

Nexdius Limited

ABN: 95 165 149 968

Financial Statements

For the Year Ended 30 June 2024

Nexdius Limited

ABN: 95 165 149 968

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For the Year Ended 30 June 2024

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Nexdius Limited

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Directors' Report 30 June 2024

The directors present their report, together with the financial statements of the Group, being the Company and its controlled entities, for the financial year ended 30 June 2024.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Names

Mathew Grant Henry Collett
Charles Campbell Sutherland
Andrew Michael Demura

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Information on directors

Mathew Grant Henry Collett

Title

CEO, Executive Director

Qualifications

Dip Financial Markets

Experience and expertise

Mr Collett is the CEO and co-founder of the Company and its subsidiaries. He has over 30 years' experience across business management, banking, corporate advisory, FMCG and marketing. Mr Collett has had extensive experience building several successful start-ups including Cocoon Data his own corporate advisory firm and a FMCG company, Lime Grove. Mr Collett was a former Director at JBWere Futures Sydney, Managing Director of ICAP Futures Australia and Tullett Prebon Australia. Mr Collett is President of The Scots College Old Boys Union, Director of the Eastern Suburbs Rugby Union and a Director of Two Sixty Five Pty Ltd, his own consultancy company.

Charles Campbell Sutherland

Title

Non-Executive Director

Qualifications

Post Graduate Diploma Management (Marketing), University of Melbourne

Experience and expertise

Mr Sutherland has 32 years' leadership experience in the information, communications and technology (ICT) industry, which included executive roles in Australian publicly listed companies SingTel Optus and UeComm, as well as Nextgen Group (now Vocus Group) and positions in London with former NASDAQ 100 company AboveNet UK (now Zayo Group). Mr Sutherland served on the digital economy's lead industry body, the Australian Information Industry Association Victorian Council and chaired the AIIA's Victorian State Government Committee between 2013 and 2015. Mr Sutherland was a Director of the Geelong Grammar School Foundation (2020-2023), serves on the Advisory Board to Small Business Australia and is a Director of Maecenas Pty Ltd and DDM Securities Pty Ltd.

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Directors' Report

30 June 2024

Information on directors (cont'd)

Andrew Michael Demura

Title

Non - Executive Chairman

Qualifications

Bachelor Economics, Monash University

Experience and expertise

Mr Demura has had over 35 years' experience raising capital for business. A career treasury, banking, risk management professional with demonstrated capability in delivering high value, high impact transactions, projects and solutions for both existing and newly created businesses. Mr Demura has held senior roles at National Australia Bank Limited, AWB Limited and FleetPartners Group Ltd (formally FleetPartners Pty Ltd). Mr Demura is currently a Director of Maecenas Pty Ltd, DDM Securities Pty Ltd (DDM), Demcap Services Pty Ltd and AFSL Responsible Manager for DDM.

Principal activities

During the financial year the principal continuing activities of the Group consisted of:

- Manufacture, wholesale/retail sales of skincare, SPF Vitamin D promoting skincare products; and
- Licensing of SPF Vitamin D promoting sunscreen technology to other skincare companies.

No significant change in the nature of these activities occurred during the year.

Review of operations and financial results

The consolidated loss before tax of the Group amounted to \$1,434,067 (2023: loss of \$1,086,959).

In the opinion of directors no significant changes in the Group's state of affairs occurred during the financial year.

Significant changes in state of affairs

There have been no significant changes in the state of affairs of entities in the Group during the year.

Matters or circumstances arising after the end of the year

The Company undertook a rights issue in September 2024 in order to raise a maximum of \$5.4 million, of which \$4 million was underwritten. Placements had exceeded \$4 million by 3rd November 2024 with further deposits expected.

Convertible Note holders exercised options to convert debt to shares on 18 July 2024. As part of the process of completing the conversion, the Company also established a secured loan with noteholders for that proportion of Convertible Notes not otherwise converted to shares.

The additional purchase of IP rights in North America, Europe and South America for the Activated Vitamin-D SPF Technology were currently the subject of closure and final documentation, and as at the 3rd November 2024, a part payment of US\$300,000 had been made as a deposit to secure the IP purchase.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Nexdius Limited

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Directors' Report

30 June 2024

Future developments

The Company expects to maintain the present status and level of operations.

