



ANNUAL REPORT

For the 12 months to
30 June 2023

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PuriflOH Limited

ABN: 11 124 426 339

Directors

Mr. Carl Le Souef (Chairman)

Mr. Jonathan (Jon) Evans (Executive Director) – resigned 10 July 2023

Dr. Alexei (Alex) Sava (Technical Director)

Mr. Simon Lill (Non-Executive Director)

Company Secretary

Mr. Simon Lill – resigned 14 March 2024

Mr. Adam Gallagher – appointed 14 March 2024

Registered Office

Level 3, 2-4 Ross Place,
South Melbourne, Victoria 3205

Telephone : (03) 9673 9690

Facsimile: (03) 9673 9699

Email: corporate@PuriflOH.com

Website: www.PuriflOH.com

Securities Exchange Listing

The Company's securities are listed on the official list of the Australian Securities Exchange Limited.

ASX Stock Code: PO3

Share Registry

Automatic Group

Address: Automatic GPO Box 5193 Sydney NSW 2001

Telephone within Australia: 1300 288 664

Telephone outside of Australia: +61 2 9698 5414

Auditors

PKF Brisbane Audit

Level 2,

66 Eagle Street

BRISBANE QLD 4000

Solicitors

Steinepreis Paganin

Level 4, The Read Buildings

16 Milligan Street

PERTH WA 6000

CHAIRMAN'S LETTER

PurifLOH Limited
Annual Financial Report
For the 12 months ended 30 June 2023

Dear Shareholders

On behalf of the board, we accept responsibility and share in the frustration and disappointment of shareholders in the state of affairs that has left our securities in suspension for an extended time period. We are now working in earnest to resolve these matters so we can move forward. We are working to complete any outstanding reports and lodgements with a view to lifting the suspension and continuing as a listed Company as soon as possible.

Whilst we have been suspended from quotation though, the Company has continued earnestly to progress with its technologies in conjunction with its current and emerging partners and this has resulted in promising progress.

During the 2023 financial we continued to advance the commercial application of our innovative Free Radical Generation ("FRG") technology with a focus in the treatment of water, arguably the most significant sector of the applicable target market for the Company. Our development and commercial efforts have been spearheaded by our Senior Technical Manager, Mr. Vigneswaran Appia, based in Australia, with support from the Board of Directors, including the lauded scientific Director, Dr Alex Sava. The path to commercialisation entails a series of critical steps, including internal and external laboratory scale tests, collaborative efforts with Australian and American councils for pilot installations, and the development of tailored PFAS removal solutions for deployment worldwide and this has been progressing well.

I have and will continue to make the required funding available to support the Company's activities through Dilato Holdings, and I am confident in our ability to capitalise on the opportunities that lie ahead. With our dedicated team, innovative technologies, and financial backing, we are well-positioned to work towards our near-term goal of delivering sustainable growth and value creation for our shareholders.

Sincerely



Carl Le Souef
Chairman

Your directors submit their report on the consolidated entity comprising of PuriflOH Limited ("the Company") and controlled entity ("the consolidated entity", "the Group") for the year ended 30 June 2023.

Information on Directors

The names and details of the Company's directors in office during the financial period and until the date of this report are as follows. Where applicable, all current and former directorships held in public listed companies over the last three years have been detailed below:

Directors were in office for this entire period unless otherwise stated.

Carl Le Souef

Chairman – Appointed Chairman 18 September 2020

Mr. Carl Le Souef is a founding partner and co-owner of Somnio Global. He oversaw the restructuring of PuriflOH (previously known as Water Resources Group Limited) during 2013/2014, which resulted in Dilato Holdings Pty Limited emerge as the major shareholder of PuriflOH, a position it still retains. Dilato Holdings is Mr. Le Souef's private investment company. Mr. Le Souef was previously the sole owner and CEO of one of Australia's largest privately owned FMCG organisations, Private Formula International, a global operation that included Australia's number one selling skincare range at the time, Dr LeWinn's Private Formula. In 2009, he negotiated the sale of the company to a US based pharmaceutical major. Mr. Le Souef maintains an executive role in Somnio Global and in the management of his family office investments.

Dr. Alexei (Alex) Sava

Technical Director – Appointed 22 April 2021

Inventor of the aerosol hydrogen peroxide disinfection process ('nanonebulant'), that became a core technology of ASX200 company, Nanosonics Limited (NAN.ASX), Dr. Sava also has extensive experience commercialising his inventions in numerous international markets. This has provided Dr Sava with strong regulatory and commercial experience which will be of specific relevance to the Company as it embarks on commercial execution.

Dr. Sava holds the following credentials:

- M.Sc. in Chemical Engineering from the Ukrainian Academy of Science;
- Ph.D. in Physical Chemistry from the Ukrainian Academy of Science;
- Over 35 years' experience in microbiology, chemistry and biochemistry;
- Holding over 100 international patents; and
- Authoring over 50 scientific articles

Dr. Sava has achieved commercial execution with the following inventions:

- Aerosol hydrogen peroxide disinfection process ('nanonebulant');
- Fast and economical assay of biological and chemical contaminants in hospitals, hotels and residential premises;
- World-first pathogen-disinfecting technologies based on symbiotic mixtures of natural enzymes with biocides. Achieving manyfold reduction in concentration of toxic biocides without compromising biocidal efficacies – one of the friendliest to the environment disinfection processes available to hospitals worldwide.

Jonathan (Jon) Evans –

Executive Director - Appointed 29 October 2020, resigned 10 July 2023

Mr. Evans brings a wide and deep range of experience in healthcare, medical research and the innovation and commercialisation of IP and related technology solutions across the Australian and broader Asia Pacific Region. His career spans over 30 years, including as CEO of an Australian Hospital Group; Director of a State-based Infectious Disease Reference Laboratory; CEO of Tellimed Health Services; Director of Health Strategy and Innovation for Victorian Government; Managing Partner of Fitzroy Health Asia Pacific and most recently as Managing Director, APAC Health Solutions Group. Mr Evans is also chairman of CEMTAS Australia.

Simon Lill

Non-Executive Director – Appointed 2 September 2013

Mr. Lill has a background of over 30 years of stockbroking, capital raising, management, business development and analysis for a range of small and start-up companies, in both the manufacturing and resources industries. He has assisted Mr. Le Souef in the restructuring of the Company in 2013 and has managed the Company's Australian affairs since that time. He has similarly assisted the restructure of De Grey Mining Limited from his appointment in 2013 and is now Chairman of that Company.

In the 3 years prior to the date of this report Mr. Lill has been, or is, a director of the following:

- De Grey Mining Limited (appointed 2 October 2013)
- Iris Metals Limited (appointed 29 December 2020)
- Nimy Resources Limited (appointed 16 August 2021)

Company Secretary

Adam Gallagher

Company Secretary – Appointed 14 March 2024

Mr. Gallagher is a highly experienced company secretary, director and executive with a broad corporate skillset. He provides wide-ranging governance services to public companies through his firm Applied Corporate Governance Partners which he founded in 2008. Adam holds Graduate Diplomas in Applied Corporate Governance and Information Systems, a Masters in Commerce and a Bachelor of Economics and he is a Fellow of the Governance Institute of Australia

Dividends

No dividends were paid or declared for payment from the beginning of the financial period to the time of issuing this report.

