Beroni Group Limited

ABN 20 613 077 526

APPENDIX 3 AND
INTERIM FINANCIAL REPORT
For the Half Year Ended 30 June 2024

Beroni Group Limited

ABN 20 613 077 526

Appendix 3

1. Details of the reporting period

Current Period: 1 January 2024 – 30 June 2024 ("HY2024")

Previous Corresponding Period: 1 January 2023 – 30 June 2023 ("HY2023")

2. Results for announcement to the market

Comparison to previous period		HY2024 (AUD)	HY2023 (AUD)	Change %
2.1	Revenue from continuing operations	173,150	338,914	-49%
2.2	Loss from ordinary activities after income tax attributable to members	(546,006)	(3,428,657)	84%
2.3	Net loss attributable to members	(546,006)	(3,428,657)	84%

2.6 Dividend

No dividend declared during the period.

2.7 Explanation of Results

The explanation of the results is included in the Directors' Report.

3. Net tangible assets per ordinary share

	30.06.2024	31.12.2023
	Cents	Cents
Net tangible assets per ordinary share	10.45	-15.76

Calculation based on ordinary shares issued of 23,049,926 of 30 June 2024 and 20,213,441 as of 31 December 2023.

4. Details of entities over which control has been gained or lost during the period

No other entities were acquired or disposed during the period.

5. Dividend payment information

No dividend was paid during the period.

6. Dividend/distribution reinvestment plan

No dividend/distribution reinvestment plan was made during the period.

7. Investment in associates and joint ventures

No new investment in associates or joint ventures was made during the period.

8. Accounting standards

Australian Accounting Standards have been used in complying with the information contained in Appendix 3.

9. Audit qualification or review

The financial statements were subject to review by the auditors and the Auditor's Review Report is attached as part of Interim Financial Report.

Beroni Group Limited and Its Subsidiaries

ABN 20 613 077 526

Condensed Consolidated Financial Statements

for the

Half Year Ended 30 June 2024

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Directors' Report

The directors present their report, together with the financial statements on the consolidated entity (referred to hereafter as the 'Group') consisting of Beroni Group Limited (referred to hereafter as the 'Company' or 'Beroni') and the entities it controlled at the end of, or from 1 January 2024 to 30 June 2024.

Directors

The following persons were directors of Beroni during the whole of the financial period and up to the date of this report, unless otherwise stated:

Jacky Boqing ZHANG (Executive Director, Chairman)
Hai HUANG (Executive Director)
Peter Yap Ting WONG (Executive Director and CFO)
Libing GUO (Non-executive Director)
Dr Richard BUCHTA (Non-executive Director)
Nicholas Ong (Non-executive Director)
Dr John Chiplin (Non-executive Director, deceased June 2024)

Company secretary

Nicholas Ong

Principal activities

The principal activities of the Company during the financial year are the sales of smoking control product (NicoBloc), air purifiers, water filters, healthcare products and supplements, cell therapies, cosmetics and viral diagnostic kits, and investing in the research and development of oncology drugs and therapies.

Review of Operations

The table below sets out the selected key performance indicators for the half year ending 30 June 2024 ("HY2024") and 30 June 2023 ("HY2023"):

A$'000	HY2024	HY2023	Change
Sales revenue	173,150	338,914	-49%
Cost of sales	(26,946)	(222,593)	88%
Gross profit	**146,204**	**116,321**	**26%**
Other income	91,418	103,918	-12%
Debtor finance	-	18,959	-
Selling and distribution expenses	(305,491)	(213,910)	-43%
General and administrative expenses	(1,317,657)	(3,489,042)	62%
Finance expense	(272,445)	(54,710)	-398%
Finance income	1,074	19,372	-94%
Fair value gain on derivative financial liabilities	1,845,683	-	-
Loss on debt extinguishment	(352,727)	-	-
Realised foreign exchange gain/(loss)	(2,784)	12,652	-78%
Unrealised foreign exchange gain/(loss)	(477,004)	(36,202)	-1218%
Profit / (Loss) before income tax	**(643,729)**	**(3,522,642)**	**82%**
Depreciation and amortization	174,487	232,094	-25%
Finance expense	272,445	54,710	-
Finance income	(1,074)	(19,372)	-
EBITDA	**(197,871)**	**(3,255,210)**	**94%**

(A) Revenue

Sales revenue has decreased by 49% compared to the same period last year. This is because the China's economy was still struggling in 2024 and we have not seen a turnaround in our Chinese business after the COVID restrictions were lifted in 2023.

(B) Gross Profit

The gross profit margin has improved from 34% to 84% in this period due to the higher sales of the health supplements which fetch higher margins than the other products.

(C) Other Income

Other income mainly represents an estimated refundable R&D tax incentive from the Australian government for the PENAO drug development program. The lower amount in the half year ending 30 June 2023 is due to lower R&D expenses incurred.

(D) Debtor finance

The debtor finance in HY2023 is derived from providing financing benefits exceeding one year to some customers in China. No such financial benefits were provided in HY2024.

(E) Expenses

The significant decrease in general and administrative expenses is mainly due to the following factors:

- In June 2023, the Company issued new shares to directors and employees amounting to $1,708,685. No new shares were issued to directors and employees in this half-year period.
- In the current financial period, due to the lower probabilities of meeting the vesting milestones within the vesting dates, there was an expense reversal of $356,585 compared to $195,379 in the previous financial period relating to the cost apportionment of the share options which were issued in July 2021.

The conversion of the convertible loans in April 2024 resulted in a fair value gain on derivative financial liabilities of $1,845,683 and a loss on debt extinguishment of $352,727.

Dividend

No dividends were paid or declared during or subsequent to the end of the financial period.

Significant Changes in State of Affairs

1. The Company has raised new funds of US$204,312 in March 2024 from the issue of new shares to a group of investors. A total of 102,516 shares were issued which were priced at US$2 per share. The new funds received are used for working capital.

