

**CFOAM Limited**  
**Appendix 4D**  
**Half-year report**

**1. Company details**

Name of entity: CFOAM Limited  
ABN: 46 611 576 777  
Reporting period: For the half-year ended 31 December 2022

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

	31 Dec 2022 US\$	31 Dec 2021 US\$	Movement US\$
Revenues from ordinary activities	-	521,661	↓
Loss after income tax expense for the half-year	(579,946)	(1,340,065)	↓
Loss for the half-year attributable to the Owners of CFOAM Limited	(579,946)	(1,057,501)	↓

*Dividends*

There were no dividends declared or paid in the period.

**3. Net tangible assets**

	31 Dec 2022	31 Dec 2021
Net tangible assets per ordinary security	<u>0.3 cents</u>	<u>0.6 cents</u>

**4. Control or Loss gained over entities**

On 7 July 2022, CFOAM Limited (ASX:CFO) advised that the Company had entered into a conditional agreement for the sale of its 74.34% interest in CFOAM Corp to CONSOL Energy Inc. for US\$1,000,000. On 17 August 2022, this agreement was completed.

**5. Joint ventures**

The Group is not involved in any joint ventures.

## 6. Audit qualification or review

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

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

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## 7. Attachments

*Details of attachments (if any):*

The Interim Report of CFOAM Limited for the half-year ended 31 December 2022 is attached.

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## 8. Signed



Gary Steinepreis  
Director  
Perth

Date: 20 December 2023

**CFOAM Limited**

**ABN 46 611 576 777**

**Interim Report - 31 December 2022**

**CFOAM Limited**  
**Directors' report**  
**31 December 2022**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of CFOAM Limited (referred to hereafter as the 'company' or 'parent entity') and the entity it controlled at the end of, or during, the half-year ended 31 December 2022.

**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 of the Group has been the commercialisation of the CFOAM business however, on 7 July 2022, CFOAM Limited (ASX:CFO) advised that the Company had entered into a conditional agreement for the sale of its 74.34% interest in CFOAM Corp to CONSOL Energy Inc. for a cash consideration of US\$1,000,000. On 17 August 2022, this agreement was completed.

CFO has continued to review and investigate new opportunities for investment but, at this stage, CFO has not finalised any suitable proposals.

The loss for the consolidated entity after providing for income tax amounted to US\$579,946 (2021: loss US\$1,340,065)

**Events after the reporting period**

On 12 May 2021, the Company invested A\$1,000,000 in Innovaero via a convertible note and on 16 July 2021, the Company invested a further A\$975,000 via a convertible note. The total convertible note investments were A\$1,975,000. The Company agreed to various extensions of the term of the convertible notes in support of the Innovaero business. A key term was that on maturity Innovaero would redeem the convertible notes and pay an amount equal to 1.25 times of the principal amount invested.

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

On 17 March 2023, the Company invested A\$200,000 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, increasing its position to a fully diluted 13% interest. The investment is made up of an initial A\$1,000,000 and an option to invest a further A\$500,000.

Other than as stated above, no matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Significant changes in the state of affairs**

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

**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, 20 December 2023

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

As lead auditor of the review of CFOAM Limited for the half-year ended 31 December 2022, 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.

This declaration is in respect of CFOAM Limited and the entity it controlled during the period.

A handwritten signature in black ink, appearing to read 'JW', is written over two horizontal lines.

**Jackson Wheeler**  
**Director**

**BDO Audit (WA) Pty Ltd**  
Perth  
20 December 2023

**CFOAM Limited**  
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**General information**

The financial statements cover CFOAM Limited as a consolidated entity consisting of CFOAM Limited and the entity it controlled at the end of, or during, the half-year. The financial statements are presented in United States dollars, which is CFOAM Limited's presentation currency.

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 consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 20 December 2023.

