

1 Company Information

Name of entity:	HYDRIX LIMITED
ABN:	84 060 369 048
Reporting period:	For the half-year ended 31 December 2023
Previous period:	For the half-year ended 31 December 2022

2 Results for announcement to the market

	% Change		\$
Revenues from ordinary activities ¹	-7.8%	to	5,903,204
(Loss) from ordinary activities after tax attributable to the owners of Hydrix Limited	-93.4%	to	(3,795,571)
(Loss) for the half-year attributable to the owners of Hydrix Limited	-94.1%	to	(3,817,155)

	% Change		\$
Adjusted EBITDA² by Segment	-28.4%	to	(1,535,782)
<i>Hydrix Services</i>	-43.4%	to	241,576
<i>Hydrix Medical</i>	-16.6%	to	(907,414)
<i>Hydrix Ventures</i>	99.6%	to	(161)
<i>Unallocated (Corporate Overheads)</i>	-7.6%	to	(869,783)

¹ Revenues from ordinary activities excludes other income - non-recurring (refer to Note 3)

² Adjusted EBITDA is EBITDA adjusted for other income non-recurring. Refer Note 2 for EBITDA reconciliation to loss from ordinary activities after tax attributable to the owners of Hydrix Limited.

Dividends

The consolidated entity does not propose to pay a dividend.

No dividend or distribution plans are in operation.

Comments

Net cash used in operating activities has improved to \$973,320 (31 December 2022: \$1,208,930). The loss for the consolidated entity after providing for income tax (after adjusting for non-recurring revenue items and impairment of non-financial assets) was \$2,517,155 (31 December 2022: \$2,256,405).

3 Net tangible assets / (liabilities)

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security (including right-of-use assets)	<u>0.30</u>	<u>1.14</u>

4 Control gained over entities

Not applicable.

5 Loss of control over entities

Not applicable.

6 Details of associates and joint venture entities

Not applicable.

7 Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements have been subject to a review by the auditors and the review report is included in the Interim Financial Report.

8 Attachments

Details of attachments (if any):

The Interim Report of Hydrix Limited for the half-year ended 31 December 2023 is attached.

9 Signed



Mr Gavin Coote
Executive Chairman
Melbourne

Date: 29 February 2024



HYDRIX LIMITED
INTERIM REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023
ABN: 84 060 369 048

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31 December 2023

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General information

The financial statements cover Hydrix Limited as a consolidated entity consisting of Hydrix Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Hydrix Limited's functional and presentation currency.

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

Registered office
30-32 Compark Circuit
Mulgrave VIC 3170

Principal place of business
30-32 Compark Circuit
Mulgrave VIC 3170

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 February 2024. The directors have the power to amend and reissue the financial statements.



Directors

Mr Gavin Coote
(Executive Chairman)

Ms Julie King
(Non-Executive Director)

Ms Joanne Bryant (*retired 13 November 2023*)
(Non-Executive Director)

Mr Paul Wright
(Non-Executive Director)

Mr Paul Lewis
(Non-Executive Director)

Company Secretary

Ms Alyn Tai

Registered Office

30-32 Compark Circuit
Mulgrave VIC 3170
Phone: (03) 9550 8100

Principal place of business

30-32 Compark Circuit
Mulgrave VIC 3170

Share register

Boardroom Pty Limited
Level 8, 210 George Street
Sydney NSW 2000

Auditor

Grant Thornton Audit Pty Ltd
Collins Square, Tower 5
727 Collins Street
Melbourne VIC 3008

Solicitors

Thomson Geer
Level 23, Rialto South Tower
525 Collins Street
Melbourne VIC 3000

Stock Exchange Listing

Hydrix Limited's shares are listed on the
Australian Securities Exchange (ASX code: HYD)

Website

www.hydrix.com

Country of incorporation and domicile

Australia

Hydrix Limited
Directors' Report
For the half-year 31 December 2023

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or 'Group') consisting of Hydrix Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

Directors

The following persons were directors of Hydrix Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mr Gavin Coote

Executive Chairman

Ms Julie King

Non-Executive Director

Ms Joanne Bryant

Non-Executive Director (retired 13 November 2023)

Mr Paul Wright

Non-Executive Director

Mr Paul Lewis

Non-Executive Director

Principal activities

The principal activities of the consolidated entity during the half-year were providing product design, engineering, and regulatory services to customers in the medical industry, market development of disruptive cardiovascular product technologies and venture investment in high potential early-stage medtech clients.

The consolidated entity operates three businesses:

Hydrix Services delivers world first products and innovation across the medtech and cardiac market sectors. It offers a comprehensive range of engineering, development and regulatory consulting services including software, electronics, mechanical, industrial design, and general product development services. Its product development and consulting services range from applied research through all stages of engineering design, development, prototyping, manufacturer management, certification process management and supply for global markets.

Hydrix Medical distributes disruptive cardiovascular technologies that address unmet needs for patients and healthcare providers. Products include the Guardian real-time heart attack warning system from Avertix Medical, Implicity's cloud-based AI-driven remote cardiac patient monitoring and data management solution, and Echo IQ's AI technology that automatically analyses echocardiographic measurements to improve the detection and diagnosis of patients at high risk of structural heart disease. These products are pre commercial revenue and being distributed by Hydrix under distribution license agreements across Australia and various Asia Pacific jurisdictions.

