

APPENDIX 4D – HALF YEAR REPORT

Syntonic Limited
ABN 68 123 867 765

1. Reporting period

Half year ended	Previous corresponding period
31 December 2021	31 December 2020

2. Results for announcement to the market

	31 December 2021 A\$	31 December 2020 A\$	% Change
2.1 Revenue from ordinary activities	258,805	112,871	129%
2.2 Profit/(loss) from ordinary activities after tax attributable to members	37,522	(809,115)	104%
2.3 Net profit/(loss) for the period attributable to members	37,522	(809,115)	104%

2.4 Dividends - Refer to section 5 below.

2.5 Record date for determining entitlements to the dividend - Refer to section 5 below.

2.6 Brief explanation of any of the figures in 2.1 to 2.4 above necessary to enable figures to be understood:

On 4 October 2021, the Company announced that it had executed a Deed of Termination and Release – Royalty Deed (“Termination Deed”) with Western Areas Limited for cash consideration of \$200,000 (ex GST).

There were no other substantive business activities undertaken during the period.

The net profit after tax for the half year ended 31 December 2021 was \$37,522 (31 December 2020: loss of \$809,115).

3. Net tangible assets per share

	31 December 2021 A\$ cents	31 December 2020 A\$ cents
Net tangible asset per share (cents per share)	0.000	0.007

4. Details of entities over which control has been gained or lost during the period

None.

5. Dividends

No dividends were paid or declared since the start of the half year ended 31 December 2021 (31 December 2020: nil). No recommendation for payment of dividends has been made.

6. Dividend reinvestment plan

The Company does not have a dividend reinvestment plan.

7. Details of associates and joint venture entities

At 31 December 2021, the Company had no interests in any jointly controlled operations or farm-in agreements.

8. Foreign entities

The interim financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the interim financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

9. Audit report

The Company's independent auditors review report for the half year ended 31 December 2021 is unqualified with an emphasis of matter on material uncertainty related to going concern. A copy of the independent auditor's review report is included with the accompanying Half Year Financial Report for the half year ended 31 December 2021.



David Wheeler

Chairman

21 February 2022



Half Year Report

For the
period ended
31 December 2021

ABN 68 123 867 765

CONTENTS

CORPORATE DIRECTORY	3
DIRECTORS' REPORT	4
AUDITOR'S INDEPENDENCE DECLARATION	5
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	6
CONDENSED STATEMENT OF FINANCIAL POSITION	7
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	8
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	9
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	10
DIRECTORS' DECLARATION	18
INDEPENDENT AUDITOR'S REVIEW REPORT	19

CORPORATE DIRECTORY



DIRECTORS:	Mr David Wheeler – Non-Executive Chairman Mr Giuseppe Graziano – Non-Executive Director Mr Tim Slate – Non-Executive Director
JOINT COMPANY SECRETARIES:	Mr Tim Slate Mrs Carla Healy
REGISTERED OFFICE:	Level 3, 101 St Georges Terrace, Perth WA 6000, Australia Tel: +61 8 6558 0886
STOCK EXCHANGE LISTING:	Australian Securities Exchange (ASX Code: SYT) Level 40, 152-158 St Georges Terrace, Perth WA 6000, Australia
SHARE REGISTER:	Computershare Investor Services Pty Ltd Level 11, 172 St Georges Terrace, Perth WA 6000, Australia Tel: +61 3 9415 4000
BANKERS:	Westpac Banking Corporation
SOLICITORS:	DLA Piper
AUDITOR:	HLB Mann Judd

Your Directors present their half-yearly report for Syntonic Limited ("Syntonic" or "the Company") for the period 1 July 2021 to 31 December 2021. Directors were in office for the entire period unless otherwise stated.

Directors

The persons who were Directors of Syntonic Limited during the half year and up to the date of this report are:

Mr David Wheeler – Non-Executive Chairman

Mr Giuseppe Graziano – Non-Executive Director

Mr Tim Slate – Non-Executive Director

Corporate

On 4 October 2021, the Company announced that it had executed a Deed of Termination and Release – Royalty Deed ("Termination Deed") with Western Areas Limited for cash consideration of \$200,000 (ex GST).

The Company entered into a Royalty Deed ("Royalty Deed") with Western Areas on 22 December 2009. Under the terms of the Royalty Deed, the Company was entitled to a 2% net royalty on revenues attributable to ore processed using the BioHeap™ bacterial leaching technology, following the sale of the BioHeap™ technology business and associated entities to Western Areas Limited in 2009.

