruals	113,964	10,000
PAYG Withholding payable	55,665	-
Leave Provision	16,506	-
Total Other liabilities	186,135	10,000

Note 10. Issued capital

Ordinary share

	30 June 2024 ($)	**30 June 2023 ($)**
Opening balance	4,526,979	2,792,563
Shares placement	7,000,000	1,447,510
Share issue costs	(783,966)	(69,054)
Settlement of advisory fees	-	355,960
Total Issued capital	10,743,013	4,526,979

	2024 shares	2023 shares
Ordinary shares – fully paid	104,420,252	94,256,554
Shares placement	35,000,000	7,938,948
Settlement of advisory fees	-	2,224,750
	139,420,252	104,420,252

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.

Options and performance rights on issue

The following share-based payment arrangements were in existence at the end of the current reporting period:

No. of Options and performance rights	Grant Date	Expiry date	Grant date fair value	Vesting Date	Exercise price	Number vested
2,792,344	11/12/2023	11/12/2026	0.1003	11/12/2025	0.403	-
2,000,000	31/10/2023	31/10/2028	0.114	31/10/2023	0.260	2,000,000
170,368	15/02/2024	15/02/2028	0.193	15/02/2027	0.220	-
6,294,967	10/04/2024	10/04/2028	0.157	10/04/2027	0.295	-
230,769	17/04/2024	17/04/2028	0.158	17/04/2027	0.406	-
577,556	10/04/2024	30/06/2028	0.285	30/06/2025	Nil	-

Note 11. Equity – Accumulated losses

	30 June 2024 ($)	**30 June 2023 ($)**
Accumulated losses at the beginning of the financial year	(2,522,829)	(1,067,924)
Loss after income tax expense for the year	(6,954,487)	(1,454,905)
Accumulated losses at the end of the financial year	(9,447,316)	(2,522,829)

Note 12. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Willam Buck, the auditor of the company:

	2024 ($)	**2023 ($)**
Audit services – HLB Mann Judd	-	10,000
Audit services – William Buck	27,500	-
Review of interim financial report	10,698	8,670
Other services – William Buck		
Independent Limited Assurance Report	25,000	-
Total services	63,198	18,670

Note 13. Contingent liabilities

As at 30 June 2024, the Company reported contingent liabilities which exist in relation to potential milestone payments arising under the licensing agreement with Strategic Drug Solutions, Inc. ('SDS'). These contingent liabilities total US$3.0 million which is the aggregate of the remaining milestone payments which may become payable under this Agreement and are dependent upon the high-risk nature of the clinical research being successful, as well as future decisions regarding the clinical focus of the Company and are therefore not recognised in the statement of financial position.

At 30 June 2023, these contingent liabilities totalled US$4.0 million. In the year ended 30 June 2024, the Company agreed to pay US$500,000 and a further amount of US$300,000 under a variation to the SDS Licence Agreement net of the SDS Continuing Development Loan of US$200,000

The entity has not given any bank guarantees as at 30 June 2024.

Note 14. Events after the reporting year

After the reporting year the company has successfully completed a $10,500,000 share placement. Additionally, it has secured a global Co-Development Agreement with Aptar Pharma both as previously disclosed.

Note 15. Reconciliation of loss after income tax to net cash from operating activities

	2024 ($)	**2023 ($)**
Loss after income tax expense for the year	(6,954,487)	(1,454,905)
Adjustments for non-cash income and expense items:		
Share-based payments	1,303,315	23,506
Foreign exchange differences	14,596	19,292
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	99,846	(31,026)
Increase/(decrease) in trade and other payables	444,176	(92,384)
Net cash outflow from operating activities	(5,092,554)	(1,535,517)

Note 16. Financial Risk Management

The Company’s financial instruments consist mainly of deposits with banks, accounts receivable and payable and loans.

The totals for each category of financial instruments, measured in accordance with AASB 9: Financial Instruments, as detailed in the accounting policies to these financial statements, are as follows:

	2024 ($)	**2023 ($)**
Financial assets		

Cash and cash equivalents	7	3,102,323	1,728,742
Trade and other receivables		-	365,001
Total financial assets		3,102,323	2,093,743

Financial liabilities		
Financial liabilities at amortised cost:		
Trade and other payables	242,409	11,259
Other liabilities	113,964	10,000
Total financial liabilities	356,373	21,259

Financial Risk Management Policies

The Directors' overall risk management strategy seeks to assist the Company in meeting its financial targets, while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include the credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Company is exposed to through its financial instruments are credit risk, liquidity risk, and market risk relating to interest rate risk and other price risk.

There have been no substantive changes in the types of risks the Company is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous year.

