

Nuchev Limited and Controlled Entities
ACN 163 225 090

Interim condensed consolidated financial statements 31 December
2023

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DIRECTORS REPORT

31 DECEMBER 2023

The directors of Nuchev Limited (the 'Company' or 'Nuchev') present the interim financial report of Nuchev Limited and the entities it controlled ('the Group') for the six months ended 31 December 2023.

Directors

The names of the directors of Nuchev Limited and the entities it controlled in office during the half year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Mr Justin Breheny (resigned 16 October 2023)
Mr Ben Dingle
Ms Selina Lightfoot (resigned 16 October 2023)
Mr Jeffrey Martin
Ms Michelle Terry
Mr Craig Silbery (appointed 16 October 2023)

Principal activities

Nuchev is an Australian based food business specialising in the development, marketing and distribution of premium Australian-made nutritional, immunity and digestive products globally.

Our primary products include its Oli6[®] branded goat infant formula (GIF) and a range of immunity offerings. These products are distributed across various channels in Australia, New Zealand, and China.

Utilising a capital-light business model, we partner with strategic suppliers of functional ingredients and leverage Australian manufacturers with a secure and scalable supply chain. Our products are backed by ongoing scientific research and are formulated to support digestion and overall health. Positioned under the award-winning and trust Oli6[®] brand, we deliver high quality products valued for their premium quality and efficacy providing "Functional Food for a Better Life".

Operating and financial review

Operating and Financial Review

The Group reported a loss after income tax for the six months ended 31 December 2023 of \$3,420,689 (2022: \$4,978,675). The operating loss reflects the challenges associated within the market and the Group's continued investment in product quality and testing; brand building; and multi-channel sales and channel support.

Oli6[®] branded sales revenue (total revenue excluding raw materials sales and performance option impact) was \$6,694,980 for the current period, a significant increase of 78% on the prior period comparative of \$3,751,782. During the period the Group has grown sales of Oli6[®] in the China CBEC market to \$4,386,738 (2022: \$1,037,079), with Australian retail sales of \$2,308,242 (2022: \$2,714,703). Total sales revenue for the six months ended 31 December 2023 was \$6,602,688 (2022: \$4,362,765), an increase of 51% on the previous corresponding period.

Based on the Group's customer location, Australian sales accounted for 37% (2022: 76%) and China 63% (2022: 24%) of total revenue.

The Group's gross margin from branded sales, total sales revenue normalised to exclude raw material sales and options, remained consistent with prior periods.

Balance sheet

The net assets of the Group have decreased from a net asset position of \$12,818,210 at 30 June 2023 to \$9,596,428 at 31 December 2023. At 31 December 2023 the Group had a working capital surplus of \$9,200,855 (30 June 2023: \$12,406,923), with current assets exceeding current liabilities and with no debt.

At 31 December 2023, the Group held cash and short-term deposit of \$5,586,368 (30 June 2023: \$7,478,612), trade and other receivables of \$1,356,272 (30 June 2023: \$666,156) and \$4,075,372 of inventories (30 June 2023: \$5,309,835).

Disciplined inventory and working capital management has enabled the Group to reduce its total inventory holdings by 23% in the six month period to 31 December 2023.

Operating cash flows

Higher receipts from customers due to the growth in sales combined with disciplined cost control has seen the cash outflow continue to remain well below the prior year comparatives, with the cash position at 31 December 2023 of \$5,586,368 (30 June 2023: \$7,478,612).

The Group's net cash flows used in operating activities during the current period were \$1,541,308, considerably less than for the previous financial year (2022: \$1,918,969), with higher receipts from customers and disciplined cost control measures implemented to preserve cash.

Significant changes in the state of affairs

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

Subsequent events

No matters or circumstances have arisen since the end of the period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Dividends

No dividends were paid, declared, or recommended in the period.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 5 and forms part of this report.

Signed in accordance with a resolution of the directors made pursuant to s306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Ben Dingle
Chair
Melbourne

Dated: 26th February 2024



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Auditor's independence declaration to the directors of Nuchev Limited

As lead auditor for the review of the half-year financial report of Nuchev Limited for the half-year ended 31 December 2023, I declare 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;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Nuchev Limited and the entities it controlled during the financial period.

