

CFOAM Limited

ABN 46 611 576 777

Interim Report - 31 December 2023

**CFOAM Limited
Directors' report
31 December 2023**

The directors present their report, together with the financial statements of CFOAM Limited during the half-year ended 31 December 2023.

Directors

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

Gary Steinepreis
Todd Hoare
Nicholas Ong

Principal activities and review of operations

The principal activity has been the review and investigation of new opportunities for investment but, at this stage, CFO has not finalised any suitable proposals.

The Company increased its investment in CarBon New Energy Pty Ltd as detailed below in 'Events after the reporting period'.

On 19 October 2023, the Company received A\$2,468,750 (US\$1,633,621) in full satisfaction of the convertible note investment on redemption. The Company has retained its equity investment in Innovaero of A\$1,550,000 (US\$1,141,397) which was made on 26 November 2020.

The profit after providing for income tax amounted to US\$134,565 (2022: consolidated loss US\$579,946)

Events after the reporting period

On 17 March 2023, the Company invested A\$200,000 (US\$134,320) for a 3.39% interest in CarBon New Energy Pty Ltd and on 2 November 2023, the Company made a further investment of up to A\$1,500,000 (US\$973,499 increasing its position to a fully diluted 13% interest. The investment is made up of an initial A\$1,000,000 (US\$632,849) and an option to invest a further A\$500,000 (US\$340,650) which was completed on 9 April 2024.

Other than as stated above, no matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the entity's operations, the results of those operations, or the entity's state of affairs in future financial years.

Significant changes in the state of affairs

There were no other significant changes in the state of affairs during the financial half-year other than as stated above.

Auditor's independence declaration

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

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Gary Steinepreis
Director
Perth, 16 August 2024



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DECLARATION OF INDEPENDENCE BY JACKSON WHEELER TO THE DIRECTORS OF CFOAM LIMITED

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

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

A handwritten signature in black ink, appearing to read 'J. Wheeler', with a horizontal line drawn above it.

Jackson Wheeler
Director

BDO Audit Pty Ltd

Perth

16 August 2024

CFOAM Limited
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General information

The financial statements cover CFOAM Limited and the prior period includes an entity it controlled for July 2022. The financial statements are presented in United States dollars, which is CFOAM Limited's presentation currency with the prior period being presented in United States dollars.

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

Registered office and principal place of business

Level 1
33 Ord Street
West Perth WA 6005

A description of the nature of the 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 16 August 2024.

CFOAM Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2023

	Note	Company 31 Dec 2023 US\$	Consolidated 31 Dec 2022 US\$
Revenue			
Other income		3,049	-
		<u>3,049</u>	<u>-</u>
Expenses			
Legal fees		-	(520)
Accounting and audit fees		(17,454)	(16,863)
Australian securities exchange fees		(10,592)	(12,839)
Other expenses		(3,972)	(10,253)
Fair value movement	3	163,512	(385,272)
Foreign exchange loss (gain)		21	-
Professional services		-	(20,117)
Finance costs		-	(1,351)
		<u>131,515</u>	<u>(447,214)</u>
Profit (Loss) from continuing operations before income tax		134,565	(447,214)
Income tax expense		-	-
Profit (Loss) from continuing operations after income tax		134,565	(447,214)
Profit (Loss) from discontinued operations after income tax		-	(132,732)
Profit (Loss) after income tax expense for the half-year		134,565	(579,946)
Other comprehensive income (loss)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		76,752	77,106
Total comprehensive profit (loss) for the half-year		211,317	(502,840)
Total profit (loss) for the half-year is attributable to:			
Owners of CFOAM Limited		134,565	(579,946)
Non-controlling interests		-	-
		<u>134,565</u>	<u>(579,946)</u>
Profit (Loss) per share from continuing operations			
Basic profit (loss) per share		\$0.00018	(\$0.001)
Diluted profit (loss) per share		\$0.00018	(\$0.001)
Profit (Loss) per share for loss attributable to the owners of CFOAM Limited			
Basic profit (loss) per share		\$0.00018	(\$0.001)
Diluted profit (loss) per share		\$0.00018	(\$0.001)

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

CFOAM Limited
Statement of financial position
As at 31 December 2023

	Note	Company 31 Dec 2023 US\$	Consolidated 30 Jun 2023 US\$
Assets			
Current assets			
Cash and cash equivalents		1,197,764	210,610
Trade and other receivables		887	437
Financial assets at fair value through profit or loss	3	-	1,633,621
Total current assets		<u>1,198,651</u>	<u>1,844,668</u>
Non-current assets			
Other financial asset	7	340,650	-
Financial assets at fair value through profit or loss	3	1,651,364	783,372
Total non-current assets		<u>1,992,014</u>	<u>783,372</u>
Total assets		<u>3,190,665</u>	<u>2,628,040</u>
Liabilities			
Current liabilities			
Option liability	7	340,650	-
Trade and other payables		31,737	21,079
Total current liabilities		<u>372,387</u>	<u>21,079</u>
Total liabilities		<u>372,387</u>	<u>21,079</u>
Net assets		<u>2,818,278</u>	<u>2,606,961</u>
Equity			
Issued capital	4	23,413,750	23,413,750
Reserves	5	326,067	506,763
Accumulated losses		(20,921,539)	(21,313,552)
Total equity		<u>2,818,278</u>	<u>2,606,961</u>