2. In April 2024, the Company issued 2,824,329 ordinary shares following the conversion of USD2,935,399 (AUD4,543,607) worth of convertible loans. The convertible loans were issued between April and November 2023 and due to mature between July and November 2024. Another 100,000 shares were issued to a consultant as capital raising fee for the convertible loans. The new shares issued are subject to temporary holding restriction until the release of a cleansing prospectus.

3. In April 2024, the directors made the decision to fully write off the $1.22 million investment in Youtokukai and the $3.62 million worth of prepaid shares to Medicine Plus.

4. In May 2024, the Company issued 10,000 ordinary shares to a consultant for services rendered. The new shares are subject to temporary holding lock until the release of a cleansing prospectus.

Likely developments and expected results of operations

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

Matters subsequent to the end of the half year

(a) On 4 September 2024, the Company issued 77,356 new shares to a group of investors raising USD154,712 to provide for working capital needs.

(b) On 10 October 2024, the Company issued 4,955,000 new shares to directors, employees and senior scientists as incentive shares, following shareholders' approval received on 1 October 2024.

There has not arisen, in the interval between the end of the financial period and the date of this report, any other item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect substantially:

(a) the Group's operations in future financial years, or
(b) the results of those operations in future financial years, or
(c) the Group's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 6.

This report is made in accordance with a resolution of directors, pursuant to section 306(3) (a) of the Corporations Act 2001.

On behalf of the directors

Boqing Zhang
Chairman

25 October 2024

dfk laurence varnay
AUDITORS PTY LTD

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Beroni Group Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 30 June 2024, there have been:

(i) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is made in respect of Beroni Group Limited and the entities it controlled during the period.

DFK Laurence Varnay Auditors Pty Ltd

Faizal Ajmat
Director

Sydney, 25 October 2024

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INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Consolidated Half-year Ended 30.06.2024 AUD	Consolidated Half-year Ended 30.06.2023 AUD
Revenue			
Sales revenue	3,4	173,150	338,914
Cost of sales		(26,946)	(222,593)
Gross profit		146,204	116,321
Other income			
Government subsidy		91,418	103,918
Debtor finance		-	18,959
Finance income		1,074	19,372
Selling and distribution expenses		(305,491)	(213,910)
General and administration expenses	5	(1,317,657)	(3,489,042)
Finance expense		(272,445)	(54,710)
Fair value gain on derivative financial liabilities		1,845,683	-
Loss on debt extinguishment		(352,727)	-
Unrealised foreign exchange loss		(477,004)	(36,202)
Realised foreign exchange gain / (loss)		(2,784)	12,652
(Loss) before income tax		**(643,729)**	**(3,522,642)**
Income tax expense		-	-
Net (loss) for the period		**(643,729)**	**(3,522,642)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation			
Attributed to Beroni Group parent company		22,009	(89,095)
Attributed to non-controlling interest		(140)	484
		21,869	(88,611)
Total comprehensive (loss) for the period		**(621,860)**	**(3,611,253)**
(Loss) for the period is attributable to:			
Owners of Beroni Group Limited		(546,006)	(3,428,657)
Non-controlling interest		(97,723)	(93,985)
Total (loss) for the period		**(643,729)**	**(3,522,642)**
Total comprehensive (loss) for the period attributable to:			
Owners of Beroni Group Limited		(523,997)	(3,517,752)
Non-controlling interest		(97,863)	(93,501)
Total comprehensive (loss) for the period		**(621,860)**	**(3,611,253)**
Earnings per share for (loss) for the period			
Basic (loss) per share, in cents		(2.58)	(17.89) *
Diluted (loss) per share, in cents		(2.58)	(17.89) *

* The HY2023 earnings per share have been restated on a consistent basis from those previously published to reflect the impact of the share consolidation in November 2023. See Note 15.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Consolidated As at 30.06.2024 AUD	Consolidated As at 31.12.2023 AUD
Assets			
Current Assets			
Cash and cash equivalents		2,381,698	4,036,256
Trade receivables	6	329,487	326,832
Other receivables		238,390	177,183
Receivable from related parties	11	32,882	32,610
Prepayments and other current assets		888,799	876,345
Current tax assets		95,808	75,925
Inventories		113,886	104,051
Total current assets		4,080,950	5,629,202
Non-Current Assets			
Property, plant and equipment	7	904,101	869,284
Right-of-use assets	8	254,999	392,272
Intangible assets	9	3,149,467	3,184,867
Other assets		49,149	-
Total non-current assets		4,357,716	4,446,423
Total Assets		**8,438,666**	**10,075,625**
Liabilities			
Current Liabilities			
Trade and other payables		10,010	383,807
Current tax liabilities		9,032	-
Lease liabilities	8	277,606	211,725
Convertible notes and loans	12	755,000	4,154,757
Derivative financial liabilities	13	-	3,269,630
Borrowing from related party	11	105,000	-
Payable to related parties	11	606,947	655,515
Other current liabilities	14	818,045	898,675
Total current liabilities		2,581,640	9,574,109
Non-Current Liabilities			
Borrowing from related party	11	-	102,500
Convertible notes and loans	12	-	35,760
Derivative financial liabilities	13	-	16,283
Lease liabilities	8	298,230	347,187
Total non-current liabilities		298,230	501,730
Total Liabilities		**2,879,870**	**10,075,839**
Net Assets / (Liabilities)		**5,558,796**	**(214)**
Equity			
Issued capital	15	39,090,142	32,552,687
Convertible notes – equity	16	3,010,038	3,010,038
Reserves		6,205,570	6,540,146
Accumulated losses		(42,810,074)	(42,264,068)
Equity attributable to equity holders of the parent entity		**5,495,676**	**(161,197)**
Non-controlling interests		63,120	160,983
Total Equity		**5,558,796**	**(214)**