Likely developments and expected results of operations

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

Environmental matters

The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory.

Indemnification and insurance of officers

The Group has indemnified the directors and executives of the Company, Nexdius Limited for the 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*.

During the financial year, the Group paid a premium of \$18,935 (2023: \$21,229) to insure the directors, secretaries and management of the consolidated group. Limited indemnities have been given for officers and directors of Nexdius Limited.

Indemnification and insurance of auditor

The Group has not, during or since 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 Group has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

No indemnities have been given or insurance premiums paid during or since the end of the financial year for any person who is or has been an officer or auditor of the Group.

Proceedings on behalf of company

No person has applied for leave of court under Section 237 of the *Corporations Act 2001* to bring proceedings on behalf of the Company or 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 any part of those proceedings.

The Group was not a party to any such proceedings during the year.

Nexdius Limited

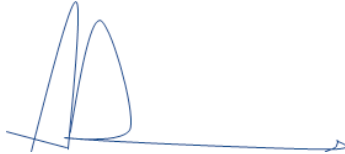
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Directors' Report
30 June 2024

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2024 has been received and can be found on page 5 of the financial report.

Signed in accordance with a resolution of the Board of Directors:



Director:



Director:

Dated: 6 November 2024



PKF(NS) Audit & Assurance Limited Partnership

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Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Nexdius Limited and its controlled entities

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

PKF

PKF

A handwritten signature in black ink that reads 'STobutt' with a stylized flourish at the end.

SCOTT TOBUTT
PARTNER

6 NOVEMBER 2024
SYDNEY, NSW

Nexdius Limited

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Consolidated Statement of Comprehensive Income For the Year Ended 30 June 2024

		2024	2023
	Note	\$	\$
Revenue	4	605,947	261,359
Finance income	5	5,121	1,930
Other income	4	52,600	24,600
Raw materials and consumables used		(215,355)	(170,983)
Depreciation and amortisation		(130,349)	(129,993)
Accountancy expenses		(97,021)	(49,052)
Advertising expenses		(63,066)	(123,807)
Consultancy expense		(805,953)	(362,824)
Research expense		(243,443)	(122,860)
Other operating expenses		(246,252)	(231,919)
Finance costs	5	(322,178)	(234,566)
Loss before income tax		(1,459,949)	(1,138,115)
Income tax benefit	6	25,882	51,156
Loss from continuing operations		(1,434,067)	(1,086,959)
Loss for the year		(1,434,067)	(1,086,959)
Total comprehensive loss for the year		(1,434,067)	(1,086,959)
Loss attributable to:			
Members of the parent entity		(1,434,067)	(1,086,959)
Total comprehensive loss attributable to:			
Members of the parent entity		(1,434,067)	(1,086,959)

The accompanying notes form part of these financial statements.

Nexdius Limited

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Consolidated Statement of Financial Position As At 30 June 2024

	Note	2024 \$	2023 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	154,765	18,527
Trade and other receivables	8	94,496	109,369
Current tax receivable	17	25,882	51,156
Other assets		10,000	-
TOTAL CURRENT ASSETS		<u>285,143</u>	<u>179,052</u>
NON-CURRENT ASSETS			
Intangible assets	9	211,185	341,534
TOTAL NON-CURRENT ASSETS		<u>211,185</u>	<u>341,534</u>
TOTAL ASSETS		<u>496,328</u>	<u>520,586</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	796,301	302,716
Borrowings	11	2,461,090	2,116,925
TOTAL CURRENT LIABILITIES		<u>3,257,391</u>	<u>2,419,641</u>
NON-CURRENT LIABILITIES			
Trade and other payables	10	162,795	150,736
TOTAL NON-CURRENT LIABILITIES		<u>162,795</u>	<u>150,736</u>
TOTAL LIABILITIES		<u>3,420,186</u>	<u>2,570,377</u>
NET LIABILITIES		<u>(2,923,858)</u>	<u>(2,049,791)</u>
EQUITY			
Issued capital		10,491,776	9,931,776
Accumulated losses		(13,415,634)	(11,981,567)
TOTAL DEFICIT IN EQUITY		<u>(2,923,858)</u>	<u>(2,049,791)</u>

The accompanying notes form part of these financial statements.

