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About this Report

This report has been prepared for entX stakeholders in line with statutory and regulatory obligations. It summarises the Group's operations, performance and financial position as at and for the half year ended 30 June 2024.

All references to entX, the Group, the Company, we, us, and our, refer to entX Limited (ABN 31 164 573 728) and its subsidiaries. All dollar figures are in Australian currency unless otherwise stated. All references to half year refer to the six-month period ending 30 June 2024.

This report should be read in conjunction with the Group's Annual Report for the year ended 31 December 2023.

The plant and equipment shown in the photos and images in this report are not assets of the Company.

Directors' Report

Your Directors present this report for the half year ended 30 June 2024.

Directors

The Directors of entX during the half year and until the date of this report are as follows:

Anthony Kiernan AM (Non-Executive Chairman)

Bryn Jones (Managing Director)

Tim Goyder (Non-Executive Director)

Tim Wise (Non-Executive Director)

Lucy Gauvin (Non-Executive Director)

Principal activities

entX Limited is developing cutting-edge technologies in nuclear science, with a focus on its IsoMedica and Space & Defence divisions.

IsoMedica specialises in the development and commercialisation of advanced medical technologies, targeting innovative solutions for the supply of critical and in demand medical isotopes to the radiopharmaceutical industry.

The Space & Defence division of entX Limited plays a crucial role in developing state-of-the-art energy technologies for aerospace and defence applications. This division is engaged in producing advanced energy systems that support both commercial and military operations, contributing to national security and space exploration initiatives.

Financial Review

At 30 June 2024, the Group had net assets of \$1,798,509 (31 December 2023: \$3,624,975) and cash at bank of \$2,022,051 (31 December 2023: \$3,250,955).

The Group reported a net loss for the period of \$1,698,224 (30 June 2023: \$876,784). The increased loss compared to the prior half-year period is primarily as a result of:

- \$520,369 decrease in 'other income' primarily attributed to the comparative decrease in the accounting treatment of cash grant receipts to 'other income' in Profit or Loss; and
- \$584,424 increase in Corporate and Business development expenses, mostly related to increased expenditure on the Company's South Australian hydrogen projects and increased use of corporate business/strategy consultants.

During the reporting period the Company reported a net cash outflow from operating and investing activities of \$1,130,016 (30 June 2023: net cash outflow of \$1,167,492). Expenses for the period were offset by cash receipts of \$2,344,009, comprising cash inflows from Grant receipts (\$2,288,292), Corporate office rental (\$12,396), Urtek LLC management fees (\$24,000) and Interest (\$10,272).

Changes in Equity

The following changes in equity took place during the half year ended 30 June 2024:

Shares

The number of fully paid ordinary shares (Shares) on issue increased from 146,462,279 (1 January 2024) to 147,207,279 (30 June 2024), following the issue of a total of 745,000 new Shares (**Placement Shares**) as part of a \$2.8 Million Placement that was carried out in two tranches across December 2023 and January 2024. The Placement Shares issued during the half year period were issued at \$0.20 per share, raising \$149,000 (before costs).

Unlisted Options

The number of unlisted options (**Options**) on issue decreased from 15,396,001 (1 January 2024) to 12,471,001 (30 June 2024).

During the period 7,850,000 Long Term Incentive Options (**LTI Options**), previously issued to management as part of their respective employment agreements, were assessed for vesting against performance targets in June 2024. Following the assessment, 4,925,000 LTI Options vested and the remaining 2,925,000 LTI Options were forfeited. LTI Options are exercisable at \$0.04 each on or before 31 December 2024.

Performance Rights

There were no performance rights on issue during the reporting period or as at the date of this report.

Dividends

No dividends were paid, recommended or declared during the current or previous reporting period.

Significant changes to the state of affairs

The Directors are not aware of any significant changes in the state of affairs of the Group occurring during the half-year ended 30 June 2024, other than as disclosed in this half year report.

Review of Operations

Overview

entX continues to demonstrate substantial progress in both IsoMedica and its Space & Defence sectors, with strong alignment to market needs and robust development pipelines. The Group's strategic positioning within the IsoMedica and Space & Defence sectors, leveraging its innovative technologies, expert team and strong IP portfolio, positions it well for continued growth and market leadership in the coming years.

This report highlights the Group's advancements and market positioning in both sectors during the first half of the year.

IsoMedica – building reliable supply chains for the booming requirements for medical isotopes

Projects:

- **Lead-212 (Pb-212) Production:** Pb-212 is an emerging isotope for Targeted Alpha Therapy, which is a particularly effective therapy against a range of cancers including prostate, melanoma, and lung cancer. IsoMedica's novel extraction process from Thorium waste streams positions it to become a leading isotope supplier in the global market.
- **Lutetium-177 (Lu-177) Production:** Lu-177 is critical in targeted cancer therapies, leveraging receptor-specific mechanisms to deliver radiation directly to tumors. IsoMedica's process development is well-advanced, focusing on becoming a preferred global supplier of Ytterbium-176, the valuable pre-cursor to Lu-177, especially as current supplies are predominantly sourced from Russia.

Market Potential:

- **Pb-212:** entX estimates the total addressable market for the provision of Pb-212 precursors to be in the order of >\$300 million by 2030, with demand expected to grow as clinical trials expand and supply constraints ease.
- **Lu-177:** The potential addressable market for Ytterbium-176 is estimated to be >A\$1 billion by 2032¹ (based on estimated global demand at an assumed price of A\$35k/gram) . The demand for Lu-177 is driven by a strong pipeline of approved and pending radio-immunotherapy drugs, including over 100 ongoing clinical trials globally, with supply chains struggling to meet demand.

