

1. Company details

Name of entity:	Allegra Medical Technologies Limited
ABN:	71 066 281 132
Reporting period:	For the half-year ended 31 December 2023
Previous period:	For the half-year ended 31 December 2022

2. Results for announcement to the market

			\$
Revenues from ordinary activities	down	69.0% to	484,235
Loss from ordinary activities after tax attributable to the owners of Allegra Medical Technologies Limited	up	71.8% to	(1,444,171)
Loss for the half-year attributable to the owners of Allegra Medical Technologies Limited	up	71.8% to	(1,444,171)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the consolidated entity after providing for income tax amounted to \$1,444,171 (31 December 2022: \$840,715).

On 6 February 2024, the consolidated entity announced the decision to not proceed with its formal submission to the Food and Drug Administration ('FDA') as previously announced. The consolidated entity has decided to go to the market to seek a buyer for all of its intellectual property relating to the Sr-HT-Gahnite and Sr-HT, including worldwide patents and all registered patents and application for patents in relation to the bio ceramic material, including the spinal fusion cage. The consolidated entity is aware that any proposed sale will be subject to the required ASX and regulatory approvals ('Sale Process').

The consolidated entity has commenced, and is progressing, the Sales Process.

However, as the Sale Process is expected to take some months, including seeking buyers, negotiating and completing of any necessary ASX and regulatory requirements, the consolidated entity is reliant on the continued support of its current financiers during this Sale Process.

The consolidated entity has received non-legally binding confirmation from its current financier to continue to provide the funds required in order to pay its debts as and when they become due and payable during the Sales Process.

As a result of the above, the financial statements have not been prepared on a going concern basis but have instead been prepared on a realisation basis of accounting.

Under the realisation basis of accounting, assets are written down to their estimated net realisable value, where relevant, and liabilities are stated at their estimated settlement amounts and relevant estimates are reviewed and adjusted as appropriate. All assets and liabilities are presented as current.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>(1.35)</u>	<u>0.70</u>
Calculated as follows:		
	Consolidated 31 Dec 2023	31 Dec 2022
	\$	\$
Net (liabilities)/assets	(1,612,587)	1,299,766
Less: Right-of-use assets	-	(57,568)
Less: Intangibles	-	(513,127)
Net tangible (liabilities)/assets	<u>(1,612,587)</u>	<u>729,071</u>
Total shares issued (number)	<u>119,611,028</u>	<u>104,459,203</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividend reinvestment plans

Not applicable.

7. Details of associates and joint venture entities

Not applicable.

8. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

9. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Financial Report. The auditor's report contains an emphasis of matter paragraph in relation to the realisation basis of accounting.

10. Attachments

Details of attachments (if any):

The Interim Report of Allegra Medical Technologies Limited for the half-year ended 31 December 2023 is attached.

11. Signed



Signed _____

Date: 22 March 2024

Peter Kazacos
Director
Sydney

Allegra Medical Technologies Limited

(Formerly known as Allegra Orthopaedics Limited)

ABN 71 066 281 132

Interim Report - 31 December 2023

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The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Allegra Medical Technologies Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

Directors

The following persons were directors of Allegra Medical Technologies Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Peter Kazacos	Chair and Independent Non-Executive Director
Sean Mulhearn	Independent Non-Executive Director
Nicholas Hartnell	Non-Executive Director

Principal activities

During the financial half-year the principal continuing activities of the consolidated entity are the development of innovative technologies and the commercialisation of these technologies into marketable products, in particular the application for the FDA 510(k) approval for its Sr-HT Gahnite Cervical Spinal Cage Device.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$1,444,171 (31 December 2022: \$840,715).

On 6 February 2024, the consolidated entity announced the decision to not proceed with its formal submission to the Food and Drug Administration ('FDA') as previously announced. The consolidated entity has decided to go to the market to seek a buyer for all of its intellectual property relating to the Sr-HT-Gahnite and Sr-HT, including worldwide patents and all registered patents and application for patents in relation to the bio ceramic material, including the spinal fusion cage. The consolidated entity is aware that any proposed sale will be subject to the required ASX and regulatory approvals ('Sale Process')

As a result of the above, the financial statements have not been prepared on a going concern basis but have instead been prepared on a realisation basis of accounting.

