# SupraG Holdings Ltd

**ABN 36653752580**

## Annual Report - 30 June 2022

**SupraG Holdings Ltd**
**Directors' report**
**30 June 2022**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of SupraG Holdings Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2022.

**Principal activities**
The consolidated entity's activities are focused on the development of disruptive graphene-based technologies for the next generation of energy storage solutions.

**Dividends**
There were no dividends paid, recommended or declared during the current financial year.

**Review of operations**
The loss for the consolidated entity after providing for income tax amounted to $353,228.

**Significant changes in the state of affairs**
The consolidated entity was incorporated in September 2021.

In December 2021 SupraG Holdings Ltd entered into an asset sale agreement with SupraG Energy Pty Ltd to purchase all assets of the vendor including equipment, contracts, records and Intellectual Property of the vendor (note 16).

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

**Matters subsequent to the end of the financial year**
No matter or circumstance has arisen since 30 June 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.

**Likely developments and expected results of operations**
Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

**Environmental regulation**
The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

**Meetings of directors**
The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2022, and the number of meetings attended by each director were:

| | Full Board | | Audit and Risk Committee | |
|---|---|---|---|---|
| | Attended | Held | Attended | Held |
| Brett Jackson (resigned 30 March 2022) | 1 | 1 | - | - |
| Stuart Douglas (appointed 16 September 2021) | 4 | 4 | - | - |
| Yufei Wang (resigned 30 March 2022) | 1 | 1 | - | - |
| Kathryn Presser (appointed 8 April 2022) | 3 | 3 | - | - |
| Benjamin Spincer (appointed 8 April 2022) | 3 | 3 | - | - |
| Jon Colquhoun (appointed 8 June 2022) | 1 | 1 | - | - |

Held: represents the number of meetings held during the time the director held office.

The Audit and Risk Committee was established on 30 June 2022 and no meetings were held during the year ended 30 June 2022.

The members of Audit and Risk Committee are:

Jon Colquhoun (Chair)
Kathryn Presser
Ben Spincer

## Shares under option

There were no unissued ordinary shares of SupraG Holdings Ltd under option outstanding at the date of this report.

## Shares issued on the exercise of options

The following ordinary shares of SupraG Holdings Ltd were issued during the year ended 30 June 2022 and up to the date of this report on the exercise of options granted:

| Date options granted | Exercise price | Number of shares issued |
|---|---|---|
| 22 January 2022 | $0.00001 | 23,262,052 |

## Indemnity and insurance of officers

During the financial year, there was no premium paid 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.

## Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

## Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to 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 part of those proceedings.

## 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 immediately after this directors' report.

## Auditor

BDO Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Kathryn Presser
Chair

16 November 2022

Tel: +61 8 7324 6000
Fax: +61 8 7324 6111
**www.bdo.com.au**

BDO Centre
Level 7, 420 King William Street
Adelaide SA 5000
GPO Box 2018 Adelaide SA 5001
Australia

# DECLARATION OF INDEPENDENCE
# BY ANDREW TICKLE
# TO THE DIRECTORS OF SUPRAG HOLDINGS LTD

As lead auditor of SupraG Holdings Ltd for the period ended 30 June 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of SupraG Holdings Ltd and the entities it controlled during the period.

Andrew Tickle
Director

**BDO Audit Pty Ltd**

Adelaide, 16 November 2022

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**SupraG Holdings Ltd**
**Statement of profit or loss and other comprehensive income**
**For the year ended 30 June 2022**

| | Note | Consolidated 16 September 2021 to 30 June 2022 $ |
|---|---|---|
| **Revenue** | | |
| Sales | | 2,264 |
| Total revenue | | 2,264 |
| **Expenses** | | |
| Professional services fees | | (125,774) |
| Employee benefits expense | | (125,143) |
| Depreciation and amortisation | | (33,079) |
| Occupancy | | (32,821) |
| Other expenses | | (38,675) |
| Total expenses | | (355,492) |
| **Loss before income tax expense** | | (353,228) |
| Income tax expense | 4 | - |
| **Loss after income tax expense for the year attributable to the owners of SupraG Holdings Ltd** | 15 | (353,228) |
| Other comprehensive income for the year, net of tax | | - |
| **Total comprehensive income for the year attributable to the owners of SupraG Holdings Ltd** | | (353,228) |