Ernst & Young

Ernst & Young

Katie Struthers
Partner
26 February 2024

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

	Note	31 Dec 2023 \$	31 Dec 2022 \$
Revenue from contracts with customers	3	6,602,688	4,362,765
Cost of sales	5	(4,672,623)	(3,963,986)
Gross profit		1,930,065	398,779
Distribution, warehouse and logistics expenses		(259,718)	(350,332)
Marketing and selling expenses		(2,032,164)	(1,070,816)
Employment expenses		(1,937,347)	(1,810,721)
General and administration expenses		(1,040,008)	(1,366,004)
Other expenses		(165,212)	(349,652)
Reversal of Impairment/(Impairment)		31,865	(508,458)
Operating (loss)		(3,472,519)	(5,057,204)
Other income		54,150	76,178
Finance income		12,642	12,006
Finance costs	5	(14,962)	(9,655)
(Loss) before tax		(3,420,689)	(4,978,675)
Income tax benefit		-	-
(Loss) for the period		(3,420,689)	(4,978,675)
Other comprehensive income		-	-
Total comprehensive (loss) for the period		(3,420,689)	(4,978,675)
Loss per share			
Basic (loss) per share	6	(0.04)	(0.10)
Diluted (loss) per share	6	(0.04)	(0.10)

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	31 Dec 2023 \$	30 June 2023 \$
Assets			
Current assets			
Cash and deposits		5,586,368	7,478,612
Trade and other receivables	7	1,356,272	666,156
Prepayments		824,671	1,118,361
Inventories	8	4,075,372	5,309,835
Other assets		36,582	22,649
		11,879,265	14,595,613
Non-current assets			
Property, plant and equipment		50,967	62,729
Intangible assets	9	-	-
Right of use assets		253,199	284,849
Other financial assets		304,956	304,955
Other assets		75,851	76,454
		684,973	728,987
Total assets		12,564,238	15,324,600
Liabilities			
Current liabilities			
Trade and other payables		2,454,766	1,958,117
Provisions		142,492	170,313
Lease liabilities		46,906	47,543
Other liabilities		34,246	12,717
		2,678,410	2,188,690
Non-current liabilities			
Provisions		74,697	81,098
Lease liabilities		214,703	236,602
		289,400	317,700
Total liabilities		2,967,810	2,506,390
Net assets		9,596,428	12,818,210
Equity			
Issued capital	10	101,863,550	101,863,550
Other capital reserves	11	2,084,711	1,885,804
Accumulated (losses)		(94,351,833)	(90,931,144)
Total equity		9,596,428	12,818,210

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INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

	Note	Issued capital \$	Other capital reserves \$	Accumulated losses \$	Total \$
Balance at 1 July 2023		101,863,550	1,885,804	(90,931,144)	12,818,210
Comprehensive income:					
Loss for the period		-	-	(3,420,689)	(3,420,689)
Transactions with owners in their capacity as owners:					
Share based payments	11	-	198,907		198,907
Total transactions with owners		-	198,907	-	198,907
Balance at 31 December 2023		<u>101,863,550</u>	<u>2,084,711</u>	<u>(94,351,833)</u>	<u>9,596,428</u>
Balance at 1 July 2022		96,036,786	1,915,457	(82,124,450)	15,827,793
Comprehensive income:					
Loss for the period		-	-	(4,978,675)	(4,978,675)
Transactions with owners in their capacity as owners:					
Share based payments		-	(97,393)	-	(97,393)
Total transactions with owners		-	(97,393)	-	(97,393)
Balance at 31 December 2022		<u>96,036,786</u>	<u>1,818,064</u>	<u>(87,103,125)</u>	<u>10,751,725</u>

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INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

	Note	31 Dec 2023 \$	31 Dec 2022 \$
Operating activities			
Receipts from customers		6,260,055	4,960,057
Payments to suppliers and employees		(7,841,958)	(6,960,131)
Interest received		12,642	12,006
Interest paid		(14,975)	(7,110)
Income tax		-	39,609
Other income		42,928	36,600
Net cash flows (used in) operating activities		(1,541,308)	(1,918,969)
Investing activities			
Purchase of property, plant and equipment		(1,720)	(54,937)
Purchase of intangible assets		-	(37,877)
Proceeds from sale of property, plant and equipment		1,185	-
Net cash flows (used in) investing activities		(535)	(92,814)
Financing activities			
Transaction costs related to issue of equity securities		(240,288)	-
Transaction costs on loan facilities from related parties		(68,993)	-
Repayment of lease liabilities		(35,584)	(75,128)
Net cash flows used in financing activities		(344,865)	(75,128)
Net (decrease) in cash and cash equivalents		(1,886,708)	(2,086,911)
Net foreign exchange difference		(5,536)	(13,358)
Cash and cash equivalents at 1 July		7,478,612	5,112,514
Cash and cash equivalents at 31 December		5,586,368	3,012,245

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

1. Corporate information

The interim condensed consolidated financial statements of Nuchev Limited and its controlled entities (collectively, the “consolidated group” or “Group” or “parent”) for the period ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors. Nuchev Limited is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange.