**CFOAM Limited**  
**Consolidated Statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2022**

	Note	Consolidated 31 Dec 2022 US\$	31 Dec 2021 <sup>(a)</sup> US\$
<b>Revenue</b>			
Other income		-	46
		<u>-</u>	<u>46</u>
<b>Expenses</b>			
Legal fees		(520)	(1,342)
Accounting and audit fees		(16,863)	(15,083)
Australian securities exchange fees		(12,839)	(30,959)
Other expenses		(10,253)	(8,480)
Fair value movement	3	(385,272)	-
Foreign exchange loss		-	(75,432)
Professional services		(20,117)	(41,709)
Employee salaries, consulting and benefits expense		-	(64,390)
Finance costs		(1,351)	-
Share based payments expense		-	(735)
		<u>(447,214)</u>	<u>(238,130)</u>
<b>Loss from continuing operations before income tax</b>		<b>(447,214)</b>	<b>(238,084)</b>
Income tax expense		-	-
		<u>-</u>	<u>-</u>
<b>Loss from continuing operations after income tax</b>		<b>(447,214)</b>	<b>(238,084)</b>
<b>Loss from discontinued operations after income tax</b>	9	<b>(132,732)</b>	<b>(1,101,981)</b>
		<u>-</u>	<u>-</u>
<b>Loss after income tax expense for the half-year</b>		<b>(579,946)</b>	<b>(1,340,065)</b>
<b>Other comprehensive income (loss)</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		77,106	(42,960)
		<u>77,106</u>	<u>(42,960)</u>
<b>Total comprehensive loss for the half-year</b>		<b>(502,840)</b>	<b>(1,383,025)</b>
<b>Total loss for the half-year is attributable to:</b>			
Owners of CFOAM Limited		(579,946)	(1,057,501)
Non-controlling interests		-	(282,564)
		<u>-</u>	<u>(282,564)</u>
		<b>(579,946)</b>	<b>(1,340,065)</b>
<b>Profit (Loss) per share from continuing operations</b>			
Basic profit (loss) per share		(\$0.001)	(\$0.002)
Diluted profit (loss) per share		(\$0.001)	(\$0.002)
<b>Profit (Loss) per share for loss attributable to the owners of CFOAM Limited</b>			
Basic profit (loss) per share		(\$0.001)	(\$0.002)
Diluted profit (loss) per share		(\$0.001)	(\$0.002)

(a) Comparative amounts have been restated for comparability to the current year figures due to reclassification of the results of the discontinued operation (refer Note 9)

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

**CFOAM Limited**  
**Consolidated Statement of financial position**  
**As at 31 December 2022**

		<b>Consolidated</b>	
	<b>Note</b>	<b>31 Dec 2022</b>	<b>30 Jun 2022</b>
		<b>US\$</b>	<b>US\$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		375,510	26,879
Trade and other receivables		2,152	5,014
Financial assets at fair value through profit or loss	3	1,343,995	1,365,732
Assets of disposal group classified as held for sale		-	5,317,178
<b>Total current assets</b>		<b><u>1,721,657</u></b>	<b><u>6,714,713</u></b>
<b>Non-current assets</b>			
Financial assets at fair value through profit or loss	3	669,509	1,071,771
<b>Total non-current assets</b>		<b><u>669,509</u></b>	<b><u>1,071,771</u></b>
<b>Total assets</b>		<b><u>2,391,166</u></b>	<b><u>7,786,484</u></b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		7,878	159,851
Borrowings		-	414,879
		<b><u>7,878</u></b>	<b><u>574,730</u></b>
Liabilities directly associated with assets classified as held for sale		-	3,993,825
<b>Total current liabilities</b>		<b><u>7,878</u></b>	<b><u>4,568,555</u></b>
<b>Total liabilities</b>		<b><u>7,878</u></b>	<b><u>4,568,555</u></b>
<b>Net assets</b>		<b><u>2,383,288</u></b>	<b><u>3,217,930</u></b>
<b>Equity</b>			
Issued capital	4	23,292,226	23,292,226
Non-controlling interests		-	331,802
Reserves	5	756,303	1,422,792
Accumulated losses		<u>(21,665,241)</u>	<u>(21,828,890)</u>
<b>Total equity</b>		<b><u>2,383,288</u></b>	<b><u>3,217,930</u></b>

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



**CFOAM Limited**  
**Consolidated Statement of changes in equity**  
**For the half-year ended 31 December 2022**

<b>Consolidated</b>	<b>Issued capital US\$</b>	<b>Reserves US\$</b>	<b>Accumulated losses US\$</b>	<b>Non-controlling interests US\$</b>	<b>Total equity US\$</b>
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>

