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Nexsen Limited (formerly Nexsen Biotech Pty Ltd)

Consolidated Financial Statements

For the Year Ended 30 June 2024

Nexsen Limited (formerly Nexsen Biotech Pty Ltd)

Contents

For the Year Ended 30 June 2024

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Nexsen Limited (formerly Nexsen Biotech Pty Ltd)

Corporate Directory

30 June 2024

Board of Directors

Mark Anthony Muzzin, Chairman

Thomas Sylvanus Hanly, Managing Director

Gavin Neil Ball, Non-Executive Director

Martina Mariano, Non-Executive Director

Company Secretary

Mark Anthony Muzzin

Justin Mouchacca

Registered Office & Principal Place of Business

Registered office: C/- JM CORPORATE SERVICES, LEVEL 21, 459 COLLINS STREET, MELBOURNE VIC 3000

Principal Place of Business: UNIT 90, 102 RAILWAY STREET, WEST PERTH WA 6005

Auditor

Moore Australia Audit (WA)

Website

www.nexsen.bio

Directors' Report

30 June 2024

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

Director Information

Information on directors

Mark Anthony Muzzin

Qualifications

Mark has had more than 30 years of commercial experience working with both Australian and international public and private companies. He served as the Managing Director/CEO of an ASX-listed entity from 2008 to 2016. Since 2009, Mark has been working with various academic institutions to commercialise IP, primarily in 2D materials and in biosensors. He is also an industry liaison for the Australian Research Council (ARC) Centre of Excellence in Future Low-Energy Electronics Technologies.

Thomas Sylvanus Hanly

Qualifications

Thomas has a strong understanding of capital markets and a passionate interest in technology. He was previously Managing Director and CEO of the ASX-listed Singular Health Group and has held a number of board positions of companies in Australia and Singapore. His experience with the funding and commercialisation of innovative technologies has recently seen him involved with several ground-breaking projects.

Gavin Ball

Qualifications

Gavin is a business manager who adds strength to each of the companies with whom he works. He has over 30-years of hands-on skill and intellectual expertise in the start-up, commercial development, growth and ongoing management of businesses, and has proven management, financial and accounting skill sets, with a strong sales and marketing focus. Gavin has both current and past experience as a Commercial Manager and Company Director of ASX-listed companies.

Martina Mariano

Qualifications

Appointed 1 April 2024

With a well-rounded knowledge of the MedTech landscape, Martina brings a unique ability to seamlessly integrate innovation, scientific rigour, and business acumen to accelerate the commercialisation of cutting-edge medical technologies. She has over a decade of experience in the medical field working and studying in Europe, the US, and Australia. These roles have included the Italian Carabinieri Police Force (Forensic Genetic Department), a PhD in Medicine (Perth, UWA), and as Chief Commercial Officer at the ASX-listed company Singular Health Group.

Company secretaries

The following persons held the position of Company secretary at the end of the financial year:

Mark Anthony Muzzin and Justin Mouchacca ([enter qualifications]) has been the company secretary since 2021 and 2024 respectively. Prior to this role, Mark Anthony Muzzin was the Managing Director/CEO of an ASX-listed entity from 2008 to 2016 and Justin Mouchacca was..

Nexsen Limited (formerly Nexsen Biotech Pty Ltd)

Directors' Report

30 June 2024

Meetings of directors

The directors did not hold any formal meetings during the reporting period. As a private company, all important issues were addressed and resolved through written resolutions.

Principal activities

The principal activities of the Group during the financial year were development of a new nano-biotech sensor and point-of-care rapid test for the detection of Group B Streptococcus.

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

Significant changes in state of affairs

The following significant changes in the state of affairs of the parent entity occurred during the financial year:

- On 30 June 2024 the Company acquired 100% of the issued capital of Nexgen Nanosensor Pty Ltd for a consideration of \$250,000 satisfied by the issue of 1,250,000 fully paid ordinary shares in the Company.
- Nexsen Limited received a grant of \$3 million, payable over 3 years, from the Australian Government and outsourced its related R&D program to RMIT University to develop a rapid test for Group B Streptococcus.

