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Interim Financial Report & Appendix 4D

For the half-year ended
31 December 2023



Appendix 4D for the half-year ended 31 December 2023

(Previous corresponding period: Half-year ended 31 December 2022)

Results for Announcement to Market

			\$
Revenue from ordinary activities	up	10.9%	12,376,110
Loss from ordinary activities after tax attributable to the shareholders	down	37.2%	3,858,612
Loss for the year attributable to shareholders	down	37.2%	3,858,612

Dividends

No dividends have been declared for the reporting period.

Comments

The loss for the group after providing for income tax amounted to \$3,858,612 (31 December 2022: loss of \$6,141,552).

Net tangible assets

		31-Dec-23 cents per share	31-Dec-22 cents per share
Net tangible asset backing per share	down	(1.96)	(0.58)
Net assets per share	down	0.71	2.34

The financial statements have been reviewed and an unqualified conclusion has been issued.



William Tucker
Executive Director

Date: 29 February 2024

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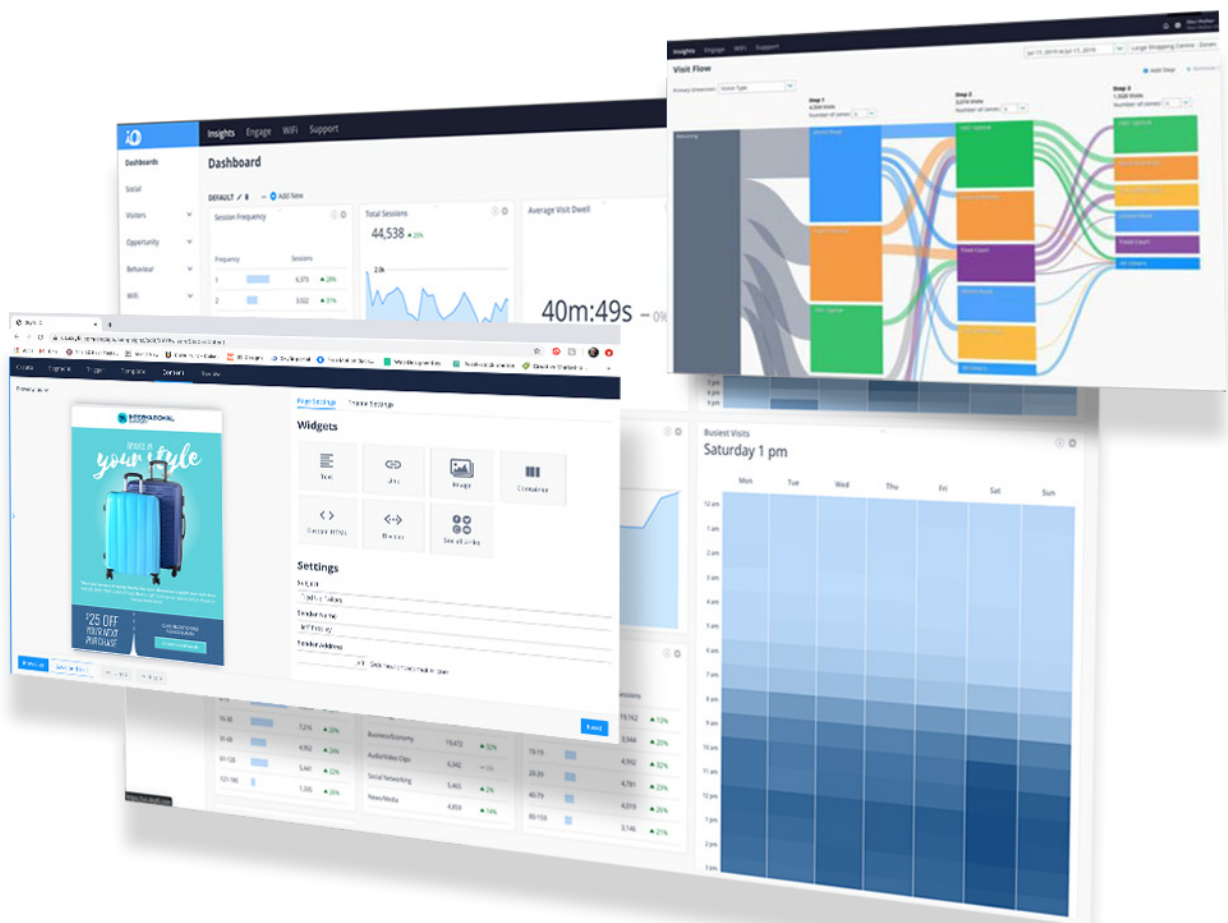
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Directors' Report

Your Directors present their report on the consolidated entity (referred to hereafter as the Group), consisting of Beonic Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2023 (1H FY24).

Directors

The names and particulars of the Directors of the Company who held office at the date of this report are:

Robert Alexander	Independent Non-Executive Chairman
Kirsty Rankin	Independent Non-Executive Director
Mark Devadason	Independent Non-Executive Director
William Tucker (appointed 13 November 2023).....	Chief Executive Officer/ Executive Director
Wayne Arthur (resigned 9 August 2023).....	Chief Executive Officer/ Executive Director
John Rankin (resigned 14 November 2023).....	Executive Officer



Review of Operations

Our Mission

To transform the experiences people have within the places they visit. By turning physical spaces into intelligent places.