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Consolidated Statement of Changes in Equity For the Year Ended 30 June 2024

	Issued Capital	Accumulated Losses	Total
	\$	\$	\$
Balance at 1 July 2022	9,548,861	(10,894,608)	(1,345,747)
Loss for the year	-	(1,086,959)	(1,086,959)
Shares issued during the year	382,915	-	382,915
Balance at 30 June 2023	9,931,776	(11,981,567)	(2,049,791)
Balance at 1 July 2023	9,931,776	(11,981,567)	(2,049,791)
Loss for the year	-	(1,434,067)	(1,434,067)
Shares issued during the year	560,000	-	560,000
Balance at 30 June 2024	10,491,776	(13,415,634)	(2,923,858)

The accompanying notes form part of these financial statements.

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Consolidated Statement of Cash Flows For the Year Ended 30 June 2024

	2024	2023
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	642,733	275,840
Payments to suppliers and employees	(586,203)	(875,511)
Receipts from grants	52,600	-
Finance costs	(317,057)	(234,137)
Income tax refund	-	50,116
Inventory written off	-	3,954
Net cash used in operating activities	<u>(207,927)</u>	<u>(779,738)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net cash used in investing activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowing	344,165	270,000
Proceeds from issue of shares	-	382,915
Net cash provided by financing activities	<u>344,165</u>	<u>652,915</u>
Net increase/(decrease) in cash and cash equivalents held	136,238	(126,823)
Cash and cash equivalents at beginning of year	<u>18,527</u>	<u>145,350</u>
Cash and cash equivalents at end of financial year	<u>7</u> <u>154,765</u>	<u>18,527</u>

The accompanying notes form part of these financial statements.

Nexdius Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2024

The financial report covers Nexdius Limited and its controlled entities ('the Group'). Nexdius Limited is a for-profit Company limited by shares, incorporated and domiciled in Australia.

The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation and Consolidation

The consolidated financial statements are General Purpose Simplified Disclosure financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Corporations Act 2001*.

The consolidated financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

2 Material accounting policy information

2(a). Going concern

Notwithstanding the Group's deficiency in net current assets the director's believe the going concern basis of preparation remains appropriate and have prepared the financial statements on this basis. The Group's ability to continue its normal operations into the foreseeable future is dependent on:

- Growth in sales following an exclusive global licensing agreement which has been signed with an established Australian based skincare and cosmetic distributor with global sales capability.
- A further reduction of the cost base following completion of the global licensing agreement that facilitates the continued restructure of the business.
- Completing the Company's \$5.4 million rights issue of which \$4 million was underwritten.
- In addition, we are currently in the process of acquiring the Activated Vitamin-D SPF Technology rights not otherwise owned or controlled by the Company, which will also reduce future costs.
- Following numerous extensions and further drawings, Convertible Note holders exercised options to convert debt to shares on 18 July 2024. As part of the process of completing the conversion, the Company also established a secured loan with noteholders for that proportion of Convertible Notes not otherwise converted to shares.
- The continuation of support from shareholders and related parties.

Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Material accounting policy information (cont'd)

2(a). Going concern (cont'd)

If the Group is not successful in achieving the above, the going concern basis may not be appropriate with the result that the Group may have to realise its assets and extinguish its liabilities, other than in the ordinary course of business, with amounts realised being different from those disclosed in the financial report.

These conditions therefore indicate the existence of a material uncertainty which casts doubt on the Group's ability to continue as a going concern. Therefore the Group may be unable to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

No allowance for such circumstance has been made in the financial report.

2(b). Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

2(c). Equity-settled compensation

The Group operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black-Scholes pricing model which incorporates all market vesting conditions. The amount to be expensed is determined by reference to the fair value of the options or shares granted, this expense takes in account any market performance conditions and the impact of any non-vesting conditions but ignores the effect of any service and non-market performance vesting conditions.

Non-market vesting conditions are taken into account when considering the number of options expected to vest. At the end of each reporting period, the Group revises its estimate of the number of options which are expected to vest based on the non-market vesting conditions. Revisions to the prior period estimate are recognised in profit or loss and equity.

