AUDEARA

ASX APPENDIX 4D

HALF-YEAR FINANCIAL REPORT TO 31 DECEMBER 2023

1. DETAILS OF REPORTING PERIOD

Name of Entity	Audeara Limited (the Company)
ABN	27 604 368 443
Reporting Period	**31 December 2023**
Previous Corresponding Period	31 December 2022

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

	31 Dec 2023 $'000	31 Dec 2022 $'000	$ Change $'000	% Change
Revenues from ordinary activities	786	1,355	Down 569	Down 42.00%
Loss after tax from ordinary activities attributable to members	1,001	1,874	Down 873	Down 46.58%
Loss after tax attributable to members	1,001	1,874	Down 873	Down 46.58%

	Amount Per Security	Franked Amount Per Security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Previous Corresponding Period	Nil	Nil
Record Date for Determining Entitlements	Not Applicable	

Commentary on results:

For further information, refer to the review of operations contained in the directors' report, which forms part of the attached condensed consolidated financial statements.

3. NET TANGIBLE ASSETS PER SHARE

	31 Dec 2023	31 Dec 2022
Net tangible asset backing per ordinary security	1.51 cents	3.42 cents

4. DETAILS OF ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST DURING THE PERIOD

Control gained over entities

Name of entity (or group of entities)	N/A
Date control gained	N/A
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities during the period (where material)	N/A
Consolidated profit/(loss) from ordinary activities of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material)	N/A

Loss of control over entities

Name of entity (or group of entities)	N/A
Date control lost	N/A
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities during the period (where material)	N/A
Consolidated profit/(loss) from ordinary activities of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material)	N/A

5. DIVIDEND DETAILS

No dividend has been paid or recommended to be paid for the half-year ended 31 December 2023. No dividends were paid in the previous corresponding period.

6. DETAILS OF DIVIDEND REINVESTMENT PLANS

N/A

7 DETAILS OF ASSOCIATE AND JOINT VENTURE ENTITIES

N/A

8. FOREIGN ENTITIES

N/A

9. AUDIT

This report has been based on accounts that have been subject to an audit review. There are no items of dispute with the auditor and the audit review is not subject to qualification.

Authorised for release by the board

Mr David Trimboli
Non-Executive Chairman

29 February 2024

Audeara Limited

ABN 27 604 368 443

Report for the half-year ended

31 December 2023

Audeara Limited
Corporate directory
31 December 2023

Board of Directors	Mr David Trimboli – Non-Executive Chair Dr James Fielding – Managing Director & Chief Executive Officer Mr Bill Peng – Executive Director & Chief Operating Officer
Company secretary	Mr Stephen Buckley
Registered office and principal place of business	Level 1, North Tower 527 Gregory Terrace Fortitude Valley QLD 4006
Share registry	Computershare Investor Services Pty Ltd Yarra Falls 452 Johnston Street Abbotsford VIC 3067 Phone: +61 (3) 9907 7163
Auditor	Grant Thornton Audit Pty Ltd King George Central Level 18, 145 Anne Street Brisbane QLD 4000
Securities Exchange Listing	ASX Limited Level 40, Central Park 152-158 St Georges Terrace Perth WA 6000
ASX Code	AUA – fully paid ordinary shares
Website	www.audeara.com

The directors of Audeara Limited ("Audeara" or "the Company") submit herewith the financial report of Audeara Limited and its controlled entities ("the Group") for the half-year ended 31 December 2023. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

Directors
The names of the directors of the Company during or since the end of the half-year are:

Mr David Trimboli – Non-Executive Chairman
Dr James Fielding – Managing Director & Chief Executive Officer
Mr Bill Peng – Executive Director & Chief Operating Officer
Dr Elaine Saunders – Non-Executive Director (ceased 31 December 2023)
Mr Pasquale Rombola – Non-Executive Director (ceased 25 August 2023)

Review of operations
The focus during the six-month period has been to increase operational efficiency and maintain expenditure control, while also building on the Group's existing market footprint to pursue opportunities for future revenue growth across all of Audeara's operating divisions.

