



**FIRSTGRAPHENE**

World leading materials technology | **ASX:FGR**

**FIRST GRAPHENE LIMITED**

ABN 50 007 870 760

**INTERIM FINANCIAL REPORT  
FOR THE HALF YEAR ENDED 31 DECEMBER 2023**

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**First Graphene Limited ABN 50 007 870 760**  
**ASX Half-year information – 31 December 2023**

Lodged with the ASX under Listing Rule 4.2A

This information should be read in conjunction with the 30 June 2023 Annual Report

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**First Graphene Limited**  
**For the half-year ended 31 December 2023**

**Results for announcement to the market**

|  |    |     |            |
|--|----|-----|------------|
| Revenue from ordinary activities   | Up | 10% | \$ 335,223 |
| Loss from continuing ordinary activities after tax attributable to members | Up | 1%  | 3,725,330  |
| Net loss for the period attributable to members                            | Up | 1%  | 3,761,033  |
| <b>Dividends</b>   |    |     |            |
| No dividends have been paid or declared during the period                  |    |     |            |

|                                      | <b>31 December 2023</b> | 31 December 2022 |
|--------------------------------------|-------------------------|------------------|
|                                      | <b>Cents</b>            | Cents            |
| Net tangible asset backing per share | 1.20                    | 1.31             |

**Explanation of results**

| Half Year ended 31 December      | 2023           | 2022    | Variance |
|----------------------------------|----------------|---------|----------|
|                                  | A\$000         | A\$000  | %        |
| <b>Sales Revenue</b>             | <b>335</b>     | 304     | ● 10%    |
| <b>Operating Profit / (Loss)</b> | <b>(2,538)</b> | (2,577) | ● 2%     |
| <b>Operating Cashflow</b>        | <b>(1,376)</b> | (2,044) | ● 33%    |

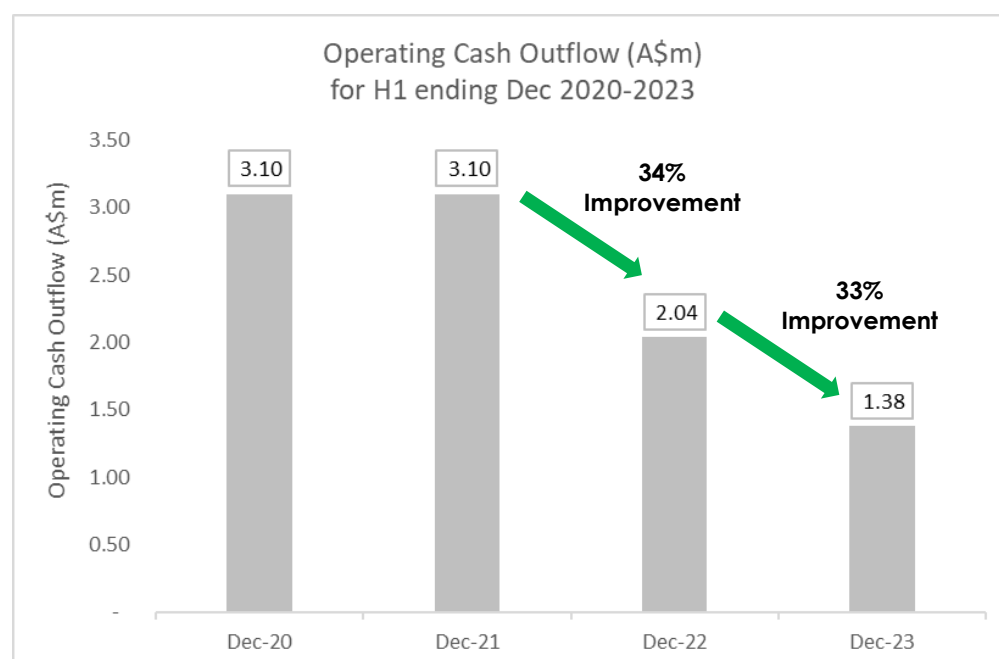
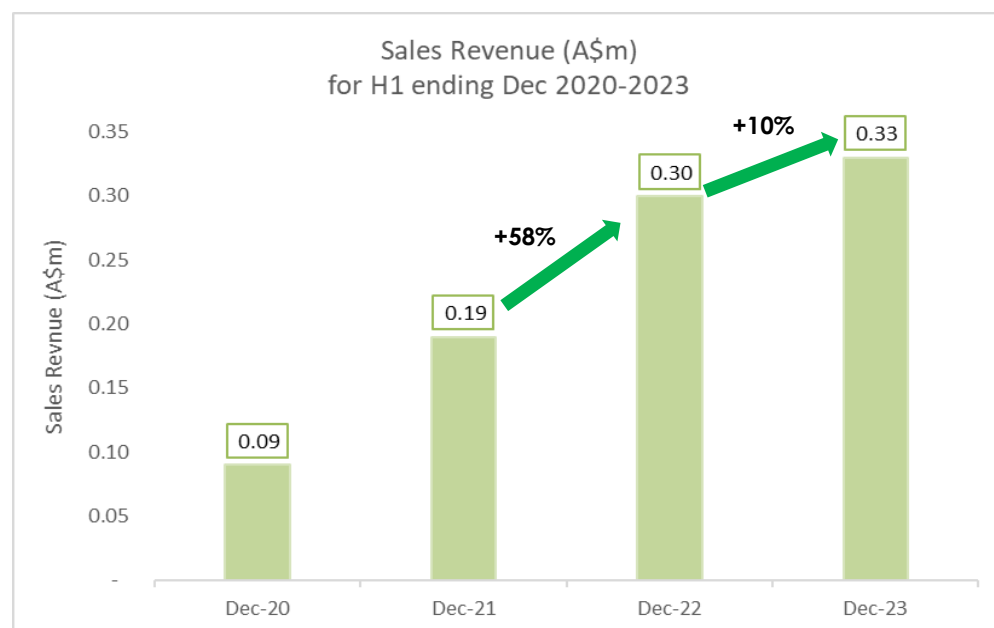
During the first half of the period ending 31 December 2023, First Graphene experienced a **10% increase in revenue** on the same half the previous year. Despite the modest increase this was another record first half sales performance for the Company. The growth in sales is attributed predominantly to the company's application development work in energy generation and cement and the concrete segment. This was further supported by the continued growth in demand for graphene enhanced swimming pools through Aquatic Leisure Technologies.

The Net loss for the half was AUD 3.7m, which includes non-cash expenses for share issuance costs for the prior capital raise in 2021 (AUD 0.9m) and share based payments (AUD 0.3m). Excluding these non-cash accounting expenses the Company's Operating loss is AUD 2.5m which is broadly in-line with last year. Key items the company expects to realise in second half of FY 2024 are the R&D tax credits for approximately AUD 0.8m, of which AUD 0.6m has already been received in January 2024.