Principal Activities

PuriflOH Limited ("PuriflOH", "PO3" or "Company"), conducts research and commercialisation activities based on its Free Radical Generator ("FRG") technology for a range of applications across these primary opportunities:

- Indoor air purification;
- Surface Disinfection;
- Water sanitation; and
- Medical sterilisation.

The FRG technology produces a range of Reactive Oxygen Species ("ROS") that include the hydroxyl radical ($\text{OH}\cdot$), superoxide radical (O_2^-), oxygen radical ($\text{O}\cdot$) and the ozone molecule – all of which are amongst the most highly oxidative species known.

The effectiveness of oxidising radicals in purification, sanitation and sterilisation has long been known. The challenge for widespread adoption has been reliable and cost-effective production of the radicals themselves. The radicals have a short half-life and as a result they cannot be stored nor transported. To deploy and maximise the power of these radicals requires a robust, reliable and cost-effective in-situ production system.

The Company's ongoing development program aims to provide systems and products using its core technology, the objective of these applications is the purification of air, the disinfection of surfaces, the purification of water and then ability to sterilise medical equipment and facilities.

The Company has continued product development of the ACERT (Air Conditioner Treatment) and Air purifier products. In the water treatment sector, the Company has setup a water pre-treatment module in conjunction with its partner Osmoflo for continued testing of Reverse Osmosis pre-treatment and other contaminant removal. In addition, the Company has also been conducting R&D into surface disinfection and sterilisation in non-medical settings as an infection mitigation tool.

Operating and Financial Review

Company Overview

The Company reported a net loss for the 12 months to 30 June 2023 of \$388,853 (30 June 2022 restated: net loss of \$376,623).

The net operating cash-flow deficit for the 12 months to 30 June 2023 was \$207,039 (30 June 2022: deficit of \$504,326).

The Company's loss has increased from the previous 12-month period as its R&D and commercialisation activities increased under the leadership of Dr. Alex Sava. These efforts have significantly advanced the Company's readiness for near-term commercialisation and generated increased interest from its current and emerging partner network. The Company is determined to work towards commercialisation of its technologies during the 2024 calendar year. While longer-term funding alternatives are being considered, the Company continued to retain the financial support of Dilato Holdings through extensions to their loan Agreement, currently until 30 June 2025.

Review of Operations

- The Company has increased its Research activities in Australia and has explored surface disinfection and sterilisation from its Australian R&D base.
- Commercialisation efforts have progressed further with ACERT and Air purifier products.
- The Company has limited its focus to products and applications requiring lower time and investment to reach commercial outcomes.
- The Company has improved its relationship with its water treatment partner, Osmoflo and conducted a series of water treatment experiments.

Product Development

- Primary focus has been in commercialisation of existing product-worthy pro-types.
- Product development capability and capacity has become the key focus of company development.

Commercialisation

- The Company continues to cultivate relationships with key OEMs in the air and water purification sectors/markets whilst now developing the ACERT technology which it believes is ready for market.
- The Company plans to explore manufacturing of some key technological pieces and products towards commercial sale independent of OEMs.

Many of the products the Company is developing represent new, heretofore, unproven technology. Commercialising these products carries significant amounts of risk. Acquiring companies (PuriflOH's customers) need to validate the applications before they can be introduced to new markets and, in some cases, understand the impact on existing products that will be displaced by the new. This can be time consuming and require expensive on-going development costs. Investors should understand the risks as they try to ascertain probable future returns.

Significant Changes in the State of Affairs

There were no significant changes to the Company's state of affairs.

Significant Events after the Balance Date

On 10 July 2023, Mr. John Evans resigned from the Company. It was agreed to issue Mr. Evans 150,000 shares in the Company in lieu of outstanding fees (subject to the shareholder approval at the next AGM).

On 22 May 2024, the Directors resolved to convert the significant portion of the liabilities owed by PuriflOH to Dilato, and to Directors Simon Lill and Dr Sava and former Director Mr Jon Evans, to shares (subject to the shareholder approval at the next AGM).

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Likely Developments and Expected Results

The Company is seeking to commercialise its Free Radical Generator, specifically in the following areas:

- Indoor air purification;
- Water sanitation; and
- Surface sterilisation.

The commercialisation timelines of new technology is typically uncertain and is subject to the trials and due diligence of interested parties.

Environmental Regulation and Performance

There have been no significant known breaches of the Company's licence conditions or any environmental regulations to which it is subject.

Share Options

Unissued shares

During the year ended 30 June 2023, there were no options issued, expired or on issue.

Shares issued as a result of the exercise of options

No shares were issued as a result of the exercise of options during the financial period.

Indemnification and Insurance of Officers and Auditor

During or since the financial period, the Company has paid premiums in respect of a contract insuring all the directors of PuriflOH Limited against legal costs incurred in defending proceedings for conduct other than:

- (a) A wilful breach of duty
- (b) A contravention of sections 182 or 183 of the Act, as permitted by section 199B of the Act.

The Company has suitable Indemnification and Insurance of Officers and Auditors in place.

Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

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

Directors Meetings

As a small board and team, the Directors are in regular contact with each other and the Company's management. Formal decisions are documented by resolution as required. As such the board has not held formal meetings and consequently, the number of meetings of directors (including meetings of committees of directors) held during the period and the numbers of meetings attended by each director were as follows:

Director	No. of Meetings eligible to attend	No. of Meetings attended
Carl Le Souef	0	0
Simon Lill	0	0
Alex Sava	0	0
Jon Evans	0	0

Committee Membership

As at the date of this report, the Board has not held any Committee Meetings for audit or governance purposes. It has considered that the scale of its operations were such that all matters could be handled by the Board and Management. It plans to implement such Committees as and when the scale of its operations demands.

Remuneration Report (Audited)

This remuneration report for the twelve months ended 30 June 2023 outlines the remuneration arrangements of the Company in accordance with the requirements of the *Corporations Act 2001* (Cth) (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for key management personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

There are no KMP's with Executive Agreements at the end of the Financial Period.

Board payments were \$6,000 per month paid to Mr. Simon Lill being for Board and Company Secretary duties. Dr. Sava and Mr. Jon Evans are paid consultancy fees, inclusive of Board fees, for their roles within the Company as disclosed within the Remuneration Report. Mr. Carl Le Souef does not receive any fees.

Key Management Personnel

As at 30 June 2023

Mr. Jon Evans	Executive Director
Dr Alex Sava	Executive Director
Mr. Simon Lill	Non-Executive Director
Mr. Carl Le Souef	Non-Executive Chairman

Other than the Directors, no other Key Management Personnel were identified for the year-ended 30 June 2023.

Remuneration Policy

The Board is responsible for determining and reviewing compensation arrangements for the Directors. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and executive team. The Company does not link the nature and amount of the emoluments of such officers to the Company's financial or operational performance. The expected outcome of this remuneration structure is to retain and motivate Directors.