Under the realisation basis of accounting, assets are written down to their estimated net realisable value, where relevant, and liabilities are stated at their estimated settlement amounts and relevant estimates are reviewed and adjusted as appropriate. All assets and liabilities are presented as current.

Operations

Revenue

Total revenue from the disposed Orthopaedics Division for the half-year ended 31 December 2023 was \$484,235 (31 December 2022: \$1,561,082). This represented two months of revenue generated from the disposed Orthopaedics Division.

Other income

'Other income' decreased by 45% compared with the previous half-year due to the disposal of the Orthopaedics Division.

Expenses

A comparison of half-year expenses compared with previous half-year is as follows:

	31 Dec 2023	31 Dec 2022	Change	Change
	\$	\$	\$	%
Cost of sales and purchases of consumables	243,737	780,273	(536,536)	(69%)
Corporate and administration expenses	659,843	842,465	(182,622)	(22%)
Quality and research and development expenses	455,421	746,005	(290,584)	(39%)
Sales and marketing expenses	118,859	292,614	(173,755)	(59%)
Finance costs	100,088	131,694	(31,606)	(24%)

In the current reporting period, costs on all aspects of the consolidated entity's operation have been decreased as a result of the Sale of its Orthopaedics Division.

Significant changes in the state of affairs

On 19 July 2023, the company announced a Non-Renounceable Entitlement Offer ('Offer') issue for its current shareholders. The Offer entitled shareholders who were on the company's share register as at 27 July 2023 to one fully paid ordinary share for every three shares held at an issue price of \$0.09 per share. The Offer aimed to raise circa \$3,133,776 (before costs) to support the ongoing commercialisation activities for its Cervical Spinal Cage Device.

On 30 August 2023, the company announced the results of the Offer, confirming that a total amount of \$1,363,663 had been raised before costs.

As disclosed by the company on 30 August 2023, agreement was reached with Robinwood Investments Pty Ltd ('RIPL') – a substantial shareholder in the company that is associated with its Non-Executive Director, Nicholas Hartnell – to settle a portion of the consolidated entity's convertible loan owing to RIPL through the acceptance of subscriptions made by RIPL for 12,758,316 shares in the company under the Offer. Shares to the value of \$1,148,248 under the Offer were therefore issued in settlement of an equivalent value of the convertible loan owing. As such, the net cash raised from the Offer was approximately \$215,000 (prior to costs). In doing so, the consolidated entity has reduced its debt level and alleviated the burden of substantial future interest expenditure.

On 23 August 2023, the company announced that the decision to dispose of the Orthopaedics Division had been approved by shareholders at the Extraordinary General Meeting held on that date. The division was acquired by RIPL with completion of the transaction occurring on 28 August 2023 whereby proceeds of \$1,000,000 were received into the company's bank account.

Following shareholder approval at the Annual General Meeting held on 1 November 2023, the Company name was changed from Allegra Orthopaedics Limited to Allegra Medical Technologies Limited.

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

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 immediately after this directors' report.

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



Peter Kazacos
Director

22 March 2024
Sydney

22 March 2024

The Board of Directors
Allegra Medical Technologies Limited
Level 8, 18-20 Orion Road,
Lane Cove West NSW 2066

Auditor's Independence Declaration Under Section 307C of the *Corporations Act 2001* to Directors of Allegra Medical Technologies Limited

As lead auditor for the review of the half year financial report of Allegra Medical Technologies Limited for the half year ended 31 December 2023, I declare that to the best of my knowledge and belief, that 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.

