

**BTC Health Limited**  
**Appendix 4E**  
**Preliminary Final Report****1. Company Details**

Name of entity: BTC Health Limited  
ABN: 45 091 979 172  
Reporting period: For the year ended 30 June 2024  
Previous period: For the year ended 30 June 2023

**2. Results for announcement to the market**

All amounts are in AUD	30 June 2024 \$	30 June 2023 \$	Increase/ (Decrease)	Change %
Revenues from ordinary activities	16,360	13,260	3,100	23%
Profit/(loss) from ordinary activities after tax attributable to the owners of BTC Health Limited	1,055,287	(10,167,862)	11,223,149	110%
Profit/(loss) for the year attributable to the owners of BTC Health Limited	1,055,287	(10,167,862)	11,223,149	110%

	30 June 2024	30 June 2023
Basic earnings per share (cents)	0.33	(3.61)
Diluted earnings per share (cents)	0.33	(3.61)

*Comments*

The profit for the Company after providing for income tax amounted to \$1,055,287 (30 June 2023: loss of \$10,167,862).

Refer to Review of Operations on page 4 of the accompanying annual report and the investor presentation for detailed explanation and commentary on the results.

**3. Dividends**

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

**4. Net Tangible Assets**

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	1.53	0.99

**5. Audit qualification or review.**

The financial statements have been audited by Grant Thornton and the Independent Auditor's Report is attached as part of the annual report.

**6. Attachments**

The annual report of BTC Health Limited for the year ended 30 June 2024 is attached and includes all the information required by Listing Rule 4.3A.

**B.**



**BTC health Limited**  
**ANNUAL REPORT**  
**YEAR ENDING 30 JUNE 2024**

# Contents

<b>Chairman's Letter</b>	<b>2</b>
<b>Directors' Report</b>	<b>4</b>
<b>Financial Report</b>	<b>16</b>
<b>Directors' Declaration</b>	<b>37</b>
<b>Independent Auditor's Report</b>	<b>38</b>
<b>Auditor's Independence Declaration</b>	<b>41</b>
<b>Shareholder Information</b>	<b>42</b>
<b>Corporate Directory</b>	<b>44</b>

# Chairman's Letter

Dear Shareholder,

## OVERVIEW

The last 12 months have been dominated by wide-sweeping yet positive changes for our business. Losing a major supplier in early 2023, and the uncertainties created by the constantly changing government pricing reforms in the private sector presented our Company with several unexpected and immediate challenges.

Under the circumstances, the Board responded quickly and decisively to right-size the business, extend our cash runway and diversify into new growth segments of the specialised medical market.

As a team, we pride ourselves on being agile and resourceful, and we have been able to swiftly convert these challenges into a much wider set of opportunities. We focused our efforts on non-dilutive growth prospects to rebuild our revenues and strengthen the bottom-line performance.

With renewed purpose the team has executed extremely well, winning both new suppliers and new customers, and I am pleased to report that we finished the 2024 financial year in an overall much stronger position.

## DIVERSIFICATION

We incorporated BTC Cardio as a third pillar in our growth strategy and diversified our suppliers and customer base by entering the high-value neuro-surgical and cardiothoracic segments of the market. Our investee companies acquired several new agencies, including IZI Medical Inc and Illumark GmbH for tissue biopsy and interventional radiology products, Morpheus AG for the Rebellion bone cutting instrument, Micrel Medical Devices S.A. for the Rhythmic Evolution electronic infusion pumps, Eurosets S.r.l. for the class-leading ECMO and Cardiopulmonary ranges, Exstent for the ExoVasc aortic graft, Wexler Surgical Inc. and TeDan Surgical Innovations for their ranges of high-quality cardiothoracic surgical instruments.

With these new suppliers, we have created a stronger platform for incremental growth, allowing us to greatly extend our customer reach within the hospital channel. We are servicing approximately 151 new active customer accounts in Australia and New Zealand compared to the same time last year.

## FINANCIAL PERFORMANCE

Our statutory audited financial statements are presented in accordance with the Company being classified as an investment entity. Following the acquisition of several new supply agencies during the year, the increased fair value of the investee Companies delivered a statutory profit after tax for the year ended 30 June 2024 of \$1.1m (FY23: loss after tax of \$10.2m)

To further assist shareholders in better understanding the operational performance of the underlying businesses, I wish to reference the performance of the Company's three investee companies: BTC Specialty Health, BTC Pharma and BTC Cardio. These investee companies are not consolidated within the financial statements and the performance



discussed below has not been subject to audit

Revenue for BTC Specialty Health, BTC Pharma and BTC Cardio for the year ending 30 June 2024 was \$8.2m (FY23 \$7.8m), an increase of 4.8% from the prior year. Not unexpectedly, there was a 16% decrease in infusion pump sales as customers changed their purchasing patterns and reduced inventory holdings with the expectation of these products being removed from private insurance reimbursement. This loss in revenue was more than offset by new revenue from our Neuro-spinal business, which added \$1.0m in new sales, and our newly established Cardio business contributed \$260k, both on a partial-year basis.

Gross margins increased from 40% to 45%, mostly due to a more favourable product mix, and operational expenses were well controlled, with aggregated costs across the Company and the three investee companies only marginally increasing from \$3.8m to \$3.9m (+2%), due to slightly higher corporate administration, audit and ASX fees.

Aggregated EBITDA across the Company and three investee companies trended positively, improving to a \$231k loss compared to a \$666k loss for the year ending 30 June 23.

There is no interest-bearing debt within the Company or investee companies. Our cash reserves of \$2.3m (FY23: \$2.2m), of which \$2m is held by the Company and \$0.3m held by investee companies, have remained strong, with working capital of \$1.9m up 3% compared to the same time last year. This will give us capital flexibility in FY25.

## GOVERNMENT REFORMS

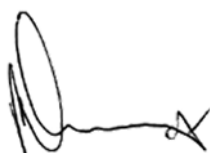
The Australian Government's pricing reforms in the private sector have been very challenging for the entire medical sector over the last three years. After extensive lobbying of the Government and the Department of Health and Aged Care, we greatly welcomed the Government's decision on 1 May 2024 to reverse their stated policy and maintain General Use Items on the Prescribed List (PL) after 1 July 2024. This allowed us to continue selling the remaining ambIT infusion pump inventory, and even more importantly, make new applications for our Rhythmic Evolution electronic infusion pumps, and Elasto-Q infusion pumps, which we expect to be included on the PL from 1 November 2024.

## OUTLOOK

We used the changes over the last year as a catalyst for a decisive and positive shift in our business. The team is very confident with the new foundation, as well as the opportunities we have mapped out for the next 12 months. We are anticipating the momentum created in recent months to carry forward into the new financial year and reasonably expect this will be reflected in a further improvement in the combined financial performance of the Company.

## ACKNOWLEDGEMENT

Reflecting on what has been a year of change and new opportunities, on behalf of the Board I would like to thank our BTC health team for going the extra mile, our supply partners for placing their faith in us, our customers for their amazing support, and of course our shareholders for making it all possible.



**Dr. Richard Treagus**  
Chairman

# Directors' Report

The Directors of BTC health Limited (“the Company” or “BTC health”) present their report, together with the financial statements, for the year ended 30 June 2024.

## Directors

The following persons were Directors of BTC health during the whole of the financial year and up to the date of this report, unless stated otherwise:

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

## Principal Activities

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

As at 30 June 2024, the Company held direct interests in three investee companies:

- BTC Speciality Health Pty Limited (“BTC Speciality Health”)
- BTC Pharma Pty Limited (“BTC Pharma”) – previously BioImpact Pty Limited; and
- BTC Cardio Pty Limited (“BTC Cardio”).

The Company continues to seek investment opportunities in the healthcare sector.

## Review of Operations

The following is a review of operations for the financial year ended 30 June 2024:

### Financial Performance:

Summary Results	30 June 2024 \$	30 June 2023 \$
Revenue and other income	16,360	13,260
Expenses	(675,882)	(561,232)
Fair value gain/(loss) on investments held at fair value	1,714,809	(9,619,890)
<b>Profit/(Loss) for the period</b>	<b>1,055,287</b>	<b>(10,167,862)</b>

The Company made a profit after tax for the year ended 30 June 2024 of \$1,055,287 (30 June 2023: loss after tax of \$10,167,862). Revenue and other income of \$16,360 (30 June 2023: \$13,260) comprises interest income on cash reserves. Expenses of \$675,882 (30 June 2023: \$561,232) increased as compared to the prior reporting period due to increased share-based payments charges of \$221,826 (30 June 2023: \$85,828) following new option grants during the period, and increased company secretary expenses of \$68,476 (30 June 2023: \$nil) following a restructure of administrative functions of the Company. In the current reporting period, the Company recognised a fair value gain of \$1,714,809 in relation to its investments (30 June 2023: a fair value loss of \$9,619,890 was recognised in relation to its investments).