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

**SupraG Holdings Ltd**
**Statement of financial position**
**As at 30 June 2022**

| | Note | Consolidated 2022 $ |
|---|---|---|
| **Assets** | | |
| **Current assets** | | |
| Cash and cash equivalents | 5 | 831,063 |
| Trade and other receivables | 6 | 9,761 |
| Other | 8 | 11,916 |
| Total current assets | | 852,740 |
| **Non-current assets** | | |
| Property, plant and equipment | 9 | 236,600 |
| Right-of-use assets | 7 | 526,467 |
| Intangibles | 10 | 88,231 |
| Other | 8 | 45,000 |
| Total non-current assets | | 896,298 |
| **Total assets** | | 1,749,038 |
| **Liabilities** | | |
| **Current liabilities** | | |
| Trade and other payables | 11 | 78,485 |
| Lease liabilities | 12 | 77,571 |
| Provisions | 13 | 18,042 |
| Total current liabilities | | 174,098 |
| **Non-current liabilities** | | |
| Lease liabilities | 12 | 425,545 |
| Total non-current liabilities | | 425,545 |
| **Total liabilities** | | 599,643 |
| **Net assets** | | 1,149,395 |
| **Equity** | | |
| Issued capital | 14 | 1,205,237 |
| Business combination reserve | 16 | 297,386 |
| Accumulated losses | 15 | (353,228) |
| **Total equity** | | 1,149,395 |

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

**SupraG Holdings Ltd**
**Statement of changes in equity**
**For the year ended 30 June 2022**

| **Consolidated** | **Issued capital $** | **Reserves $** | **Retained profits $** | **Total equity $** |
|---|---|---|---|---|
| Balance at 1 July 2021 | - | - | - | - |
| Loss after income tax expense for the year | - | - | (353,228) | (353,228) |
| Other comprehensive income for the year, net of tax | - | - | - | - |
| Total comprehensive income for the year | - | - | (353,228) | (353,228) |
| *Transactions with owners in their capacity as owners:* | | | | |
| Contributions of equity, net of transaction costs (note 14) | 1,205,237 | - | - | 1,205,237 |
| Business combination (note 16) | - | 297,386 | - | 297,386 |
| Balance at 30 June 2022 | 1,205,237 | 297,386 | (353,228) | 1,149,395 |

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

**SupraG Holdings Ltd**
**Statement of cash flows**
**For the year ended 30 June 2022**

| | Note | Consolidated 16 September 2021 to 30 June 2022 $ |
|---|---|---|
| **Cash flows from operating activities** | | |
| Payments to suppliers and employees (inclusive of GST) | | (264,447) |
| Net cash used in operating activities | | (264,447) |
| **Cash flows from investing activities** | | |
| Payments for property, plant and equipment | 9 | (22,365) |
| Payments for intangibles | 10 | (4,130) |
| Net cash used in investing activities | | (26,495) |
| **Cash flows from financing activities** | | |
| Proceeds from issue of shares | 14 | 1,200,005 |
| Repayment of lease liabilities | | (33,000) |
| Payments for rental bond | | (45,000) |
| Net cash from financing activities | | 1,122,005 |
| Net increase in cash and cash equivalents | | 831,063 |
| Cash and cash equivalents at the beginning of the financial year | | - |
| Cash and cash equivalents at the end of the financial year | 5 | 831,063 |

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

## Note 1. General information

The financial statements cover SupraG Holdings Ltd as a consolidated entity consisting of SupraG Holdings Ltd and the entities it controlled at the end of, or during, the period between 16 September 2021 and 30 June 2022. The consolidated entity was incorporated on 16 September 2021 and as such this is the first period reported by the entity.

The financial statements are presented in Australian dollars, which is SupraG Holdings Ltd's functional and presentation currency.

SupraG Holdings Ltd is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 1, 1 Tonsley Boulevard, Clovelly Park SA 5042

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 _____November 2022. The directors have the power to amend and reissue the financial statements.

## Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below.

### New or amended Accounting Standards and Interpretations adopted
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.

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

### Basis of preparation
These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities.

*Historical cost convention*
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

*Critical accounting estimates*
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

### Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 19.

### Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of SupraG Holdings Ltd ('company' or 'parent entity') as at 30 June 2022 and the results of all subsidiaries for the year then ended. SupraG Holdings Ltd and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

**Note 2. Significant accounting policies (continued)**

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

**Revenue recognition**
The consolidated entity recognises revenue as follows:

*Revenue from contracts with customers*
Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

*Sale of goods*
Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

*Interest*
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

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

**Income tax**
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

**Note 2. Significant accounting policies (continued)**

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

**Current and non-current classification**
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

**Associates**
Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the consolidated entity's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The consolidated entity discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

**Note 2. Significant accounting policies (continued)**

**Going Concern**
The financial report has been prepared on the basis of a going concern. The consolidated entity's ability to continue as a going concern is contingent upon generation of cash flow from its business and/or successfully raising additional capital. If sufficient cashflow is not generated and/or additional capital funds are not raised, the going concern basis may not be appropriate, with the result that the consolidated entity may have to realise its assets and extinguish liabilities, other than in the course of ordinary business and at amounts different from those stated in the financial report. No allowance for such circumstances has been made in the financial report.

**Impairment of non-financial assets**
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

**Goods and Services Tax ('GST') and other similar taxes**
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

**Note 3. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

*Estimation of useful lives of assets*
The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

*Impairment of non-financial assets other than goodwill and other indefinite life intangible assets*
The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

## Note 3. Critical accounting judgements, estimates and assumptions (continued)

*Impairment of property, plant and equipment*
The consolidated entity assesses impairment of property, plant and equipment at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

*Income tax*
The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

*Recovery of deferred tax assets*
Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

*Employee benefits provision*
As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

*Lease make good provision*
A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

## Note 4. Income tax expense

| | **Consolidated 16 September 2021 to 30 June 2022 $** |
|---|---|
| *Numerical reconciliation of income tax expense and tax at the statutory rate* | |
| Loss before income tax expense | (353,228) |
| | |
| Tax at the statutory tax rate of 25% | (88,307) |
| | |
| Tax effect amounts which are not deductible/(taxable) in calculating taxable income: | |
| Amortisation of intangibles | 1,563 |
| | |
| | (86,744) |
| Current year tax losses not recognised | 79,488 |
| Current year temporary differences not recognised | 7,256 |
| | |
| Income tax expense | - |

**Note 4. Income tax expense (continued)**

| | Consolidated 2022 $ |
|---|---|
| *Tax losses not recognised* | |
| Unused tax losses for which no deferred tax asset has been recognised | 317,950 |
| Potential tax benefit @ 25% | 79,488 |

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

| | Consolidated 2022 $ |
|---|---|
| *Deferred tax assets not recognised* | |
| Deferred tax assets not recognised comprises temporary differences attributable to: | |
| Employee benefits | 2,011 |
| Provision for lease make good | 2,500 |
| Accrued expenses | 3,250 |
| Other | 2,979 |
| Total deferred tax assets not recognised | 10,740 |

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

**Note 5. Cash and cash equivalents**

| | Consolidated 2022 $ |
|---|---|
| *Current assets* | |
| Cash on hand | 4 |
| Cash at bank | 831,059 |
| | 831,063 |

*Accounting policy for cash and cash equivalents*
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**Note 6. Trade and other receivables**

| | Consolidated 2022 $ |
|---|---|
| *Current assets* | |
| Trade receivables | 2,490 |
| BAS receivable | 7,271 |
| | 9,761 |

## Note 6. Trade and other receivables (continued)

*Accounting policy for trade and other receivables*
The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

## Note 7. Right-of-use assets

| | Consolidated 2022 $ |
|---|---:|
| *Non-current assets* | |
| Land and buildings - right-of-use | 548,922 |
| Less: Accumulated depreciation | (22,455) |
| | 526,467 |

*Accounting policy for right-of-use assets*
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

## Note 8. Other

| | Consolidated 2022 $ |
|---|---:|
| *Current assets* | |
| Prepayments | 11,683 |
| Other current assets | 233 |
| | 11,916 |
| *Non-current assets* | |
| Rental Bond | 45,000 |
| | 56,916 |

## Note 9. Property, plant and equipment

| | Consolidated 2022 $ |
|---|---|
| *Non-current assets* | |
| Plant and equipment - at cost | 227,670 |
| Less: Accumulated depreciation | (3,713) |
| | 223,957 |
| | |
| Office equipment - at cost | 13,302 |
| Less: Accumulated depreciation | (659) |
| | 12,643 |
| | |
| | 236,600 |

*Reconciliations*
Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

| Consolidated | Plant and equipment $ | Office equipment $ | Total $ |
|---|---|---|---|
| Balance at 1 July 2021 | - | - | - |
| Additions | 15,636 | 13,302 | 28,938 |
| Additions through business combinations (note 16) | 212,034 | - | 212,034 |
| Depreciation expense | (3,713) | (659) | (4,372) |
| | | | |
| Balance at 30 June 2022 | 223,957 | 12,643 | 236,600 |

