



Financial Report

For the Half Year ended 30 June 2023



**CLEAN ENERGY
TECHNOLOGIES**

entX Limited | ABN 31 164 573 728

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CORPORATE INFORMATION

ABN 31 164 573 728

Directors

Anthony Kiernan AM (Chair)

Bryn Jones (Managing Director)

Tim Goyder (Non-Executive Director)

Tim Wise (Non-Executive Director)

Lucy Gauvin (Non-Executive Director)

Company secretary

Damien Connor

Registered office

Level 10, 111 Gawler Place

Adelaide, SOUTH AUSTRALIA 5000

Principal place of business

Level 10, 111 Gawler Place

Adelaide, SOUTH AUSTRALIA 5000

Share registry

Computershare Investor Services Pty Ltd

Level 5, 115 Grenfell Street

Adelaide, SOUTH AUSTRALIA 5000

+61 8 8236 2300

Auditors

Grant Thornton Audit Pty Ltd

Level 3, 170 Frome Street

Adelaide SOUTH AUSTRALIA 5000

DIRECTORS' REPORT

Your Directors present their report together with the financial statements of the consolidated entity, being entX Limited ("entX", "Company") and its controlled entities ("the Group") for the half year ended 30 June 2023 and the Independent Review Report thereon.

DIRECTOR DETAILS

The names of Directors who held office during or since the end of the half year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Mr Anthony Kiernan AM	Non-Executive Chairman
Mr Bryn Jones	Managing Director
Mr Tim Wise	Non-Executive Director
Mr Tim Goyder	Non-Executive Director
Ms Lucy Gauvin	Non-Executive Director

PRINCIPAL ACTIVITIES

At entX we are focused on the development and utilisation of innovative clean-energy technologies aimed at recovering useful energy resources from unconventional sources and waste streams. This key value proposition provides a unique pathway to ultimately unlock commercial opportunities to meet a growing demand globally for renewable and sustainable energy supplies.

entX has divided its business into three pillars:

- The Technology Incubator,
- Smart Semiconductor Technology, and
- Zero Carbon Fuels.

Within the three pillars, entX focuses on practical commercial innovation and deployment in areas that look to decarbonise processes and products, replace high emissions products and processes and innovate new offerings to aid decarbonisation. These pillars are inherently linked to identified key strategies to accelerate industrial emissions reductions - energy efficiency, industrial electrification, low carbon fuel, energy sources, Carbon Capture Utilisation and Storage (CCUS).

FINANCIAL REVIEW

At 30 June 2023, the Group had net assets of \$2,463,364 (31 December 2022: \$3,177,931) and cash at bank of \$1,900,645 (31 December 2022: \$3,169,076).

The Group reported a net loss for the period of \$876,784 (30 June 2022: \$1,168,202). The decreased loss compared to the prior half-year ended 30 June 2022, is predominantly the result of the increased government grant funding associated with progression of the Company's technologies, having received additional funds during the period for this purpose.

During the reporting period the Company reported a net cash outflow of \$1,268,431 (30 June 2022: net cash outflow of \$359,380). Expenses for the period were offset by cash receipts of \$2,169,140, comprising cash inflows from Grant receipts (\$2,057,144), Corporate office rental (\$78,564), Urtek LLC management fees (\$20,727) and Interest (\$12,705).

CHANGES IN EQUITY

The following changes in equity took place during the half year ended 30 June 2023:

Shares

The number of fully paid ordinary shares (Shares) on issue remained the same at 133,187,609 (1 January 2023: 133,187,609)

Unlisted Options

The number of unlisted options (Options) on issue decreased from 16,229,334 (1 January 2023) to 15,396,001 (30 June 2023), as a result of the following:

- 750,000 Options issued on 24 March 2022, at nil cost, to an eligible employee of the Company were forfeited during the reporting period in accordance with the terms on which they were issued.
- A further 83,333 unvested LTI Options, exercisable at \$0.145 and expiring on 31 December 2024, were forfeited during the reporting period, in accordance with the terms on which they were issued.