#### Statement of Financial Position & Funding:

The cash balance as at 30 June 2024 was \$2,022,155 (30 June 2023: \$1,736,899). The increase in the cash balance was primarily due to the \$887,816 capital raise completed in September 2023 offset primarily by a loan of \$200,000 provided to BTC Cardio to support additional working capital requirements of that investee company, in addition to the operating cash outflows of \$404,743 in the reporting period.

#### Investments:

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

#### *BTC Speciality Health*

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

The investment was valued at \$1,472,094 at 30 June 2024 (30 June 2023: \$nil), with the increase in value primarily due to BTC Speciality Health's acquisition of the IZI and Ilumark neuro-spinal products in October 2023, and a reduction in operating expenses following the restructure of that business in Q1 FY24.

BTC Speciality Health's revenue for the financial year ended 30 June 2024 was \$8.03m which increased 3.3% compared to the prior year (30 June 2023: \$7.77m). In this reporting period, BTC Speciality Health purchased the distribution rights of IZI Medical and Ilumark products from Point Blank Medical, for a maximum purchase consideration of \$720,000 (\$320,000 upfront and up to \$400,000 of contingent payments). This established a presence for BTC Speciality Health in the neuro-spinal therapy area.

BTC Speciality Health also received Therapeutic Goods Administration registration for the Elasto-Q elastomeric pumps and entered into a license agreement with Micrel for the exclusive distribution of the Rhythmic Evolution electronic infusion pumps. These new pumps provide an alternate offering to the existing ambIT infusion pumps.

#### *BTC Pharma*

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

The investment was valued at \$1,392,396 at 30 June 2024 (30 June 2023: \$1,200,000), which comprises the fair value of the license and distribution agreement with Pharmaxis for respiratory products, Bronchitol and Aridol, which are sold within the Australian and New Zealand markets. Revenue attributable to the respiratory products Bronchitol® and Aridol® for the year ended 30 June 2024 was \$1.05m which increased 11% compared to the prior year (30 June 2023: \$0.95m).

#### *BTC Cardio*

BTC health's 100% owned investee company BTC Cardio was established in October 2023 and is in the business of building a diversified, quality portfolio of highly specialized cardiology, cardio thoracic and critical care products. Revenue attributable to BTC Cardio products was \$0.2m for the year.

- In November 2023, BTC Cardio entered into an exclusive license distribution agreement with EuroSets for the rights to supply the full range of Extracorporeal Life Support and Cardio Pulmonary Bypass products in Australia and New Zealand. These products have been registered with the Therapeutic Goods Administration with a comprehensive national launch scheduled for Q1 FY25.
- In April 2024, BTC Cardio purchased the distribution rights of the ExoVasc Personalised External Aortic Root Support (PEARS) Medical Device from Advanced Biomedical for a maximum purchase consideration of \$200,000 (\$150,000 upfront and up to \$50,000 of contingent payments).

## Significant Changes in the State of Affairs

On 1 September 2023, the Company completed a capital raise for \$0.9m under a share placement of 42,276,954 ordinary shares with an issue price of 2.1 cents to a consortium of three new strategic investors. The consortium provides greater access to new medical products around the world. New products commercialised by BTC health from this consortium will be subject to royalty agreements.

The funds raised will be used to support costs associated with the introduction of new medical products into the Australian and New Zealand markets.

On 10 November 2023, the Company granted 10,000,000 options at an exercise price of 4.9 cents to the Executive Chairman Richard Treagus as part of a long-term incentive. The options have an expiry date of 10 November 2028.

On 10 November 2023, the Company granted 4,000,000 options at an exercise price of 4.9 cents to key employees of the Company as part of a long-term Incentive Employee Share Option Plan (ESOP). These options have an expiry date of 10 November 2028.

## Dividends

No dividends have been declared in respect of the financial year ended 30 June 2024 (30 June 2023: nil).

## Business Strategies and Future Prospects

The Company has undertaken a strategic review of its investments to ensure these assets able to generate sufficient cashflows to support the rebuild and diversification of revenue. The strategic review considered the ability to meet future hospital demand of product and the launch of new medical consumables and infusion pump products. All investee companies have materially reduced their respective cost bases to preserve and build cash to enable investment as the investee companies rebuild product offerings and generate future sustainable cashflows. The Company has established BTC Cardio as a new investee company during the financial year. BTC health will continue to assess the returns on its investments with the objective of creating future value to shareholders.

## Business Risks and Uncertainties

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

### *General economic risks*

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

### *Environmental risks*

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

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

### *Reliance on key personnel*

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

#### *Dependence on product supply agreements*

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

#### *Government Policy Changes*

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

#### *Market conditions*

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

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

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

#### *Litigation*

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

#### *IT system failure and cyber security risks*

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

#### **Company Secretary**

Tracy Weimar was appointed Company Secretary on 18 August 2023, following the resignation of Sharon Papworth on 14 August 2023. Tracy Weimar is a Fellow of the Governance Institute of Australia (FGIA) and a Graduate of the Australian Institute of Company Directors (GAICD), with over 20 years of commercial, company secretarial and non-executive Director experience in the pharmaceutical/biotech industry in both the large and small cap sectors. Tracy is currently a Company Secretary of, and provides company secretarial services to various ASX listed, unlisted public and private companies, predominantly in biotechnology.



## Information on Directors

Director	Experience	Title and Special Responsibilities	Directors' relevant interest as at the date of this report	
			Shares	Options
R S Treagus	BScMed, MBChB, MPharmMed, MBA, MAICD. Dr Treagus is a physician and entrepreneur with over 25 years' experience in all aspects of the international pharmaceutical and biotechnology industry. Formerly a Director of Neuren Pharmaceuticals Limited. Appointed 4 August 2014. Age 58.	Executive Chairman	29,561,515	16,000,000
B York	Chartered Accountant, BBA/BComm. Brendan York is a financial executive with 20 years' experience across public and private businesses. Brendan is currently portfolio manager of Naos Asset Management Limited and a non-executive Director of Big River Industries Limited (ASX:BRI), BSA Limited (ASX:BSA), Wingara AG Limited (ASX:WNR), MaxiParts Limited (ASX:MXI) and Saunders International Limited (ASX:SND). Brendan was formally the CFO of Enero Group Limited (ASX:EGG). Appointed 10 October 2022. Age 44.	Non-executive Director  Chair of Audit Committee	-	-
F McNeill	BA hons MAICD. Ms. McNeill is a senior executive with 25 years' experience across the public and private sector including almost 15 years in the regulatory and subsidy systems for medicines, vaccines, devices and diagnostics in Australia. Appointed 10 October 2022. Age 51.	Independent non-executive Director	-	-

## Directors Meetings

The number of meetings of the Company's Board of Directors (including committees of Directors) held for the year ended 30 June 2024, and the number of meetings attended by each Director were:

	NUMBER OF DIRECTOR MEETINGS	NUMBER OF DIRECTOR MEETINGS ATTENDED	NUMBER OF AUDIT and RISK COMMITTEE MEETINGS	NUMBER OF MEETINGS ATTENDED
R S Treagus	9	9	-	-
B York	9	9	2	2
F McNeil	9	9	2	2

## Remuneration Report (Audited)

This remuneration report, which forms part of the Directors' report, contains information about the remuneration of the Company's Directors and its key management personnel for the financial year ended 30 June 2024.

The remuneration report sets out:

- the Company's governance relating to remuneration;
- the policy for determining the nature and amount of value of remuneration of key management personnel;
- the components of the framework of that remuneration;
- the details relating to the amount or value paid to key management personnel, as well as a description of any performance conditions; and
- the relationship between the policy and the performance of the Company.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The key management personnel of the Company during the financial year are the BTC health Directors Richard Treagus, Brendan York and Felicity McNeill. Sharon Papworth, in her role as CFO, was identified as a key management personnel until her resignation on 14 August 2023. Due to a Company restructure in Q1 FY24, the CFO was not replaced and therefore after 14 August 2023 only the Directors were considered key management personnel.

As the Company is an investment entity and the investee companies are not consolidated, the amounts disclosed in the tables below include both amounts paid to key management personnel by the Company and any amounts paid by the investee companies to ensure transparency on total remuneration received.

### Remuneration governance

The Board of Directors review and approve the remuneration of Executive Directors, Non-Executive Directors and any other identified key management personnel. The Board has not appointed a Remuneration Committee and this function is undertaken by the Board which also includes the operation of incentive plans including equity-based remuneration plans, reviewing Board and executive succession plans and recommending the appointment of any new Directors.

### Remuneration Policy

The remuneration policy is determined by the needs of the Company and individual talent, capabilities and experience of relevant executives and non-executives. The objective of the Company's remuneration policy is to ensure reward for performance is competitive and appropriate for the results delivered. The policy aligns executive and non-executive rewards with the achievement of strategic objectives and the creation of value for shareholders.