There were no substantive business activities undertaken during the period.

Review of Operations

During the period ended 31 December 2021, Syntonic reported a net profit after tax attributable to the members of \$37,522 (31 December 2020: net loss of \$809,115).

Outlook

The Company is continuing to review and consider projects and business acquisition opportunities, which may not be in the technology sector, whilst reducing operational spend.

Significant Change in State of Affairs

There have been no significant changes in the state of affairs of the Company that occurred during the financial period not otherwise disclosed in this report or the financial statements.

Matters Subsequent to Reporting Date

There have been no significant matters subsequent to the reporting date.

Auditor's Independence Declaration

The Auditor's Independence Declaration under section 307C of the *Corporation Act 2001* is included within this financial report.

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

A handwritten signature in blue ink, appearing to read "D. Wheeler".

David Wheeler

Chairman

21 February 2022

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Syntonic Limited for the half-year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
21 February 2022



M R Ohm
Partner

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME



For the half year ended 31 December 2021

	Note	31 December 2021 \$	31 December 2020 \$
Continuing operations			
Other income	3	258,805	112,871
Other operating expenses		(221,088)	(240,943)
Share based payment expense		-	(69,705)
Finance costs		(195)	(644)
Foreign exchange loss		-	(24,736)
Profit/(loss) before income tax expense		37,522	(223,157)
Income tax expense		-	-
Net profit/(loss) after tax from continuing operations		37,522	(223,157)
Discontinued operation			
Loss after tax from discontinued operation	4(d)	-	(585,958)
Net profit/(loss) for the year		37,522	(809,115)
Other Comprehensive Income/(Loss)			
<i>Items that may be reclassified to profit or loss</i>			
Discontinued operation			
Exchange difference realised on disposal of foreign operations		-	717,151
Total other comprehensive income/(loss) for the period, net of tax		-	717,151
Total comprehensive income/(loss) for the period		37,522	(91,964)
Total comprehensive income/(loss) is attributable to:			
Owners of Syntonic Limited		37,522	(91,964)
		37,522	(91,964)
Earnings/(loss) per share from continuing operations attributable to the ordinary equity holders of Syntonic Limited:			
Basic and diluted earnings/(loss) per share (cents) – continuing and discontinued	5	0.0007	(0.01)
Basic and diluted earnings/(loss) per share (cents) – continuing	5	0.0007	(0.00)

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

CONDENSED STATEMENT OF FINANCIAL POSITION



As at 31 December 2021

	Note	31 December 2021 \$	30 June 2021 \$
ASSETS			
Current assets			
Cash and cash equivalents		534,774	328,269
Trade and other receivables		30,609	77,895
Other assets		14,257	12,228
Total current assets		579,640	418,392
TOTAL ASSETS		579,640	418,392
LIABILITIES			
Current liabilities			
Trade and other payables		579,088	455,362
Total current liabilities		579,088	455,362
TOTAL LIABILITIES		579,088	455,362
NET ASSETS		552	(36,970)
EQUITY			
Contributed equity	6	84,751,530	84,751,530
Reserves	6	3,394,213	3,394,213
Accumulated losses		(88,145,191)	(88,182,713)
TOTAL EQUITY		552	(36,970)

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY



For the half year ended 31 December 2021

	Contributed Equity	Share Based Payment Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2021	84,751,530	3,394,213	-	(88,182,713)	(36,970)
Profit for the period ended 31 December 2021	-	-	-	37,522	37,522
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	37,522	37,522
Transactions with owners, recorded directly in equity	-	-	-	-	-
Balance at 31 December 2021	84,751,530	3,394,213	-	(88,145,191)	552

	Contributed Equity	Share Based Payment Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2020	44,095,864	3,324,508	(717,151)	(46,259,260)	443,961
Loss for the period ended 31 December 2019	-	-	-	(809,115)	(809,115)
Other comprehensive loss	-	-	717,151	-	717,151
Total comprehensive income for the period	-	-	717,151	(809,115)	(91,964)
Transactions with owners, recorded directly in equity					
Share based payment	-	69,705	-	-	69,705
Balance at 31 December 2020	44,095,864	3,394,213	-	(47,068,375)	421,702