Performance Rights

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

REVIEW OF OPERATIONS

PRINCIPAL ACTIVITIES

entX has assembled a world-class team of scientists specialising in tomorrow's energy technologies.

By combining this exceptional skill base with leading-edge technology, strong financial backing and highly experienced management, entX aims to identify, develop and commercialise clean energy solutions.

The Company's over-arching strategy is to utilise its intellectual and technical property to deliver energy which is more sustainable, efficient, effective and reliable than those currently offered in the market.

OPERATIONAL SUMMARY

2023 has seen the entX team continue its path of furthering shareholder value through rapidly assessing and executing technology-based clean energy solutions in its target sectors.

Our **Green Hydrogen and Clean Fuels** business has continued to develop our model of seeking to deliver medium scale Green Hydrogen projects with industrial offtake and scope for regional growth, working with trusted OEM partners.

The first of these projects is with Kimberly-Clark Australia (KCA) where a staged delivery of Green Hydrogen, supported by Linde Engineering, to the Millicent Mill is planned to help KCA reach their Carbon Neutral by 2030 target. Work on a Feasibility Study considering the delivery of 15 tons of hydrogen per day to the KCA Mill continued through the period. The completion of this Study and subsequent commercial discussions with KCA will enable the Board to consider a Final Investment Decision during 2024.

At the Western Eyre Green Hydrogen Project (WEGH) the Company is exploring the potential for ancient, deep salt caverns to store vast amounts of Green Hydrogen cost effectively and certainly when compared to other means of hydrogen storage. The object of this storage capability is to drive home the potential to cornerstone an industrial complex where Green Hydrogen is produced, stored, and utilised to produce commodities such as ammonia and methanol in partnership with major industrial players.

Significant progress has been made on the Western Eyre Green Hydrogen Project (WEGH) project during the half year in preliminary geological investigations, including sample collection and analysis. This will enable prioritising further geophysical and drilling investigations. On-ground exploration work is planned for early 2024 subject to required permitting and stakeholder engagement activities.

The **Space and Defence** business has continued its strategy to deliver smart energy solutions to the sector with excellent progress being made on the GenX (long term, stable power generation) and RHU (providing heat to critical systems) technologies over the period.

On the GenX Project, delivery of the objectives under the \$6.2 million Collaborative Research Project (CRC-P) Grant with academic and industry partners continued. The CRC-P grant is working towards a prototype industrial manufacturing process to mass produce GenX devices capable of supplying clean power supplies to the Space and Defence industries by 2025.

Separately, the Company has been working towards delivery of a field deployable GenX unit under an accelerated prototyping contract with the Australian Government. This commercial development contract has an 18-month time horizon at a contract value of \$4.4 million, with an additional mechanism to access a \$1.1m contingency.

In August 2023 the Company announced it would be working with the iLAUNCH Trailblazer universities, the University of South Australia (UniSA) and the University of Southern Queensland (UniSQ) towards utilising its RHU technology in two projects within the program.

The first project will see UniSA and entX focus on the flow of thermal energy to ensure spacecraft can survive multiple nights in temperatures that can reach down to -180°C on the dark side of the lunar surface. The second project with UniSQ will look to commercialise long-term power sources to spacecraft where solar energy cannot be relied upon.

The Company's **Nuclear Medicine** business continues to utilise its skills and experience in the nuclear sector to develop technologies to supply the huge Theragnostic market and the emerging Targeted Alpha Therapy (TAT) markets. These markets are key to the future of cancer therapy and the treatment of certain neurological conditions. These technologies are being developed with key industry partners Tellus Holdings Ltd under a Joint Development Agreement and others at the University of South Australia.

An important part of the Company's intellectual property capture and assessment business is its **Clean Energy Technology Incubator (CETI)** which is currently developing the CarbonX (CO₂ conversion to products) technology, amongst others.

The team recently kicked off a program of work on the CarbonX Project at the Australian Science and Technology Organisation (ANSTO) aimed at progressing to a pilot plant scale operation.

