



## Appendix 4D - Half Year Report

### Results for announcement to the market

|   |                  |
|---|------------------|
| Name of Entity                          | BPH Energy Ltd   |
| ABN                                     | 41 095 912 002   |
| Half Year Ended                         | 31 December 2021 |
| Previous Corresponding Reporting Period | 31 December 2020 |

|   |     |      |    |       | \$A'000 |
|---|-----|------|----|-------|---------|
| Revenues from ordinary activities                                 | Up  | 222% | to | 103   |         |
| (Loss) from ordinary activities after tax attributable to members | N/A |      |    | (305) |         |
| Net (loss) for the period attributable to members                 | N/A |      |    | (305) |         |

No dividends are proposed and no dividends were declared or paid during the current or prior period.

| <b>NTA Backing</b>   | <b>Current period</b> | <b>Previous corresponding Period</b> |
|--|-----------------------|--------------------------------------|
| Net tangible asset backing per ordinary security (cents per share) | 2.3                   | 1.2                                  |

### Commentary on Results

The loss for the period was \$305,316 (2020: loss of \$1,176,393) after recognising:

- share of an associates losses of \$76,388 (2020: loss of \$45,861)
- share-based payment expense of \$Nil (2020: \$802,997)

The net assets of the Group have decreased by 2.0% from 30 June 2021 to \$15,071,669 at 31 December 2021.

On 17 November the Company advised it had completed an investment of \$2,271,450 in investee Advent Energy Pty Ltd (Advent) under Advent's Offer Information Statement that took BPH's direct shareholding in Advent to 36.1%.

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## **Appendix 4D (continued)**

### **BPH Energy Ltd and its controlled entities**

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Developments in the Company's investments include:

#### **Advent Energy (36.1%)**

Advent has an 85% interest in the PEP 11 joint venture offshore Sydney Basin, the other 15% being held by Bounty Oil and Gas (ASX:BUY)

On 16 December 2021 the Company advised that the Prime Minister of Australia, Scott Morrison, had announced that the Federal Government would refuse the joint venture's applications to extend the PEP 11 Permit for gas exploration in the offshore Sydney Basin. Permit participants Advent and Bounty have received official notification of refusal from the National Offshore Petroleum Title Authority (NOPTA) and have lodged a submission seeking a review of this decision.

On 30 December 2020 Advent lodged an Offer Information Statement (OIS) with ASIC for a non-renounceable entitlement issue of two (2) Shares for every three (3) shares held at an issue price of \$0.05 (5 cents) per Share to raise up to \$6,525,108, further amended by a Supplementary OIS dated 30 June 2021 and a Second Supplementary OIS dated 20 October 2021. The Offer was partially underwritten by related party Grandbridge Securities Pty Ltd (ABN 84 087 432 353) (AFSL 241057) up to \$2,271,450 and sub-underwritten by BPH up to \$1,445,710. In addition, BPH agreed to sub-underwrite up to an additional \$825,740 being a total amount of up to \$2,271,450. The total amount raised to date by Advent under this OIS is \$2,507,575 including the investment of \$2,271,450 by BPH.

Advent appointed Professor Peter Cook as an advisor on geosequestration for its project in the Offshore Sydney Basin. He is an eminent Australian and international earth scientist and a leader in the development and application of CCS technologies and has published more than 30 papers and articles on greenhouse gas technologies.

#### **Cortical Dynamics Limited (17.5%)**

On 30 September 2021 Cortical filed a 510(K) submission with the FDA in the USA for its medical device, the Brain Anaesthesia Response Monitor (BARM™). BARM™ takes a physiological approach to measuring the effects of anaesthetic drugs on brain electrical activity for surgical operations under General anaesthetic. The BARM™ algorithm is derived from a model of how human EEG (electrical activity of the brain) is generated. BARM™ describes the electrical activity of populations of excitatory and inhibitory neurons within the cerebral cortex, and uses established physiological parameters such as the number of connections between neuronal populations, conduction velocities, and firing rates and thresholds. The model can produce the main features of spontaneous human EEG and the effects general anaesthetics have on the EEG providing anaesthetists with valuable feedback as to the depth of anaesthesia experienced by patients. Cortical Dynamics Limited was assisted in the FDA submission by MCRA, the leading U.S. Regulatory Advisor for the Medical Device and Biologics industries. BARM™ is already CE, TGA and Korea MFDS regulated.

Cortical raised \$270,000 cash in the half-year by the issue of 2,160,000 shares at 12.5 cents per share to BPH Energy Limited.

The Company's half year financial report for the six months ended 31 December 2021 is set out on the following pages.