As part of its Corporate Governance Policies and Procedures, the Board has been guided by a formal Remuneration Committee Charter. Due to the current size of the Company and number of directors, the Board has elected not to create a separate Remuneration Committee but has instead decided to undertake the function of the Committee as a full Board under the guidance of the formal charter.

The rewards for Directors have no set or pre-determined performance conditions or key performance indicators as part of their remuneration due to the current nature of the business operations. The Board determines appropriate levels of performance rewards as and when they consider rewards are warranted. The Company has no policy on executives and directors entering into contracts to hedge their exposure to options or shares granted as part of their remuneration package.

The Company's constitution and the ASX listing rules specify that the Non-Executive Director fee pool shall be determined from time to time by a general meeting. The latest determination was at the 2009 annual general meeting (AGM) held on 30 July 2010 when shareholders approved an aggregate fee pool of \$350,000 per year. The Board may determine from time to time that these fees may be settled by the issue of shares and/or options, subject to shareholder approval.

Details of Remuneration

Details of the nature and amount of each element of the emolument of each Director and Executive of the Company, including all key management personnel as required by the *Corporations Act 2001*, for the 12 months to 30 June 2023 are below in Table 1 (2023) and Table 2 (2022).

The overall level of compensation takes into account the performance of the Company over a number of years and includes both financial and non-financial measures of performance. In the period since the current Board commenced their work the Company has had low levels of corporate activity and fees have been commensurate with limited activity.

Analysis of bonuses included in remuneration

There were no short-term cash bonuses paid during the reporting period or the prior reporting period.

Options over equity instruments granted as compensation

There were no options granted in the 12 months to 30 June 2023 (2022: Nil).

Key management personnel's interests in the Company at the date of this report

As at the date of this Report or until KMP resigned from the Company, the relevant interest of each director in the shares and options of the Company is as follows:

Director	Ordinary Shares		Options over Ordinary Shares	
	Direct	Indirect	Direct	Indirect
Carl Le Souef	-	18,409,194	-	-
Simon Lill	288,720	-	-	-
Jon Evans	15,400	-	-	-
Alex Sava	103,950	-	-	-

Company Performance and Remuneration

Company Performance

The Company's Earnings Per Share (EPS), shown in the table below, is an indication of Company performance through the last 5 financial years, including the current period ended 30 June 2023.

	30 June 2018	30 June 2019	30 June 2020	30 June 2021	30 June 2022 (Restated)	30 June 2023
EPS (cents)	(2.686)	(11.251)	(14.389)	(9.796)	(1.195)	(1.217)

Company Performance Link to Remuneration

There is no direct company performance measure determining fixed remuneration.

Mr. Simon Lill (Director) is paid a fee for specific secretarial and administrative purposes at a rate of \$6,000 per month. These have been accrued during the year-ended 30 June 2023. Mr. Carl Le Souef is not paid any director fees as he agreed to waive those fees on 22 November 2019. Alex Sava and Jon Evans are paid for Executive Services as identified within the remuneration report.

There were no Short Term Incentive Performance ("STIP") or Long Term Incentive Performance ("LTIP") determined for any executives.

Share based Remuneration of Key Management Personnel

There were no shares issued from the exercise of options awarded as remuneration during the period.

Executive Contractual Arrangements

There are no other contractual arrangements and service agreements with any key management personnel.

Remuneration of Key Management Personnel

Table 1: Remuneration for the year ended 30 June 2023

	Short-term benefits				Post-employment benefits		Share-based payments		Total \$	Performance related %
	Salary & fees \$	Cash bonus \$	Non-monetary benefits \$	Other \$	Super-annuation \$	Retirement benefits \$	Options \$	Shares \$		
Non-executive directors										
Carl Le Souef	-	-	-	-	-	-	-	-	-	0%
Simon Lill	72,000	-	-	-	-	-	-	-	72,000	0%
Total	72,000	-	-	-	-	-	-	-	72,000	0%
Executive directors										
Jon Evans	110,004	-	-	-	-	-	-	-	110,004	0%
Alex Sava	120,000	-	-	-	-	-	-	-	120,000	0%
Total	230,004	-	-	-	-	-	-	-	230,004	0%
Total	302,004	-	-	-	-	-	-	-	302,004	0%

Table 2: Remuneration for the year ended 30 June 2022

	Short-term benefits				Post-employment benefits		Share-based payments		Total \$	Performance related %
	Salary & fees \$	Cash bonus \$	Non-monetary benefits \$	Other \$	Super-annuation \$	Retirement benefits \$	Options \$	Shares \$		
Non-executive directors										
Carl Le Souef	-	-	-	-	-	-	-	-	-	0%
Simon Lill	72,000	-	-	-	-	-	-	-	72,000	0%
Total	72,000	-	-	-	-	-	-	-	72,000	0%
Executive directors										
Jon Evans	110,004	-	-	-	-	-	-	-	110,004	0%
Alex Sava	133,082	-	-	-	-	-	-	-	133,082	0%
Total	243,086	-	-	-	-	-	-	-	243,086	0%
Total	315,086	-	-	-	-	-	-	-	315,086	0%

Use of remuneration consultants

Due to the current state of operations, no remuneration consultants were engaged during the current year.

Voting and comments made at the Company's 2022 Annual General Meeting ('AGM')

At the 2022 AGM, 98.8% of the votes supported the adoption of the remuneration report for the year ended 30 June 2022. The Company did not receive any specific feedback at the AGM regarding its remuneration practices. The Company will finalise, lodge and distribute its 2023 Notice of Annual General Meeting following lodgement of its 2023 Annual Report.

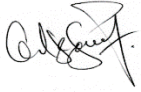
End of remuneration report.

Auditor Independence and Non-Audit Services

Our auditor, PKF Brisbane Audit has provided the Board of Directors with an independence declaration in accordance with Section 307C of the *Corporations Act 2001*. The independence declaration is included on page 12.

Non-audit services

The directors confirm no non-audit services were provided by the entity's auditor, PKF Brisbane Audit.



Signed in accordance with a circular resolution of the directors.

Carl Le Souef
Director
Perth, 28 June 2024

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF PURIFLOH LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Purifloh Limited and the entities it controlled during the year.

PKF

PKF BRISBANE AUDIT



SHAUN LINDEMAN
PARTNER

BRISBANE
28 JUNE 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the twelve months ended 30 June 2023

	Note	30 June 2023 \$	30 June 2022 (Restated) \$
Revenue			
Revenue from continuing operations		5,240	79,729
Other Income			
Somnio Global – Debt forgiveness		431,157	-
Realised FX Gain		-	147
Unrealised FX Gain		334,563	696,494
Total Other Income		770,960	776,370
Expenses			
Research and Development – Somnio		-	(79,729)
Accounting and audit	6	(157,815)	(158,940)
Other Expenses	6	(732,040)	(867,818)
Consultants expense – share-based payments		(195,000)	-
Finance costs		(74,958)	(46,506)
Total expense		(1,159,813)	(1,152,993)
Profit/(Loss) before income tax		(388,853)	(376,623)
Income tax expense	7	-	-
Net profit/(loss) for the period		(388,853)	(376,623)
Other Comprehensive Income			
Items that may be reclassified to profit or loss			
Exchange differences on translating foreign operations		(359,469)	(764,108)
Total Comprehensive Income/(Loss) for the period		(748,322)	(1,140,731)
Attributable to owners of the parent entity		(748,322)	(1,140,731)
Basic earnings Profit/(loss) per share (cents)	8	(1.217)	(1.195)
Diluted earnings Profit/(loss) per share (cents)	8	(1.217)	(1.195)

See Note 5 for details of the restatement as a result of an error.