Whilst the Company continues to deliver its commercialisation strategy, it continues to optimise is operational expenditure. This has resulted in a **33% improvement in operating cash outflow**. The company continues to implement cost optimisation strategies to effectively counter the inflationary pressures in the market. These include reduction in storage costs, improving its manufacturing processes and continued investment in non-cash incentives for its employees.

Furthermore, the company successfully raised circa AUD 3 million through its strong investor base utilising a securities purchase plan, further emphasizing the confidence the shareholders have in the company's strategy and strong growth potential.

### Revenue and Cashflow Trend



## DIRECTOR'S REPORT

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Your directors present their report on the consolidated entity (referred to hereafter as the "Group") consisting of First Graphene Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

### DIRECTORS

The following persons were Directors of First Graphene Limited during the half-year and up to the date of this report:

- Warwick Robert Grigor
- Michael Bell
- Michael Quinert
- Dr Andy Goodwin

### OVERVIEW

The first half of FY2024 saw a significant expansion in global use of First Graphene's leading PureGRAPH® product, with multiple agreements secured with leading partners and agencies around the world. This escalation in requests has reaffirmed the Company's position as a world leader in the manufacture and commercialisation of graphene.

Financially, the Company started strong in FY2024 with a bolstered order pipeline, receipt of research funding from the Cooperative Research Centres Project (CRC-P) and a successful Share Purchase Plan which raised more than AUD\$2.9 million. This funding will be used to accelerate First Graphene's ongoing commercial work in the cement and concrete segment.

Importantly, extensive research and development (R&D) activities continued as various industries look for graphene-enhanced alternatives to increase material performance. Results from this research provided further confidence in the wide range of potential opportunities for the Company's product, beyond the four primary segments.

International demand for alternative, 'green' technologies continues to rise, reinforcing First Graphene's strong position as a leader in the development and delivery of graphene-enhanced materials. With ongoing support from industry, global universities and customers across a variety of industries, First Graphene's products will continue to evolve into high-performing, market-ready solutions.

### Some key highlights include:

- Specialty concrete products developed with commercial partners:
  - Positive results from second stage of world-leading graphene-enhanced cement trials with Breedon Cement Ltd (United Kingdom)
  - Graphene-enhanced sand tested for commercial use with GtM Action (New Zealand)
  - Expansion of PureGRAPH® into Asia as trials began with one of Thailand's largest cement producers (Thailand)
- Successful registration of PureGRAPH-CEM® trademark in Australia and European Union,

## DIRECTOR'S REPORT

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with registration process underway in United States

- Joint Development Agreement (JDA) signed with Australian company Tribotech to develop graphene-enhanced conveyor rollers for the mining industry
- Memorandum of Understanding (MOU) signed with Abu Dhabi-based EMDAD Group to create a hydrodynamic cavitation reactor to convert petroleum feedstock from oil producers to battery-grade graphite, graphene, and hydrogen
- Funding boost received via CRC-P research grant and successful Share Purchase Plan
- Extensive research conducted into graphene functionality and effectiveness in a wide variety of applications

### Products under development or using PureGRAPH®

#### Cement and Concrete

- Cement additives for reduction of carbon emissions and increased strength
- Enhanced sand for mixing in concrete solutions
- Shotcrete and heavy wear concrete slabs
- Improved additives for both reducing CO<sub>2</sub> emissions in the cement production process and improving overall durability of concrete

#### Composites and Plastics

- Polymer solar thermal cells
- Advanced fiberglass swimming pools
- Unique heating devices that can be retrofitted to existing gas-fired heating units to greater efficiency and reductions in nitrous oxide and carbon emissions

#### Coatings, Adhesives, Sealants, Elastomers (CASE) and Foams

- Electrostatic dissipative coatings
- Sporting apparel and footwear
- Noise and vibration dampening foams

#### Energy Generation and Storage

- Supercapacitors technology using metal oxide decorated products that improve on activated carbon
- Catalysts for cathode oxygen reduction in fuels cells, being cheaper alternatives to platinum
- Hydrodynamic cavitation technology for converting petroleum feedstock to synthetic graphite/graphene and clean hydrogen
- Perovskite solar cells for enhanced transfer of heat and durability

#### Cement and Concrete

To signify the world-leading qualities of the Company's products and the advancements made in the cement industry, First Graphene successfully registered PureGRAPH-CEM® in Australia and the European Union, with work underway to trademark the name in the United States. This protection of the Company's leading product in the growing green cement industry reinforces First Graphene's commitment to both carbon emission reducing practices and

## DIRECTOR'S REPORT

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commercialisation of PureGRAPH-CEM®.

Ongoing collaboration with the United Kingdom's largest cement producer, Breedon Cement Ltd ("Breedon"), continues under the Joint Development and Commercialisation Agreement. First Graphene received further results from the second phase of graphene-enhanced cement trials conducted with Breedon, Morgan Sindall and the University of Manchester, which found CEM II A-L cement performed as well as a slab made with a higher specification CEM I cement.

This follows the first stage of the trials delivering an immediate 15% reduction in carbon emissions as a result of lower clinker factors, as well as early-stage strength gain. Additional trials have been planned with Breedon to optimise the graphene-enhanced grinding aid to further improve the performance of this advanced cement.

First Graphene also received results from the world-first practical trial of graphene sand, conducted with New Zealand partner, GtM Action ("GtM"). Used to create fire retardant concrete panels, two tonnes of graphene sand were used to determine if the mixed blend improved dispersion of graphene. Initial results found the concrete poured and handled well and enhanced cement strength, providing confidence the process is scalable.

First Graphene also extended the Company's reach into the Asian market by collaborating with Siam City Cement Public Company Limited ("Siam City Cement") to trial graphene-enhanced cement for its applications. Siam City Cement is one of Thailand's largest cement companies and is focused on accelerating emission reduction in its processes. This was a significant commercialisation development for First Graphene, bolstering global awareness of PureGRAPH® and its qualities as a material enhancer.

### Energy Technology

Work to implement graphene into energy technologies of the future has rapidly expanded during the half, with a landmark Memorandum of Understanding (MOU) signed between First Graphene and Abu Dhabi-based EMDAD Group (EMDAD). This agreement will see the Company's Kainos Technology used in the design, build, and commission of a small-scale, mobile hydrodynamic cavitation reactor which will convert petroleum feedstock from oil producers to battery-grade graphite, graphene, and hydrogen.

The MOU will be supported by research conducted at the National Physical Laboratory (NPL) in the UK to validate the cavitation process and optimize conditions. The Company is actively looking to further this collaboration with the NPL, with the research opportunities anticipated to further the performance of First Graphene's products.

