

CFOAM Limited
ACN 611 576 777
For the year ended 30 June 2024

Annual Report

CORPORATE DIRECTORY

Directors

Gary Steinepreis
Non-Executive Chairman

Todd Hoare
Non-Executive Director

Nicholas Ong
Non-Executive Director

Company Secretary

Gary Steinepreis

Solicitors

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16 Milligan Street
PERTH WA 6000

Registered Office

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WEST PERTH WA 6005

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Website: www.cfoam.com.au

Share Registry

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Limited
Level 17, 221 St George's Terrace
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Auditor

BDO Audit Pty Ltd
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Mia Yellagonga Tower 2
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CFOAM LIMITED
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**CFOAM LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

The Director's present their report for the year ended 30 June 2024 and auditor's report thereon. This financial report has been prepared in accordance with Australian Accounting Standards.

Directors

The names of the directors in office at any time during or since the end of the year are:

Gary Steinepreis
Todd Hoare
Nicholas Ong

Particulars of each directors' experience and qualifications are set out later in this report.

Principal activity

The principal activity of the Company is as an investor in new technology companies and reviewing new investments.

Financial results

The financial results for the year ended 30 June 2024 are presented in US\$:

	30 June 2024	30 June 2023	30 June 2022	30 June 2021
Cash and cash equivalents (US\$)	813,397	210,610	26,789	1,101,272
Net assets (US\$)	2,742,852	2,606,961	3,217,930	6,257,638
Total revenue from continuing operations (US\$)	8,004	-	-	-
Profit (Loss) after income tax (US\$)	103,907	(386,987)	(4,599,797)	(3,037,562)

Review of operations

During the year, the Company:

- redeemed the convertible notes it held in Aerovation Technologies Pty Ltd, formerly Innovaero Technologies Pty Ltd (Aerovation), an Australian Aerospace and Defence Technology business;
- made a new investment in CarBon New Energy Pty Ltd (CarBon). CarBon is a national **first to market** Electric Vehicle (EV) only leasing and subscription business, with a strong focus on accelerating the decarbonisation of Australian Commercial Fleets; and
- investigated new opportunities for investment.

On 19 October 2023, the Company received A\$2,468,750 (US\$1,633,621) in full satisfaction of the convertible note investment on redemption. The Company has retained its equity investment in Aerovation of A\$1,550,000 (US\$1,141,397) which was made on 26 November 2020.

On 17 March 2023, the Company invested A\$200,000 (US\$134,320) for a 3.39% interest in CarBon New Energy Pty Ltd and on 2 November 2023, the Company made a further investment of up to A\$1,500,000 (US\$963,787), increasing its position to a fully diluted 13% interest. The investment is made up of an initial A\$1,000,000 (US\$632,849) and an option to invest a further A\$500,000 (US\$330,938) which was completed on 9 April 2024.

**CFOAM LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

In the prior year, following the disposal of the main undertaking being CFOAM Corp, which was approved by shareholders, the Company has been reviewing new opportunities for investment and will be required to re-comply with Chapters 1 & 2 of the ASX Listing Rules. There is no guarantee that a suitable investment will be found and this represents a material business risk. The Company's shares were suspended from the ASX and the Company was delisted in August 2024.

The other material business risks relate to the investments in Aerovation and Carbon where the Company is not involved in the management of these entities. CFOAM is reliant on these entities to grow successfully so it can recoup its investment.

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company to the date of this report, not otherwise disclosed in this report.

After balance date events

The Company's shares were suspended from the ASX and the Company was delisted in August 2024. Other than as stated above, there have been no other matters or circumstances, which have arisen since 30 June 2024 that have significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2024, of the Company, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2024, of the Company.

Likely developments and expected results of operation

The Company will continue to review new business opportunities.

Environmental regulation

The Company's operations up to 30 June 2024 are not regulated by any significant environmental regulation laws.

Dividends paid, recommended and declared

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

Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

Indemnity and insurance of auditor

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

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

**CFOAM LIMITED
 DIRECTORS' REPORT
 FOR THE YEAR ENDED 30 JUNE 2024**

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

During the year, the auditor has performed certain other non-audit services in addition to the audit and review of financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Details of the amounts paid to the auditor, and its network firms for non-audit services provided during the year are set out below:

Non-Audit Services

Amounts paid/payable to BDO Tax for tax compliance US\$2,487

Information Relating to Directors and Company Secretary

Gary Steinepreis	Chair (Non-executive)
Qualifications and Experience	Mr Steinepreis holds a Bachelor of Commerce degree from the University of Western Australia and is a Chartered Accountant. He has provided corporate, management and accounting advice to a number of companies involved in the resource, technology and manufacturing industries.
Interest in Shares	53,812,133
Special Responsibilities	Company Secretary and Chair (Non-executive)
Directorships held in other listed entities during the three years prior to the current year	Current Taruga Minerals Limited since 15 July 2016 Lachlan Star Limited since 18 January 2018
Todd Hoare	Non-executive director
Qualifications and Experience	Mr Hoare holds a Bachelor of Commerce and Bachelor of Science (Mathematics) degree from the University of NSW. He has extensive capital markets experience - including fund raising, valuation and trading - across the globe, including Hong Kong, New York and Sydney.