Further details on these and other developments can be found on the Company's website.

DIRECTORS' REPORT

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no further significant changes in the state of affairs of the Company not otherwise stated herein.

DIVIDENDS

There were no dividends declared or paid during the reporting period and the directors recommend that no dividend be paid.

EVENTS ARISING SINCE THE END OF THE REPORTING PERIOD

iLAUNCH Project Agreement

In July 2023, the Company entered in the iLAUNCH trailblazer project agreement (the 'iLAUNCH Project') with the University of South Australia and the University of Southern Queensland. The iLAUNCH Project has a total budget of approximately \$2,000,000, with \$1,200,000 contributed by iLAUNCH funding and \$800,000 collective cash contribution by entX and the other partners. The iLAUNCH Project aims to develop a Radioisotope Heating Unit, supporting a thermal management technology platform for multiple lunar survival.

Elliston property acquisition settlement

In May 2023, the Company entered into a contract to acquire a coastal property in Elliston, South Australia for \$600,000 (excl. GST). The Company paid a \$50,000 deposit in May 2023 and paid the balance at settlement on 14 August 2023. The property was acquired by the Company to support ongoing activities at the Western Eyre Green Hydrogen Project in Elliston, South Australia.

There were no further significant events after the reporting date.

LIKELY DEVELOPMENTS

There are no likely developments that will impact on the Group other than as disclosed elsewhere in this report.

AUDITOR'S INDEPENDENCE DECLARATION

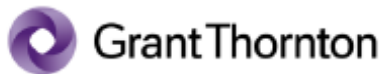
A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is included on the following page of this half year report and forms part of this Directors' Report.

Signed in accordance with a resolution of Directors.



Bryn Jones
Managing Director

28 August 2023



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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 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.

A stylized blue signature of J.L. Humphrey, written in cursive over the "Grant Thornton" text.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A blue ink signature of J.L. Humphrey, written in cursive.

J L Humphrey
Partner – Audit & Assurance

Adelaide, 28 August 2023

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30 JUNE 2023**

		30 June 2023	30 June 2022
	Notes	\$	\$
Revenue from ordinary activities	4(a)	20,306	21,846
Other income	4(b)	2,418,266	736,944
		2,438,572	758,790
Expenses			
Depreciation and lease amortisation expense		(100,890)	(72,385)
Amortisation of intangibles		(12,627)	(7,941)
Research expenses		(1,800,935)	(684,879)
Corporate consulting and business development expenses		(214,250)	(238,065)
Employee benefits expense		(722,856)	(496,278)
Share based payments	16	(159,021)	(220,948)
Other expenses	5	(296,644)	(199,455)
		(3,307,223)	(1,919,951)
Loss before financing costs		(868,651)	(1,161,161)
Finance costs		(8,133)	(7,041)
Loss before income tax		(876,784)	(1,168,202)
Income tax benefit		-	-
Loss attributable to owners of the parent		(876,784)	(1,168,202)
Other comprehensive income, net of income tax			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations – (loss) / gain		3,196	(246)
Other comprehensive loss net of tax		3,196	(246)
Total comprehensive loss attributable to owners of the parent		(873,588)	(1,168,448)
Basic and diluted loss per share (cents per share)	6	(0.66)	(0.93)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

		30 June 2023	31 December 2022
	Notes	\$	\$
Assets			
Current assets			
Cash and cash equivalents	7	1,900,645	3,169,076
Trade and other receivables	8	2,217,549	1,872,615
Contract assets	20	45,978	-
Total current assets		4,164,172	5,041,691
Non-current assets			
Intangible assets	10	470,471	361,537
Property, plant and equipment		133,477	58,059
Right to use assets – office and lab facility leases	12	487,217	230,014
Total non-current assets		1,091,165	649,610
Total assets		5,255,337	5,691,301
Liabilities			
Current liabilities			
Trade and other payables	11	657,577	392,824
Contract liabilities	20	1,462,821	1,343,558
Lease liability	12	249,977	124,070
Employee benefits	15	148,680	519,094
Total current liabilities		2,519,055	2,379,546
Non-current liabilities			
Lease liability	12	261,163	130,857
Employee benefits	15	11,755	2,967
Total non-current liabilities		272,918	133,824
Total liabilities		2,791,973	2,513,370
Net assets		2,463,364	3,177,931
Equity			
Issued capital	13	9,512,854	9,512,854
Reserves	14	1,081,475	919,258
Accumulated losses		(8,130,965)	(7,254,181)
Total equity		2,463,364	3,177,931