2(d). Financial instruments

Initial recognition and measurement

Financial instruments are recognised initially on the date that the Group becomes party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either purchase or sell the asset.

Financial instruments are initially measured at fair value transaction costs, except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are recognised immediately as expenses in profit or loss.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Material accounting policy information (cont'd)

2(d). Financial instruments (cont'd)

Classification and subsequent measurement (cont'd)

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management and investment strategy.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Financial Liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at the amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

The Group measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise trade payables, bank and other loans.

Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Material accounting policy information (cont'd)

2(e). Impairment of assets

Financial assets

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Impairment of non-financial assets

At the end of each reporting period the Group determines whether there is evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

2(f). Income Tax

The tax expense recognised in the consolidated statement of comprehensive income comprises current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.

Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Material accounting policy information (cont'd)

2(f). Income Tax (cont'd)

- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

2(g). Intangible assets

Patents and Royalties

Patents and royalties are recognised at cost of acquisition. Patents and royalties have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Patents and royalties are amortised over their useful life ranging from 2 to 5 years.

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Material accounting policy information (cont'd)

2(h). Issued Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2(i). Revenue and other income

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Group expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Group have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Revenue is recognised when it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sale of Goods

Sale of goods revenue is recognised at the point of sale, which, is where the customer has taken delivery of the goods. The risk and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Material accounting policy information (cont'd)

2(i). Revenue and other income (cont'd)

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

All revenue is stated net of the amounts of goods and services tax (GST).

2(j). Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Group has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Group renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

2(k). Trade and other payables

Trade and other payables represent the liabilities for goods and services rendered by the Company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

The significant estimates and judgements made have been described below.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

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Notes to the Financial Statements For the Year Ended 30 June 2024

4 Revenue and Other Income

Revenue from continuing operations

	2024	2023
	\$	\$
- Sales revenue -transferred at point in time	605,947	261,359
Total Revenue	605,947	261,359

Other income

- Government grants	52,600	24,600
Total other income	52,600	24,600

5 Finance Income and Expenses

Finance income

Gain on exchange differences	5,121	1,930
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Finance expenses

Loss on exchange differences	-	429
Finance costs	322,178	234,137
Total finance expenses	322,178	234,566

6 Income Tax Expense

(a). The major components of tax expense (income) comprise:

- Current tax expense / (benefit)	(25,882)	(51,156)
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(b). Reconciliation of income tax to accounting profit:

- Loss	(1,463,401)	(998,957)
- Tax	25.00 %	25.00 %
	(365,850)	(249,739)

Add / (less) tax effect of:

- losses not recognised	365,850	249,739
- research and development tax incentive	(25,882)	(51,156)
Income tax expense	(25,882)	(51,156)

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Notes to the Financial Statements For the Year Ended 30 June 2024

7 Cash and Cash Equivalents

	2024	2023
	\$	\$
Cash on hand	100	100
Cash at bank	154,665	18,427
Total cash and cash equivalents	154,765	18,527

8 Trade and Other Receivables

CURRENT		
Trade receivables	153,046	101,379
Provision for impairment	(91,456)	(25,365)
GST receivable	32,906	33,355
Total trade and other receivables	94,496	109,369

9 Intangible Assets

Patents and royalties		
Cost	471,527	519,970
Accumulated amortisation	(260,342)	(178,436)
Total Intangible assets	211,185	341,534

(a) Movements in carrying amounts of intangible assets

	Patents and royalties	Total
	\$	\$
Year ended 30 June 2024		
Balance at the beginning of the year	341,534	341,534
Amortisation	(130,349)	(130,349)
Closing value at 30 June 2024	211,185	211,185

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Notes to the Financial Statements For the Year Ended 30 June 2024

10 Trade and Other Payables

	2024	2023
	\$	\$
CURRENT		
Trade payables	761,177	285,117
Accrued expenses	35,124	17,599
	<u>796,301</u>	<u>302,716</u>
NON-CURRENT		
Loan - related party	<u>162,795</u>	<u>150,736</u>