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS



For the half year ended 31 December 2021

	Note	31 December 2021 \$	31 December 2020 \$
Cash flows from operating activities			
Receipts from customers and other debtors		-	263,560
Royalty income		104,120	79,624
Payments to suppliers and employees		(97,555)	(882,785)
Interest paid		(60)	(260)
Net cash inflow/(outflow) from operating activities		6,505	(539,861)
Cash flows from investing activities			
Proceeds from termination of royalty deed		200,000	-
Proceeds from divestment	4	-	549,915
Cash disposed of	4	-	(37,081)
Net cash inflow from investing activities		200,000	512,834
Cash flows from financing activities			
Proceeds from borrowings		-	201,713
Net cash inflow from financing activities			201,713
Net increase in cash and cash equivalents		206,505	174,686
Effect of movement in exchange rates on cash held		-	(101,206)
Cash and cash equivalents at beginning of the financial period		328,269	220,861
Cash and cash equivalents at end of the period		534,774	294,341

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2021



1. Summary of significant accounting policies

Basis of preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report does not include full disclosures of the type normally included in an annual report. It is recommended that this financial report to be read in conjunction with the annual financial report for the year ended 30 June 2021 and any public announcements made by Syntonic Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The interim consolidated financial statements have been prepared on the basis of historical cost, with all amounts presented in Australian dollars.

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the Company's annual financial report for the year ended 30 June 2021, other than as detailed in the notes below.

The half year financial report has been prepared on the basis of historical cost, except where stated. For the purpose of preparing the half year financial report, the half year has been treated as a discrete reporting period.

New and amended standards adopted by the Company

In the period ended 31 December 2021, the directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and have determined there is no material impact on the Company and therefore no change is necessary to Company accounting policies.

Impact of standards issued but not yet applied by the Company

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the period ended 31 December 2021. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Company and, therefore, no changes is necessary to Company accounting policies.

Statement of Compliance

The interim financial statements were authorised for issue on 21 February 2022.

The interim financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the interim financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

Significant Accounting Estimates and Judgements

The preparation of the interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Company's last annual financial statements for the year ended 30 June 2021.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2021



1. Summary of significant accounting policies continued

Going Concern

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

As disclosed in the interim report for the half year ended 31 December 2021, the Company recorded a profit of \$37,522 and had a net cash inflows from operating activities of \$6,505 for the period ended 31 December 2021. The profit for the half year was primarily as a result of a one-off transaction being a sale of royalty for \$200,000, which was recognised as cash inflows from financing activities.

The Directors believe that it is reasonably foreseeable that the Company will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- The ability to issue additional shares under the *Corporation Act 2001* to raise further working capital; and
- The Company has significantly scaled down its operations in order to curtail expenditure, whilst continuing to review and consider projects and business acquisition opportunities;
- The directors have agreed not to call on fees owed until such time as the Company has raised sufficient funds.

The directors have reviewed the Company's financial position and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the Company will be able to secure funds to meet its commitments.

There are a number of inherent uncertainties relating to the Company's future plans including but not limited to:

- whether the Company will be able to raise equity on a sufficiently timely basis; and
- whether the Company would be able to secure any other sources of funding.

Accordingly, there is a material uncertainty that may cast significant doubt as to whether the Company will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

2. Segment Information

Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker.

The Chief Operating Decision Marker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Syntonic Limited.

For the period ended 31 December 2021, the Company is considered to operate in one segment – corporate activities in Australia. For the period ended 31 December 2020, the Group had two material geographic segments in which it provided software services (Brazil and United States) and a third which provided corporate services to the group (Australia).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2021



The following tables present revenue and profit information and certain asset and liability information regarding business segments for the period ended 31 December 2020.

31 December 2020	Brazil \$	United States \$	Australia/ Unallocated \$	Total \$
Segment income from continuing operations				
Other income	-	-	112,871	112,871
Total income	-	-	112,871	112,871
Segment income from discontinued operations				
Revenue from contracts with customers	1,323,294	45,372	-	1,368,666
Other income	-	309,021	-	309,021
Total income	1,323,294	354,393	-	1,677,687
Segment expenses from continuing operations				
Operating expenses	-	-	(266,323)	(266,323)
Share based payment expenses	-	-	(69,705)	(69,705)
Loss before depreciation and amortisation	-	-	(223,157)	(223,157)
Depreciation and amortisation	-	-	-	-
Loss after depreciation and amortisation	-	-	(223,157)	(223,157)
Segment expenses from discontinued operations				
Cost of sales	(1,173,732)	(23,568)	-	(1,197,300)
Operating expenses	(330,039)	(390,191)	-	(720,230)
Loss on disposal	-	-	(501,516)	(501,516)
Loss before income tax	(180,477)	(59,366)	(501,516)	(741,359)
Tax benefit	155,401	-	-	155,401
Loss after income tax	(25,076)	(59,366)	(501,516)	(585,958)
Segment assets and liabilities				
Total assets	-	-	705,246	705,246
Total liabilities	-	-	(283,544)	(283,544)
Net assets (liabilities)	-	-	421,702	421,702