Except for matters noted above, there have been no other significant changes in the state of affairs of the Company during the year.

Operating results and review of operations for the year

Operating results

The consolidated profit/(loss) of the Group amounted to \$ 827 (2023: \$ (140,812)).

Review of operations

A review of the operations of the Group during the financial year and the results of those operations show an increase in revenue of 0.6M and increase in total expenses of 0.5M resulting in an increase of profit before taxation of 0.1M.

Dividends paid or recommended

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

Events after the reporting date

- In February 2025 the Company completed a \$3 million issue of convertible notes as part of its pre-IPO financing strategy.
- With effect from February 2025, the Company transitioned from a private entity to a public company. Additionally, the name of the Company was changed from Nexsen Biotech Pty Ltd to Nexsen Limited.

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

Directors' Report

30 June 2024

Future developments and results

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

Environmental issues

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

Options

There have been no unissued shares or interests under option in the Company or a controlled entity during or since reporting date.

Indemnification and insurance of officers and auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Nexsen Limited (formerly Nexsen Biotech Pty Ltd).

Proceedings on behalf of group

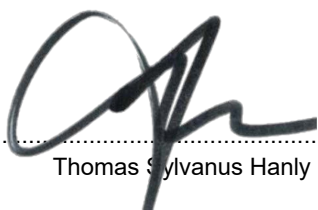
No person has applied for leave of court under Section 237 of the *Corporations Act 2001* to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

Auditor's independence declaration

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

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

Director: 
Mark Anthony Muzzin

Director: 
Thomas Sylvanus Hanly

Dated 07/03/2025

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

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

- a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit, and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.



NEIL PACE
PARTNER



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 7th day of March 2025.

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2024

	Note	2024 \$	2023 \$
Income			
Revenue	4	631,863	-
Total income		<u>631,863</u>	<u>-</u>
Expenses			
Employee benefits expense		(67,458)	-
Project expenses		(177,284)	-
Marketing expenses		(25,122)	-
Finance expenses	5	(66,846)	(137,579)
Other expenses		(277,263)	(3,233)
Total expenses		<u>(613,973)</u>	<u>(140,812)</u>
Profit before income tax		17,890	(140,812)
Income tax expense		(17,063)	-
Profit for the year		<u>827</u>	<u>(140,812)</u>
Other comprehensive income, net of income tax			
Total comprehensive income for the year		<u>827</u>	<u>(140,812)</u>

The accompanying notes form part of these financial statements.

Nexsen Limited (formerly Nexsen Biotech Pty Ltd)

Consolidated Statement of Financial Position

As At 30 June 2024

	Note	2024 \$	2023 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	591,522	13,814
Trade and other receivables	7	49,815	8,521
Current tax receivable		186,094	43,608
TOTAL CURRENT ASSETS		827,431	65,943
NON-CURRENT ASSETS			
Intangible assets	8	683,510	170,886
TOTAL NON-CURRENT ASSETS		683,510	170,886
TOTAL ASSETS		1,510,941	236,829
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	145,343	5,938
Other financial liabilities	10	-	416,490
TOTAL CURRENT LIABILITIES		145,343	422,428
NON-CURRENT LIABILITIES			
TOTAL LIABILITIES		145,343	422,428
NET ASSETS		1,365,598	(185,599)
EQUITY			
Issued capital	11	1,321,561	23,501
Reserves	11(c)	252,310	-
Retained earnings		(208,273)	(209,100)
TOTAL EQUITY		1,365,598	(185,599)

The accompanying notes form part of these financial statements.