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Parent								
	Issued Capital	**Surplus reserve**	**Revaluation reserve**	**Share options reserve**	**Convertible Notes - Equity**	**Foreign currency translation reserve**	**Accumu -lated losses**	**Non-controlling interests**	**Total**
	AUD	**AUD**	**AUD**	**AUD**	**AUD**	**AUD**	**AUD**	**AUD**	**AUD**
Consolidated 2024									
Balance as at 1 January 2024	32,552,687	16,885	-	6,180,878	3,010,038	342,383	(42,264,068)	160,983	(214)
Comprehensive income / (loss) for the period:									
Net profit / (loss) for the period							(546,006)	(97,723)	(643,729)
Other comprehensive gain / (loss) for the period						22,009		(140)	21,869
Total comprehensive gain / (loss) for the period						**22,009**	**(546,006)**	**(97,863)**	**(621,860)**
Transactions with owners in their capacity as owners, net of transaction cost									
Conversion of convertible loans	5,990,841								5,990,841
Share placements	313,415								313,415
Shares issued to financial advisors	233,199								233,199
Share-based compensation payments				(356,585)					(356,585)
Balance as at 30 June 2024	**39,090,142**	**16,885**	**-**	**5,824,293**	**3,010,038**	**364,392**	**(42,810,074)**	**63,120**	**5,558,796**

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Parent								
	Issued Capital	Surplus reserve	Revaluation reserve	Share options reserve	Convertible Notes - Equity	Foreign currency translation reserve	Accumu-lated losses	Non-controlling interests	Total
	AUD	AUD	AUD	AUD	AUD	AUD	AUD	AUD	AUD
Consolidated 2023									
Balance as at 1 January 2023 (restated)	30,656,002	16,885	(2,431,515)	6,088,393	3,010,038	379,233	(30,528,577)	387,956	7,578,415
Comprehensive income/(loss) for the period:									
Net loss for the period							(3,428,657)	(93,985)	(3,522,642)
Other comprehensive (gain) / loss for the period						(89,095)		484	(88,611)
Total comprehensive loss for the period						**(89,095)**	**(3,428,657)**	**(93,501)**	**(3,611,253)**
Transactions with owners in their capacity as owners, net of transaction cost									
Ordinary shares issued to directors and employees	1,708,685								1,708,685
Share-based compensation payments				(195,379)					(195,379)
Balance as at 30 June 2023	**32,364,687**	**16,885**	**(2,431,515)**	**5,893,014**	**3,010,038**	**290,138**	**(33,957,234)**	**294,455**	**5,480,468**

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Consolidated Half-year Ended 30.06.2024 AUD	Consolidated Half-year Ended 30.06.2023 AUD
Cash flows from operating activities:			
Receipts from customers		196,484	658,410
Amounts received from government		-	43,588
Payments to suppliers and employees		(2,005,643)	(1,428,002)
Interest paid		(118,367)	(26,035)
Income and other taxes paid		(29,610)	(105,866)
Net cash used in operating activities		(1,957,136)	(857,905)
Cash flows from financing activities:			
Gross proceeds from issue of shares		312,827	426,812
Amounts due to / (from) related parties		-	100,000
Others		(16,686)	-
Principal elements of lease payments		24,269	(114,725)
Net cash generated from financing activities		320,410	412,087
Cash flows from investing activities:			
Purchase of property, plant and equipment		(48,062)	(491)
Interest received		-	-
Net cash used in investing activities		(48,062)	(491)
Net increase / (decrease) in cash and cash equivalents		(1,684,788)	(446,309)
Cash and cash equivalents at beginning of the period		4,036,256	2,577,606
Exchange (loss) / gain on cash and cash equivalents		30,230	(55,401)
Cash and cash equivalents at end of the period		**2,381,698**	**2,075,896**

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

Notes to the Interim Condensed Consolidated Financial Statements

Note 1. Corporate information

The financial statements cover Beroni Group Limited ("Parent entity" or the "Company") as a consolidated entity consisting of Australia Beroni Group Limited and the entities it controlled (together referred to as the "Group") at the end of, or during, the half-year ended 30 June 2024. The financial statements are presented in Australian dollars, which is the Company's presentation currency, with all values rounded to the nearest dollar unless otherwise stated.

The Company is a for-profit listed public company limited by shares, incorporated and domiciled in Australia. The Company's shares are publicly traded on the National Stock Exchange of Australia and on the OTC markets in the USA.

The Company's registered office and principal place of business is Level 16, 175 Pitt Street, Sydney NSW 2000, Australia.

The principal activities of the Group during the financial period are the sales of smoking control products (NicoBloc), air purifiers, water filters, cosmetics, healthcare products, stem-cell therapies and viral diagnostic kits and investing in the research and development of oncology drugs and therapies. It currently has four core businesses – cell therapies, developing new anti-cancer drugs, e-commerce platform for pharmaceutical and healthcare products, and detection & diagnosis of infectious diseases.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 25 October 2024.

Note 2. Basis of preparation

These general purpose financial statements for the interim half-year reporting period ended 30 June 2024 have been prepared in accordance with Australian Accounting Standard *AASB 134 'Interim Financial Reporting'* and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting *Standard IAS 34 'Interim Financial Reporting'*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

These general purpose financial statements have been prepared on a historical cost basis, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

The company is of a kind referred to in ASIC Corporations (Amendment) Instrument 2022/519, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest dollar, or in certain cases, the nearest 1/10th of a dollar.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2023 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

<u>New, revised or amended Accounting Standards and Interpretations adopted</u>

The Group has adopted all the new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period. The adoption of these standards did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Any new, revised or amended Accounting Standards or Interpretations that are not yet mandatory have not been adopted early. These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions, however management will continue to assess the potential impacts closer to the application dates.

Note 2. Basis of preparation (continued)

Going concern

For the half year ended 30 June 2024, the Group made a loss after income tax expense of $643,729 (30 June 2023: loss after income tax expense of $3,522,642). The cash balances as at 30 June 2024 was $2,381,698 (31 December 2023: $4,036,256).

The above matters give rise to a material uncertainty that may cast significant doubt over the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business at the amounts stated in the financial report.

