

**APPENDIX 4D**

## Interim Report for the half-year ended 31 December 2022

**1. Name of entity**

<b>CONNECTED IO LIMITED</b>		
<b>ABN</b>	<b>Reporting Period</b>	<b>Previous Corresponding Period</b>
99 009 076 233	Half-year ended 31 December 2022	Half-year ended 31 December 2021

**2. Results for Announcement to the Market**

	<b>Change</b>	<b>31 Dec 2022 \$A</b>	<b>31 Dec 2021 \$A</b>
Revenues from ordinary activities	Down 85%	110,743	758,974
Net loss for the period attributable to members	Down 81%	(224,530)	(1,184,912)
Loss from ordinary activities after tax attributable to members	Down 81%	(224,530)	(1,184,912)
Final and interim dividends	It is not proposed that either a final or interim dividend be paid.		
Record date for determining entitlements to the dividend	N/A		
Brief explanation of any of the figures reported above	<p>Revenue reported in the previous period included revenue from the Company's previous main business undertaking, CIO Technology, Inc., which was successfully sold on 6 January 2022.</p> <p>Net loss in the previous period included share based payments of \$670,000.</p>		

**3. NTA Backing**

	<b>Current Period</b>	<b>Previous Corresponding Period</b>
Net tangible assets per ordinary share	0.57 cents	0.53 cents

**4. Control gained over entities**

Details of entities over which control has been gained or lost ( <i>item 4</i> )	N/A
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**5. Dividends paid and payable**

Details of dividends or distribution payments ( <i>item 5</i> )	No dividends or distributions are payable.
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**6. Dividend reinvestment plans**

Details of dividend or distribution reinvestment plans ( <i>item 6</i> )	There is no dividend reinvestment program in operation for Connected IO Limited.
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**7. Details of associates**

Details of associates and joint venture entities ( <i>item 7</i> )	N/A
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**8. Foreign entities**

Foreign entities to disclose which accounting standards are used in compiling the report ( <i>item 8</i> )	N/A
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**9. Review Opinion**

Details of any audit dispute or qualification ( <i>item 9</i> )
None
For description of the modified opinion, refer to auditor's review report.
N/A

**Connected IO Limited**

**ABN 99 009 076 233**

**INTERIM FINANCIAL REPORT**

**for the half-year ended 31 December 2022**

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## **CORPORATE INFORMATION**

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### **Directors**

Dougal Ferguson (*Non-Executive Director*)  
Adam Sierakowski (*Non-Executive Chairman*)  
Davide Bosio (*Non-Executive Director*)

### **Company Secretary**

Simon Whybrow

### **Registered & Principal Office**

Level 24, 44 St Georges Terrace  
PERTH WA 6000

### **Auditors**

HLB Mann Judd (WA Partnership)  
Level 4, 130 Stirling Street  
PERTH WA 6000

### **Share Registry & Register**

Computershare  
Level 11/172 St Georges Terrace  
PERTH WA 6000  
Telephone: +61 8 9323 2000

### **Solicitors**

Palisade Corporate  
Level 24, 44 St Georges Terrace  
PERTH WA 6000

### **Bankers**

National Australia Bank  
100 St Georges Terrace  
PERTH WA 6000

### **Stock Exchange Listing**

Connected IO Limited  
ASX Code: CIO

### **Contact Information**

Ph: 08 6211 5099  
Fax: 08 9218 8875

### **Web Site**

[www.connectedio.com.au](http://www.connectedio.com.au)

## Directors' report

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The directors of Connected IO Limited ("**the Company**" or "**CIO**") and its controlled entities ("**the Group**") submit herewith the consolidated Interim Financial Report for the half-year ended 31 December 2022.

### Directors

The following persons acted as Directors of the Company during or since the end of the half-year. These Directors were in office for the entire period unless otherwise stated:

Dougal Ferguson (*Non-Executive Director*)  
Adam Sierakowski (*Non-Executive Chairman*)  
Davide Bosio (*Non-Executive Director*)

### Principal Activities

During the period, the Group's principal activity was on growing its newly formed Australasian business through leveraging of the Group's intellectual property in Internet of Things (IOT) devices, IO Cloud Management Platform and associated software development services.

### Operating Results

The loss after tax for the half-year ended 31 December 2022 was \$224,530 (2021 loss: \$1,184,912).