## Contents

### BPH Energy Ltd and its controlled entities

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|   | Page Number |
|---|-------------|
| Directors' Report .....   | 2           |
| Auditor's Independence Declaration .....                                      | 4           |
| Consolidated Statement of Profit or Loss and Other Comprehensive Income ..... | 5           |
| Consolidated Statement of Financial Position .....                            | 6           |
| Consolidated Statement of Changes in Equity .....                             | 7           |
| Consolidated Statement of Cash Flows .....                                    | 8           |
| Notes to the Financial Statements.....  | 9-15        |
| Directors' Declaration .....  | 16          |
| Independent Auditor's Review Report .....                                     | 17          |

#### Company Information

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##### **Directors**

David Breeze – Executive Chairman  
Tony Huston – Non-Executive Director  
Charles Maling – Non-Executive Director

##### **Registered Office**

Unit 12, Level 1  
114 Cedric Street  
STIRLING WA 6021

##### **Principal Business Address**

Unit 12, Level 1  
114 Cedric Street  
STIRLING WA 6021  
Telephone: (08) 9328 8366  
Facsimile: (08) 9328 8733  
Website: [www.bphenergy.com.au](http://www.bphenergy.com.au)  
E-mail: [admin@bphenergy.com.au](mailto:admin@bphenergy.com.au)

##### **Auditor**

HLB Mann Judd (WA Partnership)  
Level 4  
130 Stirling Street  
PERTH WA 6000

##### **Share Registry**

Advanced Share Registry Limited  
110 Stirling Highway  
NEDLANDS WA 6009

##### **Australian Business Number**

41 095 912 002

## Directors' Report

### BPH Energy Ltd and its controlled entities

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The directors of BPH Energy Ltd ("BPH" or "the Company") present their report for the Company and its controlled entities ("consolidated entity" or "group") for the half year ended 31 December 2021.

#### Directors

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

D L Breeze  
T Huston  
C Maling

#### Review of Operations

The loss for the period was \$305,316 (2020: loss of \$1,176,393) after recognising:

- share of an associates losses of \$76,388 (2020: loss of \$45,861)
- share-based payment expense of \$Nil (2020: \$802,997)

On 17 November the Company advised it had completed an investment of \$2,271,450 in investee Advent Energy Pty Ltd (Advent) under Advent's Offer Information Statement that took BPH's direct shareholding in Advent to 36.1%.

On 30 November 200,000 share options with an exercise price of \$0.20 expired unexercised.

On 7 December the Company requested a Trading Halt in accordance with ASX Listing Rule 17.1 pending an announcement to be made by the Company with respect to the participation of Advent in a Farm Out Agreement. The Company's shares were placed in Voluntary Suspension on 9 December at the request of the Company. The Voluntary Suspension was extended to 28 February 2022 and remains in place.

Developments in the Company's investments include:

#### **Advent Energy Limited (BPH 36.1%)**

Advent has an 85% interest in the PEP 11 joint venture offshore Sydney Basin, the other 15% being held by Bounty Oil and Gas (ASX:BUY)

On 16 December 2021 the Company advised that the Prime Minister of Australia, Scott Morrison, had announced that the Federal Government would refuse the joint venture's applications to extend the PEP 11 Permit for gas exploration in the offshore Sydney Basin. Permit participants Advent and Bounty have received official notification of refusal from the National Offshore Petroleum Title Authority (NOPTA) and have lodged a submission seeking a review of this decision.

On 30 December 2020 Advent lodged an Offer Information Statement (OIS) with ASIC for a non-renounceable entitlement issue of two (2) Shares for every three (3) shares held at an issue price of \$0.05 (5 cents) per Share to raise up to \$6,525,108, further amended by a Supplementary OIS dated 30 June 2021 and a Second Supplementary OIS dated 20 October 2021. The Offer was partially underwritten by related party Grandbridge Securities Pty Ltd (ABN 84 087 432 353) (AFSL 241057) up to \$2,271,450 and sub-underwritten by BPH up to \$1,445,710. In addition, BPH agreed to sub-underwrite up to an additional \$825,740 being a total amount of up to \$2,271,450. The total amount raised to date by Advent under this OIS is \$2,507,575 including the investment of \$2,271,450 by BPH.

Advent appointed Professor Peter Cook as an advisor on geosequestration for its project in the Offshore Sydney Basin. He is an eminent Australian and international earth scientist and a leader in the development and application of CCS technologies and has published more than 30 papers and articles on greenhouse gas technologies.