The directors have prepared detailed cash flow projections for the period of 12 months from the signing of this interim financial report. The Group's ability to fund its operations is dependent upon management's plans and execution, which includes raising additional capital, either through the proposed public offering or private equity, meeting expected sales forecasts, and that if in the event of not raising sufficient funds to meet its current cash flow forecasts, the Group will be able to reduce expenditure accordingly to be able to pay its debts as and when they fall due.

The Group's interim financial statements have been prepared on a going concern basis which contemplates the realisation of assets and satisfaction of liabilities and commitments in the normal course of business. The interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities should the Group be unable to continue as a going concern.

Note 3. Segment reporting

(a) Description of segments

The Group has been organised into 4 core businesses which are as follows:

1. Cell therapies
2. Developing new anti-cancer drugs
3. e-commerce platform for pharmaceutical and healthcare products
4. Detection & diagnosis of infectious diseases.

The Group is managed primarily on the basis of the nature of these business activities. As the CEO and CFO are the chief operating decision-makers (CODM) who monitor and assess business performance to make resource allocation decisions, they consider the business from both a product and a geographical perspective and has identified the following operating segments for monitoring and reporting:

PENAO (Australia) – developing new anti-cancer drugs
Beroni USA – detection and diagnosis of infectious diseases
Beroni Tianjin (China), Beroni Pharmaceuticals (Guangdong, China) – e-commerce sales of pharmaceutical and healthcare products
Beroni Biotech (Japan) – cell therapies

Note 3. Segment reporting (continued)

(b) Segment information provided to the CEO and CFO

Segment information

	e-commerce sales of pharmaceutical products & services	Developing new anti-cancer drugs	Detection & diagnosis of infectious diseases	Cell therapies	Total
	AUD	AUD	AUD	AUD	AUD
Half-year ended 30 June 2024	China	Australia	USA	Japan	
Total segment revenue	173,150	-	-	-	-
Inter-segment revenue	-	-	-	-	-
Revenue from external customers	173,150	-	-	-	-
Timing of revenue recognition					
At a point in time	173,150	-	-	-	-
Over time	-				
	173,150	-	-	-	-
Adjusted EBITDA	(1,087,036)	(122,997)	(30,486)	(20,023)	(1,260,542)
Half-year ended 30 June 2023					
Total segment revenue	338,914	-	-	-	338,914
Inter-segment revenue	-	-	-	-	-
Revenue from external customers	338,914	-	-	-	338,914
Timing of revenue recognition					
At a point in time	338,914	-	-	-	338,914
Over time	-	-	-	-	-
	338,914	-	-	-	338,914
Adjusted EBITDA	(1,429,589)	(159,391)	(29,590)	(16,830)	(1,635,400)

	e-commerce sales of pharmaceutical products & services	Developing new anti-cancer drugs	Detection & diagnosis of infectious diseases	Cell therapies	Total
	AUD	AUD	AUD	AUD	AUD
Total segment assets	China	Australia	USA	Japan	
30 June 2024	3,664,829	2,474,481	1,101,708	150,508	7,391,526
31 December 2023	5,431,897	2,581,027	1,137,135	189,131	9,339,190
Total segment liabilities					
30 June 2024	10,488,079	24,515	312,802	176,170	11,001,566
31 December 2023	11,171,546	8,173	273,977	197,708	11,651,404

Note 3. Segment reporting (continued)

A reconciliation of adjusted EBITDA to operating profit before income tax is provided as follows:

	Note	Half Year 2024 AUD	Half Year 2023 AUD
Adjusted EBITDA		(1,260,542)	(1,635,400)
Finance costs – net		(271,371)	(35,338)
Depreciation and amortization expense	4	(45,037)	(232,094)
Share-based compensation benefits	10	356,585	(1,513,306)
Fair value gain on derivative financial liabilities	13	1,845,683	-
Loss on debt extinguishment	12	(352,727)	-
Realised foreign exchange gain / (loss)		(2,784)	12,655
Unrealised foreign exchange gain / (loss)		(477,004)	(36,202)
Others		(436,532)	(82,957)
(Loss) before income tax		**(643,729)**	**(3,522,642)**

(c) Product categories

The following product categories have been noted for the e-commerce sales of pharmaceutical products & services:

- Nicobloc
- Fogibloc air purifier
- Olansi water filter
- Health supplements
- Cosmetic products
- Viral diagnostic kits
- Technical advisory service

	Product Revenue		Product Gross Profit	
Product	HY2024 AUD	HY2023 AUD	HY2024 AUD	HY2023 AUD
Nicobloc	70	96,720	54	25,030
Health supplements	116,705	49,396	75,156	26,447
Cosmetic products	10,980	32,370	8,345	14,119
Viral diagnostic kits	-	152,344	-	27,313
All others	45,395	8,084	28,299	23,412
Total for all products	173,150	338,914	111,854	116,321

Geographical information

Product revenue based on the geographical location of customers is as below:

	Sales Revenue by Geographical Market	
	HY2024 AUD	HY2023 AUD
China	173,150	338,316

Note 3. Segment reporting (continued)

Major customers

Major customers accounting for more than 10% of the sales of the Group are as follows:

	HY2024 AUD	HY2023 AUD
China Business Beroni (Tianjin) Technology Co., Ltd	82,499	177,710
Dongfang Tianyi Healthcare Co., Ltd	74,787	-
Xuhua Medical (Tianjin) Technology Co., Ltd	-	108,932
Fu Liansheng (Tianjin) Technology Co., Ltd	-	52,441
Total	157,286	339,083 [1]

[1] The total sales of 3 customers in HY2023 exceeded the total sales for the half year period due to some minor sales refunds to a few other customers.