11 Borrowings

CURRENT		
Convertible notes	2,461,090	2,096,925
Other liabilities	-	20,000
Total current borrowings	<u>2,461,090</u>	<u>2,116,925</u>

Summary of borrowings

On 31 March 2021, 58 Jarque Pty Ltd and Tiga Trading Pty Ltd conditionally subscribed for Convertible Notes in Nexdius with a face value of \$1,500,000. 58 Jarque Pty Ltd and Tiga Trading Pty Ltd subscribed for additional Convertible Notes with a face value of \$250,000 and \$100,000 on 6 April 2023 and 31 May 2024, respectively. Interest rate for all convertible notes carry interest at 15% per annum.

Defaults and breaches

During the current and prior year, there were no defaults or breaches on any of the loans.

Convertible Notes are secured by a registered ALL Present and After-Acquired Property (ALLPAAP) Charge over the assets of the Company.

12 Issued Capital

	2024	2023
	\$	\$
Ordinary shares	<u>10,491,776</u>	<u>9,931,776</u>

(a) Ordinary shares

	2024	2023
	No.	No.
At the beginning of the reporting period	133,207,971	128,457,971
Shares issued during the year	<u>7,536,000</u>	<u>4,750,000</u>
At the end of the reporting period	<u>140,743,971</u>	<u>133,207,971</u>

Nexdius Limited

ABN: 95 165 149 968

Notes to the Financial Statements

For the Year Ended 30 June 2024

12 Issued Capital (cont'd)

(a) Ordinary shares (cont'd)

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

13 Key Management Personnel Disclosures

The remuneration paid to key management personnel of the Company and the Group is \$ 276,036 (2023: \$ 297,600).

14 Auditors' Remuneration

	2024	2023
	\$	\$
Remuneration of the auditor PKF, for:		
- auditing or reviewing the financial statements	34,650	33,000
- other services	7,350	7,000
	<u>42,000</u>	<u>40,000</u>

15 Related Parties

(a) The Group's main related parties are as follows:

Key management personnel - refer to Note 13.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

(c) Loans to/from related parties

Loan - TCAAS Day Pty Ltd	<u>162,795</u>	<u>150,736</u>
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Nexdius Limited

ABN: 95 165 149 968

Notes to the Financial Statements For the Year Ended 30 June 2024

16 Interests in Subsidiaries

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2024	Percentage Owned (%)* 2023
Subsidiaries:			
Solar D Skincare Pty Ltd	Australia	100	100

*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

17 Tax assets and liabilities

	2024	2023
	\$	\$
Current tax receivable	<u>25,882</u>	<u>51,156</u>

18 Financial Risk Management

The main risks Nexdius Limited is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk.

The Company's financial instruments consist mainly of secured and unsecured borrowings, deposits with banks, accounts receivable and payable.

Financial assets

Held at amortised cost

Cash and cash equivalents	154,765	18,527
Trade and other receivables	<u>185,952</u>	<u>134,734</u>

Total financial assets

340,717 153,261

Financial liabilities

Financial liabilities at amortised cost

Trade and other payables	<u>959,096</u>	<u>453,452</u>
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19 Parent entity

The following information has been extracted from the books and records of the parent, Nexdius Limited and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, Nexdius Limited has been prepared on the same basis as the consolidated financial statements except as disclosed below.

Nexdius Limited

ABN: 95 165 149 968

Notes to the Financial Statements For the Year Ended 30 June 2024

19 Parent entity (cont'd)

	2024	2023
	\$	\$
Statement of Financial Position		
Assets		
Current assets	4,765,583	24,012
Non-current assets	211,185	341,534
Total Assets	<u>4,976,768</u>	<u>365,546</u>
Liabilities		
Current liabilities	2,791,403	2,061,678
Non-current liabilities	162,795	150,736
Total Liabilities	<u>2,954,198</u>	<u>2,212,414</u>
Equity		
Issued capital	10,491,676	9,902,036
Accumulated losses	<u>(8,469,106)</u>	<u>(7,067,189)</u>
Total Equity	<u>2,022,570</u>	<u>2,834,847</u>
Statement of Profit or Loss and Other Comprehensive Income		
Total profit / (loss) for the year	<u>(1,340,041)</u>	<u>(576,782)</u>
Total comprehensive income	<u>(1,340,041)</u>	<u>(576,782)</u>

20 Contingencies

The Group had the following contingencies at the end of the reporting period:

In 2019, the Company was named as the third defendant in proceedings commenced in the Federal Court of Australia. The proceedings are principally against one of the Company's former directors, Titus Day, for matters unrelated to the Company's day to day business operations. The proceedings stem from a contractual dispute between Mr Day and a third party, with a claim principally being made by the third party against Mr Day and his shareholding in the Company and an alternate claim against the Company if the former claim is unsuccessful.

