

**Medlab Clinical Limited**  
**Appendix 4E**  
**Preliminary final report**

**1. Company details**

Name of entity:	Medlab Clinical Limited
ABN:	51 169 149 071
Reporting period:	For the year ended 30 June 2024
Previous period:	For the year ended 30 June 2023

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**2. Results for announcement to the market**

			\$
Revenues from ordinary activities	down	98.7% to	11,894
Loss from ordinary activities after tax attributable to the owners of Medlab Clinical Limited	down	68.6% to	(2,130,640)
Loss for the year attributable to the owners of Medlab Clinical Limited	down	68.6% to	(2,130,640)

*Dividends*

There were no dividends paid, recommended or declared during the current financial period.

*Comments*

The loss for the Consolidated Entity after providing for income tax and non-controlling interest amounted to \$2,130,640 (30 June 2023: \$6,778,367).

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**3. Net tangible assets**

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>(37.26)</u>	<u>56.06</u>

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**4. Control gained over entities**

Not applicable.

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**5. Loss of control over entities**

Refer to note 20 for details of subsidiaries that have been sold and subsidiaries that have been deregistered.

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**6. Dividends**

*Current period*

There were no dividends paid, recommended or declared during the current financial period.

*Previous period*

There were no dividends paid, recommended or declared during the previous financial period.

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**7. Dividend reinvestment plans**

Not applicable.

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#### 8. Details of associates and joint venture entities

Not applicable.

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#### 9. Foreign entities

*Details of origin of accounting standards used in compiling the report:*

Australian Accounting Standards are utilised when compiling the financial report.

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#### 10. Audit qualification or review

*Details of audit/review dispute or qualification (if any):*

The financial statements have been audited and an unmodified opinion (with material uncertainty on going concern) has been issued.

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#### 11. Attachments

*Details of attachments (if any):*

The Annual Report of Medlab Clinical Limited for the year ended 30 June 2024 is attached.

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#### 12. Signed

Signed



Date: 4 November 2024

**Medlab Clinical Limited**

**ABN 51 169 149 071**

**Annual Report - 30 June 2024**

## **Medlab Clinical Limited**

### **Directors' report**

**30 June 2024**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated Entity') consisting of Medlab Clinical Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2024.

#### **Directors**

The following persons were directors of Medlab Clinical Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

##### *Current*

Matthew Hudson (Non-Executive Director and Non-Executive Chairman from 25 March 2024)

Edmond Tan (Non-Executive Director - appointed 25 March 2024)

Tim Walker (Non-Executive Director - appointed 25 March 2024)

##### *Former*

Sean Hall (Chairman and Chief Executive Officer - resigned 25 March 2024)

Michael Carter (Non-Executive Director - resigned 25 March 2024)

#### **Principal activities**

On 27 February 2023, the ASX suspended trading of the Company's shares. Subsequently, Hall Chadwick was engaged as external consultants to assist the directors of the Company with an informal workout and restructure of the Company's financial affairs.

The Company is currently operating in a care and maintenance capacity whilst the Directors devise and implement a corporate restructure plan. The Company has retrenched most of its workforce and is currently operating with skeleton staff for the purpose of the restructure.

The restructuring process will involve dealing with current and new investors, as well as any interested parties to achieve the ongoing success and future of the Company which will ensure the best outcome for all stakeholders.

#### **Dividends**

There were no dividends paid, recommended or declared during the current or previous financial year.

#### **Review of operations**

The loss for the Consolidated Entity after providing for income tax and non-controlling interest amounted to \$2,130,640 (30 June 2023: \$6,778,367).

At year end, the Consolidated Entity had total assets of \$111,378 (2023: 3,144,178) and total liabilities of \$962,261 (2023: \$1,864,130).

Hall Chadwick was engaged as external consultants in March 2023 to assist the directors of the Company with an informal workout and restructure of the Company's financial affairs. The Company is currently operating in a care and maintenance capacity whilst the Directors devise and implement a corporate restructure plan. The Company has retrenched most of its workforce and is currently operating with skeleton staff for the purpose of the restructure.

#### **Going concern**

As referred to in note 1 (Going Concern), the ability of the consolidated entity to continue as a going concern is principally dependent upon the identification of a new business opportunity, execution of a binding agreement in respect of this new opportunity, and a capital raising sufficient to progress the new opportunity.

#### **Significant changes in the state of affairs**

As announced to the market on 3 August 2023, 12 September 2023, and 9 November 2023 respectively, the Company conducted a significant campaign to identify a corporate transaction to recapitalise the business, restructure the operations, or sell the assets.

As outlined in the announcements dated 9 November 2023 and 22 November 2023, the Company announced a proposed restructure transaction that would result in a licence agreement for its NanoCelle intellectual property to an unrelated party and a subsequent capital raising to explore new business opportunities.

As at the date of this report, the Company is continuing to consider new business opportunities and anticipates it will provide the market with a further update upon the execution of a binding agreement.

## Medlab Clinical Limited

### Directors' report

30 June 2024

On 12 January 2024, the Company completed the sale of 100% of the issued share capital in Medlab IP Pty Ltd and Medlab Clinical US Inc., from its wholly owned subsidiary Medlab Pty Ltd to Dr. Sean Hall. In consideration for the disposal, Dr. Sean Hall (or his associated entity) agrees to pay the Entitled Shareholders, a 20% royalty for a period of 4 years commencing on the date of settlement of the sale agreement. The Entitled Shareholders are those shareholders of Medlab Limited as determined at the date of settlement.

Except for the changes noted above, the Consolidated Entity's state of affairs did not change significantly during the financial year.

#### Material business risks

The main risk for the Company is the going concern matter, as the capacity for the Company to raise adequate capital to continue to fund operations, was not successful and did not eventuate.

To this end, the Company decided to suspend trading on the ASX, and its operations were discontinued. The Company entered into an agreement with Hall Chadwick, to act as consultants, to support the Company through a corporate restructuring process.

#### Matters subsequent to the end of the financial year

As per the ASX announcement on 10 July 2024, Medlab has been suspended for more than three months and has a deadline of 27 February 2025 to execute its plans for trading in its securities to resume, to ASX's satisfaction. If Medlab does not meet the deadline, it will be removed from the official list and this will take effect from the open of trading on the first trading day after the deadline date.

No other matter or circumstance has arisen since 30 June 2024 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.

#### Likely developments and expected results of operations

As outlined in the *Significant changes to the state of affairs* section, the Company is continuing to investigate new business opportunities and raise capital to progress this opportunity.

#### Environmental regulation

The Consolidated Entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

#### Information on directors

Name:	<b>Matthew Hudson</b>
Title:	Non-Executive Chairman (appointed 25 March 2024)
Qualifications:	BCom
Experience and expertise:	Mr Hudson has extensive experience raising capital for projects based in Africa, Latin America, and Asia. He is a former Credit Suisse and Arthur Andersen advisor, who is now the Co-Founder and Managing Director of Hudson Koch Energy, which operates 43 oil and gas wells across Kansas and Oklahoma. He is also the Founder and Managing Director of United Minerals which operated the historic Potosi Mine in Chihuahua, Mexico.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chairman
Interests in shares:	Nil
Interests in options:	Nil