## **Directors' Report**

### **BPH Energy Ltd and its controlled entities**

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#### **Cortical Dynamics Limited (BPH 17.5%)**

On 30 September 2021 Cortical filed a 510(K) submission with the FDA in the USA for its medical device, the Brain Anaesthesia Response Monitor (BARM™). BARM™ takes a physiological approach to measuring the effects of anaesthetic drugs on brain electrical activity for surgical operations under General anaesthetic. The BARM™ algorithm is derived from a model of how human EEG (electrical activity of the brain) is generated. BARM™ describes the electrical activity of populations of excitatory and inhibitory neurons within the cerebral cortex, and uses established physiological parameters such as the number of connections between neuronal populations, conduction velocities, and firing rates and thresholds. The model can produce the main features of spontaneous human EEG and the effects general anaesthetics have on the EEG providing anaesthetists with valuable feedback as to the depth of anaesthesia experienced by patients. Cortical Dynamics Limited was assisted in the FDA submission by MCRA, the leading U.S. Regulatory Advisor for the Medical Device and Biologics industries. BARM™ is already CE, TGA and Korea MFDS regulated.

Cortical raised \$270,000 cash in the half-year by the issue of 2,160,000 shares at 12.5 cents per share to BPH Energy Limited.

#### **Significant changes in state of affairs**

During the period there were no significant changes in the state of affairs of the consolidated entity other than those referred to in the financial statements or notes thereto.

#### **Subsequent Events**

There have not been any matters or circumstance that have arisen since the end of the period, that have significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

#### **Dividends**

The Directors recommend that no dividend be paid in respect of the current period and no dividends have been paid or declared since the commencement of the period.

#### **Auditor's Independence**

The directors have received an independence declaration from the auditor as set out on page 4.

Signed in accordance with a resolution of the directors made pursuant to s306 (3) of the *Corporations Act 2001*.

On behalf of the Directors



D Breeze  
Executive Chairman  
Perth, 28 February 2022

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the consolidated financial report of BPH Energy Ltd for the half-year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Perth, Western Australia  
28 February 2022



**L Di Giallonardo**  
Partner

**hlb.com.au**

**HLB Mann Judd (WA Partnership) ABN 22 193 232 714**

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

**T:** +61 (0)8 9227 7500 **E:** mailbox@hbw.com.au

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HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

**Consolidated Statement of Profit or Loss and Other Comprehensive Income for the half-year ended 31 December 2021**  
**BPH Energy Ltd and its controlled entities**

|   | Note | Consolidated           |                        |
|---|------|------------------------|------------------------|
|   |      | 31 December 2021<br>\$ | 31 December 2020<br>\$ |
| Revenue   | 4    | 68,143                 | -                      |
| Interest income                                     | 4    | 35,277                 | 32,237                 |
| Interest expense                                    |      | -                      | (2)                    |
| Administration costs                                |      | (76,208)               | (70,300)               |
| Consulting and legal expenses                       |      | (94,990)               | (130,759)              |
| Provision for expected credit loss                  |      | (46,830)               | (44,391)               |
| Employee benefits                                   |      | (50,000)               | (50,000)               |
| Share-based payments                                |      | -                      | (802,997)              |
| Share of associates (losses) net of impairment      |      | (76,388)               | (45,861)               |
| Service expenses                                    |      | (64,320)               | (64,320)               |
| <b>(Loss) before income tax</b>                     |      | <b>(305,316)</b>       | <b>(1,176,393)</b>     |
| Income tax expense                                  |      | -                      | -                      |
| <b>(Loss) for the period</b>                        |      | <b>(305,316)</b>       | <b>(1,176,393)</b>     |
| Other comprehensive income                          |      | -                      | -                      |
| <b>Total comprehensive (loss) for the period</b>    |      | <b>(305,316)</b>       | <b>(1,176,393)</b>     |
| (Loss) attributable to non-controlling interest     |      | -                      | (434)                  |
| (Loss) attributable to members of the parent entity |      | (305,316)              | (1,175,959)            |
|   |      | <b>(305,316)</b>       | <b>(1,176,393)</b>     |
| Earnings per share:                                 |      |                        |                        |
| Basic loss (cents per share)                        |      | (0.05)                 | (0.24)                 |
| Diluted loss (cents per share)                      |      | (0.05)                 | (0.24)                 |

The accompanying notes form part of, and should be read in conjunction with, these financial statements.