**CFOAM LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

Interest in Shares 2,875,565

Special Responsibilities Nil

**Chen Chik (Nicholas)
Ong** Non-executive director

Qualifications and Experience Mr Ong brings 20 years' experience in listing rules compliance and corporate governance. He is experienced in mining project finance, mining and milling contract negotiations, mine CAPEX & OPEX management, and toll treatment reconciliation. Mr Ong is a Fellow of the Governance Institute of Australia and Fellow of Institute of Chartered Secretaries and Administrators. He holds a Bachelor of Commerce and a Master of Business Administration from the University of Western Australia. He has since worked as a company secretary and director to listed companies.

Interest in Shares -

Special Responsibilities Nil

Directorships held in other listed entities during the three years prior to the current year

Current
Nelson Resources Limited since 20 November 2022
Beroni Group Ltd since 1 March 2021

Former
Mie Pay Ltd 15 July 2019 to 30 June 2022
Vonex Limited 14 June 2016 to 17 March 2023
White Cliff Minerals Ltd 14 December 2018 to 11 April 2023
Helios Energy Ltd 4 August 2017 to 30 August 2023

Meetings of Directors

During the financial year, the Board conducted the majority of its formal business via directors' resolutions. A total of 1 meeting of directors (there were no committees of directors) was held. Attendances by each director during the year were as follows:

	Number eligible to attend	Number attended
Gary Steinepreis	1	1
Todd Hoare	1	1
Nicholas Ong	1	1

Options

At 30 June 2024, the Company had no options on issue. During the period, 20,000,000 options exercisable at A\$0.03 on or before 10 December 2023 have lapsed. No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Remuneration Report (Audited)

The principles adopted by the Board are set out under the following main headings:

- (1) Principles used to determine the nature and amount of remuneration
- (2) Details of remuneration
- (3) Employment contracts of Directors and Senior Executives
- (4) Shared Based Compensation
- (5) Other transactions with Key Management Personnel

CFOAM LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2024

The information provided under headings 1 to 4 above includes remuneration disclosures that are required under section 300A of the Corporations Act 2001.

1 Principles used to determine the nature and amount of remuneration

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered.

The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms to market best practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- (i) competitiveness and reasonableness;
- (ii) acceptability to shareholders;
- (iii) performance linkage / alignment of executive compensation;
- (iv) transparency; and
- (v) capital management.

The Company has structured an executive remuneration framework that is market competitive and complimentary to the reward strategy of the organisation.

Alignment to shareholders' and program participants' interests:

- (i) focuses on sustained growth in shareholder wealth;
- (ii) attracts and retains high calibre executives;
- (iii) rewards capability and experience; and
- (iv) provides a clear structure for earning rewards.

The Company has sold its main undertaking and is reviewing new opportunities for investment. The Company has incurred losses over this period and invested significant capital. The financial report covers 2023 and 2024.

The Company performance is summarised for the 5 years to 30 June 2024 as follows:

	2024	2023	2022	2021	2020
Profit (Loss) for the year (US\$)	103,907	(254,255)	(4,599,797)	(3,037,562)	(5,474,516)
Basis profit (loss) per share (US\$) from continuing operations	0.0001	(\$0.003)	(\$0.001)	(\$0.001)	(\$0.03)
Closing share price (A\$)	0.2 cents ¹	0.2 cents ¹	0.3 cents	1.6 cents	2.7 cents

1. This is the last sale price prior to the suspension from trading on 9 January 2023

Remuneration Governance

Fees and payments to directors and key management personnel reflect the demands and responsibilities of the positions and are in line with the general market and the financial condition of the Company. There are no minimum or maximum amounts. There is no remuneration committee. Non-executive directors' fees are determined within an aggregate directors' fee pool limit, which will be periodically recommended for approval by shareholders. The maximum currently stands at A\$300,000 per annum as per the Company's constitution and may be varied by ordinary resolution of the shareholders in general meeting. The entire board which comprises three directors are responsible for remuneration packages. The Directors believe this is satisfactory given the size and complexity of Company operations.

Use of Remuneration Consultants

Remuneration consultants were not used in the establishment of remuneration packages for directors or key management personnel in 2024.

Company Performance, Shareholder Wealth and Directors' and Executives' Remuneration

The Company has sold its main undertaking and is looking for new opportunities. This will require the raising of additional capital and or debt as indicated in the financial report. No relationship exists between the Company performance, earnings, shareholder wealth and Directors' and Executive Remuneration for this financial period and the previous financial periods.

The remuneration for the years ended 30 June 2023 and 30 June 2024 is detailed below. The Company has also established a performance rights plan and employee share option plan and intends to utilise this to incentivise management and directors, subject to shareholder approval, if required. Whilst not directly linked to Company performance, the rights vest on various milestones that are designed to align executive remuneration with shareholder interests. Note 2 in the remuneration report refers to performance related remuneration.

No dividends have been declared or paid during the financial year and there has been no return of capital.

The Company's securities were suspended from trading on the ASX during the period.

Comments and Voting at Annual General Meeting

The 2023 Annual General Meeting has not yet been held but is scheduled for November 2024.

2 Details of Remuneration

The key management personnel of the Company, during the year, were:

Directors:	Position:	Date Appointed	Date Resigned
Gary Steinepreis	Chair (Non-executive) / Company Secretary	30 March 2016	-
Todd Hoare	Non-executive director	16 June 2017	-
Nicholas Ong	Non-executive director	24 October 2020	-

The remuneration is detailed below and no bonuses have been paid for the period.