The principal activities of the consolidated group during the financial year were the development, marketing and selling of premium Australian made goat nutritional products. The Group’s registered office and principal place of business is Level 12, 636 St Kilda Road, Melbourne Vic 3004.

The interim condensed consolidated financial statements of Nuchev Limited for the six months ended 31 December 2023 are presented in Australian dollars, which is Nuchev Limited’s functional and presentational currency. The interim consolidated financial statements were authorised for issue in accordance with a resolution of the directors on 26th February 2024.

2. Basis of preparation and changes to the Group’s accounting policies

2.1 Basis of preparation

The interim condensed consolidated financial statements for the six months ended 31 December 2023 have been prepared in accordance with *AASB 134: Interim Financial Reporting* and the *Corporations Act 2001*.

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements as at 30 June 2023.

2.2 Management’s assessment of going concern for the half year ended 31 December 2023

Accounting standards require, when preparing financial statements, that management shall make an assessment of an entity’s ability to continue as a going concern. Financial statements shall be prepared on a going concern basis unless management either intends to liquidate the entity or to cease trading or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the date of signing the financial report.

In determining whether there are indicators, events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern, management has considered the following factors:

- **Net profit (loss):** The Company has recognised a net loss after tax of \$3,420,689 for the half year. Management considers that this result is sufficient to enable the Company to continue its operations for the foreseeable future and repay debts as they fall due.
- **Demand for products:** The consumer demand for products provided by the Company has increased significantly over the past 12 months, and further growth is expected.
- **Working capital ratio:** As at the reporting date, the Company’s current assets exceeded current liabilities by \$9,200,855. Therefore, management is confident that the Company will have sufficient resources to repay its debts falling due within the next 12 months. This includes consideration of the Group’s existing cash holdings, amounts receivable from customers, as well as the saleable value of its current inventory holdings and the potential cash benefit from these sales.
- **Forecast cash flows:** The Group’s management has implemented various strategies to optimise its liquidity position during the last 12 months and will continue to execute these strategies over the foreseeable future, whether by increasing revenue or decreasing costs.
- **Financing:** The Group has prepared detailed financial forecasts for the 12 months following the date of this report. These forecasts indicate that the Group will have sufficient funds to continue to pay its debts as and when they become due and payable.

As a result of the matters noted above, the Directors are of the view that there are no indicators, events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. Directors are confident that there are

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currently no significant indicators of disruption to ongoing operations that may impact the Company's ability to settle its liabilities as and when they fall due such that the going concern basis of preparation is not appropriate.

In concluding this, management and the Board has considered the Company's liquidity position, any risks to the cash flows and funding, and the Company's outlook.

2.3 New standards, interpretations 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. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time for the financial year, but do not have an impact on the interim condensed consolidated financial statements of the Group.

3. Revenue from contracts with customers

The Group sells goat formula, nutritional powders and related products to wholesale customers and end consumers. For all revenue streams the Group's contracts with customers include one performance obligation. The Group has concluded that revenue from the sale of products should be recognised at the point in time when the products are transferred to the customer. The Group recognises the revenue from the sale of goods measured at the fair value of the consideration received or receivable, net of returns and rebates.

	31 Dec 2023 \$	31 Dec 2022 \$
Type of goods		
Branded sales of formula and nutritional powders	6,694,980	3,751,782
Share based performance options	(217,988)	-
Raw materials	125,696	610,983
Total revenue from contracts with customers	6,602,688	4,362,765

4. Segment information

Operating segments are identified on the basis of internal reports, about components of the Group that are regularly reviewed by the chief operating decision maker (the Board) in order to allocate resources to the segment and assess performance.

The Group has one operating segment being goat formula, nutritional powders and related products. Accordingly, the financial information presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position is the same as presented to the chief operating decision maker (the Board).

Geographic information

The chief operating decision maker also monitors the location of customer sales. Revenue information in the table below is allocated on the location of the Group's customers.

	31 Dec 2023 \$	31 Dec 2022 \$
Australia	2,433,937	3,325,686
China	4,168,751	1,037,079
Total revenue	6,602,688	4,362,765

During the period, the Group's top two customers generated more than 10% of the Group's revenues. For the six months ended 31 December 2023, the revenue from these customers amounted to \$4,575,892 (2022: \$2,927,090).