**Medlab Clinical Limited**  
**Directors' report**  
**30 June 2024**

Name:	<b>Edmond Tan</b> (appointed 25 March 2024)
Title:	Non-Executive Director
Qualifications:	BCom
Experience and expertise:	Mr Tan is a financial services professional with over 10 years' experience in various roles which include Private Wealth Management, Family Office, and Structured Finance. In addition, he was involved in the establishment of a mid-market private equity joint venture fund with a specific focus on foreign investment into Australia. Currently, Mr Tan is a Director of Regenerate Pty Ltd a rare earth magnet recycling technology based in Houston, Texas. He is also the Australian Representative for Obsidian Global Partners LLC, a structured financier for ASX listed companies.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	Nil
Interests in options:	Nil
Name:	<b>Tim Walker</b> (appointed 25 March 2024)
Title:	Non-Executive Director
Qualifications:	BCom
Experience and expertise:	Mr Walker is a corporate finance professional with extensive experience in originating, managing, and leading a variety resource-focused transaction. Specifically, specialising in M&A transactions across the Canadian and Australian markets, IPOs, and both equity and debt financing solutions. Tim's past directorships with exploration companies have provided him with a breadth of experience across various commodity groups, including lithium exploration, rare earth and niobium hosted carbonatite deposits, whilst also having experience transacting on iron ore and base metal projects.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	Nil
Interests in options:	Nil
Name:	<b>Sean Hall</b> (resigned 25 March 2024)
Title:	Executive Chairman and Chief Executive Officer
Qualifications:	MD, MBA (Clin Pharm Mtg)
Experience and expertise:	Dr Hall has over 20 years experience in the Australian Healthcare and food industries and early phase drug discovery in Australia and Asia. Sean is best known for building Australia's leading practitioner brand, BioCeuticals. Dr Hall is an active member of Medicines Australia, American Federation for Medical Research, American Academy of Anti-Ageing Medicine, Ausbiotech, a member of the Scientific Advisory Board for BITs Life Science China and a Board Member of the International Probiotics Association. Dr Hall has completed Executive Education at Harvard Graduate School of Business and more recently continuing Medical Education through Harvard Medical School.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Executive Chairman and member of the Nomination and Remuneration Committee
Interests in shares:	392,373*
Interests in options:	Nil*

**Medlab Clinical Limited**  
**Directors' report**  
**30 June 2024**

Name: **Michael Carter** (resigned 25 March 2024)  
Title: Non-Executive Director  
Qualifications: BCom, GradDipAppFin  
Experience and expertise: Mr Michael Carter graduated from the University of Western Australia in 1998 with a Bachelor of Commerce, majoring in accounting and finance. Mr Carter also completed a graduate diploma in Applied Finance and Investment at FINSIA in 2002. Mr Carter is experienced in structuring corporate transactions and has also worked in ongoing corporate advisory roles with numerous ASX listed entities over the last 18 years. Mr Carter has been employed as a stockbroker since 1999 and was previously a director of Indian Ocean Capital. He is currently an associate director of CPS Capital Group and Non-Executive Director of European Lithium Limited.  
Other current directorships: European Lithium Limited (since 31 August 2021)  
Former directorships (last 3 years): None  
Special responsibilities: None  
Interests in shares: Nil\*  
Interests in options: Nil\*

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

\* Interests in the shares and options of the Company as at the date of resignation as a director.

**Company secretary**

The company secretary is Mr Kerem Kaya BCom, CPA. Mr Kaya has extensive pharmaceutical industry and financial experience gained at one of the world's largest pharmaceutical companies, Novartis.

**Meetings of directors**

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2024, and the number of meetings attended by each director were:

	Full Board		Nomination and Remuneration Committee		Risk Management and Audit Committee	
	Attended	Held	Attended	Held	Attended	Held
Matthew Hudson	31	44	-	-	-	-
Edmond Tan <sup>(a)</sup>	6	7	-	-	-	-
Tim Walker <sup>(a)</sup>	7	7	-	-	-	-
Sean Hall <sup>(b)</sup>	36	38	-	-	-	-
Michael Carter <sup>(b)</sup>	28	38	-	-	-	-

(a) Appointed 25 March 2024

(b) Resigned 25 March 2024

Held: represents the number of meetings held during the time the director held office.

During the year, the Board, as part of its role, has undertaken the responsibilities of the Nomination and Remuneration Committee and the Risk Management and Audit Committee and carried out the functions set out in the respective committees' charters to ensure that their objectives are met.

**Remuneration report (audited)**

The remuneration report details the key management personnel remuneration arrangements for the Consolidated Entity, in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

**Medlab Clinical Limited**  
**Directors' report**  
**30 June 2024**

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

***Principles used to determine the nature and amount of remuneration***

The objective of the Consolidated Entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. This function was performed by the Board in 2024. The performance of the Consolidated Entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Nomination and Remuneration Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity.

Alignment to shareholders' interests:

- Has economic profit as a core component of plan design
- Focuses on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- Attracts and retains high calibre executives

Alignment to program participants' interests:

- Rewards capability and experience
- Reflects competitive reward for contribution to growth in shareholder wealth
- Provides a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

***Non-executive directors remuneration***

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 16 October 2020, where the shareholders approved a maximum annual aggregate remuneration of \$600,000

***Executive remuneration***

The Consolidated Entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.



**Medlab Clinical Limited**  
**Directors' report**  
**30 June 2024**

The executive remuneration and reward framework has four components:

- Base pay and non-monetary benefits
- Short-term performance incentives
- Share-based payments
- Other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the Consolidated Entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Consolidated Entity and provides additional value to the executive.

The long-term incentives ('LIT') include long service leave and share-based payments. Shares are awarded to executives under the shareholder approved Employee Share Option Plan (ESOP) based on long-term incentive measures. These include increase in shareholders value relative to the entire market and the increase compared to the consolidated entity's direct competitors. On 12 November 2020, the Company granted 12,000,000 unlisted options under the ESOP to the following Directors for nil consideration: Michael Hall, Drew Townsend, Sean Hall and Laurence McAllister. The options vested on 31 January 2021 and expired, unexercised, on 31 October 2022. The value of the options at grant date was \$580,000.

*Consolidated entity performance and link to remuneration*

The Company aims to align its executive remuneration to its strategic and business objective and the creation of shareholder wealth. Refer to the section 'Additional information' below for measures of the Consolidated Entity's financial performance over the last five years. These measures are not necessarily consistent with the measures used in determining the variable amounts of remuneration to be awarded to key management personnel. As a consequence, there may not always be a direct correlation between the key performance measures and the variable remuneration awarded.

*Use of remuneration consultants*

The Consolidated Entity did not engage remuneration consultants to prepare a formal remuneration report during the financial year ended 30 June 2024.

*Voting and comments made at the Company's 30 September 2022 Annual General Meeting ('AGM')*

At the 30 September 2022 AGM, 93.76% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2022. The Company did not receive any specific feedback at the AGM regarding its remuneration practices. The Company has not held a subsequent AGM and therefore the remuneration report for the year ended 30 June 2023 has not been voted on by the Company's members.

**Details of remuneration**

*Amounts of remuneration*

Details of the remuneration of key management personnel of the Consolidated Entity are set out in the following tables.

The key management personnel of the Consolidated Entity consisted of the following directors of Medlab Clinical Limited:

- Matthew Hudson (Non-Executive Director and Non-Executive Chairman from 25 March 2024)
- Edmond Tan (Non-Executive Director - appointed 25 March 2024)
- Tim Walker (Non-Executive Director - appointed 25 March 2024)
- Sean Hall (Chairman, Managing Director and Chief Executive Officer - resigned 25 March 2024)
- Michael Carter (Non-Executive Director - resigned 25 March 2024)

And the following person:

- Kerem Kaya - Chief Financial Officer, Company Secretary and Chief Operations Officer

**Medlab Clinical Limited**  
**Directors' report**  
**30 June 2024**

	Short-term benefits			Post-employment benefits	Non-cash Long-term benefits	Non-cash Share-based payments		
	Cash salary and fees	Cash in lieu of leave	Bonus	Super-annuation	Long service leave	Equity-settled	Termination benefits	Total
<b>2024</b>	\$	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>								
Matthew Hudson	65,000	-	-	-	-	-	-	65,000
Edmond Tan <sup>(a)</sup>	-	-	-	-	-	-	-	-
Tim Walker <sup>(a)</sup>	-	-	-	-	-	-	-	-
Michael Carter <sup>(b)</sup>	49,725	-	-	-	-	-	-	49,725
<i>Executive Directors:</i>								
Sean Hall <sup>(b)</sup>	58,846	-	-	6,473	80,434	-	281,972	427,725
<i>Other Key Management Personnel:</i>								
Kerem Kaya	35,813	-	-	5,529	-	-	86,731	128,073
	<u>209,384</u>	<u>-</u>	<u>-</u>	<u>12,002</u>	<u>80,434</u>	<u>-</u>	<u>368,703</u>	<u>670,523</u>

(a) Appointed on 25 March 2024.