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Nexsen Limited (formerly Nexsen Biotech Pty Ltd)

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2024

2024

Balance at 1 July 2023

Profit attributable to members of the parent entity

Issue of shares

Convertible notes

Balance at 30 June 2024

Ordinary Shares	Retained Earnings	General Reserve	Total
\$	\$	\$	\$
23,501	(209,100)	-	(185,599)
-	827	-	827
1,298,060	-	-	1,298,060
-	-	252,310	252,310
1,321,561	(208,273)	252,310	1,365,598

2023

Balance at 1 July 2022

Profit attributable to members of the parent entity

Balance at 30 June 2023

Ordinary Shares	Retained Earnings	General Reserve	Total
\$	\$	\$	\$
23,501	(68,288)	-	(44,787)
-	(140,812)	-	(140,812)
23,501	(209,100)	-	(185,599)

The accompanying notes form part of these financial statements.

Nexsen Limited (formerly Nexsen Biotech Pty Ltd)

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

	Note	2024 \$	2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from grants		771,268	-
Payments to suppliers and employees		(797,753)	(151,391)
Income taxes paid		(17,063)	-
Other receipts		-	193,247
Net cash provided by (used in) operating activities	19	(43,548)	41,856
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of intangible assets		(512,624)	(56,270)
Net cash used in investing activities		(512,624)	(56,270)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issue of shares		1,298,060	4,727
Payment of borrowings		(164,180)	-
Net cash provided by financing activities		1,133,880	4,727
Net increase/(decrease) in cash and cash equivalents held		577,708	(9,687)
Cash and cash equivalents at beginning of year		13,814	23,501
Cash and cash equivalents at end of financial year	6	591,522	13,814

The accompanying notes form part of these financial statements.

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Nexsen Limited (formerly Nexsen Biotech Pty Ltd)

Notes to the Financial Statements

For the Year Ended 30 June 2024

The consolidated financial report covers Nexsen Limited (formerly Nexsen Biotech Pty Ltd) and its controlled entities ('the Group'). Nexsen Limited (formerly Nexsen Biotech Pty Ltd) is a for-profit propriety, public company, incorporated and domiciled in Australia.

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

The financial report was authorised for issue by the Directors on .

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Corporations Act 2001*. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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

Material accounting policy information is consistent with prior reporting periods unless otherwise stated.

2 Material Accounting Policy Information

(a) Basis for consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

All controlled entities have the same financial year end as the parent.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent 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 relevant activities of the entity.

(b) Revenue and other income

Grant revenue

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met.

Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating.

Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Material Accounting Policy Information

(c) Income tax

The tax expense recognised in the consolidated statement of profit or loss and other comprehensive income comprises current income tax expense plus deferred tax expense.

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

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

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

(d) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the consolidated statement of cash flows are included on a gross basis and 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 operating cash flows.

(e) Financial instruments

Financial instruments are recognised initially on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

Amortised cost

The Group's financial assets measured at amortised cost comprise cash and cash equivalents, trade and other receivables and other financial assets in the consolidated statement of financial position.

Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Material Accounting Policy Information

(e) Financial instruments

Financial assets

Trade receivables

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses.

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

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

Financial liabilities

The financial liabilities of the Group comprise trade payables and convertible notes.

(f) Cash and cash equivalents

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

(g) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any expected credit losses. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables.

(h) Intangible assets

Research and development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and accumulated impairment losses.

Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Material Accounting Policy Information

(i) Impairment of non-financial assets

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

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

(j) 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.

(k) Convertible Notes

Convertible notes are initially recognized as financial liabilities at their fair value, net of transaction costs. Interest expense is recognized using the effective interest rate method. The liability component is measured at amortized cost. Upon conversion, the carrying amount of the liability is reclassified to equity. Any difference between the carrying amount and the fair value of the equity issued is recognized in equity.

(l) Adoption of new and revised accounting standards

The Group has adopted all standards which became effective for the first time at 30 June 2024, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group or refer to Note for details of the changes due to standards adopted.