Key Milestones:

- entX has been awarded a \$1.9 million Economic Recovery Fund (ERF) grant by the South Australian Government to construct a commercial medical isotope production facility, with usual grant conditions. This facility will accelerate IsoMedica's capability to supply commercial quantities of these isotopes into the existing and expanding markets. A final investment decision for the production facility, including satisfaction of grant conditions, is anticipated prior to the end of CY2024 with first revenues expected within 12 months of facility construction.
- Production of demonstration quantities of Pb-212 and its pre-cursors is ongoing at the Company's current labs in Adelaide, with preliminary agreements in place to begin supplying isotopes to global customers from Q1 2025.
- IsoMedica has made significant progress in the development of its Lu-177 precursor production methods at bench scale. The team is now preparing for mini-pilot operations to prove the scalability of the process to facilitate progression of discussions with potential off-takers.

Competitive Advantage:

- IsoMedica's has secured access to thorium stockpiles and waste streams through agreements with recognised groups such as Tellus Holdings Ltd, thereby providing necessary feedstock for IsoMedica's novel extraction and purification processes for Thorium-228 and giving IsoMedica a competitive edge in the rapidly growing Pb-212 market.
- IsoMedica, through its novel isotopic purification process and established relationships with global supply chain participants, is strategically positioned to secure sovereign supply chains for the critical precursor Yb-176, supporting the large Lu-177 market.

¹ Medraysintell. (2023). *Presentation to the 2023 Targeted Alpha Therapy conference*, Capetown.

Space & Defence – Providing long term, reliable energy solutions to the space and defence sectors

Projects:

- **GenX Betavoltaics:** This project involves the conversion of energy from beta-emitting isotopes into long-lasting power sources for extreme-duration military and space applications. These include human-carried charging systems, unattended surveillance sensors, spacecraft, unmanned underwater vehicles, and remote sensing devices.
- **Radioisotope Heating Units (RHUs):** These units are designed to provide critical survival heat during lunar missions, targeting small payloads and semi-permanent installations. The RHUs leverage safe, commercially viable radioisotopes, aiming to extend the lifespan of lunar assets from days to months.

Market Potential:

- **GenX Betavoltaics:** The project addresses the growing demand for extreme-duration power sources. The global space industry is expected to become a trillion-dollar industry by 2040² with the provision of energy solutions accounting for a significant portion of that spend. entX expects the total addressable market for radioactive power systems to potentially exceed US\$1 billion by 2030.
- **Lunar Exploration:** entX's RHU technology is poised to address NASA's identified shortfall in lunar night survival³, a critical challenge in lunar exploration. With lunar exploration planned to boom over the coming decade⁴ entX is strategically positioned to capture significant market share.

Key Milestones:

- entX has attracted significant end-user, industry and grant co-funding for its space and defence business, including active programs of a \$6.2 million CRC-P and \$5.5 million rapid prototyping contract for GenX, and a \$2.2 million iLaunch Trailblazer program for its RHU project.
- entX has completed the prototype cell design for GenX, with Phase 1 prototypes scheduled to be delivered to its Australian Government clients in Q3 2024.
- For the RHU project, design and preliminary validation have been completed, positioning entX to fulfill a letter of intent for the supply of up to 48 RHUs to a large global space customer for lunar missions by 2030. The team is also preparing to launch its RHU into space, to achieve flight heritage, in 2025/6.

Competitive Advantage:

- entX holds a strong IP position for GenX in advanced electrode configurations and semiconductor technology, enabling world-leading betavoltaic performance and scalable volume manufacturing. This has already attracted significant customer interest.
- Our RHUs leverage the scientific and engineering capability of the team to deliver a reliable near-term solution to fill a known market need as identified by NASA as the number 1 challenge in civil space commercialisation³.

entX has demonstrated substantial progress in both its Space & Defence and Medical Isotopes sectors, with strong alignment to market needs and robust development pipelines. The Group's strategic positioning, coupled with its innovative technologies and strong IP portfolio, positions it well for continued growth and market leadership in the coming years.

² Morgan Stanley. (2020). *Space: Investing in the Final Frontier*. [online] Available at: www.morganstanley.com

³ NASA. (2024). *Civil space shortfall descriptions*. [online] Available at: <https://www.nasa.gov/wp-content/uploads/2024/07/civil-space-shortfall-descriptions-july-2024.pdf?emrc=622753> [Accessed 3 September 2024].

NASA. (2024). *NASA releases first integrated ranking of civil space challenges*. [online] Available at: <https://www.nasa.gov/general/nasa-releases-first-integrated-ranking-of-civil-space-challenges/>

⁴ PwC Australia. (2021). *Lunar market assessment 2021*. <https://www.pwc.com.au/industry/space-industry/lunar-market-assessment-2021.pdf>

Other Technology Developments

Hydrogen Portfolio – Focused on industrial decarbonisation

During the period the Group, supported by Linde Group (BOC in Australia) as an OEM partner, completed a Feasibility Study to supply Hydrogen in a staged manner as a partial replacement to the Kimberly-Clark Australia Millicent Tissue Mill (KCA Mill) natural gas feed. The Parties are now developing economic modelling for hydrogen supply to the KCA Mill on an ongoing basis with a view to progressing commercial discussions in the coming months. This work is being completed by the Group's wholly owned subsidiary LCH2 Pty Ltd (LCH2).

Diamond Generation Australia (DGA), a subsidiary of Mitsubishi Corporation, and entX have signed an agreement for DGA to acquire 49% of LCH2 subject to due diligence and definitive documentation being signed.

Uranium from Phosphates and the PhosEnergy Process

During the half the company completed collaboration agreements with two international phosphate fertilizer producers to evaluate the economics of uranium recovery using the company's technology.

Events arising since the end of the reporting period

The following events have occurred since the reporting date:

Issue of Shares from exercise of Options

On 15 July 2024, 1,987,667 Shares were issued following the exercise of an equivalent number of Options. The Options were exercisable at \$0.04 each on or before 31 December 2024 and raised \$79,507.

R&D Tax Incentive refund received

On 1 August 2024, the Company received an R&D tax incentive refund of \$1,197,812. This refund relates to eligible research and development activities undertaken during the financial year ended 31 December 2023.

Issue of Zero Exercise Price Options (ZEPOs)

On 1 September 2024, the Group issued a total of 2,000,000 ZEPOs to Mr Kiernan in consideration for additional duties relating to the Company's corporate development activities (**Additional Duties**). The 2,000,000 ZEPOs have a fair value of \$400,000 at the date of issue.