Our Vision

Airport passenger numbers are forecast to double in the next 18 years (by 2042). On average, airport infrastructure projects take more than 10 years to complete and there are plans, currently, for only a modest increase in global airport infrastructure meaning that the vast majority of passenger growth will need to be accommodated through improvements in passenger flow. Beonic's IoT solutions bring together IoT sensors, cloud based data sources and AI solutions allowing Airports to dramatically increase the volume of passengers flowing smoothly through airport security and CBP (Customs and Border Protection) into their revenue engine, the retail and QSR precinct.

As well as airports, Beonic provides intelligent queue management, wayfinding and operational insights to retailers, retail malls, QSR and other crowded places.

Our platform unifies 1st and 3rd party data sources with local sensor data on one proprietary platform to provide people flow insights, including via dashboards, historical data, predictive data and alerts.

Currently, Beonic's platform works with over 35 sensor technologies including WiFi, Camera, Infrared, LiDAR, CCTV and other IoT devices. We combine these datasets with contextual data like weather, flight data, retail sales and sociodemographics to improve operational performance for airports, retailers, malls, QSR, stadiums, universities, smart cities and other public and commercial venues.

Automation and Artificial Intelligence

We continue to develop our product foundations to deliver more efficiency and automation in user report configurability, integration of external hardware and systems and advanced customer data management capabilities. Beonic is also expanding its data diversification capabilities to include:

- Airline operational database (AODB) integrations to enable more airport solutions
- Lower cost sensors to more efficiently scale across large portfolios
- Machine Learning algorithms for workforce optimisation using POS and ERP data sets
- Deep learning algorithms for greater support of new or existing camera networks

Beonic has been researching and developing AI solutions for venue operators for over six years. We utilise AI to develop new computer vision software for cameras and will continue to explore the use of AI for target verticals and new use cases. These AI solutions will enable Beonic to drive revenue growth and reduce operating costs while improving health, safety and security. These initiatives will also allow Beonic to accelerate ARR growth through more secure and efficient onboarding of customers via digital and physical data sets.

Security & Compliance

Data security and privacy continues to be at the core of our business and a top business priority. To prove our commitment to continuously evolving our security posture and capabilities, we have advanced our security initiatives to include:

- The design of a new Trust Center for building and maintaining customer trust through transparency
- Conducted an independent assessment for meeting the requirements of BS EN ISO/IEC 27001
- Achieved compliance with the Cloud Security Alliance STAR Level 1
- Expanded our cyber threat intelligence capabilities
- Implementing zero trust policies and a zero trust architecture to reduce the attack surface

We will continue to take all the necessary steps to ensure that security is embedded in our products and invest in people, processes and technologies required to protect our business.

With the growing emergence of cyber threats across the world, we continue to advance our capabilities to protect against emerging security threats and the most advanced threat actors. A persistent people centric security culture program is used to influence positive behaviour across our entire organisation and we are constantly updating training methods to reflect the changing threat landscape.

In addition, we recognise that the obligations on Beonic as a service provider represents more than just a commercial relationship and extends to our ethical commitment pertaining to dealing with people's personal information. Beonic products are centred around consumers and hence, privacy enabling features are embedded into our products.

1H FY24 Interim Financial Report

Operational Performance

During 1H FY24, Beonic continued to grow its customer footprint, securing over \$10.2m in new Total Contract Value via a range of contracts with quality customers.

The Company continues to experience strong demand for our technology (as evidenced by the recent announcement of the \$5m Abu Dhabi airport win) and the Company continues to evolve our solution offering to provide valuable operational efficiencies, improved people data and increase revenue opportunities to our clients.

Key contracts delivered in 1H FY24 include:

Abu Dhabi International Airport Contract (announced 13th November 2023)

During the period, Beonic secured, via a partnership with Next50, for Abu Dhabi International Airport's Terminal A in the United Arab Emirates. Next50, is the leading Abu Dhabi based Industrial AI company that specialises in applying AI to solve complex business challenges in the aviation sector. The contract is for an initial three-year period (with an option for a two-year extension) and has a total contract value in excess of \$5m which includes implementation revenue and ongoing recurring revenue over the term. When implemented, the airport will benefit from Beonic's leading passenger flow and queue management solutions available worldwide. It will manage all major checkpoints for departing and arriving passengers.

Beonic provides its LiDAR based passenger flow and queue management solution in many of the world's largest airports and is experiencing strong demand globally for security checkpoint solutions across airport and mass transit hub verticals.

Notable new contracts in 1H FY24

During the period the company delivered a number of meaningful new contracts wins representing a total contract value of \$10.2m including:

Abu Dhabi Airport (UAE), Portland International Airport (USA), Leroy Merlin (Brazil), Winning Appliances (APAC), Tulsa International Airport (USA), Peraton (North America), Sebrae SP (Brazil), Grupo Paulo Octavio (Brazil), The Muse Media (UAE), Nottingham Uni Sports Centre (UK) and VIS Security (UK).

Notable renewals in 1H FY24

During the period the company successfully renewed a number of customers with a total contract value of \$6.6m including:

Sicredi (Brazil), TJM (EMEA), David Jones (APAC), Nuffield (EMEA), Landsec (EMEA), Charlotte International Airport (USA) and Virgin Hotels (USA), Metropolitan Washington Airports Authority (North America), SITA (North America), Charlotte International Airport (North America), Mirva (APAC), Christchurch Airport (APAC) and Tanger Outlets (North America).