The Consolidated Statement of Profit or Loss and Other Comprehensive Income above should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Note	30 June 2023 \$	30 June 2022 (Restated) \$	1 July 2021 (Restated) \$
Assets				
Current Assets				
Cash and cash equivalents	9	9,239	16,912	30,218
Trade and other receivables		14,678	7,357	24,871
Prepayments		12,302	12,447	17,609
Total Current Assets		36,219	36,716	72,698
Non-Current Assets				
Intangible assets - trade marks		60,026	63,663	67,555
Total Non-Current Assets		60,026	63,663	67,555
Total Assets		96,245	100,379	140,253
Liabilities				
Current Liabilities				
Trade and other payables	10	2,077,417	1,802,453	1,192,323
Borrowings – Dilato	10	-	-	151,589
Total Current Liabilities		2,077,417	1,802,453	1,343,912
Non-Current Liabilities				
Borrowings – Dilato	10	916,540	642,315	-
Total Non-Current Liabilities		916,540	642,315	-
Total Liabilities		2,993,957	2,444,768	1,343,912
Net Assets/(Liabilities)		(2,897,712)	(2,344,389)	(1,203,659)
Equity/ (Shareholders' Deficit)				
Contributed equity	11	84,547,846	84,352,846	84,352,846
Foreign exchange translation reserve		(489,270)	(129,800)	634,308
Accumulated losses		(86,956,288)	(86,567,435)	(86,190,812)
Total Equity/ (Shareholders' Deficit)		(2,897,712)	(2,344,389)	(1,203,659)

See Note 5 for details of the restatement as a result of an error.

The Consolidated Statement of Financial Position above should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the 12 months ended 30 June 2023

	Contributed Equity	Foreign Currency Translation Reserve	Accumulated losses	Total
	\$	\$	\$	\$
Balance at 30 June 2022 (Restated)	84,352,846	(129,800)	(86,567,435)	(2,344,389)
Shares issued	195,000	-	-	195,000
Profit/(Loss) for the period	-	-	(388,853)	(388,853)
Other comprehensive income	-	(359,469)	-	(359,469)
Total comprehensive income (loss) for the period	-	(359,469)	(388,853)	(748,322)
Balance at 30 June 2023	84,547,846	(489,269)	(86,956,288)	(2,897,712)

For the 12 months ended 30 June 2022

	Contributed Equity	Foreign Currency Translation Reserve	Accumulated losses	Total
	\$	\$	\$	\$
Balance at 30 June 2021	84,352,846	634,308	(86,055,084)	(1,067,930)
Correction of error (Note 5)	-	-	(135,728)	(135,729)
Balance at 1 July 2021 (restated)	84,352,846	634,308	(86,190,812)	(1,203,659)
Profit/(Loss) for the period (Restated)	-	-	(376,623)	(376,623)
Other comprehensive income	-	(764,108)	-	(764,108)
Total comprehensive income (loss) for the period (Restated)	-	(764,108)	(376,623)	(1,140,731)
Balance at 30 June 2022 (Restated)	84,352,846	(129,800)	(86,567,435)	(2,344,389)

See Note 5 for details of the restatement as a result of an error.

The Consolidated Statement of Changes in Equity above should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the 12 months ended 30 June 2023

	Note	30 June 2023 \$	30 June 2022 \$
Cash flows related to operating activities			
Receipts from customers		5,240	79,729
Payments for research and development and other expenditure		(212,279)	(584,055)
Net operating cash flows	13	(207,039)	(504,326)
Cash flows related to financing activities			
Proceeds from Dilato Facility		199,346	490,726
Net financing cash flows		199,346	490,726
Net increase / (decrease) in cash held		(7,693)	(13,600)
Net foreign exchange differences		20	294
Cash and cash equivalents at beginning of the period		16,912	30,218
Cash and Cash Equivalents at the end of the period	9	9,239	16,912

The Consolidated Statement of Cash Flows above should be read in conjunction with the accompanying notes.

FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General Information

The consolidated financial statements and notes represent those of PuriflOH Limited (“the Company” or “PO3”) and its Controlled Entity (“the Consolidated Entity” or “Group”).

The separate financial statements of the Parent Entity, PuriflOH Limited, have not been presented within this financial report as permitted by the *Corporations Act 2001*. Supplementary information about the parent entity is disclosed in Note 18.

PuriflOH Limited is a public company, incorporated and domiciled in Australia. The Company listed on the Australian Securities Exchange (ASX) on 30 December 2010. PuriflOH Limited’s registered office and principal place of business: Level 3, 2 - 4 Ross Place, South Melbourne, Victoria 3205

The financial report was authorised for issue in accordance with a resolution of the directors on 27 June 2024. The nature of operations and principal activities of the Company are described in the Director’s Report and Chairman’s Review.

Basis of Preparation

PuriflOH Limited and its controlled entity is a for-profit entity for the purpose of preparing the financial statements.

The financial report is a general purpose financial report which has been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report has been prepared on the basis of historical cost except for derivative financial instruments which are carried at fair value. All amounts are presented in Australian dollars. Australian dollars is the Company’s functional and presentation currency.

Statement of Compliance

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board.

Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the Parent (PuriflOH Limited) and all of the subsidiaries. Subsidiaries are entities the Parent controls. The Parent controls an entity when it 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 over the entity. A list of the subsidiaries is provided in Note 19.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as “non-controlling interests”. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary’s net assets on liquidation at either fair value or at the non-controlling interests’ proportionate share of the subsidiary’s net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

Going Concern

The group incurred an operating loss after tax for the year of \$388,853, net cash outflows from operating activities of \$207,039 and a deficiency in net current assets of \$2,041,198 as at 30 June 2023.

Notwithstanding the above, the Directors of the Group believe the going concern assumption remains appropriate.

The continuation of the Group as a going concern is dependent upon its ability to achieve or maintain the following:

- The continued financial support from the Dilato loan facility as outlined below;
- The continued support of creditors;
- The ability to raise additional capital or attract alternate sources of funding; and
- The generation of cash inflows resulting from successful engagement with OEM’s.

Dilato Holdings Pty Ltd, a related entity, has provided a finance facility to the Group for a total of \$3,000,000. As at 30 June 2023, \$2,200,435 of this facility remains undrawn. The facility is unsecured, includes an interest rate of 10% and the maturity date as at 30 June 2023 was 31 December 2023 which has since been extended to 30 June 2025. The Directors are not aware of any circumstances where this finance facility will not continue to be made available to the Group.

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Accordingly, the Directors believe that based on the above, and other strategies implemented, the Group has access to sufficient funding for at least the next 12 months from the date of the Directors' declaration.