(b) Resigned on 25 March 2024.

**Medlab Clinical Limited**  
**Directors' report**  
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	Short-term benefits			Post-employment benefits	Non-cash Long-term benefits	Non-cash Share-based payments		
	Cash salary and fees	Cash in lieu of leave	Bonus	Super-annuation	Long service leave	Equity-settled <sup>(i)</sup>	Termination benefits	Total
<b>2023</b>	\$	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>								
Michael Hall <sup>(b)</sup>	115,385	-	-	6,865	-	-	-	122,250
Cheryl Maley <sup>(c)</sup>	44,200	-	-	-	-	-	-	44,200
Laurence McAllister <sup>(e)</sup>	11,050	-	-	-	-	-	-	11,050
Mohit Gupta <sup>(d)</sup>	39,826	-	-	-	-	-	-	39,826
Michael Carter <sup>(a)</sup>	19,783	-	-	-	-	-	-	19,783
Matthew Hudson <sup>(a)</sup>	20,000	-	-	-	-	-	-	20,000
<i>Executive Directors:</i>								
Sean Hall	415,192	-	-	43,595	7,079	-	-	465,866
<i>Other Key Management Personnel:</i>								
Kerem Kaya	250,447	-	-	26,285	-	-	-	276,732
Jeremy Henson <sup>(f)</sup>	196,071	-	-	19,128	-	-	38,501	253,700
Luis Vitetta <sup>(g)</sup>	68,849	-	-	1,562	-	-	-	70,411
David Rutolo <sup>(h)</sup>	178,244	-	-	13,636	-	-	-	191,880
Ian CurtinSmith <sup>(h)</sup>	181,570	-	30,000	18,161	-	-	27,596	257,327
	<u>1,540,617</u>	<u>-</u>	<u>30,000</u>	<u>129,232</u>	<u>7,079</u>	<u>-</u>	<u>66,097</u>	<u>1,773,025</u>

(a) Matthew Hudson and Michael Carter were appointed on 6 March 2023 and 13 March 2023 respectively.

(b) Michael Hall resigned on 6 March 2023.

(c) Drew Townsend and Cheryl Maley resigned on 26 February 2023

(d) Mohit Gupta was appointed on 8 August 2022 and resigned on 13 March 2023.

(e) Laurence McAllister resigned on 31 August 2022.

(f) Jeremy Henson was appointed Director of Medical Research on 19 July 2022 and was made redundant on 2 March 2023.

(g) Luis Vitetta resigned on 20 July 2022.

(h) Ian CurtinSmith and David Rutolo were made redundant on 2 March 2023 and 30 June 2023 respectively.

(i) The amounts included in the share-based remuneration represent the grant date fair value of performance rights and options, amortised on a straight-line basis over the expected vesting period.

**Medlab Clinical Limited**  
**Directors' report**  
**30 June 2024**

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2024	2023	2024	2023	2024	2023
<i>Non-Executive Directors:</i>						
Matthew Hudson	100%	100%	-	-	-	-
Michael Carter	100%	100%	-	-	-	-
Michael Hall	-	100%	-	-	-	-
Cheryl Maley	-	100%	-	-	-	-
Laurence McAllister	-	100%	-	-	-	-
Mohit Gupta	-	100%	-	-	-	-
Edmond Tan	-	-	-	-	-	-
Tim Walker	-	-	-	-	-	-
<i>Executive Directors:</i>						
Sean Hall	100%	100%	-	-	-	-
<i>Other Key Management Personnel:</i>						
Kerem Kaya	100%	100%	-	-	-	-
Jeremy Henson	-	100%	-	-	-	-
Luis Vitetta	-	100%	-	-	-	-
David Rutolo	-	100%	-	-	-	-
Ian Curtin Smith	-	100%	-	-	-	-

**Service agreements**

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name: Sean Hall  
Title: Managing Director and Chief Executive Officer  
Agreement commenced: 1 July 2012  
Term of agreement: Resigned on 25 March 2024  
Details: Base salary (plus super) increased to \$425,000 on 21 June 2021. Base salary was reviewed annually by the Nomination and Remuneration Committee. 12 month termination notice by either party, non-solicitation and non-compete clauses. As of 22 May 2023, a Temporary Variation to Terms and Conditions of Employment was signed reducing working hours from 76 hours per fortnight to 60.80 hours per fortnight reducing the fortnightly remuneration accordingly.

Name: Kerem Kaya  
Title: Chief Financial Officer and Company Secretary  
Agreement commenced: 13 May 2021  
Term of agreement: Terminated on 31 August 2023 and re-engaged as a consultant  
Details: The base annual salary increased in February 2022 from \$250,000 to \$256,250 plus superannuation. As of 22 May 2023, a Temporary Variation to Terms and Conditions of Employment was signed reducing working hours from 76 hours per fortnight to 60.80 hours per fortnight reducing the fortnightly remuneration accordingly. The agreement contained a four-week termination notice by either party.

The agreement was terminated on 31 August 2023, and a consulting agreement was entered into with Kerem Kaya on 1 September 2023. The consulting agreement provides for a consultant fee of \$4,750 per month (excluding GST). One month's notice is required to terminate the agreement.

Key management personnel had no entitlement to termination payments in the event of removal for misconduct.

**Medlab Clinical Limited**  
**Directors' report**  
**30 June 2024**

**Share-based compensation**

*Issue of shares*

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2024.

*Options*

The grant of options is designed to incentivise key management personnel by participating in the future growth and prosperity of the Company through share ownership and in recognition made to the Company by the key management personnel and their ongoing responsibility.

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Kerem Kaya	250,000	25/06/2021	25/06/2021	24/06/2024	\$0.21	\$0.0450
Cheryl Maley	1,500,000	18/10/2021	18/10/2021	18/10/2024	\$0.21	\$0.0516

Options granted carry no dividend or voting rights.

The options granted to Kerem Kaya lapsed during the year ended 30 June 2024. There were no options exercised.

**Additional information**

The earnings of the Consolidated Entity for the five years to 30 June 2024 are summarised below:

	2024 \$	2023 \$	2022 \$	2021 \$	2020 \$
Revenue	11,894	892,081	3,803,741	4,399,412	2,848,395
Loss after income tax	(2,130,931)	(6,433,297)	(7,228,814)	(12,402,829)	(13,488,317)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2024	2023	2022	2021	2020
Share price at financial year end (cents)*	-	-	5	15	15
Basic earnings per share (cents per share)**	(93)	(297)	(314)	(627)	(891)

\* On 27 February 2023, the ASX suspended trading of the Company's shares.

\*\* 30 June 2023: Basic earnings per share has been adjusted for the share consolidation that completed on 5 August 2022.

**Additional disclosures relating to key management personnel**

*Shareholding*

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

	Balance at the start of the year	Additions	Share consolidation	Resignation	Balance at the end of the year
<i>Ordinary shares</i>					
Sean Hall	392,373	-	-	(392,373)	-
	392,373	-	-	(392,373)	-

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**Directors' report**  
**30 June 2024**

*Option holding*

The number of options over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

	Balance at the start of the year	Share consolidation	Exercised	Expired/ forfeited/ other*	Balance at the end of the year
<i>Options over ordinary shares</i>					
Kerem Kaya	1,667	-	-	(1,667)	-
	1,667	-	-	(1,667)	-

\* Options expired on 24 June 2024

*Other transactions with key management personnel and their related parties*

On 12 January 2024, the Company completed the sale of 100% of the issued share capital in Medlab IP Pty Ltd and Medlab Clinical US Inc., from its wholly owned subsidiary Medlab Pty Ltd to Dr. Sean Hall. In consideration for the disposal, Dr. Sean Hall (or his associated entity) agrees to pay the Entitled Shareholders, a 20% royalty for a period of 4 years commencing on the date of settlement of the sale agreement. The Entitled Shareholders are those shareholders of Medlab Limited as determined at the date of settlement.