Note 4. Revenue

The Group derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time as follows:

Revenue by timing of revenue	HY2024 AUD	HY2023 AUD
Goods transferred at a point in time	173,150	338,914

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Note 5. Expenses

Profit before income tax is derived at after taking the following expenses into account:

	Consolidated 30 June 2024 AUD	Consolidated 30 June 2023 AUD
Listing expenses	30,512	38,321
Consultancy fees	64,144	36,787
Insurance	53,803	47,008
Wages and salaries	256,633	435,328
Rent expenses	44,943	28,014
R&D expenses	116,994	174,771
Legal fees	79,590	36,119
Share-based compensation benefits [1]	(356,585)	1,513,306
Depreciation and amortisation	174,487	232,094
Directors' fees	261,168	246,335
Accounting and audit fees	167,920	123,286
Expected credit losses / (reversals) on trade and other receivables [2]	85,062	493,957
All other expenses	338,986	83,716
	1,317,657	3,489,042

[1] Share-based compensation benefits in HY2024 relates to a reversal of expense reserve of $356,585 for share options issued in July 2021 whereas the amount in HY2023 relates to the cost of new shares of $1,708,685 granted to the directors and employees in June 2023 and a reversal of expense reserve of $195,379 for the share options issued in July 2021. No new shares were issued to the directors and employees in the 2024 half year.

[2] Being increase in expected credit losses based on trade receivables and other receivables aging as at 30 June 2024. See Note 6.

Note 6. Trade and other receivables

	Consolidated 30 June 2024 AUD	Consolidated 31 December 2023 AUD
Amounts due from customers	3,385,083	3,074,349
Less: Provision for expected credit loss [1]	(3,055,596)	(2,747,517)
Trade receivables	329,487	326,832
Receivable from Youtokukai Fund [2]	1,224,868	1,224,868
Less: Provision for expected credit loss	-	(1,224,868)
Less: Write off of receivable	(1,224,868)	-
Net receivable from Youtokukai Fund	-	-
Other receivables	528,831	525,296
Less: Provision for expected credit loss	(290,441)	(315,503)
Other receivables	238,390	209,793

[1] Being increase in expected credit losses based on trade receivables aging at 30 June 2024.

[2] On 18 June 2018, the Company invested JPY100 million (A$1.22 million) into a capital fund, the Youtokukai Fund which was set up to fund the establishment and development of the Tokyo Ginza International Medical Clinic to be operated by Youtokukai, a medical group based in Japan specialising in regenerative medicine technology such as gene therapy, immune cell therapy, and stem cell therapy. The Medical Clinic is wholly owned by Youtokukai. For this investment, Beroni Group was to receive a monthly dividend from January 2019 onwards based on the operating surplus of the business and its share of the total investment in this joint venture. The investment can be fully redeemed after 30 June 2021. However, due to the investment terms not being met by Youtokukai Fund, Beroni decided to withdraw from this investment and to seek a refund for the full payment. In April 2024, as the long outstanding debt is unlikely to be recovered, management has decided to write off the debt from its books.

Note 7. Property, plant & equipment

	Consolidated 30 June 2024 AUD	Consolidated 31 December 2023 AUD
Leasehold improvements	671,294	621,354
Machinery	16,931	5,476
Motor vehicles	3,608	3,579
Office equipment	7,819	10,587
Other equipment	204,449	228,288
Total	904,101	869,284

Note 8. Leases

This note provides information for leases where the Group is a lessee. The Group leases various offices and the rental contracts are typically made for fixed periods of one to five years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Lease assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. There are no new leases or lease modifications in the current period. Lease liabilities recognized as at 30 June 2024:

	Consolidated 30 June 2024 AUD	Consolidated 31 December 2023 AUD
Current lease liabilities	277,606	211,725
Non-current lease liabilities	298,230	347,187
	575,836	558,912

Note 8. Leases (continued)

The recognised right-of-use assets relate to the following types of assets:

Properties	Consolidated 30 June 2024 AUD	Consolidated 31 December 2023 AUD
Cost	834,083	878,072
Accumulated depreciation	(579,084)	(485,800)
Carrying amount	254,999	392,272

The amounts recognised in profit and loss:

	Consolidated 30 June 2024 AUD	Consolidated 30 June 2023 AUD
Depreciation expense on right-of-use assets	118,634	304,008
Interest expense on lease liabilities	19,688	57,116
	138,322	361,124

The total cash outflow for leases in HY2024 was $95,765 (HY2023: $145,877).

Note 9. Intangible assets

	Consolidated 30 June 2024 AUD	Consolidated 31 December 2023 AUD
PENAO patent [1]	2,059,601	2,059,601
Capitalised development cost [2]	987,768	1,019,863
Patents [2]	101,747	105,054
Software	351	349
	3,149,467	3,184,867

[1] The PENAO patents asset arose from the acquisition of Penao as a subsidiary in 2020. The PENAO patents asset consists of a number of registered patents and related intellectual property in relation to the anti-cancer drug PENAO, currently in development. The drug has successfully completed Phase 1 trials as at balance sheet date. The recoverable amount of the patents owned by the PENAO company was based on the fair value of the commercialisation of the cancer drug upon successful completion of the clinical trials, estimated using discounted cash flows. The fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation technique used. The Group has engaged an independent business valuation expert, Leadenhall, to determine the fair value of the PENAO patents in 2021 and 2023. The latest review concluded that the estimated recoverable amount far exceeds the carrying amount and no impairment is required. As this asset is not yet ready for use, no amortisation was noted as of 30 June 2024. No indication of impairment was noted in this financial period.

[2] The Company has entered into an agreement with the Columbia University, New York to provide US$1 million funding to a 12-month research program in the field of ArboViroPlex rRT-PCR Test, a multiplex assay that can simultaneously test for Zika virus, all dengue virus serotypes, Chikungunya virus and West Nile virus, under the direction of Professor Walter Ian Lipkin. In return for the research funding support, Columbia University grants the Company an exclusive option to obtain an exclusive, compensation bearing license in the territory of China to the ArboViroPlex rRT-PCR Test patents and inventions and also a non-exclusive, compensation bearing license in the territory of China to the information and materials developed in the course of this research. In April 2019, the Company signed a 20-year exclusive license agreement with the Columbia University to sell the diagnostic kit product on a worldwide basis. The US$1 million funding provided for the product development is capitalised and amortised over the 20-year life of the license.