		Short term employment benefits			
		Cash salary and fees	Equity settled	Total	Performance related
		US\$	US\$	US\$	%
2024					
	<i>Non-Executive Directors:</i>				
	Gary Steinepreis	-	-	-	-
	Todd Hoare	-	-	-	-
	Nicholas Ong	-	-	-	-
		-	-	-	
		Short term employment benefits			
		Cash salary and fees	Equity settled	Total	Performance related
		US\$	US\$	US\$	%
2023					
	<i>Non-Executive Directors:</i>				
	Gary Steinepreis	-	-	-	-
	Todd Hoare	-	566	566	100%
	Nicholas Ong	-	-	-	-
		-	566	566	

**CFOAM LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

3 Employment Contracts of Directors and Senior Executives

Non-Executive Director Agreements - Todd Hoare, Gary Steinepreis

Fees: Directors fees of US\$46,433 (A\$64,000) per annum from 1 January 2019.

Non-Executive Director Agreement – Nicholas Ong

Fees: Directors fees of US\$34,825 (A\$48,000) per annum from 24 October 2020.

The directors have agreed not to be remunerated or have fees accrued for the year ended 30 June 2024.

Additional Executive Duties: work undertaken on additional executive duties will be paid at a commercial rate based on the project undertaken and work required. This does not form part of the non-executive director fee.

Terms and conditions: The non-executive Directors' appointments are subject to provisions of the Constitution relating to retirement by rotation and re-election of directors and will automatically cease at the end of any meeting at which the directors are not re-elected as a director by Shareholders. The Non-Executive Agreements otherwise contains terms and conditions that are considered standard for agreements of this nature.

4 Shared Based Compensation

Ordinary shareholdings

Details of equity instruments held directly, indirectly, or beneficially by directors and key management personnel and their related parties are as follows:

2024 Name	Held at 1/7/2023	Shares acquired	Other changes	Balance 30/6/2024
Directors:				
Gary Steinepreis	53,812,133	-	-	53,812,133
Todd Hoare	2,875,565	-	-	2,875,565
Nicholas Ong	-	-	-	-
Total	56,687,698	-	-	56,687,698

5 Other transactions with Key Management Personnel

There have been no other transactions to Key Management Personnel.

End of the audited remuneration report.

**CFOAM LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

A copy of the auditor's independence declaration as required by Section 307C of the Corporations Act 2001 is included in this Financial Report.

This report is made in accordance with a resolution of the Directors on 4 October 2024.

A handwritten signature in black ink that reads "G Steinepreis". The signature is written in a cursive style with a large initial "G" and a long, sweeping underline.

Gary Steinepreis
Director
Perth
4 October 2024



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Australia

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

As lead auditor of CFOAM Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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

Jackson Wheeler

Director

BDO Audit Pty Ltd

Perth

4 October 2024

CFOAM LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

	Notes	30-June-24 US\$	Consolidated 30-June-23 US\$
Revenue			
Other income		8,004	-
		8,004	-
Expenses			
Fair value decrement	5	-	(381,124)
Fair value gain	5	157,390	332,381
Legal fees		-	(522)
Accounting and audit fees		(37,172)	(44,743)
Australian securities exchange fees		(13,322)	(15,253)
Other expenses		(11,013)	(18,027)
Foreign exchange gain (loss)		20	(104,851)
Employee salaries, consulting and benefits		-	(20,195)
Share based payments		-	(566)
Finance costs		-	(1,355)
		95,903	(254,255)
Profit (Loss) from continuing operations before income tax		103,907	(254,255)
Income tax expense	14	-	-
Profit (Loss) from continuing operations after income tax		103,907	(254,255)
Profit (Loss) from discontinued operations after income tax		-	(132,732)
Profit (Loss) after income tax for the year		103,907	(386,987)
Other comprehensive profit (loss), net of tax			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		31,984	107,254
Total comprehensive profit (loss) for the year		135,891	(279,733)
Total profit (loss) for the year is attributable to:			
Owners of CFOAM Limited		135,891	(279,733)
Non-controlling interest		-	-
		135,891	(279,733)
Profit (Loss) per share for profit (loss) from continuing operations attributable to the owners of CFOAM Limited			
Basic profit (loss) per share	18	\$0.0001	(\$0.003)
Diluted profit (loss) per share	18	\$0.0001	(\$0.003)
Loss per share for loss from discontinued operations attributable to the owners of CFOAM Limited			
Basic loss per share	18	-	(\$0.002)
Diluted loss per share	18	-	(\$0.002)
Profit (Loss) per share for loss attributable to the owners of CFOAM Limited			
Basic profit (loss) per share	18	\$0.0001	(\$0.004)
Diluted profit (loss) per share	18	\$0.0001	(\$0.004)

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.

CFOAM LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Notes	30-June-24	Consolidated 30-June-23
		US\$	US\$
ASSETS			
Current assets			
Cash and cash equivalents	11(a)	813,397	210,610
Trade and other receivables		981	437
Financial assets at fair value through profit or loss	5	-	1,633,621
Total current assets		814,377	1,844,668
Non-current assets			
Financial assets at fair value through profit or loss	5	1,956,928	783,372
Total non-current assets		1,956,928	783,372
TOTAL ASSETS		2,771,305	2,628,040
LIABILITIES			
Current Liabilities			
Trade and other payables	6	28,453	21,079
Total current liabilities		28,453	21,079
TOTAL LIABILITIES		28,453	21,079
NET ASSETS		2,742,852	2,606,961
EQUITY			
Issued capital	7	23,413,750	23,413,750
Reserves	8	281,299	506,763
Accumulated losses	12	(20,952,197)	(21,313,552)
TOTAL EQUITY		2,742,852	2,606,961

The Statement of Financial Position is to be read in conjunction with the accompanying notes.