No Director appointed during the period received a payment as part of his or her consideration for agreeing to hold the position.

### Non-executive Directors' remuneration

Fees to non-executive Directors reflect the demands and responsibilities of their role. Non-executive Directors' fees are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive Directors' fees are appropriate and in line with the market.

Non-executive Directors receive a fixed Director fee of \$40,000 per annum with no link to Company performance and do not participate in any equity incentive arrangements. No additional fees are payable for the Audit Committee chair.

ASX listing rules require the aggregate non-executive Directors' remuneration to be determined periodically by a general meeting. Unless otherwise determined by a resolution of shareholders, the maximum aggregate remuneration payable by the Company to all non-executive Directors of the Company for their services as Directors, including their services on a Board Committee or Sub-Committee and including superannuation is \$250,000 per annum (in total).

### Executive remuneration

The Company aims to reward executives based on their position and responsibilities, with a level and mix of remuneration which has both fixed and variable components. Executive remuneration may be paid by the Company and the investee companies.

The executive remuneration and reward framework has three components:

- fixed remuneration, including superannuation and non-monetary benefits;
- short-term performance incentives;
- long-term performance incentives.

Fixed remuneration is reviewed annually by the Board based on individual performance, the overall performance of the Company and comparable market remuneration.

#### *Short term incentive (STI):*

The Company's STI program is designed to align the targets of the business with the performance hurdles of executives. STI payments are made to executives at the discretion of the Board and are based on the achievement of financial hurdles, principally relating to EBITDA performance on consolidated basis and key performance indicators for that executive being achieved.

The STI's are paid in cash following the end of the financial year and approval from the Board.

#### *Long term incentive (LTI):*

The Company's LTI program is designed to create alignment between shareholders and the remuneration of executives and senior managers through the issue of options. The Company operates an Employee Share Option Plan (ESOP), which was approved by shareholders at the Company's Annual General Meeting in 2021. The Company may also, from time to time, grant options outside this plan, subject to shareholder approval. The ESOP encourages broad based share ownership and assists in employee attraction and retention.

### Service Agreements

Remuneration and other terms of engagement for key management personnel are formalised in service agreements.

Service agreement terms	
KMP	Richard Treagus
Service contracting party	PharmaConnect Pty Limited (an entity associated with Richard Treagus)
Term of agreement	No fixed term but subject to termination provisions
Total fixed remuneration (TFR)	For the year ended 30 June 2024: <ul style="list-style-type: none"><li>• \$40,000 Director fee paid by BTC Health Limited; and</li><li>• \$300,000 Executive fee paid by BTC Speciality Health Pty Limited<sup>1</sup></li></ul>
Short-term incentive	For the year ended 30 June 2024, a short-term incentive of up to 58.8% of TFR. Refer to short term incentives on page 12 for details of achieved STI remuneration for the year ended 30 June 2024.
Long-term incentive	Participation in the Company's ESOP or individual option plan.
Termination provisions	Each service contract may be terminated by either party with 3 months written notice, other than where the contract is terminated for cause which may be terminated with no notice period.

1. In the year ending 30 June 2023, the Executive fee was \$360,000.

### Details or remuneration:

Details of the remuneration of key management personnel of the Company are set out below in the following tables:

2024	SHORT TERM EMPLOYEE BENEFITS		POST- EMPLOYMENT BENEFITS	LONG-TERM BENEFITS	SHARE BASED PAYMENTS <sup>3</sup>	TOTAL	Performance Related Remuneration
	\$	\$	\$	\$	\$	\$	%
	Salary and Fees	Cash Bonus <sup>2</sup>	Super- annuation	Long Service Leave	Options		
R STreagus <sup>4</sup> (Executive Chairman)	340,000	33,378	-	-	173,048	546,426	37.78%
B York (Non-executive Director)	40,000	-	-	-	-	40,000	-
F McNeil (Non-executive Director)	36,036	-	3,964	-	-	40,000	-
S Papworth <sup>1 4</sup> (CFO and Company Secretary)	79,944	-	4,579	-	(17,397)	102,955	-
<b>Total Remuneration</b>	<b>495,980</b>	<b>33,378</b>	<b>8,543</b>	<b>-</b>	<b>155,651</b>	<b>729,381</b>	

1. Resigned as CFO and Company Secretary on 14 August 2023. The above remuneration includes \$35,828 in termination payments.
2. Cash bonuses are disclosed represent the amount earned in respect of the current financial year, which will be paid after the reporting period.
3. The value of options granted to key management personnel is calculated at grant date using a Black-Scholes pricing model. The amounts disclosed as part of remuneration for the financial year have been determined by allocating the grant date value on a straight-line basis over the period from grant date to vesting date.
4. Remuneration disclosed reflects combined remuneration from the Company and investee company BTC Speciality Health.

2023	SHORT TERM EMPLOYEE BENEFITS		POST- EMPLOYMENT BENEFITS	LONG-TERM BENEFITS	SHARE BASED PAYMENTS <sup>3</sup>	TOTAL	Performance Related Remuneration
	\$	\$	\$	\$	\$	\$	%
	Salary and Fees	Cash Bonus <sup>2</sup>	Super- annuation	Long Service Leave	Options		
R STreagus <sup>4</sup> (Executive Chairman)	400,000	-	-	-	56,104	456,104	12.30%
B York (Non-executive Director)	27,149	-	2,851	-	-	30,000	-
F McNeil (Non-executive Director)	27,149	-	2,851	-	-	30,000	-
J Pilcher <sup>1</sup> (Non-executive Director)	45,626	-	4,791	-	-	50,417	-
B Hewett <sup>1</sup> (Non-executive Director)	36,666	-	-	-	-	36,666	-
S Papworth <sup>4</sup> (CFO and Company Secretary)	263,038	-	25,292	-	18,701	307,031	-
<b>Total Remuneration</b>	<b>799,628</b>	<b>-</b>	<b>35,785</b>	<b>-</b>	<b>74,805</b>	<b>910,218</b>	

1. Resigned as Directors on 31 May 2023
2. Cash bonuses are disclosed represent the amount earned in respect of the current financial year, which will be paid after the reporting period.
3. The value of options granted to key management personnel is calculated at grant date using a Black-Scholes pricing model. The amounts disclosed as part of remuneration for the financial year have been determined by allocating the grant date value on a straight-line basis over the period from grant date to vesting date.
4. Remuneration disclosed reflects combined remuneration from the Company and investee company BTC Speciality Health.

### Short-term Incentive outcomes 30 June 2024

Short term incentives paid or payable is as follows:

	Actual STI	Maximum STI	STI Payable	STI Forfeited
Richard Treagus	\$33,378	\$200,000	16.69%	83.31%

Richard Treagus received a \$33,378 short term incentive payment on the achievement of consolidated EBITDA financial targets and individual strategic objectives set by the Board for the year ended 30 June 2024.

### Share based remuneration

#### *Issue of shares*

There were no ordinary shares issued to Directors or key management personnel as part of remuneration for the year ended 30 June 2024 and 30 June 2023.

#### *Options*

The terms and conditions of options over ordinary shares affecting Directors and key management personnel in this financial year or in future reporting years are as follows:

Name	Number of options granted	Exercise Price	Grant Date	Vesting/ Exercise Date	Expiry Date	Fair value per option at grant date
Richard Treagus	2,000,000	\$0.12	23 November 2021	23 November 2021	23 November 2026	\$0.038
Richard Treagus	2,000,000	\$0.12	23 November 2021	23 November 2022	23 November 2026	\$0.033
Richard Treagus	2,000,000	\$0.12	23 November 2021	23 November 2023	23 November 2026	\$0.030
Sharon Papworth	666,666	\$0.12	23 November 2021	23 November 2021	23 November 2026	\$0.038
Sharon Papworth	666,666	\$0.12	23 November 2021	23 November 2022	23 November 2026	\$0.033
Sharon Papworth <sup>1</sup>	666,668	\$0.12	23 November 2021	23 November 2023	23 November 2026	\$0.030
Richard Treagus	2,000,000	\$0.049	10 November 2023	10 November 2023	10 November 2028	\$0.02
Richard Treagus	4,000,000	\$0.049	10 November 2023	10 November 2024	10 November 2028	\$0.03
Richard Treagus	4,000,000	\$0.049	10 November 2023	10 November 2025	10 November 2028	\$0.03

1. Lapsed prior to vesting upon resignation on 14 August 2023.

The number of options over ordinary shares granted and vested by Directors and key management personnel in this financial year are as follows:

Name	Number of options granted 30 June 2024	Number of options granted 30 June 2023	Number of options vested 30 June 2024	Number of options vested 30 June 2023
Richard Treagus	10,000,000	-	4,000,000	2,000,000
Sharon Papworth	-	-	-	666,666



## Additional disclosures relating to key management personnel

### Shareholding

The number of shares in the Company held during the financial year by each Director and key management personnel of the Company, including their personally related entities, is set out below:

Year ended 30 June 2024:

Name	Opening balance	Received as remuneration	Additions	Disposals	Closing balance
R S Treagus	29,376,000	-	185,515	-	<b>29,561,515</b>
B York	-	-	-	-	-
F McNeill	-	-	-	-	-
S Papworth <sup>1</sup>	-	-	-	-	-

1. Represents amounts held as at date of resignation 14 August 2023.

### Share option holding

The number of share options in the Company held during the financial year by each Director and key management personnel of the Company, including their personally related entities, is set out below:

Year ended 30 June 2024:

Name	Opening balance	Granted	Exercised	Expired/Forfeited	Closing balance	Vested and exercisable
R S Treagus	6,000,000	10,000,000	-	-	<b>16,000,000</b>	8,000,000
S Papworth <sup>1</sup>	2,000,000	-	-	(666,668)	<b>1,333,332</b>	1,333,332

1. Represents closing balance as at date of resignation 14 August 2023.

The following table shows the revenue, the operating result and net assets of the Company for the last 5 years as well as the share price and earnings per share at the end of the respective financial years.

