

Norwood Systems Limited

ABN 15 062 959 540

and its controlled entities



PRELIMINARY FINAL REPORT

30 June 2024

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Corporate directory**Current Directors**

Mr Paul Ostergaard	<i>Managing Director</i>
Mr Philip Marsland	<i>Non-executive Director</i>
Mr Philip Otley	<i>Non-executive Director</i>
Dr John Tarrant	<i>Non-executive Director</i>

Company Secretary

Mr Stuart Usher

Registered Office & Principal Place of Business

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Share Registry

Automic Pty Ltd

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NOROD

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Company Update

1. Operational review

During the 2024 financial year (FY2024) Norwood made progress towards its strategic objectives, advancing its technological capabilities, and expanding its presence in global markets.

Throughout the year, Norwood strengthened its relationships with several prominent Tier 1 Communication Service Providers (CSPs) and market-leading Hyperscalers worldwide, including the signing of a CSP Group Master Supply Agreement, a Tier 1 CSP Proof of Concept contract, and an increase in opportunities within the Company's global sales pipeline.

a. Strengthening Key CSP Relationships

Over the year, we strengthened our relationships with key CSPs in the Asia-Pacific region. In mid-October 2023, following a detailed vendor review of Norwood, Singtel Group executed a Group Master Supply Agreement (GMSA) with Norwood, which was immediately followed by a Statement of Work (SoW) with Singtel Optus Australia (Optus) for an extensive internal test and evaluation (Proof of Concept) of our CogVoice platform.

This Proof of Concept (PoC) was successfully completed in late December 2023, receiving very positive feedback from the PoC test users. This success built on an earlier, more narrowly focused PoC conducted in mid-2022, in partnership with Infosys, which assessed a single feature of the CogVoice platform, the CogVoice Call Screener. Norwood also delivered this earlier POC successfully, again achieving positive KPIs from the associated test user group.

Building on the successful completion of both the first and second PoCs, Norwood has been engaged in intensive commercial and contractual negotiations since early 2024 for a significant multi-year CogVoice supply contract. These negotiations remain a top priority for the Company and are actively progressing.

Our relationship with Spark NZ continues to thrive, with pleasing year-on-year revenue growth for the services we provide.

Building on these positive developments, Norwood further intensified its business development efforts in Europe and North America during FY2024 by continuing to invest in experienced, dedicated sales and marketing resources in both regions, leading to deeper engagements with several Tier 1 CSPs. Over the past year, these efforts have significantly advanced our sales pipeline and opened up promising new opportunities for growth.

In Europe, we have been negotiating a strategic development relationship with a leading Tier 1 CSP, which may involve multiple Proofs of Concept for our CogVoice AI technology in FY2025. Simultaneously, we are advancing discussions with a major North American CSP for the deployment of agentic enabling infrastructure, demonstrating our capability to cater to diverse and complex network environments.

b. Strengthening Hyperscaler Relationships

Our Strategic Azure OpenAI Integration Initiative, announced earlier this year and promoted by Microsoft's worldwide Telecoms team, integrates Microsoft's Azure OpenAI and Azure Speech Services with our CogVoice platform. This initiative was prominently featured at the DTW Ignite TM Forum event in Copenhagen, where Norwood's CogVoice platform was showcased at Microsoft's booth for the second consecutive year. This underscores our strong relationship with Microsoft, in particular with Microsoft's worldwide Telecoms senior leadership team and their global CSP account teams.

In parallel, we have worked closely with AWS, for example in our Proof of Concepts with Tier 1 CSPs, highlighting the flexibility and scalability of our platform. AWS has provided robust infrastructure support, enabling seamless deployment and testing of our CogVoice solutions in diverse environments. This collaboration further enhances our ability to deliver cutting-edge solutions across multiple cloud platforms, reinforcing our commitment to interoperability and innovation.

c. Driving Innovation throughout FY2024

Innovation has been the driving force behind our progress and engagements with CSPs and partners this year. We introduced several potentially groundbreaking technologies, including the CogVoice Open Services Media Gateway (OSMG) and a potentially revolutionary Agentic Interactive Voice Response (IVR) system. The CogVoice Agentic IVR solution lays the technological foundation for a diverse portfolio of call routing offerings, such as those tailored to the Contact Centre market, and opens new avenues for customer interaction and engagement for businesses of all scales.

