

VGI Health Technology Limited

ABN 35 111 082 485

Interim Report

for the half year ended

31 December 2023

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CORPORATE DIRECTORY

VGI HEALTH TECHNOLOGY LIMITED

ABN 35 111 082 485

Directors

Lou Panaccio	Non-Executive Chairman
Steven Jiayi Yu	Non-Executive Director
Glenn Tong	Executive Director

Company Secretary

Catriona Glover

Registered Office and Principal Place of Business

Suite 4, 24 Birdwood Lane,
Lane Cove, NSW, 2066,

Ph: (02) 8279 8908

Postal Address

VGI Health Technology Limited
Suite 4, 24 Birdwood Lane,
Lane Cove, NSW, 2066,

Share Register

Link Market Services
Level 12, 680 George Street
SYDNEY, NSW, 2000
Ph: 1300 554 474

Auditors

Hall Chadwick
Level 40, 2 Park Street
SYDNEY, NSW, 2000

Securities Exchange Listing

National Stock Exchange of Australia
(Home Branch – Sydney)
NSX Code: VTL

DIRECTORS' REPORT

Your Directors submit the financial report of VGI Health Technology Limited ("VGI" or "the Company") for the half year ended 31 December 2023. In order to comply with the provisions of the Corporations Act 2001, the Directors report is as follows:

Directors

The names of Directors who held office during the half year and up to the date of this Report are as follows. Directors were in office for this entire period unless otherwise stated.

Name	Appointed
Lou Panaccio	Non-Executive Chairman (Appointed 19 December 2019)
Steven Jiayi Yu	Non-Executive Director (Appointed 28 March 2019)
Glenn Tong	Executive Director (Appointed 19 December 2019)

PRINCIPAL ACTIVITIES

During the half year ended 31 December 2023 the principal activity of VGI Health Technology Limited is to research, develop, distribute and market a range of health and therapeutic products and technologies, including innovative drugs and wellbeing supplements.

REVIEW OF OPERATIONS

On 29 August 2023, the company announced that it had been advised by Invictus BioPharma Holdings Ltd (IVBHL) that IVBHL was now in a position to commence the process of acquiring Invictus BioPharma Pty Ltd in accordance with the Share Sale Agreement approved by the shareholders on 3 June 2022.

After commencement of recruitment and dosing of patients in December 2022, VTL's wholly owned subsidiary, Invictus Ops Pty Ltd (Invictus), completed dosing of 17 patients for its Phase II clinical study in Non-Alcoholic Fatty Liver Disease (NAFLD)/Non-Alcoholic SteatoHepatitis (NASH) by December 2023. This study is a randomised, double-blind, placebo-controlled Phase II clinical study on NAFLD/NASH to analyse the efficacy and safety of IVB001, a drug candidate based on the non-invasive and direct delivery of tocotrienols using Invictus' patented transmucosal delivery platform. As of the date of this report, five clinical study sites are participating in this study: The Gallipoli Medical Research Foundation in Queensland, the Royal Melbourne Hospital in Victoria, the Fiona Stanley Hospital in Western Australia, and the Concord Repatriation General Hospital and the John Hunter Hospital in New South Wales.

EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 11 January 2024, VGI Health Technology Limited announced that its wholly owned subsidiary, Invictus Ops Pty Ltd (Invictus), received human ethics approval from the Human Research Ethics Committee of The Peter MacCallum Cancer Centre for its Phase II clinical study in Pancreatic Adenocarcinoma (Pancreatic Cancer). Pancreatic Adenocarcinoma is the most common form of pancreatic cancer and begins in the cells that line the ducts of the pancreas. The market size for pancreatic cancer medicines is expected to reach \$4.2 billion in 2025. The granting of human ethics approval is a great achievement for VTL's clinical development program. The study will commence recruitment of patients upon the completion of the sale of the Invictus BioPharma Pty Ltd Group to Invictus BioPharma Holdings Ltd. No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Operating Results

The loss of the Company for the half year ended 31 December 2023 after tax was \$377,026 (2022 loss \$1,671,570).