	2020	2021	2022	2023	2024
Revenue and other income	169,604	19,190	95,004	13,260	16,360
Investment fair value adjustment	125,000	-	-	(9,619,890)	1,714,809
Net Profit/ (Loss) after tax	(283,036)	(391,686)	(576,076)	(10,167,862)	1,055,283
Net Assets	11,228,794	10,837,108	12,861,964	2,779,930	4,944,859
Share price at Year end - in cents	0.10	0.074	0.04	0.026	0.038
Basic Earnings Per Share (EPS) - in cents	(0.12)	(0.16)	(0.20)	(3.61)	0.33

The Board considers that the achievement of share price and EPS growth as the key factors to the creation of shareholder value and has aligned remuneration practices to maximise these measures.

### End of Remuneration Report

### Insurance and indemnity 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 (Cth)*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

### Share Options

Unissued ordinary shares in the Company under option at the date of this report are as follows:

Grant Date	Expiry Date	Exercise Price	Number of Options
23 November 2021	23 November 2026	\$0.12	7,000,000
10 November 2023	10 November 2028	\$0.049	14,000,000
Total			21,000,000

### Matters subsequent to the end of the financial year

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

### Likely Developments and Expected Results of Operations

The Company is committed to supporting the business objectives of its wholly owned investee companies in order that they grow their revenues and ultimately their profitability. The Company also continues to seek and carefully evaluate additional investment opportunities in healthcare, more specifically, technologies and companies that in the Board's view will benefit from greater access to management expertise and development capital.

### Environmental Regulation

The Company is not subject to any significant environmental regulation in respect of its activities.

### Proceedings on Behalf of the Board

No person has applied for leave of court to bring proceedings on behalf of the Company or 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 any part of those proceedings.

### Auditor

Grant Thornton continues in office in accordance with s327 of the *Corporations Act 2001 (Cth)*.

### Audit and non-audit Services

Details of the amounts paid or payable to the auditor for audit and non-audit services provided during the financial year by the auditor are outlined in note 16 of 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 behalf of the auditor's behalf), is comparable with the general standard of independence for auditors imposed by the *Corporations Act 2001 (Cth)*.

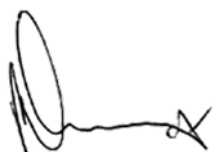
The Directors are of the opinion that the services as disclosed in note 16 to the financial statements do not compromise the external auditors independence requirements of the *Corporations Act 2001 (Cth)* for the following reasons:

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

#### **Auditor Independence Declaration to the Directors**

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001 (Cth)* is set out on page 41.

This Directors' report is signed in accordance with a resolution of Directors made pursuant to section 298(2) of the *Corporations Act 2001 (Cth)*.



**Dr Richard Treagus,**

**Chairman  
Melbourne**

**28 August 2024**

# Financial Report

## 30 June 2024

Statement of Profit or Loss and Other Comprehensive Income	17
Statement of Financial Position	18
Statement of Cash Flows	19
Statement of Changes in Equity	20
Notes to the Financial Statements	21
Consolidated Entity Disclosure Statement	36

# Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2024

	Note	30 June 2024 \$	30 June 2023 \$
<b>Revenue and other income</b>			
Interest income		16,360	13,260
		<b>16,360</b>	<b>13,260</b>
Executive Directors fees		(40,000)	(40,000)
Non-Executive Directors fees		(80,000)	(147,083)
Accounting & Company Secretarial		(68,476)	-
Legal Fees		(14,208)	(35,099)
Share based payments	11	(221,826)	(85,828)
Audit Fees		(116,428)	(95,703)
Insurance		(77,629)	(56,365)
Gain/(loss) on financial assets held at fair value through profit or loss	7	1,714,809	(9,619,890)
Other expenses from operations		(57,315)	(101,154)
		<b>1,038,927</b>	<b>(10,181,122)</b>
<b>Profit /(Loss) before income tax</b>		<b>1,055,287</b>	<b>(10,167,862)</b>
Income tax	4	-	-
<b>Profit /(Loss) for the period</b>		<b>1,055,287</b>	<b>(10,167,862)</b>
<b>Other comprehensive income for the year</b>		-	-
<b>Total comprehensive income / (loss) for the year attributable to the owners of BTC Health Limited</b>		<b>1,055,287</b>	<b>(10,167,862)</b>
		Cents	Cents
Basic Profit/(loss) per share	18	0.33	(3.61)
Diluted Profit/(loss) per share	18	0.33	(3.61)

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



# Statement of Financial Position

As at 30 June 2024

	Note	30 June 2024 \$	30 June 2023 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	2,022,155	1,736,899
Other assets	6	14,040	4,775
<b>Total Current Assets</b>		<b>2,036,195</b>	<b>1,741,674</b>
<b>Non-Current Assets</b>			
Other financial assets	7	2,914,809	1,200,000
Loans to investee Companies	17	197,803	-
<b>Total Non-Current Assets</b>		<b>3,112,612</b>	<b>1,200,000</b>
<b>Total Assets</b>		<b>5,148,807</b>	<b>2,941,674</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	8	99,367	57,163
Unclaimed monies		104,581	104,581
<b>Total Current Liabilities</b>		<b>203,948</b>	<b>161,744</b>
<b>Total Liabilities</b>		<b>203,948</b>	<b>161,744</b>
<b>Net Assets</b>		<b>4,944,859</b>	<b>2,779,930</b>
<b>Equity</b>			
Issued capital	9	56,553,428	55,665,612
Other reserves	11	508,586	286,760
Accumulated losses	10	(52,117,155)	(53,172,442)
<b>Total Equity</b>		<b>4,944,859</b>	<b>2,779,930</b>

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

# Statement of Cash Flows

For the year ended 30 June 2024

	Note	30 June 2024 \$	30 June 2023 \$
<b>Cash Flows from Operating Activities</b>			
Interest received		16,360	13,260
Payments to suppliers and Directors		(421,117)	(446,854)
<b>Net cash used in operating activities</b>	12	<b>(404,757)</b>	<b>(433,594)</b>
<b>Cash Flows from Investing Activities</b>			
Net Loans issued to investee companies	17	(197,803)	-
<b>Net cash used in investing activities</b>		<b>(197,803)</b>	-
<b>Cash Flows from Financing Activities</b>			
Issue of shares	9	887,816	-
Capital raising costs		-	-
<b>Net cash generated by financing activities</b>		<b>887,816</b>	-
<b>Net increase/ (decrease) in cash and cash equivalents held</b>		<b>285,256</b>	<b>(433,594)</b>
Cash and cash equivalents at the beginning of the financial year		1,736,899	2,170,493
<b>Cash and cash equivalents at the end of the Financial Year</b>	5	<b>2,022,155</b>	<b>1,736,899</b>

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

# Statement of Changes in Equity

For the year ended 30 June 2024

	Issued Capital	Accumulated Losses	Other reserves	Total
	\$	\$	\$	\$
<b>At 1 July 2022</b>	<b>55,665,612</b>	<b>(43,004,580)</b>	<b>200,932</b>	<b>12,861,964</b>
Loss for the year	-	(10,167,862)	-	(10,167,862)
Total comprehensive (loss) for the year	-	<b>(10,167,862)</b>	-	<b>(10,167,862)</b>
Transaction with owners in their capacity as owners:				
Share based payments	-	-	85,828	85,828
<b>At 30 June 2023</b>	<b>55,665,612</b>	<b>(53,172,442)</b>	<b>286,760</b>	<b>2,779,930</b>
 <b>At 1 July 2023</b>	 <b>55,665,612</b>	 <b>(53,172,442)</b>	 <b>286,760</b>	 <b>2,779,930</b>
Profit for the year	-	1,055,287	-	1,055,287
Total comprehensive profit for the year	-	<b>1,055,287</b>	-	<b>1,055,287</b>
Transaction with owners in their capacity as owners:				
Issue of Shares	887,816	-	-	887,816
Share based payments	-	-	221,826	221,826
<b>At 30 June 2024</b>	<b>56,553,428</b>	<b>(52,117,155)</b>	<b>508,586</b>	<b>4,944,859</b>

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

## Note 1 General Information

### The Financial Report of BTC health Limited for the year ended 30 June 2024

BTC health Limited is a listed public company limited by shares incorporated and domiciled in Australia. The registered office and principal place of business is:

Level 1  
10 Oxley Road,  
Hawthorn VIC 3122

A description of the nature of the Company's operations and 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 the Directors on 28 August 2024.