Yours sincerely



Crowe Sydney



Barbara Richmond
Partner

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The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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Allegra Medical Technologies Limited
(Formerly known as Allegra Orthopaedics Limited)
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2023



		Consolidated	
	Note	31 Dec 2023	31 Dec 2022
		\$	\$
Discontinued operations			
Revenue from contracts with customers	5	484,235	1,561,082
Other income			
Other income	6	214,252	391,254
Interest revenue calculated using the effective interest method		3,144	-
Expenses			
Cost of sales and purchases of consumables		(243,737)	(780,273)
Corporate and administration expenses		(659,843)	(842,465)
Quality and research and development expenses		(455,421)	(746,005)
Sales and marketing expenses		(118,859)	(292,614)
Impairment of assets	7	(567,854)	-
Finance costs		(100,088)	(131,694)
Loss before income tax expense		(1,444,171)	(840,715)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Allegra Medical Technologies Limited		(1,444,171)	(840,715)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of Allegra Medical Technologies Limited		<u>(1,444,171)</u>	<u>(840,715)</u>
		Cents	Cents
Basic earnings per share	18	(1.26)	(0.80)
Diluted earnings per share	18	(1.26)	(0.80)

Refer to note 2 for the realisation basis of preparation.

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Allegra Medical Technologies Limited
(Formerly known as Allegra Orthopaedics Limited)
Statement of financial position
As at 31 December 2023



		Consolidated	
	Note	31 Dec 2023	30 Jun 2023
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		153,711	1,406
Trade and other receivables	8	232,777	1,138,257
Prepayments		54,022	113,967
		<u>440,510</u>	<u>1,253,630</u>
Non-current assets classified as held for sale	2,9	-	-
Assets of disposal groups classified as held for sale		-	942,800
Total current assets		<u>440,510</u>	<u>2,196,430</u>
Non-current assets			
Property, plant and equipment	10	-	49,872
Right-of-use assets	11	-	266,167
Intangibles	12	-	400,764
Total non-current assets		<u>-</u>	<u>716,803</u>
Total assets		<u>440,510</u>	<u>2,913,233</u>
Liabilities			
Current liabilities			
Trade and other payables	13	541,295	1,046,373
Borrowings	14	1,265,294	311,464
Lease liabilities		189,088	138,350
Employee benefits		47,420	155,784
Provisions		10,000	-
		<u>2,053,097</u>	<u>1,651,971</u>
Liabilities directly associated with assets classified as held for sale		-	62,800
Total current liabilities		<u>2,053,097</u>	<u>1,714,771</u>
Non-current liabilities			
Borrowings	14	-	2,548,440
Lease liabilities		-	129,103
Provisions		-	20,000
Total non-current liabilities		<u>-</u>	<u>2,697,543</u>
Total liabilities		<u>2,053,097</u>	<u>4,412,314</u>
Net liabilities		<u>(1,612,587)</u>	<u>(1,499,081)</u>
Equity			
Issued capital	15	16,688,725	15,366,235
Share-based payments reserve		882,978	874,803
Accumulated losses		<u>(19,184,290)</u>	<u>(17,740,119)</u>
Total deficiency in equity		<u>(1,612,587)</u>	<u>(1,499,081)</u>

Refer to note 2 for the realisation basis of preparation.

The above statement of financial position should be read in conjunction with the accompanying notes

Allegra Medical Technologies Limited
(Formerly known as Allegra Orthopaedics Limited)
Statement of changes in equity
For the half-year ended 31 December 2023



Consolidated	Issued capital \$	Share-based payments reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2022	15,366,235	858,453	(14,092,382)	2,132,306
Loss after income tax expense for the half-year	-	-	(840,715)	(840,715)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(840,715)	(840,715)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	8,175	-	8,175
Balance at 31 December 2022	<u>15,366,235</u>	<u>866,628</u>	<u>(14,933,097)</u>	<u>1,299,766</u>

Consolidated	Issued capital \$	Share-based payments reserve \$	Accumulated losses \$	Total deficiency in equity \$
Balance at 1 July 2023	15,366,235	874,803	(17,740,119)	(1,499,081)
Loss after income tax expense for the half-year	-	-	(1,444,171)	(1,444,171)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(1,444,171)	(1,444,171)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 15)	1,322,490	-	-	1,322,490
Share-based payments	-	8,175	-	8,175
Balance at 31 December 2023	<u>16,688,725</u>	<u>882,978</u>	<u>(19,184,290)</u>	<u>(1,612,587)</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Allegra Medical Technologies Limited
(Formerly known as Allegra Orthopaedics Limited)
Statement of cash flows
For the half-year ended 31 December 2023