Hydrix Ventures selectively invests in high potential Hydrix Services medtech clients to generate equity capital gains. Current portfolio companies include Gyder Surgical Pty Ltd (orthopaedic surgical tool used in hip replacement surgeries), Avertix Medical (formerly known as AngelMed) (implantable heart attack warning system), Memphasys Limited (bio-separation system used in IVF procedures), and Cyban Pty Ltd (non-invasive brain trauma injury monitoring device). For each of these clients, Hydrix Services provides arm's-length product design and development consulting services.

The consolidated entity has approximately 70 employees and its headquarters are located in Mulgrave, Victoria Australia.

Hydrix Limited
Directors' Report
For the half-year 31 December 2023

Review of operations

The consolidated entity's revenue from contracts with customers of \$5,904,453 and \$12,659,427 for the half and calendar year ending 31 December 2023, respectively, was primarily derived from Hydrix Services.

Hydrix Services revenues for the half year were \$5,903,204 slightly down from \$6,400,527 in the prior comparative period. As is usual for these types of businesses, client projects can complete before new client projects are ready to commence. Further, there has been some slippage in sales conversions and project commencement dates, due to the difficult macro-economic and geo-political environment, whereby some client budgets and fund-raising campaigns have been delayed or constrained in the short term, but which are expected to commence over the next 12 months. Sales of new client projects and project extensions with existing clients were \$18.0m in the half bringing to \$29.9m the potential future value of revenues from clients that have existing contracts with Hydrix. In line with its go-to market strategy to increase revenues from international medical device companies, Hydrix Services expanded its international sales, marketing and business development resources and activities during the past two calendar years. These investments have significantly increased the sales opportunity pipeline to over \$300m (up more than 50% over the past two years) of which 87% is with international clients which is anticipated to underpin strong growth over the next 36 months.

Hydrix Medical added two sales personnel in the period in line with its go-to market strategy to accelerate sales of products it is distributing under licence from third party companies. As a result of investing in sales and marketing in the period, a sales pipeline opportunity of \$3.5m in potential annual recurring revenues of Implicity remote patient monitoring software was identified and is being actively pursued with customers.

Hydrix Medical is pursuing regulatory approval for Avertix Medical's heart attack warning device The Guardian which it has licensed to distribute in Japan and various other jurisdictions in southeast Asia. A preliminary consultation was held with Japan's PMDA during the period, and documentation is being collated in preparation for a follow-on meeting anticipated to be held late in the March quarter.

Hydrix Medical continues to proactively hold exploratory discussions with emerging USA and European cardiovascular technology companies to increase the number of products in the portfolio under distribution licence agreements. Future revenues selling disruptive cardiac products has the potential to be a major growth catalyst for the consolidated entity.

Hydrix Ventures' investment companies are progressing towards significant valuation inflection milestones including completion of products under development with Hydrix, key market regulatory approvals such as the USA, and commencing product sales. Investing in high potential early stage medtech clients provides for Hydrix to capture more of the value it helps create for clients and promotes positive alignment towards successful commercialisation of products. Capital gains anticipated from Venture capital investments will be used as non-dilutive funding to support the Group's growth strategy.

Review of financials

Hydrix Services made sales to external customers of \$5,903,204 for the first half ending 31 December 2023, decreasing by 7.8% over the prior year period (December 2022: \$6,400,527).

The operating loss before income tax for the consolidated entity was \$3,795,571 (December 2022: \$1,963,037), which included a non-cash goodwill asset impairment of the Avertix Guardian distribution rights of \$1,300,000 in the half. The asset impairment takes the net book asset value of the rights down to \$1,345,836.

As noted in the financial accounts, management is required to assess the carrying value of intangible assets. Management deemed taking an impairment was prudent given delays to regulatory and reimbursement scheme approvals and sales, which is primarily arising from requests to see real world implant data to assess risk/benefits of this FDA-approved, world-first technology to detect, in real-time, the onset of an acute coronary syndrome event, such as a heart attack in patients who have previously had a heart attack and are at high risk of recurrent events. Management remain confident in the commercial potential of the product and will continue to pursue regulatory and reimbursement approvals and commercial sales, having made 8 sales in Singapore to date.

Hydrix Limited
Directors' Report
For the half-year 31 December 2023

Cash used in operating activities during the period to support the growth and expansion of the consolidated entity was \$973,320 (December 2022: \$1,208,930).

The consolidated entity raised \$3,060,000 during the half through a convertible note comprised as follows:

- \$460,000 of new cash from external investors
- \$1,100,000 of new cash from directors of Hydrix Limited
- \$1,500,000 of existing shareholder loans from directors and related parties rolled over into the convertible note

The terms of the convertible note were consistent with what was disclosed in the Subsequent Events notes included in the consolidated entity's 30 June 2023 financial accounts.

The consolidated entity's cash position was \$847,277 at 31 December 2023, compared to \$1,153,080 at 30 June 2023. The main uses of cash were to support the principal activities of the business, and strategic growth initiatives.

Outlook for full financial year 2024

The business prospects for the consolidated entity remain strong taking into consideration several factors, including:

- underlying positive revenue and profit growth improvements of the Services business which has a strong order book and significant sales opportunity pipeline;
- future product revenue and gross profit margins from Hydrix Medical; and
- future Venture capital gains on investments made in high potential medtech clients.