Financial highlights for H1 FY24 included the following:

- Net loss after tax reduced by ~47% or ~$873k from $1,874,102 during the previous corresponding period (PCP) to $1,001,235
- Operating cash receipts of $1,436,538 in line with PCP with a significant reduction in operational cash outflows of ~$920k – primarily due to execution of stated strategies and the successful implementation of internal optimisation processes
- Net cash used in operating activities down 42% from $1,472,151 during PCP to $858,781 during H1 FY24
- Additional initiatives being undertaken to further streamline operational efficiencies with additional cost reductions expected over coming months

Operational highlights during the period included:
Audeara

- Considerable work undertaken alongside customers to leverage the established go to market capability of partner groups ahead of potential product launches
- Europe expansion – first purchase orders and product launches in France, Spain and Belgium in addition to Hungary and Austria

AUA Technology

- Cash deposit secured from leading US-based musical instrument company prior to expected purchase order, marking the transition from product development to mass production
- Clinico healthy hearing earbuds advanced to product demonstration phase, opening the pathway to further develop the customer pipeline for this technology
- Expansion of the Audeara brand and/or technology offering beyond core audiology markets to broaden impact and diversify the domestic and international customer base

Material business risks
The board seeks to ensure that the process of risk identification, assessment and management is embedded in all aspects of the Group's businesses and it monitors whether the level of compliance and governance within the Group is appropriate, with a particular focus on the risk, culture and risk reporting.

There are a number of material risks to which the Group is exposed and the key material business risks are, in summary:

Access to financial resources	Given the Group's net loss and negative cash flow position, the ability of the Group to continue to access financial resources in the future could impact its ability to pay its debts as and when they fall due.
Changing consumer preferences in competitive markets	Given the changing environment in which the Group operates, this could have a significant impact on the Group's financial results. The Board addresses this risk by constantly monitoring the market, and other competitors seeking to enter our market.
Manufacturing disruption & supply chain reliability	Changing dynamics in overseas economies where the Group's products are manufactured could lead to disruption in manufacturing, shortages of crucial componentry, as well as delays in delivery, resulting in a significant impact on the Group's financial results.
Maintaining a talented and motivated workforce	A loss of workforce capability, capacity, difficulty filling key positions, a continued loss of top performers, and forecast wage increases all could lead to a potential shortfall of staff, and in turn the Group's ability to deliver its goods which would result in a significant impact on the Group's financial results.

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the Group during the half-year ended 31 December 2023.

Matters subsequent to the of the half-year
On 27 February 2024, Audeara Limited announced that its AUA Technology business unit had received its first purchase order to mass manufacture for a third-party brand. The purchase order is from Avedis Zildjian with a value of $2.1m and marks the largest single order Audeara has received since its inception.

There has not been any other matter or circumstance occurring subsequent to the end of the half-year ended 31 December 2023 to the date of this report that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or state of affairs of the Group in future financial years.

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

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

On behalf of the directors

Mr David Trimboli
Non-Executive Chairman

Perth, 29 February 2024

Grant Thornton Audit Pty Ltd
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Level 18
145 Ann Street
GPO Box 1008
Brisbane QLD 4000

T +61 7 3222 0200

Auditor's Independence Declaration

To the Directors of Audeara Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Audeara Limited for the half-year ended 31 December 2023. 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 review; and