Dividends

No dividends have been paid or declared by the Company for the half year ended 31 December 2023 and up to the date of this report. The Directors do not recommend the payment of a dividend.

DIRECTORS' REPORT (Continued)

Auditor Independence and Non-Audit Services

Section 307C of the Corporations Act 2001 requires our auditors, Hall Chadwick, to provide the Directors of the Company with an Independence Declaration in relation to the audit of the Financial Report. This Independence Declaration is set out on page 8 and forms part of this Directors' report for the half year ended 31 December 2023.

There were no non-audit services provided by our auditors, Hall Chadwick.

Signed in accordance with a resolution of the Directors.



Lou Panaccio
Chairman
SYDNEY, New South Wales
8 February 2024

VGI HEALTH TECHNOLOGY LIMITED
ABN 31 111 082 485
AND CONTROLLED ENTITIES

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF VGI HEALTH TECHNOLOGY LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of VGI Health Technology Limited. As the lead partner for the review of the financial report of VGI Health Technology Limited for the half year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.


HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000


STEWART THOMPSON
Partner
Dated: 08 February 2024

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2023**

	Note	31 Dec 2023	31 Dec 2022
		\$	\$
Revenue and Other Income			
Interest Income	3	799	700
Other Income	3	-	24,600
Expenses			
Administration expenses	5	(13,865)	(3,011)
Bank fees		(131)	(75)
Directors fees	5	(59,996)	(59,996)
Impairment		(32,725)	(143,668)
Insurance		(9,218)	(22,124)
Interest expense		(206,288)	(101,203)
Legal and professional fees	5	(331,575)	(390,804)
Licence fee	5	(15,871)	(15,559)
Marketing expenses	5	(1,214)	(1,527)
Occupancy and share service expenses	5	(36,000)	(36,090)
Share based payments	5	-	(203,846)
Loss before income tax benefit		(706,084)	(952,603)
Income tax expense		-	-
Net Loss from continuing operations		(706,084)	(952,603)
Discontinued operations			
Gain / (Loss) from discontinued operations after tax	8(b)	329,057	(718,967)
Total Comprehensive Income		(377,027)	(1,671,570)
Basic loss per share (cents per share)		(0.27)	(1.21)

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

		Consolidated	
		31 Dec 2023	30 Jun 2023
	Note	\$	\$
Assets			
Current Assets			
Cash and cash equivalents	6	12,307	8,565
Trade and other receivables	7	-	5,295
Assets held for sale	8(a)	3,399,520	3,399,520
Other Assets		34,043	33,244
Total Current Assets		3,445,870	3,446,624
Non-Current Assets		-	-
Total Assets		3,445,870	3,446,624
Liabilities			
Current Liabilities			
Trade and other payables	9	2,429,474	1,741,876
Borrowings	10	1,974,259	2,285,584
Total Current Liabilities		4,403,733	4,027,460
Total Non-Current Liabilities		-	-
Total Liabilities		4,403,733	4,027,460
Net Assets		(957,863)	(580,836)
Equity			
Issued capital	11	83,217,518	83,217,518
Reserves		12,304,132	12,304,132
Accumulated losses		(96,479,513)	(96,102,486)
Total Equity		(957,863)	(580,836)

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	Note	Consolidated	
		31 Dec 2023	31 Dec 2022
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(368,362)	(763,703)
Interest received		799	700
Other revenue		829,754	455,389
Net cash (used in) operating activities		(462,191)	(307,614)
Net cash (used in) investing activities		-	-
Cash flows from financing activities			
Proceeds from Borrowings		458,449	297,431
Net cash provided by financing activities		458,449	297,431
Net increase /(decrease) in cash and cash equivalents		3,742	(10,182)
Cash and cash equivalents at 1 July		8,565	31,441
Cash and cash equivalents at 31 December	6	12,307	21,259