CFOAM LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024

	Issued capital US\$	Reserves US\$	Accumulated losses US\$	Total equity US\$
Balance at 1 July 2023	23,413,750	506,763	(21,313,552)	2,606,961
Profit after income tax expense for the year	-	-	103,907	103,907
Other comprehensive profit for the year, net of tax	-	31,984	-	31,984
Total comprehensive profit for the year	-	31,984	103,907	135,891
<i>Transactions with owners in their capacity as owners:</i>				
Transfer from reserves to accumulated losses (Refer Note 12)	-	(257,448)	257,448	-
Balance at 30 June 2024	<u>23,413,750</u>	<u>281,299</u>	<u>(20,952,197)</u>	<u>2,742,852</u>

	Issued capital US\$	Reserves US\$	Accumulated losses US\$	Total US\$	Non- controlling interests US\$	Total equity US\$
Consolidated						
Balance at 1 July 2022	23,292,226	1,422,792	(21,828,890)	2,886,128	331,802	3,217,930
Loss after income tax expense for the year	-	-	(386,987)	(386,987)	-	(386,987)
Other comprehensive loss for the year, net of tax	-	107,254	-	107,254	-	107,254
Total comprehensive loss for the year	-	107,254	(386,987)	(279,733)	-	(279,733)
<i>Transactions with owners in their capacity as owners:</i>						
Conversion of performance rights	121,524	(121,524)	-	-	-	-
Transfer from reserves to accumulated losses (Refer Note 12)	-	(158,730)	158,730	-	-	-
Disposal of subsidiary	-	-	-	-	(331,802)	(331,802)
Transfer of non-controlling interests reserves to accumulated losses	-	(743,595)	743,595	-	-	-
Share-based payments	-	566	-	566	-	566
Balance at 30 June 2023	<u>23,413,750</u>	<u>506,763</u>	<u>(21,313,552)</u>	<u>2,606,961</u>	<u>-</u>	<u>2,606,961</u>

The Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

CFOAM LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	Note	30-June-24 US\$	Consolidated 30-June-23 US\$
Cash flows from operating activities			
Receipts from customers		-	57,478
Payment to suppliers and employees		(75,052)	(460,902)
Interest received		8,005	-
Interest and other finance costs paid		-	(1,351)
		<hr/>	<hr/>
Net cash used in operating activities	11	<u>(67,047)</u>	<u>(404,775)</u>
Cash flows from investing activities			
Proceeds from sale of CFOAM USA interests		-	1,000,000
Proceeds from redemption of Aerovation convertible notes	5	1,633,621	-
Investment in CarBon New Energy	5	(963,787)	(132,344)
		<hr/>	<hr/>
Net cash provided by investing activities		<u>669,834</u>	<u>867,656</u>
Cash flows from financing activities			
Repayment of borrowings		-	(414,879)
		<hr/>	<hr/>
Net cash used in financing activities		<u>-</u>	<u>(414,879)</u>
Net increase in cash and cash equivalents		602,787	48,002
Cash and cash equivalents at the beginning of the financial year		<u>210,610</u>	<u>162,608</u>
		<hr/>	<hr/>
Cash and cash equivalents at the end of the financial year	11	<u><u>813,397</u></u>	<u><u>210,610</u></u>

The Statement of Cash Flows is to be read in conjunction with the accompanying notes.

CFOAM LIMITED
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES

The financial statements of the parent entity, CFOAM Limited, are presented within this financial report for the period ended 30 June 2024 as permitted by the *Corporations Act 2001*.

The prior period are consolidated financial statements and notes representing those of CFOAM Limited and, for the period up to disposal of its 74.34% subsidiary, CFOAM Corp which wholly owns the operating entity, CFOAM, LLC for the year ended 30 June 2023.

The financial statements were authorised for issue on 4 October 2024 by the directors of the Company.

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, 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.

Going Concern

The Company has prepared the financial report on a going concern basis. The Company has sufficient funding to fund operations over the next 12 months.

Comparative information

This report presents the financial information for the year ended 30 June 2024 and comparative information for the year ended 30 June 2023.

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current year.

Functional and presentation currency

The functional currency of each entity within the Company is measured using the currency of the primary economic environment in which the entity operates. The financial statements are presented in United States dollars, which is the presentation currency, Australian dollars is the functional currency.

a) *Discontinued operations and non-current assets or disposal groups classified as held for sale*

A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair

CFOAM LIMITED
NOTES TO THE FINANCIAL STATEMENTS

value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

b) *New, revised or amending Accounting Standards and Interpretations adopted*

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

c) *Cash and cash equivalents*

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

d) *Share based payments*

The Company measures the cost of equity settled transactions with employees by reference to the fair value of equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. A probability of the achievement of performance conditions is assigned and the share based payment expense is recognised over the estimated vesting period. The accounting estimates and assumptions relating to equity-settled share based payments may impact profit or loss and equity.

e) *Impairment of assets*

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value.

Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit and Loss and Other Comprehensive Income. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

f) *Property, plant and equipment*

The Company records Assets under Construction and the depreciation of these items commences when the asset is commissioned.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Office equipment	1-5 years
Plant and equipment	10-15 years

CFOAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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

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

g) Financial Instruments

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

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h) Issued Capital

Common 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.

i) Current and non-current classification

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

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

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

j) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

q) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction.