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In parallel, we have made significant strides with our internal tools, including the development of our Onboarding and Adversarial Agents. These tools have been instrumental in optimizing our internal processes, enhancing our ability to manage complex AI-driven customer interactions, and ensuring that our solutions are robust and adaptable to a wide range of scenarios

These advancements significantly enhance the capabilities of our CogVoice platform, making it a more attractive and versatile solution for both CSPs and potentially enterprises. The OSMG, in particular, provides CSPs with advanced media control functions and scalable agentic interfacing services, enabling seamless integration and superior service delivery beyond what current network technologies can offer.

2. Operational and Financial Performance

Financially, the FY2024 showed improving performance, with recognized revenue increasing by 18.5% from FY2023, reaching \$1.14 million. From a cash-flow perspective, the business recorded a 47% year-on-year increase in banked customer receipts, totalling \$1.30 million, driven by cash inflows from the completed PoC with Optus in Australia and growing income from Spark NZ.

Our prudent financial management, along with the valued support of our largest shareholders, has allowed us to continue investing in R&D and expanding our global reach over the past year, positioning Norwood for potential growth in the coming years.

3. Financial Review

a. Profit and loss measures

	Movement (increased/ decreased)	Movement \$	2024 \$	2023 \$
Revenues from ordinary activities	Increased	178,240	1,142,437	964,197
Loss from ordinary activities after tax	Increased	660,141	(2,550,260)	(1,890,119)
EBITDA Loss	Increased	662,098	(2,402,959)	(1,740,861)

b. Balance sheet measures

	Movement (increased/ decreased)	Movement \$	2024 \$	2023 \$
<i>In respect to:</i>				
<i>Group assets</i>				
• Cash and cash equivalents	Decreased	311,158	68,984	380,142
• Trade and other receivables	Increased	24,067	294,760	270,693
• Net liabilities	Increased	130,850	(1,227,125)	(1,096,275)
• Working capital deficit	increased	192,429	(1,345,048)	(1,152,619)
<i>Group liabilities and equity</i>				
• Trade and other payables	Decreased	101,803	670,576	772,379
• Issued capital	Increased	1,705,976	35,524,272	33,818,296

Refer to the *Operational review* above for additional business segment performance.

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group incurred a loss for the year of \$2,550,260 (2023: \$1,890,119 loss) and a net cash out-flow from operating activities of \$1,583,143 (2023: \$1,180,020 out-flow). As at 30 June 2024, the Company had a working capital deficit of \$1,345,048 (2023: \$1,152,619 working capital deficit).

Company Update

4. Corporate

a. Capital Raising

During the period 41,357,029 NORAAA Options were converted into fully paid ordinary shares at 2.4 cents per share raising a total of \$992,569 in cash for the Company, 5,000 NOROD Options were converted into fully paid ordinary shares at 8 cents per share raising a total of \$400 and 1,500,000 Director Options were converted into fully paid ordinary shares at 2.4 cents per share raising a total of \$36,000 in cash for the Company.

On 11 July 2023, the Company closed a fully underwritten 1 for 10 Non-renounceable Option Entitlement offer and its Underwritten Option Placement offer in accordance with its replacement prospectus dated 15 June 2023 and supplementary prospectus dated 19 June 2023. Balmain Resources Pty Ltd (**Balmain**), a company that director Dr John Tarrant controls, had fully underwritten both Offers. The placement offer included up to 66,356,636 NOROD Options offered as replacement Options for NORAO Option holders where the options had expired without being exercised. Issued at a price of \$0.0025 per option to raise \$165,891, the NOROD Options are quoted on the ASX and are exercisable at 8 cents, expiring 31 December 2024. The Company received acceptances for a total of 58,859,150 new Options raising \$147,148, with the shortfall under the offer being 7,497,486 options.