Significant changes in the state of affairs

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

Matters subsequent to the end of the half-year

Hydrix Limited

To support the working capital needs of the Group, on 1 February 2024, Hydrix Limited entered into two loan agreements with major shareholders, as follows:

(i) \$500,000 loan directly into the business with an 11% interest rate, payable quarterly. Loan is repayable on 31 December 2024, or extendable through mutual agreement.

(ii) \$500,000 loan facility available on a draw down basis, with 10% interest rate on drawn funds, payable quarterly. In addition there is a 1% facility fee paid on signing of the loan agreement. Loan is repayable on 31 December 2024, or extendable through mutual agreement.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs.

Hydrix Limited
Directors' Report
For the half-year 31 December 2023

Rounding of amounts

The company is of a kind referred to in *Corporations Instrument 2016/191*, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

Auditor's independence declaration

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

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 Gavin Coote

Executive Chairman

29 February 2024

Melbourne

Grant Thornton Audit Pty Ltd

Level 22 Tower 5
Collins Square
727 Collins Street
Melbourne VIC 3008
GPO Box 4736
Melbourne VIC 3001
T +61 3 8320 2222

Auditor's Independence Declaration

To the Directors of Hydrix Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Hydrix 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



A C Pitts
Partner – Audit & Assurance

Melbourne, 29 February 2024

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Hydrix Limited
Consolidated Statement of Profit & Loss and Other Comprehensive Income
For the half-year ended 31 December 2023

		Consolidated	
	Note	31 Dec 2023	31 Dec 2022
		\$	\$
Revenue			
Revenue from contracts with customers	3	5,904,453	6,401,598
Other Income	3	42,057	814,006
Interest revenue		20,090	19,087
		5,966,600	7,234,691
Operating expenses			
Employee benefits expense		(5,462,639)	(5,273,966)
Project material expenses		(414,911)	(680,482)
Cost of sales		(24,196)	(19,667)
Depreciation and amortisation expense		(583,129)	(680,267)
Finance costs	4	(322,436)	(224,086)
Rental expense		(88,053)	(76,924)
Selling, advertising and distribution expenses		(160,423)	(123,515)
Research and development expenses		-	(18,896)
Other expenses	4	(1,352,161)	(1,424,791)
Share based payment expenses	15	(99,677)	(132,949)
Impairment of distribution rights	6	(1,300,000)	(522,939)
Write-back / (impairment) of receivables		50,283	(20,492)
Gain on financial instruments at fair value through profit or loss	4	54,771	25,672
Unrealised foreign exchange loss		(59,600)	(24,426)
		(9,762,171)	(9,197,728)
Loss before income tax expense		(3,795,571)	(1,963,037)
Income tax expense		-	-
Loss after income tax expense		(3,795,571)	(1,963,037)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Movement in functional currency of foreign operations		(21,584)	(3,826)
Total comprehensive loss for year attributable to the Owners of Hydrix Limited		(3,817,155)	(1,966,863)
Loss per share			
Basic and diluted loss per share (cents per share)	14	Cents (1.49)	Cents (0.95)

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

Hydrix Limited
Consolidated Statement of Financial Position
As at 31 December 2023

	Note	Consolidated	
		31 Dec 2023 \$	30 June 2023 \$
Current assets			
Cash and cash equivalents		847,277	1,153,080
Trade and other receivables	5	1,009,020	2,428,670
Contract assets	7	720,737	346,161
Prepayments		435,043	329,015
Inventory		-	19,798
Total current assets		3,012,077	4,276,724
Non-current assets			
Financial assets at fair value through profit & loss	8	5,108,892	4,893,787
Plant and equipment		262,839	308,203
Right of use assets	11	922,917	1,153,645
Intangible assets	6	1,870,836	3,444,542
Other assets		98,222	75,426
Security deposits		424,980	424,980
Total non-current assets		8,688,686	10,300,583
Total assets		11,700,763	14,577,307
Current liabilities			
Trade and other payables		1,359,202	1,507,340
Contract liabilities	7	525,178	711,036
Borrowings	9	929,604	1,369,003
Derivative liabilities	10	-	1,275
Employee benefits		843,617	912,439
Lease liabilities	11	913,250	855,149
Other liabilities		3,559	3,582
Total current liabilities		4,574,410	5,359,824
Non-current liabilities			
Borrowings	9	3,060,000	1,000,000
Employee benefits		210,273	179,992
Lease liabilities	11	1,039,664	1,507,233
Provisions		181,007	177,371
Total non-current liabilities		4,490,944	2,864,596
Total liabilities		9,065,354	8,224,420
Net assets		2,635,409	6,352,887
Equity			
Issued capital	12	102,126,684	102,126,684
Reserves	13	717,189	678,120
Accumulated losses		(100,208,464)	(96,451,917)
Total equity		2,635,409	6,352,887

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

Hydrix Limited
Consolidated Statement of Cash Flows
For the half-year ended 31 December 2023