A. 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 Company.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that customers and counterparties to transactions are of sound credit worthiness, which includes the utilisation of systems for the approval, granting and renewal of credit limits, the regular monitoring of exposures against such limits and the monitoring of the financial stability of significant customers and counterparties. Such monitoring is used in assessing receivables for impairment. Credit terms are generally 30 to 45 days from the date of invoice.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the finance committee has otherwise assessed as being financially sound. Where the Company is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, the risk may be further managed through title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting year, excluding the value of any collateral or other security held, is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The Company has no significant concentrations of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of trade and other receivables are provided in Note 6.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 6.

B. Liquidity risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Company manages this risk through the following mechanisms: preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities.

		2024 ($)	**2023 ($)**
Cash and cash equivalents		3,102,323	1,728,742
Trade and other receivables	8	-	300,180

- Obtaining funding from a variety of sources.
- Maintaining a reputable credit profile.
- Only investing surplus cash with major financial institutions; and
- Comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities. Financial guarantee liabilities are treated as payable on demand since the Company has no control over the timing of any potential settlement of the liability. The Company does not hold any derivative financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timings of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates and do not reflect management's expectations that banking facilities will be rolled forward.

Financial liability and financial asset maturity analysis

	Within 1 Year 2024 ($)	1 to 5 Years 2024 ($)	Over 5 Years 2024 ($)	Total 2024 ($)
Financial liabilities due for payment				
Trade and other payables	242,409	-	-	242,409
Borrowings	-	-	-	-
Other liabilities	113,964	-	-	113,964
	356,373	-	-	356,373
Financial assets – cash flows realisable				
Cash and cash equivalents	3,102,323	-	-	3,102,323
Trade and other receivables	-	-	-	-
	3,102,323	-	-	3,102,323
	2,745,950	-	-	2,745,950

Market risk

(I) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting year whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Company is also exposed to earnings volatility on floating rate instruments. The financial instruments that expose the Company to interest rate risk are limited to borrowings and cash and cash equivalents.

The Company also manages interest rate risk by ensuring that, whenever possible, payables are paid within any pre-agreed credit terms.

There are no variable interest rate borrowings (i.e. unhedged debt) nor foreign currency risk which the Company expects will impact future cash flows and interest charges.

Sensitivity analysis

The Company is exposed to changes in interest rates. The impact on profit and equity values reported at the end of the reporting year would be affected by changes in the relevant risk variable that management considers to be reasonably possible. A change of 2% in interest rates would result in a $62,046 impact on the loss for the year.

These sensitivities also assume that the movement in a particular variable is independent of other variables.

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position.

		30 June 2024		30 June 2023	
	Note	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets					
Cash and cash equivalents (i)	5	3,102,323	3,102,323	1,728,742	1,728,742
Trade and other receivables (i)	6	-	-	300,180	365,001
Total financial assets		3,102,323	3,102,323	2,028,922	2,093,743
Financial liabilities					
Trade and other payables (i)		242,409	242,409	11,259	11,259
Other liabilities	7	113,964	113,964	10,000	10,000
Total financial liabilities		356,373	356,373	21,259	21,259

- Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term instruments in nature whose carrying amounts are equivalent to their fair values

Note 17. Tax Expense

	30 June 2024 ($)	30 June 2023 ($)
(a) The components of tax expense comprise:		
Current tax	-	-
	-	-
(b) The prima facie tax on loss from ordinary activities before income tax is reconciled to income tax as follows:		
Prima facie tax benefit on profit from ordinary activities before income tax at 30%		
– Group	(2,073,144)	(436,471)
Add:		
Tax effect of:		
- Group	(2,073,144)	(436,471)

No deferred tax asset was recognised during the year for unused tax losses.

Note 18. KMP Remuneration

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	2024 ($)	2023 ($)
Short-term employee benefits	330,000	290,000
Long-term employee benefits	2,083	-
Post-employment benefits	36,300	30,450
Share-based payments	227,908	-
	596,291	320,450

Note 19. Related Party Transactions

Apart from the KMP remuneration detailed in note 18, no other payments were made to related parties to date.

Note 20. Reserves

	2024 ($)	**2023 ($)**
Opening value – 1 July	68,334	44,827
Foreign currency translation reserve	23,264	23,507
Closing balance – 30 June		68,334
Opening value – 1 July	-	-
Share based payments reserve	1,583,315	-
Closing balance – 30 June	1,674,913	-

The foreign currency translation reserve is used to record exchange differences arising on the translation to presentation currency in addition to monetary items which in substance form part of the entity's net investment in a foreign operation

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

Note 21: Interest in subsidiary

The consolidated financial statements incorporate the assets, liabilities, and results of the following wholly owned subsidiary:

	Principal place of business / Country of incorporation	**Ownership Interest**	
		2024 %	**2023 %**
LTR Pharma Inc	United States of America	100.00	100.00

The subsidiary holds USD$20,222 of cash at balance date and an intercompany liability of USD$21,911. There are no other material transactions or account balances to disclose as at 30 June 2024 or in the comparative period.