<b>Consolidated</b>	<b>Issued capital US\$</b>	<b>Reserves US\$</b>	<b>Accumulated losses US\$</b>	<b>Total US\$</b>	<b>Non-controlling interests US\$</b>	<b>Total equity US\$</b>
Balance at 1 July 2021	21,686,704	2,074,671	(18,275,555)	5,485,820	771,818	6,257,638
Loss after income tax expense for the half-year	-	-	(1,057,501)	(1,057,501)	(282,564)	(1,340,065)
Other comprehensive loss for the half-year, net of tax	-	(42,960)	-	(42,960)	-	(42,960)
Total comprehensive loss for the half-year	-	(42,960)	(1,057,501)	(1,100,461)	(282,564)	(1,383,025)
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity	1,663,290	-	-	1,663,290	-	1,663,290
Costs of contributions of equity	(57,768)	-	-	(57,768)	-	(57,768)
Transactions with Non-controlling interest	-	-	-	-	-	-
Share-based payments	-	(16,655)	-	(16,655)	-	(16,655)
Balance at 31 December 2021	<u>23,292,226</u>	<u>2,015,056</u>	<u>(19,333,056)</u>	<u>5,974,226</u>	<u>489,254</u>	<u>6,463,480</u>

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

**CFOAM Limited**  
**Consolidated Statement of cash flows**  
**For the half-year ended 31 December 2022**

	<b>Consolidated</b>	
	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
	<b>US\$</b>	<b>US\$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of sales and other taxes)	-	485,768
Payments to suppliers and employees (inclusive of sales and other taxes)	(370,868)	(1,576,664)
Interest received	-	46
Interest and other finance costs paid	(1,351)	(64,805)
	<hr/>	<hr/>
Net cash used in operating activities	(372,219)	(1,155,655)
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	-	(356,504)
Receipt from government grant-plant and equipment	-	352,044
Proceeds from sale of CFOAM USA interests	1,000,000	-
Investment in Innovaero – convertible note	-	(721,793)
	<hr/>	<hr/>
Net cash provided by/(used in) investing activities	1,000,000	(726,253)
<b>Cash flows from financing activities</b>		
Proceeds from the issue of shares	-	1,512,210
Costs of the offer	-	(57,767)
Proceeds from borrowings	-	500,301
Repayment of borrowings	(414,879)	(806,677)
	<hr/>	<hr/>
Net cash provided by (used in)/provided by financing activities	(414,879)	1,148,067
Net decrease in cash and cash equivalents	212,902	(733,841)
Cash and cash equivalents at the beginning of the financial half-year	162,608	1,101,273
Effects of exchange rate changes on cash and cash equivalents	-	-
	<hr/>	<hr/>
Cash and cash equivalents at the end of the financial half-year	375,510	367,432

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

## **Note 1. Significant accounting policies**

### **Basis for Preparation**

This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2022 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 2022 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 consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The consolidated 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 Group's annual report for the year ended 30 June 2022.

## **Note 2. Operating segments**

### *Identification of reportable operating segments*

In the prior year, the Group was organised into one operating segment, being the operation of production of CFOAM. This is based on the Internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The CODM has re-assessed the business activities, performance and allocation of resources in response to the sale of CFOAM Corp. As a result of the reassessment, the Company's performance review and resources has been broken down into the two operating units for the current financial year, being CFOAM Ltd and CFOAM Corp.

### *Geographical information*

All sales and non-current assets are based in CFOAM Corp, in USA.

### *Revenue Recognition:*

Disaggregation of Revenue.

All revenue recognised during the period was recognised at a point in time for the sale of products. All revenue recorded related to sales in CFOAM Corp, in USA.

Refer to Note 9 for details regarding discontinued operation.

**Note 3. Financial assets - Investment in Innovaero Technologies Pty Ltd**

<b>Financial assets at fair value through profit or loss ("FVPL")</b>	<b>Consolidated</b>	
	<b>31 Dec 2022</b>	<b>30 June 2022</b>
	<b>US\$</b>	<b>US\$</b>
<b>Current assets</b>		
Balance at 1 July	1,365,732	775,650
Acquisition-Convertible note in Innovaero Technologies Pty Ltd (Innovaero)	-	721,793
Foreign exchange movements	(21,737)	(131,711)
Fair value movement	-	-
<b>Total financial assets at fair value</b>	<b>1,343,995</b>	<b>1,365,732</b>
<b>Non-current assets</b>		
Balance at 1 July	1,071,771	1,141,397
Acquisition-Investment in Innovaero	-	-
Foreign exchange movements	(16,990)	(69,626)
Fair value movement	(385,272)	-
<b>Total financial assets at fair value</b>	<b>669,509</b>	<b>1,071,771</b>

On 26 November 2020, the Company made a strategic investment of US\$1,141,397 (A\$1,550,000) in Innovaero Technologies Pty Ltd, an Australian Aerospace and Defence Technology business.