### Review of Operations

On 26 July 2022 the Company received notification from the ASX who advised that Connected IO will not be granted a further extension of its suspension deadline, and will be placed in to suspension pre-market open on 27 July 2022.

ASX had determined that CIO's operations are not adequate to warrant the continued quotation of its securities and therefore is in breach of Listing Rule 12.1. The suspension will continue until CIO is able to demonstrate compliance with Listing Rule 12.1 of the Listing Rules.

Throughout the half year period Connected IO remained focused on growing the newly formed Australasian business through leveraging the Company's intellectual property in Internet of Things (IOT) devices, IOT Cloud Management Platform and associated software development services.

The Board recognises the capital and time investment required to grow organically in this sector and accordingly the Company is focussed on expanding its capability and capacity in this market through potential complementary acquisition opportunities to scale customer volumes, expand technical skills across digital design, software development and blockchain competencies.

Connected IO has continued to evaluate potential acquisition opportunities, with several progressing through negotiations to formal due diligence.

The underlying objective of the Company continued to grow the business via organic growth in Southeast Asia and Australasian region and acquisition of complementary business(s) to accelerate scale in core IOT business and expand competencies to participate in high-growth adjacent markets to deliver superior shareholder value in the medium to longer term.

There have been no changes to management or the Board during the half-year period.

## **Directors' report**

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### **Events occurring after the reporting date**


On 17 February 2023, the Company announced that it had received its first royalty payment of \$19,303 from Focus Minerals Ltd (ASX:FML) in respect to a historical royalty granted to the Company in 1995 over a mining tenement near Coolgardie, Western Australia.

There has been no other matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

### **Auditor's independence declaration**

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide Directors of the Company with an Independence Declaration in relation to the review of the Interim Financial Report. This Independence Declaration is set out on page 4 and forms part of this Directors' Report for the half-year ended 31 December 2022.

Signed in accordance with a resolution of the Board of Directors made pursuant to S306(3) of the Corporations Act 2001.



Adam Sierakowski  
Director

Signed at Perth on this 28<sup>th</sup> day of February 2023

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Connected IO Limited for the half-year ended 31 December 2022, 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  
28 February 2023



**N G Neill**  
Partner

**hlb.com.au**

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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 2022**

	Note	Consolidated half-year ended 31 Dec 2022 \$	Consolidated half-year ended 31 Dec 2021 \$
Revenue	2	110,743	758,974
Cost of goods sold		(133,745)	(603,790)
Gross profit/(loss)		(23,002)	155,184
Interest revenue		9,490	884
Debts forgiven		-	204,027
Director fees, salaries and wages expense		(84,000)	(530,618)
Share based payments	6	-	(670,206)
Professional fees		(75,109)	(114,622)
Depreciation and amortisation		-	(56,057)
Interest and facility fee expenses		(5,572)	(11,497)
Administration expenses		(46,337)	(162,007)
<b>Loss before income tax</b>		<b>(224,530)</b>	<b>(1,184,912)</b>
Income tax expense		-	-
<b>Loss for the period</b>		<b>(224,530)</b>	<b>(1,184,912)</b>
Other comprehensive income for the period, net of tax			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign balances		-	6,381
<b>Other comprehensive income/(loss) for the period, net of tax</b>		-	6,381
<b>Total comprehensive loss for the period</b>		<b>(224,530)</b>	<b>(1,178,531)</b>
Basic loss per share (basic and diluted) (cents per share)	5	(0.07)	(0.41)

The accompanying notes form part of these financial statements

**Condensed Consolidated Statement of Financial Position  
as at 31 December 2022**

	Note	Consolidated 31 Dec 2022 \$	Consolidated 30 June 2022 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		2,064,066	2,301,931
Trade and other receivables		10,041	77,035
<b>Total Current Assets</b>		<b>2,074,107</b>	<b>2,378,966</b>
<b>NON-CURRENT ASSETS</b>			
<b>Total Non-Current Assets</b>		-	-
<b>Total Assets</b>		<b>2,074,107</b>	<b>2,378,966</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		35,252	115,581
Borrowings	3	222,640	222,640
<b>Total Current Liabilities</b>		<b>257,892</b>	<b>338,221</b>
<b>NON-CURRENT LIABILITIES</b>			
<b>Total Non-Current Liabilities</b>		-	-
<b>Total Liabilities</b>		<b>257,892</b>	<b>338,221</b>
<b>Net Assets</b>		<b>1,816,215</b>	<b>2,040,745</b>
<b>EQUITY</b>			
Issued capital	4	76,204,004	76,204,004
Reserves		3,697,091	3,697,091
Accumulated losses		(78,084,880)	(77,860,350)
<b>Total Equity</b>		<b>1,816,215</b>	<b>2,040,745</b>