The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability.

No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

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r) Foreign Currency Translation

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) Assets and liabilities for each statement of financial position are translated at the closing rate at the date of the statement of financial position;
- (ii) Income and expenses for each Statement of Profit or Loss and Other Comprehensive Income are translated at the average exchange rate for the period being reported on; and
- (iii) All resulting exchange differences are recognised in the foreign currency translation reserve in equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognised in the foreign currency translation reserve, if material. When a foreign operation is sold, the associated exchange differences are reclassified to the Statement of Profit or Loss and Other Comprehensive Income as part of the gain or loss on sale.

t) Non-controlling interests

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

u) Changes in ownership interests

The Company treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Company. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of CFOAM Limited.

v) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of CFOAM Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

NOTE 2: ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT OPERATIVE AT 30 JUNE 2024

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2024. The Company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

CFOAM LIMITED
NOTES TO THE FINANCIAL STATEMENTS

NOTE 3: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Fair value of financial assets

Fair value reflects the price that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the measurement date.

Quoted prices or rates are used to determine the fair value where an active market exists. If the market for a financial instrument is not active or the instrument is unlisted, then fair values are estimated using present value or other valuation techniques, using inputs based on market conditions prevailing on the measurement date, including recent capital raisings.

The values derived from applying these techniques are affected by the choice of valuation model used and the underlying assumptions made regarding inputs such as timing and amounts of future cash flows, discount rates, credit risk, volatility and correlation.

NOTE 4. OPERATING SEGMENTS

Identification of reportable operating segments

In conjunction with AASB 8 Operating Segments, the Company has identified its operating segment based on internal reports that are reviewed and used by the Chief Operating Decision Maker (CODM) in assessing performance and in determining the allocation of resources.

There is one reporting segment, being CFOAM Limited, therefore the financial performance and position of this segment are represented by the primary financial statements,

Geographical information

All assets are based in Australia.

NOTE 5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

On 26 November 2020, the Company made a strategic investment of US\$1,141,397 (A\$1,550,000) in Aerovation Technologies Pty Ltd, formerly Innovaero Technologies Pty Ltd (Aerovation), an Australian Aerospace and Defence Technology business. At 30 June 2023 the Company held an equity interest of 10.24% in Aerovation.

On 12 May 2021, the Company invested US\$775,650 (A\$1,000,000) in Aerovation via a convertible note as part of Aerovation's capital raising strategy. This investment will maintain and increase CFOAM's interest in Aerovation when converted to equity.

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

On 17 March 2023, the Company invested A\$200,000 (US\$134,320) for a 3.39% interest in CarBon New Energy Pty Ltd (CarBon New Energy) and on 2 November 2023, the Company made a further investment of up to A\$1,500,000 (US\$973,499 increasing its position to a fully diluted 13% interest. The investment is made up of an initial A\$1,000,000 (US\$632,849) and an option to invest a further A\$500,000 (US\$340,650) which was completed on 9 April 2024. CarBon New Energy is a national first to market Electric Vehicle (EV) only leasing and subscription business.

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NOTES TO THE FINANCIAL STATEMENTS

Financial assets measured at FVPL including the following:

Convertible note in Aerovation	30 June 2024	30 June 2023
	US\$	US\$
Current assets		
Balance at 1 July	1,633,621	1,365,732
Redemption-Convertible note in Aerovation	(1,633,621)	-
Foreign exchange movements	-	(64,492)
Fair value movement	-	332,381
	<u>-</u>	<u>332,381</u>
Closing balance at 30 June	<u>-</u>	<u>1,633,621</u>
Equity Investments	30 June 2024	30 June 2023
	US\$	US\$
Non-current assets		
Balance at 1 July	783,372	1,071,771
Acquisition-investment in CarBon New Energy	963,787	132,344
Foreign exchange movements	52,379	(39,619)
Fair value movement	157,390	(381,124)
	<u>1,956,928</u>	<u>783,372</u>
Closing balance at 30 June	<u>1,956,928</u>	<u>783,372</u>

Aerovation:

Convertible note:

On 12 May 2021, the Company invested A\$1,000,000 (US\$775,650) in Aerovation via a convertible note and on 16 July 2021, the Company invested a further A\$975,000 (US\$721,793) via a convertible note. The total convertible note investments were A\$1,975,000 (US\$1,497,443). The Company agreed to various extensions of the term of the convertible notes in support of the Aerovation business. A key term was that on maturity Aerovation would redeem the convertible notes and pay an amount equal to 1.25 times of the principal amount invested.

On 19 October 2023, the Company received A\$2,468,750 (US\$1,633,621) in full satisfaction of the convertible note investment on redemption.

Investment:

At 30 June 2024, the Company held an equity interest of 8.99% (30 June 2023: 10.24%) in Aerovation which is consistent with the prior period ended 30 June 2023. As the Directors were unable to access the financial information of the investee at reporting date, the Directors have taken the approach to fair value the investment based on transaction which occurred in August 2023 and settled in October 2023, whereby Aerovation restructured its business and obtained a third party investment. The Company used the valuation of the convertible note transaction as noted above to imply a fair value of the investment and recorded a diminution of fair value of the balance as an adjustment via the profit and loss.