Rebrand as Beonic

The Company completed the rebranding of its registered trading name from Skyfii Limited (ASX:SKF) to Beonic Limited (ASX:BEO) during the period after shareholder approval at the Annual General Meeting held on 14 November 2023. The change reflects the Company's transition from a WiFi analytics provider to a data analytics company powered by enhanced AI and machine learning capabilities. This will better communicate our products and services to our global customer base, which has grown from retail mall customers to operators of the largest and busiest venues and transport hubs across the globe.

Appointment of Billy Tucker as CEO and Executive Director

Beonic announced the appointment of Billy Tucker as Chief Executive Officer and Executive Director of Beonic on 8 November 2023.

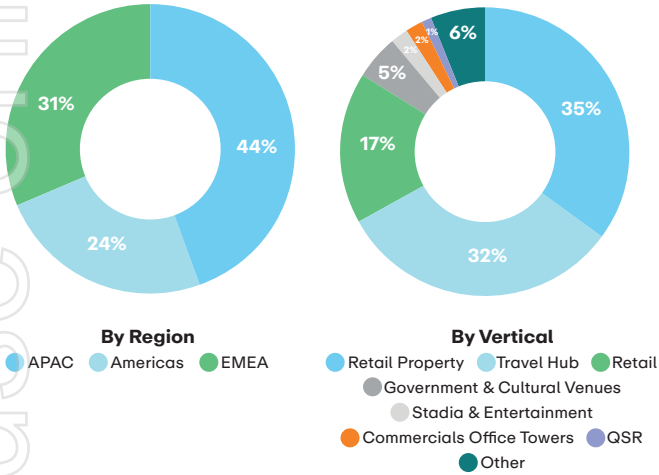
Billy is an experienced leader and transformation specialist with a career spanning over 20 years across the technology, startup, private and listed company sectors. Billy was most recently CEO of marketplace business Oneflare. Oneflare saw a threefold growth in revenues before being sold to Airtasker (ASX:ART) late in 2022. Prior to Oneflare, Billy spent almost a decade as a global executive in product and corporate development roles within Microsoft before leaving to build startup Cudo, which he ran as Founder and CEO. Billy has also served as a long-term advisor to Kmart and other retailers as well as working with QBE and American Express to build and integrate digital ventures.

Billy commenced as CEO on 13 November 2023 replacing interim CEO, Tony Karp.

Helping places respond
and adapt to people

1H FY24 Interim Financial Report

\$12.4m in Total Operating Revenue secured during 1H FY24:



Financial Performance

1H FY24 Interim Financial Report

During the half-year ended 31 December 2023 the Group generated total revenues of \$12.4m (1H FY22: \$11.2m).

Recurring Revenues for 1HFY24 of \$8.2m, an increase of 6% vs pcp (1H FY23) and the Company exited 1HFY24 with an ARR of \$16.9m.

Total operating expenses excluding depreciation, amortisation, non-cash share-based payments and finance costs increased by 5% vs pcp to \$13.5m, inline with revenue growth. Our offshoring strategy to unlock access to a larger talent pool including the opening of an engineering and operations centre in Portugal and the Philippines continues to progress. These initiatives will set the company up for long term, sustainable and cost-effective scale moving forward and are expected to generate more than \$1.0m in annualised cost savings effective 1 February 2024.

The Group reported an operating EBITDA loss (Earnings Before Interest, Tax, Depreciation, & Amortisation and adjusted to be inclusive of any R&D tax incentive grants accrued or received, and exclusive of share, option-based payments and acquisition expenses) of \$1.2m (1H FY23: \$1.7m Loss) and net loss after tax (Earnings After Interest, Tax, Depreciation & Amortisation and other Non-Cash transactions) of \$3.9m (1H FY23: \$6.1m).

1H FY24 operating cash outflows were \$0.8m, including one-off costs of \$0.7m associated with restructuring, CEO transition and rebranding (cash inflows for 1H FY23 of \$2.2m). Cashflow performance is anticipated to improve over 2H FY24 driven by the positive impact of cost saving initiatives and improved topline performance.

The Group's cash balance as at 31 December 2023 was \$1.6m (1H FY23: \$6.6m).

Post the end of the period, Beonic secured a loan facility ('the Facility') of USD \$2.1 million (~AUD\$3m) with Blue Venshures SPV 1 LLC ('Blue Venshures'). The term of the loan is two years. Funds from the Facility will be utilised in growth and restructuring initiatives and for general working capital purposes. The Facility replaced the \$1.8 million loan Beonic previously had with Export Finance Australia, which had financial covenants that required a minimum of \$3 million cash at bank during the loan facility at the end of each period. The Facility with Blue Venshures has no financial covenants and as such provides Beonic with improved capital flexibility.

Outlook for the remainder of FY24

With a strong growth pipeline, improved financial position and industry leading technology, Beonic is focused on building meaningful and sustainable cash flow generation.

Financial and operational objectives for the remaining duration of FY24 include:

- Focus on high-growth verticals of airports and retail
- Continued operating cost savings through delivery of transformation and restructuring initiatives
- Focus on marketing efforts to drive improved lead conversion
- Continued investment in new product development including further enhancements to our AI capabilities and forecasting features

Dividends paid or recommended

In respect of the half-year ended 31 December 2023, there have been no dividends paid or provided for (1H FY23: nil).

Auditor's independence declaration

The auditor's independence declaration is included on page 9 of this report and forms part of the Directors' Report for the half-year ended 31 December 2023.