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 30 JUNE 2023**

30 June 2023	Issued capital	Foreign currency translation reserve	Share based payment reserve	Accumulated losses	Total equity
	\$	\$	\$	\$	\$
Balance at 1 January 2023	9,512,854	276,244	643,014	(7,254,181)	3,177,931
Loss for the period	-	-	-	(876,784)	(876,784)
Other comprehensive loss, net of income tax	-	3,196	-	-	3,196
Total comprehensive loss	-	3,196	-	(876,784)	(873,588)
Share based payments	-	-	159,021	-	159,021
Balance as at 30 June 2023	9,512,854	279,440	802,035	(8,130,965)	2,463,364

31 December 2022	Issued capital	Foreign currency translation reserve	Share based payment reserve	Accumulated losses	Total equity
	\$	\$	\$	\$	\$
Balance at 1 January 2022	8,714,104	276,921	260,134	(4,455,045)	4,796,114
Loss for the year	-	-	-	(2,855,767)	(2,855,767)
Other comprehensive loss, net of income tax	-	(677)	-	-	(677)
Total comprehensive loss	-	(677)	-	(2,855,767)	(2,856,444)
Shares issued during the year	798,750	-	-	-	798,750
Share based payments	-	-	439,511	-	439,511
Transfer of share-based payments reserve to retained earnings	-	-	(56,631)	56,631	-
Balance as at 31 December 2022	9,512,854	276,244	643,014	(7,254,181)	3,177,931

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 30 JUNE 2023**

		30 June 2023	30 June 2022
	Notes	\$	\$
Cash flows from operating activities			
Receipts from customers		99,291	95,236
Grant and other Government income received		2,057,144	310,059
Receipt of research and development tax concession		-	100,436
Interest received		12,705	87
Payments to suppliers and employees		(3,120,056)	(1,462,970)
Net cash outflows from operating activities	19	(950,916)	(957,152)
Cash flows from investing activities			
Payments for property, plant and equipment		(34,492)	(7,997)
Deposit paid for Land – Elliston property		(50,000)	-
Payments for intellectual property assets		(132,084)	(124,327)
Net cash outflows from investing activities		(216,576)	(132,324)
Cash flows from financing activities			
Repayment of lease liability	12	(100,939)	(68,654)
Proceeds from issue of shares	13	-	798,750
Net cash inflows from financing activities		(100,939)	730,096
Net (decrease)/increase in cash and cash equivalents		(1,268,431)	(359,380)
Cash and cash equivalents at beginning of the period		3,169,076	4,686,819
Effect of exchange rate fluctuations on cash held – gain/ (loss)		-	(100)
Cash and cash equivalents at 30 June	7	1,900,645	4,327,339

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023

BASIS OF PREPARATION

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

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

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- Note 7: Cash and cash equivalents
- Note 8: Trade and other receivables
- Note 9: Investment in associate
- Note 10: Intangible assets

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- Note 11: Trade and other payables
- Note 12: Right-of-use assets and lease liabilities
- Note 13: Issued capital
- Note 14: Reserves

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- Note 15: Employee benefits
- Note 16: Share-based payments

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- Note 17: List of subsidiaries

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- Note 18: Related parties
- Note 19: Cashflow information
- Note 20: Contract assets and liabilities
- Note 21: Commitments and contingencies
- Note 22: Events subsequent to reporting date

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023

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 2022 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 2022.