b no contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

Cameron Smith

Cameron Smith
Partner – Audit & Assurance

Brisbane, 29 February 2024

Audeara Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2023

	Note	Consolidated 31 Dec 2023 $	Consolidated 31 Dec 2022 $
Revenue	5	785,632	1,354,709
Cost of sales		(336,744)	(749,115)
Gross profit		448,888	605,594
Other income		545,489	53,145
Advertising, marketing and selling expenses		(131,807)	(329,150)
Professional fees		(49,489)	(65,110)
Employment benefits expense		(1,226,744)	(1,663,401)
Insurance		(54,124)	(45,070)
Listing and share registry		(65,053)	(63,567)
Other expenses		(379,731)	(298,479)
Total expenses		(1,906,948)	(2,464,777)
Loss before depreciation, net finance costs and income tax expense		**(912,571)**	**(1,806,038)**
Depreciation and amortisation		(56,600)	(69,934)
Finance income/(costs)		(32,064)	1,870
Loss before income tax		**(1,001,235)**	**(1,874,102)**
Income tax expense		-	-
Loss for the half-year attributable to the equity holders of Audeara Limited		**(1,001,235)**	**(1,874,102)**
Other comprehensive income for the half-year		-	-
Total comprehensive income/(loss) for the half-year		(1,001,235)	(1,874,102)
		Cents	**Cents**
Basic and diluted earnings per share	23	(0.70)	(1.61)

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

Audeara Limited
Consolidated statement of financial position
As at 31 December 2023

	Note	Consolidated 31 Dec 2023 $	Consolidated 30 Jun 2023 $
Assets			
Current assets			
Cash and cash equivalents	6	1,671,476	2,622,961
Trade and other receivables	7	989,021	847,305
Inventories	8	358,030	816,847
Other assets	9	469,384	197,929
Total current assets		3,487,911	4,485,042
Non-current assets			
Property, plant and equipment	10	92,663	109,394
Right-of-use assets	11	57,811	96,356
Intangibles	12	42,455	43,860
Total non-current assets		192,929	249,610
Total assets		3,680,840	4,734,652
Liabilities			
Current liabilities			
Trade and other payables	13	708,713	880,057
Contract liabilities	14	332,834	-
Borrowings	16	12,203	82,949
Lease liabilities	15	69,344	101,608
Employee benefits	17	202,328	229,306
Provisions		30,032	180,032
Total current liabilities		1,355,454	1,473,952
Non-current liabilities			
Lease liabilities	15	26,182	26,182
Employee benefits	17	73,492	64,897
Total non-current liabilities		99,674	91,079
Total liabilities		1,455,128	1,565,031
Net assets		2,225,712	3,169,621
Equity			
Issued capital	18	14,027,709	13,970,383
Reserves	19	218,814	218,814
Accumulated losses		(12,020,811)	(11,019,576)
Total equity		2,225,712	3,169,621

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

Audeara Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2023

	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2022	11,170,383	191,177	(7,276,644)	4,084,916
Loss after income tax expense for the half-year	-	-	(1,874,102)	(1,874,102)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(1,874,102)	(1,874,102)
Share placement	2,800,000	-	-	2,800,000
Share option reserve expense/(benefit)	-	(58,810)	-	(58,810)
Balance at 31 December 2022	13,970,383	132,367	(9,150,746)	4,952,004

	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2023	13,970,383	218,814	(11,019,576)	3,169,621
Loss after income tax expense for the half-year	-	-	(1,001,235)	(1,001,235)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	-	-
Issue of shares	57,326	-	-	57,326
Balance at 31 December 2023	14,027,709	218,814	(12,020,811)	2,225,712

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

Audeara Limited
Consolidated statement of cash flows
For the half-year ended 31 December 2023

	Note	Consolidated 31 Dec 2023 $	Consolidated 31 Dec 2022 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,436,538	1,456,325
Payments to suppliers and employees (inclusive of GST)		(2,303,042)	(3,225,765)
Research and development tax incentive received		-	297,756
Interest received		14,414	-
Interest and other finance costs paid		(6,691)	(467)
Net cash from/(used in) operating activities		(858,781)	(1,472,151)
Cash flows from investing activities			
Payments for property, plant and equipment		-	(14,514)
Net cash from/(used in) investing activities		-	(14,514)
Cash flows from financing activities			
Proceeds from issue of shares		-	2,800,000
Repayment of borrowings		(80,931)	(95,884)
Net cash (used in)/from financing activities		(80,931)	2,704,116
Net increase in cash and cash equivalents		(939,712)	1,217,451
Cash and cash equivalents at the beginning of the period		2,622,961	2,869,588
Effect of exchange rate fluctuations		(11,773)	-
Cash and cash equivalents at the end of the period	6	1,671,476	4,087,039

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

Note 1. General information

Audeara Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is disclosed in the corporate directory.