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

Robert Alexander
Chairman
29 February 2024

Auditor's Independence Declaration

HALL CHADWICK  (NSW)

BEONIC LIMITED
ABN 20 009 264 699
AND CONTROLLED ENTITIES

SYDNEY

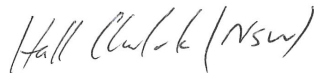
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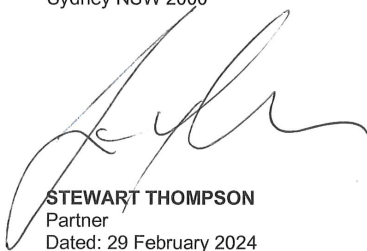
AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF BEONIC LIMITED
AND CONTROLLED ENTITIES

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Beonic Limited. As the lead audit partner for the review of the financial report of Beonic Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- i. the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- ii. any applicable code of professional conduct in relation to the review.



HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000



STEWART THOMPSON
Partner
Dated: 29 February 2024

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Consolidated statement of profit or loss and other comprehensive income For the half-year ended 31 December 2023

	Note	31-Dec-23 \$	31-Dec-22 \$
Revenue and other income			
Revenue	3	12,344,142	11,101,514
Other income	3	31,968	59,403
Total revenue		12,376,110	11,160,917
Expenses			
Direct costs of services		(4,254,449)	(2,644,226)
Employee benefits expenses	4	(6,654,458)	(7,478,058)
Contractor and consultant expenses		-	(24,001)
Marketing and promotion expenses		(425,204)	(629,552)
Travel and accommodation expenses		(201,583)	(254,490)
Office and other expenses		(1,861,185)	(1,599,621)
Directors' fees		(141,525)	(217,010)
Share based payments expense		(53,281)	(1,413,416)
Depreciation and amortisation expenses	4	(2,234,161)	(2,086,554)
Finance costs	4	(194,762)	(70,335)
Total expenses		(16,020,608)	(16,417,263)
Loss before income tax		(3,644,498)	(5,256,345)
Income tax (expense)/ benefit		(214,114)	(885,207)
Loss for the period		(3,858,612)	(6,141,552)
Other comprehensive income			
Items that will be reclassified to profit or loss when specific conditions are met:			
Exchange differences on translation of foreign operations		(217,087)	(152,929)
Total comprehensive loss for the period		(4,075,699)	(6,294,481)
Earnings per share			
Basic earnings per share	18	(0.9)	(1.4)
Diluted earnings per share	18	(0.8)	(1.3)

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

Consolidated statement of financial position As at 31 December 2023

	Note	31-Dec-23 \$	30-Jun-23 \$
Assets			
Current assets			
Cash and cash equivalents		1,588,936	3,788,281
Trade and other receivables	5	4,501,334	4,700,706
Inventories		161,528	353,501
Other assets	6	1,558,337	1,175,859
Total current assets		7,810,136	10,018,346
Non-current assets			
Fixed assets	7	839,732	865,577
Right of use assets	8	742,732	-
Intangible assets	9	11,467,597	12,134,806
Other assets	6	-	73,517
Total non-current assets		13,050,061	13,073,900
Total assets		20,860,197	23,092,246
Liabilities			
Current liabilities			
Trade and other payables	10	5,080,621	4,546,261
Borrowings	11	2,046,131	2,064,096
Provisions	12	1,459,024	1,460,229
Lease liabilities	13	117,826	-
Current tax liabilities		88,164	22,595
Contract liabilities		6,590,201	6,191,739
Total current liabilities		15,381,967	14,284,920
Non-current liabilities			
Provisions	12	553,922	497,785
Lease liabilities	13	637,185	-
Contract liabilities		1,248,468	1,248,468
Total non-current liabilities		2,439,575	1,746,253
Total liabilities		17,821,542	16,031,173
Net assets		3,038,655	7,061,073
Equity			
Contributed equity	14	50,342,228	50,342,228
Reserves	15	10,753,721	10,917,526
Accumulated losses		(58,057,293)	(54,198,681)
Total equity		3,038,655	7,061,073

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

Consolidated statement of changes in equity

For the half-year ended 31 December 2023

	Note	Contributed equity \$	Share based payments reserve \$	Share option reserve \$	Foreign currency translation reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023		50,342,228	11,779,795	51,424	(913,693)	(54,198,681)	7,061,073
Loss for the period		-	-	-	-	(3,858,612)	(3,858,612)
Exchange differences on translation of foreign operations		-	-	-	(217,087)	-	(217,087)
Total comprehensive loss for the period		-	-	-	(217,087)	(3,858,612)	(4,075,699)
Share based payments	15	-	53,281	-	-	-	53,281
Balance at 31 December 2023		50,342,228	11,833,077	51,424	(1,130,780)	(58,057,293)	3,038,655
		\$	\$	\$	\$	\$	\$
Balance at 1 July 2022		49,395,316	9,900,012	51,424	(905,597)	(43,656,434)	14,784,721
Loss for the period		-	-	-	-	(6,141,552)	(6,141,552)
Exchange differences on translation of foreign operations		-	-	-	(152,929)	-	(152,929)
Total comprehensive loss for the period		-	-	-	(152,929)	(6,141,552)	(6,294,481)
Transactions with owners in their capacity as owners:							
Exercised ESP shares		447,136	(152,536)	-	-	-	294,600
Share based payments		-	1,413,416	-	-	-	1,413,416
Balance at 31 December 2022		49,842,452	11,160,892	51,424	(1,058,526)	(49,797,986)	10,198,255