Note	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	1,398,155	1,676,808
Payments to suppliers and employees (inclusive of GST)	(2,022,885)	(2,519,666)
	(624,730)	(842,858)
Interest received	3,144	-
Interest and other finance costs paid	(110,096)	(131,694)
Research and development tax offset received	691,292	839,200
Net cash used in operating activities	(40,390)	(135,352)
Cash flows from investing activities		
Payments for property, plant and equipment	-	(8,421)
Payments for intangibles	(894)	(14,714)
Net proceeds from disposal of business	895,622	-
Net cash from/(used in) investing activities	894,728	(23,135)
Cash flows from financing activities		
Proceeds from issue of shares	205,942	-
Share issue transaction costs	(31,700)	-
Proceeds from borrowings	-	225,626
Proceeds from related party borrowings	30,000	500,000
Repayment of borrowings	(708,405)	-
Repayment of insurance loan	(75,864)	(88,162)
Repayment of lease liabilities	(57,304)	(78,389)
Net cash (used in)/from financing activities	(637,331)	559,075
Net increase in cash and cash equivalents	217,007	400,588
Cash and cash equivalents at the beginning of the financial half-year	(63,296)	206,332
Cash and cash equivalents at the end of the financial half-year	153,711	606,920

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Allegra Medical Technologies Limited as a consolidated entity consisting of Allegra Medical Technologies Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Allegra Medical Technologies Limited's functional and presentation currency.

Allegra Medical Technologies Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 8
18-20 Orion Road
Lane Cove West, NSW 2066

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 22 March 2024.

Note 2. Realisation basis of preparation

Assets held for sale

On 6 February 2024, the consolidated entity announced the decision to not proceed with its formal submission to the Food and Drug Administration ('FDA') as previously announced. The consolidated entity has decided to go to the market to seek a buyer for all of the intellectual property relating to the Sr-HT-Gahnite and Sr-HT, including worldwide patents and all registered patents and application for patents in relation to the bio ceramic material, including the spinal fusion cage. The consolidated entity is aware that any proposed sale will be subject to the required ASX and regulatory approvals ('Sale Process').

The consolidated entity has commenced, and is progressing, the Sales Process.

However, as the Sale Process is expected to take some months, including seeking buyers, negotiating and completing of any necessary ASX and regulatory requirements, the consolidated entity is reliant on the continued support of its current financiers during this Sale Process.

The consolidated entity has received non-legally binding confirmation from its current financier to continue to provide the funds required in order to pay its debts as and when they become due and payable during the Sales Process.

Realisation basis

As a result of the above, the financial statements have not been prepared on a going concern basis but have instead been prepared on a realisation basis of accounting.

Under the realisation basis of accounting, assets are written down to their estimated net realisable value, where relevant, and liabilities are stated at their estimated settlement amounts and relevant estimates are reviewed and adjusted as appropriate. All assets and liabilities are presented as current. The accounting policies adopted are consistent with those of the Annual Report except for changes specified related to the adoption of the realisation basis of preparation:

- *Plant and equipment*
Plant and equipment is initially recognised at cost and depreciated on a straight-line basis over their expected useful lives. As the consolidated entity is expected to cease operations during the financial year ending 30 June 2024, all assets have been remeasured to their net realisable value less costs to sell at the reporting date.
- *Intangible assets*
Intangible assets with a finite life which are acquired separately are initially recognised at cost. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. As the consolidated entity is expected to cease operations during the financial year ending 30 June 2024, all intangible assets have been remeasured to their net realisable value less costs to sell at the reporting date.

Please refer to note 10, note 11 and note 12 for details of property, plant and equipment, right-of-use assets and intangibles.

Note 2. Realisation basis of preparation (continued)

The Annual Report for the year ended 30 June 2023 was prepared on a going concern basis. The statement of financial position comparative figures in this report have not been adjusted. Accordingly, comparative information as at 30 June 2023 are presented on the going concern basis that existed as at the time of signing the Annual Report.

Note 3. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 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'.