The pro-rata entitlement offer was for 41,112,778 NOROD Options at an issue price of \$0.002 per Option to raise \$82,226. The Company received acceptances for a total of 23,849,619 new options. The Company received oversubscriptions under the Offer of 33,110,295 Options. Balmain as Underwriter together with the Company scaled back the oversubscriptions. In total, Norwood raised \$258,118.

Norwood completed a heavily oversubscribed equity placement, raising \$710,000 before costs in October 2023. The capital raise was via issue of 17.75 million fully paid ordinary shares at \$0.04 per share, with a free attaching unquoted NOROPT6 option issued on a 1 for 1 basis exercisable at \$0.05 per option expiring 31 October 2025. The Company was supported by sophisticated and professional investors, strengthening the balance sheet. This provided Norwood with the necessary resources to fund strategic market expansion activities, accelerated product development, customer experience enhancements, operational efficiency improvements and the pursuit of strategic partnerships. ACNS Capital Markets Pty Ltd ATF The ACNS Unit Trust trading as Alto Capital was the appointed Corporate Adviser to the equity raising.

Reflecting the Board's confidence in Norwood's strategic direction, all directors participated, with directors Phil Marsland and Dr John Tarrant both subscribing \$100,000, Philip Otley and Paul Ostergaard subscribing \$10,000 each.

b. Loan Funding

The loan funding that provided access to working capital facility of up to \$300,000 advanced by Balmain, which had been executed in the previous year and then varied to expire on 31 December 2023, was fully repaid and extinguished, by the offsetting from Balmain Option funds (NORAAA) that were exercised and due to the Company.

On 30 March 2024, a further working capital drawdown facility of up to \$300,000 was provided by Balmain, with repayment by 31 December 2024. The funds have been utilised to fund the Company's R&D and go-to-market programs during 2024 whilst the company continues to expand its revenue base.

5. Outlook

Looking ahead, our careful and balanced management of costs over the course of the past year, coupled with our pursuit of meaningful strategic partnerships, long term commercial relationships and ensuring we are at the forefront with our technological innovations, has provided a solid platform for the Company's future growth. We are committed to deepening our global market presence and deliver increasing value to our stakeholders. The momentum we have built this year in terms of progressing key strategic relationships with potential Tier 1 clients and our Hyperscaler partners, in particular, sets the stage for a potentially positive FY2025 for Norwood in what is a rapidly evolving telecommunications landscape, where operators appear to be keen to invest in new AI-powered platform solutions.

As we begin the new fiscal year, we remain focused on translating our R&D efforts into the generation of solid cashflows to the business over the near- to mid-term. With multiple ongoing engagements with Tier 1 CSPs across the three core regions of APAC, Europe and North America, and with a growing portfolio of innovative solutions, Norwood is positioned to capitalize on the potential market demand for its AI-powered cloud-hosted communication technologies. Our commitment to innovation, coupled with our strategic market engagements, means that we are well-equipped to meet the challenges and opportunities of the future.

Company Update

6. Future Developments, Prospects and Business Strategies

Likely developments in the operations of the Group have been disclosed in the Operating and Financial Review section of the Company Update. Other likely developments, future prospects and business strategies of the operations of the Group and the expected results of those operations, not otherwise disclosed in this report, have not been included in this report as the Directors believe that the inclusion of such information would be likely to result in unreasonable prejudice to the Group.