***This concludes the remuneration report, which has been audited.***

**Shares under option**

There were no unissued ordinary shares of Medlab Clinical Limited under option outstanding at the date of this report.

**Shares issued on the exercise of options**

There were no ordinary shares of Medlab Clinical Limited issued on the exercise of options during the year ended 30 June 2024 and up to the date of this report.

**Indemnity and insurance of officers**

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

**Indemnity and insurance of auditor**

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

**Proceedings on behalf of the Company**

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

**Non-audit services**

There were no non-audit services provided during the financial year by the auditor.

**Officers of the Company who are former partners of MNSA Pty Limited**

There are no officers of the Company who are former partners of MNSA Pty Limited.

**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 immediately after this directors' report.

**Medlab Clinical Limited**  
**Directors' report**  
**30 June 2024**

**Auditor**

MNSA Pty Limited continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors



---

Edmond Tan  
Director

4 November 2024



**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF  
THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF MEDLAB CLINICAL LIMITED AND CONTROLLED ENTITIES  
ABN 51 169 149 071**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Medlab Clinical Limited and controlled entities.

As the auditor for the audit of the financial report of Medlab Clinical Limited and controlled entities for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- i. the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.

**MNSA Pty Ltd**

**Mark Schiliro**

Director

Sydney

4 November 2024



## **Medlab Clinical Limited**

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**30 June 2024**

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### **General information**

The financial statements cover Medlab Clinical Limited as a Consolidated Entity consisting of Medlab Clinical Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Medlab Clinical Limited's functional and presentation currency.

Medlab Clinical Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Nova Legal Corporate Lawyers  
Level 2  
50 Kings Park Road  
West Perth WA 6005

A description of the nature of the Consolidated Entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 4 November 2024. The directors have the power to amend and reissue the financial statements.

**Medlab Clinical Limited**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2024**

	<b>Note</b>	<b>Consolidated 2024 \$</b>	<b>2023 \$</b>
<b>Revenue</b>	4	11,894	892,081
Other income	5	126,997	3,462,408
Interest revenue		2,719	51,587
Total revenue		<u>141,610</u>	<u>4,406,076</u>
<b>Expenses</b>			
Raw materials and consumables used		-	(90,111)
Depreciation and amortisation expense		-	(711,280)
Employee benefits expense		(602,772)	(4,154,262)
Loss on disposal of assets		-	(31,234)
Make good provision reversed		-	266,796
Net loss on deconsolidation of subsidiaries		(828)	-
Operating leases		(28,179)	(553,298)
Professional and consulting fees		(1,289,649)	(2,305,539)
R&D/trial expenses		-	(1,225,193)
Selling and marketing		-	(91,531)
Write off of assets		(525)	-
Other expenses	6	(350,061)	(1,910,509)
Finance costs	6	(527)	(33,212)
Total expenses		<u>(2,272,541)</u>	<u>(10,839,373)</u>
<b>Loss before income tax expense</b>		(2,130,931)	(6,433,297)
Income tax expense	7	-	-
<b>Loss after income tax expense for the year</b>		(2,130,931)	(6,433,297)
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation gain reclassified to profit or loss		-	(35,792)
Other comprehensive income for the year, net of tax		-	(35,792)
<b>Total comprehensive income for the year</b>		<u>(2,130,931)</u>	<u>(6,469,089)</u>
Loss for the year is attributable to:			
Non-controlling interest		(291)	345,070
Owners of Medlab Clinical Limited		<u>(2,130,640)</u>	<u>(6,778,367)</u>
		<u>(2,130,931)</u>	<u>(6,433,297)</u>
Total comprehensive income for the year is attributable to:			
Non-controlling interest		-	411,118
Owners of Medlab Clinical Limited		<u>(2,130,931)</u>	<u>(6,880,207)</u>
		<u>(2,130,931)</u>	<u>(6,469,089)</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	23	(93)	(297)
Diluted earnings per share	23	(93)	(297)

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

**Medlab Clinical Limited**  
**Consolidated statement of financial position**  
**As at 30 June 2024**

	<b>Note</b>	<b>Consolidated 2024 \$</b>	<b>2023 \$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	110,093	225,991
Trade and other receivables	9	1,285	2,868,187
Total current assets		<u>111,378</u>	<u>3,094,178</u>
<b>Non-current assets</b>			
Other - security bonds and guarantees		-	50,000
Total non-current assets		<u>-</u>	<u>50,000</u>
<b>Total assets</b>		<u>111,378</u>	<u>3,144,178</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	10	962,261	1,614,469
Employee benefits		-	236,113
Total current liabilities		<u>962,261</u>	<u>1,850,582</u>
<b>Non-current liabilities</b>			
Employee benefits		-	13,548
Total non-current liabilities		<u>-</u>	<u>13,548</u>
<b>Total liabilities</b>		<u>962,261</u>	<u>1,864,130</u>
<b>Net (liabilities)/assets</b>		<u>(850,883)</u>	<u>1,280,048</u>
<b>Equity</b>			
Issued capital	11	66,811,113	66,811,113
Reserves	12	-	116,303
Accumulated losses		<u>(67,661,996)</u>	<u>(65,647,659)</u>
(Deficiency)/equity attributable to the owners of Medlab Clinical Limited		<u>(850,883)</u>	<u>1,279,757</u>
Non-controlling interest		-	291
<b>Total (deficiency)/equity</b>		<u>(850,883)</u>	<u>1,280,048</u>

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

**Medlab Clinical Limited**  
**Consolidated statement of changes in equity**  
**For the year ended 30 June 2024**

<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Accumulated losses \$</b>	<b>Non- controlling interest \$</b>	<b>Total equity \$</b>
Balance at 1 July 2022	66,811,113	799,043	(59,529,093)	(331,926)	7,749,137
Profit/(loss) after income tax expense for the year	-	-	(6,778,367)	345,070	(6,433,297)
Other comprehensive income for the year, net of tax	-	(101,840)	-	66,048	(35,792)
Total comprehensive income for the year	-	(101,840)	(6,778,367)	411,118	(6,469,089)
<i>Transactions with owners in their capacity as owners:</i>					
Adjustment to non-controlling interests	-	-	78,901	(78,901)	-
Transfer from share-based payments reserve to accumulated losses (note 12)	-	(580,900)	580,900	-	-
Balance at 30 June 2023	<u>66,811,113</u>	<u>116,303</u>	<u>(65,647,659)</u>	<u>291</u>	<u>1,280,048</u>
<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Accumulated losses \$</b>	<b>Non- controlling interest \$</b>	<b>Total deficiency in equity \$</b>
Balance at 1 July 2023	66,811,113	116,303	(65,647,659)	291	1,280,048
Loss after income tax expense for the year	-	-	(2,130,640)	(291)	(2,130,931)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	(2,130,640)	(291)	(2,130,931)
<i>Transactions with owners in their capacity as owners:</i>					
Transfer from share-based payments reserve to accumulated losses (note 12)	-	(116,303)	116,303	-	-
Balance at 30 June 2024	<u>66,811,113</u>	<u>-</u>	<u>(67,661,996)</u>	<u>-</u>	<u>(850,883)</u>