**Consolidated Statement of Financial Position  
as at 31 December 2021  
BPH Energy Ltd and its controlled entities**

|   |      | Consolidated              |                       |
|---|------|---------------------------|-----------------------|
|   | Note | 31 December<br>2021<br>\$ | 30 June<br>2021<br>\$ |
| <b>Current Assets</b>                       |      |                           |                       |
| Cash and cash equivalents                   | 5    | 7,660,554                 | 10,173,232            |
| Trade and other receivables                 |      | 44,940                    | 16,287                |
| Financial assets                            | 6    | 22,222                    | 578,704               |
| Other current assets                        |      | 21,724                    | -                     |
| <b>Total Current Assets</b>                 |      | <b>7,749,440</b>          | <b>10,768,223</b>     |
| <b>Non-Current Assets</b>                   |      |                           |                       |
| Financial assets                            | 6    | 3,955,379                 | 3,685,379             |
| Investments in associates                   | 7    | 4,253,835                 | 2,058,773             |
| Other non-current assets                    |      | 20,000                    | -                     |
| <b>Total Non-Current Assets</b>             |      | <b>8,229,214</b>          | <b>5,744,152</b>      |
| <b>Total Assets</b>                         |      | <b>15,978,654</b>         | <b>16,512,375</b>     |
| <b>Current Liabilities</b>                  |      |                           |                       |
| Trade and other payables                    |      | 802,168                   | 1,030,573             |
| Financial liabilities                       |      | 104,817                   | 104,817               |
| <b>Total Current Liabilities</b>            |      | <b>906,985</b>            | <b>1,135,390</b>      |
| <b>Net Assets</b>                           |      | <b>15,071,669</b>         | <b>15,376,985</b>     |
| <b>Equity</b>                               |      |                           |                       |
| Issued capital                              | 11   | 58,843,159                | 58,843,159            |
| Reserves                                    |      | 1,105,671                 | 1,105,671             |
| Accumulated losses                          |      | (44,716,238)              | (44,410,922)          |
| Equity attributable to owners of the parent |      | 15,232,592                | 15,537,908            |
| Non-controlling interest                    |      | (160,923)                 | (160,923)             |
| <b>Total Equity</b>                         |      | <b>15,071,669</b>         | <b>15,376,985</b>     |

The accompanying notes form part of, and should be read in conjunction with, these financial statements.



**Consolidated Statement of Changes in Equity  
for the half-year ended 31 December 2021  
BPH Energy Ltd and its controlled entities**

|  | Ordinary<br>share capital<br>\$ | Accumulated<br>losses<br>\$ | Options<br>reserve<br>\$ | Total attributable<br>to holders of the<br>parent entity<br>\$ | Non-<br>controlling<br>Interest<br>\$ | Total<br>\$       |
|--|---------------------------------|-----------------------------|--------------------------|--|---------------------------------------|-------------------|
| <b>Balance as at 1 July 2020</b>                       | 46,716,896                      | (42,799,063)                | 526,361                  | 4,444,194  | (160,358)                             | 4,283,836         |
| (Loss) for the period                                  | -                               | (1,175,959)                 | -                        | (1,175,959)  | (434)                                 | (1,176,393)       |
| Other comprehensive income                             | -                               | -                           | -                        | -  | -                                     | -                 |
| Total comprehensive (loss) for the half year           | -                               | (1,175,959)                 | -                        | (1,175,959)  | (434)                                 | (1,176,393)       |
| <i>Transactions with owners in capacity as owners:</i> |                                 |                             |                          |  |                                       |                   |
| Shares issued for cash                                 | 2,625,105                       | -                           | -                        | 2,625,105  | -                                     | 2,625,105         |
| Share issue costs                                      | (216,182)                       | -                           | 19,384                   | (196,798)  | -                                     | (196,798)         |
| Share based payments expense                           | 1,081,320                       | -                           | 213,732                  | 1,295,052  | -                                     | 1,295,052         |
| <b>Balance as at 31 December 2020</b>                  | <b>50,207,139</b>               | <b>(43,975,022)</b>         | <b>759,477</b>           | <b>6,991,594</b>   | <b>(160,792)</b>                      | <b>6,830,802</b>  |
| <b>Balance as at 1 July 2021</b>                       | 58,843,159                      | (44,410,922)                | 1,105,671                | 15,537,908   | (160,923)                             | 15,376,985        |
| (Loss) for the period                                  | -                               | (305,316)                   | -                        | (305,316)  | -                                     | (305,316)         |
| Other comprehensive income                             | -                               | -                           | -                        | -  | -                                     | -                 |
| Total comprehensive (loss) for the half year           | -                               | (305,316)                   | -                        | (305,316)  | -                                     | (305,316)         |
| <i>Transactions with owners in capacity as owners:</i> |                                 |                             |                          |  |                                       |                   |
|  | -                               | -                           | -                        | -  | -                                     | -                 |
| <b>Balance as at 31 December 2021</b>                  | <b>58,843,159</b>               | <b>(44,716,238)</b>         | <b>1,105,671</b>         | <b>15,232,592</b>  | <b>(160,923)</b>                      | <b>15,071,699</b> |

The accompanying notes form part of, and should be read in conjunction with, these financial statements.