2. New and Amended Accounting Standards and Interpretations

The AASB has issued a number of new and amended Accounting Standards that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The directors have decided not to early-adopt any of the new and amended pronouncements.

3. Summary of Significant Accounting Policies

(a) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(b) Trade and other receivables

Trade and other receivables are amounts due from GST receivable.

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets.

Trade and other receivables are carried at amortised cost using the effective interest method less any allowance for expected credit losses.

(c) Intangible Assets

Trademarks and licences

Patents and trademarks are recognised at cost of acquisition. They have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Patents and trademarks are amortised over their useful lives ranging from 15 to 20 years.

(d) Income Tax

Current Tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred Tax

Deferred tax is accounted for using the liability method. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the statement of financial position. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint ventures except where the Company is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and that they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The benefit of these deferred tax assets is not recognised because it is not considered probable that sufficient taxable income will be derived in future periods against which to offset these assets. In particular, the benefit of the losses will only be obtained in future years if:

- (a) The Company derives future assessable income of a nature and an amount sufficient to enable the benefit from the deduction for the losses to be realised;
- (b) The Company has complied and continue to comply with the conditions for deductibility imposed by law; and
- (c) No changes in tax legislation adversely affect the Company in realising the benefit from the deduction for the losses.

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Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Tax Expense

Current and deferred tax is recognised as an expense or income in the statement of comprehensive income, except when it relates to items credited or debited directly to equity.

(e) Revenue and Other Income

Revenue recognition

The Group will apply AASB 15: "Revenue from Contracts with Customers" using the cumulative effective method when the Group commences sales to Customers. AASB 15 has no material effect on the accounts to 30 June 2023.

Interest income

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.

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

(f) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- (i) Where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- (ii) For receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

(g) Trade and other payables

Trade and other payables are carried at amortised cost and due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial period that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(h) Earnings per share

Basic earnings per share amounts are calculated by dividing net loss for the period attributable to ordinary equity holders of the parent, adjusted to exclude any costs of servicing equity, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share amounts are calculated by dividing the net loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares during the period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

(i) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of the loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(j) Borrowing costs

Borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(k) Contributed Equity

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.

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4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in Note 3, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the entity's accounting policies

The following are the critical judgements (apart from those involving estimations, which are dealt with below), that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Recovery of deferred tax assets

Deferred tax assets are not recognised for deductible temporary differences due to the uncertainty that future taxable profits will be available to utilise those temporary differences and tax losses.

5. Correction of Prior Period Error

It was identified during the current financial year that the employment expenses for a consultant of the Group were incorrectly accounted for in a related entity. A correction of the prior period error is required in respect of expenses that were not reflected in the financial statements from 1 April 2019 to 30 June 2022. The error resulted in a material understatement of other expenses recognised in the prior financial years and a corresponding understatement of trade and other payables. In the 2023 financial statements, the error has been corrected by restating each of the affected financial statement line items for the prior periods, as follows:

Statement of Financial Position (Extract)	30 June 2022 \$	Increase / (Decrease) \$	30 June 2022 (Restated) \$	30 June 2021 \$	Increase / (Decrease) \$	1 July 2021 (Restated) \$
Trade and other payables	1,527,152	275,301	1,802,453	1,056,594	135,729	1,192,323
Total current liabilities	1,527,152	275,301	1,802,453	1,208,183	135,729	1,343,912
Total liabilities	2,169,467	275,301	2,444,768	1,208,183	135,729	1,343,912
Net assets/(liabilities)	(2,069,088)	(275,301)	(2,344,389)	(1,067,930)	(135,729)	(1,203,659)
Accumulated losses	(86,292,134)	(275,301)	(86,567,435)	(86,055,084)	(135,729)	(86,190,813)
Total equity/(shareholders' deficit)	(2,069,088)	(275,301)	(2,344,389)	(1,067,930)	(135,729)	(1,203,659)

Statement of Comprehensive income (extract)	30 June 2022 \$	Increase / (Decrease) \$	30 June 2022 (Restated) \$	30 June 2021 \$	Increase / (Decrease) \$	1 July 2021 (Restated) \$
Other expenses	(728,245)	(139,573)	(867,818)	(983,476)	(135,729)	(1,119,205)
Total expense	(1,013,420)	(139,573)	(1,152,993)	(3,087,998)	(135,729)	(3,223,727)
Profit/(Loss) before income tax	(237,050)	(139,573)	(376,623)	(3,087,981)	(135,729)	(3,223,710)
Net profit/(loss) for the period	(237,050)	(139,573)	(376,623)	(3,087,981)	(135,729)	(3,223,710)
Total Comprehensive Income/(Loss) for the period	(1,001,158)	(139,573)	(1,140,731)	(2,460,266)	(135,729)	(2,595,995)

The change did not have an impact on Other Comprehensive Income for the period or the Company's operating, investing and financing cashflows. Basic and diluted earnings per share for the prior year have also been restated. The amount of the correction for basic and diluted earnings per share was a decrease of \$0.443 cents and \$0.443 cents per share respectively. The correction further affected some of the amounts disclosed in note 6 and note 10.

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6. Other Expenses and Accounting Expenses

Other Expenses	30 June 2023 \$	30 June 2022 (Restated) \$
ASX Fees	30,099	41,435
Share Registry Services	14,963	23,133
Serviced Office	90,000	90,000
Legal Fees	7,155	5,043
Insurance	66,805	77,305
Directors Fees	302,004	302,004
Salary, Wages, Leave	152,609	139,573
Consulting - Other	-	97,956
Other	68,405	91,369
	732,040	867,818

Accounting and Audit Expenses	30 June 2023 \$	30 June 2022 \$
Accounting Fees	123,400	126,889
Audit Fees	34,415	32,051
	157,815	158,940

7. Income Taxes

Income Tax Expense

The major components of income tax expenses are:	30 June 2023 \$	30 June 2022 (Restated) \$
Income statement		
Current income tax charge / (benefit)	-	-
Deferred income tax		
Prior year deferred tax assets not recognised	10,308,964	10,494,238
Over/Under recognition of prior year deferred tax adjustments	-	(284,579)
Current year tax losses not recognised	96,328	96,449
Unrecognised temporary differences	2,967	2,856
Deferred tax assets not brought to account	(10,408,259)	(10,308,964)
Income tax expense reported in comprehensive income statement	-	-

A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Company's applicable income tax rate is as follows:	30 June 2023 \$	30 June 2022 (Restated) \$
Accounting profit / (loss) before tax from continuing operations	(388,853)	(376,623)
At the Company's statutory income tax rate:		
Australia 25% (2022: 25%)	(97,213)	(94,156)
Non-assessable income attributable to unrealised foreign exchange gain	(83,641)	(174,124)
Adjustment for temporary differences (prepayments and accruals)	2,894	(697)
Adjustment for amounts taxed at US rates (25.74%)	831	(3,280)
Net tax benefit not recognised in the current period due to uncertainty of recoupment	177,129	272,257
Income tax expense reported in comprehensive income statement	-	-

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Tax losses of the Company

The Company has Australian tax losses for which no deferred tax asset is recognised in the statement of financial position of \$41,372,716 (2022: restated \$40,972,203). Tax losses may be available into the future for offset against future taxable income subject to continuing to meet relevant statutory tests.