First Graphene also conducted further research into graphene-enhanced electrocatalysts, which could pave the way for the Company's products to provide a high-performing, cost-effective solution for the hydrogen production catalyst market. This research found PureGRAPH®-enhanced electrocatalysts can reduce the amount of power consumption during hydrogen generation by almost half, as well as increase throughput by 64% and reduce raw material costs by 50%.

## DIRECTOR'S REPORT

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First Graphene was also a joint recipient of a R&D grant of A\$2.03 million for a three-year collaborative project led by Australian solar panel manufacturer Greatcell Energy. The Cooperative Research Centres Project (CRC-P) Round 14 funding will assist with the commercialisation of ultra-low cost, flexible perovskite solar cell fabrication using First Graphene's PureGRAPH®. This research could provide a more affordable energy solution for housing and businesses across the world.

### Composites and Plastics

First Graphene has continued collaborative efforts with UK-based Senergy Innovations to develop thermally conductive polymer composites to combat challenges faced in the solar thermal industry. These difficulties include low conductivity and temperature tolerance in traditional polymers. The graphene-enhanced solution from First Graphene and Senergy has improved heat transfer efficiencies and can be successfully molded into complex shapes while maintaining functional properties including strength.

First Graphene also signed a Joint Development Agreement (JDA) with Australian manufacturer Tribotech to create graphene-enhanced composite conveyor rollers for mining operations. The two-year agreement will aim to increase the durability of the existing range of rollers, extend service life and reduce waste from the process. This is a major milestone for First Graphene's commercialisation strategy as it expands into Western Australia's world-leading iron ore mining and processing industry.

### Coatings, Adhesives, Sealants, Elastomers (CASE) and Foams

First Graphene continued to engage with existing clients and partners to progress graphene-enhanced solutions for Electrostatic Discharge Flooring (ESD), Cold Cure Ceramics, bearing lubrication, footwear and anti-corrosion coatings. Significant improvements were made to optimise ESD coating applications, with a prototype system developed which passes International Electrostatics Standards on a laboratory scale. The Company has also finalised plans for larger scale trials of PureGRAPH® 10 in rubber applications, with a specific focus on improving tear strength when graphene is added.

### Other activities

First Graphene conducted two training sessions with international distribution partner Keyser and Mackay ("K&M") about graphene performance in coating applications and thermoplastics and loading recommendations.

This marked the beginning of a five-year agreement with the specialty chemicals company, who have exclusive rights to distribute PureGRAPH® into sectors across Europe, except cement and concrete. The engagement with K&M client base has already had early success at laboratory scale trials with many moving to larger scale commercial trials in the coming months.



## **DIRECTOR'S REPORT**

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### **AUDITORS INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 10.

Signed in accordance with a resolution of Directors and on behalf of the Directors by:



**Michael Bell**

CEO & Managing Director

Perth, Western Australia, 23 February 2024

## Auditor's Independence Declaration

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Tel: +61 8 6382 4600  
Fax: +61 8 6382 4601  
www.bdo.com.au

Level 9  
Mia Yellagonga Tower 2  
5 Spring Street  
Perth, WA 6000  
PO Box 700 West Perth WA 6872  
Australia

### DECLARATION OF INDEPENDENCE BY JACKSON WHEELER TO THE DIRECTORS OF FIRST GRAPHENE LIMITED

As lead auditor for the review of First Graphene Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of First Graphene Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'J. Wheeler', is written over a horizontal line.

**Jackson Wheeler**  
**Director**

**BDO Audit (WA) Pty Ltd**

Perth

23 February 2024

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half-Year Ended 31 December 2023

|   |      | Half-Year          |                    |
|---|------|--------------------|--------------------|
|   | Note | 2023<br>\$         | 2022<br>\$         |
| <b>Continuing operations</b>  |      |                    |                    |
| Revenue from contracts with customers   |      | 335,223            | 304,204            |
| Cost of goods sold  |      | (189,944)          | (180,268)          |
| Gross profit/(loss)   |      | 145,279            | 123,936            |
| Other Operating income  | 2    | 105,717            | 268,911            |
| Research & development  | 3(a) | (811,703)          | (908,484)          |
| Selling & marketing   | 3(b) | (164,630)          | (291,476)          |
| Mineral lease maintenance   | 3(c) | (60,320)           | (56,987)           |
| General & administrative  | 3(d) | (1,752,161)        | (1,715,719)        |
| <b>Loss from continuing operations before tax expense and finance</b>                               |      | <b>(2,537,818)</b> | <b>(2,579,819)</b> |
| <b>Non-Operating Income / Expense</b>   |      |                    |                    |
| Share Based Payment expense   | 11   | (279,954)          | (470,323)          |
| Finance income  |      | 13,178             | 17,874             |
| Finance expense   | 6    | (920,736)          | (668,005)          |
| Loss from continuing operations before tax expense  |      | (3,725,330)        | (3,700,273)        |
| Income tax benefit/(expense)  |      | -                  | -                  |
| Loss after tax from continuing operations   |      | (3,725,330)        | (3,700,273)        |
| <b>Other comprehensive income</b>   |      |                    |                    |
| <i>Items which may be reclassified to the profit or loss</i>  |      |                    |                    |
| Foreign currency translation difference on foreign operations                                       |      | (35,703)           | 2,722              |
| <b>Total comprehensive loss for the period attributable to the owners of First Graphene Limited</b> |      | <b>(3,761,035)</b> | <b>(3,697,551)</b> |
| Loss for the period attributable to:  |      |                    |                    |
| Owners of First Graphene Limited  |      | (3,725,330)        | (3,700,273)        |
| Non-controlling interests   |      | -                  | -                  |
| <b>Total Loss for the period attributable to Owners of First Graphene Limited</b>                   |      | <b>(3,725,330)</b> | <b>(3,700,273)</b> |

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half-Year Ended 31 December 2023

|   |             | Half-Year          |                    |
|---|-------------|--------------------|--------------------|
|   | <u>Note</u> | 2023               | 2022               |
|   |             | \$                 | \$                 |
| <b>Total comprehensive loss for the period attributable to:</b>                                     |             |                    |                    |
| Owners of First Graphene Limited  |             | (3,761,033)        | (3,697,551)        |
| Non-controlling interests   |             | -                  | -                  |
| <b>Total comprehensive loss for the period attributable to the owners of First Graphene Limited</b> |             | <b>(3,761,033)</b> | <b>(3,697,551)</b> |

|  |        |        |
|--|--------|--------|
| <b>Loss per share for the period attributable to the owners of First Graphene Limited:</b> |        |        |
| Basic loss per share (cents per share)   | (0.63) | (0.64) |
| Diluted loss per share (cents per share)   | (0.63) | (0.64) |