	Note	31 Dec 2023 \$	31 Dec 2022 \$
Cash Flows from operating activities			
Receipts from customers (including GST)		7,096,733	7,290,148
Payments to suppliers and employees (including GST)		(8,070,053)	(8,499,078)
Net cash flow used in operating activities		<u>(973,320)</u>	<u>(1,208,930)</u>
Cash Flows from investing activities			
Payments for plant and equipment		(14,268)	(38,265)
Payments for intangible assets		(19,063)	(66,743)
Payments for financial assets		(212,902)	(10,000)
Net cash flow used in investing activities		<u>(246,233)</u>	<u>(115,008)</u>
Cash Flows from financing activities			
Proceeds from issue of shares		-	3,369,679
Share issue transaction costs		-	(355,902)
Proceeds from borrowings		2,428,160	220,020
Borrowing transaction costs		(30,360)	-
Repayments of borrowings		(807,559)	(87,772)
Interest received		11,783	10,780
Interest and other finance costs paid		(278,025)	(222,456)
Repayments of lease liabilities		(409,467)	(357,394)
Net cash flow from financing activities		<u>914,532</u>	<u>2,576,955</u>
Net (decrease)/increase in cash and cash equivalents		(305,022)	1,253,017
Cash and cash equivalents at the beginning of the financial half-year		1,153,080	1,940,411
Effects of exchange rate changes on cash and cash equivalents		(781)	9
Cash and cash equivalents at end of the financial half-year		<u><u>847,277</u></u>	<u><u>3,193,437</u></u>

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

Hydrix Limited
Notes accompanying the Financial Statements
For the half-year ended 31 December 2023

1 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, except for the policies stated below.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and derivatives.

New or amended Accounting Standards and Interpretations adopted

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

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

Going concern

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

For the half year period ended 31 December 2023, the consolidated entity incurred a net loss before tax of \$3,795,571, reported cash used in operations of \$973,320 and had a net current assets deficit (current assets less current liabilities) of \$1,562,333.

The above factors create business uncertainty which may cast doubt over the business continuing as a going concern and whether the consolidated entity will be able to realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in the financial report.

Despite these business uncertainties, the directors are of the opinion the consolidated entity will continue as a going concern, taking into consideration various factors including:

- The consolidated entity had an available cash balance of \$847,277 at 31 December 2023;
- Subsequent to balance date, the consolidated entity entered into loan agreements with major shareholders providing a total available facility of \$1,000,000;
- Material growth in the sales pipeline to +\$300m as a result of sales and business development efforts in Europe and USA, with conversion of projects in the next 6 to 12 months driving revenue growth;
- A full business profit and loss, balance sheet and cash flow forecast for the 12-month period from the date of signing of the financial statements, which supports the directors' assertion, has been prepared based on assumptions about certain economic, operating and trading performance achievement contingent on future events and actions yet to occur, and which may not necessarily occur. The underlying year to date revenue growth in the services business is leading to an improving operating position, and should a need arise, there are discretionary operating costs of the business that could be reduced. Whilst the directors believe the assumptions are best estimate assumptions based upon information available, the occurrence and timing of future events are not certain. The directors will continually monitor the operating performance against the budget and cash flow forecast;
- The directors believe the consolidated entity would be able to raise additional capital if required to support strategic growth initiatives and working capital; and
- The directors are continuously assessing the assets available to the Group and associated liquidity strategies that would allow for the effective management of working capital and future investment in the Group, such as sale of Hydrix Ventures' assets.

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

The financial statements do not include any adjustments relating to amounts or classification of recorded assets or liabilities that might be necessary should the consolidated entity not be able to continue as a going concern.

1 Significant accounting policies (continued)

Critical accounting estimates, assumptions and judgements

(i) Impairment of non-financial assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated group and to the particular asset that may lead to impairment. If an impairment indicator exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Furthermore, significant management judgement and estimate is involved in assessing the impairment of the distribution rights, taking into account the status of each regulatory application and the likelihood of successfully receiving regulatory approvals across each region under the distribution agreement.

Hydrix Limited
Notes accompanying the Financial Statements
For the half-year ended 31 December 2023

2 Operating Segments

Identification of reportable operating segments

The consolidated entity is organised into two operating segments based on the internal reports that are reviewed and used by the Board of Directors [who are identified as the Chief Operating Decision Makers ('CODM')] in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the CODM, who are responsible for the allocation of resources to operating segments and assessing their performance.

The consolidated entity's operations are in four geographical locations, being Australia, Singapore, New Zealand, and the USA.