(b) Going concern

The financial statements have been prepared on the going concern basis of accounting. During the half year ended 30 June 2023 the Group recorded net cash outflows from operating and investing activities of \$1,167,492 and an operating loss of \$876,784 for the six months then ended. At 30 June 2023 the total cash and cash equivalents is \$1,900,645. 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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023

NOTE 4: REVENUE AND OTHER INCOME

a) Revenue

	6 months to 30 June 2023	6 months to 30 June 2022
	\$	\$
Management fees	20,306	21,846

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 18 for details in relation to the management services provided to Urtek LLC.

b) Other Income

	6 months to 30 June 2023	6 months to 30 June 2022
	\$	\$
Research and development tax incentive ¹	536,740	486,520
Grant income	1,813,584	176,584
Rental income – shared corporate office	55,194	73,625
Interest income	12,705	142
Foreign exchange gain	43	73
	2,418,266	736,944

¹ Represents the research and development tax incentive amounts for:

- Estimate of claim for HY23 based on research and development expenditure for the half year ended 30 June 2023 (\$487,100); and
- \$49,640 associated with actual FY22 claim receivable at lodgement being \$49,640 higher than the estimated receivable recorded at 31 December 2022.

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 2023	6 months to 30 June 2022
	\$	\$
Compliance	32,610	26,770
Legal, insurance, share registry	37,059	41,602
Travel expenses	71,798	14,254
Office and website expenses	70,671	41,470
Other expenses	84,506	75,359
	296,644	199,455

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 2023 was based on the loss attributed to ordinary equity holders of the parent of \$876,784 (2022: Loss of \$1,168,202) and a weighted average number of ordinary shares outstanding during the half year ended 30 June 2023 of 133,187,609 (2022: 130,109,253).

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2023**

NOTE 7: CASH AND CASH EQUIVALENTS

	30 June 2023 \$	31 December 2022 \$
Cash at bank and on hand	1,900,645	3,169,076

NOTE 8: TRADE AND OTHER RECEIVABLES

	30 June 2023 \$	31 December 2022 \$
Trade receivables ¹	1,207,935	1,419,028
Research and development tax concession ²	966,740	430,000
Prepayments	42,874	23,587
Other receivables	-	-
	2,217,549	1,872,615

¹ \$1,195,981 of this amount relates to the third progress invoice raised under the Government Services Agreement. Refer to Note 20 for details.

² Actual claim for FY22 research and development expenditure for the year ended 31 December 2022 not yet received (\$479,640) & estimate of claim for HY23 based on research and development expenditure for the half year ended 30 June 2023 (\$487,100).

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% (2022: 74.21%); PhosEnergy Inc. 25.79% (2022: 25.79%).

The share of the associate's losses for the half year is \$12,408 (US\$8,227) (31 December 2022: \$23,154 (US\$15,687), which has not been recognised as the carrying amount of the Company's equity accounted interest in this associate is \$0 (31 December 2022: \$0). The associate's net assets as at 30 June 2023 is \$84,535 (US\$56,047) (31 December 2022: \$43,839 (US\$29,701)).

NOTE 10: INTANGIBLE ASSETS

	30 June 2023 \$	31 December 2022 \$
Cost	513,498	391,937
Accumulated amortisation	(43,027)	(30,400)
Net carrying amount	470,471	361,537
Reconciliation of intangible assets		
Carrying amount at the beginning of the period	361,537	201,894
Additions	121,561	177,852
Amortisation charges for the period	(12,627)	(18,209)
Carrying amount at the end of the period	470,471	361,537

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 half year ended 30 June 2023 mostly comprised of international patent application filing costs for the GenX device and GenT devices patents.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2023**

NOTE 11: TRADE AND OTHER PAYABLES

	30 June 2023	31 December 2022
	\$	\$
Trade payables	478,141	142,204
Accrued expenses	82,993	117,360
Other payables	96,443	133,260
	657,577	392,824