**Consolidated Statement of Cash Flows  
for the half-year ended 31 December 2021  
BPH Energy Ltd and its controlled entities**

|  | Note | Consolidated              |                           |
|--|------|---------------------------|---------------------------|
|  |      | 31 December<br>2021<br>\$ | 31 December<br>2020<br>\$ |
| <b>Cash flows from operating activities</b>                  |      |                           |                           |
| Receipts from customers                                      |      | 74,957                    | -                         |
| Payments to suppliers and employees                          |      | (551,701)                 | (363,852)                 |
| Interest received  |      | 447                       | 289                       |
| Interest paid  |      | -                         | (2)                       |
| <b>Net cash used in operating activities</b>                 |      | <b>(476,297)</b>          | <b>(363,565)</b>          |
| <b>Cash flows from investing activities</b>                  |      |                           |                           |
| Payment for investment in associate                          |      | (2,271,450)               | -                         |
| Payment for unlisted investments                             |      | (270,000)                 | -                         |
| Loans advanced   |      | (51,413)                  | (30,500)                  |
| Loans repaid   |      | 556,482                   | 15,000                    |
| <b>Net cash used in financing activities</b>                 |      | <b>(2,036,381)</b>        | <b>(20,500)</b>           |
| <b>Cash flows from financing activities</b>                  |      |                           |                           |
| Proceeds from issue of securities (net of share issue costs) |      | -                         | 2,477,657                 |
| <b>Net cash from financing activities</b>                    |      | <b>-</b>                  | <b>2,477,657</b>          |
| Net (decrease) / increase in cash held                       |      | (2,512,678)               | 2,093,592                 |
| Cash at the beginning of the financial period                |      | 10,173,232                | 257,739                   |
| <b>Cash at the end of the financial period</b>               | 5    | <b>7,660,554</b>          | <b>2,351,331</b>          |

The accompanying notes form part of, and should be read in conjunction with, these financial statements.

# Notes to the Financial Statements for the half-year ended 31 December 2021

## BPH Energy Ltd and its controlled entities

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### 1. CORPORATE INFORMATION

The financial report of BPH Energy Ltd was authorised for issue in accordance with a resolution of the directors on 28 February 2022.

BPH Energy Ltd is a company incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Statement of Compliance

The half-year financial report is a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 Interim Financial Reporting.

The half-year financial report does not include all of the notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half-year financial report should be read in conjunction with the Annual Financial Report of BPH Energy Limited as at 30 June 2021. It is also recommended that the half-year financial report be considered together with any public announcements made by BPH Energy Limited and its controlled entities during the half-year ended 31 December 2021 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

#### (a) Basis of Preparation

##### *Reporting Basis and Conventions*

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

#### (b) Significant Accounting Policies

The half-year condensed consolidated financial statements have been prepared using the same accounting policies and methods of computation as used in the annual financial statements for the year ended 30 June 2021 and corresponding half year other than noted below.

#### **Standards and Interpretations applicable to 31 December 2021**

In the period ended 31 December 2021, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the consolidated entity and effective for the current reporting period beginning on or after 1 July 2021. The Directors have determined that there is no material impact of the other new and revised Standards and Interpretations on the consolidated entity and therefore, no material change is necessary to group accounting policies.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **(b) Significant Accounting Policies (continued)**

#### ***Standards and Interpretations in issue not yet adopted***

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the half-year ended 31 December 2021. As a result of this review the Directors have determined that there is no material impact, of the new and revised Standards and Interpretations on the consolidated entity and, therefore, no change is necessary to the consolidated entity's accounting policies.

### **(c) Critical Accounting Estimates and Judgments**

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the consolidated entity.

#### ***Key estimates - Investment in Molecular Discovery Systems***

The investment in Molecular Discovery Systems Limited is equity accounted, refer to Note 7. The Company has recognised a cumulative impairment expense of \$394,104 (30 June 2021: \$402,998) to fully impair the carrying value of the investment in Molecular Discovery Systems.

#### ***Key estimates - Investment in Advent Energy Limited ("Advent")***

The investment in Advent is equity accounted, refer to Note 2(d) and Note 7.