<i>Operating Segment Information</i>	Hydrix Services	Hydrix Medical	Hydrix Ventures	Unallocated	Total Operations
Consolidated - 31 Dec 2023	\$	\$	\$	\$	\$
Revenue					
Revenue from contracts with customers	5,903,204	1,249	-	-	5,904,453
Total segment revenue	5,903,204	1,249	-	-	5,904,453
Other income					
Interest revenue	-	-	-	20,090	20,090
Other income	42,057	-	-	-	42,057
Total segment income	5,945,261	1,249	5,945,261	20,090	5,966,600
EBITDA	241,576	(907,414)	(161)	(869,783)	(1,535,782)
Finance costs	(170,515)	(515)	-	(151,407)	(322,437)
Depreciation and amortisation	(305,824)	(277,237)	-	(68)	(583,129)
Impairment of distribution rights	-	(1,300,000)	-	-	(1,300,000)
Write-back of receivables	50,283	-	-	-	50,283
Share based payment expenses	(9,184)	(526)	-	(89,967)	(99,677)
Unrealised foreign exchange loss	(1,716)	-	(57,884)	-	(59,600)
Gain on financial instruments at FVTPL	-	-	55,399	(628)	54,771
Loss before income tax expense	(195,380)	(2,485,692)	(2,646)	(1,111,853)	(3,795,571)
Income tax expense	-	-	-	-	-
Loss after income tax expense	(195,380)	(2,485,692)	(2,646)	(1,111,853)	(3,795,571)
Assets					
Segment assets	3,669,280	1,431,692	142	-	5,101,114
<i>Unallocated assets:</i>					
Cash and cash equivalents	-	-	-	847,277	847,277
Intangible assets	-	-	-	525,000	525,000
Hydrix Ventures financial assets	-	-	5,108,892	-	5,108,892
Other assets	-	-	-	118,480	118,480
Total assets	3,669,280	1,431,692	5,109,034	1,490,757	11,700,763
Liabilities					
Segment liabilities	4,959,408	113,738	-	-	5,073,146
<i>Unallocated liabilities:</i>					
Borrowings	-	-	-	3,310,000	3,310,000
Other liabilities	-	-	-	682,208	682,208
Total liabilities	4,959,408	113,738	-	3,992,208	9,065,354

Hydrix Limited
Notes accompanying the Financial Statements
For the half-year ended 31 December 2023

2 Operating Segments (continued)

Consolidated - 31 Dec 2022	Hydrix Services \$	Hydrix Medical \$	Hydrix Ventures \$	Unallocated \$	Total Operations \$
Revenue					
Revenue from contracts with customers	6,400,527	1,071	-	-	6,401,598
Total segment revenue	<u>6,400,527</u>	<u>1,071</u>	<u>-</u>	<u>-</u>	<u>6,401,598</u>
Other income					
Interest revenue	-	-	-	19,087	19,087
Other revenue	1,333	193	-	-	1,526
Other income - non-recurring	812,480	-	-	-	812,480
Total Segment income	<u>7,214,340</u>	<u>1,264</u>	<u>-</u>	<u>19,087</u>	<u>7,234,691</u>
EBITDA	<u>1,238,924</u>	<u>(778,152)</u>	<u>(35,711)</u>	<u>(808,611)</u>	<u>(383,550)</u>
Finance costs	(153,415)	-	-	(70,671)	(224,086)
Depreciation and amortisation	(354,693)	(325,461)	-	(113)	(680,267)
Impairment of distribution rights	-	(522,939)	-	-	(522,939)
Impairment of receivables	(20,492)	-	-	-	(20,492)
Share based payment expenses	(8,742)	(560)	-	(123,647)	(132,949)
Unrealised foreign exchange gain/(loss)	-	(48,851)	24,425	-	(24,426)
Gain on financial instruments at FVTPL	-	-	25,672	-	25,672
Profit / (Loss) before income tax expense	<u>701,582</u>	<u>(1,675,963)</u>	<u>14,386</u>	<u>(1,003,042)</u>	<u>(1,963,037)</u>
Income tax expense	-	-	-	-	-
Profit / (Loss) after income tax expense	<u>701,582</u>	<u>(1,675,963)</u>	<u>14,386</u>	<u>(1,003,042)</u>	<u>(1,963,037)</u>
Assets					
Segment assets	4,948,943	3,290,928	142	-	8,240,013
<i>Unallocated assets:</i>					
Cash and cash equivalents	-	-	-	3,193,437	3,193,437
Intangible assets	-	-	-	525,000	525,000
Hydrix Ventures financial assets	-	-	3,828,541	-	3,828,541
Other assets	-	-	-	35,391	35,391
Total assets	<u>4,948,943</u>	<u>3,290,928</u>	<u>3,828,683</u>	<u>3,753,828</u>	<u>15,822,382</u>
Liabilities					
Segment liabilities	5,683,587	3,090,157	-	-	8,773,744
<i>Unallocated liabilities:</i>					
Borrowings	-	-	-	2,000,000	2,000,000
Other liabilities	-	-	-	342,323	342,323
Total liabilities	<u>5,683,587</u>	<u>3,090,157</u>	<u>-</u>	<u>2,342,323</u>	<u>11,116,067</u>

Hydrix Limited
Notes accompanying the Financial Statements
For the half-year ended 31 December 2023

3 Revenue

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$	\$
Revenue from contracts with customers		
Project revenue – services	5,516,998	5,971,233
Project revenue – materials	386,206	429,294
Project revenues	<u>5,903,204</u>	<u>6,400,527</u>
Sales of AngelMed Guardian Consumables	1,249	1,071
Total revenue from contracts with customers	<u>5,904,453</u>	<u>6,401,598</u>
Other income	42,057	1,526
Other income - non-recurring	-	812,480
	<u>42,057</u>	<u>814,006</u>
Total revenue from continuing operations	<u><u>5,946,510</u></u>	<u><u>7,215,604</u></u>