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2023

Consolidated	Issued Capital	Option Reserves	Accumulated Losses	Total
	\$	\$		\$
Balance at 30 June 2023	83,217,518	12,304,132	(96,102,486)	580,836
Loss after income tax expense for the half-year	-	-	(377,027)	(377,027)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	-	(377,027)	(377,027)
Transactions with owners in their capacity as owners				
Vesting of Options		-	-	-
Total transactions with owners	-	-	-	-
Balance at 31 December 2023	83,217,518	12,304,132	(96,479,513)	(957,863)

Consolidated	Issued Capital	Option Reserves	Accumulated Losses	Total
	\$	\$		\$
Balance at 30 June 2022	83,217,518	12,100,286	(94,580,518)	737,286
Loss after income tax expense for the half-year	-	-	(1,671,570)	(1,671,570)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	-	(1,671,570)	(1,671,570)
Transactions with owners in their capacity as owners				
Vesting of Options		203,846		203,846
Total transactions with owners	-	203,846	-	203,846
Balance at 31 December 2022	83,217,518	12,304,132	(96,252,088)	(730,438)

The accompanying notes form part of these financial statements

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

These general purpose interim financial statements for half-year reporting period ended 31 December 2023 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of VGI Health Technology Limited and its controlled entities (referred to as the "consolidated group" or "group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2023 together with any public announcements made during the following half-year.

These interim financial statements were authorised for issue on 8 February 2024.

Going Concern

The financial report has been prepared on a going concern basis which contemplates the continuity of normal business activity, the realisation of assets and the settlement of liabilities in the ordinary course of business.

During the half year the group incurred a net loss of \$377,027. Net liabilities at 31 Dec 2023 were \$957,863 and the Group held cash assets at 31 December 2023 \$12,307.

These factors indicate a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. The directors have prepared a cashflow forecast which indicates that the Group will have sufficient cashflow to meet all commitments and working capital requirements for the 12-month period from the date of signing the report. In making this determination the Directors have relied on the following assumptions:

- 1) The successful completion of sale of its wholly owned subsidiary Invictus BioPharma Pty Ltd (IBP) and its subsidiaries in first quarter of 2024 which is expected to make a disposal gain of \$5.75 million.
The key terms that have been agreed in principle by VTL and Invictus BioPharma Holdings Ltd (IVBHL) are as follows:
 - A cash payment of \$2,300,000 by IVBHL to VTL
 - IVBHL will issue to the company such number of shares (and such shares must have the same issue price as that offered to subscribers under the Buyer Capital Raising defined as the first AU\$2,300,000.00 raised by IVBHL) as will result in the company holding 20% of IVBHL's shares on issue following completion of the Buyer Capital Raising.
 - Trade payables of Invictus BioPharma Pty Ltd and its subsidiaries that were incurred after 30 June 2022 will remain in the IBG Group being sold
- 2) The commercialisation of the Nutraceuticals sales in the US once the sale of subsidiary business is completed
- 3) VTL has entered into finance agreements with Alpasajo Pty Ltd trading as Kashcade. Kashcade is an unrelated third party lender. Under the Kashcade Agreement, Kashcade provides the Company with an ongoing finance facility of an amount up to 80% of the estimated tax rebate on any eligible R&D expenditure of the Company. Interest of 15% per annum is payable on amounts draw down on this loan facility. As at 31 December 2023, \$135,800 has been drawn down on this facility.
- 4) The ability to raise capital or loans from shareholders or related parties as and when required.

Based on the above, the Directors are satisfied that the Company will be able to meet its liabilities as and when they fall due in the interim and as a consequence of this belief and the planned future capital raising, the Directors believe that the Company remains a going concern at the date of this Report.

(b) Accounting policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements except for those as described below.

Standards and Interpretations applicable to 31 December 2023

In the half year ended 31 December 2023, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current annual Reporting Period.

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

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no material change is necessary to Group accounting policies.