5. Expenses

	31 Dec 2023 \$	31 Dec 2022 \$
Cost of sales		
Cost of inventories	4,563,521	3,100,982
Inventory obsolescence	208,850	779,280
Inventory provision	(99,748)	83,724
Total	4,672,623	3,963,986
Included in General and administration expenses:		
Depreciation & Amortisation	45,067	97,546
Included in Other expenses:		
Research expenses	6,481	6,006
Net foreign exchange losses	5,536	13,358
Included in Finance costs:		
Interest on lease liabilities	14,975	7,110
Fees and charges	(13)	2,545
Included in impairment:		
Reversal of impairment of receivables	(31,865)	(30,417)
Impairment of intangibles	-	508,875
Impairment of other financial assets	-	30,000

6. Loss per share (LPS)

	31 Dec 2023 \$	31 Dec 2022 \$
Loss used to calculate basic and diluted LPS	(3,420,689)	(4,978,675)
Weighted average number of ordinary shares for basic LPS	84,407,280	51,744,398
Basic LPS (dollars)	(0.04)	(0.10)
Diluted LPS (dollars)	(0.04)	(0.10)

The Group has not included 25,120,118 (2022: 5,398,000) granted options and share rights that could potentially dilute basic earnings per share in the future, because they are anti-dilutive for the periods presented.

7. Trade and other receivables

	31 Dec 2023 \$	30 Jun 2023 \$
Trade receivables	468,629	546,761
Less: Allowance for expected credit losses	(34,599)	(66,464)
	<u>434,030</u>	<u>480,297</u>
Amounts receivable from related parties	793,664	141,909
Other receivables	128,578	43,950
Total Trade and other receivables	<u>1,356,272</u>	<u>666,156</u>

8. Inventories

	31 Dec 2023 \$	30 Jun 2023 \$
Raw materials	478,038	2,024,980
Work in progress	3,477,655	2,812,795
Finished goods	651,988	1,104,117
Less: provision for obsolescence	(532,309)	(632,057)
Total Inventories	<u>4,075,372</u>	<u>5,309,835</u>

The amount of inventory that was written off during the period was \$208,850 (2022: \$779,280). An inventory obsolescence provision reversal of \$99,748 (2022: reversal of \$83,724) was recognised during the period. The cost of inventories and cost of production recognised as an expense during the period was \$4,563,521 (2022: \$3,100,982).

9. Intangible assets

Development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. We deem that development costs relating to product formulation have an indefinite life, where we assess annually for any impairment or changes to the indefinite life classification.

Trademarks and Software

The Group made upfront payments to acquire trademarks and software. The trademarks may be renewed at little or no cost to the Group. As a result, those licences are assessed as having an indefinite useful life. Software acquired externally are amortised in accordance with their useful lives which are assessed as two to five years.

Impairment testing of intangible assets with indefinite lives

The Group performs its annual impairment test in June and when circumstances indicate that the carrying value may be impaired. The Group's impairment test for intangible assets with indefinite lives is based on value-in-use calculations. The key assumptions used to determine the recoverable amount for the cash generating unit was disclosed in the annual consolidated financial statements for the year ended 30 June 2023.

The Group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment. As a result, an impairment assessment was performed at 31 December 2022 for the entire operations of the company which are considered one single cash-generating unit (CGU).

Following this assessment, an impairment charge of \$508,875 was recognised against intangible assets. The impairment charge is recorded within Impairment expenses in the statement of profit or loss in the prior period.

10. Issued capital

	Number of shares	Share capital \$
Movements in share capital		
Ordinary shares issued and fully paid		
Balance at 1 July 2023	84,407,280	101,863,550
Shares issued	-	-
Transaction costs recognised against the share capital raised	-	-
Balance at 31 December 2023	84,407,280	101,863,550
 Balance at 1 July 2022	 51,774,398	 96,036,786
Shares issued	32,632,882	6,529,307
Transaction costs recognised against the share capital raised	-	(702,543)
Balance at 30 June 2023	84,407,280	101,863,550

Fully paid ordinary shares carry one vote per share and are entitled to dividends.

11. Other capital reserves

The other capital reserve is used to recognise the value of equity settled share-based transactions

	31 Dec 2023 \$	30 Jun 2023 \$
Balance at the beginning of the period	1,885,804	1,915,457
Share based payments - employee	(19,081)	(29,653)
Share based performance options	217,988	-
Balance at the end of the period	2,084,711	1,885,804

Share based payments – Employee Rights Issues

In December 2023, 1,144,892 rights were provided to senior executives for no cost as part of the Equity Incentive Plan (EIP). The share rights convert to an equal number of shares on vesting which occurs with continuous employment three years from the date of issue. The vesting conditions require the meeting of continuous service conditions and performance targets. The rights lapse on cessation of employment, subject to Board discretion. The fair value of the rights at grant date has been estimated to be \$0.179, refer to the table for inputs used.