With the exception of the aforementioned account balances, there are no material differences between the parent entity and consolidated entity financial information.

Contingent liabilities

As at 30 June 2024, the Company reported contingent liabilities which exist in relation to potential milestone payments arising under the licensing agreement with Strategic Drug Solutions, Inc. ('SDS'). These contingent liabilities total US$3.0 million which is the aggregate of the remaining milestone payments which may become payable under this Agreement and are dependent upon the high-risk nature of the clinical research being successful, as well as future decisions regarding the clinical focus of the Company and are therefore not recognised in the statement of financial position.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2024 and 30 June 2023.

Note 22. Parent entity information

Set out below is the supplementary information about the parent entity.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Statement of profit or loss and other comprehensive income

	Parent	
	30 June 2024 ($)	30 June 2023 ($)
Profit after income tax	(6,953,753)	(1,454,905)
Total comprehensive income	(6,977,017)	(1,431,398)

Statement of financial position

	Parent	
	30 June 2024 ($)	30 June 2023 ($)
Total current assets	3,370,162	1,793,563
Total assets	3,371,839	2,093,743
Total current liabilities	428,544	21,259
Total liabilities	428,544	21,259

	Parent	
	30 June 2024 ($)	30 June 2023 ($)
Issued capital	10,743,013	4,526,979
Share based payments reserve	1,583,315	-
Accumulated losses	(9,474,631)	(2,522,829)
Total equity	2,851,697	2,004,150

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent The entity has not given any bank guarantees as at 30 June 2024.

Contingent liabilities
The parent entity reported contingent liabilities which exist in relation to potential milestone payments arising under the licensing agreement with Strategic Drug Solutions, Inc. ('SDS'). These contingent liabilities total US$3.0 million which is the aggregate of the remaining milestone payments which may become payable under this Agreement and are dependent upon the high-risk nature of the clinical research being successful, as well as future decisions regarding the clinical focus of the Company and are therefore not recognised in the statement of financial position.

The parent entity agreed to pay US$500,000 and a further amount of US$300,000 under a variation to the SDS Licence Agreement net of the SDS Continuing Development Loan of US$200,000 which the Company previously paid under the Agreement as disclosed in the replacement prospectus.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2024 and 30 June 2023.

Material accounting policy information
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Consolidated entity disclosure statement

The consolidated financial statements incorporate the assets, liabilities, and results of the following wholly owned subsidiary:

Entity Name	Entity Type	Place Formed/ Country of incorporation	Ownership Interest%	Australian or Foreign Tax Residency	Tax Residency if foreign
LTR Pharma Inc	Body Corporate	United States of America	100.00	Foreign	United States of America
LTR Pharma Limited	Body Corporate	Australia	100.00	Australian	-

Directors’ Declaration

In the Directors' opinion:

1. The financial statements and notes comply with the Corporations Act 2001 and;
    a. comply with Australian Accounting Standards which, as stated in Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and
    b. give a true and fair view of the financial position as at 30 June 2024 and of the performance for the year ended on that date of the Company and Group

2. In the Directors’ opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

3. The information disclosed in the attached consolidated entity disclosure statement is true and correct.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors,

Lee Rodne

Lee Rodne
Executive Chairman

29 August 2024
Brisbane

William Buck
ACCOUNTANTS & ADVISORS

Independent auditor's report to the members of LTR Pharma Limited

Report on the audit of the financial report

Our opinion on the financial report

In our opinion, the accompanying financial report of LTR Pharma Limited (the Company) and its controlled entity (the Group) is in accordance with the *Corporations Act 2001*, including:

— giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and

— complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What was audited?