Standards and Interpretations in issues not yet adopted

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half year ended 31 December 2023. As a result of the review the Directors have determined that there is no material impact, of the new and revised Standards and Interpretations on the Company and, therefore, no change necessary to Group accounting policies.

NOTE 2: FINANCIAL REPORTING BY SEGMENTS

The Board of Directors for VGI Health Technology Limited reviews internal reports prepared by management and strategic decisions of the Company are determined upon analysis of these internal reports. During the Reporting Period, the Company operated predominantly in one business and geographical segment, being Health technology and development. Accordingly, under the 'management approach' outlined, one operating segment has been identified and no further disclosure is required in the notes to the financial statements.

NOTE 3: REVENUE AND OTHER INCOME

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$	\$
Revenue		
Interest received	799	700
Other revenue - Australian Export development grant	-	24,600
	799	25,300

NOTE 4: INCOME TAX

	Consolidated	
Income Tax Expense	31 Dec 2023	31 Dec 2022
	\$	\$
The income tax expense for the year differs from the prima facie tax as follows:		
Loss for year	(377,027)	(1,671,570)
Prima facie income tax (benefit) @ 25%	94,257	417,892
Other temporary differences not recognised	(8,204)	(245,005)
Deferred tax assets not brought to account + #	(86,052)	(172,887)
Total income tax expense	-	-

+ These amounts have not been brought to account as it is not considered probable that the Company will earn taxable income in the foreseeable future to allow the deferred tax assets to be utilised.

The Company has not yet carried out an assessment as to whether it is able to utilise current year and prior years' tax losses against future taxable income following the significant changes in the Company's shareholding and the changes to the Company's operations. If the Company does not satisfy the eligibility criteria relating to the continuation of ownership

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

test and the same business test for carrying forward these tax losses, it will not be able to utilise some or all of these tax losses against future taxable income.

	Consolidated	
	31 Dec 2023	31 Dec 2022
NOTE 5: EXPENSES		
	\$	\$
Licence fee		
- ASX and ASIC fees	15,871	15,559
Marketing expenses		
- Design and Branding	1,214	1,527
Occupancy and share service expenses	36,000	36,090
Administration expenses		
- Computer and website maintenance	4,922	2,470
- Other admin	8,943	541
	13,865	3,011
Legal and professional fees	331,575	390,804
Directors fees	59,996	59,996
Share based payments	-	203,846

	Consolidated	
	31 Dec 2023	30 Jun 2023
NOTE 6: CASH AND CASH EQUIVALENTS		
	\$	\$
Cash at bank	12,307	8,565
	12,307	8,565

	Consolidated	
	31 Dec 2023	30 Jun 2023
NOTE 7: TRADE AND OTHER RECEIVABLES		
	\$	\$
Other receivables	-	5,295

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

NOTE 7: TRADE AND OTHER RECEIVABLES

Consolidated	
31 Dec 2023	30 Jun 2023
\$	\$
-	5,295

NOTE 8: ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

	2023
a) <u>Assets held for Sale at fair value less cost to sell</u>	\$
Cash Consideration	2,300,000
Share Consideration (20% of the issued shares in IVBH Ltd)	1,841,071
Less Invictus BioPharma Trade Creditors and other payables	(741,551)
	<u>3,399,520</u>

VTL executed a binding agreement on 5 April 2022 for the sale of its wholly owned subsidiary Invictus BioPharma Pty Ltd (IBP). At an extraordinary General meeting held on 3 June 2022, the shareholders approved the sale of Invictus BioPharma Ltd to Invictus BioPharma Holdings Ltd (IVBHL or purchaser).