PAUL OSTERGAARD

Managing Director

Dated this Friday, 30 August 2024

APPENDIX 4E (RULE 4.3A)

Preliminary Financial Report Results for Announcement to the Market

for the year ended 30 June 2024

1. Reporting period (item 1)				
<input type="radio"/>	Report for the financial year ended:	30 June 2024		
<input type="radio"/>	Previous corresponding period is the year ended:	30 June 2023		
2. Results for announcement to the market				
		Movement	Percentage %	Amount \$
<input type="radio"/>	Increase in revenues from ordinary activities (item 2.1)	↑	18.49 to	1,142,437
<input type="radio"/>	Increase in loss from ordinary activities after tax attributable to members (item 2.2)	↑	34.93 to	(2,550,260)
<input type="radio"/>	Increase in loss after tax attributable to members (item 2.3)	↑	34.93 to	(2,550,260)
2.1. Dividends (item 2.4)			Amount per Security ¢	Franked amount per security %
<input type="radio"/>	Interim dividend		nil	n/a
<input type="radio"/>	Final dividend		nil	n/a
<input type="radio"/>	Record date for determining entitlements to the dividend (item 2.5)	n/a		
2.2. Brief explanation of any of the figures reported above necessary to enable the figures to be understood (item 2.6):				
a. Refer to Company Update.				
3. Preliminary Final Report				
3.1. Statement of comprehensive income (item 3):				
Refer to Consolidated statement of profit or loss and other comprehensive income on page 7				
3.2. Statement of financial position (item 4):				
Refer to Consolidated statement of financial position on page 8				
3.3. Statement of cash flows (item 5):				
Refer to Consolidated statement of cash flows on page 10				
3.4. Statement of changes in equity (item 6):				
Refer to Consolidated statement of changes in equity on page 9				
4. Dividends (item 7) and Returns to shareholders including distributions and buy backs (item 14.2)				
Nil.				
4.1. Details of dividend or distribution reinvestment plans in operation are described below (item 8):				
Not applicable				
5. Ratios				
		Current Period \$	Previous corresponding Period \$	
5.1. Financial Information relating to 5.2 and 5.3:				
Earnings for the period attributable to owners of the parent		(2,550,260)	(1,890,119)	
Net assets		(1,227,125)	(1,096,275)	
Less: Intangible assets (including net deferred tax balances)		-	-	
Net tangible asset deficit		(1,227,125)	(1,096,275)	

APPENDIX 4E (RULE 4.3A)
Preliminary Financial Report Results for Announcement to the Market
for the year ended 30 June 2024

5 Ratios (cont.)	Current Period No.	Previous corresponding Period No.
Fully paid ordinary shares	474,980,951	413,577,781
Weighted average number of ordinary shares outstanding during the period used in calculation of basic earnings per share (EPS)	446,206,171	356,977,707
	¢	¢
5.2. Net tangible assets backing per share (item 9):	(0.281)	(0.275)
5.3. Earnings per share attributable to owners of the parent (item 14.1):	(0.570)	(0.530)
<p>As at 30 June 2024, the Group has 202,663,677 unissued shares under options (2023: 88,905,763) and 15,708,859 performance shares on issue (30 June 2023: 10,000,000). No performance rights have vested. Unvested options and performance rights are not considered to be dilutive. In addition, the Group does not report diluted earnings per share on losses generated by the Group. During the 2024 financial year, the Group's unissued shares under option and performance shares were anti-dilutive.</p>		
6. Details of entities over which control has been gained or lost during the period (item 10):		
6.1. Control gained over entities		
○ Name of entities (item 10.1)	Nil	
○ Date(s) of gain of control (item 10.2)	N/A	
6.2. Loss of control of entities		
○ Name of entities (item 10.1)	Nil	
○ Date(s) of loss of control (item 10.2)	N/A	
6.3. Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities to the date(s) in the current period when control was gained / lost (item 10.3).	N/A	
6.4. Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (item 10.3)	Nil	
7. Details of associates and joint venture (item 11):		
○ Name of entities (item 11.1)	Nil	
○ Percentage holding in each of these entities (item 11.2)	N/A	
	Current period \$	Previous corresponding Period \$
○ Aggregate share of profits (losses) of these entities (item 11.3)	N/A	N/A
8. Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position (item 12): Refer to <i>Company Update</i> on page 1 of the accompanying Preliminary Final Report.		
9. The financial information provided in the Appendix 4E is based on the preliminary final report (attached), which has been prepared in accordance with Australian Accounting Standards (item 13)		
10. A commentary on the results for the period (item 14): Refer to <i>Company Update</i> on page 1 of the accompanying Preliminary Final Report.		
11. The Preliminary Final Report has been prepared based on the 30 June 2024 accounts which are in the process of being audited by an independent audit firm in accordance with the requirements of s.302 of the <i>Corporations Act 2001</i> (Cth). (item 15)		