We have audited the financial report of the Group, which comprises:

— the consolidated statement of financial position as at 30 June 2024,

— the consolidated statement of profit or loss and other comprehensive income for the year then ended,

— the consolidated statement of changes in equity for the year then ended,

— the consolidated statement of cash flows for the year then ended,

— notes to the financial statements, including material accounting policy information,

— the consolidated entity disclosure statement, and

— the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key audit matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. This matter was addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Valuation of Options and Performance Rights	**Area of focus (refer also to note 6)**	**How our audit addressed the key audit matter**
	The Group reported an expense of $1,303,315 in respect of share-based payments from the grant of options and performance rights issued in the year This is a key audit matter because significant judgement and estimation are required to determine the fair value of the share-based payments granted in the year.	Our audit procedures included: - Assessing management's calculation of fair value of share-based payments, including the appropriateness of the valuation models used and inputs applied; - Checking the terms and conditions of the share-based payments to relevant ASX Announcements and signed agreements; - Critically reviewing management's assumptions regarding the likelihood of satisfying performance obligations for non-market-based conditions; and — Assessing whether management's reporting and disclosure of share-based payments was in accordance with AASB 2 *Share Based Payment*.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other matter

The financial report of the Group for the year ended 30 June 2023 was audited by another auditor who expressed an unmodified opinion on the financial report on 23 October 2023.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

— the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

— the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001,* and

for such internal control as the directors determine is necessary to enable the preparation of:

— the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

— the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

William Buck
ACCOUNTANTS & ADVISORS

Report on the Remuneration Report

Our opinion on the Remuneration Report

In our opinion, the Remuneration Report of LTR Pharma Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

What was audited?

We have audited the Remuneration Report included in pages 12 to 19 of the directors' report for the year ended 30 June 2024.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

William Buck

William Buck Audit (WA) Pty Ltd
ABN 67 125 012 124

Amar Nathwani

Amar Nathwani
Director
Dated this 29th day of August 2024

Shareholder Information

The shareholder and option holder information set out below was applicable as at 29 August 2024

Ordinary Shares

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	332	201,272	0.13%
above 1,000 up to and including 5,000	727	2,001,882	1.30%
above 5,000 up to and including 10,000	381	3,092,865	2.01%
above 10,000 up to and including 100,000	695	23,370,594	15.20%
above 100,000	180	125,137,201	81.36%
Totals	**2,315**	**153,803,814**	**100.00%**

There are 33 shareholdings held with less than a marketable parcel, totaling 4,037 shares.

Equity security holders

Voting rights – Ordinary shares

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.

Twenty Largest Shareholders

Holder Name	Holding	% IC
LTR MEDICAL PTY LTD	46,373,750	30.13%
STRATEGIC DRUG SOLUTIONS INC	5,933,000	3.86%
TREXAPHARM INC	4,188,000	2.72%
CITICORP NOMINEES PTY LIMITED	4,143,610	2.69%
GO MEDICAL INDUSTRIES PTY LTD	2,443,000	1.59%
MR PETER JAMES HENDRY	1,815,000	1.18%
WOLSELEY ROAD #1 PTY LIMITED	1,747,500	1.14%
PARKVIEW SC BIO LLC	1,500,000	0.97%
MR PHILIP JOHN CAWOOD	1,420,179	0.92%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	1,329,377	0.86%
UBS NOMINEES PTY LTD	1,300,000	0.84%
GLENEAGLE SECURITIES NOMINEES PTY LIMITED	1,225,000	0.80%

SSRA PTY LIMITED <SCULLY FAMILY A/C>	1,161,000	0.75%
FREDRONN PTY LTD <FREDRONN FAMILY A/C>	1,144,250	0.74%
DANNY ZANARDO	1,122,135	0.73%
MR PETER WADE <WADE FAMILY A/C>	1,034,081	0.67%
LTR CONSULTING PTY LTD	982,143	0.64%
CHIFLEY PORTFOLIOS PTY LIMITED <DAVID HANNON A/C>	970,000	0.63%
TEMPEST DAWN PTY LIMITED <SWT SUPER FUND A/C>	960,000	0.62%
MR MOGHSEEN JADWAT	957,500	0.62%
Total	**81,749,525**	**53.12%**
Total issued capital - selected security class(es)	**153,901,979**	**100.00%**

Substantial shareholders

The names of substantial shareholders in accordance with section 671B of the Corporations Act 2021 are:

Holder Name	Holding	% IC
LTR MEDICAL PTY LTD	46,373,750	30.13%

Unquoted Securities

The Company had the following unquoted securities on issue

	Number on Issue	Number of Holders
Options over ordinary shares issued	11,488,448	18

	Number on Issue	Number of Holders
Performance Rights	577,556	7

Restricted & Escrowed Securities

Class	Expiry Date	Number of Shares
Ordinary shares	to be held in escrow until 11 December 2025, being 24 months from the date of Quotation	69,014,764
Options	to be held in escrow until 11 December 2025, being 24 months from the date of Quotation.	4,792,344

Use of funds

Since admission the Company has used its cash in a way consistent with its business objectives.

On-Market buy-back

There is no current on-market buy-back.

Corporate Governance Statement

The Company’s corporate governance statement is located on the Company’s website: https://ltrpharma.com/