## Note 2 Material accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all years presented, unless otherwise stated.

### Statement of compliance

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

### Basis of Preparation

The financial statements are prepared on a historical cost basis, except for financial assets that have been measured at fair value.

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

### Adoption of new and revised Accounting Standards

#### *New or amended Accounting Standard Interpretations adopted in the current period*

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

#### *New Accounting Standards and interpretations not yet adopted*

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

### Reporting Currency

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

### Going Concern Basis

The financial statements for the year ended 30 June 2024 have been prepared on the going concern basis that contemplates the continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

For the year ended 30 June 2024, the Company recorded a profit after tax of \$1,055,287 (2023: (\$10,167,862)) and operating cash outflows of \$404,743 (2023: \$433,608). The Company has a net asset surplus of \$4,944,859 (2023: \$2,779,930). At year-end, the Company had \$2,022,155 (2023: \$1,736,899) cash on hand.

The Directors regularly monitor the Company's cash position and cash forecast, and the cash positions and cash forecasts of its investee entities, and on an ongoing basis consider a number of strategic and operational plans and initiatives to ensure that

adequate funding continues to be available for the Company and investee entities to meet their business objectives. The Company's cashflow forecast (including investee companies) for the period to 31 August 2025 (12 months after the issue of the Company's financial statements) indicates that it expects to generate positive cashflows and does not forecast additional capital being required.

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

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

## Material Accounting Policies

The following material accounting policies have been adopted in the preparation and presentation of the financial report.

### a) Investment Entity

The Company meets the definition of investment entities which are exempt from consolidation under *AASB 10 Consolidated Financial Statements*. Instead of consolidating controlled investments, the Company measures its investments at fair value in the statement of financial position and recognises changes in the fair value through the profit or loss.

### b) Income Tax

Current tax payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is provided on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Deferred income tax assets and liabilities are measured at the tax rates expected to apply to the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

### c) Financial Instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of *AASB 2*.



In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

#### *Financial Assets*

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### *Classification of financial assets*

The Company classifies its financial assets as debt instruments measured subsequently at amortised cost only if both the following criteria are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### *Financial liabilities and equity*

##### *Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

##### *Financial liabilities*

All the Company's financial liabilities are measured subsequently at amortised cost using the effective interest method.

#### **d) Cash and cash equivalents**

Cash and short-term deposits in the statement of financial position comprises of cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value. For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

#### **e) Share-based payments**

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market based vesting conditions.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the number of equity instruments that will eventually vest. At each reporting date, the Company revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

#### **f) Earnings / (Loss) per share**

#### *I. Basic earnings / (loss) per share*

Basic earnings per share is determined by dividing net profit after income tax attributable to members of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

#### *II. Diluted earnings / (loss) per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

#### **g) Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a net basis.

#### **h) Critical accounting judgments, estimates and assumptions**

In applying the Company's accounting policies, management continually evaluates judgments, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Company. All judgments, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the judgments, estimates and assumptions.

#### *Determination of investment entity status*

The Company has all the typical characteristics of an investment entity as set out in *AASB10 Consolidated Financial Statements*. The Company was admitted to the Australian Securities Exchange as an investment entity and continues to meet the criteria set out under *AASB 10 Consolidated Financial Statements* to qualify as an investment entity. This judgement is reconsidered by management and the Board at each reporting date. Consequently, investee companies are not consolidated in the Company's financial statements. Instead, the investments held by the Company in these investees is recorded as an investment held at fair value through profit or loss in the Company's financial statements.

#### *Valuation of investments*

Investments in investee companies are held at fair value. These investments are 'Level 3' in the fair value hierarchy, based on unobservable inputs, as the investee companies are unlisted and not traded in an active market. Consequently, they are valued in accordance with the Directors' valuations. The Directors have used historical and budgeted performance of the investee companies as the basis for the valuation of the investments, adjusted for reasonable assumptions about future performance (such as estimated cash flows, projected business growth plans and other market data available). Further information can be obtained in Note 19 Financial Risk Management.

Should the assumptions used by the Directors change in subsequent periods, the fair value may be impacted and accounted for through the profit or loss. Further disclosures as required by *AASB 13 Fair Value Measurement* is set out in Note 19 Financial Risk Management.

#### *Share-based payments*

The grant date fair value of share-based payments is measured using the Black Scholes valuation model. Measurement inputs include the share price on measurement date, exercise price of the instruments, expected volatility, expected life of the instruments, expected dividends and the risk-free interest rate. Service conditions attached to the transactions are not taken into account in determining fair value. Certain of these inputs are estimates.

No other critical judgements, other than in the determination of accounting policies as set out within this note, have been made.

## **Note 3 Operating segments**

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

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

## Note 4 Income Tax

	30 June 2024 \$	30 June 2023 \$
<b>Income tax expense</b>		
Current tax	-	-
Deferred tax – origination and reversal of temporary differences	-	-
Adjustment for prior periods	-	-
<b>Aggregate income tax expense</b>	-	-
<b>Numerical reconciliation of income tax expense and tax at the statutory rate</b>		
Profit/(Loss) before taxation	1,055,287	(10,167,862)
Income tax at the statutory rate of 25%	263,821	(2,541,966)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share based payments charges	55,456	21,457
Non-assessable income	(428,702)	-
Non-deductible expenses	-	2,404,973
Tax losses not brought to account	109,425	115,536
Adjustment for prior periods	-	-
<b>Income tax expense</b>	-	-

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

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

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

### Unrecognised deferred tax losses

Deferred tax assets have not been recognised in respect of the following items:

Tax Losses – Revenue	28,305,608	27,890,894
Tax Losses – Capital	899,999	899,999
<b>Total Tax losses available</b>	<b>29,205,607</b>	<b>28,790,893</b>

The tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilise the benefits.

## Note 5 Cash and cash equivalents

	30 June 2024 \$	30 June 2023 \$
Cash at bank and on hand	2,022,155	1,736,899
<b>Closing balance</b>	<b>2,022,155</b>	<b>1,736,899</b>

Cash at bank and on hand earns interest at floating rates based on daily bank deposit rates. The Company's exposure to interest rate risk is disclosed in Note 19 Financial Risk Management

## Note 6 Other assets

	30 June 2024 \$	30 June 2023 \$
<b>Current</b>		
Prepayments	14,040	4,775
<b>Closing balance</b>	<b>14,040</b>	<b>4,775</b>

There are no trade debtors as at 30 June 2024 (30 June 2023: \$nil). Trade debtors are all related party transactions from BTC health's subsidiaries and relate to management fees invoiced. Management fees are invoiced in accordance with Company policy. No management fees were earned during the year ended 30 June 2024 (2023: \$26,613). All trade debtors are payable in 30 days.

## Note 7 Other Financial assets

	30 June 2024 \$	30 June 2023 \$
<b>Other Financial assets carried at fair value through profit or loss</b>		
<b>Non - Current</b>		
BTC Speciality Health	1,472,094	-
BTC Pharma	1,392,396	1,200,000
Sensear Pty Ltd	-	-
BTC Cardio <sup>1</sup>	50,319	-
<b>Closing balance</b>	<b>2,914,809</b>	<b>1,200,000</b>

1. Investee company incorporated October 2023.

### Summary of changes in investments in financial assets

Opening balance	1,200,000	10,819,890
Fair value increase/(decrease) of unlisted investments through profit or loss	1,714,809	(9,619,890)
<b>Closing balance</b>	<b>2,914,809</b>	<b>1,200,000</b>

### Summary of investee companies

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

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

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

Further disclosures required by AASB 13 *Fair Value Measurement* are included at Note 19 Financial Risk Management.

## Note 8 Trade and other payables

	30 June 2024 \$	30 June 2023 \$
<b>Current</b>		
Trade creditors	32,978	10,855
Accruals	66,389	46,308
<b>Closing balance</b>	<b>99,367</b>	<b>57,163</b>

Trade and other payables are non-interest bearing and are generally settled on 30-day terms.