*Accounting policy for property, plant and equipment*
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

| | |
|---|---|
| Plant and equipment | 2-20 years |

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

## Note 10. Intangibles

| | Consolidated 2022 $ |
|---|---|
| *Non-current assets* | |
| Patents - at cost | 94,482 |
| Less: Accumulated amortisation | (6,251) |
| | |
| | 88,231 |

## Note 10. Intangibles (continued)

*Reconciliations*
Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

| **Consolidated** | Patents $ | Total $ |
|---|---|---|
| Balance at 1 July 2021 | - | - |
| Additions | 4,130 | 4,130 |
| Additions through business combinations (note 16) | 90,352 | 90,352 |
| Amortisation expense | (6,251) | (6,251) |
| Balance at 30 June 2022 | 88,231 | 88,231 |

*Patents*
Significant costs associated with patents are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

## Note 11. Trade and other payables

| | **Consolidated 2022 $** |
|---|---|
| *Current liabilities* | |
| Trade payables | 65,485 |
| Accrued Expenses | 13,000 |
| | 78,485 |

*Accounting policy for trade and other payables*
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

## Note 12. Lease liabilities

| | **Consolidated 2022 $** |
|---|---|
| *Current liabilities* | |
| Lease liability | 77,571 |
| *Non-current liabilities* | |
| Lease liability | 425,545 |
| | 503,116 |

| | |
|---|---|
| *Future lease payments* | |
| Future lease payments are due as follows: | |
| Within one year | 77,571 |
| One to five years | 352,713 |
| More than five years | 72,832 |
| | 503,116 |

**Note 12. Lease liabilities (continued)**

*Accounting policy for lease liabilities*
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

**Note 13. Provisions**

| | Consolidated 2022 $ |
|---|---|
| *Current liabilities* | |
| Annual leave | 8,042 |
| Lease make good | 10,000 |
| | 18,042 |

*Lease make good*
The provision represents the present value of the estimated costs to make good the premises leased by the consolidated entity at the end of the respective lease terms.

*Accounting policy for provisions*
Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

*Accounting policy for employee benefits*

*Short-term employee benefits*
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

**Note 14. Issued capital**

| | Consolidated | |
|---|---|---|
| | 2022 Shares | 2022 $ |
| Ordinary shares - fully paid | 70,000,000 | 1,205,237 |

## Note 14. Issued capital (continued)

*Movements in ordinary share capital*

| Details | Date | Shares | Issue price | $ |
|---|---|---|---|---|
| Balance | 1 July 2021 | 4 | | 4 |
| Allotment of shares post incorporation | | 26,737,944 | $0.00018 | 5,000 |
| Allotment of shares from exercised options | | 23,262,052 | $0.00001 | 233 |
| Round 1 Capital Raising | | 20,000,000 | $0.06000 | 1,200,000 |
| Balance | 30 June 2022 | 70,000,000 | | 1,205,237 |

*Ordinary shares*
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

*Accounting policy for 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.

## Note 15. Accumulated losses

| | Consolidated 2022 $ |
|---|---|
| Retained profits at the beginning of the financial year | - |
| Loss after income tax expense for the year | (353,228) |
| Accumulated losses at the end of the financial year | (353,228) |

## Note 16. Business combinations

In December 2021 SupraG Holdings Ltd entered into an asset sale agreement with SupraG Energy Pty Ltd to purchase all assets of the vendor including equipment, contracts, records and Intellectual Property of the vendor. The total consideration transferred was 26,737,944 ordinary fully paid shares ($5,000). Both SupraG Holdings Ltd and SupraG Energy Pty Ltd are controlled by the same parties. As such this transaction is a business combination under common control.

## Note 16. Business combinations (continued)

Details of the acquisition are as follows:

| | Fair value $ |
|---|---|
| Plant and equipment | 212,034 |
| Intellectual property | 90,352 |
| Acquisition-date book value of the total consideration transferred | 302,386 |
| Representing: | |
| SupraG Holdings Ltd shares issued to SupraG Energy Pty Ltd | 5,000 |
| Business combination reserve | 297,386 |
| | 302,386 |

*Accounting policy for business combinations under common control*
A business combination under common control is a business combination in which all of the combining businesses are ultimately controlled by the same party both before and after the combination.