CarBon New Energy:

On 17 March 2023, the Company invested A\$200,000 (US\$134,320) for a 3.39% interest in CarBon New Energy Pty Ltd and on 2 November 2023, the Company made a further investment of up to A\$1,500,000 (US\$963,787), increasing its position to a fully diluted 13% interest. The investment is made up of an initial A\$1,000,000 (US\$632,849) and an option to invest a further A\$500,000 (US\$330,938) which was completed on 9 April 2024.

The Directors have taken the approach to fair value these financial assets based on recent share raisings.

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NOTES TO THE FINANCIAL STATEMENTS

As at 30 June 2024, the fair value of the Company's financial assets were assessed in accordance with AASB 9 Financial Instruments, and as a result there was a fair value change recognised in this financial period.

i) Classification of financial assets at fair value through profit or loss

The Company classifies the following financial assets at fair value through profit or loss (FVPL):

- equity investments for which the entity has not elected to recognise fair value gains and losses through OCI.
- convertible notes for which the entity has not elected to recognize fair value gains and losses through OCI.

Risk exposure and fair value measurements

Information about the Company's exposure to price risk is provided in note 13. For information about the methods and assumptions used in determining fair value refer to note 13.

NOTE 6. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	30 June 2024 US\$	30 June 2023 US\$
Trade creditors	1,681	1,227
Accruals	26,772	19,852
	<u>28,453</u>	<u>21,079</u>

NOTE 7. ISSUED CAPITAL

	30 June 2024 Shares	30 June 2023 Shares	30 June 2024 US\$	30 June 2023 US\$
Ordinary shares - fully paid (US\$)	<u>734,340,634</u>	<u>734,340,634</u>	<u>23,413,750</u>	<u>23,413,750</u>

Movements in ordinary share capital:

Details	Date	Shares	Issue price	US\$
Opening Balance	1 July 2022	733,840,634		23,292,226
Issue of shares - conversion of performance rights	31 March 2023	500,000	US\$0.243	121,524
Closing Balance	30 June 2023	<u>734,340,634</u>		<u>23,413,750</u>
Opening Balance	1 July 2023	<u>734,340,634</u>		<u>23,413,750</u>
Closing Balance	30 June 2024	<u>734,340,634</u>		<u>23,413,750</u>

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

The Company does not have any options on issue. During the period, 20,000,000 options exercisable at A\$0.03 on or before 10 December 2023 expired.

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NOTE 8. RESERVES

	30 June 2024	Consolidated 30 June 2023
	US\$	US\$
Share based payment reserve – options	-	257,448
Foreign currency reserve	281,299	249,315
	<u>281,299</u>	<u>506,763</u>

Movements in reserves

	30 June 2024	Consolidated 30 June 2023
	US\$	US\$
Share based payment reserve – performance rights and options		
Balance at beginning of period	257,448	537,136
Transfer to issued capital on conversion of performance rights	-	(121,524)
Transfer to accumulated losses (Refer Note 12)	(257,448)	(158,730)
Expense for the period	-	566
Balance at the end of the period	<u>-</u>	<u>257,448</u>

	30 June 2024	Consolidated 30 June 2023
	US\$	US\$
Foreign currency reserve		
Balance at beginning of period	249,315	142,061
Movement for the period	31,984	107,254
Balance at the end of the period	<u>281,299</u>	<u>249,315</u>

Nature and Purpose of Reserves

(1) Share based payment reserve – options

The share based payment reserve is used to recognise the fair value of options issued under the capital raising mandate. The reserve is recognised in contributed equity when the options are exercised.

(2) Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to United States dollars.

NOTE 9: CONTINGENT LIABILITIES

The Company had no contingent liabilities as at 30 June 2024 (2023: nil).

NOTE 10. RELATED PARTY TRANSACTIONS

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

Services provided by directors and key management personnel and recognised as an expense	30 June 2024	30 June 2023
	US\$	US\$
Short term employee benefits	-	-
Post-employment benefits	-	-
Share based payments	-	566
	<u>-</u>	<u>566</u>

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Detailed remuneration disclosures with regard to the amounts paid to directors are provided in the audited remuneration report in the directors' report.

NOTE 11. CASH AND CASH EQUIVALENTS**(a) Reconciliation to cash at the end of the period**

	30 June 2024	Consolidated 30 June 2023
	US\$	US\$
Cash and cash equivalents	<u>813,397</u>	<u>210,610</u>

(b) Reconciliation of net loss after income tax to net cash flows used in operating activities

	30 June 2024	Consolidated 30 June 2023
	US\$	US\$
Net profit (loss) after income tax	103,907	(386,987)
Deconsolidation of CFOAM USA business	-	(39,327)
Share based payments	-	566
Fair value adjustment	(163,512)	47,913
Impairment expense	(11,749)	-
Foreign exchange loss/ (gain)	(2,523)	107,254
Changes in assets and liabilities:		
Increase (Decrease) in prepayments and other receivables	(544)	4,578
Increase (Decrease) in trade and other payables	7,372	(138,772)
Net cash flows used in operating activities	<u>(67,049)</u>	<u>(404,775)</u>

NOTE 12. ACCUMULATED LOSSES

	30 June 2024	Consolidated 30 June 2023
	US\$	US\$
Balance at beginning of period	21,313,552	21,828,890
Transfer of non-controlling interest reserves ¹	-	(743,595)
Transfer from reserves ²	(257,448)	(158,730)
(Profit) Loss after income tax expense for the year	(103,907)	386,987
Balance at the end of the year	<u>20,952,197</u>	<u>21,313,552</u>

¹As a result of disposal of subsidiary in the financial year, these reserves have been transferred to accumulated losses

²These amounts have been transferred from share based payment reserves to accumulated losses as these relates to performance rights which have expired or lapsed in the prior year and options in the current year.