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

# Consolidated Statement of Financial Position

As at 31 December 2023

|  | Note | 31<br>December<br>2023<br>\$ | 30<br>June<br>2023<br>\$ |
|--|------|------------------------------|--------------------------|
| <b>Current Assets</b>  |      |                              |                          |
| Cash and cash equivalents  |      | 4,440,077                    | 3,225,954                |
| Inventories  | 4    | 1,560,291                    | 1,759,014                |
| Trade and other receivables  |      | 43,878                       | 346,495                  |
| Other current assets   | 5    | 286,196                      | 726,064                  |
| <b>Total Current Assets</b>  |      | <b>6,330,442</b>             | <b>6,057,527</b>         |
| <b>Non-Current Assets</b>  |      |                              |                          |
| Property, plant, and equipment   |      | 2,234,304                    | 2,479,526                |
| Inventories  | 4    | 2,215,237                    | 2,215,237                |
| Intangible assets  |      | 148,454                      | 151,701                  |
| Right of use asset   |      | 523,117                      | 579,151                  |
| Other Assets   |      | 224,339                      | 229,244                  |
| <b>Total Non-Current Assets</b>  |      | <b>5,345,451</b>             | <b>5,654,859</b>         |
| <b>Total Assets</b>  |      | <b>11,675,893</b>            | <b>11,712,386</b>        |
| <b>Current Liabilities</b>   |      |                              |                          |
| Trade and other payables   |      | 118,102                      | 435,832                  |
| Lease liabilities  |      | 96,421                       | 90,539                   |
| Employee liabilities   |      | 278,533                      | 276,118                  |
| Financial liabilities  | 6    | 2,749,980                    | 3,622,000                |
| <b>Total Current Liabilities</b>   |      | <b>3,243,036</b>             | <b>4,424,489</b>         |
| <b>Non-Current Liabilities</b>   |      |                              |                          |
| Lease Liabilities  |      | 389,706                      | 440,117                  |
| <b>Total Non-Current Liabilities</b>   |      | <b>389,706</b>               | <b>440,117</b>           |
| <b>Total Liabilities</b>   |      | <b>3,632,742</b>             | <b>4,864,606</b>         |
| <b>Net Assets</b>  |      | <b>8,043,151</b>             | <b>6,847,780</b>         |
| <b>Equity</b>  |      |                              |                          |
| Issued capital   | 7    | 111,273,047                  | 106,378,130              |
| Reserves   |      | 6,121,297                    | 6,095,513                |
| Accumulated losses   |      | (109,536,980)                | (105,811,650)            |
| <b>Capital and reserves attributable to the owners of First Graphene Limited</b> |      | <b>7,857,364</b>             | <b>6,661,993</b>         |
| Non-controlling interest   |      | 185,787                      | 185,787                  |
| <b>Total Equity</b>  |      | <b>8,043,151</b>             | <b>6,847,780</b>         |

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

## Consolidated Statement of Changes in Equity

For the Half-Year Ended 31 December 2023

|   | Issued capital     | Share based payments reserve | Translation reserve | Other Reserve   | Accumulated losses   | Non-controlling interest | Total equity       |
|---|--------------------|------------------------------|---------------------|-----------------|----------------------|--------------------------|--------------------|
|   | \$                 | \$                           | \$                  | \$              | \$                   | \$                       | \$                 |
| <b>As at 1 July 2023</b>                                    | <b>106,378,130</b> | <b>6,171,889</b>             | <b>590</b>          | <b>(76,966)</b> | <b>(105,811,650)</b> | <b>185,787</b>           | <b>6,847,780</b>   |
| Profit/(loss) for the period                                | -                  | -                            | -                   | -               | (3,725,330)          | -                        | (3,725,330)        |
| Other Comprehensive income                                  |                    |                              | (35,703)            |                 |                      |                          | (35,703)           |
| <b>Total comprehensive income for the period</b>            | <b>-</b>           | <b>-</b>                     | <b>(35,703)</b>     | <b>-</b>        | <b>(3,725,330)</b>   | <b>-</b>                 | <b>(3,761,033)</b> |
| <i>Transactions with owners in their capacity as owners</i> |                    |                              |                     |                 |                      |                          |                    |
| Shares issued   | 4,684,936          | -                            | -                   | -               | -                    | -                        | 4,684,936          |
| Share issue costs   | (8,487)            | -                            | -                   | -               | -                    | -                        | (8,487)            |
| Transactions with non-controlling interest                  | -                  | -                            | -                   | -               | -                    | -                        | -                  |
| Share based payment   | 218,468            | 61,487                       | -                   | -               | -                    | -                        | 279,955            |
| <b>Balance at 31 December 2023</b>                          | <b>111,273,047</b> | <b>6,233,376</b>             | <b>(35,113)</b>     | <b>(76,966)</b> | <b>(109,536,980)</b> | <b>185,787</b>           | <b>8,043,151</b>   |

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

## Consolidated Statement of Changes in Equity

For the Half-Year Ended 31 December 2022

|   | Issued capital     | Share based payments reserve | Translation reserve | Other Reserve   | Accumulated losses   | Non-controlling interest | Total equity       |
|---|--------------------|------------------------------|---------------------|-----------------|----------------------|--------------------------|--------------------|
|   | \$                 | \$                           | \$                  | \$              | \$                   | \$                       | \$                 |
| <b>As at 1 July 2022</b>                                    | <b>102,845,906</b> | <b>5,931,862</b>             | <b>(116,530)</b>    | <b>(76,966)</b> | <b>(100,389,938)</b> | <b>185,787</b>           | <b>8,380,121</b>   |
| Profit/(loss) for the period                                | -                  | -                            | -                   | -               | (3,697,551)          | -                        | (3,697,551)        |
| Other comprehensive income                                  | -                  | -                            | 24,073              | -               | -                    | -                        | 24,073             |
| <b>Total comprehensive income for the period</b>            | <b>-</b>           | <b>-</b>                     | <b>24,073</b>       | <b>-</b>        | <b>(3,697,551)</b>   | <b>-</b>                 | <b>(3,673,478)</b> |
| <i>Transactions with owners in their capacity as owners</i> |                    |                              |                     |                 |                      |                          |                    |
| Shares issued   | 2,552,381          | -                            | -                   | -               | -                    | -                        | 2,552,381          |
| Share issue costs   | (32,433)           | -                            | -                   | -               | -                    | -                        | (32,433)           |
| Transactions with non-controlling interest                  | -                  | -                            | -                   | -               | -                    | -                        | -                  |
| Share based payment   | 237,646            | 232,677                      | -                   | -               | -                    | -                        | 470,323            |
| <b>Balance at 31<sup>st</sup> December 2022</b>             | <b>105,603,500</b> | <b>6,164,539</b>             | <b>(92,457)</b>     | <b>(76,966)</b> | <b>(104,087,488)</b> | <b>185,787</b>           | <b>7,696,915</b>   |