8. Earnings Per Share

The following reflects the loss and share data used in the calculations of basic and diluted earnings per share:

	30 June 2023	30 June 2022
	\$	(Restated) \$
(a) Earnings used in calculating earnings per share		
For basic earnings per share:		
Net Profit/(loss) from continuing operations attributable to ordinary equity holders of the parent	(388,853)	(376,623)
For diluted earnings per share:		
Net Profit/(loss) from continuing operations attributable to ordinary equity holders of the parent	(388,853)	(376,623)
(b) Weighted average number of shares		
	30 June 2023	30 June 2022
Weighted average number of ordinary shares for basic earnings per share:	32,173,498	31,523,498
Effect of dilution:	-	-
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	32,173,498	31,523,498

There are no potential ordinary shares included in the calculation of diluted earnings per share because they are anti-dilutive for the periods presented.

9. Cash and Cash Equivalents

	30 June 2023	30 June 2022
	\$	\$
AUD Accounts	7,952	15,626
USD Accounts	1,287	1,286
Total	9,239	16,912

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10. Trade and Other Payables

Current	30 June 2023 \$	30 June 2022 (Restated) \$
Trade payables (a)	14,991	19,356
Accruals	23,000	22,700
USA Trade and Other payables (b)	408,426	805,010
Other related parties		
Directors' Fees	587,090	295,086
Others (c)	1,043,910	660,301
Balance	2,077,417	1,802,453

- (a) Trade payables and other payables are non-interest bearing liabilities. All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.
- (b) Payables is mostly related to Somnio milestone payable of \$USD 250,000 (AUD \$377,074) owing as at 30 June 2023. Somnio is considered a related party of the Company.
- (c) Dilato outstanding as at 30 June 2023.

Available Facilities and Risk Exposure

Dilato Holdings Pty Ltd, a related entity, has provided a finance facility to the Group for a total of \$3,000,000. As at 30 June 2023, \$2,200,435 of this facility remains undrawn. The balance of the non current liability including accrued interest is \$916,540 (2022: \$642,315) as at 31 December 2023 as presented in the Statement of Financial Position as "Borrowing – Dilato". The facility is unsecured, includes an interest rate of 10% and the maturity date as at 30 June 2023 was 31 December 2023 which has since been extended to 30 June 2025.

Interest rate, foreign exchange and liquidity risk are discussed in Note 18.

11. Contributed Equity

	Note	30 June 2023 \$	30 June 2022 \$
Ordinary shares		84,352,846	84,352,846
Share issue – share-based payment		195,000	-
Balance	(a)	84,547,846	84,352,846

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

(a) Movement in ordinary shares on issue

12 months ended 30 June 2023	No. of shares	\$
At 1 July 2022	31,523,498	84,352,846
Share Issue (i)	650,000	195,000
As at 30 June 2023	32,173,498	84,547,846
12 months ended 30 June 2022	No. of shares	\$
At 1 July 2021	31,523,498	84,352,846
As at 30 June 2022	31,523,498	84,352,846

- (i) The company issued 650,000 free shares to consultants assisting the company for service recognition

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12. Commitments and Contingencies

The Company has an ongoing agreement with Dilato Holdings to provide office space in Melbourne for \$7,500 per month and accounting and administration services for \$10,000 per month.

The Board continues to review all contractual arrangements in place with Somnio Global. This includes consideration of the timing and extent of success based payments.

There were no material changes in contingent liabilities or contingent assets since the end of the last annual reporting period of 30 June 2023.

Dilato Investments Pty Ltd and Somnio Global Holdings LLC, Somnio Global LLC are considered related parties of the Group. Refer to Note 16.

13. Cash Flow Information

Reconciliation of Net Loss After Tax to Net Cash Flow from Operations

	30 June 2023 \$	30 June 2022 (Restated) \$
Net profit / (loss) for the period	(388,853)	(376,623)
Adjustments for:		
Non-cashflows in loss from ordinary activities:		
Amortisation	3,637	3,892
Unrealised exchange Loss/(Gain)	(89,611)	-
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	(7,321)	17,515
(Increase)/decrease in prepayments	145	5,162
Increase/(decrease) in trade and other payables	274,964	(610,130)
Net operating cash flows	(207,039)	(960,184)

14. Auditors Remuneration

The auditor of PuriflOH Limited for the 12 months ended 30 June 2023 and 30 June 2022 is PKF Brisbane Audit.

	30 June 2023 \$	30 June 2022 \$
Audit and review of the financial report of the Company	32,950	31,900

15. Significant Events after Balance Sheet Date

On 10 July 2023, Mr. John Evans resigned from the Company. It was agreed to issue Mr. Evans 150,000 shares in the Company in lieu of outstanding fees (subject to the shareholder approval at the next AGM).

On 22 May 2024, the Directors resolved to convert a portion of the liabilities owed by PuriflOH to Dilato to shares (subject to the shareholder approval at the next AGM).

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

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16. Related Party Disclosures

a. Related parties

The Group's main related parties are as follows:

Entities exercising control over the Group:

The ultimate Parent Entity that exercises control over the Group is PuriflOH Limited, which is incorporated in Australia.

Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, are considered key management personnel.

Entities subject to significant influence by the Group:

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity that holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

b. Transactions with related parties

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

The following transactions occurred with related parties:

- i. Fees paid for office space, accounting and administration services to Dilato Investments Pty Ltd. Refer to details in Note 12.

Dilato Investments Pty Ltd is a company controlled by Carl Le Souef. Dilato Holdings are the major shareholder of PuriflOH Limited, currently holding 18,409,194 shares, being 57.23% of the Company.
- ii. Development fees paid to Somnio Global LLC and Licence fees paid to Somnio Global Holdings LLC. Refer to details in Note 12.

The Somnio Global Group is a related party of PuriflOH Limited by virtue of:
 - the common substantial and controlling shareholding of Dilato Holdings Pty Ltd in both; and
 - Mr Le Souef as director of PuriflOH is also a controlling shareholder of both Somnio Global LLC and Somnio Global Holdings LLC.
The Board of PuriflOH Limited approved all of the Development, Success and Licence Fees independently and are comfortable that they are suitable "arms length" arrangements. Those approvals were made prior to Mr Le Souef being appointed as Board Members of PuriflOH Limited.
- iii. Related party payments made to Companies associated with Dr. Alex Sava (\$11,000.00) for his services.

c. Amounts outstanding from related parties

The Company has established a US subsidiary called Purifloh USA Incorporated. This subsidiary was incorporated in Delaware, USA following the raising of capital of A\$9,600,000 in November 2018, which was transferred from Purifloh Limited (the 'parent') to Purifloh USA Incorporated (the 'subsidiary') as a loan payable on demand to the parent at 4% interest.

d. Amounts payable to related parties

Related Party Payables

	30 June 2023	30 June 2022
	\$	(Restated) \$
Directors' payables	587,090	295,086
Dilato payables	1,043,910	660,301
Dilato loan facility*	916,540	642,315
Payables to Somnio	377,074	805,011
Total	2,924,614	2,402,713

*Refer to Note 10 for details and terms of the Dilato Facility provided to the Group.