Consolidated statement of profit or loss and other comprehensive income

for the year ended 30 June 2024

	Note	2024 \$	2023 \$
<i>Continuing operations</i>			
Revenue	1.1	1,142,437	964,197
Other income	1.2	602,540	533,999
Accountancy, audit, and legal fees		(174,735)	(185,474)
Administration expenses		(186,083)	(68,729)
ASX and share registry fees		(95,646)	(96,009)
Consultancy and subcontractor fees		(265,661)	(109,567)
Depreciation		(86,756)	(85,857)
Employee and director benefits expense	2.1	(1,988,687)	(2,033,813)
Finance costs		(60,842)	(62,736)
Information technology infrastructure cost		(387,087)	(297,430)
Patents, research, and development		(28,013)	(27,878)
Sales and marketing		(313,692)	(34,488)
Share-based payment expense	7	(372,940)	(186,066)
Travel and entertainment		(269,470)	(117,872)
Other expenses		(65,625)	(82,396)
Loss before tax		(2,550,260)	(1,890,119)
Income tax expense		-	-
Net loss for the year		(2,550,260)	(1,890,119)
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income attributable to members of the parent entity		(2,550,260)	(1,890,119)
<i>Earnings per share:</i>			
Basic loss per share (cents per share)	6.4	¢ (0.57)	¢ (0.53)
Diluted loss per share (cents per share)	6.4	N/A	N/A

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

Consolidated statement of financial position
as at 30 June 2024

	Note	2024 \$	2023 \$
<i>Current assets</i>			
Cash and cash equivalents	3.1	68,984	380,142
Trade and other receivables	3.2	294,760	270,693
Total current assets		363,744	650,835
<i>Non-current assets</i>			
Plant and equipment	4.1	50,298	59,017
Right of use assets	4.2	108,866	42,740
Total non-current assets		159,164	101,757
Total assets		522,908	752,592
<i>Current liabilities</i>			
Trade and other payables	3.3	670,576	772,379
Lease liabilities	4.2	116,108	48,443
Borrowings	3.4	651,123	741,572
Provisions	4.3	270,985	241,060
Total current liabilities		1,708,792	1,803,454
<i>Non-current liabilities</i>			
Provisions	4.3	41,241	45,413
Total non-current liabilities		41,241	45,413
Total liabilities		1,750,033	1,848,867
Net liabilities		(1,227,125)	(1,096,275)
<i>Equity</i>			
Issued capital	5.1	35,524,272	33,818,296
Reserves	5.4	953,608	240,174
Accumulated losses		(37,705,005)	(35,154,745)
Total equity		(1,227,125)	(1,096,275)

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

for the year ended 30 June 2024

	Note	Issued Capital \$	Share-based payment Reserve \$	Accumulated Losses \$	Total equity \$
<i>Balance at 1 July 2022</i>		32,179,354	9,339,571	(42,354,060)	(835,135)
Loss for the year attributable to owners of the parent		-	-	(1,890,119)	(1,890,119)
Other comprehensive income for the year attributable to owners of the parent		-	--	-	-
Total comprehensive income for the year attributable to owners of the parent		-	-	(1,890,119)	(1,890,119)
<i>Transaction with owners, directly in equity</i>					
Shares issued during the year (net of costs)	5.1	1,389,516	-	-	1,389,516
Share-based payments	7.1	-	186,066	-	186,066
Options issued during the year	5.2	-	53,397	-	53,397
Transfers to and from reserves		249,426	(9,338,860)	9,089,434	-
Balance at 30 June 2023		33,818,296	240,174	(35,154,745)	(1,096,275)
<i>Balance at 1 July 2023</i>		33,818,296	240,174	(35,154,745)	(1,096,275)
Loss for the year attributable to owners of the parent		-	-	(2,550,260)	(2,550,260)
Other comprehensive income for the year attributable to owners of the parent		-	-	-	-
Total comprehensive income for the year attributable to owners of the parent		-	-	(2,550,260)	(2,550,260)
<i>Transaction with owners, directly in equity</i>					
Equity issued during the year (net of costs)	5.1	1,696,352	248,118	-	1,944,470
Share-based payments	7.1	(26,850)	398,291	-	371,441
Performance rights granted during the year	5.2	-	103,499	-	103,499
Conversion of performance rights	7.1	26,108	(26,108)	-	-
Expiry of options, recognised in capital raising costs	7.1	10,366	(10,366)	-	-
Balance at 30 June 2024		35,524,272	953,608	(37,705,005)	(1,227,125)