Note 9. Intangible assets (continued)

Columbia University has secured the ArboViroPlex rRT-PCR Test patent in three countries namely USA, India, and China. The patents were paid for by Beroni and the carrying amount of the patents which represents the registration costs of the patent in these countries will be amortised over the 20-year life of the license.

At the end of 2023, the Company conducted a review of the carrying amount of the capitalised development cost and related patents to determine whether there is any indication that it has suffered an impairment loss. Management engaged an independent business valuation expert, Leadenhall, to determine the fair value of this intangible asset. The review concluded that the estimated recoverable amount exceeds the carrying amount and no impairment is required. No indicators of impairment existed as of 30 June 2024.

Note 10. Share-based compensation benefits

	HY2024 AUD	HY2023 AUD (restated *)
Share-based compensation benefits recognised during the financial period		
Shares issued to directors and employees [1]	-	1,708,685
Options issued to directors and employees [2]	(356,585)	(195,379)
	(356,585)	1,513,306

[1] *Shares issued to directors and employees*

On 30 June 2023, the Company issued 3,305,000 shares (pre consolidation) or 826,250 shares (post consolidation) at A$0.517 per share to its directors and senior employees as a reward for their performance in the past financial year. No shares were issued to the directors and senior employees in this financial period.

[2] *Options issued to directors and employees*

Beroni Group Limited has established a Remuneration Plan for its Directors and Employees. The Remuneration Plan provides flexibility to the Board to grant share options to Directors and Employees. The definition of employee under the Plan Rules includes any full time or permanent part time employee or officer or director of the Company or any related body corporate of the Company. In total, 13,250,000 options and 9,255,000 options have been issued to the directors and employees respectively in 2021 and 2022.

The expense reduction of $356,585 (HY2023: $195,379) relating to the cost apportionment of the share options in the current financial period is due to the significant changes in key assumptions (being expected vesting date and probability of vesting) as shown below.

Tranche	Vesting condition	Previous Probability of vesting	Revised Probability of vesting	Previous expected vesting date	Revised expected vesting date
Tranche 1	Nasdaq listing	90%	75%	30 June 2024	30 June 2025
Tranche 2	Annual revenue exceeds US$2 million	75%	50%	30 June 2024	30 June 2025
Tranche 3	Annual revenue exceeds US$3 million	50%	25%	30 June 2025	30 June 2025
Tranche 4	Annual revenue exceeds US$4 million	25%	5%	30 June 2025	30 June 2025
Tranche 5	One clinical trial advances to next phase	70%	50%	30 June 2024	30 June 2025

Note 10. Share-based compensation benefits (continued)

The number of stock options currently held by the directors are as follows:

Director	No. of Stock Options Held 30 June 2024	No. of Stock Options Held 31 December 2023
Boqing ZHANG	1,500,000	1,500,000
Hai HUANG	375,000	375,000
Peter Yap Ting WONG	750,000	750,000
Libing GUO	237,500	237,500
Zhinan YIN (resigned on 22 March 2023)	150,000	150,000
Nicholas ONG	150,000	150,000
Richard BUCHTA	150,000	150,000

Note 11. Related party transactions

Balances with related parties

	Consolidated 30 June 2024 AUD	Consolidated 31 December 2023 AUD
Loan from director [1]	105,000	102,500
Payable to related parties [2]	606,947	655,515
Receivable from related parties [3]	32,882	32,610

[1] This represents the loan to Beroni Group Limited from the CEO, Mr. Boqing Zhang for working capital purposes. The loan carries an annual interest of 5% and is repayable on 13 June 2025.
[2] This represents accrued directors' fees.
[3] This is due from a shareholder of Beroni Pharmaceuticals (Guangdong).

The Company has engaged the services of Asia Invest Partners Limited to manage its financial and tax affairs in Australia. Asia Invest Partners is owned by the Australian director, Peter Yap Ting Wong. The Company has incurred a total of $17,446 (HY2023: $17,300) for such services rendered in the current financial period.

Note 12. Convertible notes and loans

	Consolidated 30 June 2024 AUD	Consolidated 31 December 2023 AUD
Balance at beginning of the period	4,190,517	725,795
Convertible notes and loans issued, net of transaction costs [1]	-	3,371,837
Interest expense	248,938	285,208
Modifications	-	26,193
Exchange (gain) / loss on translation of USD denominated convertible notes and loans	513,430	(218,516)
Loss on debt extinguishment [3]	352,726	-
Conversion to equity [2]	(4,550,611)	-
Balance at end of the period	755,000	4,190,517
Current convertible notes and loans	755,000	4,154,757
Non-current convertible notes and loans	-	35,760
Balance at end of the period	755,000	4,190,517

Note 12. Convertible notes and loans (continued)

[1] Between April 2023 and November 2023, the Company issued a total of USD2,935,399 of 0% convertible loans. The principal amounts of the loans are repayable in one year from the issue date and can only be converted into shares upon the Company's listing on Nasdaq at conversion prices of USD1, USD1.5 and USD2. The conversion prices are not affected by the shares consolidation exercise which was completed on 24 November 2023.

[2] In April 2024, the investors holding USD2,935,399 convertible loans agreed to convert them to equity. A total of 2,824,329 ordinary shares were issued to these investors.

[3] This represents the difference between the fair value of the equity issued upon conversion and the sum of the separated conversion components (or derivative financial liabilities) and the debt components.

Note 13. Derivative financial liabilities

	Consolidated 30 June 2024 AUD	Consolidated 31 December 2023 AUD
Opening balance	3,285,913	-
Convertible loans – derivative financial liabilities at inception	-	585,013
Fair value (gain) or loss through profit or loss [1]	(1,845,683)	2,868,952
Foreign currency (gain) / loss on translation	-	(168,052)
Conversion to equity [2]	(1,440,230)	-
Closing balance	-	3,285,913
Current derivative financial liabilities	-	3,269,630
Non-current derivative financial liabilities	-	16,283
Closing balance	-	3,285,913

[1] This represents the fair value gain of the separated conversion components based on intrinsic values upon conversion to equity.