4 Expenses

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$	\$
Loss before income tax includes the following specific expenses:		
Finance costs		
Interest expense on lease liabilities	105,782	142,550
Interest on loans	216,654	81,536
Total finance costs	<u>322,436</u>	<u>224,086</u>
Gain/(Loss) on financial instruments at fair value through profit or loss		
Gain on derivatives	1,275	79,326
Gain/(Loss) on financial assets	53,496	(53,654)
	<u>54,771</u>	<u>25,672</u>
Other expenses		
Consultancy charges	107,692	125,447
Corporate advisory transaction costs	3,858	499
Directors' fees	133,707	147,540
Insurance	110,528	106,334
Investor relations	47,933	82,559
IT related expenses	213,358	187,331
Legal and professional charges	187,763	159,729
Listing fees and share register maintenance	58,497	65,114
Recruitment fees	74,698	260,029
Regulatory Fees	123,863	54,714
Travelling costs	160,806	117,236
Administration expenses	129,458	118,259
Total other expenses	<u>1,352,161</u>	<u>1,424,791</u>

Hydrix Limited
Notes accompanying the Financial Statements
For the half-year ended 31 December 2023

5 Trade and other receivables

	Consolidated	
	31 Dec 2023	30 June 2023
Current	\$	\$
Trade receivables	902,712	2,431,904
Less: Allowance for expected credit losses	(16,982)	(67,265)
	<u>885,730</u>	<u>2,364,639</u>
GST receivable	112,817	46,444
Other receivables	10,473	17,587
	<u><u>1,009,020</u></u>	<u><u>2,428,670</u></u>

Allowance for expected credit losses

The consolidated entity has recognised a gain of \$50,283 in profit or loss in respect of the expected credit losses for the period ended 31 December 2023 (31 December 2022: loss of \$20,492).

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit	Carrying	Allowance for
	loss rate	amount	expected credit
	31 Dec 2023	31 Dec 2023	31 Dec 2023
Consolidated	%	\$	\$
Not overdue	0.5%	783,102	3,631
0 to 3 months overdue	0.8%	30,071	253
3 to 6 months overdue	28.8%	36,594	10,552
Over 6 months overdue	4.8%	52,945	2,546
		<u>902,712</u>	<u>16,982</u>

Accounting Policy

Trade and Other Receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

Hydrix Limited
Notes accompanying the Financial Statements
For the half-year ended 31 December 2023

6 Intangible assets

	Consolidated	
	31 Dec 2023	30 June 2023
	\$	\$
Brand name	525,000	525,000
Less: Impairment	-	-
	<u>525,000</u>	<u>525,000</u>
Distribution rights	4,459,426	4,459,426
Less: Accumulated amortisation	(1,290,651)	(1,016,945)
Less: Impairment	(1,822,939)	(522,939)
	<u>1,345,836</u>	<u>2,919,542</u>
Software - CHEF Framework	3,078,201	3,059,141
Less: Accumulated amortisation	(3,078,201)	(3,059,141)
	<u>-</u>	<u>-</u>
	<u>1,870,836</u>	<u>3,444,542</u>

Impairment assessment

Management is required to assess the carrying value of intangible assets. Management deemed taking an impairment was prudent given delays to regulatory and reimbursement scheme approvals and sales, which is primarily arising from requests to see real world implant data to assess risk/benefits of this FDA-approved, world first technology to detect, in real-time, the onset of an acute coronary syndrome event, such as a heart attack in patients who have previously had a heart attack and are at high risk of recurrent events. Management remain confident in the commercial potential of the product and will continue to pursue regulatory and reimbursement approvals and commercial sales, having made 8 sales in Singapore to date. As a result, a \$1,300,000 impairment was recognised at 31 December 2023

Reconciliations

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

	Brand name	Distribution rights	Software - CHEF	Total
	\$	\$	\$	\$
Balance as at 1 Jul 2023	525,000	2,919,542	-	3,444,542
Additions	-	-	19,063	19,063
Impairment expense	-	(1,300,000)	-	(1,300,000)
Amortisation expense	-	(273,706)	(19,063)	(292,769)
Balance as at 31 Dec 2023	<u>525,000</u>	<u>1,345,836</u>	<u>-</u>	<u>1,870,836</u>

Hydrix Limited
Notes accompanying the Financial Statements
For the half-year ended 31 December 2023

7 Contract assets & contract liabilities

	Consolidated	
	31 Dec 2023	30 June 2023
	\$	\$
Contract assets		
Current	<u>720,737</u>	<u>346,161</u>

The value of contract assets at the end of the reporting period was \$720,737 (30 June 2023: \$346,161) and is expected to be invoiced in future periods as follows:

	31 Dec 2023	30 June 2023
	\$	\$
Consolidated		
Within 6 months	720,737	346,161
6 to 12 months	-	-
12 to 18 months	-	-
18 to 24 months	-	-
	<u>720,737</u>	<u>346,161</u>

	31 Dec 2023	30 June 2023
	\$	\$
Contract liabilities		
Current	<u>525,178</u>	<u>711,036</u>

Unsatisfied performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was \$525,178 as at 31 December 2023 (\$711,036 as at 30 June 2023) and is expected to be recognised as revenue in future periods as follows:

	31 Dec 2023	30 June 2023
	\$	\$
Consolidated		
Within 6 months	525,178	711,036
6 to 12 months	-	-
12 to 18 months	-	-
18 to 24 months	-	-
	<u>525,178</u>	<u>711,036</u>

Hydrix Limited
Notes accompanying the Financial Statements
For the half-year ended 31 December 2023