#### ***Key estimates - Investment in Patagonia Genetics Pty Ltd***

The \$250,000 investment in Patagonia Genetics Pty Ltd which is accounted for as a financial asset at fair value has a carrying value of \$Nil (2020: \$Nil)

#### ***Key judgements — Provision for impairment of loan receivables***

The consolidated entity has loan receivables of \$Nil (30 June 2021: \$556,482) net of expected credit loss provision of \$1,496,998 (30 June 2021: \$1,450,168). The Company recognised an expected credit loss provision of \$46,830 in the reporting period (31 December 2020: \$44,391).

#### ***Key estimates - Investment in Cortical Dynamics Limited ("Cortical")***

The investment in Cortical is carried at fair value, refer to Note 6.

### **(d) Financial Position**

The consolidated entity has incurred a net loss before tax for the period ended 31 December 2021 of \$305,316 (2020: loss of \$1,176,393) and has a working capital surplus of \$6,842,455 as at 31 December 2020 (June 2021: surplus of \$9,632,833).

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **(d) Financial Position (continued)**

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

The consolidated entity has incurred a net loss before tax for the period ended 31 December 2021 of \$305,316 (2020: loss of \$1,176,393) and has a working capital surplus of \$6,842,455 as at 31 December 2020 (June 2021: surplus of \$9,632,833).

The directors have prepared cash flow forecasts, including possible capital raisings if required, which indicate that the consolidated entity should have sufficient cash flows for a period of at least 12 months from the date of this report. Based on the cash flow forecasts the directors are satisfied that the going concern basis of preparation is appropriate. The financial report has therefore been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

#### *Advent Energy Limited ("Advent")*

Advent has two applications with NOPTA for suspension and extension of the PEP11 permit offshore Sydney Basin. Advent has an 85% interest in the PEP 11 Joint Venture, the other 15% being held by Bounty Oil and Gas (ASX:BUY).

The first application was lodged in January 2020 and the second in February 2021. The National Offshore Permit Titles Administrator ("NOPTA") has issued a notice of intention to refuse the January 2020 application which was lodged on the basis of Force Majeure. The first is the only application which is the subject of the NOPTA notice.

The second application was made under a COVID application process and was accepted but not dealt with pending an outcome on the first application made in January 2020. NOPTA is seeking additional information from Advent in respect of the application.

Under the provisions of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*, the existing permit will continue until relevant decisions are made.

Advent has the following expenditure commitments (85% share) in respect of the PEP 11 Permit:

|   |               |
|---|---------------|
| Within one year:                            | \$1.2 million |
| Within more than one and less than 5 years: | \$20 million  |

The above conditions indicate a material uncertainty that may affect the ability of Advent to realise the carrying value of its the exploration assets in the ordinary course of business and may affect the ability of the Company to realise the carrying value of its \$4.25 million investment in Advent in the ordinary course of business.

## **3. SEGMENT INFORMATION**

Operating segments have been identified on the basis of internal reports of the consolidated entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. The chief operating decision maker has been identified as the Board of Directors. The consolidated entity's only operating segment is investing. The consolidated entity holds investments in three principal industries being oil and gas exploration and development and medical devices,

**Notes to the Financial Statements for the half-year ended 31 December 2021**  
**BPH Energy Ltd and its controlled entities**

**4. REVENUE**

|                       | Consolidated            |                         |
|-----------------------|-------------------------|-------------------------|
|                       | 31 December<br>2021(\$) | 31 December<br>2020(\$) |
| Revenue:              |                         |                         |
| Sub-underwriting fees | 68,143                  | -                       |
|                       | <u>68,143</u>           | <u>32,237</u>           |
| Interest revenue      | 35,277                  | 32,237                  |
|                       | <u>35,277</u>           | <u>32,237</u>           |

**5. CASH AND CASH EQUIVALENTS**

|   | Consolidated            |                     |
|---|-------------------------|---------------------|
|   | 31 December<br>2021(\$) | 30 June<br>2021(\$) |
| Cash and cash equivalents:                          |                         |                     |
| Cash at bank and in hand from continuing operations | 7,660,554               | 10,173,232          |
|   | <u>7,660,554</u>        | <u>10,173,232</u>   |

**6. FINANCIAL ASSETS**

|  | Consolidated              |                       |
|--|---------------------------|-----------------------|
|  | 31 December<br>2021<br>\$ | 30 June<br>2021<br>\$ |
| <i>Current</i>   |                           |                       |
| Secured loans to other entities (interest free):             |                           |                       |
| Advent Energy Ltd  | -                         | 556,482               |
| Investments in listed entities (Level 1)                     | 22,222                    | 22,222                |
|  | <u>22,222</u>             | <u>578,704</u>        |
| <i>Non - current</i>   |                           |                       |
| Investments in unlisted entities (Level 2)                   | 3,955,379                 | 3,685,379             |
|  | <u>3,955,379</u>          | <u>3,685,379</u>      |
| Loan receivables are stated net of the following provisions: |                           |                       |
| Molecular Discovery Systems Limited                          |                           |                       |
| Gross receivable   | 1,496,998                 | 1,450,168             |
| Less provision   | <u>(1,496,998)</u>        | <u>(1,450,168)</u>    |
|  | -                         | -                     |

The Company has an investment in Patagonia Genetics Limited with a cost base of \$250,000 and a fair value of \$Nil (30 June 2021: \$Nil).