The accompanying notes form part of these financial statements

**Condensed Consolidated Statement of Changes in Equity  
for the half-year ended 31 December 2022**

<b>Consolidated</b>	<b>Issued Capital \$</b>	<b>Convertible Notes Reserve \$</b>	<b>Share-Based Payments Reserve \$</b>	<b>Foreign Currency Translation Reserve \$</b>	<b>Accumulated Losses \$</b>	<b>Total \$</b>
<b>Balance at 1 July 2021</b>	<b>73,530,158</b>	<b>96,456</b>	<b>1,876,349</b>	<b>23,027</b>	<b>(76,875,885)</b>	<b>(1,349,895)</b>
Net loss for the period	-	-	-	-	(1,184,912)	(1,184,912)
Other comprehensive income, net of tax	-	-	-	6,381	-	6,381
Total comprehensive loss	-	-	-	6,381	(1,184,912)	(1,178,531)
Shares issued (refer Note 4(a))	4,315,182	-	-	-	-	4,315,182
Share issue costs	(1,641,336)	-	-	-	-	(1,641,336)
Share based payments (refer Note 6(a) and Note 6(d))	-	-	1,549,083	-	-	1,549,083
<b>Balance at 31 December 2021</b>	<b>76,204,004</b>	<b>96,456</b>	<b>3,425,432</b>	<b>29,408</b>	<b>(78,060,797)</b>	<b>1,694,503</b>
<b>Balance at 1 July 2022</b>	<b>76,204,004</b>	<b>96,456</b>	<b>3,600,635</b>	<b>-</b>	<b>(77,860,350)</b>	<b>2,040,745</b>
Net loss for the period	-	-	-	-	(224,530)	(224,530)
Other comprehensive income, net of tax	-	-	-	-	-	-
Total comprehensive loss	-	-	-	-	(224,530)	(224,530)
<b>Balance at 31 December 2022</b>	<b>76,204,004</b>	<b>96,456</b>	<b>3,600,635</b>	<b>-</b>	<b>(78,084,880)</b>	<b>1,816,215</b>

The accompanying notes form part of these financial statements

**Condensed Consolidated Statement of Cash Flows  
for the half-year ended 31 December 2022**

	<b>Consolidated half-year ended 31 Dec 2022 \$</b>	<b>Consolidated half-year ended 31 Dec 2021 \$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	110,743	541,381
Payments to suppliers and employees	(353,572)	(1,496,654)
Interest received	9,490	884
Interest paid	(8,422)	(78,975)
<b>Net cash outflows from operating activities</b>	<b>(241,761)</b>	<b>(1,033,364)</b>
<b>Cash flows from investing activities</b>		
Payments for plant and equipment	-	(3,370)
<b>Net cash outflows from investing activities</b>	<b>-</b>	<b>(3,370)</b>
<b>Cash flows from financing activities</b>		
Proceeds from share issue	-	3,500,621
Payments for share issue costs	-	(273,970)
Proceeds from borrowings	-	688,947
Repayment of borrowings	-	(133,954)
Payments of lease liabilities	-	(16,555)
Repayment of convertible notes	-	(1,321,000)
<b>Net cash inflows from financing activities</b>	<b>-</b>	<b>2,444,089</b>
Net (decrease)/increase in cash and cash equivalents	(241,761)	1,407,355
Effect of movement in exchange rates on cash held	3,896	-
Cash reclassified as held for sale	-	(373,897)
Cash and cash equivalents at the beginning of the period	2,301,931	1,550,376
<b>Cash and cash equivalents at the end of the period</b>	<b>2,064,066</b>	<b>2,583,834</b>

The accompanying notes form part of these financial statements

## Notes to the Condensed Consolidated Financial Statements

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### NOTE 1 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

#### Statement of Compliance

This consolidated Interim Financial Report includes the financial statements and notes of Connected IO Limited and its controlled entities. The Group is a for-profit entity and is domiciled in Australia.