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2021



3. Other income

On 4 October 2021, the Company announced that it had executed a Deed of Termination and Release – Royalty Deed ("Termination Deed") with Western Areas Limited for cash consideration of \$200,000 (ex GST). In addition, the Company received royalty income of \$58,805 for the quarter ending 30 September 2022.

The Company entered into a Royalty Deed ("Royalty Deed") with Western Areas on 22 December 2009. Under the terms of the Royalty Deed, the Company was entitled to a 2% net royalty on revenues attributable to ore processed using the BioHeap™ bacterial leaching technology, following the sale of the BioHeap™ technology business and associated entities to Western Areas Limited in 2009.

4. Disposal of subsidiaries

Discontinued operation

On 25 September 2020, the Company signed a Share Purchase Agreement ("SPA") with First Orion Corp ("First Orion") for the sale of all issued and outstanding share capital of Syntonic Wireless, Inc. and Syntonic US, Inc. ("the Syntonic US Companies") ("Divestment"). The sale also included Syntonic Brasil Tecnologia LTDA, a wholly owned subsidiary of Syntonic US Inc.

The purchase price outlined in the SPA was US\$1,220,000 payable as follows:

- a) US\$1,000,000 in cash on completion of the Proposed Transaction; and
- b) US\$220,000 payable in four (4) equal monthly instalments of US\$55,000 beginning 1 January 2021 and on the first day of each month thereafter with the last payment payable on 1 April 2021, subject to certain conditions.

The divestment was approved by shareholders on 26 October 2020 and the Company announced that the sale was complete on 2 November 2020.

In accordance with the SPA, of the purchase price noted above \$US603,000 (\$AUD875,714) was retained by First Orion for settlement of group creditors. In addition, First Orion could withhold and/or deduct from the monthly instalments (detailed above) any amounts owing to First Orion by Syntonic under the SPA, including by reason of a claim made by First Orion in respect to a "buyer indemnity" (which includes a breach of a representation or warranty under the share purchase agreement by Syntonic), a failure by Syntonic to complete the forgiveness process for the loan amount under the Paycheck Protection Program by 1 March 2021 and/or the deduction of an amount of US\$146,000 advanced to Syntonic prior to settlement date, if certain receivables were not received by the Syntonic US Companies on or before 31 January 2021.

As at balance date, cash of \$549,915 had been received by Syntonic, \$314,286 remain in trade and other receivables and management has recognised a provision for doubtful debts in full against this balance.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2021



a) Loss on disposal

	31 December 2020 \$
Cash consideration (inc. of \$875,714 retained for creditor settlement)	1,425,629
Present value of deferred sales proceeds (trade and other receivables)	314,286
Total disposal consideration	1,739,915
Less: Transaction costs on disposal	(140,940)
Less: Net assets disposed of (see note 4(b))	(1,317,985)
Less: Loss on deconsolidation – foreign exchange	(782,506)
Loss on disposal before income tax	(501,516)
Income tax expense	-
Loss on disposal after income tax (see note 4(d))	(501,516)

b) Net assets at date of sale

The carrying amount of assets and liabilities as at the date of sale were:

	31 December 2020 \$
<i>Assets</i>	
Cash and cash equivalents	37,081
Trade and other receivables	667,222
Other financial assets	131,871
Right of use assets	132,852
Property, plant and equipment	13,448
Intangible assets	1,321,751
<i>Total assets</i>	2,304,225
<i>Liabilities</i>	
Trade and other payables	746,487
Lease liability	106,053
Borrowings	133,700
<i>Total liabilities</i>	986,240
<i>Net assets</i>	1,317,985

c) Net cash inflow on disposal

The cash inflow on disposal is as follows:

	31 December 2020 \$
Cash and cash equivalents consideration received or receivable	864,200
Net cash and cash equivalents disposed of	(37,081)
Net cash inflow on disposal	827,119