## Note 9 Issued Capital

	2024 Shares	2024 \$	2023 Shares	2023 \$
Ordinary share – fully paid	324,123,308	56,553,428	281,846,354	55,665,612

### Movements in ordinary share capital

Details	Date	Shares	Issue Price	\$
Balance	1 July 2023	281,846,354		55,665,612
Issue of shares	1 September 2023	42,276,954	2.1 cents	887,816
Closing Balance	30 June 2024	<b>324,123,308</b>		<b>56,553,428</b>

### Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. The Company does not have authorised capital or par value in respect of its issued capital.

## Note 10 Accumulated Losses

	30 June 2024 \$	30 June 2023 \$
Accumulated losses at the beginning of the year	(53,172,442)	(43,004,580)
Total comprehensive profit/(loss) for the year	1,055,287	(10,167,862)
<b>Accumulated losses at the end of the year</b>	<b>(52,117,155)</b>	<b>(53,172,442)</b>

## Note 11 Other Reserves

### Share Based Payments Reserve

	30 June 2024 \$	30 June 2023 \$
Opening balance	286,760	200,932
Share based payment charge	221,826	85,828
Expiry of share options	-	-
<b>Closing balance</b>	<b>508,586</b>	<b>286,760</b>

## Summary of share options granted

The Employee Share Option Plan was approved at the Annual General Meeting on 10 November 2023.

The following share-based payment arrangements in the form of share options were in existence during the current and prior reporting periods. Options were granted under the Employee Share Option Plan or a separately shareholder approved plan. There have been no alteration of terms and conditions of the above share-based payment arrangements since the grant date.

### Year ended 30 June 2024:

Grant Date	Expiry Date	Opening balance	Granted	Exercised	Expired/ Forfeited	Closing balance	Vested and exercisable
23 November 2021	23 November 2026	9,000,000	-	-	(2,000,000)	7,000,000	7,000,000
21 March 2023	21 March 2028	333,333	-	-	(333,333)	-	-
10 November 2023	10 November 2028	-	14,000,000	-	-	14,000,000	2,800,000
		<b>9,333,333</b>	<b>14,000,000</b>	<b>-</b>	<b>(2,333,333)</b>	<b>21,000,000</b>	<b>9,800,000</b>

### Year ended 30 June 2023:

Grant Date	Expiry Date	Opening balance	Granted	Exercised	Expired/ Forfeited	Closing balance	Vested and exercisable
23 November 2021	23 November 2026	9,000,000	-	-	-	9,000,000	5,999,998
21 March 2023	21 March 2028	-	333,333	-	-	333,333	333,333
		<b>9,000,000</b>	<b>333,333</b>	<b>-</b>	<b>-</b>	<b>9,333,333</b>	<b>6,333,331</b>

The weighted average remaining contractual life of share options outstanding at the end of the financial year was 3.71 years (30 June 2023: 3.45 years).

### 2024 Financial Year Grant

Options Granted	Grant Date	Grant date fair value \$	Exercise Price \$	Expiry Date	Vesting Date
2,800,000	10 November 2023	0.02	0.049	10 November 2028	10 November 2023
5,600,000	10 November 2023	0.03	0.049	10 November 2028	10 November 2024
5,600,000	10 November 2023	0.03	0.049	10 November 2028	10 November 2025

### 2023 Financial Year Grant

Options Granted	Grant Date	Grant date fair value \$	Exercise Price \$	Expiry Date	Vesting Date
333,333	21 March 2023	0.005	0.12	21 March 2028	21 March 2023

### Fair value of share options granted in the year

Share options are valued using the Black-Scholes valuation model. Measurement inputs include the share price on measurement date, exercise price of the instruments, expected volatility, expected life of the instruments, expected dividends and the risk-free interest rate. Service conditions attached to the transactions are not taken into account in determining fair value.

For share options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date are as follows:

Grant Date	Expiry Date	Share price at grant date \$	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date per option \$
10 November 2023	10 November 2028	0.065	60%	-	4%	0.02-0.03

## Note 12 Cash flow information

Reconciliation of operating loss after income tax to the cash flows from operating activities

	30 June 2024	30 June 2023
	\$	\$
Profit/(Loss) after income tax	1,055,287	(10,167,862)
<i>Adjustments for:</i>		
<b>Add/less non-cash items:</b>		
Share based payments expense	221,826	85,828
Fair value adjustments on investments - (profit)/loss	(1,714,809)	9,619,890
<b>Changes in assets and liabilities:</b>		
(Increase)/Decrease in other assets	(9,270)	22,405
Increase/(Decrease) in trade and other payables	42,209	6,145
<b>Net cash used in operating activities</b>	<b>(404,757)</b>	<b>(433,594)</b>

## Note 13 Interests in investee companies

Particulars in relation to investee companies:

Company	Country of incorporation	30 June 2024 Ownership %	30 June 2023 Ownership %
BTC Speciality Health Pty Limited	Australia	100	100
BTC Pharma Pty Limited	Australia	100	100
BTC Cardio Pty Limited <sup>1</sup>	Australia	100	-

1. Incorporated in October 2023

BTC health Limited, as an investment entity, has applied the exception to consolidation in accordance with AASB10 Consolidated Financial Statements and measures its investments in its subsidiaries at fair value through profit or loss in accordance with AASB9 Financial Instruments. Refer Note 7 Financial Assets for further details

## Note 14 Key Management Personnel

Name and position of key management personnel of the Company in office at any time during the financial year:

R S Treagus – Executive Chairman

B York – Non-executive Director

F McNeill – Non-executive Director

S Papworth – CFO and Company Secretary (resigned 14 August 2023)

### Remuneration of key management personnel

Information on remuneration of key management personnel is set out in the Remuneration Report in the Directors Report. The aggregate compensation made to Directors and other members of key management personnel of the Company is set out below:

	30 June 2024	30 June 2023
	\$	\$
Short term benefits	149,414	176,591
Post-employment benefits	3,964	10,493
Share based payments	155,651	74,805
<b>Total compensation<sup>1</sup></b>	<b>309,029</b>	<b>261,889</b>

1. The aggregate compensation disclosed excludes any compensation earned by Key Management Personnel from investee companies which is detailed in the Remuneration Report.

There are no other long-term benefits and no termination benefits for key management personnel.

## Note 15 Contingent Liabilities

The Company had no contingent liabilities as at 30 June 2024 (30 June 2023: \$nil).

## Note 16 Auditor's remuneration

	30 June 2024 \$	30 June 2023 \$
Audit services – auditors of the Company		
Grant Thornton	116,428	90,703
<b>Total audit fees</b>	<b>116,428</b>	<b>90,703</b>
Other services – auditors of the Company		
Grant Thornton – taxation compliance services	6,245	5,000
<b>Total other services fees</b>	<b>6,245</b>	<b>5,000</b>

## Note 17 Related Party Disclosures

### Subsidiaries

Interests in investee companies are set out in Note 13.

### Key management personnel

Disclosures relating to key management personnel compensation are set out in Note 13 and the Remuneration Report included in the Directors' report.

Fees to the Chairman Richard Treagus are paid through PharmaConnect Pty Limited which is a related entity. No transactions other than those disclosed in the Remuneration Report pertaining to the Chairman occurred with PharmaConnect Pty Limited in the year ended 30 June 2024 (30 June 2023: Nil).

### Transactions with related parties

Transactions with, and amounts owing to and from, the investee companies during were as follows:

#### Year ended 30 June 2024:

	Revenue	Expense	Receivable	Payable
BTC Speciality Health	-	-	-	-
BTC Pharma	-	-	-	2,197
BTC Cardio	-	-	200,000	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>200,000</b>	<b>2,197</b>

#### Year ended 30 June 2023:

	Revenue	Expense	Receivable	Payable
BTC Speciality Health	-	-	-	-
BTC Pharma	-	-	-	-
BTC Cardio	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

There are net loans from the Company to investee companies as at 30 June 2024 of \$197,803 (30 June 2023: Nil). Loans between the Company and investee companies are unsecured and repayable on demand.

There were no equity investments in investee companies during the year ended 30 June 2024 (30 June 2023: Nil).

There were no management fees from investee companies as the Directors amended the Company policy on management fees from 1 July 2023.

Key management personnel, or their related entities, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. There were no transactions with the Company and Key Management Personnel, other than those described above, in the current or prior reporting period.

During the year ended 30 June 2024, the Company issued securities to Kingfisher Medical Pty Ltd, Tau Medical Pty



Ltd and GLK Medical Pty Ltd. A senior executive of the Company, Mr J Kahanovitz, is also a Director and shareholder of these entities. \$0.9m was raised under a share placement of 42,276,954 ordinary shares and as a result of this transaction, Mr J Kahanovitz has become a substantial shareholder of the Company.