[2] This represents the intrinsic value of the separated conversion components at the time of the conversion to equity.

Note 14. Other current liabilities

	Consolidated 30 June 2024 AUD	Consolidated 31 December 2023 AUD
Payroll and employee benefits payables	157,848	141,545
Accruals	247,882	645,432
Other liabilities	412,315	111,698
	818,045	898,675

Note 15. Share capital

	30 June 2024		31 December 2023	
	Number of shares	AUD	Number of shares	AUD
Total ordinary shares fully paid				
At the beginning of the period	20,013,441	32,552,687	76,638,372	30,656,002
Shares issued to directors and employees	-	-	3,305,000	1,708,685
Shares issued to service providers	110,000	233,199	110,000	188,000
Share placements	102,156	313,415	-	-
Conversion of convertible loans [1]	2,824,329	5,990,841	-	-
Impact of share consolidation [2]	-	-	(60,039,931)	-
Total ordinary shares fully paid	23,049,926	39,090,142	20,013,441	32,552,687

[1] In April 2024, the investors holding USD2,935,399 convertible loans agreed to convert them to equity. A total of 2,824,329 ordinary shares were issued to these investors. See Note 12.

Note 15. Share capital (continued)

[2] On 16 October 2023, the Company announced its decision to consolidate the share capital on a 4:1 basis. At the time of the announcement, the Company had 80,053,372 shares on issue. The Consolidation applied equally to all shareholders and individual shareholdings were reduced in the same ratio as the total number of shares. Accordingly, the share consolidation has no material effect on the percentage interest of each individual shareholder. All other equity securities of the Company were adjusted accordingly. The consolidation was subsequently completed on 24 November 2023 and the Company has 20,013,441 shares (after rounding up of fractions) on issue after the consolidation.

Note 16. Convertible notes – equity

	Consolidated 30 June 2024 AUD	Consolidated 31 December 2023 AUD
Balance at end of the period	3,010,038	3,010,038

In May 2020, 20,736 0% USD denominated convertible notes were issued by the Company to an investor at an issue price of $100 per note. Each note entitles the holder to convert to a fixed number of shares by dividing the face value of the note by the conversion price of US$1.728 per share. Conversion may occur at any time between the date of issue and the maturity date. The maturity date was initially set at May 2021 but was later extended to May 2022. The net proceeds received from the issue of these convertible notes were initially recognised in liability in the previous financial period as the investor could redeem the convertible notes upon maturity.

However, on 16 May 2022, the investor agreed to extend the maturity date of the convertible notes to the official date of listing of the Company on the Nasdaq stock market and to convert all unconverted notes to ordinary shares upon maturity. As the convertible notes can no longer be redeemed for cash before or upon maturity, they are fully recognised as equity in the financial accounts.

This is in accordance with AASB 132 Financial Instruments whereby a convertible note can be classified as equity if the noteholder does not have the right to redeem in cash and must convert to a fixed number of shares upon maturity.

Note 17. Key Management Personnel

The directors and company secretary received the following remuneration in the current half year.

Director	Consolidated 30 June 2024 AUD	Consolidated 30 June 2023 AUD
Boqing ZHANG	134,439	90,000
Hai HUANG	20,000	30,000
Peter Yap Ting WONG	60,000	60,000
Libing GUO	10,000	15,000
Zhinan YIN (resigned on 22 March 2023)	-	10,000
Richard BUCHTA	9,000	13,500
Nicholas ONG (also Company Secretary)	9,000	13,500
John CHIPLIN (deceased in June 2024)	10,710	19,283

Note 18. Contingencies and commitments

The Group has no contingent liabilities or commitments as at 30 June 2024 (31 December 2023: $nil) except for the followings:

(a) PENAO Pty Ltd

Convertible notes

In July 2019, Beroni signed a shareholder agreement to acquire 40% of the total share capital of PENAO Pty Ltd with NewSouth Innovations Pty Limited (NSI) owning the other 60%. NSI is the subsidiary arm of the University of New South Wales. PENAO Pty Ltd is a company recently set up to take over from Cystemix Pty Ltd the development of the anti-cancer drug called PENAO for treatment of cancer tumours. PENAO Pty Ltd will take over the licensing rights to the new drug. In December 2020, Beroni and NSI agreed to vary the original shareholding agreement whereby through the issuance of shares and convertible notes, Beroni and NSI owns 60% and 40% respectively of the share capital of PENAO Pty Ltd. Under the shareholding variation agreement, when new shares are issued to Beroni and NSI upon additional payments from the former, convertible notes will also be issued to NSI which will automatically be converted to shares upon the occurrence of key milestone events as detailed below:

- NDA China: acceptance of a PENAO New Drug Application in China;
- TGA Australia: TGA approval of PENAO's product for commercial sale in Australia;
- IPO: the date that is 90 days prior to the completion of an initial public offering (IPO) and listing of PENAO Shares in Australia or overseas stock exchange;
- Share sale: the date that is 90 days prior to the sale of all issued Shares in PENAO;
- Asset sale: the sale of all or substantively all of PENAO's assets.