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

# Consolidated Statement of Cash Flows

For the Half-Year Ended 31 December 2023

|  | Note | Half-Year          |                    |
|--|------|--------------------|--------------------|
|  |      | 2023<br>\$         | 2022<br>\$         |
| <b>Cash flows from operating activities</b>                  |      |                    |                    |
| Receipts from customers                                      |      | 735,134            | 390,818            |
| Payments to suppliers and employees                          |      | (2,199,796)        | (2,449,393)        |
| Interest received  |      | 13,178             | 17,874             |
| Interest expense   |      | (20,736)           | (3,587)            |
| Other income – R&D credit received                           |      | 96,643             | -                  |
| <b>Net cash outflows from operating activities</b>           |      | <b>(1,375,577)</b> | <b>(2,044,288)</b> |
| <b>Cash flows from investing activities</b>                  |      |                    |                    |
| Payments for property, plant, and equipment                  |      | -                  | (3,272)            |
| Payments for intellectual property                           |      | -                  | (44,445)           |
| <b>Net cash outflows from investing activities</b>           |      | <b>-</b>           | <b>(47,717)</b>    |
| <b>Cash flow from financing activities</b>                   |      |                    |                    |
| Proceeds from rights issue/ placement of shares              |      | 2,632,962          | -                  |
| Payment for share issue costs                                |      | -                  | (32,433)           |
| Reduction of leased liability                                |      | (44,529)           | (98,060)           |
| <b>Net cash inflows/(outflows) from financing activities</b> |      | <b>2,588,433</b>   | <b>(130,493)</b>   |
| Net Increase/(decrease) in cash and cash equivalents         |      | 1,212,856          | (2,222,498)        |
| Exchange rate adjustments                                    |      | 1,267              | (2,387)            |
| Cash and cash equivalents at beginning of the period         |      | 3,225,954          | 7,004,724          |
| <b>Cash at the end of the period</b>                         |      | <b>4,440,077</b>   | <b>4,779,839</b>   |

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



## Notes to the Consolidated Financial Statements

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### 1. Basis of preparation of half-year financial statements

This interim consolidated financial report for the half-year reporting period ended 31 December 2023 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

This interim consolidated financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Financial Statements of First Graphene Limited as at 30 June 2023 and any public announcements made by First Graphene Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

These interim financial statements were authorised for issue in accordance with a resolution of directors on 23 February 2024.

### Accounting policies

#### New standards, interpretation and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2023, except for the adoption of new standards effective as of 1 July 2023. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

### Going Concern

For the period ended 31 December 2023 the entity recorded a loss of \$3,725,330 (2022:\$3,700,273) and had net cash outflows from operating activities of \$1,375,577 (2022:\$2,044,288).

The ability of the entity to continue as a going concern is dependent on securing additional funding through the sale of equity securities to either existing or new shareholders to continue to fund its operational and marketing activities.

These conditions indicate a material uncertainty which may cast a significant doubt about the entity's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial statements have been prepared on the basis the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

## Notes to the Consolidated Financial Statements

The entity expects to receive additional funds via the issue of equity securities to either existing or new shareholders; and

- In the event of further funds not being raised, the entity's activities would be wound back to a sustainable level.

Should the entity not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts which differ from those stated in the financial statements and the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities which might be necessary should the entity not continue as a going concern.

### 2. Other Income

|                                       | 31 December<br>2023<br>\$ | 31 December<br>2022<br>\$ |
|---------------------------------------|---------------------------|---------------------------|
| Research & Development tax incentives | 96,643                    | 268,911                   |
| Other Operating Income                | 9,074                     | -                         |
| <b>Total other income</b>             | <b>105,717</b>            | <b>268,911</b>            |

## Notes to the Consolidated Financial Statements

### 3. Operating Expenses

| Operating Expenses                                    | 31 December<br>2023<br>\$ | 31 December<br>2022<br>\$ |
|---|---------------------------|---------------------------|
| <b>(a) Research &amp; development expenses</b>        |                           |                           |
| Employee expenses                                     | 345,261                   | 320,727                   |
| Consultants and research programs                     | 26,566                    | 266,864                   |
| Legal and other professional fees                     | -                         | -                         |
| Depreciation  | 9,351                     | 18,605                    |
| Amortisation  | 56,034                    | 15,606                    |
| Other   | 374,491                   | 286,682                   |
|   | <b>811,703</b>            | <b>908,484</b>            |
| <b>(b) Selling &amp; marketing</b>                    |                           |                           |
| Employee expenses                                     | 83,872                    | 211,845                   |
| Advertising & promotions                              | 65,390                    | 55,663                    |
| Depreciation  | 1,329                     | 1,551                     |
| Other   | 14,039                    | 22,417                    |
|   | <b>164,630</b>            | <b>291,476</b>            |
| <b>(c) Mining Lease maintenance</b>                   |                           |                           |
| Employee expenses                                     | 16,760                    | 16,753                    |
| Depreciation  | -                         | -                         |
| Amortisation  | -                         | -                         |
| Other   | 43,560                    | 40,234                    |
|   | <b>60,320</b>             | <b>56,987</b>             |
| <b>(d) General &amp; administrative</b>               |                           |                           |
| Employee expenses                                     | 806,731                   | 802,339                   |
| Finance & company secretarial fees                    | 9,255                     | 28,346                    |
| Legal and other professional fees                     | 252,931                   | 196,956                   |
| ASX listing, share registry and other corporate costs | 96,562                    | 64,909                    |
| Depreciation  | 233,275                   | 235,129                   |
| Amortisation  | -                         | 55,631                    |
| Other expenses  | 353,407                   | 332,409                   |
| <b>Total administrative expenses</b>                  | <b>1,752,161</b>          | <b>1,715,719</b>          |

## Notes to the Consolidated Financial Statements

### 4. Inventory

|                                | 31 December<br>2023<br>\$ | 30 June<br>2023<br>\$ |
|--------------------------------|---------------------------|-----------------------|
| Raw materials                  | 2,036,864                 | 2,057,681             |
| Finished goods                 | 1,681,625                 | 1,859,532             |
| Work in progress               | 99,159                    | 99,159                |
|                                | <b>3,817,648</b>          | 4,016,371             |
| Less: Provision for impairment | (42,120)                  | (42,120)              |
| Carrying amount                | <b>3,775,528</b>          | 3,974,251             |
| <i>Disclosed as:</i>           |                           |                       |
| Current                        | 1,560,291                 | 1,759,014             |
| Non-current                    | 2,215,237                 | 2,215,237             |
| Total inventory                | <b>3,775,528</b>          | 3,974,251             |

### 5. Other current assets

|                            | 31 December<br>2023<br>\$ | 30 June<br>2023<br>\$ |
|----------------------------|---------------------------|-----------------------|
| Prepayments                | 286,196                   | 726,064               |
| Total other current assets | <b>286,196</b>            | 726,064               |

### 6. Financial liabilities

#### Accounting Policy

Convertible notes were issued by the Group which include embedded derivatives. Convertible notes are initially recognised as financial liabilities at fair value.