Mr Day was granted a stay of proceedings in July 2020 which has been further extended until 25 July 2025. It is unclear when the civil proceedings will resume, however the Company remains confident that if the stay is lifted and proceedings resume, it can defend the action against it and has filed a defence and cross claim in the Federal Court. Mr Day has previously agreed to personally pay all legal costs associated with defending these proceedings.

On 1 April 2021, the Company and Mr Day reached a formal agreement whereby Mr Day agreed to indemnify the Company for any losses in connection with the proceedings.

As at the date of this financial statements, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company other than as set out above.

Nexdius Limited

ABN: 95 165 149 968

Notes to the Financial Statements

For the Year Ended 30 June 2024

21 Events Occurring After the Reporting Date

The Company undertook a rights issue in September 2024 in order to raise a maximum of \$5.4 million, of which \$4 million was underwritten. Placements had exceeded \$4 million by 3rd November 2024 with further deposits expected.

Convertible Note holders exercised options to convert debt to shares on 18 July 2024. As part of the process of completing the conversion, the Company also established a secured loan with noteholders for that proportion of Convertible Notes not otherwise converted to shares.

The additional purchase of IP rights in North America, Europe and South America for the Activated Vitamin-D SPF Technology were currently the subject of closure and final documentation, and as at the 3rd November 2024, a part payment of US\$300,000 had been made as a deposit to secure the IP purchase.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

22 Statutory Information

The registered office and principal place of business of the company is:

Nexdius Limited
Level 2, 168 Oxford Street
Sydney NSW 2021

Nexdius Limited

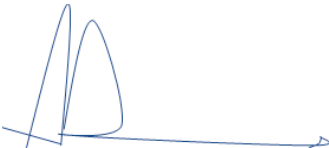
ABN: 95 165 149 968

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 23, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards, Simplified Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 30 June 2024 and of the performance for the year ended on that date of the Company and consolidated group.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable with the continuing support of creditors.

This declaration is made in accordance with a resolution of the Board of Directors.

Director


Director


Dated: 6 November 2024

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NEXDIUS LIMITED AND ITS CONTROLLED ENTITIES

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Nexdius Limited and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other 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 financial statements, including material accounting policy information, and the directors' declaration of the Group and the consolidated entity comprising the Group and the entities it controlled at the year end or from time to time during the financial year.

In our opinion, the accompanying financial report of Nexdius Limited and its controlled entities is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Simplified Disclosure Requirements and the Corporations Regulations 2001.

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

Emphasis of Matter - Going Concern

Without qualification to the opinion expressed above, we draw attention to Note 2(a) in the financial report which indicates that the Group has incurred significant losses and operating cash outflows during the period. The Group's ability to continue as a going concern is contingent upon achieving successful capital and fund raisings and continued improvements in revenue growth and operational cash flows. These conditions therefore indicate the existence of a material uncertainty which casts doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. No allowance for such circumstance has been made in the financial report. Our opinion has not been modified in this respect.

Independence

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 (including Independence Standards) (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.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the consolidated entity'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 that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosure Requirements and the Corporations Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the consolidated entity 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 judgment and maintain professional scepticism throughout the audit. We also:

Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

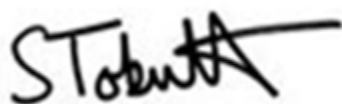
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a 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 consolidated entity'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 consolidated entity'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 consolidated entity 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the group 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, action taken to eliminate threats or safeguards applied.



PKF



SCOTT TOBUTT
PARTNER

6 NOVEMBER 2024
SYDNEY, NSW