## Note 18 Earnings / (Loss) per share

	30 June 2024 \$	30 June 2023 \$
Profit / (Loss) after income tax attributable to the owners of BTC health Limited	<b>1,055,287</b>	<b>(10,167,862)</b>
Weighted average number of ordinary shares - basic	316,459,404	281,846,354
Shares issuable under equity compensation plans <sup>1</sup>	-	-
Weighted average number of ordinary shares - diluted	<b>316,459,404</b>	<b>281,846,354</b>
Basic earnings / (loss) per share	0.33	(3.61)
Diluted earnings / (loss) per share	0.33	(3.61)

1. For the year ended 30 June 2024, there are no dilutive equity compensation plans.

Where the Company has generated a loss after income tax, the rights to options issued under equity compensation plans have not been included in the weighted average number of ordinary shares for the purposes of calculating diluted EPS as they do not meet the requirements for inclusion in AASB133 Earnings per share as they are non-dilutive.

## Note 19 Financial Risk Management

### Financial Risk Management Overview

The Company has exposure to the following risks from the use of financial instruments – interest rate risk, credit risk, liquidity risk and market price risk. This note presents information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The board reviews regularly the adequacy of the risk management framework in relation to the risks faced by the Company. The Company's principal financial instruments comprise cash and short-term deposits and financial assets. The Company has other financial instruments such as trade debtors and trade creditors that arise directly from its operations. The Company's policy in relation to the valuation of investments traded on organised markets, and unlisted investments has been described in Note 2(c).

### Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from fluctuations in interest bearing financial assets and liabilities that the Company uses. The Company's financial assets which are affected by interest rate risk are the Company's cash and cash equivalents and term deposits held. The Company manages its interest risk by using a mix of fixed and variable rates and trades only with recognised credit worthy third parties.

The following table sets out the carrying amount, by maturity, of the financial instruments that are exposed to interest rate risk:

	Balance	Interest Rate	Weighted Average Effective Interest Rate
<b>30 June 2024</b>			
Cash and cash equivalents	2,022,155	Floating	1.35%
	<b>2,022,155</b>		
<b>30 June 2023</b>			
Cash and cash equivalents	1,736,899	Floating	1.45%
	<b>1,736,899</b>		

An increase/decrease in interest rates of 50 basis points would have a favorable/adverse effect on the profit or loss of the following:

	Basis points change	Effect on profit and loss \$	Effect on equity	Basis points change	Effect on profit and loss \$	Effect on equity
<b>30 June 2024</b>						
Cash and cash equivalents	50	5,255	5,255	(50)	(5,255)	(5,255)
<b>30 June 2023</b>						
Cash and cash equivalents	50	4,571	4,571	(50)	(4,571)	(4,571)

### Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash and cash equivalents, other assets and loans to investee companies. The Company's maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of these assets. The Company has no trade debtors and therefore considers it has no credit risk in relation to this financial asset. Refer to Note 17 Related Party Disclosures for details relating to investee Company loans.

### Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The following table details the contractual maturities of financial liabilities. The table is based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The table includes both interest and principal cash flows disclosed as remaining contractual maturities and the carrying amount in the statement of financial position:

	Carrying amount \$	Contractual cash flows \$	6 months or less \$	Greater than 6 months, less than 1 year \$	Greater than 1 year \$
<b>30 June 2024</b>					
<i>Non-derivatives</i>					
<i>Non-interest bearing</i>					
Trade and other payables	(99,367)	(99,367)	(99,367)	-	-
Unclaimed monies	(104,581)	(104,581)	(104,581)	-	-
	<b>(203,948)</b>	<b>(203,948)</b>	<b>(203,948)</b>	-	-
<b>30 June 2023</b>					
<i>Non-derivatives</i>					
<i>Non-interest bearing</i>					
Trade and other payables	(57,163)	(57,163)	(57,163)	-	-
Unclaimed monies	(104,581)	(104,581)	(104,581)	-	-
	<b>(161,744)</b>	<b>(161,744)</b>	<b>(161,744)</b>	-	-

Unclaimed monies relate to past dividends declared but not claimed by shareholders.

## Market Price Risk

Equity price risk arises from financial assets held at fair value through profit or loss held as a part of the Company's operations. Investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board of Directors. The primary goal of the Company's investment strategy is to maximise investment returns on sale of investments. Unlisted investments are designated as a financial asset held at fair value through profit or loss. Their performance is actively monitored, and they are managed on a fair value basis.

## Sensitivity analysis on changes in market equity prices

A change of 20% (based on the Board's assessment of similar movements in the life sciences industry) in equity prices at the reporting date would have increased/ (decreased) equity and profit or loss by the amounts shown below.

		Profit or loss		Equity	
	Carrying Value \$	20% increase \$	20% decrease \$	20% increase \$	20% decrease \$
<b>30 June 2024</b>					
<i>Financial assets carried at fair value through profit or loss:</i>					
Unlisted investments	2,914,809	582,962	(582,962)	582,962	(582,962)
		<b>582,962</b>	<b>(582,962)</b>	<b>582,962</b>	<b>(582,962)</b>
<b>30 June 2023</b>					
<i>Financial assets carried at fair value through profit or loss:</i>					
Unlisted investments	1,200,000	240,000	(240,000)	240,000	(240,000)
		<b>240,000</b>	<b>(240,000)</b>	<b>240,000</b>	<b>(240,000)</b>

## Fair Value of Financial Assets and Liabilities

There is no difference between the fair values and the carrying amounts of financial assets and liabilities at amortised cost are a reasonable approximation of fair value, due to their short-term.

## Fair value measurement

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

There was a gain recognised in the profit or loss for the year ended 30 June 2024 of \$1,714,809 (30 June 2023: Loss of \$9,619,890).

### Significant assumptions used in determining fair value of unlisted investments

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

The discount rate applied to cash flow projections which are derived from the Company's weighted average cost of capital (WACC), adjusted for varying risk profiles were:

- Pre-tax discount rate 19.44% (30 June 2023: 17.68%)
- Post-tax discount rate 14.58% (30 June 2023: 13.26%)

All investments have been assessed with the same WACC as they have similar economic and risk profiles.

An increase/decrease in the discount rate by 100 basis points would result in a change in fair value of -6/+8%.

A 5% increase/decrease in revenue forecasts of the cash flow projections for the investee companies would result in a change in fair value of +\$4.0m/- \$3.6m.

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

#### *Fair value hierarchy*

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

- Level 1 – financial instruments are valued by reference to quoted prices in an active market for identical assets or liabilities. These quoted prices represent actual and regularly occurring market transactions on an arm's length basis.
- Level 2 - Financial instruments are valued using inputs other than quoted prices covered in Level 1. These other inputs include quoted prices that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). The inputs included in this level encompass quoted prices in active markets for similar assets or liability, quoted prices in markets in which there are few transactions for identical or similar assets or liabilities. Financial instruments that are valued using other inputs that are not quoted prices but are observable for the assets or liabilities also fall into this level.
- Level 3 - Financial instruments that have been valued, in whole or in part, by using valuation techniques or models that are based on unobservable inputs that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Unobservable

valuation inputs are determined based on the best information available, which might include the Company's own data, reflecting its assumptions as well as best practices carried out or undertaken by other market participants. These valuation techniques are used to the extent that observable inputs are not available.

*Fair assets measured and recognised at fair value:*

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>30 June 2024</b>				
Financial assets				
Unlisted investments– Financial assets carried at fair value through profit or loss	-	-	2,914,809	2,914,809
	-	-	<b>2,914,809</b>	<b>2,914,809</b>
<b>30 June 2023</b>				
Financial assets				
Unlisted investments– Financial assets carried at fair value through profit or loss	-	-	1,200,000	1,200,000
	-	-	<b>1,200,000</b>	<b>1,200,000</b>

There were no transfers between levels during the year.

*Reconciliation of Level 3 fair value measurements of financial assets*

	30 June 2024	30 June 2023
	\$	\$
Opening balance	1,200,000	10,819,890
Gain/(loss) on fair value of financial assets	1,714,809	(9,619,890)
Closing balance	<b>2,914,809</b>	<b>1,200,000</b>

### Capital risk management

The Company objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure. The management of the Company's capital is performed by the Board. The Company is not subject to externally imposed capital requirements. The Company's overall strategy remains unchanged from the prior reporting period.

The capital structure of the Company consists of cash and cash equivalents and equity attributable to equity holders, comprising issued capital, reserves and retained earnings. Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax and general administrative outgoings.

## Note 20 Subsequent Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

# Consolidated entity disclosure statement as at 30 June 2024

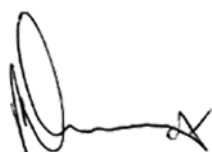
BTC health is not required by Australian Accounting Standards (AAS) to prepare consolidated financial statements and as a result, subsection 295(3A)(a) of the *Corporations Act 2001 (Cth)* to prepare a Consolidated Entity Disclosure Statement does not apply to the Company.