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Key Management Personnel

Remuneration

Refer to the remuneration report contained in the Directors' report for details of remuneration paid or payable to each member of the Company's key management personnel (KMP) for the twelve months ended 30 June 2023.

Compensation for key management personnel during the period was as follows;

	30 June 2023	30 June 2022
	\$	\$
Short-term employee benefits	302,004	315,086
Post-employment benefits	-	-
Share-based payments	-	-
Termination payments	-	-
Total	302,004	315,086

Amounts payable to KMP's

A total of \$587,090 in director and company secretary fees were payable as at 30 June 2023 (Refer to Director's Report) – as itemized below.

	30 June 2023
	\$
Carl Le Souef	-
Simon Lill	192,000
Jon Evans	175,090
Alex Sava	211,000
Total	587,090

Share holdings of key management as at 30 June 2023

2023	Balance at beginning of period 1 July 2022	Shares acquired during the year	Other adjustments	Balance at end of period 30 June 2023
Non-executive directors				
Carl Le Souef	18,409,194	-	-	18,409,194
Total	18,409,194	-	-	18,409,194
Simon Lill	288,720	-	-	288,720
Jon Evans	15,400	-	-	15,400
Alex Sava	108,950	-	(5,000)	103,950
Total	413,070	-	(5,000)	408,070
Total	18,822,264	-	(5,000)	18,817,264

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17. Segment Reporting

Types of Products and Services

The Company is developing its Free Radical Generator (“FRG”) technology for a range of applications, in the first instance concentrating on three key areas, being:

- Indoor air purification;
- Water sanitation; and
- Medical sterilisation.

At this stage, the Group has one business segment.

18. Financial Risk Management

The Company is exposed to a variety of financial risks through its use of financial instruments. This note discloses the Company’s objectives, policies and processes for managing and measuring these risks. The Company’s overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets. The Company does not actively engage in the trading of financial assets for speculative purposes. The most significant financial risks to which the Company is exposed to are described below.

Specific risks

1. Market risk
 - (a) Foreign currency
 - (b) Interest rate
2. Credit risk
3. Liquidity risk
4. Commercialisation Risk

Financial assets / liabilities used

The principal categories of financial assets / liabilities used by the Company are:

- Cash and cash equivalents
- Trade receivables
- Trade and other payables
- Short term loans and facilities

Objectives, policies and processes

The risk management policies of the Group seek to mitigate the above risks and reduce volatility on the financial performance of the Group. The Board has no separate committees to manage issues such as audit and risk management. Due to constraints on financial and management resources all risk issues are managed at a Board level. Controls in place are considered appropriate for the current position of the Group. Financial risk management is managed by the Board as a whole, given the present size and scale of operations.

1. Market risk

(a) Foreign currency risk

The Company has a 100% owned US Subsidiary, PurifLOH (USA) Inc which is set up to manage the US operations as they move to commerciality.

PurifLOH (USA) has US dollars in its accounts and to date has been paying Somnio Global’s Technical Services payments from its account on behalf of the Company.

The Group carries a risk related to movements in the US\$:A\$ exchange rate. At the moment the Board has considered these risks to be relatively inconsequential and has chosen to not use financial instruments to minimise these risks.

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(b) Interest risk rate

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument changes due to changes in market interest rates.

The Group has entered into a new finance facility with its major shareholder, Dilato Holdings Pty Ltd. The facility carries a fixed interest rate of 10% per annum.

Financial Assets	30 June 2023	30 June 2022
	\$	\$
Cash and cash equivalents (i)	9,239	16,912
Total	9,239	16,912

- (i) There was interest earned on the general operating bank accounts in the period ended 30 June 2023 of \$NIL (2022 - \$NIL). The impact of potential movements in interest rates of +/- 2% are trivial in nature.

Financial Liabilities	30 June 2023	30 June 2022
	\$	\$
Borrowings – Dilato (i)	916,540	642,315
Total	916,540	642,315

- (i) The facility includes an interest rate of 10%.

Interest rate risk management

Any surplus company funds are placed at suitable AA+ or higher rated banks, with Term Deposits being used where appropriate.

2. Credit risk

Exposure to credit risk

The credit risk is managed by the Board and arises from cash and cash equivalents as well as credit exposure including outstanding receivables. All cash balances held at banks are held at internationally recognised institutions. There is no credit risk exposure expected from receivables as at balance date.

The carrying amount of financial assets represents the minimum credit exposure and are as follows;

	30 June 2023	30 June 2022
	\$	\$
Cash and cash equivalents	9,239	16,912
	9,239	16,912

3. Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as and when they fall due.

FINANCIAL STATEMENTS

Liquidity risk includes the risk that, as a result of the Group's operational liquidity requirements:

- there are insufficient funds are available to settle a transaction on the due date;
- the Group is forced to sell financial assets at a value which is less than their carrying value;
- the Group is unable to settle or recover a financial asset at all.

The Group's amounts exposed to liquidity risk as at 30 June 2023 are:

	30 June 2023	30 June 2022
	\$	(Restated) \$
Financial Liabilities		
Trade and other payables and borrowings	2,993,957	2,444,768
Total	2,993,957	2,444,768

Amounts presented below represent the remaining contractual maturities of the Company's financial liabilities as at 30 June 2023:

	30 June 2023	30 June 2022
	\$	(Restated) \$
Financial Liabilities		
12 months or less	2,077,417	1,802,453
1 – 5 years	916,540	642,315
Over 5 years	-	-
Total	2,993,957	2,444,768

The above contractual maturities reflect the gross cash flows, which may differ to the carrying values of the assets and liabilities at the date of the statement of financial position.

As outlined in Note 10, this risk is managed through the provision of a \$3,000,000 facility provided by Dilato Holdings, with a maturity date of 30 June 2025.

4. Commercialisation Risk

Many of the products the Company is developing represent new, heretofore, unproven technology. Commercializing these products carries significant amounts of risk. Acquiring companies (PuriflOH's customers) need to validate the applications before they can be introduced to new markets and, in some cases, understand the impact on existing products that will be displaced by the new. This can be time consuming and require expensive on-going development costs. Investors should understand the risks as they try to ascertain probable future returns.

FINANCIAL STATEMENTS

19. Parent Entity Information

The following information is extracted from the books and records of the financial information of the Parent Entity set out below and has been prepared in accordance with Australian Accounting Standards.

	2023 \$	2022 (Restated) \$
Statement of Financial Position		
ASSETS		
Current assets	9,122,700	8,479,653
Non-current assets	60,026	63,663
TOTAL ASSETS	<u>9,182,726</u>	<u>8,543,316</u>
LIABILITIES		
Current liabilities	1,668,991	997,442
Non-current liabilities	916,540	642,315
TOTAL LIABILITIES	<u>2,585,531</u>	<u>1,639,757</u>
EQUITY		
Issued capital	84,547,841	84,352,841
Retained earnings	(77,950,646)	(77,449,282)
TOTAL EQUITY	<u>6,597,195</u>	<u>6,903,559</u>
Statement of Profit or Loss and Other Comprehensive Income		
Total Profit / (Loss)	(501,196)	(66,657)
Total comprehensive income / (Loss)	<u>(501,196)</u>	<u>(66,657)</u>

Current assets include loan receivable balance of USD \$ 5,158,006 (AUD \$ 7,779,797) as at 30 June 2023. Refer to details in Note 16 (c). This balance is eliminated on consolidation at the Group level.