The financial statements cover Audeara Limited as a Group. The financial statements are presented in Australian dollars ($), which is Audeara Limited's functional and presentation currency.

Note 2. Significant accounting policies

These general-purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general-purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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

New or amended Accounting Standards and Interpretations adopted

The Group 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.

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

Note 3. Going concern

The half-year financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business. For the period ended 31 December 2023, the Company incurred a net loss after tax of $1,001,235 (31 Dec 2022: $1,874,102) and had cash outflows from operating activities of $858,781 (31 Dec 2022: $1,472,151). Cash and cash equivalents at 31 December 2023 were $1,671,476.

The ability of the Company to continue as a going concern is dependent on securing additional funding through the sale of equity and/or the continuing growth in revenue from the Australian market and the continued expansion of the European market. These conditions indicate a material uncertainty that may cast doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the normal course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern. However, the directors believe that there are sufficient funds available to meet the Group's working capital requirements as at the date of this report and that sufficient funds will be available to finance the ongoing operations of the Group for the following reasons:

- the Group has been successful in raising capital historically and management has confidence in its ability to raise further capital if and when required.
- at 31 December 2023, the Company had cash balances of $1,671,476.
- the directors of Audeara Limited have reason to believe that in addition to the cash currently available, the level of expenditure can be managed to meet working capital requirements for at least the next twelve (12) months.

The directors plan to continue the Group's operation on the basis outlined above and believe that there will be sufficient funds for the Group to meet its obligations and liabilities for at least twelve (12) months from the date of this report.

Note 4. Operating segments

Identification of reportable operating segments
The Company manages its operations as a single business operation and there are no parts of the Company that qualify as operating segments under AASB 8 *Operating Segments*. The Board of Directors (Chief Operating Decision Maker or "CODM") assess the financial performance of the Company on an integrated basis only and accordingly, the Company is managed on the basis of a single segment, being the development of hearing health technology. Information presented to the CODM on a monthly basis is categorised by type of expenditure.

Note 5. Revenue

	31 Dec 2023 $	31 Dec 2022 $
Sale of goods – Wholesale (point in time)	678,397	1,125,647
Sale of goods – Retail (point in time)	53,435	148,475
Service revenue (over agreed period of time)	53,800	80,587
	785,632	1,354,709

Disaggregation of revenue from contracts with customers

Primary geographical markets		
Australia & Asia Pacific	711,881	1,253,689
North America	53,800	101,020
Europe	19,951	-
	785,632	1,354,709

Note 6. Cash and cash equivalents

	31 Dec 2023 $	30 Jun 2023 $
Current assets		
Cash at bank	1,671,476	2,622,961

Note 7. Trade and other receivables

Current assets	31 Dec 2023 $	30 Jun 2023 $
Trade receivables	316,340	647,305
Research and development tax incentive	672,681	200,000
	989,021	847,305

Note 8. Inventories

	31 Dec 2023 $	30 June 2023 $
Current assets		
Stock in transit – at cost	134,926	395,153
Stock on hand – at cost	355,656	554,246
Less: provision for stock obsolescence	(132,552)	(132,552)
	358,030	816,847

Note 9. Other assets

Current assets	31 Dec 2023 $	30 Jun 2023 $
Prepayments	427,653	156,198
Security deposits	41,731	41,731
	469,384	197,929

Note 10. Property, plant and equipment	**31 Dec 2023**	**30 Jun 2023**
Non-current assets	**$**	**$**
Equipment – at cost	223,565	223,236
Accumulated depreciation	(130,902)	(113,842)
	92,663	109,394

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

	Equipment
	$
Balance at 1 July 2023	109,394
Foreign exchange variance	(81)
Depreciation	(16,650)
Balance at 31 December 2023	92,663

Note 11. Right-of-use assets	**31 Dec 2023**	**30 June 2023**
	$	**$**
Non-current assets		
Buildings	231,260	231,260
Accumulated amortisation	(173,449)	(134,904)
	57,811	96,356