Each ZEPO entitles the holder to subscribe for one fully paid ordinary share in the Company (Share) upon exercise. ZEPOs expire three years from the date of issue and comprise:

- 1,000,000 ZEPOs in consideration of past Additional Duties provided to 31 August 2024. These ZEPOs vested immediately upon issuance. An amount of \$200,000 has been accrued to 'employee benefits expense' in Profit or Loss for the half year ended 30 June 2024; and
- 1,000,000 ZEPOs in consideration of Additional Duties to be provided for the period 1 September 2024 to 31 August 2025. These ZEPOS vest in four equal amounts of 250,000 ZEPOs every 3 months from the date of issue, subject to Mr Kiernan remaining a Director of the Company at the respective vesting dates.

In resolving to issue ZEPOs to Mr Kiernan, the Board (with Mr Kiernan abstaining), considered the provisions of Chapter 2E of the *Corporations Act 2001* (Cth) (**Corporations Act**) and the requirement to obtain shareholder approval for the provision of related party benefits, unless an exception applies.

It was resolved that the proposed issue of the ZEPOs to Mr Kiernan (or his nominee) constitutes "reasonable remuneration" and falls within the exception stipulated by section 211 of the Corporations Act having regard to:

- benchmarking data;
- the circumstances of the Group including, without limitation, market conditions, the Group's growth trajectory, strategic objectives, competency and skillset of management and employees, scarcity of talent and changes in role complexities; and
- Mr Kiernan's circumstances (including his responsibilities as a director of the Group and the provision of the Additional Duties.

There were no further significant events arising after the reporting date.

Auditor's Declaration

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 9 and forms part of the director's report for the financial half-year ended 30 June 2024.

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



Bryn Jones

Managing Director

11 September 2024

Auditor's Independence Declaration



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Auditor's Independence Declaration

To the Directors of entX Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of entX Limited for the half-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 review, and
- b no contraventions of any applicable code of professional conduct in relation to the review.

A stylized blue ink signature of "Grant Thornton" in a cursive script.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A stylized blue ink signature of "J.L. Humphrey" in a cursive script.

J.L. Humphrey
Partner – Audit & Assurance

Adelaide, 11 September 2024

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Statement of Profit or Loss and Other Comprehensive Income

(For the half-year ended 30 June 2024)

CONSOLIDATED GROUP			
	Notes	6 months to 30 June 2024 \$	6 months to 30 June 2023 \$
Revenue			
Revenue from ordinary activities	4(a)	24,000	20,306
Other income	4(b)	1,897,897	2,418,266
		1,921,897	2,438,572
Expenses			
Depreciation and lease amortisation expense		(139,264)	(100,890)
Amortisation of intangibles		(18,295)	(12,627)
Research expenses		(1,480,120)	(1,800,935)
Corporate consulting and business development expenses		(798,674)	(214,250)
Employee benefits expense		(1,136,048)	(722,856)
Share based payments expense	17	-	(159,021)
Share based payments expense written back - forfeited options	17	217,438	-
Other expenses		(258,387)	(296,644)
		(3,613,350)	(3,307,223)
Loss before financing costs		(1,691,453)	(868,651)
Finance costs		(6,771)	(8,133)
Loss before income tax		(1,698,224)	(876,784)
Income tax benefit		-	-
Loss attributed to members of the parent		(1,698,224)	(876,784)
Other comprehensive income/(loss)			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations – (loss) / gain		(3,497)	3,196
Other comprehensive loss net of tax		(3,497)	(3,196)
Total comprehensive loss attributable to members of the parent		(1,701,721)	(873,588)
Basic and diluted loss per share (cents per share)		(1.15)	(0.66)

The financial statements should be read in conjunction with the accompanying notes.

Statement of Financial Position

(As at 30 June 2024)

	NOTES	CONSOLIDATED GROUP	
		30 June	31 December
		2024	2023
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	7	2,022,051	3,250,955
Trade and other receivables	8	1,759,636	1,139,687
Contract assets	21	326,454	155,996
Total current assets		4,108,141	4,546,638
Non-current assets			
Intangible assets	10	595,924	525,683
Property, plant and equipment	11	1,013,647	742,184
Right to use assets – office and lab facility leases	13	245,415	366,316
Total non-current assets		1,854,986	1,634,183
TOTAL ASSETS		5,963,127	6,180,821
LIABILITIES			
Current liabilities			
Trade and other payables	12	1,342,855	720,855
Contract liabilities	21	1,904,469	729,412
Lease liability	13	166,984	234,005
Employee entitlements	16	619,313	700,350
Total current liabilities		4,033,621	2,384,622
Non-current liabilities			
Lease Liability	13	94,179	154,556
Employee entitlements	16	36,818	16,668
Total non-current liabilities		130,997	171,224
TOTAL LIABILITIES		4,164,618	2,555,846
NET ASSETS		1,798,509	3,624,975
EQUITY			
Issued capital	14	12,276,735	12,109,042
Other equity	14	-	75,000
Reserves	15	1,020,760	1,241,695
Accumulated losses		(11,498,986)	(9,800,762)
TOTAL EQUITY		1,798,509	3,624,975

The financial statements should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

(For the half-year ended 30 June 2024)

30 JUNE 2024	Issued Capital \$	Other Equity \$	Foreign currency translation reserve \$	Share Based Payments Reserve \$	Accumulated Losses \$	Total \$
Balance as at 1 January 2024	12,109,042	75,000	275,990	965,705	(9,800,762)	3,624,975
Loss for the period	-	-	-	-	(1,698,224)	(1,698,224)
Other comprehensive loss	-	-	(3,497)	-	-	(3,497)
Total comprehensive loss	-	-	(3,497)	-	(1,698,224)	(1,701,721)
Shares issued during the year	74,000	-	-	-	-	74,000
Subscription received in advance	75,000	(75,000)	-	-	-	-
Cost of shares issued during the year – Written back	18,693	-	-	-	-	18,693
Share based payments - forfeiture	-	-	-	(217,438)	-	(217,438)
Balance as at 30 June 2024	12,276,735	-	272,493	748,267	(11,498,986)	1,798,509