The Key Terms that have been agreed in principle by VTL and Invictus BioPharma Holdings Ltd (IVBHL) are as follows:

- A cash payment of \$2,300,000 by IVBHL to VTL
- Issue of 18,410,710 shares at 10 cent per share, in the capital of IVBHL equating to no less than 20% of the total capital on issue in IVBHL (following any seed round capital raise dilution). These shares are to be issued to VTL on completion of the transaction.
- VTL agrees to hand over the Invictus Group free of financial indebtedness on completion of this transaction

Dr Glenn Tong (director of the Company), Richard Estalella and Dr David Kingston (both are key management personnel of the Company) are in controlling capacity of the Purchaser and therefore the Purchaser is a related party of the Company under the operation of sections 228(2), 228(4) and 228(5) of the Corporations Act and the transaction is considered to be a related party transaction.

By virtue of them controlling the Purchaser, each of Dr Glenn Tong, Richard Estalella and David Kingston are deemed to be related parties of the Company and each will receive an indirect financial benefit in connection with the Invictus Sale.

IVBHL has agreed with VTL that any expenses incurred by the IBP group post the original 30 June 2022 completion date, will be taken over by IVBHL and remain within the IBP group post settlement.

On 28 August 2023, the Company announced that it had been advised by Invictus BioPharma Holdings Ltd (IVBHL) that IVBHL was now in a position to commence the process of acquiring Invictus BioPharma Pty Ltd in accordance with the Share Sale Agreement approved by the shareholders on 3 June 2022. The Directors expect to complete this transaction in the first quarter of 2024.

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

b) Discontinued operations

The loss from discontinued operations presented in the statement of profit or loss and other comprehensive income comprises of the following:

	31 Dec 2023	31 Dec 2022
Revenue and other income		
Other Income	829,754	430,789
Expenses		
Administration expenses	(966)	(634)
Bank fees	(116)	(32)
Borrowing costs	(1,501)	(1,378)
Depreciation and Amortisation	(39,620)	(24,677)
Directors' fees	(328,498)	(328,498)
Insurance	(17,962)	(18,300)
Legal and professional fees	(1,549)	(65)
Research and related expenses	(110,485)	(776,171)
Loss before income tax expense	329,057	(718,966)
Income tax expense	-	-
Net gain / (loss) from discontinued operations	329,057	(718,966)

Consolidated

NOTE 9: TRADE AND OTHER PAYABLES

	31 Dec 2023	30 Jun 2023
	\$	\$
Trade payables	2,252,991	1,599,106
Other payables and accruals	176,481	142,770
	2,429,473	1,741,876

Consolidated

NOTE 10: BORROWINGS

	31 Dec 2023	30 Jun 2023
	\$	\$
Current		
Convertible loan *	1,032,596	988,419
TIV Holdings loan – Advance on R&D tax incentive	-	561,550
Kashcade – Advance on R&D tax incentive	135,800	-
Attvest Finance – Loan for Insurance premium	22,789	-
Loan – IVBHL	20,358	-
Loan – Steven Yu	762,716	735,615
	1,974,259	2,285,584

VTL has entered into finance agreements with Alpasajo Pty Ltd trading as Kashcade. Under the Kashcade Agreement, Kashcade provides the Company with an ongoing finance facility of an amount up to 80% of the estimated tax rebate on

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

any eligible R&D expenditure of the Company. Interest of 15% per annum is payable on amounts draw down on this loan facility.

VTL had financed the \$38,150 Public and Products Liability insurance policy premium through Attvest Finance. The \$41,142 premium finance facility was taken out in September 2023. It includes Credit charges of \$2,992 and will be repaid in 10 monthly instalments.

The Convertible Loan facility is from VTL's cornerstone investor, Mr Aiden Jiang. The loan is convertible to shares in VTL at a Loan Conversion Price of \$0.20 per share, subject to approval, by VTL shareholders at a general meeting. The interest rate applicable is 8% per annum (to be capitalised and repaid with the principle upon settlement of the loan), VTL may repay the loan at its election prior to the expiry date or extend the repayment period by a further 12 months.

In June 2022, Steven Yu agreed to lend \$672,000 to the company. The interest rate applicable is 8% per annum (to be capitalised and repaid with the principle upon settlement of the loan).