An expected credit loss provision of \$46,830 was recognised during the half-year on the loan with Molecular Discovery Systems Limited (2020: \$44,391).

**Notes to the Financial Statements for the half-year ended 31 December 2021**  
**BPH Energy Ltd and its controlled entities**

**7. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD**

|   | Consolidated             |                      |
|---|--------------------------|----------------------|
|   | 31 December<br>2021 (\$) | 30 June<br>2021 (\$) |
| Molecular Discovery Systems Ltd                           | 394,104                  | 402,998              |
| Molecular Discovery Systems Ltd -<br>Impairment provision | (394,104)                | (402,998)            |
| Advent Energy Limited                                     | 4,253,835                | 2,058,773            |
|   | <u>4,253,835</u>         | <u>2,058,773</u>     |

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting.

| Name of Entity                      | Country of Incorporation | Ownership Interest % |           |
|-------------------------------------|--------------------------|----------------------|-----------|
|                                     |                          | December 2021        | June 2021 |
| Molecular Discovery Systems ("MDS") | Australia                | 20%                  | 20%       |
| Advent Energy Limited ("Advent")    | Australia                | 36.1%                | 21.9%     |

**Consolidated**

|  | Advent<br>Half Year To                |                                       | MDS<br>Half Year To                  |                                       |
|--|---------------------------------------|---------------------------------------|--------------------------------------|---------------------------------------|
|  | 31 December<br>2021 (\$)<br>Unaudited | 31 December<br>2020 (\$)<br>Unaudited | 31 December<br>2021(\$)<br>Unaudited | 31 December<br>2020 (\$)<br>Unaudited |
| Revenue                                      | -                                     | 36                                    | -                                    | -                                     |
| (Loss) for the period                        | (261,082)                             | (206,954)                             | (44,467)                             | (44,058)                              |
| Other comprehensive income<br>for the period | -                                     | -                                     | -                                    | -                                     |
| Total comprehensive (loss) for<br>the period | <u>(261,082)</u>                      | <u>(206,954)</u>                      | <u>(44,467)</u>                      | <u>(44,058)</u>                       |

Advent 2019 numbers are from 6 August 2019

|                         | Advent                                |                      | MDS                                   |                      |
|-------------------------|---------------------------------------|----------------------|---------------------------------------|----------------------|
|                         | 31 December<br>2021 (\$)<br>Unaudited | 30 June<br>2021 (\$) | 31 December<br>2021 (\$)<br>Unaudited | 30 June<br>2021 (\$) |
| Current assets          | 817,272                               | 1,130,822            | 1,015                                 | 979                  |
| Non-current assets      | 16,011,479                            | 14,385,995           | -                                     | -                    |
| Current liabilities     | 202,087                               | 917,238              | 939,252                               | 928,177              |
| Non-current liabilities | 5,025,803                             | 4,963,302            | 817,263                               | 782,433              |
| Net assets              | <u>11,600,861</u>                     | <u>9,636,277</u>     | <u>(1,755,500)</u>                    | <u>(1,709,631)</u>   |

7. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD (continued)

|   | Consolidated             |                      |                          |                      |
|---|--------------------------|----------------------|--------------------------|----------------------|
|   | Advent                   |                      | MDS                      |                      |
|   | 31 December<br>2021 (\$) | 30 June<br>2021 (\$) | 31 December<br>2021 (\$) | 30 June<br>2021 (\$) |
| Share of the group's ownership interest in associate    | 4,253,835                | 2,058,773            | (350,819)                | (341,926)            |
| Other adjustments                                       | -                        | -                    | 350,819                  | 341,926              |
| Carrying value of the group's interest in associate     | 4,253,835                | 2,058,773            | -                        | -                    |
| Opening balance 1 July                                  | 2,058,773                | 2,153,304            | -                        | -                    |
| Share of associates (loss) after impairment recognition | (76,388)                 | (94,531)             | -                        | -                    |
| Additional investment in associate                      | 2,271,450                | -                    | -                        | -                    |
| Closing balance   | 4,253,835                | 2,058,773            | -                        | -                    |

Advent has two applications with NOPTA for suspension and extension of the PEP11 permit offshore Sydney Basin. Advent has an 85% interest in the PEP 11 Joint Venture, the other 15% being held by Bounty Oil and Gas (ASX:BUY).