31 DECEMBER 2023	Issued Capital \$	Other Equity \$	Foreign currency translation reserve \$	Share Based Payments Reserve \$	Accumulated Losses \$	Total \$
Balance as at 1 January 2023	9,512,854	-	276,244	643,014	(7,254,181)	3,177,931
Loss for the period	-	-	-	-	(2,546,581)	(2,546,581)
Other comprehensive loss	-	-	(254)	-	-	(254)
Total comprehensive loss	-	-	(254)	-	(2,546,581)	(2,546,835)
Shares issued during the year	2,654,934	-	-	-	-	2,654,934
Subscription received in advance	-	75,000	-	-	-	75,000
Cost of shares issued during the year – Written back	(58,746)	-	-	-	-	(58,746)
Share based payments - forfeiture	-	-	-	322,691	-	322,691
Balance as at 31 December 2023	12,109,042	75,000	275,990	965,705	(9,800,762)	3,624,975

The financial statements should be read in conjunction with the accompanying notes.

Statement of Cash Flows

(For the half-year ended 30 June 2024)

		CONSOLIDATED GROUP	
		6 months to 30 June 2024 \$	6 months to 30 June 2023 \$
Cash flows from operating activities			
Receipts from customers		45,445	99,291
Grant and other Government income received		2,288,292	2,057,144
Interest received		10,272	12,705
Payments to suppliers and employees		(3,100,911)	(3,120,056)
Net cash outflows from operating activities	20	(756,902)	(950,916)
Cash flows from investing activities			
Payments for property, plant and equipment		(289,826)	(34,492)
Deposit paid for Land – Elliston property		-	(50,000)
Payments for intellectual property assets		(83,288)	(132,084)
Net cash outflows from investing activities		(373,114)	(216,576)
Cash flows from financing activities			
Repayment of lease liability	13	(132,835)	(100,939)
Proceeds from issue of shares	14	74,000	-
Payment for cost of shares issued	14	(40,053)	-
Net cash inflows from financing activities		(98,888)	(100,939)
Net (decrease)/increase in cash and cash equivalents		(1,228,904)	(1,268,431)
Cash and cash equivalents at beginning of the period		3,250,955	3,169,076
Effect of exchange rate fluctuations on cash held – gain/(loss)		-	-
Cash and cash equivalents at the end of the period	7	2,022,051	1,900,645

The financial statements should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

(For the half-year ended 30 June 2024)

BASIS OF PREPARATION

- Note 1: Statement of compliance
- Note 2: Basis of preparation
- Note 3: Segment reporting

PERFORMANCE FOR THE PERIOD

- Note 4: Revenue and other income
- Note 5: Other expenses
- Note 6: Loss per share

ASSETS

- Note 7: Cash and cash equivalents
- Note 8: Trade and other receivables
- Note 9: Investment in associate
- Note 10: Intangible assets
- Note 11: Property, Plant and Equipment

LIABILITIES AND EQUITY

- Note 12: Trade and other payables
- Note 13: Right-of-use assets and lease liabilities
- Note 14: Issued capital
- Note 15: Reserves

EMPLOYEE BENEFITS AND SHARE-BASED PAYMENTS

- Note 16: Employee benefits
- Note 17: Share-based payments

GROUP COMPOSITION

- Note 18: List of subsidiaries

OTHER INFORMATION

- Note 19: Related parties
- Note 20: Cashflow information
- Note 21: Contract assets and liabilities
- Note 22: Commitments and contingencies
- Note 23: Events subsequent to reporting date

NOTE 1 – STATEMENT OF COMPLIANCE

These interim consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed half year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 31 December 2023 and any public announcements made by entX Limited during the half year.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below. For the purpose of preparing the half year report, the Company is a for profit entity.

NOTE 2 – BASIS OF PREPARATION

The interim report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The functional and presentation currency of entX Limited is Australian dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Significant accounting judgements, estimates and assumptions

The preparation of interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. In preparing this interim report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report for the year ended 31 December 2023.

(b) Going concern

The financial statements have been prepared on the going concern basis of accounting. During the half year ended 30 June 2024 the Group recorded net cash outflows from operating and investing activities of \$1,130,016 and an operating loss of \$1,698,224 for the six months then ended. At 30 June 2024 the total cash and cash equivalents is \$2,022,051. These conditions give rise to a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern.

The ability of the Group to continue to maintain its current planned levels of activity and pay its debts as and when they fall due is dependent upon the Group raising additional funding through either a debt and/or an equity capital raise.

The Directors believe it is appropriate to prepare these accounts on a going concern basis because Directors have an appropriate plan to address the current and planned funding shortfalls to meet committed and planned expenditure.

Should additional funding not be obtained as contemplated, there is a material uncertainty that may cast significant doubt as to whether the Group will be able to continue as a going concern, with the result that the Group may have to realise its assets and extinguish its liabilities, other than in the ordinary course of business and at amount different from those stated in the financial statements. No allowance for such circumstances has been made in the financial statements.

NOTE 3 – SEGMENT REPORTING

The Directors have considered the requirements of AASB 8 – Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources and have concluded that at this time there are no separately identifiable segments.

NOTE 4 – REVENUE AND OTHER INCOME

a) Revenue

	6 months to 30 June 2024 \$	6 months to 30 June 2023 \$
Management fees	481,214	173,344

The Group's revenue comprises management fees charged to Urtek LLC. Refer to Note 9 for details in relation to Urtek LLC and to Note 19 for details in relation to the management services provided to Urtek LLC.

b) Other income

	6 months to 30 June 2024 \$	6 months to 30 June 2023 \$
Research and development tax incentive ¹	582,811	536,740
Grant income	1,283,693	1,813,584
Rental income – shared corporate office	21,121	55,194
Interest income	10,272	12,705
Foreign exchange gain	-	43
	1,897,897	2,418,266

¹ Represents the research and development tax concession amounts for:

- Estimate of claim for HY24 based on research and development expenditure for the half year ended 30 June 2024 (\$445,000); and
- \$97,811 associated with actual FY23 claim receivable at lodgement being higher than the estimated receivable recorded at 31 December 2023.