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

Consolidated statement of cashflows

For the half-year ended 31 December 2023

	31-Dec-23	31-Dec-22
	\$	\$
Cashflows from operating activities		
Receipts from customers	12,795,398	15,862,355
Payments to suppliers and employees	(13,329,092)	(13,563,378)
Repayment of receipts from government R&D tax incentive	(43,439)	81,608
Interest received	31,740	22,803
Interest paid	(194,762)	(70,335)
Income tax paid	(58,207)	(83,442)
Net cash (outflow)/inflow from operating activities	(798,361)	2,249,611
Cashflows from investing activities		
Payments for plant and equipment	(192,830)	(378,041)
Payments for intangible assets	(1,341,421)	(1,378,639)
Refunds for security deposits	-	4,118
Payments for security deposits	(46,732)	-
Net cash (outflow) from investing activities	(1,580,983)	(1,752,561)
Cashflows from financing activities		
Proceeds from issue of shares, net of capital raising costs	-	75,228
Proceeds from borrowings	1,330,000	1,800,000
Repayment of borrowings	(1,150,000)	(880,000)
Net cash inflow from financing activities	180,000	995,228
Net (Decrease)/ increase in cash	(2,199,344)	1,492,278
Cash at the beginning of the period	3,788,281	5,122,538
Cash at the end of the period	1,588,936	6,614,816

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

Notes to the financial statements

For the half-year ended 31 December 2023

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

1. Summary of Significant Accounting Policies

(a) Basis of preparation of interim financial report

These general purpose interim financial statements for the half-year reporting period ended 31 December 2023 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. Beonic Limited is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Beonic Limited and its controlled entities (referred to as the “consolidated group” or “group”). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual

financial statements of the Group for the year ended 30 June 2023, together with any public announcements made during the following half-year. The accounting policies adopted in the preparation of the consolidated interim financial statements are consistent with those adopted in the Group’s annual financial report for the year ended 30 June 2023, with the addition of the following:

New and Amended Accounting Standards Adopted by the Group

The Group has considered the implications of new and amended accounting standards and determined that their application to the financial statements is either not relevant or not material.

(b) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires

Notes to the financial statements

For the half-year ended 31 December 2023

management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the interim financial report, are disclosed in the 2023 Annual Report.

(c) Accounting standards issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the current reporting period. The Group has assessed the impact of these new standards and interpretations and does not expect that initial application will affect any of the amounts recognised in the financial report, but may change the disclosures presently made in relation to the Group.

(d) Going concern

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

The Group continues to be in the research, development and commercialisation stage of its data analytics technology and services. During the half-year ended 31 December 2023, the Group incurred a loss after tax of \$3,858,612 and as of that date, has current liabilities in excess of current assets by \$7,571,831, this includes borrowings of \$1,800,000 that relate to the Export Finance Australia loan that was refinanced on 25 January 2024 and contract liabilities of \$6,590,201, relating to software licence revenue received in advance. These contract liabilities are amortised over the software licence period. On 31 December 2023, the Group had a surplus in net assets of \$3,038,655.

On 25 January 2024, the Company announced that it had secured a loan facility of USD \$2.1 million (~AUD\$3m) with Blue Venshures SPV 1 LLC. The term of the loan is two years. The funds from the facility will be utilised in growth and restructuring initiatives and for general working capital purposes. The facility replaced the \$1.8 million loan Beonic previously had with Export Finance Australia.

The ability of the Group to pay its trade creditors, continue its planned activities and maintain its going concern status is dependent on the Group continuing to grow revenue, reduce costs and raise additional debt or equity funds, as required. As at the date of this report, the directors are satisfied that there are reasonable grounds to believe that the Group will be able to operate as a going concern by continuing to grow revenue, reduce costs and raising further funds as required. In forming this view, the directors of the Company have considered the ability of the Company to generate sufficient revenues and raise funds as required by way of future capital raisings.

There are inherent uncertainties associated with growing revenue and the successful completion of capital raisings. Should the directors not be able to manage these inherent uncertainties and successfully secure funding as required, there would be significant uncertainty as to whether the Group would be able to meet its debts as and when they fall due and therefore continue as a going concern.

Management have prepared cashflow projections that support the Group's ability to continue as a going concern.

The Directors of the Company consider that the cashflow projections and assumptions are reasonable, and in the longer term, significant revenues will be generated from the further commercialisation of intellectual property, and accordingly, the Group will be able to continue as a going concern.

In the event that the Group is unable to achieve the above, such circumstances would indicate that a material uncertainty exists that may cast significant doubt as to whether the Group will continue as a going concern and therefore may not be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the interim financial report.

Notes to the financial statements

For the half-year ended 31 December 2023

2. Operating Segments

The Group operates predominantly in three geographical segments, being the development and commercialisation of data analytics, marketing and advertising services to its customers in APAC, Americas and EMEA. The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

1H FY24	APAC	Americas	EMEA	Total
Revenue	5,474,997	3,007,470	3,861,675	12,344,142
Other income	28,511	2,844	613	31,968
Total revenue	5,503,508	3,010,314	3,862,288	12,376,110
Segment net profit	3,602,200	1,978,724	2,540,737	8,121,661
Employee benefits expense				(6,654,458)
Depreciation and amortisation expenses				(2,234,161)
Other Expenses				(2,682,778)
Finance Costs				(194,762)
Loss before tax				(3,644,498)
Income tax benefit				(214,114)
Loss for the year				(3,858,612)
1H FY23	APAC	Americas	EMEA	Total
Revenue	4,968,858	3,459,115	2,673,541	11,101,514
Other income	50,155	9,248	-	59,403
Total revenue	5,019,013	3,468,363	2,673,541	11,160,917
Segment net profit	3,811,933	2,653,711	2,051,047	8,516,691
Employee benefits expense				(7,478,058)
Depreciation and amortisation expenses				(2,086,554)
Other Expenses				(4,138,090)
Finance Costs				(70,335)
Loss before tax				(5,256,345)
Income tax benefit				(885,207)
Loss for the year				(6,141,552)