On initial recognition the fair value of the convertible notes equated to the proceeds received and subsequently the convertible note is measured at fair value. The movements are recognised in profit and loss as finance costs except to the extent the movement is attributed to changes in the group's own credit risk status in which case, it is recognised in Other Comprehensive Income.

#### Terms and Conditions

The Company entered into a Share Placement Agreement with Specialty Materials Investments, LLC (the Investor) on the 27<sup>th</sup> of May 2021.

- Total AUD amount that can be drawn down: \$8,000,000
- Initial deposit shares issued: 2,800,000 shares at \$0.235 per share
- Fee paid: 1,021,276 shares at \$0.235 per share
- Final AUD value of shares to be issued: \$8,480,000 ("subscription amount")

## Notes to the Consolidated Financial Statements

- Other Terms:
- The final number of shares to be issued by the Company will be determined by applying the Purchase Price (as set out below) to the subscription amount. The Purchase Price will initially be equal to \$0.30 per share and will reset after 10 August 2021 to the average of the five daily volume-weighted average prices selected by the Investor during the 20 consecutive trading days immediately prior to the date of the Investor's notice to issue shares, rounded down to the next half a cent if the share price is at below 50 cents and whole cent if the share price is at above 50 cents, with no discount applicable to this formula. To the extent that Placement Shares are issued after six months, or 12 months, the Investor will receive a discount of, respectively, 3% or 6% to the foregoing Purchase Price formula.
- The Purchase Price will be the subject of a Floor Price of \$0.16. If the Purchase Price formula were to result in a purchase price that is less than the Floor Price, the Company may refuse to issue shares and instead opt to repay the relevant subscription amount in cash (with a 5% premium), subject to the Investor's right to receive Placement Shares at the Floor Price in lieu of such cash repayment. The Purchase Price will not be the subject of a cap.
- The Company will issue the Placement Shares in relation to all or part of each of the above investments on the Investor's request, during the period ending 36 months after the date of the investment.
- The Company has retained the right (but has no obligation) to repay the subscription amount in cash in lieu of issuing shares by way of a repayment of the subscription amount together with the difference between the market price of the shares and the Purchase Price (if any) in relation to the shares that would otherwise have been issued.

|  | 31 Dec 2023<br>\$ | 30 Jun 2023<br>\$ |
|--|-------------------|-------------------|
| <b>Current</b>   |                   |                   |
| Convertible liabilities - Share Placement Agreement                    | 2,622,000         | 3,622,000         |
| SPP shares to be issued January 2024                                   | 127,980           | -                 |
|  | <b>2,749,980</b>  | 3,622,000         |
| <b>Finance Expense</b>   |                   |                   |
| Finance Cost -Share Placement Agreement                                | 900,000           | 819,130           |
| Interest – Right of use Asset  | 13,071            | 9,230             |
| Finance costs - Other  | 7,665             | -                 |
| Foreign Exchange loss/(gain) - unrealised                              | -                 | (25,156)          |
|  | <b>920,736</b>    | 803,204           |
| <b>Opening Balance at 1st Jul 23</b>                                   |                   | <b>3,622,000</b>  |
| 20,000,000 Shares at an issue price of \$0.05 per Share on 06 Oct 2023 |                   | (1,000,000)       |
| <b>Closing Balance at 31st Dec 2023</b>                                |                   | <b>2,622,000</b>  |

## Notes to the Consolidated Financial Statements

### 7. Issued capital

|  | <b>31<br/>December<br/>2023<br/>Number of<br/>Shares</b> | 30 June<br>2023<br>Number of<br>Shares | <b>31<br/>December<br/>2023<br/>\$</b> | 30 June<br>2023<br>\$ |
|--|--|--|--|-----------------------|
|--|--|--|--|-----------------------|

#### Ordinary shares

|                       |                    |             |                    |             |
|-----------------------|--------------------|-------------|--------------------|-------------|
| Issued and fully paid | <b>656,951,723</b> | 590,205,277 | <b>111,273,047</b> | 106,378,130 |
|-----------------------|--------------------|-------------|--------------------|-------------|

|  | <b>31<br/>December<br/>2023<br/>Number of<br/>Shares</b> | 31<br>December<br>2022<br>Number of<br>Shares | <b>31<br/>December<br/>2023<br/>\$</b> | 31<br>December<br>2022<br>\$ |
|--|--|---|--|------------------------------|
|--|--|---|--|------------------------------|

#### Movements in ordinary sharecapital

|                                |                    |             |                    |             |
|--------------------------------|--------------------|-------------|--------------------|-------------|
| At the beginning of the period | <b>590,205,277</b> | 560,033,776 | <b>106,378,131</b> | 102,845,907 |
| Shares issued to employees     | <b>3,231,821</b>   | 1,996,896   | <b>218,467</b>     | 237,646     |
| Entitlement issue / SPP        | <b>43,514,625</b>  | -           | <b>2,784,936</b>   | -           |
| Shares issued to third party   | <b>20,000,000</b>  | 19,285,715  | <b>1,900,000</b>   | 2,552,381   |
| Share issue costs              | -                  | -           | <b>(8,487)</b>     | (32,433)    |
|                                | <b>656,951,723</b> | 581,316,387 | <b>111,273,047</b> | 105,603,501 |

### 8. Dividends

No dividends have been paid or declared during the period. (2022:Nil)

## Notes to the Consolidated Financial Statements

### 9. Earnings per share

|  | 2023<br>A\$             | 2022<br>A\$             |
|--|-------------------------|-------------------------|
| Loss attributable to the owners of First Graphene used in calculating basic and diluted loss per share | (3,761,033)             | (3,697,551)             |
|  | <b>Number of shares</b> | <b>Number of shares</b> |
| Weighted average ordinary shares used in calculating basic and diluted earnings per share              | 601,514,306             | 574,383,912             |
| Basic and diluted loss per share - cents per share   | (0.63)                  | (0.64)                  |

### 10. Options

#### (a) Share options

##### Unlisted share options

At the beginning of the period

Options issued

Options exercised during the period

Options expired

**Total**

| 31 December<br>2023<br>Number | 30 June<br>2023<br>Number |
|-------------------------------|---------------------------|
| 15,000,000                    | 15,000,000                |
| -                             | -                         |
| -                             | -                         |
| (15,000,000)                  | -                         |
| -                             | 15,000,000                |

#### (b) Performance rights

Unlisted performance rights

At the beginning of the period

Performance rights issued

Performance rights converted to shares

**At the end of the period**

| 31 December<br>2023<br>Number | 30 June<br>2023<br>Number |
|-------------------------------|---------------------------|
| 1,745,888                     | 60,000                    |
| 4,116,974                     | 3,682,784                 |
| (3,231,821)                   | (1,996,896)               |
| 2,631,041                     | 1,745,888                 |

## Notes to the Consolidated Financial Statements

### 11. Share based payments

#### Incentive Award Plan & Performance Rights to Non-Executive Directors (NED)

Under the Company's Incentive Award Plan, Performance Rights (PR) are granted to employees following the release of the Company's full financial year results starting October 2022 till December 2024. The employees have an option to convert each right to a fully paid ordinary share in the company up to 2 years following the allocation. At the time of allotment of the PRs the Company recognises an employee expense, with a corresponding increase in reserves. When the employee chooses to convert the rights to ordinary shares the company recognises an increase in equity with a corresponding decrease in reserves previously recognised. Over the 6-month period ending 31 December 2023, the company has issued 4,116,974 PRs to employees and Key Management Personnel.