ACCOUNTING POLICIES

Research and development (R&D) tax concession

The Group is entitled to claim R&D tax incentives in Australia. The R&D tax incentive is calculated using the estimated eligible expenditures multiplied by a 43.5% non-refundable tax offset. It has been established that the conditions of the R&D incentive have been met and that the expected amount of the incentive can be reliably measured. Estimated amounts receivable are recognised as research and development tax concession income.

Government and other Grant Income

Government and other grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants will be recognised as income over the periods necessary to match them with the related costs which they are intended to compensate on the systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

NOTE 5 – OTHER EXPENSES

	6 months to 30 June 2024 \$	6 months to 30 June 2023 \$
Compliance	30,162	32,610
Legal, insurance, share registry	34,913	37,059
Travel expenses	77,427	71,798
Office and website expenses	40,536	70,671
Other expenses	75,349	84,506
	258,387	296,644

NOTE 6 – LOSS PER SHARE

Basic and diluted loss per share

The calculation of basic loss per share for the half year ended 30 June 2024 was based on the loss attributed to ordinary equity holders of the parent of \$1,498,224 (2023: Loss of \$876,784) and a weighted average number of ordinary shares outstanding during the half year ended 30 June 2024 of 147,049,627 (2023: 133,187,609).

Pursuant to AASB133, there are no dilutive securities on issue due to the loss reported for the period.

NOTE 7 – CASH AND CASH EQUIVALENTS

	30 June 2024 \$	31 December 2023 \$
Cash at bank and on hand	2,022,051	3,250,955

NOTE 8 – TRADE AND OTHER RECEIVABLES

	30 June 2024 \$	31 December 2023 \$
Trade receivables	20,225	2,367
Research and development tax concession ¹	1,682,811	1,100,000
Prepayments	56,600	37,320
	2,217,549	1,139,687

¹ Actual claim for FY23 research and development expenditure for the year ended 31 December 2023 not yet received (\$1,197,811) & estimate of claim for HY24 based on research and development expenditure for the half year ended 30 June 2024 (\$485,000).

NOTE 9 – INVESTMENT IN ASSOCIATES

The Company and Cameco Corporation developed a process for the extraction of uranium from phosphoric acid streams produced in the production of phosphate-based fertilisers, 'the PhosEnergy Process'. Urtek LLC, a USA incorporated company, is the entity in which the research and development is being undertaken. UFP Investments LLC (UFP), a USA incorporated company in which the Company has a legal and beneficial interest of 28.66%, holds the joint investment of 90% in Urtek LLC with Cameco owning the remaining 10% directly.

The beneficial ownership in the PhosEnergy Process held through Urtek LLC is Cameco Corporation 74.21% (2023: 74.21%); PhosEnergy Inc. 25.79% (2023: 25.79%).

The share of the associate's losses for the half year is \$9,512 (US\$6,301) (31 December 2023: \$28,135 (US\$19,245)), which has not been recognised as the carrying amount of the Group's equity accounted interest in this associate is \$0 (31 December 2023: \$0). The associate's net assets as at 30 June 2024 is \$33,305 (US\$22,061) (31 December 2023: \$41,698 (US\$28,521)).

NOTE 10 – INTANGIBLE ASSETS

	30 June 2024 \$	31 December 2023 \$
Cost	673,096	584,560
Accumulated amortisation	(77,172)	(58,878)
	595,924	525,682
Reconciliation of intangible assets		
Carrying amount at the beginning of the period	525,682	361,537
Additions	88,537	192,623
Amortisation charges for the period	(18,295)	(28,477)
Carrying amount at the end of the period	595,924	525,683

Intangible assets consist of the patent and intellectual property associated with the CarbonX Process, GenX devices and GenT Energy Units measured at cost. Additional capitalised costs during the year ended 30 June 2024 mostly comprised of international patent application filing costs for the GenX Betavoltaic device patents.

NOTE 11 – PROPERTY, PLANT AND EQUIPMENT

	30 June 2024 \$	31 December 2023 \$
a) Plant & Equipment		
Cost	437,703	147,876
Accumulated depreciation	(56,038)	(39,775)
	381,665	108,101
Movements in carrying amount		
Balance at the beginning of the period	108,101	58,059
Additions	289,826	72,927
Depreciation	(16,262)	(22,885)
Balance at the end of the period	381,665	108,101
b) Land		
Cost	423,958	423,958
Movements in carrying amount		
Balance at the beginning of the period	423,958	-
Additions	-	423,958
Balance at the end of the period	423,958	423,958
c) Buildings		
Cost	211,798	211,798
Accumulated depreciation	(3,774)	(1,673)
	208,024	210,125
Movements in carrying amount		
Balance at the beginning of the period	210,125	-
Additions	-	211,798
Depreciation	(2,101)	(1,673)
Balance at the end of the period	208,024	210,125
Total property, plant and equipment	1,013,647	742,184

NOTE 12 – TRADE AND OTHER PAYABLES

	30 June 2024 \$	31 December 2023 \$
Trade payables	414,316	275,721
Accrued expenses	169,875	91,575
Other payables ¹	758,664	353,559
	1,342,855	720,855

¹ Includes an accrual of \$200,000 relating to director fees owing to Mr Kiernan in respect of Additional Duties for the 12-month period to 31 August 2024. This amount was settled subsequent 30 June 2024 by the issue of 1,000,000 ZEPOs to Mr Kiernan. The ZEPOs vest immediately and expire on 1 September 2027.