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

**Medlab Clinical Limited**  
**Consolidated statement of cash flows**  
**For the year ended 30 June 2024**

	<b>Note</b>	<b>Consolidated 2024 \$</b>	<b>2023 \$</b>
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		181,638	1,490,990
Payments to suppliers and employees (inclusive of GST)		(3,084,909)	(10,671,238)
Interest received		2,719	51,587
Receipts from R&D Tax incentive and government grants		2,735,181	3,691,858
Interest and other finance costs paid		<u>(527)</u>	<u>(33,212)</u>
Net cash used in operating activities	22	<u>(165,898)</u>	<u>(5,470,015)</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		-	(16,217)
Proceeds from disposal of investments - deferred consideration		-	470,635
Proceeds from disposal of property, plant and equipment		-	95,406
Proceeds from release of security deposits		<u>50,000</u>	<u>432,941</u>
Net cash from investing activities		<u>50,000</u>	<u>982,765</u>
<b>Cash flows from financing activities</b>			
Repayment of principal portion of lease liabilities		<u>-</u>	<u>(481,549)</u>
Net cash used in financing activities		<u>-</u>	<u>(481,549)</u>
Net decrease in cash and cash equivalents		(115,898)	(4,968,799)
Cash and cash equivalents at the beginning of the financial year		225,991	5,191,031
Effects of exchange rate changes on cash and cash equivalents		<u>-</u>	<u>3,759</u>
Cash and cash equivalents at the end of the financial year	8	<u><u>110,093</u></u>	<u><u>225,991</u></u>

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

**Note 1. Material accounting policy information**

The accounting policies that are material to the Consolidated Entity are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

**New or amended Accounting Standards and Interpretations adopted**

The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**Going concern**

For the year ended 30 June 2024, the Consolidated Entity incurred a loss of \$2,130,931 after income tax (2023: \$6,433,297) and net cash outflows from operating activities of \$165,898 (2023: \$5,470,015). At 30 June 2024, the Consolidated Entity had net current liabilities of \$850,883 (2023: net current assets of \$1,243,596) and net liabilities of \$850,883 (2023: net assets of \$1,280,048).

On 27 February 2023, the ASX suspended trading of the Company's shares. Subsequently, Hall Chadwick was engaged as external consultants to assist the directors of the Company with an informal workout and restructure of the Company's financial affairs. The Company is currently operating in a care and maintenance capacity whilst the Directors devise and implement a corporate restructure plan. The Company has retrenched most of its workforce and is currently operating with skeleton staff for the purpose of the restructure. The restructuring process will involve dealing with current and new investors, as well as any interested parties to achieve the ongoing success and future of the Company which will ensure the best outcome for all stakeholders.

The ability of the consolidated entity to continue as a going concern is principally dependent upon the identification of a new business opportunity, execution of a binding agreement in respect of this new opportunity, and a capital raising sufficient to progress the new opportunity.

These conditions give rise to a material uncertainty, which may cast significant doubt over the consolidated entity's ability to continue as a going concern.

The Company is in discussions to obtain a strategic minerals business, with a focus on exposure to commodities, that are essential to the global net-zero agenda. The transaction is at an advanced stage in the negotiation process and the Company expects that the re-compliance process can begin subsequent to this. The expected raise of \$5M will be used to acquire the asset on a debt free/cash free basis and provide for working capital requirements across a 24-month period.- The Company has received indicative interest from investors and believes the capital raising process will be completed in a timely manner. Once the deal with this prospective company is agreed upon, the expected timeframe for quotation is 3-4 months, customary for these types of transactions (RTO).

The Directors have concluded that the going concern basis of preparation of the financial statements is appropriate and any uncertainty regarding going concern is mitigated by the following:

- Capital raising post completion of the transaction.
- The proposed new business opportunity.
- Medlab Clinical Ltd is carrying a debt to Hall Chadwick in the financials in lieu of services rendered. This liability would be convertible to shares in a future capital raising, at a future time the Company is re-listed into a new entity. As per the non-binding term sheet, Hall Chadwick has assured it will not enforce any debt owed in the circumstance the Company not successfully re-purposing into a new entity prior to re-listing on the ASX.

Based on the above, the Directors are of the opinion that at the date of signature of the financial report there are reasonable and supportable grounds to believe that the consolidated entity will be able to meet its liabilities from its assets in the ordinary course of business, for a period of not less than 12 months from the date of this financial report and has accordingly prepared the financial report on a going concern basis.

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

**Note 1. Material accounting policy information (continued)**

**Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

*Historical cost convention*

The financial statements have been prepared under the historical cost convention.

*Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

**Parent entity information**

In accordance with the *Corporations Act 2001*, these financial statements present the results of the Consolidated Entity only. Supplementary information about the parent entity is disclosed in note 19.

**Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Medlab Clinical Limited ('Company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. Medlab Clinical Limited and its subsidiaries together are referred to in these financial statements as the 'Consolidated Entity'.

Subsidiaries are all those entities over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

**Note 2. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

*R&D tax incentive*

The R&D tax incentive is recognised when there is reasonable assurance that the incentive will be received and all attached conditions will be complied with. The receivable for R&D tax incentive is calculated based on actual R&D expenses incurred, and knowledge of historical tax receivable in the past for similar projects that have been approved.

**Note 3. Operating segments**

Following the discontinuation of the Nutraceuticals business in the 30 June 2022 financial year, the consolidated entity only has one segment.

The consolidated entity does not have any products/services it derives revenue from.

**Medlab Clinical Limited**  
**Notes to the consolidated financial statements**  
**30 June 2024**

**Note 4. Revenue**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Sale of goods (net discounts)	9,804	892,081
Sales returns	2,090	-
	<hr/>	<hr/>
Revenue	<u>11,894</u>	<u>892,081</u>

*Disaggregation of revenue*

The disaggregation of revenue from contracts with customers is as follows:

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Major product lines</i>		
Pharmaceuticals	<u>11,894</u>	<u>892,081</u>
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	<u>11,894</u>	<u>892,081</u>

**Note 5. Other income**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Net foreign exchange gain	-	27,729
Government grants	36,600	36,600
Project termination credit	-	466,713
Net gain on lease termination	-	47,593
R&D tax incentive	-	2,873,294
Other	203	10,479
Debt forgiveness	90,194	-
	<hr/>	<hr/>
Other income	<u>126,997</u>	<u>3,462,408</u>

**Note 6. Expenses**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Loss before income tax includes the following specific expenses:		
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	527	604
Interest and finance charges paid/payable on lease liabilities	-	32,608
	<hr/>	<hr/>
Finance costs expensed	<u>527</u>	<u>33,212</u>
<i>Superannuation expense</i>		
Defined contribution superannuation expense	<u>19,707</u>	<u>343,694</u>



**Medlab Clinical Limited**  
**Notes to the consolidated financial statements**  
**30 June 2024**

**Note 6. Expenses (continued)**

Other expenses includes the following specific expenses:

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Educational and compliance	-	71,943
Insurance	139,205	323,568
Lab consumables	-	947
Software licences	26,678	121,401
Telephone and internet	3,105	43,629
Travel	1,484	53,900

**Note 7. Income tax**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Income tax expense</i>		
Current tax	-	-
Deferred tax - origination and reversal of temporary differences	-	-
Aggregate income tax expense	-	-
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(2,130,931)	(6,433,297)
Tax at the statutory tax rate of 25%	(532,733)	(1,608,324)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible R&D expense	-	1,728,060
R&D tax incentive	-	(718,323)
Non-deductible expenses	-	322,253
Net income attributable to foreign subsidiaries	(817)	-
	(533,550)	(276,334)
Current year tax losses and temporary differences not recognised	533,550	276,334
Income tax expense	-	-

At 30 June 2023, the Consolidated Entity had separate tax entities within Australia, the UK and the United States. All tax jurisdictions had tax losses, which were not recognised at 30 June 2023. The unused tax losses held in the Australian group companies as at 30 June 2023 were \$30,186,724, \$5,671,943 (USD) was held in the US companies, and a further \$216,920 (GBP) was held in the UK company. At 30 June 2024, all foreign subsidiaries had been deregistered or in the case of Medlab Clinical US Inc, sold to Dr Sean Hall. The unused tax losses at 30 June 2024, which are all attributable to Australia, amount to \$31,387,479.

The tax losses are available for offset against future taxable profits of the companies in which losses arose within each tax jurisdiction subject to certain conditions being met.