Commitments and Contingencies

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 2023 and 2022.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2023 and 2022.

Capital commitments

The parent entity had no capital commitments as at 30 June 2023 and 2022.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 1 to 4.

FINANCIAL STATEMENTS

20. Interests in Subsidiaries

The consolidated financial statements include the financial statements of PurifLOH and its subsidiaries listed in the following table:

Name	Country of Incorporation	Equity Interest	
		2023	2022
PurifLOH USA Incorporated	United States	100%	100%

The Company has a US subsidiary called Purifloh USA Incorporated. This subsidiary was incorporated in Delaware, USA in late 2018. The subsidiary carries a subscription of shares of common stock with par value of US\$0.001 of which PurifLOH Limited owns 100%. As a result of this establishment, the financial statements reflect the consolidation position of the parent and the subsidiary collectively as the Group.

The purpose of this entity is to manage operations in the US as the Group moves forward with its commercialisation plans for the Free Radical Generator.

DIRECTORS' DECLARATION

PurifLOH Limited
Annual Financial Report
For the 12 months ended 30 June 2023

In accordance with a resolution of the directors of PurifLOH Limited, the directors of the Company declare that:

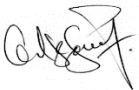
In the opinion of the directors:

- (a) the financial statements and notes, as set out on pages 13 to 32, are in accordance with the *Corporations Act 2001* (Cth), including:
 - (i) complying with Accounting Standards, *the Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the year ended on that date;
- (b) subject to the matters disclosed in Note 1 to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (c) Note 1 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the individuals acting in the capacity or equivalent to the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001* (Cth).

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

On behalf of the Board



Carl Le Souef
Chairman
27 June 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PURIFLOH LIMITED

Report on the Financial Report

Opinion

We have audited the accompanying financial report, of Purifloh Limited (“the Company”), which comprises the consolidated statement of financial position as at 30 June 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 year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors’ declaration.

In our opinion the financial report of Purifloh is in accordance with the *Corporations Act 2001*, including:

- a) Giving a true and fair view of the consolidated entity’s financial position as at 30 June 2023 and of its performance for the year ended on that date; and
- b) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Report section of our report.

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

Independence

We are independent of the consolidated entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matter

A key audit matter is a matter that, in our professional judgement, was of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Non-compliance with laws and regulations

Why significant

The directors report, and attached audit report for the financial statements for the current year were signed on 27 June 2024. The statutory requirement for the lodgement of the audited financial statements was 30 September 2023 pursuant to the *Corporations Act 2001* and the Australian Stock Exchange ('ASX') listing rules. The Group is currently suspended from trading on the ASX.

Due to delays in the receipt of key information and audit evidence required to undertake the audit of the Group, we have been unable to complete the audit within the required timeframe.

This is deemed to be a key audit matter due to the significant audit effort required to manage the provision of accurate key financial information and source documentation in a timely manner, and due to the impact that non-compliance with relevant laws and regulations could have on the operations of the Group through fines or penalties, inability to remove the suspension from trading or any further restrictions or sanctions imposed by regulators.

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the consolidated entity's annual report for the year ended 30 June 2023 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, with the exception of the Remuneration Report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

How our audit addressed the key audit matter

We performed the following audit procedures:

- Requested and reviewed information provided to the Group by regulators during the year, in relation to assessing compliance with relevant laws and regulations;
- Held regular meetings with those charged with governance to obtain updates on operations and the expected provision of accurate financial information and source documentation;
- Reviewed minutes of meetings and ASX announcements for significant events which could impact on audit risk or require further disclosure in the financial statements; and
- Received written representations from those charged with governance regarding the accuracy and completeness of financial information and other source documentation provided, and compliance with laws and regulations.



Directors' Responsibilities 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 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 Company's ability 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individual or in 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 is located at the Auditing and Assurance Standards Board website at <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2023 . The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Purifloh Limited for the year ended 30 June 2023, complies with section 300A of the Corporations Act 2001.

A handwritten signature in black ink, appearing to read 'Shaun Lindeman', written over the printed name.

PKF BRISBANE AUDIT

A handwritten signature in black ink, appearing to read 'Shaun Lindeman', written over the printed name.

SHAUN LINDEMAN
PARTNER

28 JUNE 2024
BRISBANE

ADDITIONAL INFORMATION

The following additional information is provided in accordance with the ASX listing rules. The information is applicable as at 19 June 2024.

Substantial Shareholders			Twenty largest shareholders:	
The names of substantial shareholders in the Company are:				
Shareholder	Number of Ordinary Shares		Name	Number of ordinary shares held
Dilato Holdings Pty Ltd	18,409,194		DILATO HOLDINGS PTY LTD	18,409,194
Upjohn Laboratories LLC	5,271,601		UPJOHN LABORATORIES LLC	5,271,601
Distribution of ordinary shareholdings				
Range of holdings	Number of shareholders	Number of Ordinary Shares		
1 – 1,000	479	157,927	ANDRA M RUSH	650,000
1,001 – 5,000	241	625,884	RIVECK NOMINEES PTY LTD	487,000
5,001 – 10,000	65	493,280	FLUE HOLDINGS PTY LTD	306,000
10,000 – 100,000	113	3,117,137	GEMTARA INVESTMENTS PTY LTD	305,576
100,001 and over	17	27,775,270	CITICORP NOMINEES PTY LIMITED	289,167
Total	915	32,169,498	ANTHONY MARK VAN DER STEEG	282,446
Options				
The company had Nil Options on issue as at 30 June 2023.				
Voting Rights				
The voting rights attached to ordinary shares are that each member present in person or by proxy, attorney or representative at a general meeting has one vote on a vote taken by show of hands, and one vote for each fully paid share held on a vote taken on poll. There are no voting rights attached to options.				
			RICHARD LI-MING CHAN	260,000
			ARPITHA PRADEEP	250,000
			TARGO HOLDINGS PTY LTD	245,250
			R BIRCH & ASSOCIATES PTY LTD	236,262
			STEVEN ANNEAR	224,278
			MALCOLM RICHMOND	159,965
			HSBC CUSTODY NOMINEES (AUS) LIMITED	148,786
			ISAMG PTY LTD	135,850
			CREDAL INTERNATIONAL LTD	113,895
			ALEXEI SAVA	100,000
			RANCLAND HOLDINGS PTY LTD	100,000
			JEREMY STONE	93,429
			SAUL ZAIDMAN	86,050
			TOTAL	28,154,749
On-market buy-back				
There is no current on-market buy-back				
Stock Exchange Listings				
The Company's ordinary shares are quoted on the Australian Securities Exchange (ASX code: PO3).				