#### Performance rights issued to Employees & KMP

The following performance rights were granted to employees & KMP:

|           | Number of<br>Performance<br>Rights | Date of Grant | Share Price<br>A\$ | Vesting Date |
|-----------|------------------------------------|---------------|--------------------|--------------|
| Employees | 1,889,983                          | 11/09/2023    | 0.068              | 11/09/2023   |
| KMP *     | 2,226,991                          | 11/09/2023    | 0.068              | 11/09/2023   |
|           | <b>4,116,974</b>                   |               |                    |              |

\*These KMP rights have been converted to shares during the period.

- Michael Bell – 1,638,704
- Aditya Asthana – 588,287

#### Share based payment expense Summary

The Group recognised total share-based payment expenses as follows:

| Half Year  | 2023           | 2022    |
|--|----------------|---------|
| Performance rights issued to employees               | <b>128,519</b> | 158,248 |
| Performance rights issued to KMP                     | <b>151,435</b> | 174,914 |
| Options issued to directors                          | -              | 80,911  |
| Performance rights issued to Non-Executive Directors | -              | 56,250  |
| <b>Total</b>   | <b>279,954</b> | 470,323 |



## Notes to the Consolidated Financial Statements

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### 12. Segment reporting

#### Identification of reportable segments

The Group has identified its operating segments based on the internal reports which are reviewed and used by the Board (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The existing operating segments are identified by management based on the way the Group's operations were carried out during the financial year. Discrete financial information about each of these operating businesses is reported to the Board on a monthly basis.

The reportable segments are based on aggregated operating segments determined by the similarity of the asset base and revenue or income streams, as these are the sources of the Group's major risks and have the most effect on the rates of return. The Group's segment information for the current reporting period is reported based on the following segments:

#### *Graphene production*

As the Company expands its graphene production and inventory, the Board monitors the Company based on actual verses budgeted expenditure incurred.

#### *Research and development*

As the Company expands its research inhouse and in conjunction with third parties, the Board monitors the Company based on actual verses budgeted expenditure incurred.

#### *Corporate services*

This segment reflects the overheads associated with maintaining the ASX listed FGR corporate structure, identification of new assets and general management of an ASX listed entity.

#### *Mining and exploration activities*

Although the Company has suspended its mineral exploration and development in Sri Lanka, the Board monitors the Company based on actual verses budgeted exploration expenditure incurred.

## Notes to the Consolidated Financial Statements

### 12. Segment reporting (continued)

| Business Segment                           | Graphene Production              |                                  | Research & Development           |                                  | Corporate Services               |                                  | Mining Asset Maintenance         |                                  | Total                            |                                  |
|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
|  | 6 months to 31 December 2023 A\$ | 6 months to 31 December 2022 A\$ | 6 months to 31 December 2023 A\$ | 6 months to 31 December 2022 A\$ | 6 months to 31 December 2023 A\$ | 6 months to 31 December 2022 A\$ | 6 months to 31 December 2023 A\$ | 6 months to 31 December 2022 A\$ | 6 months to 31 December 2023 A\$ | 6 months to 31 December 2022 A\$ |
| Revenue from external customers            | 138,974                          | 304,204                          | 196,249                          | -                                | -                                | -                                | -                                | -                                | 335,223                          | 304,204                          |
| Profit / (Loss) from Continuing operations | (471,053)                        | -                                | (615,454)                        | (639,694)                        | (1,390,991)                      | (1,883,138)                      | (60,322)                         | (56,987)                         | (2,537,820)                      | (2,579,819)                      |
| Depreciation expense                       | 168,327                          | 216,953                          | 9,351                            | 18,605                           | 66,277                           | 19,727                           | -                                | -                                | 243,955                          | 255,285                          |
| Amortisation expense                       | -                                | 31,657                           | 56,034                           | 2,084                            | -                                | 55,631                           | -                                | -                                | 56,034                           | 89,372                           |

| Business Segment    | Graphene Production |              | Research & Development |              | Corporate Services |              | Mining Asset Maintenance |              | Total            |              |
|---------------------|---------------------|--------------|------------------------|--------------|--------------------|--------------|--------------------------|--------------|------------------|--------------|
|                     | 31 December 2023    | 30 June 2023 | 31 December 2023       | 30 June 2023 | 31 December 2023   | 30 June 2023 | 31 December 2023         | 30 June 2023 | 31 December 2023 | 30 June 2023 |
| Segment assets      | 3,889,552           | 4,389,214    | 3,073,766              | 3,998,018    | 4,690,478          | 3,295,164    | 22,097                   | 29,994       | 11,675,893       | 11,712,390   |
| Segment liabilities | (174,210)           | (174,210)    | 104,373                | (345,398)    | (3,565,487)        | (4,343,045)  | 2,582                    | (1,956)      | (3,632,742)      | (4,864,609)  |

## Notes to the Consolidated Financial Statements

### 12. Segment reporting (*continued*)

#### Geographical areas

In presenting the information based on geographical areas, segment revenue is based on the geographical location of operations. Segment assets are based on the geographical location of the assets.

| Geographical segments | 6 months to<br>31 December<br>2023<br>Revenue<br>\$ | 31 December<br>2023<br>Total Assets<br>\$ | 6 months to<br>31 December<br>2022<br>Revenue<br>\$ | 30 June<br>2023<br>Total Assets<br>\$ |
|-----------------------|---|---|---|---------------------------------------|
| Australia             | 335,223   | 11,064,710                                | 304,204   | 10,660,460                            |
| United Kingdom        | -   | 589,086                                   | -   | 1,021,932                             |
| Sri Lanka             | -   | 22,097                                    |   | 29,994                                |
| Total                 | 335,223   | 11,675,893                                | 304,204   | 11,712,386                            |

#### Reconciliation of segment assets and liabilities to the Statement of financial Position

##### Reconciliation of segment assets to the Statement of Financial Position

|  | 31 December<br>2023<br>\$ | 30 June<br>2023<br>\$ |
|--|---------------------------|-----------------------|
| Total segments assets                            | 17,639,978                | 17,905,755            |
| Inter-segment elimination                        | (5,964,085)               | (6,193,369)           |
| Total assets per statement of financial position | 11,675,893                | 11,712,386            |

##### Reconciliation of segment liabilities to the Statement of Financial Position

|   | 31 December<br>2023<br>\$ | 30 June<br>2023<br>\$ |
|---|---------------------------|-----------------------|
| Total segments liabilities                            | 22,744,036                | 23,418,468            |
| Inter-segment elimination                             | (19,111,294)              | (18,553,852)          |
| Total liabilities per statement of financial position | 3,632,742                 | 4,864,606             |

## Notes to the Consolidated Financial Statements

### 13. Subsequent events after Reporting Date

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

### 14. Contingent liabilities and contingent assets

There are no contingent liabilities and contingent assets to report as of 31 December 2023.