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

CFOAM Limited
Statement of changes in equity
For the half-year ended 31 December 2023

	Issued capital US\$	Reserves US\$	Accumulated losses US\$	Non- controlling interests US\$	Total equity US\$
Balance at 1 July 2023	23,413,750	506,763	(21,313,552)	-	2,606,961
Loss after income tax expense for the half-year	-	-	134,565	-	134,565
Other comprehensive loss for the half-year, net of tax	-	76,752	-	-	76,752
Total comprehensive loss for the half-year	-	76,752	134,565	-	211,317
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity	-	-	-	-	-
Costs of contributions of equity	-	-	-	-	-
Transfer of reserves to accumulated losses	-	(257,448)	257,448	-	-
Disposal of subsidiary	-	-	-	-	-
Share-based payments	-	-	-	-	-
Balance at 31 December 2023	<u>23,413,750</u>	<u>326,067</u>	<u>(20,921,539)</u>	<u>-</u>	<u>2,818,278</u>
Consolidated	Issued capital US\$	Reserves US\$	Accumulated losses US\$	Non- controlling interests US\$	Total equity US\$
Balance at 1 July 2022	23,292,226	1,422,792	(21,828,890)	331,802	3,217,930
Loss after income tax expense for the half-year	-	-	(579,946)	-	(579,946)
Other comprehensive loss for the half-year, net of tax	-	77,106	-	-	77,106
Total comprehensive loss for the half-year	-	77,106	(579,946)	-	(502,840)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity	-	-	-	-	-
Costs of contributions of equity	-	-	-	-	-
Transfer of NCI reserves to accumulated losses	-	(743,595)	743,595	-	-
Disposal of subsidiary	-	-	-	(331,802)	(331,802)
Share-based payments	-	-	-	-	-
Balance at 31 December 2022	<u>23,292,226</u>	<u>756,303</u>	<u>(21,665,241)</u>	<u>-</u>	<u>2,383,288</u>

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

CFOAM Limited
Statement of cash flows
For the half-year ended 31 December 2023

	Company 31 Dec 2023 US\$	Consolidated 31 Dec 2022 US\$
Cash flows from operating activities		
Receipts from customers (inclusive of sales and other taxes)	-	-
Payments to suppliers and employees (inclusive of sales and other taxes)	(16,667)	(370,868)
Interest received	3,049	-
Interest and other finance costs paid	-	(1,351)
	<hr/>	<hr/>
Net cash used in operating activities	(13,618)	(372,219)
Cash flows from investing activities		
Proceeds from redemption of Innovaero convertible notes	1,633,621	-
Proceeds from sale of CFOAM USA interests	-	1,000,000
Investment in CarBon New Energy Pty Ltd	(632,849)	-
	<hr/>	<hr/>
Net cash provided by/(used in) investing activities	1,000,772	1,000,000
Cash flows from financing activities		
Repayment of borrowings	-	(414,879)
	<hr/>	<hr/>
Net cash provided by (used in)/provided by financing activities	-	(414,879)
Net increase in cash and cash equivalents	987,154	212,902
Cash and cash equivalents at the beginning of the financial half-year	210,610	162,608
	<hr/>	<hr/>
Cash and cash equivalents at the end of the financial half-year	1,197,764	375,510

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

Note 1. Material accounting policies

Basis for Preparation

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

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by CFOAM Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of new and amended standards as set out below and a new financial instruments policy.

(a) New and amended standards adopted by CFOAM Limited

The 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. The entity did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

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

Significant accounting judgements and estimates

The significant accounting judgements, estimates and assumptions adopted in the half-year financial report are consistent with those applied in the preparation of the annual report for the year ended 30 June 2023.

Note 2. Operating segments

Identification of reportable operating segments

In conjunction with AASB 8 Operating Segments, the Company has identified its operating segment based on internal reports that are reviewed and used by the Chief Operating Decision Maker (CODM) in assessing performance and in determining the allocation of resources.

There is one reporting segment, being CFOAM Limited, therefore the financial performance and position of this segment are represented by the primary financial statements,

Geographical information

All assets are based in Australia.

Revenue Recognition:

All revenue recorded related to Australia.

Note 3. Financial assets - Investment in Innovaero and CarBon New Energy

Financial assets at fair value through profit or loss ("FVPL")	31 Dec 2023	30 June 2023
	US\$	US\$
Current assets		
Balance at 1 July	1,633,621	1,365,732
Redemption-Convertible note in Innovaero Technologies Pty Ltd (Innovaero)	(1,633,621)	-
Foreign exchange movements	-	(64,492)
Fair value movement	-	332,381
	<u>-</u>	<u>332,381</u>
Total financial assets at fair value	<u>-</u>	<u>1,633,621</u>
Non-current assets		
Balance at 1 July	783,372	1,071,771
Acquisition-Investment in CarBon New Energy Pty Ltd (CarBon New Energy)	632,849	132,344
Foreign exchange movements	71,631	(39,619)
Fair value movement	165,312	(381,124)
	<u>1,651,364</u>	<u>783,372</u>
Total financial assets at fair value	<u>1,651,364</u>	<u>783,372</u>

As at 31 December 2023, the fair value of the Company's financial assets were assessed in accordance with AASB 9 Financial Instruments, and as a result there was a fair value change recognised in this financial period.