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

	Buildings
	$
Balance at 1 July 2023	96,356
Amortisation	(38,545)
Balance at 31 December 2023	57,811

Note 12. Intangibles	**31 Dec 2023**	**30 June 2023**
	$	**$**
Non-current assets		
Patents and trademarks - at cost	60,850	60,850
Accumulated amortisation	(18,395)	(16,990)
	42,455	43,860

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

	Patents and trademarks
	$
Balance at 1 July 2023	43,860
Amortisation	(1,405)
Balance at 31 December 2023	42,455

Note 13. Trade and other payables

	31 Dec 2023 $	30 June 2023 $
Current liabilities		
Trade payables	376,425	570,225
Accrued expenses	190,025	153,842
GST payable	9,278	138,860
Other payables	132,985	17,130
	708,713	880,057

Note 14. Contract liabilities

	31 Dec 2023 $	30 June 2023 $
Current liabilities		
Contract liabilities	332,834	-

Contract liabilities relate to the unearned revenue component on goods and services invoiced but not yet delivered to a customer at the end of the reporting period.

Note 15. Lease liabilities

	31 Dec 2023 $	30 Jun 2023 $
Current liabilities		
Lease liability	69,344	101,608
Non-current liabilities		
Lease liability	26,182	26,182
	95,526	127,790

Note 16. Borrowings

	31 Dec 2023 $	30 June 2023 $
Current liabilities – Unsecured		
Insurance premium funding	12,203	82,949

Note 17. Employee benefits

	31 Dec 2023 $	30 Jun 2023 $
Current liabilities		
Annual leave	202,328	229,306
Non-current liabilities		
Long service leave	73,492	64,897
	275,820	294,203

Note 18. Issued capital

	31 Dec 2023 Shares	30 June 2023 Shares	31 Dec 2023 $	30 June 2023 $
Fully paid ordinary shares	144,607,725	143,300,000	14,027,709	13,970,383

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2023	143,300,000		13,970,383
Issue of shares to employees	27 September 2023	360,227	$0.046036	16,584
Issue of shares in lieu of director fees	7 December 2023	947,498	$.043	40,742
Balance	31 December 2023	144,607,725		14,027,709

Note 19. Reserves

	31 Dec 2023 $	30 June 2023 $
Share-based payments reserve	218,814	218,814

Note 20. Dividends

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

Note 21. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries:

		Ownership interest	
Subsidiary	Principal place of business / Country of incorporation	31 Dec 2023 %	30 Jun 2023 %
Audeara US Inc.	United States of America	100%	100%
Audeara Europe Ltd	Hungary	100%	100%

Note 22. Events after the reporting period

On 27 February 2024, Audeara Limited announced that its AUA Technology business unit had received its first purchase order to mass manufacture for a third-party brand. The purchase order is from Avedis Zildjian with a value of $2.1m and marks the largest single order Audeara has received since its inception.

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

Note 23. Earnings per share

	31 Dec 2023 $	31 Dec 2022 $
Loss after income tax attributable to the owners of Audeara Limited	(1,001,235)	(1,874,102)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	143,609,573	111,490,137
Weighted average number of ordinary shares used in calculating diluted earnings per share	143,609,573	111,490,137
	Cents	**Cents**
Basic/diluted earnings per share	(0.70)	(1.31)

Audeara Limited
Directors' declaration
31 December 2023

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors

Mr David Trimboli
Non-Executive Chairman

Perth, 29 February 2024

Grant Thornton Audit Pty Ltd
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Brisbane QLD 4000

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Independent Auditor's Review Report

To the Members of Audeara Limited

Report on the half year financial report

Conclusion

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

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Audeara Limited does not comply with the *Corporations Act 2001* including:

a giving a true and fair view of the Audeara Limited's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and

b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 3 in the financial report, which indicates that the Group incurred a net loss of $1,001,235 during the half year ended 31 December 2023 and, recorded net operating cash outflows of $858,781. As stated in Note 3, these events or conditions, along with other matters as set forth in Note 3, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

Cameron Smith

Cameron Smith
Partner – Audit & Assurance

Brisbane, 29 February 2024