*Accounting policy for income tax*

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

**Note 7. Income tax (continued)**

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

**Note 8. Cash and cash equivalents**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Current assets</i>		
Cash at bank	110,093	225,991

**Note 9. Trade and other receivables**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Current assets</i>		
Trade receivables	-	103,399
Other receivables	1,285	29,607
Research and development tax incentive	-	2,735,181
	1,285	2,868,187

**Note 10. Trade and other payables**

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Trade payables	28,815	1,217,390
Accrued expenses	933,446	86,731
Sundry payables	-	310,348
	962,261	1,614,469

Refer to note 14 for further information on financial instruments.

**Medlab Clinical Limited**  
**Notes to the consolidated financial statements**  
**30 June 2024**

**Note 10. Trade and other payables (continued)**

Accruals include \$920,443 due to Hall Chadwick, which will only be settled in shares should the company be relisted on the ASX. As per the non-binding term sheet, Hall Chadwick has assured the company's Directors that it will not enforce any debt owed in the circumstance the Company not successfully re-purposing into a new entity prior to re-listing on the ASX.

**Note 11. Issued capital**

	<b>2024</b>	<b>Consolidated</b>	<b>2024</b>	<b>2023</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$</b>	<b>\$</b>
Ordinary shares - fully paid	<u>2,283,502</u>	<u>2,283,502</u>	<u>66,811,113</u>	<u>66,811,113</u>

*Movements in ordinary share capital*

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>\$</b>
Balance	1 July 2022	342,175,671	66,811,113
Share consolidation (150:1 basis)	5 August 2022	<u>(339,892,169)</u>	<u>-</u>
Balance	30 June 2023	<u>2,283,502</u>	<u>66,811,113</u>
Balance	30 June 2024	<u>2,283,502</u>	<u>66,811,113</u>

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

*Share buy-back*

There is no current on-market share buy-back.

*Capital risk management*

The Consolidated Entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Consolidated Entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Consolidated Entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Consolidated Entity would also look to raise capital if there is a need for additional funds for working capital requirements.

The Consolidated Entity does not have any externally imposed capital requirements.

The capital risk management policy remains unchanged from the 2023 Annual Report.

The Consolidated Entity monitors capital on the basis of its working capital position (i.e. liquidity risk). The Consolidated Entity's net working capital at 30 June 2024 was a net liability position of \$850,883 (2023 - net assets: \$1,243,596). Refer to note 1 - Going concern.

**Note 12. Reserves**

	Consolidated 2024 \$	2023 \$
Share-based payments reserve	-	116,303

*Share-based payments reserve*

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

*Movements in reserves*

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Share-based payments reserve \$	Foreign currency reserve \$	Total \$
Balance at 1 July 2022	697,203	101,840	799,043
Transfer to profit or loss	-	(101,840)	(101,840)
Transfer to accumulated losses	(580,900)	-	(580,900)
Balance at 30 June 2023	116,303	-	116,303
Transfer to accumulated losses	(116,303)	-	(116,303)
Balance at 30 June 2024	-	-	-

**Note 13. Dividends**

There were no dividends paid, recommended or declared during the current or previous financial year.

**Note 14. Financial instruments**

***Financial risk management objectives***

The Consolidated Entity's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Consolidated Entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Consolidated Entity.

Risk management is carried out by the Directors.

***Market risk***

***Foreign currency risk***

At 30 June 2024, the Consolidated Entity was not exposed to any foreign currency risk.

During the 30 June 2023 financial year, the Consolidated Entity entered into certain transactions denominated in foreign currency and was exposed to foreign currency risk through foreign exchange rate fluctuations.

**Medlab Clinical Limited**  
**Notes to the consolidated financial statements**  
**30 June 2024**

**Note 14. Financial instruments (continued)**

The carrying amount of the Consolidated Entity's foreign currency denominated financial assets and financial liabilities at 30 June 2023 were as follows:

	<b>Assets 2023 \$</b>	<b>Liabilities 2023 \$</b>
<b>Consolidated</b>		
US dollars	-	766,428
Pound Sterling	-	2,005
	-	768,433

At 30 June 2023, the Consolidated Entity had net liabilities denominated in foreign currencies of \$768,433 (assets of \$nil less liabilities of \$768,433). Based on this exposure, had the Australian dollar weakened by 10%/strengthened by 5% against these foreign currencies with all other variables held constant, the Consolidated Entity's loss before tax for the year would have been \$85,381 higher/\$36,592 lower. The percentage change was the expected overall volatility of the significant currencies, which was based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 6 months and the spot rate at the reporting date. The actual foreign exchange gain for the year ended 30 June 2023 was \$567,761.

*Price risk*

The Consolidated Entity is not exposed to any significant price risk.

*Interest rate risk*

The Consolidated Entity is not exposed to any significant interest rate risk.

**Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Consolidated Entity. The Consolidated Entity has ceased trading and has no significant credit risk exposure at 30 June 2024. Included in trade receivables at 30 June 2023 was a balance of \$83,930 representing 81% of the total trade receivables which was recovered in the 2024 financial year.

**Liquidity risk**

Vigilant liquidity risk management requires the Consolidated Entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable. At 30 June 2024, the Consolidated Entity's liabilities exceed its assets by \$850,883, and the Consolidated Entity is currently operating in a care and maintenance capacity whilst the Directors devise and implement a corporate restructure plan (refer to note 1 Going concern).

*Remaining contractual maturities*

The following tables detail the Consolidated Entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>Consolidated - 2024</b>					
<b>Non-derivatives</b>					
<i>Non-interest bearing</i>					
Trade and other payables	962,261	-	-	-	962,261
Total non-derivatives	962,261	-	-	-	962,261

**Medlab Clinical Limited**  
**Notes to the consolidated financial statements**  
**30 June 2024**

**Note 14. Financial instruments (continued)**

	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>Consolidated - 2023</b>					
<b>Non-derivatives</b>					
<i>Non-interest bearing</i>					
Trade and other payables	1,614,469	-	-	-	1,614,469
Total non-derivatives	1,614,469	-	-	-	1,614,469

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

***Fair value of financial instruments***

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

**Note 15. Key management personnel disclosures**

***Compensation***

The aggregate compensation made to directors and other members of key management personnel of the Consolidated Entity is set out below:

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits	209,384	1,570,617
Post-employment benefits	12,002	129,232
Long-term benefits	80,434	7,079
Termination benefits	368,703	66,097
	<u>670,523</u>	<u>1,773,025</u>

**Note 16. Remuneration of auditors**

MNSA Pty Limited were appointed auditors of the Company for the financial year ended 30 June 2023. ESV Business Advice and Accounting, the Company's former auditors, carried out a review of the Company's 31 December 2022 half-year financial report and resigned on 28 March 2024.

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b><i>Audit services</i></b>		
MNSA Pty Limited - Audit of the financial statements	15,000	15,000
ESV Business Advice and Accounting - Audit or review of the financial statements	-	23,805
	<u>15,000</u>	<u>38,805</u>
	<u>15,000</u>	<u>38,805</u>

**Note 17. Contingent liabilities**

The Company had given bank guarantees as at 30 June 2023 of \$50,000 towards the corporate credit cards.

The Company had no contingent liabilities as at 30 June 2024.

**Medlab Clinical Limited**  
**Notes to the consolidated financial statements**  
**30 June 2024**

**Note 18. Related party transactions**

*Parent entity*

Medlab Clinical Limited is the parent entity.

*Subsidiaries*

Interests in subsidiaries are set out in note 20.

*Key management personnel*

Disclosures relating to key management personnel are set out in note 15 and the remuneration report included in the directors' report.

*Transactions with related parties*

The following transactions occurred with related parties:

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Payment for goods and services:		
Payment for taxation services from Hall Chadwick - director-related entity of Drew Townsend	-	13,000
Payment for employee benefits - related party to Sean Hall	-	162,280

*Other transactions:*

On 12 January 2024, the Company completed the sale of 100% of the issued share capital in Medlab IP Pty Ltd and Medlab Clinical US Inc., from its wholly owned subsidiary Medlab Pty Ltd to Dr. Sean Hall. In consideration for the disposal, Dr. Sean Hall (or his associated entity) agrees to pay the Entitled Shareholders, a 20% royalty for a period of 4 years commencing on the date of settlement of the sale agreement. The Entitled Shareholders are those shareholders of Medlab Limited as determined at the date of settlement.