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

for the year ended 30 June 2024

Note	2024	2023
	\$	\$
<i>Cash flows from operating activities</i>		
Receipts from customers	1,301,909	885,714
Government grants received	602,243	534,664
Payments to suppliers and employees	(3,487,241)	(2,589,329)
Net interest (paid) / received	(54)	(11,069)
Net cash used in operating activities	(1,583,143)	(1,180,020)
<i>Cash flows from investing activities</i>		
Purchase of plant and equipment	(2,672)	(39,776)
Net cash used in investing activities	(2,672)	(39,776)
<i>Cash flows from financing activities</i>		
Proceeds from issue of equity	1,155,772	836,115
Proceeds of borrowings	691,110	783,591
Repayment of borrowings	(535,267)	(447,895)
Payments for the principal portion of lease liabilities	(36,958)	(68,804)
Net cash provided by financing activities	1,274,657	1,103,007
Net increase / (decrease) in cash and cash equivalents held	(311,158)	(116,789)
Cash and cash equivalents at the beginning of the year	380,142	496,931
Cash and cash equivalents at the end of the year	68,984	380,142

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

Notes to Appendix 4E Preliminary Final Report

for the year ended 30 June 2024

Note	1.	Revenue and other income	2024 \$	2023 \$
1.1		Revenue		
		Project revenues	190,000	-
		World Apps stores revenue	174,417	183,893
		Spark Voicemail revenue	687,880	571,135
		Corona revenue	-	129,169
		Other revenue	90,140	80,000
			1,142,437	964,197
1.2		Other Income		
		Net interest (expense)/income	297	(665)
		Government grant income	602,243	534,664
			602,540	533,999
Note	2	Loss before income tax	2024 \$	2023 \$
2.1		Employment costs		
		○ Directors' fees and salaries	287,998	157,299
		○ Employee wages	1,506,986	1,709,000
		○ Superannuation	193,703	167,514
			1,988,687	2,033,813
Note	3	Financial assets and financial liabilities		
3.1		Cash and cash equivalents	2024 \$	2023 \$
		Cash at bank	68,984	380,142
			68,984	380,142
3.2		Trade and other receivables	2024 \$	2023 \$
3.2.1		Current		
		Trade receivables	294,755	270,361
		Other receivables	33,106	33,433
		Provision of loan receivable	(33,101)	(33,101)
			294,760	270,693
3.3		Trade and other payables	2024 \$	2023 \$
3.3.1		Current		
		<i>Unsecured</i>		
		Trade payables	99,283	131,032
		Accruals and other payables	350,830	311,184
		Contract liabilities	220,463	228,163
		Accrued director fees	-	102,000
			670,576	772,379

Notes to Appendix 4E Preliminary Final Report
for the year ended 30 June 2024

Note 3 Financial assets and financial liabilities (cont.)