NOTE 13: FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist mainly of deposits with banks and accounts receivable and payable and promissory notes. The Company's activities expose it to a variety of financial risks; market risk (including fair value and interest rate risk), credit risk, liquidity risk, foreign exchange fluctuations, cash flow and interest rate risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the

CFOAM LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

Company. Risk management is carried out by the board of directors under policies approved by the Board. The board identifies and evaluates financial risks for overall risk management.

Interest Rate Risk

As the Company has no significant interest bearing assets other than cash at bank, the Company's income and operating cash flows are not materially exposed to changes in market interest rates.

The risk arises due to changes in interest rates offered by the bank. The risk is managed by seeking alternative quotes from competing banks.

2024	Floating interest rate	Fixed interest rate	Non-interest bearing	Total	Weighted average effective interest rate
Financial Instruments	US\$	US\$	US\$	US\$	%
<i>Financial assets</i>					
Cash assets	144,097	669,300	-	813,397	4.85
Financial assets at fair value through profit or loss	-	-	1,956,928	1,956,928	
Trade and other receivables	-	-	981	981	
Total financial assets	144,097	669,300	1,957,909	2,771,306	
<i>Financial liabilities</i>					
Loans - current	-	-	-	-	
Total financial liabilities	-	-	-	-	
2023					
Financial Instruments	Floating interest rate	Fixed interest rate	Non-interest bearing	Total	Weighted average effective interest rate
	US\$	US\$	US\$	US\$	%
<i>Financial assets</i>					
Cash assets	210,610	-	-	210,610	-
Financial assets at fair value through profit or loss			2,416,993	2,416,993	
Trade and other receivables		-	437	437	
Total financial assets	210,610	-	2,417,430	2,628,040	
<i>Financial liabilities</i>					
Loans - current	-	-	-	-	
Total financial liabilities	-	-	-	-	

The net fair value of financial assets and liabilities are materially in line with their carrying values. The assets pledged as security support the fair value.

Sensitivity Analysis – Interest Rate Risk**Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash to meet commitments as and when they fall due. The Company manages liquidity by monitoring its budgeted commitments for at least 12 months and raising capital and/or debt as required to fund its business platform.

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As at 30 June 2024	Less than 6 months US\$	6-12 months US\$	1-5 years US\$	Over 5 years US\$	Total contractual US\$	Carrying amount US\$
Trade and other payables	28,453	-	-	-	28,453	28,453
Borrowings	-	-	-	-	-	-
As at 30 June 2023	Less than 6 months US\$	6-12 months US\$	1-5 years US\$	Over 5 years US\$	Total contractual US\$	Carrying amount US\$
Trade and other payables	21,079	-	-	-	21,079	21,079
Borrowings	-	-	-	-	-	-

Credit Risk

Credit risk is the risk of financial loss to the Company should a counterparty to a financial instrument fails to meet its contractual obligations.

At the reporting date, the Company has no significant concentrations of credit risk.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Cash at bank	2024 US\$	2023 US\$
Westpac Banking Corporation - AA	813,397	210,610
	<u>813,397</u>	<u>210,610</u>

Foreign Currency Risk

The Company's operations are in US\$. The Company has no material exposure to foreign currency risk at the end of the financial period.

Fair Value Measurement

(a) Net fair value

The carrying value and net fair values of financial assets and liabilities at balance date are:

	2024	
	Carrying Amount US\$	Net fair Value US\$
Financial assets		
Cash and cash equivalents	813,397	813,397
Financial assets at fair value through profit or loss	1,956,928	1,956,928
Trade and other receivables - current	981	981
	<u>2,771,306</u>	<u>2,771,306</u>
Financial Liabilities		
Trade and other payables - current	28,453	28,453
	<u>28,453</u>	<u>28,453</u>

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	2023	
	Carrying Amount US\$	Net fair Value US\$
Financial assets		
Cash and cash equivalents	210,610	210,610
Financial assets at fair value through profit or loss	2,416,993	2,416,993
Trade and other receivables - current	437	437
	<u>2,628,040</u>	<u>2,628,040</u>
Financial Liabilities		
Trade and other payables - current	21,079	21,079
	<u>21,079</u>	<u>21,079</u>

(b) Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. AASB 7 *Financial Instruments: Disclosures* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- i) Quoted prices in active markets for identical assets or liabilities (level 1)
- ii) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (level 2); and
- iii) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 30 June 2024.

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
30 June 2024				
Investment in CarBon New Energy	-	-	1,298,442	1,298,442
Investment in Aerovation	-	-	658,486	658,486
Total Financial assets at FVPL	-	-	1,956,928	1,956,928
30 June 2023				
Investment in CarBon New Energy	-	-	132,344	132,344
Convertible note in Aerovation	-	-	1,633,621	1,633,621
Investment in Aerovation	-	-	651,028	651,028
Total Financial assets at FVPL	-	-	2,416,993	2,416,993

The fair value of the Level 3 financial assets in Aerovation have been based on a transaction which occurred in August 2023 and settled in October 2023, whereby Aerovation Technologies Pty Ltd restructured its business and obtained a third party investment which allowed for the repayment of the convertible note investment held by the Company.