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2021



d) Financial performance from discontinued operation

The financial performance from the discontinued operation is as follows:

	6 months to 31 December 2020 \$
Revenue	1,677,687
Expenses	(1,917,530)
Loss before income tax	(239,843)
Tax benefit	155,401
Loss after income tax	(84,442)
Loss on disposal after income tax (see note 4 (a))	(501,516)
Loss from discontinued operations	(585,958)

5) Earnings per share

	6 months to 31 December 2021 Cents	6 months to 31 December 2020 Cents
Basic and Diluted Earnings/(Loss) per Share		
From continuing and discontinued operations		
- Basic earnings/(loss) per share	0.0007	(0.01)
- Diluted earnings/(loss) per share	0.0007	(0.01)
From continuing operations		
- Basic earnings/(loss) per share	0.0007	(0.00)
- Diluted earnings/(loss) per share	0.0007	(0.00)

The following reflects the income and share data used in the calculations of basic earnings/(loss) per share:	\$	\$
- Net gain(loss) from continued and discontinued operations	37,522	(809,115)
- Net gain/(loss) from continuing operations	37,522	(223,157)

	2021 Number of ordinary shares	2020 Number of ordinary shares
Weighted average number of Ordinary Shares used in calculating basic and diluted loss per share	5,735,609,390	6,713,344,396

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2021



6) Contributed Equity

a) Issued Capital

	31 December 2021		30 June 2021	
	\$	No.	\$	No.
Ordinary shares issued and fully paid	84,751,430	5,735,609,390	84,751,430	5,735,609,390
	84,751,430	5,735,609,390	84,751,430	5,735,609,390

b) Movement reconciliation

Date	Ordinary Shares	No. of Ordinary Shares	\$
1-Jul-21	Opening balance	5,735,609,390	84,751,430
31-Dec-21	Closing Balance at 31 December 2021	5,735,609,390	84,751,430

c) Reserves

	31 December 2021	30 June 2021
	\$	\$
Share based payment reserve	3,394,213	3,394,213
	3,394,213	3,394,213

7) Share Based Payments

From time to time, the Company provides Incentive Options to officers, employees, consultants and other key advisors as part of remuneration and incentive arrangements. The number of options granted, and the terms of the options granted are determined by the Board. Shareholder approval is sought where required.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2021



Options in existence during the period

Options vest on their respective vesting dates with the following conditions.

	Class of Options	of	Issue Date	Exercise Price	Expiry Date	Vesting Date	Disposal Restriction	Current year vesting Expense
A	14,250,538 employee options		7 Apr 2017	\$0.030	28 Feb 2027	Multiple	None	-
B	16,386,763 employee options		6 Jul 2018	\$0.014	6 Jul 2028	Multiple	None	-
C	900,000 employee options		6 Jul 2018	\$0.014	6 Jul 2028	Multiple	None	-
D	43,638,984 consultant options		16 Oct 2018	\$0.012	16 Oct 2023	Multiple	None	-
E	79,486,171 employee options		14 Nov 2018	\$0.009	14 Nov 2028	Multiple	None	-
F	5,000,000 consultant options		24 Jan 2019	\$0.02	24 Jan 2024	24 Jan 2020	None	-

No options were issued during the period.

8) Dividends

No dividends have been paid or declared since the start of the financial period, and none are recommended.

9) Commitments

There are no new commitments, other than the commitments that existed as at 30 June 2021 that the Company has entered into during the period under review.

10) Events subsequent to reporting date

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

DIRECTORS' DECLARATION

The directors of the Company declare that:

- (a) The financial statements and notes are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with the Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* and other mandatory professional reporting requirements.
 - (ii) giving a true and fair view of the Company's financial position as at 31 December 2021 and its performance for the half year ended 31 December 2021.
- (b) At the date of this statement there are reasonable grounds to believe that Syntonic Limited will be able to pay its debts when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed on behalf of the Directors by:

A handwritten signature in blue ink, appearing to read "David Wheeler".

David Wheeler
Chairman

21 February 2022

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Syntonic Limited

Report on the Condensed Half-Year Financial Report*Conclusion*

We have reviewed the accompanying half-year financial report of Syntonic Limited ("the company") which comprises the condensed statement of financial position as at 31 December 2021, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Syntonic Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

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

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the directors for the financial report

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

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 E: mailbox@hlbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
21 February 2022



M R Ohm
Partner