Fair Value of Financial Instruments

Financial assets and financial liabilities measured at fair value in the Statement of Financial Position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: unobservable inputs for the asset or liability.

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 31 December 2023.

31 December 2023	Level 1	Level 2	Level 3	Total
	US\$	US\$	US\$	US\$
Investment in CarBon New Energy			981,072	981,072
Investment in Innovaero	-	-	670,292	670,292
Total Financial assets at FVPL	-	-	1,651,364	1,651,364

The fair value of the Level 3 financial assets in Innovaero have been based on a transaction which occurred in August 2023 and settled in October 2023, whereby Innovaero Technologies Pty Ltd restructured its business and obtained a third party investment which allowed for the repayment of the convertible note investment held by the Company.

The fair value of the level 3 financial assets in CarBon New Energy has been based on recent share raising prices during the half year.

The directors consider this to reflect the investments and convertible note fair value at reporting date.

CFOAM Limited
Notes to the financial statements
31 December 2023

Note 4. Issued Capital

	31 Dec 2023	30 Jun 2023	31 Dec 2023	30 Jun 2023
	Shares	Shares	US\$	US\$
Ordinary shares - fully paid	<u>734,340,634</u>	<u>734,340,634</u>	<u>23,413,750</u>	<u>23,413,750</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	US\$
Balance	1 July 2022	733,840,634		23,292,226
Issue of shares-conversion of performance rights	31 March 2023	500,000	US\$0.243	121,524
Balance	30 June 2023	<u>734,340,634</u>		<u>23,413,750</u>
Balance	31 December 2023	<u>734,340,634</u>		<u>23,413,750</u>

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Options and performance rights

At 30 June 2023, the Company had on issue 20,000,000 options exercisable at A\$0.03 on or before 10 December 2023 which have now lapsed. No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Note 5. Reserves

	31 Dec 2023	30 June 2023
	US\$	US\$
Share based payment reserve – options	-	257,448
Foreign currency reserve	<u>245,327</u>	<u>249,315</u>
	<u>245,327</u>	<u>506,763</u>

Nature and Purpose of Reserves

(1) *Option reserve*

The reserve is used to recognise the premium value of the options on issue.

(2) *Foreign currency reserve*

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to United States dollars and movement in the investment in Innovaero and CarBon New Energy which is in Australian dollars.

CFOAM Limited
Notes to the financial statements
31 December 2023

Note 6. Contingencies and commitments

There have been no changes since 30 June 2023.

Note 7. Events after the reporting period

On 17 March 2023, the Company invested A\$200,000 (US\$134,320) for a 3.39% interest in CarBon New Energy Pty Ltd and on 2 November 2023, the Company made a further investment of up to A\$1,500,000 (US\$973,499 increasing its position to a fully diluted 13% interest. The investment is made up of an initial A\$1,000,000 (US\$632,849) and an option to invest a further A\$500,000 (US\$340,650) which was completed on 9 April 2024. The option to invest is shown as an other financial asset and option liability at 31 December 2023.

Other than as stated above, no matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the entity's operations, the results of those operations, or the entity's state of affairs in future financial years.

CFOAM Limited
Directors' declaration
31 December 2023

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the entity's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'G Steinepreis'. The signature is written in a cursive, flowing style with a large initial 'G'.

Gary Steinepreis
Director

16 August 2024
Perth

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of CFOAM Limited

Report on the Half-Year Financial Report

Qualified conclusion

We have reviewed the half-year financial report of CFOAM Limited (the Company), which comprises the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year ended on that date, a summary of material accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, except for the effects of the matter described in the *Basis for qualified conclusion* section, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Company does not comply with the *Corporations Act 2001* including:

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

Basis for qualified conclusion

As disclosed in Note 3 to the half-year financial report, CFOAM Limited holds an equity interest of 10.24% in Innovaero Technologies Pty Ltd ("Innovaero"). Management have determined the fair value of this investment at 31 December 2023 based on a transaction which occurred in October 2023. Due to the Company being unable to access sufficient information from Innovaero to support the fair value assessment at 31 December 2023, we were unable to obtain sufficient appropriate evidence in relation to the fair value of the investment at reporting date. Consequently, we were unable to determine whether any adjustment to the carrying value of the equity investment is necessary. Our audit opinion for the year ended 30 June 2023 was also modified in respect of the same matter.

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



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

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.

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 Company's financial position as at 31 December 2023 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

BDO Audit Pty Ltd

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

Jackson Wheeler

Director

Perth, 16 August 2024