NOTE 12: RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

	30 June 2023	31 December 2022
	\$	\$
Lease Liabilities		
Opening balance	(254,927)	(380,464)
Initial recognition of South Australian Health and Medical Research Institution lease	(349,019)	-
Interest during the reporting period	(8,133)	(12,801)
Lease payment during the reporting period	100,939	138,338
Balance at the end of the reporting period	(511,140)	(254,927)
Classified as:		
Current	(249,977)	(124,070)
Non-current	(261,163)	(130,857)
	(511,140)	(254,927)
Right-of-use asset		
Balance on initial recognition	407,752	407,752
Initial recognition of South Australian Health and Medical Research Institution lease during the period	349,019	-
	756,771	407,752
<i>Accumulated amortisation</i>		
Balance at the beginning of the reporting period	(177,738)	(52,276)
Amortisation during the reporting period	(91,816)	(125,462)
Balance at the end of the reporting period	(269,554)	(177,738)
Balance at the end of the reporting period	487,217	230,014

NOTE 13: 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.

Movement in ordinary shares on issue

	30 June 2023		31 December 2022	
	Number	\$	Number	\$
Balance at the beginning of the period	133,187,609	9,512,854	120,037,609	8,714,104
Shares issued – Placement	-	-	1,500,000	150,000
Shares issued – exercise of options	-	-	8,650,000	648,750
Shares issued - vested performance rights	-	-	3,000,000	-
Balance at the end of the period	133,187,609	9,512,854	133,187,609	9,512,854

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2023**

NOTE 14: 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 16 for further details.

	30 June 2023 \$	31 December 2022 \$
Share based payment reserve	802,035	643,014
Movement associated with Rights and Options during the period:		
Balance at the beginning of the period	643,014	260,134
Options expense associated with vesting during the period	159,021	439,511
Transfer between equity items	-	(56,631)
Balance at the end of the period	802,035	643,014

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 2023 \$	31 December 2022 \$
Foreign currency translation reserve	279,440	276,244

NOTE 15: EMPLOYEE BENEFITS

Current

	30 June 2023 \$	31 December 2022 \$
Annual leave accrued	97,319	79,878
Long service leave accrued	51,361	51,716
Accrued bonuses – short term incentives	-	387,500
	148,680	519,094

Non-current

Long Service Leave accrued	11,755	2,967
	11,755	2,967

NOTE 16: SHARE BASED PAYMENTS

a) Recognised share-based payment expense

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

	6 months to 30 June 2023 \$	6 months to 30 June 2022 \$
Share options	159,021	220,948
Movement associated with share-based payments during the period:		
Options vested during the period	161,001	220,948
Options forfeited during the period ¹	(1,980)	-
Balance at the end of the period	159,021	220,948

¹ Relates to 83,333 unvested LTI Options that were forfeited during the reporting period. An amount of \$1,980 was written back to 'share based payments expense' on the statement of Profit or Loss for the half year ended 30 June 2023.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2023**

NOTE 16: SHARE BASED PAYMENTS...continued

Share-based payments expense recognised on the Statement of Profit or Loss and Other Comprehensive income 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.

b) General terms of share-based payments

Options

The following table outlines the details of outstanding Options as at 30 June 2023:

	Other terms	No. of Options	Earliest Vesting Date
Exercisable at \$0.145, expiry 31 December 2024	<i>Vested immediately on issue date</i>	2,250,003	31 Dec 21
Exercisable at \$0.145, expiry 31 December 2024	<i>Vest after 12 months of issue date</i>	2,249,999	31 Dec 22
Exercisable at \$0.145, expiry 31 December 2024	<i>Vest after 24 months after issue date</i> During the period 30 June 2023, 83,333 unvested options lapsed in accordance with the terms in which they were issued.	2,166,665	31 Dec 23
Exercisable at \$0.04, expiry 31 December 2024	<i>Vest immediately on date of issue</i>	250,000	31-Dec-21
Exercisable at \$0.04, expiry 31 December 2024	<u><i>Incentive options</i></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> As at 30 June 2023 and as at the date of this report, vesting assessment has not been undertaken, therefore none of these options have vested.	500,000	31-Dec-21
Exercisable at \$0.04, expiry 31 December 2024	<u><i>Short-term incentive (STI) options</i></u> <i>Options vested subject to satisfaction of performance criteria for the performance period ended 31 December 2021. Unvested Options lapse. Performance criteria for the STI Options related to the achievement of short-term corporate and technical milestones.</i> Vesting assessment was undertaken during the half-year ended 30 June 2022. All remaining Options are vested. During the period ended 30 June 2023, no Options were exercised or forfeited/lapsed.	629,334	31 Dec 21
Exercisable at \$0.04, expiry 31 December 2024	<u><i>Long-term incentive (LTI) options</i></u> <i>Options vest subject to satisfaction of performance criteria for the performance period ended 31 December 2023. Unvested Options lapse. Performance criteria for the LTI Options relate to the achievement of long-term corporate and technical milestones.</i> As at 30 June 2023, none of these Options have vested.	7,350,000	31 Dec 23
		15,396,001	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023