At the end of 2023, NSI have been issued convertible notes which are convertible into 200,385 ordinary shares. Upon the occurrence of any of the above events and the automatic conversion into shares, NSI will increase its ownership from 39.29% to 60.71%. On the other hand, NSI and the creator shareholders have granted Beroni an option to purchase such number of the Shares held by NSI and the creator shareholders (on a pro rata basis to be determined by NSI) as constitutes 11 % of the share capital of PENAO for $5,500,000 (Call Option). The Call Option may be exercised by written notice to NSI and the creator shareholders at any time during the period:

- commencing on the PENAO drug achieving 50% enrolment in a Phase II trial; and
- ending two months after such trial has been completed and a study completion report has been provided to the PENAO company

Milestone payments

Beroni has so far paid $2.35 million to NSI for this investment and will pay a further $7.5 million over the next 17 months. An variation agreement was signed with NSI in December 2023 that has an expected first payment in March 2024 which was subsequently varied in July 2024 with the remaining payments rescheduled and repayable over the next 17 months. In the event Beroni is not able to pay the additional $7.5 million, then PENAO Pty Ltd must issue on the same terms to NSI the shares which were to be issued to Beroni and Beroni will grant NSI an option to purchase all of the shares then held by Beroni for the lesser of the following and at NSI's sole discretion:

- the price per share paid by a genuine third-party investor for shares in PENAO Pty Ltd; or
- at a 20% discount on the price paid by Beroni for the Beroni Shares

Any director appointed to the Board by Beroni will resign with immediate effect and NSI will be appointed by PENAO Pty Ltd as the lead commercialisation party.

(b) In June 2018, Beroni entered into a binding agreement to acquire 100% of Medicine Plus Co., Ltd ("Medicine Plus"), a pharmaceutical company based in Osaka, Japan for JPY1.178 billion (about A$14.37 million) via a combination of cash and shares. In October 2018, Beroni issued 2,067,900 shares at $1.75 to the owners of Medicine Plus as partial settlement for the acquisition of the latter company. The original settlement price of $14.37 million agreed in June 2018 was increased by 10% to approximately $15.81 million in October 2018 as a result of the owners of Medicine Plus agreeing to extend the settlement date to April 2019. However, the cash portion of the settlement has yet to be completed and Beroni management still intends to raise cash from the capital markets to complete this acquisition. Due to the long delay in the settlement, the cost of the shares issued to the owners of Medicine Plus has been recognised as an expense in the income statement in the 2019 financial year. In the event that the acquisition can be completed, the shares expense will be reversed accordingly. Beroni has no other financial commitments in respect of this acquisition. Subsequent to the 2023 year end, the directors of Beroni decided to write off this prepayment.

Note 18. Contingencies and commitments (continued)

(c) In January 2022, Beroni signed a contract to build a new Research & Development ("R&D") centre in the Zhuhai National High-Tech Industrial Development Zone in China. Beroni plans to build a state-of-the-art facility with new preclinical research labs, manufacturing process development labs, and a GMP pilot manufacturing plant. The Company signed a renovation contract for RMB5.2 million (A$1.13 million) with a local builder to renovate the whole R&D office. The initial renovations were completed at the end of 2022 but due to various defects and lack of certification of the equipment and facilities, the office was not able to be used until toward the end of 2023. As at 31 December 2023, the Company has paid 60% payment of RMB3.12 million to the builder, with another 20% payment of RMB1.04 million due upon rectification of defects and completion of GMP facility certification and the remaining 20% of RMB1.04 million to be settled 3 months upon completion of the whole project. The prolonged delay in the settlement of the remaining payments is due to the builder's inability to rectify the various defects to the satisfaction of the Company. The Company has subsequently terminated the services of the builder in April 2024 and is using its own resources to rectify the numerous defects. The Company estimated a total of RMB1.285 million for the rectification works. The rectification is expected to be completed in the third quarter of 2024. The outstanding commitments of RMB2.08 million to the builder have been forfeited.

(d) Beroni is required to restore the leased premises of its offices in China to their original condition at the end of the respective lease terms. In two leases, the lessee has to remove all additional renovations and not damage existing renovations while in one lease, the lessee may leave the office as it is if the lessor is willing to keep the renovations otherwise the lessee has to restore the office to its original state. It is however customary in China for the lessee to leave the office intact as the lessor may want to keep all the renovations to enhance the value of the premises. As it is not possible to meaningfully assess whether the office restoration will result in a probable outflow or to quantify or reliably estimate the liability, if any.

(e) On 9 November 2022, the Company signed an underwriter engagement letter with the US-based underwriter Joseph Stone Capital, LLC which has the following terms and conditions:

- Raise up to USD25 million, with the final offering to be agreed between both parties
- Share purchase warrants of 6% exercisable at 115% of the public offering price 6 months after the date of closing
- 8% commission,
- USD$30,000 upfront advance for out-of-pocket expenses
- Legal fees up to USD150,000 in the event of listing or up to USD100,000 if there is no listing

(f) The Company has signed service agreements with its legal counsel in the US, Australia and China in respect of its application to list on the Nasdaq. Upon the successful listing on Nasdaq, the Company has agreed to pay legal fees of USD200,000, AUD2,528 and USD30,000 to these counsels respectively. The Company will also issue USD150,000 worth of shares to the US counsel.

Note 19. Events after the Balance Sheet date

(a) On 4 September 2024, the Company issued 77,356 new shares to a group of investors raising USD154,712 to provide for working capital needs.

(b) On 10 October 2024, the Company issued 4,955,000 new shares to directors, employees and senior scientists as incentive shares, following shareholders' approval received on 1 October 2024.

There has not arisen, in the interval between the end of the financial period and the date of this report, any other item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect substantially:

- the Group's operations in future financial years, or
- the results of those operations in future financial years, or
- the Group's state of affairs in future financial years.

Note 20. Dividends

There was no dividend paid nor declared during the period.

Directors' Declaration

In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard *AASB 134 'Interim Financial Reporting'*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial half-year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors

Jacky Boqing Zhang
Chairman

25 October 2024

Independent Auditor's Review Report to the Members of Beroni Group Limited

Report on the Consolidated Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Beroni Group Limited ("the company"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Beroni Group Limited does not comply with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Regarding Going Concern

We draw attention to Note 2 in the financial report, which indicates that the Group incurred a net loss of $643,729 (30 June 2023: loss of $3,522,642) during the period ended 30 June 2024. These events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report. Our conclusion is not modified in respect of this matter.

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AUDITORS PTY LTD

Responsibility of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and its performance for the half- year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

DFK Laurence Varnay Auditors Pty Ltd

Faizal Ajmat
Director

Sydney, 25 October 2024

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