On 12 May 2021, the Company invested US\$775,650 (A\$1,000,000) in Innovaero via a convertible note as part of Innovaero's capital raising strategy.

On 16 July 2021, the Company invested a further US\$721,793 (A\$975,000) via a convertible note.

At 31 December 2022, the Company held an equity interest of 10.24% in Innovaero which is consistent with the prior period ending 30 June 2022. As the Directors were unable to access the financial information of the investee at reporting date, the Directors have taken the approach to fair value the investment based on recent transaction which occurred in August 2023 and settled in October 2023, whereby Innovaero restructured its business and obtained a third party investment which allowed for the repayment of the convertible note investment held by the Company.

As at 31 December 2022, 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 2022.

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>31 December 2022</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Convertible note in Innovaero	-	-	1,343,995	1,343,995
Investment in Innovaero	-	-	669,509	669,509
<b>Total Financial assets at FVPL</b>	<b>-</b>	<b>-</b>	<b>2,013,504</b>	<b>2,013,504</b>

The fair value of the Level 3 financial assets have been based on a recent transaction whereby Innovaero restructured its business and obtained a third party investment which allowed for the repayment of the convertible note investment held by the Company. The directors consider this to reflect the investments fair value at reporting date.

#### **Note 4. Issued Capital**

	<b>31 Dec 2022</b>	<b>30 Jun 2022</b>	<b>31 Dec 2022</b>	<b>30 Jun 2022</b>
	<b>Shares</b>	<b>Shares</b>	<b>US\$</b>	<b>US\$</b>
Ordinary shares - fully paid	<u>733,840,634</u>	<u>733,840,634</u>	<u>23,292,226</u>	<u>23,292,226</u>

#### *Movements in ordinary share capital*

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>Issue price</b>	<b>US\$</b>
Balance	1 July 2021	593,840,634		21,686,704
Issue of shares-placement	15 July 2021	140,000,000	US\$0.012	1,663,290
Cost of the contribution of capital				<u>(57,768)</u>
Balance	30 June 2022	<u>733,840,634</u>		<u>23,292,226</u>
Balance	31 December 2022	733,840,634		23,292,226

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.

The Company also has on issue 20,000,000 options exercisable at A\$0.03 each on or before 10 December 2023.

#### **Note 5. Reserves**

	<b>Consolidated</b>	
	<b>31 Dec 2022</b>	<b>30 June 2022</b>
	<b>US\$</b>	<b>US\$</b>
Equity reserve – non-controlling interests	-	1,350,041
Share based payment reserve – performance rights and options	537,136	537,136
Other reserve – non-controlling interests	-	(606,446)
Foreign currency reserve	<u>219,167</u>	<u>142,061</u>
	<u>756,303</u>	<u>1,422,792</u>

#### **Nature and Purpose of Reserves**

##### *(1) Equity reserve – non-controlling interests and Other reserve – non-controlling interests*

The equity reserve and other reserve represents the movement in the non-controlling interests due to the sale of the CFOAM Corp interest.

##### *(2) Share based payment reserve –performance rights*

The share based payment reserve is used to recognise the fair value of performance rights issued to employees but not converted into ordinary shares. The reserve is recognised in contributed equity when and if the relevant milestone is attained within the specified period and as a result the performance rights concerned convert to ordinary shares.

##### *Option reserve*

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

##### *(3) 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 which is in Australian dollars.

#### **Note 6. Contingencies and commitments**

There have been no changes since 30 June 2022.

**Note 7. Related party transactions**

Oakhurst Enterprises Pty Ltd, an entity associated with Gary Steinepreis, advanced A\$350,000 in February 2022 and A\$250,000 in May 2022 and being a total of US\$414,879. The loans were unsecured with an initial term of 60 days, which was extended, at an interest rate of 2.5% per annum and repaid on 18 August 2022 and the interest paid was A\$6,165 (US\$4,363).

**Note 8. Events after the reporting period**

On 12 May 2021, the Company invested A\$1,000,000 in Innovaero via a convertible note and on 16 July 2021, the Company invested a further A\$975,000 via a convertible note. The total convertible note investments were A\$1,975,000. The Company agreed to various extensions of the term of the convertible notes in support of the Innovaero business. A key term was that on maturity Innovaero would redeem the convertible notes and pay an amount equal to 1.25 times of the principal amount invested.

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

On 17 March 2023, the Company invested A\$200,000 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, increasing its position to a fully diluted 13% interest. The investment is made up of an initial A\$1,000,000 and an option to invest a further A\$500,000.