3.4 Borrowings	2024	2023
	\$	\$
3.4.1 Current		
Research and Development (R&D) loan facility	326,460	376,912
Accrued interest	-	24,487
Director loan – Paul Ostergaard	-	20,000
Director loan – Balmain Resources Pty Ltd	-	320,173
Cash Drawdown facility – Balmain Resources Pty Ltd	274,663	
Loan from employee	50,000	-
	651,123	741,572

Note 4 Non-financial assets and financial liabilities

4.1 Property, plant, and equipment	2024	2023
	\$	\$
Office equipment – at cost	182,938	177,202
Accumulated depreciation	(142,533)	(128,831)
	40,405	48,371
Leasehold improvements – at cost	81,592	81,592
Accumulated amortisation	(71,699)	(70,946)
	9,893	10,646
Total property, plant, and equipment	50,298	59,017
4.2 Leases	2024	2023
	\$	\$
4.2.1 Right of use assets		
Right of use asset - Buildings	461,006	322,580
Accumulated amortisation	(352,140)	(279,840)
	108,866	42,740
4.2.2 Lease liabilities		
Current	116,108	48,443
Non-current	-	-
	116,108	48,443
4.3 Provisions	2024	2023
	\$	\$
4.3.1 Current		
Employee entitlements	270,985	241,060
	270,985	241,060
4.3.2 Non-current		
Employee entitlements	41,241	45,413
	41,241	45,413

Notes to Appendix 4E Preliminary Final Report

for the year ended 30 June 2024

Note 5 Equity				
5.1 Issued capital	2024 No.	2023 No.	2024 \$	2023 \$
Fully paid ordinary shares at no par value	474,980,951	413,577,781	35,524,272	33,818,296
5.1.1 Ordinary shares	2024 No.	2023 No.	2024 \$	2023 \$
At the beginning of the year	413,577,781	340,047,768	33,818,296	32,179,354
<i>Shares issued during the year:</i>				
10.2022 Issued to an employee	-	4,943,238	-	76,500
11.2022 Conversion of Convertible Notes	-	32,000,000	-	480,000
11.2022 Issued as director remuneration	-	2,686,567	-	40,298
11.2022 \$0.024 options exercised	-	2,007,937	-	48,190
12.2022 \$0.024 options exercised	-	5,464,490	-	131,148
12.2022 Issued in lieu of cash for administration fees	-	250,000	-	5,000
03.2023 Expiry of subscribed options - premium	-	-	-	132,713
05.2023 \$0.024 options exercised	-	785,715	-	18,857
06.2023 \$0.024 options exercised	-	25,392,066	-	609,410
06.2023 Expiry of historic options - premium	-	-	-	116,713
07.2023 \$0.024 options exercised	350,000	-	8,400	-
08.2023 \$0.024 & \$0.08 options exercised	605,000	-	14,800	-
11.2023 ESOP rights converted	791,141	-	26,108	-
11.2023 Placement	12,250,000	-	490,000	-
11.2023 \$0.024 options exercised	638,165	-	15,316	-
12.2023 \$0.024 options exercised	36,369,601	-	872,859	-
12.2023 Director placement	5,500,000	-	220,000	-
01.2024 \$0.024 options exercised	3,399,263	-	81,582	-
06.2024 Options converted	1,500,000	-	36,000	-
<i>Transaction costs relating to share issues</i>				
Cash-based	-	-	(42,605)	(14,887)
Equity-based	-	-	(26,850)	(5,000)
Equity-based – option expiry	-	-	10,366	-
At end of the year	474,980,951	413,577,781	35,524,272	33,818,296

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Notes to Appendix 4E Preliminary Final Report
for the year ended 30 June 2024