(m) New accounting standards and interpretations issued but not yet effective

New accounting standards for application in future periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Group has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Group where the standard is relevant:

AASB No.	Title	Application date*	Issue date
AASB 2014-10	Amendments to Australian Accounting Standards – Sale or Contributions of Assets between an Investor and its Associate or Joint Venture	1 Jan 2025	Dec 2014
AASB 2020-1	Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current	1 Jan 2023	Mar 2020
AASB 2021-2	Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 Jan 2023	Mar 2021
AASB 2021-5	Amendments of Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 Jan 2023	Jul 2021

Notes to the Financial Statements

For the Year Ended 30 June 2024

2 Material Accounting Policy Information

(m) New accounting standards and interpretations issued but not yet effective

AASB No.	Title	Application date*	Issue date
AASB 2021-6	Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards	1 Jan 2023	Dec 2021
AASB 2021-7c	Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]	1 Jan 2025	Dec 2021

*Annual reporting periods beginning after

3 Critical Accounting Estimates and Judgments

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

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - Impairment of Intangible Assets

The Group assesses impairment of intangible assets at the end of each reporting period by evaluating the conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

4 Other Revenue and Income

Revenue from continuing operations

Government grants

	2024	2023
	\$	\$
Grants received	625,925	-

Other Income

	2024	2023
	\$	\$
Other income	5,938	-

Notes to the Financial Statements

For the Year Ended 30 June 2024

5 Finance Expenses

	2024	2023
	\$	\$
Borrowing costs	65,820	131,640
Interest expenses	1,026	5,939
Total finance expenses	66,846	137,579

6 Cash and Cash Equivalents

	2024	2023
	\$	\$
Cash on hand	-	1
Bank balances	591,522	13,813
	591,522	13,814

7 Trade and Other Receivables

	2024	2023
	\$	\$
CURRENT		
GST receivable	-	8,521
Other receivables	49,815	-
Total current trade and other receivables	49,815	8,521

Trade and other receivables classified as financial assets at amortised cost

	2024	2023
	\$	\$
Trade and Other Receivables	49,815	8,521
Less: GST receivable	-	(8,521)
	49,815	-

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

8 Intangible Assets

	2024	2023
	\$	\$
Research and development costs		
- Sensor point-of-care rapid test at cost	433,510	170,886
	<u>433,510</u>	<u>170,886</u>
Other Intellectual Property		
Cost	250,000	-
	<u>250,000</u>	<u>-</u>
Total Intangible assets	<u>683,510</u>	<u>170,886</u>

Movements in carrying amounts of intangible assets

	Research and development costs	Other Intellectual Property	Total
	\$	\$	\$
Year ended 30 June 2024			
Balance at the beginning of the year	170,886	-	170,886
Additions	262,624	250,000	512,624
	<u>433,510</u>	<u>250,000</u>	<u>683,510</u>
Closing value at 30 June 2024	<u>433,510</u>	<u>250,000</u>	<u>683,510</u>

The \$250,000 in Intellectual Property is associated with the development of a bovine-based mastitis diagnostic test.

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

9 Trade and Other Payables

	2024	2023
	\$	\$
CURRENT		
Trade payables	71,455	5,938
GST payable	73,888	-
	<u>145,343</u>	<u>5,938</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

Trade and other payables classified as financial liabilities at amortised cost

	2024	2023
	\$	\$
Trade and Other Payables	145,343	5,938
Less: GST payable	(73,888)	-
	<u>71,455</u>	<u>5,938</u>

10 Other Financial Liabilities

	2024	2023
	\$	\$
CURRENT		
Other financial liabilities	-	416,490
Total	<u>-</u>	<u>416,490</u>

An issue of convertible notes was completed early in FY2023. In FY2024, the Group completed a Series B share issue, at which date the convertible notes automatically converted to fully paid ordinary shares in the Group at a 50% discount to the Series B share issue price of \$0.20 per share.