### 15. Related Party Transactions

There has been no change to related party transactions other than the issue of Performance rights disclosed in note 11.

### 16. Correction of prior period classification of lease liability

In the FY 2023 financial statements the Company had incorrectly classified its lease liability entirely as a current liability. A split between current and non-current liability was required. This reclassification in the Company's Statement of Financial Position (on Page 13) has now been made. There is no change to the Company's total assets or total liabilities. Below is a summary of the changes made:

|                                      |   | 30 June<br>2023<br>\$ | 30 June<br>2023<br>\$  |
|--------------------------------------|---|-----------------------|------------------------|
|                                      |   | Reclassified          | Previously<br>Reported |
| <b>Current Liabilities</b>           |   |                       |                        |
| Trade and other payables             |   | 435,832               | 435,832                |
| Lease liabilities                    |   | 90,539                | 530,656                |
| Employee liabilities                 |   | 276,118               | 276,118                |
| Financial liabilities                | 6 | 3,622,000             | 3,622,000              |
| <b>Total Current Liabilities</b>     |   | <b>4,424,489</b>      | <b>4,864,606</b>       |
| <b>Non-Current Liabilities</b>       |   |                       |                        |
| Lease Liabilities                    |   | 440,117               | -                      |
| <b>Total Non-Current Liabilities</b> |   | <b>440,117</b>        | <b>-</b>               |
| <b>Total Liabilities</b>             |   | <b>4,864,606</b>      | <b>4,864,606</b>       |
| <b>Net Assets</b>                    |   | <b>6,847,780</b>      | <b>6,847,780</b>       |

## Director's Declaration

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In the Directors' opinion:

- a) The financial statements and notes set out on pages 11 to 32 are in accordance with the *Corporations Act 2001*, including:
  - a. Complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
  - b. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date, and
- b) There are reasonable grounds to believe First Graphene Limited 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 on 23 February 2024.



**Michael Bell**

CEO & Managing Director

Perth, Western Australia, 23 February 2024

# Independent Auditor's Report



Tel: +61 8 6382 4600  
Fax: +61 8 6382 4601  
www.bdo.com.au

Level 9, Mia Yellagonga Tower 2  
5 Spring Street  
Perth WA 6000  
PO Box 700 West Perth WA 6872  
Australia

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of First Graphene Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of First Graphene Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, 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 the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

#### Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

## Independent Auditor's Report

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### Responsibility of the directors for the financial report

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

### Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

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

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'J. Wheeler', is written over a horizontal line. Above the signature, the letters 'BDO' are handwritten in a stylized, cursive font.

Jackson Wheeler

Director

Perth, 23 February 2024

## Additional Securities Information

(Note this information does not form part of the audit reviewed financial statements)

Additional information not shown elsewhere in this report is as follows. This information is complete as at 14 February 2024.

### a) Distribution of Shareholdings – Fully Paid Ordinary Shares:

| Size of Holding  | Number of Shareholders | Number of Share    |
|------------------|------------------------|--------------------|
| 1 – 1,000        | 179                    | 30,285             |
| 1,001 – 5,000    | 1,317                  | 4,501,395          |
| 5,001 – 10,000   | 1,025                  | 8,067,497          |
| 10,001 – 100,000 | 2,311                  | 82,628,243         |
| 100,001 and over | 544                    | 563,724,303        |
|                  | <b>5,376</b>           | <b>658,951,723</b> |

| Equity Security            | Quoted      | Unquoted  |
|----------------------------|-------------|-----------|
| Fully paid ordinary shares | 658,951,723 | -         |
| Options                    | -           | 4,500,000 |

### b) Top 20 Security Holders – Fully Paid Ordinary Shares (FGR)

|    | Holder Name   | Number of Shares   | %              |
|----|---|--------------------|----------------|
| 1  | BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM              | 190,358,106        | 28.89%         |
| 2  | CITICORP NOMINEES PTY LIMITED                             | 34,376,976         | 5.22%          |
| 3  | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED                 | 23,055,016         | 3.50%          |
| 4  | BNP PARIBAS NOMS PTY LTD                                  | 22,980,725         | 3.49%          |
| 5  | TWYNAM INVESTMENTS PTY LTD                                | 21,659,589         | 3.29%          |
| 6  | GREGORACH PTY LTD   | 15,685,946         | 2.38%          |
| 7  | BUILDING ON THE ROCK LIMITED                              | 14,685,000         | 2.23%          |
| 8  | IPS Holdings  | 13,828,400         | 2.10%          |
| 9  | DEBT MANAGEMENT ASIA CORPORATION                          | 12,757,146         | 1.94%          |
| 10 | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2         | 4,577,875          | 0.69%          |
| 11 | WILLIAM TAYLOR NOMINEES PTY LTD                           | 4,465,959          | 0.68%          |
| 12 | GINGA PTY LTD   | 4,217,565          | 0.64%          |
| 13 | MR RICHARD HOPETOUN BITCON                                | 3,210,000          | 0.49%          |
| 14 | MR ADAM O'DONNELL FERRIS                                  | 2,968,750          | 0.45%          |
| 15 | MR MICHAEL BELL   | 2,880,808          | 0.44%          |
| 16 | IPS NOMINEES LIMITED                                      | 2,759,611          | 0.42%          |
| 17 | BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>    | 2,746,958          | 0.42%          |
| 18 | MR RYAN JEHAN ROCKWOOD                                    | 2,500,000          | 0.38%          |
| 19 | MR MICHAEL ALAN ANTOSKA & MRS ELISA ANTOSKA               | 2,368,750          | 0.36%          |
| 20 | DR PAUL FRANCIS MORTON                                    | 2,203,750          | 0.33%          |
|    | Total   | 384,286,930        | 58.32%         |
|    | <b>Total issued capital - selected security class(es)</b> | <b>658,951,723</b> | <b>100.00%</b> |

At 14 February 2024, there were 2,104 shareholders holding less than a marketable parcel of shares (\$0.06 cents on this date) in the Company totalling 8,573,686 ordinary shares amounting to 1.3 % of the issued capital.