NOTE 16: 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 2023	Weighted Average Exercise Price	6 months to 30 June 2022
Balance at the beginning of the period	\$0.086	16,229,334	\$0.080	26,910,416
Granted during the period	-	-	-	750,000
Exercised during the period	-	-	\$0.075	(8,650,000)
Forfeited during the period	\$0.145	(833,333)	\$0.060	(2,781,082)
Balance at the end of the period	\$0.085	15,396,001	\$0.086	16,229,334
Vested and exercisable at the end of the period	\$0.132	5,129,336	\$0.1150	3,129,337

¹ The exercise price could not be determined for 750,000 of these options that were forfeited, therefore the weighted average exercise price reported reflects the exercise price for a further 83,333 LTI Options that were forfeited during the reporting period.

Weighted average remaining contractual life of Options as at 30 June 2023 is 1.51 years (30 June 2022: 2.51 years).

Options granted during the reporting period

No Options were granted during the reporting period.

Options lapsed/forfeited during the reporting period

➤ On 24 March 2022, 750,000 Options were issued, at nil cost, to an eligible employee of the Company. Each option was exercisable at a price equal to the issue price of Shares in the Company to be offered pursuant to the Prospectus for an Initial Public Offering of the Company and expired on the third anniversary of the date of the Company's admission to the official list of ASX. The Options were to vest as follows:

- 250,000 vest on the date of the Company's admission to the official list of ASX;
- 250,000 vest 12 months from the date of the Company's admission to the official list of ASX; and
- 250,000 vest 24 months from the date of the Company's admission to the official list of ASX.

During the reporting period all 750,000 Options were forfeited in accordance with the terms on which they were issued.

➤ A further 83,333 unvested LTI Options, exercisable at \$0.145 and expiring on 31 December 2024, were forfeited during the reporting period, in accordance with the terms in which they were issued.

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 17: 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	% Equity interest	
		30 June 2023	31 December 2022
Parent Entity			
entX Limited	Australia	100	100
Subsidiaries			
PhosEnergy Inc.	USA	100	100
HPEL Developments Pty Ltd	Australia	100	100
CarbonX Developments Pty Ltd	Australia	100	100
GenT Developments Pty Ltd	Australia	100	100
GenX Energy Pty Ltd	Australia	100	100
RHU Solutions Pty Ltd	Australia	100	100
ETXSA Properties Pty Ltd ¹	Australia	100	-

¹ ETXSA Properties Pty Ltd was incorporated in Australia on 18 May 2023 and is a wholly owned subsidiary of entX Limited.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023

NOTE 18: 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 and ETXSA Properties Pty Ltd. entX is the ultimate parent of the Group.

Transactions with Key Management Personnel

During the half year ended 30 June 2023, 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 2023 \$	6 months to 30 June 2022 \$
Related parties:			
UFP Investments LLC	(i)	-	-
Urtek LLC	(ii)	20,306	21,486
Australian Rare Earths Ltd	(iii)	55,194	73,625

- (i) The Group has a 28.66% (2022: 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\$17,597, 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% (2022: 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 2023 (31 December 2022: \$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 Bryn Jones is a director of both AR3 and entX. During the period AR3 paid \$55,194 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.