The fair value of the level 3 financial assets in CarBon New Energy has been based on recent share raising prices during the half year.

The directors consider this to reflect the investments fair value at reporting date. Refer to Note 5 for additional details on the financial assets at FVPL.

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NOTE 14: INCOME TAX EXPENSE	2024	2023
	US\$	US\$
a. The components of tax expense comprise:		
Current tax	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>
b. The prima facie tax benefit on profit (loss) from ordinary activities before income tax is reconciled to income tax as follows:		
Prima facie tax benefit on profit (loss) from ordinary activities before income tax at 30% (2023: 30%)	31,172	(76,276)
Add tax effect of:		
- Revenue losses not recognised	-	-
- Other non-allowable items	(31,172)	-
	<u>(31,172)</u>	<u>(76,276)</u>
Less tax effect of:		
- Other deferred tax balances not recognised	-	76,276
Income tax	<u>-</u>	<u>-</u>
c. Unrecognised deferred tax assets:		
Carry forward revenue losses	2,155,088	2,101,605
Carry forward capital losses	-	-
Net deferred tax assets	<u>2,155,088</u>	<u>2,101,605</u>

The tax benefits of the above deferred tax assets will only be obtained if:

- (a) the company derives future assessable income of a nature and amount sufficient to enable the benefits to be utilised;
- (b) the company continues to comply with the conditions for deductibility imposed by law; and
- (c) no changes in income tax legislation which adversely affect utilising benefits.

NOTE 15: REMUNERATION OF AUDITORS

Assurance Services	2024	Consolidated
	US\$	2023
	US\$	US\$
<i>Audit Services</i>		
Amounts paid/payable to BDO for audit and review of the financial reports	34,685	41,096
	<u>34,685</u>	<u>41,096</u>
<i>Non-Audit Services</i>		
Amounts paid/payable to BDO for tax compliance and advice	4,728	3,647
	<u>4,728</u>	<u>3,647</u>

CFOAM LIMITED
NOTES TO THE FINANCIAL STATEMENTS

NOTE 16: EVENTS SUBSEQUENT TO REPORTING DATE

The Company's shares were suspended from the ASX and the Company was delisted in August 2024. Other than as stated above, there have been no other matters or circumstances, which have arisen since 30 June 2024 that have significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2024, of the Company, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2024, of the Company.

NOTE 17: COMPANY DETAILS

The registered office and principal place of business of the Company is:

Level 1

33 Ord Street

West Perth Western Australia 6005

NOTE 18: LOSS PER SHARE

	2024	Consolidated
	US\$	2023
		US\$
Profit (Loss) used to calculate basic EPS from continuing operations	103,907	(254,255)
Profit (Loss) used to calculate basic EPS from discontinued operations	103,907	(132,732)
Weighted average number of ordinary shares outstanding during the year	734,340,634	733,965,292

There are currently no dilutive securities on issue which effect the calculations and therefore the weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted EPS are the same.

CFOAM LIMITED
CONSOLIDATED ENTITY DISCLOSURE STATEMENT

For the year ended 30 June 2024, CFOAM Limited does not have any controlled entities and is not required by the Accounting Standards to prepare consolidated financial statements. Therefore, Section 295(3A)(a) of the Corporations Act 2001 does not apply to the entity.

CFOAM LIMITED
DIRECTORS DECLARATION

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

1. the financial statements and notes, as set out on pages 10 to 28, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and
 - b. give a true and fair view of the financial position as at 30 June 2024 and of the performance for the year ended on that date; and
2. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
3. the directors have been given the declarations required by s295A of the *Corporations Act 2001* from the Board acting in the capacity of the Chief Executive Officer and Chief Financial Officer.
4. the information disclosed on page 29 Consolidated Entity Disclosure Statement is true and correct.

This declaration is made in accordance with a resolution of the Directors on 4 October 2024 and is signed on behalf of the Directors by:



Gary Steinepreis
Director
Perth
4 October 2024

INDEPENDENT AUDITOR'S REPORT

To the members of CFOAM Limited

Report on the Audit of the Financial Report

Qualified opinion

We have audited the financial report of CFOAM 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 report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, except for the effects of the matter described in the *Basis for qualified opinion* section of our report, the accompanying financial report of CFOAM Limited, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for qualified opinion

As disclosed in Note 5 to the financial report, CFOAM Limited holds an equity interest of 8.99% in Aerovation Technologies Pty Ltd ("Aerovation") and an equity interest of 13% in CarBon New Energy Pty Ltd ("Carbon New Energy").

Due to an inability to access the financial information of the investee, the fair value of the Aerovation investment as at 30 June 2024 was based on the most recent transaction which occurred in August 2023 and was settled in October 2023. In respect of the Carbon New Energy investment, the fair value as at 30 June 2024 was based on the most recent share raising which settled in November 2023.

As management were unable to obtain financial information to perform a fair value assessment on investments as at year-end, we were unable to obtain sufficient appropriate audit evidence about the carrying amount of these financial assets as at 30 June 2024. Consequently, we were unable to determine whether any adjustment to carrying value of the equity investments were necessary.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.



We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors report, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of 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 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 Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report

BDO Audit Pty Ltd

A handwritten version of the BDO logo in black ink.

A handwritten signature in black ink, appearing to read 'JWheeler', with a horizontal line drawn above it.

Jackson Wheeler

Director

Perth, 4 October 2024