These consolidated interim financial statements are general purpose financial statements prepared in accordance with the requirements of the *Corporations Act 2001*, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This consolidated Interim Financial Report does not include full disclosures of the type normally included in an Annual Financial Report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this consolidated interim financial report be read in conjunction with the Annual Financial Report for the year ended 30 June 2022 and any public announcements made by the Company and its subsidiaries during the period in accordance with continuous disclosure requirements arising under the *Corporations Act 2001* and the ASX Listing Rules.

#### Basis of preparation

The consolidated Interim Financial Report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The consolidated Interim Financial Report is presented in Australian dollars. For the purpose of preparing the consolidated interim financial report, the half-year has been treated as a discrete reporting period.

#### Accounting policies and methods of computation

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding half-year. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

#### Adoption of new and revised standards

##### Standards and Interpretations applicable to 31 December 2022

In the period ended 31 December 2022, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting periods beginning on or after 1 July 2022.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and therefore, no material change is necessary to Group accounting policies.

##### Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the half-year ended 31 December 2022.

As a result of this review the Directors have determined that there are no new and revised Standards and Interpretations that may have a material effect on the application in future periods and therefore, no material change is necessary to Group accounting policies.

## Notes to the Condensed Consolidated Financial Statements

### NOTE 1 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION (CONTINUED)

#### Significant accounting judgments and key estimates

The preparation of consolidated interim financial report requires management to make judgments, 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.

In preparing this consolidated half-year financial report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2022.

#### Going concern

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

### NOTE 2 REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company derives its revenue from the sale of goods and the provision of services at a point in time. This is consistent with the revenue information that is disclosed for each reportable segment under AASB 8 below (refer Note 8).

	Consolidated half-year ended 31 Dec 2022 \$	Consolidated half-year ended 31 Dec 2021 \$
Product sales	-	758,974
Provision of services	110,743	-
<b>Total revenue</b>	<b>110,743</b>	<b>758,974</b>

*Reconciliation of revenue from contracts with customers with the amounts disclosed in segment information*

	Six months to 31 December 2022  Supply of Internet of Things (IOT) services \$	Six months to 31 December 2021  Development and manufacture of wireless technologies \$
Segment revenue (i)	110,743	758,974
Adjustments and eliminations	-	-
<b>Total revenue from contracts with customers</b>	<b>110,743</b>	<b>758,974</b>

(i) Segment revenues represent revenue generated from external customers. There were no inter-segment revenues in the current period.

## Notes to the Condensed Consolidated Financial Statements

### NOTE 3 BORROWINGS

	Consolidated half-year ended 31 Dec 2022 \$	Consolidated year ended 30 June 2022 \$
<b>Australia</b>		
Loan – Tyche Investments Pty Ltd	222,640	222,640
<b>Closing balance</b>	<b>222,640</b>	<b>222,640</b>

#### ***Tyche Investments Pty Ltd***

During the year ended 30 June 2020, the Group secured a line of credit facility of \$700,000 with Tyche Investments Pty Ltd to drive manufacturing acceleration. The facility is debt-only and does not dilute the existing shareholders. Interest is calculated at 5% p.a. on any amount outstanding. Any outstanding accrued interest on the facility will be required to be repaid in cash.

During the year ended 30 June 2022, the Group renegotiated and extended its line of credit facility to 30 June 2023 with a maximum amount available of \$222,640.

During the half-year ended 31 December 2022, the Group repaid \$8,400 of accrued interest in respect of the credit facility.

## Notes to the Condensed Consolidated Financial Statements

### NOTE 4 ISSUED CAPITAL

#### Movements in issued and paid up capital

	Consolidated half-year ended 31 Dec 2022 \$	Consolidated year ended 30 June 2022 \$
<b>Issued and paid up capital</b>		
Ordinary shares fully paid (a)	76,204,004	76,204,004
	<b>76,204,004</b>	<b>76,204,004</b>