8 Financial assets at fair value through profit & loss

	Consolidated	
	31 Dec 2023	30 June 2023
	\$	\$
Listed ordinary shares	12,301	14,202
Unlisted ordinary shares	5,095,857	4,601,394
Unlisted options	734	734
Convertible note	-	277,457
	<u>5,108,892</u>	<u>4,893,787</u>

Reconciliations

Reconciliations of the fair values at the beginning and end of the current financial year are set out below:

	Unlisted ordinary shares	Unlisted options	Listed ordinary shares	Convertible note	Total
	\$	\$	\$	\$	\$
Opening fair value as at 1 July 2023	4,601,394	734	14,202	277,457	4,893,787
Additions (i) (ii)	211,185	-	-	8,307	219,492
Fair value increments / (decrements)	38,813	-	(1,901)	16,585	53,497
Fair value decrements due to FX	(57,884)	-	-	-	(57,884)
Conversion of convertible note (iii)	302,349	-	-	(302,349)	-
Closing fair value as at 31 December 2023	<u>5,095,857</u>	<u>734</u>	<u>12,301</u>	<u>-</u>	<u>5,108,892</u>

(i) During September 2023 the consolidated entity exercised 4,446 options held over shares in Gyder Surgical Pty Ltd at \$47.50 per share. The transaction was settled as an offset to trade receivables outstanding with Gyder Surgical Pty Ltd.

(ii) During the half-year the consolidated entity recognised interest on the convertible note of \$8,307.

(iii) On 31 December 2023, the convertible note held in Gyder Surgical Pty Ltd by the consolidated entity reached maturity, and was converted for 5,377 shares at \$56.23 per share.

Hydrix Limited
Notes accompanying the Financial Statements
For the half-year ended 31 December 2023

9 Borrowings

	Consolidated	
	31 Dec 2023	30 June 2023
	\$	\$
Current		
Shareholder loans - Unsecured	250,000	750,000
Insurance premium funding	242,975	44,003
TP24 CreditLine - Secured	436,629	575,000
	929,604	1,369,003
Non-current		
Convertible note	3,060,000	-
Shareholder loans - Unsecured	-	1,000,000
	3,060,000	1,000,000

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated	
	31 Dec 2023	30 June 2023
	\$	\$
Total facilities		
Shareholder loans	250,000	750,000
Convertible note	3,060,000	-
TP24 CreditLine	436,629	855,838
	3,746,629	1,605,838
Used at the reporting date		
Shareholder loans	250,000	750,000
Convertible note	3,060,000	-
TP24 CreditLine	436,629	575,000
	3,746,629	1,325,000
Unused at the reporting date		
Shareholder loans	-	-
Convertible note	-	-
TP24 CreditLine	-	280,838
	-	280,838

Hydrix Limited
Notes accompanying the Financial Statements
For the half-year ended 31 December 2023

10 Derivative liability

In December 2019, 8,000,000 warrant shares were issued to Pure Asset Management as interest consideration on the borrowings. The warrants have an exercise price of \$0.10 and expiry date of 17 December 2023.

Due to expiration on 31 December 2023, the fair value of the embedded derivative liability at 31 December 2023 was nil

	Consolidated	
	31 Dec 2023	30 June 2023
Share price at measurement date	N/A	\$0.030
Expected volatility	N/A	92.12%
Dividend yield	N/A	0.00%
Risk-free interest rate	N/A	3.30%
Carrying amount of liability	<u>\$0</u>	<u>\$1,275</u>

11 Leasing

The consolidated entity leases an office building. The lease liability is secured by the related underlying right-of-use asset. The maturity analysis at 31 December 2023 was as follows:

	Maturity analysis			Total
	Within one year	One to five years	After five years	
	\$	\$	\$	\$
31 December 2023				
Lease payments	<u>1,028,267</u>	<u>1,061,058</u>	<u>-</u>	<u>2,089,325</u>

Lease payments not recognised as a liability

The consolidated entity has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

	Consolidated	
	31 Dec 2023	30 June 2023
Lease liabilities	\$	\$
Current	913,250	855,149
Non-current	1,039,664	1,507,233
	<u>1,952,914</u>	<u>2,362,382</u>

Set out below are the carrying amounts of the consolidated entity's right-of-use assets:

	Property
	\$
Right-of-use assets	2,999,477
Amortisation	(2,076,560)
	<u>922,917</u>

Hydrix Limited
Notes accompanying the Financial Statements
For the half-year ended 31 December 2023

12 Issued capital

	Consolidated			
	31 Dec 2023	30 June 2023	31 Dec 2023	30 June 2023
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>254,218,847</u>	<u>254,218,847</u>	<u>102,126,684</u>	<u>102,126,684</u>
<i>Movements in ordinary share capital</i>				
	Date	Shares	Issue price	\$
Balance	1-Jul-23	254,218,847		102,126,684
<i>No movement in Issued Capital balance in the period</i>				
Balance	31-Dec-23	<u>254,218,847</u>		<u>102,126,684</u>

13 Equity - reserves

	Consolidated	
	31 Dec 2023	30 June 2023
	\$	\$
Share based payments reserve	747,782	687,129
Foreign currency translation reserve	(30,593)	(9,009)
	<u>717,189</u>	<u>678,120</u>

Movement in reserves

Movement in each class of reserve during the current and previous financial year are set out below:

	Share based payments reserve	Foreign currency translation reserve	Total reserves
	\$	\$	\$
Balance at 30 June 2023	687,129	(9,009)	678,120
Share based payments	99,677	-	99,677
Removing expired Performance Rights / Options	(39,024)	-	(39,024)
Movement in functional currency of foreign operations	-	(21,584)	(21,584)
Balance at 31 December 2023	<u>747,782</u>	<u>(30,593)</u>	<u>717,189</u>

Hydrix Limited
Notes accompanying the Financial Statements
For the half-year ended 31 December 2023

14 Earnings per share

	Consolidated	
	31 Dec 2023	31 Dec 2022
Loss after income tax attributable to the owners of Hydrix Limited	\$ (3,795,571)	\$ (1,963,037)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	254,218,847	206,644,717
Anti-dilutive shares excluded from weighted average number of ordinary shares:		
Options over ordinary shares	38,199,611	87,470,490
Warrant shares	-	8,000,000
Contingent equity consideration	-	7,500,000
Convertible note	3,060,000	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	254,218,847	206,644,717
	Cents	Cents
Basic and diluted loss per share	(1.49)	(0.95)

In addition to the 5,444,611 non-quoted options (refer to Note 15) the following quoted options were in existence during the half-year:

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Options granted	Options exercised	Options expired/forfeited	Balance at the end of the half-year
14-Apr-22	31-Mar-24	\$0.180	28,280,000	-	-	-	28,280,000
7-Dec-22	31-Dec-23	\$0.120	50,465,823	-	-	50,465,823	-
			<u>78,745,823</u>	<u>-</u>	<u>-</u>	<u>50,465,823</u>	<u>28,280,000</u>

These options can be transferred and are quoted on the ASX (ASX: HYDOA and HYDOB).

Hydrix Limited
Notes accompanying the Financial Statements
For the half-year ended 31 December 2023

15 Share-based payments

Recognised share-based payment expenses

The expense recognised from employee services received during the year is shown in the table below:

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$	\$
Expenses arising from equity-settled share-based payment transactions	<u>99,677</u>	<u>132,949</u>

Types of share-based payment plan

Employee Share Option Plan, 'ESOP'

A Long Term Incentive Plan (LTIP) has been established and approved by shareholders where the Company may, at the discretion of the Board, grant options over the ordinary shares of Hydrix Limited to directors, executives, contractors and employees of the consolidated entity. The exercise of the options are subject to time-based and performance-based vesting conditions. The options cannot be transferred and will not be quoted on the ASX.

The following non-quoted options issued under the LTIP were in existence during the half-year:

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Options granted	Options exercised	Options expired/forfeited	Balance at the end of the half-year
9-Mar-20	30-Jun-25	\$0.290	357,876	-	-	58,125	299,751
8-Sep-20	30-Jun-25	\$0.075	425,839	-	-	85,437	340,402
2-Oct-20	30-Jun-25	\$0.075	362,500	-	-	-	362,500
17-Jan-22	30-Jun-26	\$0.100	710,175	-	-	86,625	623,550
30-Sep-22	30-Jun-27	\$0.175	610,400	-	-	66,258	544,142
29-Nov-23	30-Jun-28	\$0.073		1,373,016		18,750	1,354,266
			2,466,790	1,373,016	-	315,195	3,524,611

Other non-quoted options in existence during the half-year were:

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Options granted	Options exercised	Options expired/forfeited	Balance at the end of the half-year
7-Mar-22	7-Mar-25	\$0.30	1,000,000	-	-	-	1,000,000
28-Nov-23	28-Nov-25	\$0.06	-	920,000	-	-	920,000
			1,000,000	920,000	-	-	1,920,000

The following performance rights were in existence during the half-year:

Grant date	Vesting date	Exercise price	Balance at the start of the half-year	Performance rights granted	Performance rights exercised	Performance rights expired/lapsed	Balance at the end of the half-year
13-Jan-22	30-Jun-23	\$0.00	250,000	-	-	25,000	225,000
13-Jan-22	30-Jun-24	\$0.00	4,250,000	-	-	-	4,250,000
			4,500,000	-	-	25,000	4,475,000

16 Contingent liabilities

The consolidated entity had no contingent liabilities as at 31 December 2023 (2022: nil).

17 Events after the reporting period

Hydrix Limited

On 12 February 2024, Hydrix Limited entered into two loan agreements with major shareholders, in order to facilitate management of short term working capital needs in the Group:

(i) \$500,000 loan directly into the business with an 11% interest rate, payable quarterly. Loan is repayable on 31 December 2024, or extendable through mutual agreement.

(i) \$500,000 loan facility available on a draw down basis, with 10% interest rate on drawn funds, payable quarterly. In addition there is a 1% facility fee paid on signing of the loan agreement. Loan is repayable on 31 December 2024, or extendable through mutual agreement.

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

Hydrix 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 consolidated entity'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 consolidated entity 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 Gavin Coote

Executive Chairman

29 February 2024

Melbourne

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Independent Auditor's Review Report

To the Members of Hydrix Limited

Report on the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Hydrix 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 Hydrix Limited does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of Hydrix 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.

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Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss of \$3,795,571 during the half year ended 31 December 2023 and, as of that date, the Group's current liabilities exceeded its current assets by \$1,562,333. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the financial report

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

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. 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



A C Pitts
Partner – Audit & Assurance

Melbourne, 29 February 2024