Notes to the Financial Statements

For the Year Ended 30 June 2024

11 Issued Capital

	2024	2023
	\$	\$
61,498,100 (2023: 53,500,000) Ordinary shares	<u>1,321,561</u>	23,501
Total	<u><u>1,321,561</u></u>	<u>23,501</u>

(a) Ordinary shares

	2024	2023
	No.	No.
At the beginning of the reporting period	<u>53,500,000</u>	53,500,000
Shares issued during the year	<u>7,998,100</u>	-
At the end of the reporting period	<u><u>61,498,100</u></u>	<u>53,500,000</u>

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

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

(b) Capital management

The key objectives of the Company when managing capital is to safeguard its ability to continue as a going concern and maintain optimal benefits to stakeholders. The Company defines capital as its equity and net debt.

There has been no change to capital risk management policies during the year.

The Company manages its capital structure and makes funding decisions based on the prevailing economic environment and has a number of tools available to manage capital risk. These include the issue of new shares.

The Board monitors a range of financial metrics including return on capital employed and gearing ratios.

(c) General Reserve

	2024	2023
	\$	\$
Convertible note reserve	<u>252,310</u>	<u>0</u>
	<u><u>252,310</u></u>	<u>0</u>

The general reserve is attributed to the conversion of convertible notes to fully paid ordinary shares.

12 Contracted Commitments

On February 22, 2024, Nexsen executed a CRC-P Grant Agreement with RMIT and D&I Pty Ltd. A variation to this agreement was executed on July 3, 2024, which removed a party and increased Nexsen's contribution.

Nexsen has committed to paying approximately \$1.8 million over a period of 2.5 years under its research agreements. In addition to these cash commitments, the Company also has in-kind and staff commitments as part of its research agreements.

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

13 Financial Risk Management

		2024	2023
		\$	\$
Financial assets			
Held at amortised cost			
Cash and cash equivalents	6	591,522	13,814
Trade and other receivables		49,815	-
Total financial assets		641,337	13,814
Financial liabilities			
Trade payables	9	71,455	5,938
Other financial liabilities	10	-	416,490
Total financial liabilities		71,455	422,428

Objectives, policies and processes

The Board of Directors have overall responsibility for the establishment of the Group's financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk, liquidity risk, credit risk and the use of derivatives.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The day-to-day risk management is carried out by the Group's finance function under policies and objectives which have been approved by the Board of Directors. The Chief Financial Officer has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate and foreign exchange rate risk and assessment of market forecasts for interest rate and foreign exchange movements.

The Board of Directors receives monthly reports which provide details of the effectiveness of the processes and policies in place.

Mitigation strategies for specific risks faced are described below:

Liquidity risk

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day period are identified monthly.

At the reporting date, these reports indicate that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

The earliest contractual settlement for payables and borrowings is less than 12 months.

Notes to the Financial Statements

For the Year Ended 30 June 2024

13 Financial Risk Management

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group.

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions including outstanding receivables and committed transactions.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

14 Key Management Personnel Remuneration

The remuneration paid to key management personnel of the Company and the Group is \$ 341,056 (2023: \$ -).

15 Auditors' Remuneration

	2024	2023
	\$	\$
Audit of the financial statements	10,000	10,000
Compilation of the financial statements	5,000	5,000
Total	15,000	15,000

16 Interests in Subsidiaries

(a) Composition of the Group

Subsidiaries	Principal place of business / Country of Incorporation	Percentage owned (%)*	Percentage owned (%)*
		2024	2023
Nexgen Nanosensors Pty Ltd	Australia	100	100

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

17 Contingent Liabilities

In the opinion of the Directors, the Company did not have any contingent liabilities at 30 June 2024 (30 June 2023:None).

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

18 Related Parties

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

Key management personnel - refer to Note 14.