# Directors' Declaration

The Directors declare that,

- a) in the Director's 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;
- b) in the Director's opinion, the attached financial statements are in compliance with International Financial Reporting Standards as disclosed in Note 1 to the financial statements;
- c) in the Director's opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001 (Cth)*, including compliance with Australian Accounting Standards and giving a true and fair view of the financial position as at 30 June 2024 and performance of the financial year ended on that date;
- d) the Directors have been given the declarations for the financial year ended 30 June 2024 required by section 295A of the *Corporations Act 2001 (Cth)*..; and
- e) The consolidated entity disclosure statement required by section 295(3A) of the Corporations Act is true and correct.

This declaration is made in accordance with a resolution of the Board of Directors pursuant to section 295(5)(a) of the *Corporations Act 2001 (Cth)*.



**Dr Richard Treagus**  
**Chairman**  
**Melbourne**  
**28 August 2024**

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**Grant Thornton Audit Pty Ltd**

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## Independent Auditor's Report

### To the Members of BTC Health Limited

#### Report on the audit of the financial report

##### Opinion

We have audited the financial report of BTC Health Limited (the Company), which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Company's financial position as at 30 June 2024 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

##### 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 Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the 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.

##### Key audit matters

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. These matters were 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 these matters.

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## Key audit matter

## How our audit addressed the key audit matter

### Other financial assets (Note 2(h), Note 7, Note 19)

As BTC Health Limited is classified as an investment entity under *AASB 10 Consolidated Financial Statements*, it accounts for investments in investee entities at fair value. As at 30 June 2024, the Company's investment portfolio consisted of three unlisted companies carried at a fair value of \$2,914,809.

These investments are classified as 'Level 3' financial assets under *AASB 13 Fair Value Measurement*, which are defined as having significant unobservable inputs which make their valuation complex.

This area is a key audit matter due to the quantum of the financial assets and the significant estimation involved in determining the value of Level 3 financial assets.

Our procedures included, amongst others:

- Obtaining a detailed understanding of the underlying processes for valuing the financial assets through discussion with individuals across the organisation and reviewing the relevant documentation;
- Assessing the design and implementation of relevant controls concerning estimating the fair value of the financial assets at the year-end date;
- Assessing and challenging management's valuation methodology and key assumptions applied, engaging with an auditor's expert to support this work;
- Evaluating the actual financial performance of each of the investments by:
  - Comparing actual financial and operational results to management forecasts;
  - Performing analytical procedures to identify unusual trends or movements;
  - Holding discussions with management and reviewing supporting documentation surrounding business performance and future business plans; and
  - Considering whether the forecasts are appropriate and consistent with the strategies of the business.
- Assessing whether the disclosures in the financial statements, including critical judgements and estimates, are appropriate.

### Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Company'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 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.

### Responsibilities of the Directors for the financial report

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

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

- i the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii 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 Company's ability 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 Company 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: [http://www.auasb.gov.au/auditors\\_responsibilities/ar2\\_2020.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar2_2020.pdf). This description forms part of our auditor's report.

### **Report on the remuneration report**

#### **Opinion on the remuneration report**

We have audited the Remuneration Report included in pages 9 to 13 of the Directors' report for the year ended 30 June 2024.

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

### **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.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



M A Cunningham  
Partner – Audit & Assurance  
Melbourne, 28 August 2024

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**Grant Thornton Audit Pty Ltd**

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## Auditor's Independence Declaration

### To the Directors of BTC Health Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of BTC Health Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

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



Grant Thornton Audit Pty Ltd  
Chartered Accountants



M A Cunningham  
Partner – Audit & Assurance

Melbourne, 28 August 2024

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# Shareholder Information

The Company provides the following information to shareholders not elsewhere disclosed in the Annual Report. This information is current at 31 July 2024.

## Corporate Governance Statement

The Company has prepared a statement which sets out the corporate governance practices that were in operation throughout the financial year for the Company, identifies any recommendations that have not been followed, and provides reasons for not following such recommendations (Corporate Governance Statement).

The Corporate Governance Statement will be available for review on our website at [www.btchealth.com.au/corporate-governance](http://www.btchealth.com.au/corporate-governance) and will be lodged together with an Appendix 4G with the ASX at the same time that this Annual Report is lodged with the ASX.

## Spread of equity security holdings

Range	Total holders – Ordinary Shares	Units	% Units	Total holders – Unlisted Options	Units	% Units
1 – 1,000	33	7,265	0.00	-	-	-
1,001 – 5,000	277	1,005,637	0.31	-	-	-
5,001 – 10,000	216	1,665,874	0.51	-	-	-
10,001 – 100,000	403	13,742,562	4.24	-	-	-
100,001 and over	147	307,698,970	94.93	3	21,000,000	100%
<b>Total</b>	<b>1,076</b>	<b>324,123,308</b>	<b>100.00</b>	<b>3</b>	<b>21,000,000</b>	<b>100%</b>

## Equity security holders

The names of the twenty largest holders of quoted equity securities are listed below:

Rank	Name	Ordinary shares held	% Units
1	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	94,738,597	29.23
2	MRS KAREN ELIZABETH TREAGUS	29,561,515	9.12
3	SIGMA COMPANY LIMITED	16,856,467	5.20
4	NAMARONG INVESTMENTS PTY LTD	15,000,000	4.63
5	TAU INVESTMENTS AUSTRALIA PTY LTD	14,092,318	4.35
5	KINGFISHER MEDICAL PTY LTD	14,092,318	4.35
5	GLK MEDICAL PTY LTD	14,092,318	4.35
8	MR THOMAS CHRISTOPHER FENNELL	8,682,787	2.68
9	MR CAMPBELL DINWOODIE TAYLOR	8,393,127	2.59
10	SIGMA COMPANY LIMITED	8,143,533	2.51
11	ARGUS NOMINEES PTY LTD	5,500,000	1.70
12	MRS SUSAN MAREE WHITING	5,300,000	1.64
13	CITICORP NOMINEES PTY LIMITED	4,543,617	1.40
14	WINDARRI INVESTMENTS PTY LTD	4,213,727	1.30
15	ABEILLE INVESTMENTS PTY LIMITED	3,800,000	1.17
16	MR NICHOLAS DERMOTT MCDONALD	3,644,239	1.12
17	SIGMA COMPANY LIMITED	3,627,553	1.12
18	NAMARONG INVESTMENTS PTY LTD	3,125,000	0.96
19	LINWIERIK INVESTMENTS PTY LTD	2,600,000	0.80
20	PRITDOWN PTY LTD	2,000,000	0.62
20	CHANUK NOMINEES PTY LTD	2,000,000	0.62
		<b>266,975,216</b>	<b>82.37</b>

### Substantial holders

Notices under Section 671B of the Corporations Act, disclosing a relevant interest in the Company's shares, have been received from the following substantial holders as at the date of this report:

Name	Number of shares/votes	% Units
NAOS Asset Management	94,738,597	29.23%
Joshua Kahanovitz	42,276,954	13.04%
Richard Treagus	29,561,515	9.12%
Sigma Healthcare Limited	28,267,553	8.72%
Namarong Investments	18,125,000	5.59%

### Less than marketable parcel holders

	Minimum parcel size	Holders	Units
Minimum \$500 parcel at \$0.035 per unit	14,286	560	3,100,935

### Ordinary Shares

As at the reporting date, the number of holders in each class of equity securities on issue is as follows:

The fully paid issued capital of the Company consisted of 324,123,308 ordinary fully paid shares.

### Voting rights

The voting rights attaching to each class of equity securities are set out below:

#### *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.

#### *Options*

There are no voting rights attached to unlisted options until they are exercised.

### Restricted securities

There are currently no securities subject to voluntary escrow on issue.

# Corporate Directory

## Registered Office

BTC health Limited  
Level 1, 10 Oxley Road  
HAWTHORN VIC 3122

## Principal Contacts

Richard Treagus, Chairman  
T +61 417 520 509  
[rtreagus@btchealth.com.au](mailto:rtreagus@btchealth.com.au)

Tracy Weimer, Company Secretary  
T+ 61 03 9692 7222  
[Tracy.Weimar@vistra.com](mailto:Tracy.Weimar@vistra.com)

## Share Register

Link Market Services Limited Tower 4, 727 Collins Street  
MELBOURNE VIC 3008  
Locked Bag A14  
SYDNEY SOUTH NSW 1235 T 1300 554 474  
F 02 9287 0303

## Auditors

Grant Thornton  
Collins Square, Tower 5, 727 Collins Street  
MELBOURNE VIC 3008

## Stock Exchange Listing

BTC health Limited shares are listed on the Australian  
Securities Exchange (ASX code: BTC)

## Website

[www.btchealth.com.au](http://www.btchealth.com.au)