NOTE 13 – RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

	30 June 2024 \$	31 December 2023 \$
Lease liabilities		
Opening balance	(388,561)	(254,927)
Initial recognition of South Australian Health and Medical Research Institution lease	-	(349,019)
Interest during the reporting period	(6,637)	(17,103)
Lease payment during the reporting period	134,035	232,488
Balance at the end of the reporting period	(261,163)	(388,561)
<i>Classified as:</i>		
Current	(166,984)	(234,005)
Non-current	(94,179)	(154,556)
	(261,163)	(388,561)
Right-of-use-asset		
Balance on initial recognition	756,771	407,752
Initial recognition of South Australian Health and Medical Research Institution lease during the period	-	349,019
	756,771	756,771
<i>Accumulated amortisation</i>		
Balance at the beginning of the reporting period	(390,455)	(177,738)
Amortisation during the reporting period	(120,901)	(212,717)
Balance at the end of the reporting period	(511,356)	(390,455)
Balance at the end of the reporting period	245,415	366,316

NOTE 14 – ISSUED CAPITAL

The capital structure of the Group consists of issued capital, reserves and accumulated losses. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new Shares are shown in equity as a deduction, from the proceeds.

	30 June 2024 \$	31 December 2023 \$
146,462,279 (31 December 2023: 133,187,609) fully paid ordinary shares	12,276,735	12,109,042
Six months to 31 December 2023	Number of shares	30 June 2024 \$
Movements in fully paid shares		
Balance as at 1 January 2024	146,462,279	12,109,042
Shares issued – Placement (inclusive of amounts received in advance as at 31 December 2023).	745,000	149,000
Shares issued – exercise of options	-	-
Transaction costs for issue of shares	-	-
Transaction costs for issue of shares – write back	-	18,693
Balance as at 30 June 2024	147,207,279	12,276,735

NOTE 15 – RESERVES

a) Share-based payments reserve

The share-based payments reserve is used to recognise the value of equity-settled share-based payment transactions provided to Directors, other Key Management Personnel, staff and consultants. Refer to Note 17 for further details.

	30 June 2024 \$	31 December 2023 \$
Share based payment reserve	748,267	965,705
Movement associated with Options during the period:		
Balance at the beginning of the period	965,705	643,014
Options expense associated with vesting during the period	-	322,691
Forfeited	(217,438)	-
Balance at the end of the period	748,267	965,705

b) Foreign currency translation reserve

The foreign currency translation reserve is used to record the exchange differences arising from the translation of the financial statements of foreign subsidiaries.

	30 June 2024 \$	31 December 2023 \$
Foreign currency translation reserve	272,493	275,990

NOTE 16 – EMPLOYEE ENTITLEMENTS

	30 June 2024 \$	31 December 2023 \$
Current		
Annual leave accrued	200,502	150,153
Long service leave accrued	99,849	87,197
Accrued bonuses – short term incentives	318,962	463,000
	619,313	700,350
Non-current		
Long Service Leave accrued	36,818	16,668
Options expense associated with vesting during the period	36,818	16,668

NOTE 17 – SHARE BASED PAYMENTS

a) Recognised share-based payment expense

The expense recognised during the reporting period is shown in the table below:

	30 June 2024 \$	31 December 2023 \$
Share options	(217,438)	159,021
Movement associated with share-based payments during the period:		
Options vested during the period	-	161,001
Options forfeited during the period ¹	(217,438)	(1,980)
Balance at the end of the period	(217,438)	159,021

¹ Share-based payments expense recognised in Profit or Loss as 'Share based payments' during the year, was in relation to Options previously issued that were subject to vesting conditions. The expense recognised during the year is impacted by estimates in relation to timing and likelihood of vesting.

Share-based payments expense recognised in Profit or Loss as 'Share based payments' during the reporting period, was in relation to Options previously issued that were subject to vesting conditions. The expense recognised during the reporting period is impacted by estimates in relation to timing and likelihood of vesting.

NOTE 17 – SHARE BASED PAYMENTS.....continued

b) General terms of share-based payments

Options

The following table outlines the details of outstanding Options as at 30 June 2024:

	Other terms	No. of Options	Earliest Vesting Date
Exercisable at \$0.145, expiry 31 Dec 24	<i>Vested immediately on issue date. These options remain vested at 30 June 2024.</i>	2,250,003	31 Dec 21
Exercisable at \$0.145, expiry 31 Dec 24	<i>Vest after 12 months of issue date. These options remain vested at 30 June 2024.</i>	2,249,999	31 Dec 22
Exercisable at \$0.145, expiry 31 Dec 24	<i>Vest after 24 months after issue date. These options are vested at 30 June 2024.</i>	2,166,665	31 Dec 23
Exercisable at \$0.04, expiry 31 Dec 24	<i>Vest immediately on date of issue. These options remain vested at 30 June 2024.</i>	250,000	31 Dec 21
Exercisable at \$0.04, expiry 31 Dec 24	<u>Incentive options</u> <i>Options vest subject to satisfaction of performance criteria over the period to the expiry date. Options not vested by the expiry date, will lapse. Performance criteria for the Incentive Options relate to the achievement of corporate and key project milestones.</i> <i>During the half year period to 30 June 2024, vesting assessment was undertaken against the performance criteria in June 2024, resulting in 250,000 options vesting and the remaining 250,000 forfeited.</i>	250,000	31 Dec 21
Exercisable at \$0.04, expiry 31 Dec 24	<u>Short-term incentive (STI) options</u> <i>Options vested subject to satisfaction of performance criteria for the performance period ended 31 December 2021, with unvested Options lapsing at that time. Performance criteria for the STI Options related to the achievement of short-term corporate and technical milestones. These options remain vested at 30 June 2024.</i>	629,334	31 Dec 21
Exercisable at \$0.04, expiry 31 Dec 24	<u>Long-term incentive (LTI) options</u> <i>Options vest subject to satisfaction of performance criteria. Unvested Options lapse. Performance criteria for the LTI Options relate to the achievement of long-term corporate and technical milestones.</i> <i>During the half year period to 30 June 2024, vesting assessment was undertaken against the performance criteria in June 2024, resulting in 4,675,000 options vesting and the balance of 2,675,000 forfeited.</i>	4,675,000	31 Dec 23
		12,471,001	

NOTE 17 – SHARE BASED PAYMENTS.....continued

The movement in the number of options and weighted average exercise prices are as follows for the reporting period:

	Weighted Average Exercise Price	6 months to 30 June 2024	Weighted Average Exercise Price	6 months to 30 June 2023
Balance at the beginning of the period	\$0.085	15,396,001	\$0.086	16,229,334
Forfeited during the period	\$0.040	(2,925,000)	\$0.145	(833,333)
Balance at the end of the period	\$0.096	12,471,001	\$0.085	15,396,001
Vested and exercisable at the end of the period	\$0.096	12,471,001	\$0.132	5,129,336

Weighted average remaining contractual life of Options as at 30 June 2024 is 0.50 years (30 June 2023: 1.51 years).