		Consolidated		
NOTE 11: ISSUED CAPITAL		31 Dec 2023	30 Jun 2023	
		\$	\$	
Issued and paid up capital				
Ordinary shares fully paid		83,217,518	83,217,518	
(a) Ordinary shares				
Details	Issue Date	Number of shares	Issue Price	Amount \$
Balance as at 1 July 2023		138,246,523		83,217,518
Balance as at 31 December 2023		138,246,523		83,217,518

NOTE 12: CONTINGENT LIABILITIES

There were no contingent liabilities for the half year ended 31 December 2023 (2022: \$Nil)

NOTE 13: RELATED PARTY DISCLOSURES

VTL executed a binding agreement on 5 April 2022 for the sale of its wholly owned subsidiary Invictus BioPharma Pty Ltd (IBP). At an extraordinary General meeting held on 3 June 2022, the shareholders approved the sale of Invictus BioPharma Ltd to Invictus BioPharma Holdings Ltd (IVBHL or purchaser). By virtue of control of the Purchaser, Dr Glenn Tong, Richard Estalella and Dr David Kingston are deemed to be related parties of in relation to the Invictus Sale and each will receive an indirect financial benefit in connection with the sale.

There were no other transactions with related parties during the half year ended 31 December 2023.

NOTE 14: EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 11 January 2024, VGI Health Technology Limited announced that its wholly owned subsidiary, Invictus Ops Pty Ltd (Invictus), received human ethics approval from the Human Research Ethics Committee of The Peter MacCallum Cancer Centre for its Phase II clinical study in Pancreatic Adenocarcinoma (Pancreatic Cancer). Pancreatic Adenocarcinoma is the most common form of pancreatic cancer and begins in the cells that line the ducts of the pancreas. The market size for pancreatic cancer medicines is expected to reach \$4.2 billion in 2025. The granting of human ethics approval is a great

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

achievement for VTL's clinical development program. The study will commence recruitment of patients upon the completion of the sale of the Invictus BioPharma Pty Ltd Group to Invictus BioPharma Holdings Ltd.

No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

DIRECTORS' DECLARATION

1. In the opinion of the Directors of VGI Health Technology Limited ("the Company"):
- a) the accompanying financial statements and notes are in accordance with the Corporations Act 2001, including:
 - i) complying with Accounting Standard AASB 134: *Interim Financial Reporting*; and
 - ii) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date.
 - b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors.

[SIGNATURE]



.....

Lou Panaccio
Chairman
SYDNEY, New South Wales
8 February 2024

VGI HEALTH TECHNOLOGY LIMITED
ABN 31 111 082 485
AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE OWNERS OF
VGI HEALTH TECHNOLOGY LIMITED

Report on the Half Year Financial Report

Conclusion

We have reviewed the accompanying half year financial report of VGI Health Technology Limited (the Company) and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half year financial report of VGI Health Technology Limited and its controlled entities is not in accordance with the *Corporations Act 2001* including:

- (i) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half year then ended; and
- (ii) complying with AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*.

Basis for Conclusion

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

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1(a) to the financial report, which indicates that the Group had incurred a net loss of \$377,027 and net operating cash outflows of \$462,191 for the year ending 31 December 2023 and as of that date, the Group had net liabilities of \$957,863. These conditions, along with other matters as set forth in Note 1(a) indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. As a result, the financial report may not be suitable for another purpose. Our conclusion is not modified in respect of this matter.

Responsibilities of the Directors for the Half Year Financial Report

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

**VGI HEALTH TECHNOLOGY LIMITED
ABN 31 111 082 485
AND CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE OWNERS OF
VGI HEALTH TECHNOLOGY LIMITED**


Auditor's Responsibilities for the Review of the Half Year Financial Report

Our responsibility is to express a conclusion on the half year financial report based on our review. ASRE 410 requires us to conclude whether we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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



HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000



STEWART THOMPSON
Partner
Date: 08 February 2024