*Receivable from and payable to related parties*

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

*Loans to/from related parties*

There were no loans to or from related parties at the current and previous reporting date.

*Terms and conditions*

All transactions were made on normal commercial terms and conditions and at market rates.

**Note 19. Parent entity information**

Set out below is the supplementary information about the parent entity.

*Statement of profit or loss and other comprehensive income*

	<b>Parent</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax	(2,011,911)	(7,959,766)
Total comprehensive income	(2,011,911)	(7,959,766)

**Medlab Clinical Limited**  
**Notes to the consolidated financial statements**  
**30 June 2024**

**Note 19. Parent entity information (continued)**

*Statement of financial position*

	<b>Parent</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Total current assets	111,060	2,959,505
Total assets	113,060	2,959,505
Total current liabilities	964,258	1,785,244
Total liabilities	964,258	1,798,792
Net (liabilities)/assets	<u>(851,198)</u>	<u>1,160,713</u>
Equity		
Issued capital	66,811,113	66,811,113
Share-based payments reserve	-	116,303
Accumulated losses	(67,662,311)	(65,766,703)
Total (deficiency)/equity	<u>(851,198)</u>	<u>1,160,713</u>

*Guarantees entered into by the parent entity in relation to the debts of its subsidiaries*

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2024 and 30 June 2023.

*Contingent liabilities*

The parent entity had no contingent liabilities as at 30 June 2024. At 30 June 2023, the parent entity had given bank guarantees of \$50,000 towards the corporate credit cards.

*Capital commitments - Property, plant and equipment*

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2024 and 30 June 2023.

*Material accounting policy information*

The accounting policies of the parent entity are consistent with those of the Consolidated Entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

**Note 20. Interests in subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

<b>Name</b>	<b>Principal place of business / Country of incorporation</b>	<b>Ownership interest</b>	
		<b>2024</b>	<b>2023</b>
		<b>%</b>	<b>%</b>
Medlab Pty Ltd	Australia	100%	100%
Medlab Clinical US Inc*	United States of America	-	100%
Medlab IP Pty Ltd*	Australia	-	100%
Medlab Research Pty Ltd***	Australia	-	100%
Medlab Nutraceuticals Inc***	United States of America	-	60%
Medlab Research Ltd**	United Kingdom	-	100%
MDC Europe Ltd***	Malta	-	100%



**Medlab Clinical Limited**  
**Notes to the consolidated financial statements**  
**30 June 2024**

**Note 20. Interests in subsidiaries (continued)**

- \* Medlab Clinical US Inc and Medlab IP Pty Ltd were sold to Dr. Sean Hall (former Chairman and Chief Executive Officer) on 12 January 2024.
- \*\* Medlab Research Ltd was deregistered in January 2024.
- \*\*\* Medlab Research Pty Ltd, Medlab Nutraceuticals Inc and MDC Europe Ltd were deregistered during the year ended 30 June 2024.

**Note 21. Events after the reporting period**

As per the ASX announcement on 10 July 2024, Medlab has been suspended for more than three months and has a deadline of 27 February 2025 to execute its plans for trading in its securities to resume, to ASX's satisfaction. If Medlab does not meet the deadline, it will be removed from the official list and this will take effect from the open of trading on the first trading day after the deadline date.

No other matter or circumstance has arisen since 30 June 2024 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.

**Note 22. Cash flow information**

*Reconciliation of loss after income tax to net cash used in operating activities*

	<b>Consolidated</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax expense for the year	(2,130,931)	(6,433,297)
Adjustments for:		
Depreciation and amortisation	-	711,280
Net loss on disposal of non-current assets	-	31,234
Debt forgiveness	(90,194)	-
Net gain on lease termination	-	(47,593)
Net foreign exchange gain transferred from reserves	-	(35,792)
Foreign currency differences	-	(3,717)
Change in operating assets and liabilities:		
Decrease in trade and other receivables	2,866,902	756,038
Decrease in inventories	-	80,107
Decrease in prepayments	-	99,268
Decrease in other operating assets	-	3,000
Increase/(decrease) in trade and other payables	(562,014)	152,515
Decrease in employee benefits	(249,661)	(477,636)
Decrease in other provisions	-	(305,422)
Net cash used in operating activities	<u>(165,898)</u>	<u>(5,470,015)</u>

**Medlab Clinical Limited**  
**Notes to the consolidated financial statements**  
**30 June 2024**

**Note 22. Cash flow information (continued)**

*Changes in liabilities arising from financing activities*

<b>Consolidated</b>	<b>Leases \$</b>
Balance at 1 July 2022	1,122,793
Net cash used in financing activities	(481,549)
Lease termination	(641,244)
	<hr/>
Balance at 30 June 2023	-
Net cash from financing activities	-
Lease termination	-
	<hr/>
Balance at 30 June 2024	-
	<hr/>

**Note 23. Earnings per share**

	<b>Consolidated 2024 \$</b>	<b>2023 \$</b>
Loss after income tax	(2,130,931)	(6,433,297)
Non-controlling interest	291	(345,070)
	<hr/>	<hr/>
Loss after income tax attributable to the owners of Medlab Clinical Limited	(2,130,640)	(6,778,367)
	<hr/>	<hr/>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	2,283,502	2,283,502
	<hr/>	<hr/>
Weighted average number of ordinary shares used in calculating diluted earnings per share	2,283,502	2,283,502
	<hr/>	<hr/>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(93)	(297)
Diluted earnings per share	(93)	(297)

**Note 24. Share-based payments**

*Employee share option plan*

An employee share option plan has been established by the Consolidated Entity and approved by shareholders at a general meeting, whereby the Consolidated Entity may, at the discretion of the Board of Directors, grant options over ordinary shares in the Company to certain staff of the Consolidated Entity. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Nomination and Remuneration Committee. No options have been issued under this employee share option plan as of the date of this financial report.

On 12 November 2020, the Company granted 12,000,000 unlisted options to the following former Directors for nil consideration:

- Michael Hall - 2,000,000 options exercisable at 20 cents per share
- Drew Townsend - 2,000,000 options exercisable at 20 cents per share
- Sean Hall - 4,000,000 options exercisable at 20 cents per share
- Laurence McAllister - 4,000,000 options exercisable at 18 cents per share

The grant of options was designed to incentivise the Directors by participating in the future growth and prosperity of the Consolidated Entity through share ownership and in recognition made to the Consolidated Entity by the Directors and their ongoing responsibility. The options vested on 31 January 2021 and expired, unexercised, on 31 October 2022. The value of the options at grant date was \$580,000.

**Medlab Clinical Limited**  
**Notes to the consolidated financial statements**  
**30 June 2024**

**Note 24. Share-based payments (continued)**

On 25 June 2021, the Company granted 833,333 and 250,000 unlisted options to the Investor Relations Consultant and the Chief Financial Officer respectively. The options were exercisable at 21 cents per share. The options vested on grant date and expired on 24 June 2024. The value of the options at grant date was \$39,836.

On 18 October 2021, the company granted 1,500,000 options to Ms Cheryl Maley (former Non-Executive Director) for nil consideration. The options vested on the grant date and expire on 18 October 2024. The fair value of the options at grant date was \$77,367. The purpose of the issue of the options was to provide an incentive to Ms Maley to continue to play a key and integral role in the future benefit of the company and therefore increase shareholder value. Ms Maley resigned as a Director on 26 February 2023.