#### Movements in issued and paid up capital

	Number	Consolidated \$
<b>(a) Ordinary shares fully paid</b>		
Balance as at 1 July 2021	1,266,159,324	73,530,158
Consolidation on a 1:10 basis (7 Jul 2021)	(1,139,543,489)	-
Placement (stage 2) (26 Jul 2021, \$0.02 per share)	162,500,000	3,250,000
Directors and company secretarial shares – in lieu of fees (26 Jul 2021, \$0.05 per share) (refer to Note 6(b))	10,925,000	546,250
Line of credit shares – in lieu of accrued interest (26 Jul 2021, \$0.02 per share) (refer to Note 6(c))	5,378,630	268,932
Placement – Underwritten shares (stage 2) (3 Aug 2021, \$0.02 per share)	12,500,000	250,000
Costs directly attributable to issue of share capital	-	(1,641,336)
<b>Balance as at 31 December 2021</b>	<b>317,919,465</b>	<b>76,204,004</b>
Balance as at 1 July 2022	317,919,465	76,204,004
<b>Balance as at 31 December 2022</b>	<b>317,919,465</b>	<b>76,204,004</b>

#### (b) Options

#### Period ended 31 December 2022

The following unlisted options were on issue during the period ended 31 December 2022:

Exercise price	\$1.00	\$0.03
Expiry date	22 December 2022	1 July 2024
Opening balance	750,000	71,000,000
Expired during the year	(750,000)	-
Closing balance	-	71,000,000



## Notes to the Condensed Consolidated Financial Statements

### NOTE 5 EARNINGS PER SHARE

	Consolidated half-year ended 31 Dec 2022 \$	Consolidated half-year ended 31 Dec 2021 \$
	Cents	Cents
Basic and diluted loss per share	(0.07)	(0.41)
The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share is as follows:		
	\$	\$
Net loss for the period used in total basic and diluted earnings per share	(224,530)	(1,184,912)
	Number	Number
Weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share	317,919,465	291,383,646

### NOTE 6 SHARE BASED PAYMENTS

#### Half-year ended 31 December 2022

No share based payments occurred during the half-year ended 31 December 2022.

#### Half-year ended 31 December 2021

During the half-year ended 31 December 2021, the following transactions were recognised as share based payments by the Group:

	Value \$
Director options (Note 6(a))	181,097
Director and company secretarial shares (Note 6(b))	327,750
Line of credit – accrued interest shares (Note 6(c))	161,359
	670,206
Underwriter options (Note 6(d))	1,367,986
	<b>2,038,192</b>

#### (a) Director Options

On 30 June 2021, the Group obtained shareholder approval to issue 9,000,000 unlisted options to Mr Ferguson, Mr Sierakowski and Mr Bosio, in consideration of services provided to the Group.

The total fair value of the options granted to the Directors was \$357,300. During the half-year ended 31 December 2021, \$181,097 was expensed as a share based payment, with the balance of the fair value recognised over the vesting period.

The fair value and model inputs for the share-based payments expensed during the half-year ended 31 December 2021 are as follows:

	Mr Ferguson	Mr Sierakowski	Mr Bosio	Total
Number Issued	5,000,000	2,000,000	2,000,000	9,000,000
Grant Date	30 June 2021	30 June 2021	30 June 2021	
Expected Vesting Date	30 June 2022	30 June 2022	30 June 2022	
Vesting Period (days)	365	365	365	
Value per Option	\$0.0397	\$0.0397	\$0.0397	
Total Value per Option	\$198,500	\$79,400	\$79,400	\$357,300

## Notes to the Condensed Consolidated Financial Statements

### NOTE 6 SHARE BASED PAYMENTS (CONTINUED)

	Mr Ferguson	Mr Sierakowski	Mr Bosio	Total
Amount Expensed during Year Ended 30 June 2021	\$556	\$222	\$222	\$1,000
Amount Expensed during Period Ended 31 December 2021	\$100,609	\$40,244	\$40,244	\$181,097
Amount Expensed during Period Ended 30 June 2022	\$97,335	\$38,934	\$38,934	\$175,203

#### (b) Director and Company Secretarial Shares

During the half-year ended 31 December 2021, following shareholder approval granted at the Company's General Meeting held on 30 June 2021, shares were issued to Directors and their related parties in satisfaction of outstanding Director and Company Secretarial fees owed. For accounting purposes, the shares issued have been valued at \$546,250, being the Company's closing share price of \$0.05 as at the date of the General Meeting, with the difference recognised as an expense.