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

(b) Transactions with related parties

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

	2024	2023
	\$	\$
KMP related parties		
Amounts paid to a company controlled by Mr Gavin Ball for services related to investor relations and promotional activities	59,924	-

(c) Loans to/from related parties

	2024	2023
	\$	\$
Amounts payable at year end to Mr M Muzzin, included in trade payables	9,065	-

19 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2024	2023
	\$	\$
Profit for the year	827	(140,812)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(41,294)	12,942
- (increase)/decrease in other assets	(142,486)	43,392
- increase/(decrease) in trade and other payables	139,405	(10,579)
- (increase)/decrease in other financial liabilities	-	136,913
Cashflows from operations	<u>(43,548)</u>	<u>41,856</u>

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

20 Events Occurring After the Reporting Date

- In February 2025 the Company completed a \$3 million issue of convertible notes as part of its pre-IPO financing strategy.
- With effect from February 2025, the Company transitioned from a private entity to a public company. Additionally, the name of the Company was changed from Nexsen Biotech Pty Ltd to Nexsen Limited.

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

21 Parent Entity

	2024	2023
	\$	\$
Consolidated Statement of Financial Position		
Assets		
Current assets	827,431	65,943
Non-current assets	683,510	170,886
Total Assets	<u>1,510,941</u>	<u>236,829</u>
Liabilities		
Current liabilities	145,343	422,428
Total Liabilities	<u>145,343</u>	<u>422,428</u>
Equity		
Issued capital	1,321,561	23,501
Retained earnings	(208,273)	(209,100)
General reserve	252,310	-
Total Equity	<u>1,365,598</u>	<u>(185,599)</u>
Consolidated Statement of Profit or Loss and Other Comprehensive Income		
Total profit or loss for the year	827	(140,812)
Total comprehensive income	<u>827</u>	<u>(140,812)</u>

Notes to the Financial Statements

For the Year Ended 30 June 2024

22 Acquisition Accounting

On 30 June 2024 the Company acquired 100% of the issued capital of Nexgen Nanosensor Pty Ltd for consideration of \$250,000 satisfied by the issue of 1,250,000 fully paid ordinary shares in the Company.

Assets acquired

The identifiable assets of Nexgen Nanosensors Pty Ltd at acquisition date were:

	2024
	\$
Assets	
Intellectual Property	<u>250,000</u>
Net assets acquired	<u>250,000</u>
Cost of Acquisition	
Shares issued at 20 cents each	<u>250,000</u>
Total cost of acquisition	<u>250,000</u>

23 Statutory Information

The registered office of the company is:

C/- JM CORPORATE SERVICES

Level 21

459 Collins Street

Melbourne VIC 3000

The principal place of business is:

Unit 90

102 Railway Street

West Perth WA 6005

Consolidated Entity Disclosure Statement

For the Year Ended 30 June 2024

Entity name	Entity type	Country of incorporation	Ownership interest %	Tax residency & foreign jurisdiction
Nexgen Nanosensors Pty Ltd	Australian Proprietary Company, Limited By Shares	Australia	100%	Australia

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Nexsen Limited (formerly Nexsen Biotech Pty Ltd)

Directors' Declaration

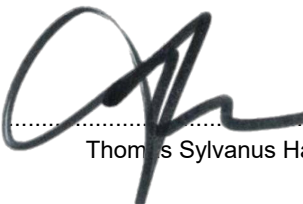
In the directors' opinion:

1. the consolidated financial statements and notes for the year ended 30 June 2024 are in accordance with the *Corporations Act 2001* and:
 - a. complying with Accounting Standards which, as stated in basis of preparation Note 1 to the consolidated financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - b. giving a true and fair view of the financial position and performance of the consolidated group.
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. The information disclosed in the attached consolidated entity disclosure statement is true and correct.

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

Director

Mark Anthony Muzzin

Director

Thomas Sylvanus Hanly

Dated 07 March 2025

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF NEXSEN LIMITED****Report on the Audit of the Financial Report****Opinion**

We have audited the consolidated financial report of Nexsen Limited (the Company), which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies, and the directors' declaration.

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

- i. giving a true and fair view of the consolidated financial position of the Company as at 30 June 2024 and of its consolidated financial performance for the year then ended; and
- ii. 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 Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2024 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF NEXSEN LIMITED (CONTINUED)****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 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 Company 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 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 is located at the Auditing and Assurance Standard Board website at http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our audit report.



NEIL PACE
PARTNER



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 7th day of March 2025.