Notes to the financial statements

For the half-year ended 31 December 2023

3. Revenue

	31-Dec-23	31-Dec-22
	\$	\$
Revenue from operations	12,344,142	11,101,514
Government grants	-	36,600
Interest income	31,968	22,803
Total other income	31,968	59,403
Total revenue	12,376,110	11,160,917

4. Expenses

	31-Dec-23	31-Dec-22
	\$	\$
Employee		
Salaries and related expenses (including superannuation)	6,501,625	7,371,803
Other employment costs	152,833	106,255
Total employee benefits expense	6,654,458	7,478,058
Depreciation and amortisation		
Plant and equipment	225,532	123,614
Software development amortisation	2,008,630	1,962,940
Total depreciation and amortisation expenses	2,234,161	2,086,554
Finance costs		
Interest expense	194,762	70,355

5. Trade and other receivables

	31-Dec-23	30-Jun-23
	\$	\$
Current		
Trade receivables	4,217,638	3,891,240
Provision for expected credit losses	(21,825)	(62,398)
Total trade receivables and other receivables	4,195,813	3,828,842
Other debtors	305,576	871,864
Total current trade and other receivables	4,501,334	4,700,706

Notes to the financial statements

For the half-year ended 31 December 2023

6. Other assets

	31-Dec-23	30-Jun-23
	\$	\$
Current		
Prepayments	1,483,926	883,256
Security Deposits	56,777	10,045
Other assets	17,634	282,557
Non Current		
Prepayments	-	73,517
Total current other assets	1,558,337	1,249,376

7. Fixed assets

	31-Dec-23	30-Jun-23
	\$	\$
Non-current		
Fixed assets – at cost	3,896,309	3,790,089
Accumulated depreciation	(3,056,577)	(2,924,512)
Total carrying value of plant and equipment	839,732	865,577

8. Right of use assets

	31-Dec-23	30-Jun-23
	\$	\$
Non-current		
Right of use assets – at cost	781,823	-
Accumulated depreciation	(39,091)	-
Total carrying value of right of use assets	742,732	-

The right-of-use asset is in respect of a lease of the Sydney head office. The lease term is 5 years including an option to extend.

Notes to the financial statements

For the half-year ended 31 December 2023

9. Intangible assets

Reconciliations of the carrying amount of intangible assets at the beginning and end of the current and previous period are set out below:

	31-Dec-23	30-Jun-23
	\$	\$
Non-current		
Software development – at cost	19,596,659	18,255,238
Accumulated depreciation	(14,171,262)	(12,981,199)
Carrying value of software development	5,425,397	5,274,038
Customer contracts - at cost	2,250,176	2,250,176
Accumulated amortisation	(1,546,998)	(1,428,507)
Carrying value of customer contracts	703,178	821,669
Trademarks & Brand names - at cost	3,197,342	3,197,342
Accumulated amortisation	(1,853,148)	(1,624,774)
Carrying value of trademarks & brand names	1,344,194	1,572,568
Software - at cost	5,249,637	5,249,637
Accumulated amortisation	(4,292,650)	(4,057,236)
Carrying value of software	956,987	1,192,401
Customer relationships - at cost	4,282,765	4,282,765
Accumulated amortisation	(1,344,595)	(1,130,457)
Carrying value of customer relationships	2,938,170	3,152,308
Patents - at cost	221,494	221,494
Accumulated amortisation	(121,822)	(99,672)
Carrying value of patents	99,672	121,822
Total carrying value of intangible assets	11,467,597	12,134,806

Notes to the financial statements

For the half-year ended 31 December 2023

10. Trade and other payables

	31-Dec-23	30-Jun-23
	\$	\$
Current		
Trade payables	4,094,220	4,139,921
Sundry payables	986,401	406,339
Total trade and other payables	5,080,621	4,546,261