Other than as stated above, no matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Note 9: Discontinued operations**

On 16 August 2022, CFOAM Limited settled the sale of its 74.34% interest in CFOAM Corp for consideration of US\$1,000,000 to a subsidiary of CONSOL Energy Inc. The on-going funding requirements and distance from operations made it difficult to manage this business and shareholders approved the disposal on 10 August 2022. The results show the performance of the subsidiary operations for the period to settlement and effect of the deconsolidation and sale of the business.

Under AASB 5, a discontinued operation is 'A component of an entity that has either been disposed of, or is classified as held-for-sale and represents a separate major line of business'. The CFOAM Corp interest has been historically been disclosed as a reportable segment due to its significance and discrete financial information has been available.

	<b>31 Dec 2022</b>
	<b>US\$</b>
<b>Details of the disposal:</b>	
Consideration received	
US\$1,000,000 cash received for CFOAM Limited 74.34% interest	1,000,000
Non-controlling interest	345,171
Carrying value of net assets disposed	(1,293,209)
Gain on disposal of subsidiary	51,962
Loss from discontinued operations	(184,694)
<b>Total loss from discontinued operations after tax</b>	<b>(132,732)</b>

**CFOAM Limited**  
**Notes to the financial statements**  
**31 December 2022**

**Financial performance information**

	<b>31 Dec 2022</b>	<b>31 Dec 2021</b>
	<b>US\$</b>	<b>US\$</b>
<b>Revenue</b>		
Revenue from discontinued operations	57,478	521,661
Loan forgiveness	-	335,098
Department of Energy-grant cost recovery	-	18,538
	<b>57,478</b>	<b>875,297</b>
<b>Expenses</b>		
Raw materials and consumables used	(23,570)	(296,499)
Loan succession fee	(4,000)	(24,000)
Legal fees	-	(3,823)
Accounting and audit fees	-	(1,600)
Travel and associated costs	-	(2,429)
Premises lease	(15,319)	(60,962)
Supplies	(13,129)	(53,135)
Other expenses	(1,311)	(459,807)
Repairs and maintenance	(22,335)	(158,125)
Professional services	-	(70,974)
Employee salaries, consulting and benefits expense	(81,804)	(279,040)
Depreciation and amortisation expense	(72,691)	(502,079)
Finance costs	(8,012)	(64,805)
	<b>(242,172)</b>	<b>(1,977,278)</b>
Loss from discontinued operations	<b>(184,694)</b>	<b>(1,101,981)</b>
Gain on deconsolidation and sale of business	<b>51,962</b>	-
<b>Loss from discontinuing operations before income tax</b>	<b>(132,732)</b>	<b>(1,101,981)</b>
Income tax expense	-	-
<b>Loss from discontinuing operations after income tax</b>	<b>(132,732)</b>	<b>(1,101,981)</b>
<b>Carrying amount of assets and liabilities classified as held for sale:</b>		
<b>Current assets-assets of disposal groups classified as held for sale</b>		
Cash and cash equivalents	24,254	
Trade and other receivables	180,553	
Inventories	850,388	
Property, plant and equipment	4,148,073	
<b>Total assets</b>	<b>5,203,268</b>	
<b>Current liabilities-liabilities directly associated with assets classified as held for sale</b>		
Trade and other payables	214,961	
Lease liability	91,566	
Borrowings	3,603,532	
<b>Total liabilities</b>	<b>3,910,059</b>	
<b>Net assets</b>	<b>1,293,209</b>	

**CFOAM Limited**  
**Directors' declaration**  
**31 December 2022**

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 consolidated entity's financial position as at 31 December 2022 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



Gary Steinepreis  
Director

20 December 2023  
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) and its subsidiary (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, 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 half-year ended on that date, a summary of significant 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 Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2022 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 2022 based on a transaction which occurred in August 2023. Due to the period of time between the date of this transaction and the reporting date and the Company being unable to access sufficient information from Innovaero to allow for a fair value assessment to be completed as at 31 December 2022, we were unable to obtain sufficient appropriate evidence to support the fair value of the investment at reporting date. Consequently, we were unable to determine whether any adjustment to carrying value of the equity investment is necessary. Our audit opinion for the year ended 30 June 2022 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 Group's financial position as at 31 December 2022 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 (WA) Pty Ltd**

BDO

A handwritten signature in black ink, appearing to read 'Jh', is written over a horizontal line.

**Jackson Wheeler**

**Director**

Perth

20 December 2023