Assumption	December 2023 Issue
Exercise price	\$Nil
Expected life of options	3 years
Expected dividend yield	0%
Expected volatility	87.14%
Risk-free rate	4.089%

Share Based Performance Options

In June 2023 the Group entered into a Distribution Agreement with H&S Group as the exclusive distributor in China CBEC and Vietnam. In addition, a share placement was made to H&S Group, which when combined with new shares subscribed to by H&S under the Entitlement Offer, enabled H&S Group to acquire up to 19.9% of the shares on issue.

In order to incentivise H&S Group under the Distribution Agreement, Performance Options were granted to H&S Group to subscribe for ordinary Shares in three tranches (one per year), subject to the satisfaction of annual sales performance targets for the three years ending 30 June 2026. These options could result in a total potential ownership by H&S Group of up to 34.9% of the Company's shares on issue.

19,448,681 Performance Options were issued to H&S Group on 28th June 2023 in three tranches:

TRANCHE	No. of Options	Exercise Price
• Tranche A (FY 2024)	5,619,659	\$0.25
• Tranche B (FY 2025)	6,421,322	\$0.30
• Tranche C (FY 2026)	7,407,700	\$0.36

In the event that the performance conditions are met, the value of the options at that time will be recognised as an offset against revenue in accordance with AASB 15 Revenue from Contracts with Customers as described in the Group's significant accounting policies – refer to Note 2.4 (d) of the 30 June 2023 financial statements. As at 31 December 2023, management have determined that Tranche A performance targets will be met, and have recognised the relevant proportion of the Option value accordingly. The fair value of the rights has been estimated using the inputs in the table below.

Assumption	Tranche A Performance Options
Exercise price	\$0.25
Expected life of options	1 year
Expected dividend yield	0%
Expected volatility	109.48%
Risk-free rate	4.353%

12. Fair values of financial instruments

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of cash and bank balances and account receivables. Financial liabilities consist of accounts payable and other payables.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchange in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair value of cash, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

13. Related party disclosures

Transactions between related parties are on normal commercial terms and conditions. These included directors' fees, salaries and related payments under employment agreements and employee share option plans, as well as commercial sales, purchases of services, and share based performance options with companies that have a substantial shareholding in Nuchev.

There have been no other related party transactions outside of those described above.

Further details of related party disclosures are contained in Notes 28 & 29 of the 30 June 2023 financial statements.

14. Events after reporting date

No matter or circumstance has arisen since 31 December 2023 that has materially affected or could materially affect the reported results from operations or financial positions for the period then ended.

DIRECTORS' DECLARATION FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

In the opinion of the directors of Nuchev Limited:

- a. the financial statements and notes of Nuchev Limited for the six months ended 31 December 2023 are in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the six months ended on that date; and
 - ii. complying with Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the Corporations Regulations 2001;
- 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.

On behalf of the Board:



Ben Dingle
Chair

26th February 2024

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Independent auditor's review report to the members of Nuchev Limited

Conclusion

We have reviewed the accompanying half-year financial report of Nuchev Limited (the Company) and its subsidiaries (collectively the Group), which comprises the condensed statement of financial position as at 31 December 2023, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising 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 half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

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

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year 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.

Directors' responsibilities 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 responsibilities for the review of the half-year 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.

Ernst & Young

Ernst & Young

Katie Struthers
Partner
Melbourne
26 February 2024

CORPORATE DIRECTORY

Company	Nuchev Limited Level 12, 636 St Kilda Road, Melbourne VIC 3004 Australia
Corporate website	www.nuchev.com.au
Registered office	Level 12, 636 St Kilda Road, Melbourne VIC 3004
Australian stock exchange (ASX) code	NUC
Australian share registry	Automic Pty Ltd Level 5, 126 Phillip Street, Sydney NSW 2000 Australia Telephone: 1300 288 664 (within Australia) +61 (0) 2 9698 5414 (International)
Auditor	Ernst & Young 8 Exhibition Street, Melbourne VIC 3000 Australia
Company directors	Mr Ben Dingle Chair Non-Executive Director Mr Jeffrey Martin Non-Executive Director Ms Michelle Terry Non-Executive Director Mr Craig Silbery Non-Executive Director
Company secretary	Ms Tamara Barr

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