Options are unlisted and are exercisable into fully paid ordinary shares in the Company on a one for one basis.

Options granted during the reporting period

No Options were granted during the reporting period.

Options lapsed/forfeited during the reporting period

During the period 7,850,000 LTI Options, previously issued to management as part of their respective employment agreements, were assessed for vesting against performance targets in June 2024. Following the assessment 4,925,000 LTI Options vested and the remaining 2,925,000 LTI Options were forfeited. LTI Options are exercisable at \$0.04 each on or before 31 December 2024.

Options exercised during the reporting period

No options were exercised into Shares during the reporting period or as at the date of this report.

Performance Rights (Rights)

There were no performance rights on issue during the reporting period or as at the date of this report.

NOTE 18 – LIST OF SUBSIDIARIES

The consolidated financial statements include the financial statements of entX and its subsidiaries listed in the following table:

Name	Country of Incorporation	Tax Domicile	% Equity interest	
			30 June 2024	31 December 2023
Parent Entity				
entX Limited	Australia	Australia	100	100
Subsidiaries				
PhosEnergy Inc.	USA	USA	100	100
HPEL Developments Pty Ltd	Australia	Australia	100	100
CarbonX Developments Pty Ltd	Australia	Australia	100	100
GenT Developments Pty Ltd	Australia	Australia	100	100
GenX Energy Pty Ltd	Australia	Australia	100	100
RHU Solutions Pty Ltd	Australia	Australia	100	100
ETXSA Properties Pty Ltd	Australia	Australia	100	100
IsoMedica Pty Ltd ¹	Australia	Australia	100	-
LCH2 Pty Ltd ²	Australia	Australia	100	-
GenS Technologies Pty Ltd ³	Australia	Australia	100	-

¹ On 13 February 2024 ETX Medical Pty Ltd was incorporated as a wholly owned subsidiary of entX Limited. On 19 March 2024 ETX Medical Pty Ltd changed its name to IsoMedica Pty Ltd.

² LCH2 Pty Ltd was incorporated in Australia on 15 May 2024 and is a wholly owned subsidiary of entX Limited.

³ GenS Technologies Pty Ltd was incorporated in Australia on 17 May 2024 and is a wholly owned subsidiary of entX Limited.

NOTE 19 – RELATED PARTIES

The consolidated financial statements include the financial statements of entX and its subsidiaries: PhosEnergy Inc., HPEL Developments Pty Ltd, CarbonX Developments Pty Ltd, GenT Developments Pty Ltd, GenX Energy Pty Ltd, RHU Solutions Pty Ltd, ETXSA Properties Pty Ltd, IsoMedica Pty Ltd, LCH2 Pty Ltd and GenS Technologies Pty Ltd. entX is the ultimate parent of the Group.

Transactions with Key Management Personnel

During the half year ended 30 June 2024, key management personnel including non-executive directors received compensation in the form of short-term employee benefits and post-employment benefits as part of their respective employment arrangements with the Company.

Transactions with other related parties

The following table provides the aggregate income recognised during the reporting period relating to related parties as follows:

	Note	6 months to 30 June 2024 \$	6 months to 30 June 2023 \$
Related parties:			
UFP Investments LLC	(i)	-	-
Urtek LLC	(ii)	24,000	20,306
Australian Rare Earths Ltd	(iii)	10,975	55,194

- (i) The Group has a 28.66% (2023: 28.66%) legal and beneficial interest in UFP Investments LLC and is accordingly an associate – see Note 9. During the Reporting period, the Group provided a capital contribution of US\$22,641, in accordance with PhosEnergy Inc.'s % ownership share of UFP. There were no further transactions with UFP during the reporting period.
- (ii) The Group has a 25.79% (2023: 25.79%) beneficial interest in Urtek LLC and is accordingly an associate – see Note 9. The Company provided management services to Urtek LLC during the reporting period. Amounts were billed at an amount agreed between the Company and Cameco Corporation and are due and payable under normal payment terms. No amounts were outstanding as at 30 June 2024 (31 December 2023: \$Nil).
- (iii) The Group has an arm's length equivalent agreement with Australian Rare Earths Limited (AR3) whereby AR3 shares office space with the Group. Mr Jones was a director of both AR3 and entX, until 21 June 2024, where he resigned from his role as non-executive director of AR3. During the period AR3 paid \$11,269 to the Group in line with the agreement.

Terms and conditions of transactions with related parties

Other than where stated, services provided by related parties are made on arm's length basis both at normal market prices and on normal commercial terms.

There were no Options granted, exercised, lapsed or forfeited during the reporting period.

NOTE 20 – CASH FLOW INFORMATION

Reconciliation of loss to net cash used in operating activities.