11. Borrowings

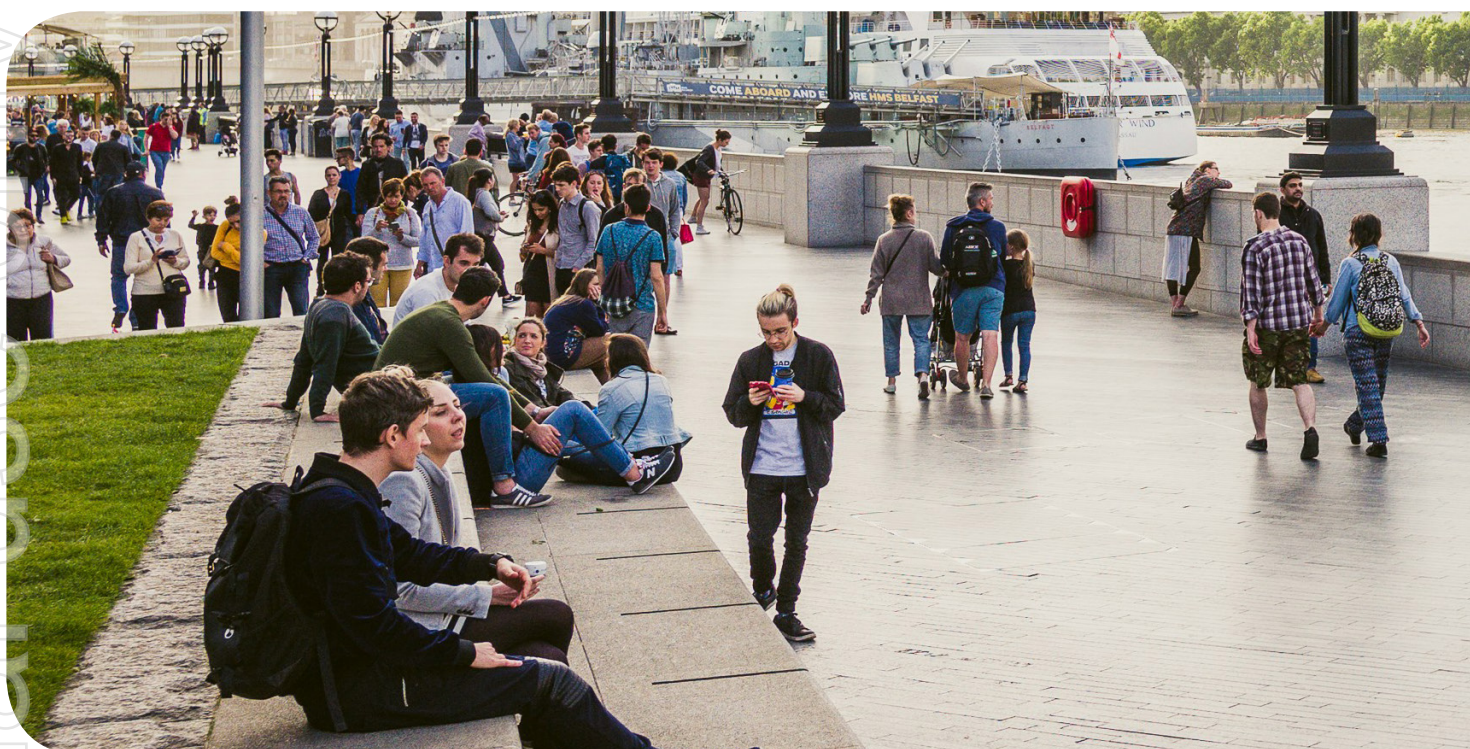
	31-Dec-23	30-Jun-23
	\$	\$
Borrowings	2,046,131	2,064,096
Total borrowings	2,046,131	2,064,096

12. Provisions

	31-Dec-23	30-Jun-23
	\$	\$
Current		
Employee Benefits	1,459,024	1,460,228
Non-Current		
Employee Benefits	553,922	497,785
Total provisions	2,012,946	1,958,014

13. Lease liabilities

	31-Dec-23	30-Jun-23
	\$	\$
Current		
Lease liabilities	117,826	-
Non-Current		
Lease liabilities	637,185	-
Total lease liabilities	755,011	-



14. Contributed equity

(a) Share capital

	31-Dec-23	30-Jun-23	31-Dec-23	30-Jun-23
	Number	Number	\$	\$
Ordinary shares	429,288,162	431,788,162	50,342,228	50,342,288
Total share capital			50,342,228	50,342,228

(b) Movements in ordinary share capital

	Date	Number	Average price	\$
Reconciliation to 30 June 2023:				
Balance at 1 January 2023		435,228,726		49,842,452
Movements in ordinary shares:				
Conversion of EOP options to ordinary shares	11-Jan-23	1,304,478	\$0.165	215,559
Conversion of EOP options to ordinary shares	30-Jan-23	2,069,773	\$0.155	320,280
FPO shares buy-back	24-Apr-23	(1,864,815)	\$0.000	-
ESP shares buy-back	24-Apr-23	(2,600,000)	\$0.000	-
ESP shares buy-back	27-Jun-23	(1,050,000)	\$0.000	-
ESP shares buy-back	29-Jun-23	(1,300,000)	\$0.000	-
Prior year adjustment	30-Jun-23	-	\$0.000	(36,063)
Balance at 30 June 2023		431,788,162		50,342,228

Notes to the financial statements

For the half-year ended 31 December 2023

	Date	Number	Unit price	\$
Reconciliation to 31 December 2023:				
Balance at 1 July 2023		431,788,162		50,342,228
Movements in ordinary shares:				
ESP share buyback	29-Dec-23	(2,500,000)	\$0.000	-
Balance at 31 December 2023		429,288,162		50,342,228

(c) Employee Share Plan (ESP)

Information relating to the Employee Share Plan can be found in the Company's annual report for the year ended 30 June 2023.

(d) Executive Option Plan (EOP)

Information relating to the Executive Option Plan can be found in the Company's annual report for the year ended 30 June 2023.

Notes to the financial statements

For the half-year ended 31 December 2023

15. Equity – reserves

	31-Dec-23	30-Jun-23
	\$	\$
Share based payment reserve movements		
Balance at the beginning of the period	11,779,795	9,900,012
Share based payment expense	53,281	1,879,783
Balance at the end of the period	11,833,076	11,779,795
Share option reserve movements		
Balance at the beginning of the period	51,424	51,424
Balance at the end of the period	51,424	51,424
Foreign currency translation reserve movements		
Balance at the beginning of the period	(913,693)	(905,597)
Currency translation differences arising during the period	(217,087)	(8,096)
Balance at the end of the period	(1,130,780)	(913,693)
Total reserves	10,753,721	10,917,526



Notes to the financial statements

For the half-year ended 31 December 2023

16. Contingent liabilities

There are no contingent liabilities as at 31 December 2023.