The first application was lodged in January 2020 and the second in February 2021. The National Offshore Permit Titles Administrator ("NOPTA") has issued a notice of intention to refuse the January 2020 application which was lodged on the basis of Force Majeure. The first is the only application which is the subject of the NOPTA notice.

The second application was made under a COVID application and was accepted but not dealt with pending an outcome on the first application made in January 2020. NOPTA is seeking additional information from Advent in respect of the application.

Under the provisions of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*, the existing permit will continue until relevant decisions are made.

Advent has the following expenditure commitments (85% share) in respect of the PEP 11 Permit:

Within one year: \$1.2 million  
Within more than one and less than 5 years: \$20 million

The above conditions indicate a material uncertainty that may affect the ability of Advent to realise the carrying value of its the exploration assets in the ordinary course of business and may affect the ability of the Company to realise the carrying value of its \$4.25 million investment in Advent in the ordinary course of business.



## 8. EVENTS SUBSEQUENT TO REPORTING DATE

There have not been any matters or circumstance that have arisen since the end of the period, that have significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

## 9. FINANCIAL INSTRUMENTS

The directors consider that the carrying value of the financial assets and liabilities as recognised in the financial statements approximate their fair values.

## 10. RELATED PARTY TRANSACTIONS

Grandbridge Limited, a Company of which Mr Breeze is Managing Director, charged the Company \$64,320 (2020: \$64,320) in service fees during the period.

The Company charged Grandbridge Securities Pty Ltd, a 100% subsidiary of Grandbridge Limited, a \$68,143 underwriting fee (2020: \$Nil).

Other than the above, and director remuneration, there have been no material related party transactions during the period.

## 11. CONTRIBUTED EQUITY

|  | Number                   |            | \$                   |             |
|--|--------------------------|------------|----------------------|-------------|
|  | Half Year to 31 Dec 2021 |            | Year to 30 June 2021 |             |
| <b>Movements in ordinary shares on issue</b> |                          |            |                      |             |
| Opening                                      | 664,919,389              | 58,843,159 | 373,236,818          | 46,716,896  |
| Shares issued for cash                       | -                        | -          | 258,879,003          | 12,203,207  |
| Share issue costs                            | -                        | -          | -                    | (1,158,263) |
| Shares issued in satisfaction of debt        | -                        | -          | 32,803,568           | 492,054     |
| Share-based payments                         | -                        | -          | -                    | 589,265     |
| Closing                                      | 664,919,389              | 58,843,159 | 664,919,389          | 58,843,159  |

Fully paid ordinary shares carry one vote per share and carry the right to dividends. The Company has no authorised capital and the issued shares do not have a par value.

200,000 share options with an exercise price of \$0.20 per share expired unexercised during the period.

## 12. CONTINGENT LIABILITIES

The consolidated entity has no contingent assets or liabilities at period end.

**Directors' Declaration**  
**BPH Energy Ltd and its controlled entities**

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In the opinion of the directors the Company:

(a) the financial statements and notes as set out on pages 5 to 15 are in accordance with the *Corporations Act 2001* including:

(i) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2021 and of its performance for the half-year ended on that date; and

(ii) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory reporting requirements; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



D Breeze  
Executive Chairman  
Perth, 28 February 2022

## **INDEPENDENT AUDITOR'S REVIEW REPORT**

To the members of BPH Energy Ltd

### **Report on the Condensed Half-Year Financial Report**

#### *Conclusion*

We have reviewed the accompanying half-year financial report of BPH Energy Ltd ("the company") which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising 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 half-year financial report of BPH Energy Ltd 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 31 December 2021 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.

#### *Emphasis of Matter - Material uncertainty related to the carrying value of the investment in Advent Energy Limited*

We draw attention to Note 7 in the financial report, which indicates that a material uncertainty exists in relation to the consolidated entity's ability to realise the carrying value of its investment in Advent Energy Limited and subsidiaries in the ordinary course of business. Our conclusion is not modified in respect of this matter.

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**HLB Mann Judd (WA Partnership) ABN 22 193 232 714**

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 E: mailbox@hlbwa.com.au

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*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 31 December 2021 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.

*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

*HLB Mann Judd*

**HLB Mann Judd**  
**Chartered Accountants**

**Perth, Western Australia**  
**28 February 2022**



**L Di Giallonardo**  
**Partner**