A book value method is applied to all business combinations under common control that do not affect non-controlling shareholders of the receiving company. In the book value method the company uses the book-values from the transferred company to measure the assets and liabilities received. Any difference between the consideration paid and the book value of assets and liabilities received is recognised as a increase (or decrease) within the Company’s equity as movement in the Business Combination Reserve.

All assets, liabilities, income and expenses from the transferred company are recognised prospectively from the date of the combination without restating pre-combination information.

## Note 17. Share-based payments

On 21 December 2021, the company issued 26,737,944 of shares to SupraG Energy Pty Ltd with a total value of $5,000 as consideration for the business combination (note 16).

## Note 18. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by , the auditor of the company:

| | Consolidated 16 September 2021 to 30 June 2022 $ |
|---|---|
| *Audit services -* | |
| Audit or review of the financial statements - SupraG Holdings | 12,500 |
| Audit or review of the financial statements - SupraG Energy | 17,500 |
| | 30,000 |

## Note 19. Parent entity information

Set out below is the supplementary information about the parent entity.

*Statement of profit or loss and other comprehensive income*

| | Parent 16 September 2021 to 30 June 2022 $ |
|---|---|
| Loss after income tax | (43,226) |
| Total comprehensive income | (43,226) |

*Statement of financial position*

| | Parent 2022 $ |
|---|---|
| Total current assets | 831,062 |
| Total assets | 1,459,397 |
| Total current liabilities | - |
| Total liabilities | - |
| Equity | |
| Issued capital | 1,205,237 |
| Business combination reserve | 297,386 |
| Accumulated losses | (43,226) |
| Total equity | 1,459,397 |

*Guarantees entered into by the parent entity in relation to the debts of its subsidiaries*
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2022.

*Contingent liabilities*
The parent entity had no contingent liabilities as at 30 June 2022.

*Capital commitments - Property, plant and equipment*
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2022.

*Significant accounting policies*
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

## Note 20. Interests in subsidiaries

Interests in associates are accounted for using the principles outlined in note 2. Information relating to subsidiaries of the consolidated entity are set out below:

| Name | Principal place of business / Country of incorporation | Ownership interest 2022 % |
|---|---|---|
| SupraG International Pty Ltd | Australia | 100.00% |
| SupraG IP Co Pty Ltd | Australia | 100.00% |

## Note 21. Related party transactions

*Parent entity*
SupraG Holdings Ltd is the parent entity.

*Associates*
Interests in associates are set out in note 20.

*Transactions with related parties*
The following transactions occurred with related parties:

| | Consolidated 16 September 2021 to 30 June 2022 $ |
|---|---|
| Payment for goods and services: | |
| Payment for services from GDC Consulting* | 60,853 |

* Gary Carroll, the Chief Executive Officer of the consolidated entity is a director of GDC Consulting Pty Ltd. The payments made are in accordance with his CEO service contract.

*Receivable from and payable to related parties*
There were no trade receivables from or trade payables to related parties at the reporting date.

*Loans to/from related parties*
There were no loans to or from related parties at the reporting date.

*Terms and conditions*
All transactions were made on normal commercial terms and conditions and at market rates.

## Note 22. Events after the reporting period

No matter or circumstance has arisen since 30 June 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.

**SupraG Holdings Ltd**
**Directors' declaration**
**30 June 2022**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosures, 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 30 June 2022 and of its performance for the financial 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 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Kathryn Presser
Chair

16 November 2022

Tel: +61 8 7324 6000
Fax: +61 8 7324 6111
**www.bdo.com.au**

BDO Centre
Level 7, 420 King William Street
Adelaide SA 5000
GPO Box 2018 Adelaide SA 5001
Australia

# INDEPENDENT AUDITOR'S REPORT
# TO THE MEMBERS OF SUPRAG HOLDINGS LTD

## Report on the Audit of the Financial Report

### Opinion

We have audited the financial report of SupraG Holdings Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 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 period then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of SupraG Holdings Ltd, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the period ended on that date; and

(ii) Complying with Australian Accounting Standards – Simplified Disclosures 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 are independent of the Group in accordance with 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 Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

### Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the directors report, 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 on the other information obtained prior to the date of this auditor's report, 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 Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures 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 ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has 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.

A further description of our responsibilities for the audit of the financial report at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of our auditor's report.

BDO

**BDO Audit Pty Ltd**

Andrew Tickle
Director

Adelaide, 16 November 2022