17. Events occurring after the reporting date

On 25 January 2024, the Company announced that it had secured a loan facility with Blue Venshures SPV 1 LLC. The funds from the facility will be utilised in growth and restructuring initiatives and for general working capital purposes. The facility replaced the \$1.8 million loan Beonic previously had with Export Finance Australia, which had financial covenants that required a minimum of \$3 million cash at bank during the loan facility at the end of each quarter. The Facility with Blue Venshures has no financial covenants and as such provides Beonic with improved capital flexibility.

- Loan amount: USD \$2.1 million loan facility (“the Facility”). The Facility is financed through the issue by Blue Venshures of promissory notes to investors on the same terms as the terms of the Facility (other than the Arrangement Fee referred to below). Beonic CEO and Executive Director (Billy Tucker) and Chair (Bob Alexander) have contributed to the Facility alongside other Beonic senior management and a former Director, by subscribing for an aggregate of A\$1 million of the promissory notes on the same commercial terms as the other investors.
- Loan Term: 2 years, no amortisation of principal with US\$2.1m repaid after 2 years
- Interest Rate: 15% p.a. paid quarterly
- Arrangement Fee: 3% of principal
- Fee on Repayment: 5% of principal on maturity or early repayment. There are no other early prepayment fees.
- Security: Blue Venshures SPV 1 LLC has 1st Ranking Security over Beonic Ltd and its subsidiaries

There are no other matters or circumstances that have arisen since 31 December 2023 that have significantly affected, or may significantly affect:

- the consolidated entity’s operations in future financial years, or
- the results of those operations in future financial years, or
- the consolidated entity’s state of affairs in future financial affairs.

18. Earnings per share (EPS)

	31-Dec-23	31-Dec-22
	Cents per share	Cents per share
(a) Basic earnings per share		
Basic EPS attributable to ordinary equity holders of the Company	(0.9)	(1.4)
(b) Diluted earnings per share	(0.8)	(1.3)
(c) Weighted average number of shares used as the denominator	Number	Number
Weighted average number of ordinary shares used in calculating basic EPS	431,760,988	438,735,791
Weighted average number of dilutive options outstanding	49,537,505	57,852,205
Weighted average number of ordinary shares used in calculating diluted EPS	481,298,493	496,587,997
(d) Reconciliation of earnings used in calculating earnings per share	\$	\$
Loss attributable to the ordinary equity holders of the Company used in calculating basic EPS	(4,075,699)	(6,294,481)

Directors' Declaration

In the Directors' opinion:

The financial statements and notes, as set out on pages 10 to 24, are in accordance with the Corporations Act 2001, including:

- Complying with Accounting Standard AASB 134: Interim Financial Reporting; and
- Giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date.
- 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 Directors.

On behalf of the Directors,



Robert Alexander
Chairman

29 February 2024



Independent Auditor's review report

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HALL CHADWICK  (NSW)

BEONIC LIMITED
ABN 20 009 264 699
AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
BEONIC LIMITED AND CONTROLLED ENTITIES

SYDNEY
Level 40
2 Park Street
Sydney NSW 2000
Australia
Ph: (612) 9263 2600
Fx: (612) 9263 2800

Report on the Half-year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Beonic Limited (the company) and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, 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, notes to the financial statements including a summary of significant accounting policies, other explanatory information, and the directors' declaration.

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 Beonic Limited does not comply with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of Beonic Limited 's financial position as at 31 December 2023 and of its 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 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 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.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(d) in the financial report, which indicates that the Group incurred a net loss of \$3,858,612 during the half-year ended 31 December 2023, and as of that date, the Group's current liabilities exceeded its current assets by \$7,571,831. As stated in Note 1(d), these events or conditions, along with other matters as set forth in Note 1(d), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' Responsibility for the Half-Year Financial Report

The directors of Beonic Limited 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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Independent Auditor's review report

HALL CHADWICK  (NSW)

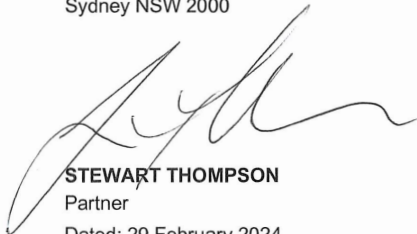
Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 31 December 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.



HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000



STEWART THOMPSON
Partner
Dated: 29 February 2024

Corporate Directory

Company Directors

Robert Alexander..... Independent Non-Executive Chairman
Kirsty Rankin Independent Non-Executive Director
Mark Devadason Independent Non-Executive Director
William Tucker Chief Executive Officer/Executive Director

Company Secretary

Pia Rasal

Registered Office

Suite 411, 50 Holt Street
Surry Hills NSW 2010
Telephone: +61 2 8188 1188

Share Registry

Boardroom Pty Limited
Level 8
210 George Street
Sydney NSW 2000

Auditors

Hall Chadwick
Level 40
2 Park Street
Sydney NSW 2000

Securities exchange listing

Beonic Limited shares are listed on the Australian Securities Exchange
(Listing code: BEO)

Website

www.beonic.com



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No smoking

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PEOPLE + PLACES

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Helping places respond
and adapt to people