The details of the equity issued are as below:

Recipient	Liability Settled	Number of Shares	Value of Shares Issued	Additional Expense Recognised
Dougal Ferguson	\$46,500	2,325,000	\$116,250	\$69,750
Adam Sierakowski	\$118,000	5,900,000	\$295,000	\$177,000
Davide Bosio	\$54,000	2,700,000	\$135,000	\$81,000
Total	\$218,500	10,925,000	\$546,250	\$327,750

#### (c) Line of Credit – Accrued Interest Shares

During the half-year ended 31 December 2021, following shareholder approval granted at the Company's General Meeting held on 30 June 2021, shares were issued to Tyche Investments Pty Ltd in satisfaction of accrued interest owed on a line of credit facility. For accounting purposes, the shares issued have been valued at \$268,932, being the Company's closing share price of \$0.05 as at the date of the General Meeting, with the difference recognised as an expense.

The details of the equity issued are as below:

Recipient	Liability Settled	Number of Shares	Value of Shares Issued	Additional Expense Recognised
Tyche Investments Pty Ltd	\$107,573	5,378,630	\$268,932	\$161,359

#### (d) Underwriter Options

In August 2021, following the Group's successful completion of its capital raising to sophisticated and institutional investors, 42,000,000 unlisted options were issued in relation to the underwriting of the rights issue and placement. During the half-year ended 31 December 2021, \$1,367,986 was charged to share issue costs.

The fair value of the equity-settled share options granted is estimated as at the date of grant using the Black-Scholes option valuation model taking into account the terms and conditions upon which the options were granted.

Weighted average exercise price (cents)	3.00 cents
Weighted average life of the options (years)	2.93 years
Weighted average underlying share price (cents)	4.70 cents
Expected share price volatility	100%
Risk-free interest rate	0.20%
Grant date	27 July 2021
Expiry date	1 July 2024
Value per option	\$0.03257

## **Notes to the Condensed Consolidated Financial Statements**

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### **NOTE 7 RELATED PARTY TRANSACTIONS**

Other than the related party transactions noted in Note 6(a) and 6(b) above, there were no other material changes to related party transactions since the last annual reporting date.

### **NOTE 8 SEGMENT REPORTING**

AASB 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Group's operating segments have been determined with reference to the monthly management accounts used by the Chief Operating Decision Maker to make decisions regarding the Company's operations and allocation of working capital. Due to the size and nature of the Group, the Board as a whole has been determined as the Chief Operating Decision Maker.

Based on the quantitative thresholds included in AASB 8, there is only one reportable segment, being the supply of Internet of Things (IOT) via the development, implementation and advancement of the Company's existing intellectual property, which represents the Group's main business undertaking.

The revenues and results of this segment are those of the Group as a whole and are set out in the consolidated statement of profit or loss and other comprehensive income. The segment assets and liabilities of this segment are those of the Group and are set out in the consolidated statement of financial position.

### **NOTE 9 CONTINGENT LIABILITIES**

There has been no change in contingent liabilities since the last annual reporting date.

### **NOTE 10 FINANCIAL INSTRUMENTS**

The methods and valuation techniques used for the purpose of measuring fair values are unchanged compared to the previous reporting period.

The carrying amounts of the current receivables, current payables and borrowings are considered to be a reasonable approximation of their fair value.

### **NOTE 11 EVENTS OCCURRING AFTER THE REPORTING PERIOD**

On 17 February 2023, the Company announced that it had received its first royalty payment of \$19,303 from Focus Minerals Ltd (ASX:FML) in respect to a historical royalty granted to the Company in 1995 over a mining tenement near Coolgardie, Western Australia.

There has been no other matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

## Directors' Declaration

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In the opinion of the Directors of Connected IO Limited ("the Company"):

- (1) The attached financial statements and notes are in accordance with the *Corporations Act 2001*, including:
  - (a) complying with Accounting Standards, the Corporations Regulations and other mandatory professional reporting requirements; and
  - (b) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date.
- (2) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors, made pursuant to S303(5) of the *Corporations Act 2001*.

On behalf of the Board



Adam Sierakowski  
Director

Signed at Perth on this 28<sup>th</sup> day of February 2023

**INDEPENDENT AUDITOR'S REVIEW REPORT**

To the members of Connected IO Limited

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

We have reviewed the accompanying half-year financial report of Connected IO Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2022, 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 Group 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 Connected IO Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2022 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.

*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.

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*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 2022 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**  
**Chartered Accountants**

**Perth, Western Australia**  
**28 February 2023**



**N G Neill**  
**Partner**