	6 months to 30 June 2024 \$	6 months to 30 June 2023 \$
Loss for the reporting period	(1,498,224)	(876,784)
Share based payments	-	159,021
Share based payments – forfeited options	(217,438)	-
Amortisation of intangible assets	18,295	12,627
Depreciation of property, plant and equipment	18,363	9,074
Amortisation – right-of-use asset	120,901	91,816
Interest expenses	6,771	8,133
Foreign exchange (gain) / loss	(3,497)	3,196
Operating loss before changes in working capital	(1,554,829)	(592,917)
<i>(Increase)/decrease in assets:</i>		
Trade and other receivables	(790,408)	(656,895)
<i>Increase/(decrease) in liabilities:</i>		
Trade and other payables	1,649,222	660,522
Provision for annual leave, long-service leave/bonus	(60,887)	(361,626)
Net cash used in operating activities	(756,902)	(950,916)

NOTE 21 – CONTRACT ASSETS AND CONTRACT LIABILITIES

GenX – CRCP Grant

During the year ended 31 December 2022 the Group was awarded a \$2,427,689 cash funding grant from the Commonwealth Department of Industry, Science, Energy and Resources (Commonwealth) as part of a Cooperative Research Centres Projects (CRCP) grant for development of the Company's GenX Beta voltaic Battery Pilot Manufacturing Process technology (the "CRCP Grant"). The CRCP Grant commenced in May 2022 and is expected to conclude in April 2025. The cash funding for the CRCP Grant is being received by the Group in quarterly receipts from the Commonwealth, in advance of required cash outflows. As part of the CRCP Grant, the Group will work collaboratively with three research institutions and two industry partners and together are committed to contributing \$3,597,067 (net of grant funds) over the life of the project (end date April 2025), including in-kind contributions of \$1,653,509.

As at 30 June 2024, the Group has received \$1,556,588, in respect of the CRCP Grant funding to date, of which \$311,530 was received during the half-year ended 30 June 2024. During the period an amount of \$481,987 has been recognised on the Statement of Profit or Loss as 'Other income' with \$170,457 of that income being recognised on the Statement of Financial Position as a 'Contract asset'. Refer to Note 4(b) for the accounting policy for recognition of 'Government and other Grant Income'.

GenX – Australian Government Services contract

In December 2022, the Group was awarded an Australian Government contract to rapidly prototype a particular aspect of the GenX technology. The total contract award is \$5,520,189 for development until June 2024, with the Company being paid in quarterly instalments in advance in accordance with a payment schedule that aligns with development milestones.

As at 30 June 2024, the Group has received the full contract value of \$5,520,191, in respect of the contract to date. During the period an amount of \$690,024 has been recognised in Profit or Loss as 'Other income' with \$1,175,056 recorded as 'Contract liabilities' on the Statement of Financial Position. Refer to Note 4(b) for the accounting policy for recognition of 'Government and other Grant Income'.

NOTE 22 – COMMITMENTS AND CONTINGENCIES

There are no further commitments and contingencies as at 30 June 2024.

NOTE 23 – EVENTS SUBSEQUENT TO REPORTING DATE

The following events have occurred since the reporting date:

Issue of Shares from exercise of Options

On 15 July 2024, 1,987,667 Shares were issued following the exercise of an equivalent number of Options. The Options were exercisable at \$0.04 each on or before 31 December 2024 and raised \$79,507.

R&D Tax Incentive refund received

On 1 August 2024, the Group received an R&D tax incentive refund of \$1,197,812. This refund relates to eligible research and development activities undertaken during the financial year ended 31 December 2023.

Issue of Zero Exercise Price Options (ZEPOs)

On 1 September 2024, the Group issued a total of 2,000,000 ZEPOs to Mr Kiernan in consideration for additional duties relating to the Company's corporate development activities (**Additional Duties**). The 2,000,000 ZEPOs have a fair value of \$400,000 at the date of issue.

Each ZEPO entitles the holder to subscribe for one fully paid ordinary share in the Company (Share) upon exercise. ZEPOs expire three years from the date of issue and comprise:

- 1,000,000 ZEPOs in consideration of past Additional Duties provided to 31 August 2024. These ZEPOs vested immediately upon issuance. An amount of \$200,000 has been accrued to 'employee benefits expense' in Profit or Loss for the half year ended 30 June 2024; and
- 1,000,000 ZEPOs in consideration of Additional Duties to be provided for the period 1 September 2024 to 31 August 2025. These ZEPOS vest in four equal amounts of 250,000 ZEPOs every 3 months from the date of issue, subject to Mr Kiernan remaining a Director of the Company at the respective vesting dates.

In resolving to issue ZEPOs to Mr Kiernan, the Board (with Mr Kiernan abstaining), considered the provisions of Chapter 2E of the *Corporations Act 2001* (Cth) (**Corporations Act**) and the requirement to obtain shareholder approval for the provision of related party benefits, unless an exception applies.

It was resolved that the proposed issue of the ZEPOs to Mr Kiernan (or his nominee) constitutes "reasonable remuneration" and falls within the exception stipulated by section 211 of the Corporations Act having regard to:

- benchmarking data;
- the circumstances of the Group including, without limitation, market conditions, the Group's growth trajectory, strategic objectives, competency and skillset of management and employees, scarcity of talent and changes in role complexities; and
- Mr Kiernan's circumstances (including his responsibilities as a director of the Group and the provision of the Additional Duties).

There were no further significant events arising after the reporting date.

Directors' Declaration

The Directors of the Company declare that:

1. The Financial Statements and Notes, as set out on pages 10 to 26 are in accordance with the *Corporations Act 2001*, including:
 - a) complying with Accounting Standard AASB 134 Interim Financial Reporting, and
 - b) giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the half-year ended on that date.
2. 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.

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



Bryn Jones
Managing Director

Dated this 11th day of September 2024

Independent Auditor's Review Report



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Independent Auditor's Review Report

To the Members of entX Limited

Report on the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of entX Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, 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 description of 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 entX Limited does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of the Group's financial position as at 30 June 2024 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 Group 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 2(b) in the financial report, which indicates that the Group incurred a net loss of \$1,698,224 and a net cash outflows from operating and investing activities of \$1,130,016 during the half year ended 30 June 2024. As stated in Note 2(b), these events or conditions, along with other matters as set forth in Note 2(b), 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 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

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 30 June 2024 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 AUDIT PTY LTD
Chartered Accountants



J. L. Humphrey
Partner – Audit & Assurance

Adelaide, 11 September 2024

Corporate directory

ABN: 31 164 573 728

Directors

Anthony Kiernan AM (Non-Executive Chairman)

Bryn Jones (Managing Director)

Tim Goyder (Non-Executive Director)

Tim Wise (Non-Executive Director)

Lucy Gauvin (Non-Executive Director)

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