Set out below are summaries of other options granted:

**2024**

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
25/06/2021	24/06/2024	\$0.21	7,222	-	-	(7,222)	-
18/10/2021	18/10/2024	\$0.21	10,000	-	-	-	10,000
			<u>17,222</u>	<u>-</u>	<u>-</u>	<u>(7,222)</u>	<u>10,000</u>
Weighted average exercise price			\$0.21	\$0.00	\$0.00	\$0.21	\$0.21

**2023**

Grant date	Expiry date	Exercise price	Balance at the start of the year	Share consolidation	Exercised	Expired/ forfeited/ other	Balance at the end of the year
12/11/2020	31/10/2022	\$0.20	8,000,000	(7,946,667)	-	(53,333)	-
12/11/2020	31/10/2022	\$0.18	4,000,000	(3,973,333)	-	(26,667)	-
25/06/2021	24/06/2024	\$0.21	1,083,333	(1,076,111)	-	-	7,222
18/10/2021	18/10/2024	\$0.21	1,500,000	(1,490,000)	-	-	10,000
			<u>14,583,333</u>	<u>(14,486,111)</u>	<u>-</u>	<u>(80,000)</u>	<u>17,222</u>
Weighted average exercise price			\$0.20		\$0.00	\$0.19	\$0.21

The weighted average remaining contractual life of options outstanding at the end of the financial year was 0.3 years (2023: 1.17 years).

**Medlab Clinical Limited**  
**Consolidated entity disclosure statement**  
**As at 30 June 2024**

*Basis of preparation*

The Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001. It includes certain information for each entity that was part of the consolidated entity at the end of the financial year.

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest	Tax residency
			%	
Medlab Clinical Limited (parent entity)	Body corporate	Australia		Australian
Medlab Pty Ltd	Body corporate	Australia	100%	Australian

**Medlab Clinical Limited**  
**Directors' declaration**  
**30 June 2024**

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



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Edmond Tan  
Director

4 November 2024  
Sydney



**INDEPENDENT AUDITOR'S REPORT TO THE OWNERS OF  
MEDLAB CLINICAL LIMITED AND CONTROLLED ENTITIES  
ABN 51 169 149 071**

**Report on the Financial Report**

**Opinion**

We have audited the financial report of Medlab Clinical Limited (the Company) and controlled entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

- a. giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- b. complying with Australian Accounting Standards and the Corporations Regulations 2001.

The financial report also complies with the international Financial Reporting Standards as disclosed in Note 1.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the 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 Group, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter on Going Concern**

We draw your attention to Note 1 on going concern in the financial report, which indicates that the consolidated entity incurred a loss of \$2,130,931 after income tax (2023: \$6,469,089 net loss) and net cash outflows from operating activities of \$165,898 (2023: \$5,470,015 net cash outflows). The ability of the consolidated entity to continue as a going concern is principally dependent upon the execution of a binding agreement in respect of a new opportunity. Along with other matters set forth in Note 1 that indicate that a material uncertainty exists that may cast doubt of the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.



## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the year ended 30 June 2024. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
<p><b>Going Concern</b></p> <p>Following operating losses, there is a heightened degree of judgement as to the Group's ability to continue as a going concern through the assessment period.</p> <p>Accordingly, we considered the appropriateness of the going concern assumption, the question as to whether there is a material uncertainty and the adequacy of management's disclosure to be a key risk.</p>	<p>We have challenged the key assumptions by management in their going concern assessment.</p> <p>This included an assessment of the Group's cash position and cashflow following year end and obtaining additional information in support of statements made in their note on going concern.</p>

There were no restrictions on our reporting of Key Audit Matters.

## Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the Financial Report

The directors of the group are responsible for the preparation of:

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001; and
- the consolidated entity disclosure statement that is a true and correct view in accordance with the Corporations Act 2001, and



for such internal control as the directors determine is necessary to enable the preparation of:

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free of material misstatement, whether due to fraud or error, and
- b) the consolidated entity disclosure statement that is a true and correct and is free of material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.





- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on the Remuneration Report**

### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Medlab Clinical Limited and controlled entities for the year ended 30 June 2024 complies with s 300A of the *Corporations Act 2001*.

### *Responsibilities*

The directors of the Group are responsible for the preparation and presentation of the Remuneration Report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.



**MNSA Pty Ltd**

**Mark Schiliro**

Director

Sydney

4 November 2024

**Medlab Clinical Limited**  
**Shareholder information**  
**30 June 2024**

The shareholder information set out below was applicable as at 25 October 2024.

**Distribution of equitable securities**

Analysis of number of equitable security holders by size of holding:

	Ordinary shares	
	Number of holders	% of total shares issued
1 to 1,000	4,724	20.88
1,001 to 5,000	185	17.05
5,001 to 10,000	21	6.40
10,001 to 100,000	20	29.63
100,001 and over	2	26.04
	<u>4,952</u>	<u>100.00</u>
Holding less than a marketable parcel	<u>3,270</u>	<u>3.67</u>

**Equity security holders**

*Twenty largest quoted equity security holders*

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
MR SEAN MICHAEL HALL	389,041	17.04
FARJOY PTY LTD	205,663	9.01
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	88,229	3.86
UBS NOMINEES PTY LTD	85,316	3.74
FIT INVESTMENTS PTY LTD - HALLAB INVESTMENT A/C	75,563	3.31
REALM GROUP PTY LIMITED	54,705	2.40
CITICORP NOMINEES PTY LIMITED	49,798	2.18
MR DREW ANTHONY TOWNSEND - TOWNSEND FAMILY A/C	37,038	1.62
RICHARD ALBARRAN - ALBARRAN FAMILY NO 2 A/C	37,038	1.62
UNITED TROLLEY COLLECTIONS P/L	32,970	1.44
BNP PARIBAS NOMINEES PTY LTD - IB AU NOMS RETAILCLIENT	30,272	1.33
MR MICHAEL JACK HALL & MRS ELIZABETH ANN JONES - HALL JONES SUPER FUND A/C	29,820	1.31
NETWEALTH INVESTMENTS LIMITED - WRAP SERVICES A/C	20,186	0.88
VILLAMAGNA INC	20,000	0.88
BNP PARIBAS NOMS PTY LTD	17,164	0.75
DANIEL P MOSES (NOMINEES) PTY LIMITED - DANIEL MOSES FAMILY A/C	16,667	0.73
ACRON HOLDINGS PTY LIMITED - ACRON SUPER FUND A/C	16,181	0.71
KENNEY FAMILY INVESTMENTS PTY LTD - KENNEY FAMILY ACCOUNT	15,295	0.67
ASSUMO (NOMINEES) PTY LTD - ASSUMO S/FUND A/C	13,334	0.58
D J FAIRFULL PTY LTD - FAIRFULL SUPER FUND A/C	12,651	0.55
	<u>1,246,931</u>	<u>54.61</u>

*Unquoted equity securities*

There are no unquoted equity securities.

**Medlab Clinical Limited**  
**Shareholder information**  
**30 June 2024**

**Substantial holders**

Substantial holders in the Company are set out below:

	<b>Ordinary shares</b>	
	<b>Number held</b>	<b>% of total shares issued</b>
MR SEAN MICHAEL HALL	389,041	17.04
FARJOY PTY LTD	205,663	9.01

**Voting rights**

The voting rights attached to ordinary shares are set out below:

*Ordinary shares*

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

**Medlab Clinical Limited**  
**Corporate directory**  
**30 June 2024**

Directors	M Hudson - Non-Executive Chairman E Tan - Non-Executive Director T Walker - Non-Executive Director
Company secretary	Kerem Kaya
Registered office and principal place of business	Nova Legal Corporate Lawyers Level 2 50 Kings Park Road West Perth WA 6005
Share register	Automic Group Level 5 191 St Georges Terrace Perth WA 6000
Auditor	MNSA Pty Limited 283 George Street Sydney NSW 2000
Patent Attorneys	Davies Collison Cave 255 Elizabeth Street Sydney NSW 2000
Bankers	Commonwealth Bank Australia Limited 48 Martin Place Sydney NSW 2000
Stock exchange listing	Medlab Clinical Limited shares are listed on the Australian Securities Exchange (ASX code: MDC)
Website	<a href="http://www.medlab.co">www.medlab.co</a>