NOTE 19: CASHFLOW INFORMATION

Reconciliation of loss to net cash used in operating activities

	6 months to 30 June 2023 \$	6 months to 30 June 2022 \$
Loss for the reporting period	(876,784)	(1,168,202)
Share based payments	159,021	220,948
Amortisation of intangible assets	12,627	7,941
Depreciation of property, plant and equipment	9,074	9,654
Amortisation – right-of-use asset	91,816	62,731
Interest expenses	8,133	7,041
Foreign exchange (gain) / loss	3,196	(73)
Operating loss before changes in working capital	(592,917)	(859,960)
(Increase)/decrease in assets:		
Trade and other receivables	(656,895)	(350,470)
Increase/(decrease) in liabilities:		
Trade and other payables	660,522	281,728
Provision for annual leave, long-service leave/bonus	(361,626)	(28,450)
Net cash outflows from operating activities	(950,916)	(957,152)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2023

NOTE 20: CONTRACT ASSETS AND CONTRACT LIABILITIES

GenX – CRCP Grant

During the prior year ended 31 December 2022 the Company 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 Company in quarterly receipts from the Commonwealth, in advance of required cash outflows. As part of the CRCP Grant, the Company 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 2023, the Company has received \$933,528, in respect of the CRCP Grant funding. In respect of the grant funds received during the period, an amount of \$847,500 has been recognised on the Statement of Profit or Loss as 'Other income' with the remaining \$45,978 being recognised on the Statement of Financial Position as '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 Company 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 2023, the Company has received \$1,870,451 (incl. GST), in respect of the contract. An amount of \$1,195,981 (incl. GST) has been included the Statement of Financial Position under 'trade and other receivables' in respect of the third progress invoice raised under the Government Services Agreement. An amount of \$1,462,821 has been 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 21: COMMITMENTS AND CONTINGENCIES

Elliston property acquisition

In May 2023, the Company entered into a contract to acquire a coastal property in Elliston, South Australia for \$600,000 (excl. GST). The Company paid a \$50,000 deposit in May 2023. As at 30 June 2023, the Company had a commitment to pay the balance of the purchase price plus applicable stamp duty and other customary charges at settlement, which it did on 14 August 2023.

There are no further commitments and contingencies as at 30 June 2023.

NOTE 22: EVENTS SUBSEQUENT TO REPORTING DATE

iLAUNCH Project Agreement

In July 2023, the Company entered in the iLAUNCH trailblazer project agreement (the 'iLAUNCH Project') with the University of South Australia and the University of Southern Queensland. The iLAUNCH Project has a total budget of approximately \$2,000,000, with \$1,200,000 contributed by iLAUNCH funding and \$800,000 collective cash contribution by entX and the other partners. The iLAUNCH Project aims to develop a Radioisotope Heating Unit, supporting a thermal management technology platform for multiple lunar survival.

Elliston property acquisition settlement

In May 2023, the Company entered into a contract to acquire a coastal property in Elliston, South Australia for \$600,000 (excl. GST). The Company paid a \$50,000 deposit in May and paid the balance at settlement on 14 August 2023. The property was acquired by the Company to support ongoing activities at the Western Eyre Green Hydrogen Project in Elliston, South Australia.

There were no further significant events after the reporting date.

DIRECTORS' DECLARATION

In the opinion of the directors of entX Limited (the 'Company'):

- (a) the accompanying financial statements and notes:
 - i. give a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the half year then ended; and
 - ii. comply with Australian Accounting Standards.
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (c) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

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



Bryn Jones
Managing Director

Dated this 28 August 2023



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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 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 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 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*.

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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.

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 \$876,784 and a net cash outflows from operating and investing activities of \$1,167,492 during the half year ended 30 June 2023. 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 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 AUDIT PTY LTD
Chartered Accountants



J L Humphrey
Partner – Audit & Assurance

Adelaide, 28 August 2023