Note 5 Equity (cont.)				
5.2 Options	2024 No.	2023 No.	2024 \$	2023 \$
Options	202,663,677	88,905,763	771,217	135,174
5.2.1 Options	2024 No.	2023 No.	2024 \$	2023 \$
At the beginning of the period	88,905,763	100,163,956	135,174	9,339,571
<i>Options movement during the period:</i>				
• 11.2022 Free attaching options on conversion of notes	-	32,000,000	-	-
• 11.2022 Director options issued - shortfall	-	26,698,651	-	53,397
• 11.2022 Directors options issued	-	30,000,000	-	81,066
• 11.2022 Exercise of options	-	(2,007,937)	-	-
• 12.2022 Exercise of options	-	(5,464,490)	-	-
• 03.2023 Expiry of options - premium	-	(66,356,636)	-	(132,713)
• 05.2023 Exercise of options	-	(785,715)	-	-
• 06.2023 Exercise of options	-	(25,342,066)	-	-
• 06.2023 Reversal of director options that failed to vest	-	-	-	(42,066)
• 06.2023 Expiry of historic options - premium	-	-	-	(116,713)
• 07.2023 Entitlement issue	41,112,778	-	82,226	-
• 07.2023 \$0.024 options exercised	(350,000)	-	-	-
• 07.2023 Offer prospectus	66,356,636	-	175,892	-
• 07.2023 Director remuneration	7,500,000	-	150,000	-
• 07.2023 Incentive options	5,000,000	-	42,566	-
• 08.2023 \$0.024 & \$0.08 options exercised	(605,000)	-	-	-
• 11.2023 Placement options	12,250,000	-	-	-
• 11.2023 Advisor options	1,500,000	-	26,850	-
• 11.2023 \$0.024 options exercised	(638,165)	-	-	-
• 12.2023 \$0.024 options exercised	(36,369,601)	-	-	-
• 12.2023 Directors placement options issued	5,500,000	-	-	-
• 12.2023 Performance options	15,000,000	-	178,875	-
• 12.2023 Expiration of options	(2,498,734)	-	(20,366)	-
Transfer of historic option value to accumulated losses	-	-	-	(9,047,368)
At end of the year	202,663,677	88,905,763	771,217	135,174

Notes to Appendix 4E Preliminary Final Report

for the year ended 30 June 2024

Note 5 Equity (cont.)						
5.3	Performance equity		2024 No.	2023 No.	2024 \$	2023 \$
	Performance equity		15,708,859	10,000,000	182,391	105,000
5.3.1	Performance equity movement		2024 No.	2023 No.	2024 \$	2023 \$
	At the beginning of the year		10,000,000	-	105,000	-
	<i>Performance equity changes during the period:</i>					
	○ Issue of performance rights			10,000,000		105,000
	○ Issue of performance rights		6,500,000		103,499	
	○ Conversions of rights		(791,141)	-	(26,108)	-
	At end of the year		15,708,859	10,000,000	182,391	105,000
5.4	Reserves				2024 \$	2023 \$
	Share-based payment reserve				953,608	240,174
					953,608	240,174
Note 6 Earnings per share (EPS)		Note	2024 \$	2023 \$		
6.1	Reconciliation of earnings to profit or loss					
	Loss for the year		(2,550,260)	(1,890,119)		
	Less: loss attributable to non-controlling equity interest		-	-		
	Loss used in the calculation of basic and diluted EPS		(2,550,260)	(1,890,119)		
6.2	Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS		2024 No.	2023 No.		
	Weighted average number of ordinary shares outstanding		446,206,171	356,977,707		
	Weighted average number of dilutive equity instruments outstanding	6.5	N/A	N/A		
6.3	Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS		446,206,171	356,977,707		
6.4	Earnings per share		2024 ¢	2023 ¢		
	Basic EPS (cents per share)	6.5	(0.57)	(0.53)		
	Diluted EPS (cents per share)	6.5	N/A	N/A		
6.5	As at 30 June 2024 the Group has 202,663,677 unissued shares under option (2023: 88,905,763). The Group does not report diluted earnings per share on losses generated by the Group. During the year, the Group's unissued shares under option and partly-paid shares were anti-dilutive.					

Notes to Appendix 4E Preliminary Final Report
for the year ended 30 June 2024

Note	7	Share-based payments	Note	2024 \$	2023 \$
7.1		Share-based payments:			
		○ Recognised in profit and loss: <i>Options</i>		372,940	186,066
		<i>Share-settled</i>		102,000	116,798
		○ Recognised in equity (transaction costs)		26,850	5,000
		Gross share-based payments		501,790	307,864

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