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

New or amended Accounting Standards and Interpretations adopted

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

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

Note 4. Operating segments

Identification of reportable operating segments

Following the sale of the Orthopaedics Division, the entity has only one operating segment, being the Innovation Division. This is classified as a discontinued operation at 31 December 2023.

Geographical information

The consolidated entity operates predominantly in one geographical region being Australia.

Note 5. Revenue from contracts with customers

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$	\$
Sale of goods	480,318	1,539,659
Commissions revenue	3,917	21,423
	<hr/>	<hr/>
Revenue from contracts with customers	<u>484,235</u>	<u>1,561,082</u>

Note 5. Revenue from contracts with customers (continued)

Disaggregation of revenue

The disaggregation of revenue is as follows:

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$	\$
<i>Major customer groups</i>		
Government	214,315	411,137
Non-government	269,920	1,149,945
	<u>484,235</u>	<u>1,561,082</u>
<i>Geographical regions</i>		
Australia	<u>484,235</u>	<u>1,561,082</u>
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	<u>484,235</u>	<u>1,561,082</u>

Note 6. Other income

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$	\$
Sundry income	33,537	25,394
Research and development tax offset	180,715	365,860
Other income	<u>214,252</u>	<u>391,254</u>

Note 7. Impairment of assets

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$	\$
Impairment of property, plant and equipment	41,971	-
Impairment of right-of-use assets	185,995	-
Impairment of intangibles	379,276	-
Asset impairment loss reversal *	(39,388)	-
	<u>567,854</u>	<u>-</u>

* Reversal of the over-accrued asset impairment provision on 30 June 2023

Note 8. Trade and other receivables

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$	\$
<i>Current assets</i>		
Trade receivables	37,359	432,263
Research and development tax offset receivable	195,418	705,994
	<u>232,777</u>	<u>1,138,257</u>

Note 9. Non-current assets classified as held for sale

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$	\$
<i>Current assets</i>		
Plant and equipment	34,472	-
Intangibles	379,276	-
Less: Impairment of assets	(413,748)	-
	<u>-</u>	<u>-</u>

Refer to note 2 for details of assets held for sale.

Note 10. Property, plant and equipment

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$	\$
<i>Non-current assets</i>		
Plant and equipment - at cost	-	291,143
Less: Accumulated depreciation	-	(245,030)
	<u>-</u>	<u>46,113</u>
Fixtures and fittings - at cost	-	22,540
Less: Accumulated depreciation	-	(18,781)
	<u>-</u>	<u>3,759</u>
	<u>-</u>	<u>49,872</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	<i>Plant and equipment</i>	<i>Fixtures and fittings</i>	<i>Total</i>
	\$	\$	\$
Balance at 1 July 2023	46,113	3,759	49,872
Classified as held for sale (note 9)	(34,472)	-	(34,472)
Depreciation expense	(11,641)	(3,759)	(15,400)
Balance at 31 December 2023	<u>-</u>	<u>-</u>	<u>-</u>

Note 11. Right-of-use assets

	Consolidated	Consolidated
	31 Dec 2023	30 Jun 2023
	\$	\$
<i>Current assets</i>		
Land and buildings - right-of-use	287,587	-
Less: Accumulated depreciation	(101,592)	-
Less: Impairment	(185,995)	-
	<u>-</u>	<u>-</u>
<i>Non-current assets</i>		
Land and buildings - right-of-use	-	287,587
Less: Accumulated depreciation	-	(21,420)
	<u>-</u>	<u>266,167</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	<i>Land and buildings - right-of-use</i>
	\$
Balance at 1 July 2023	266,167
Impairment of assets	(185,995)
Depreciation expense	<u>(80,172)</u>
Balance at 31 December 2023	<u>-</u>

Note 12. Intangibles

	Consolidated	Consolidated
	31 Dec 2023	30 Jun 2023
	\$	\$
<i>Non-current assets</i>		
Patents and trademarks - at cost	-	527,914
Less: Accumulated amortisation	-	(127,150)
	<u>-</u>	<u>400,764</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	<i>Patents and trademarks</i>
	\$
Balance at 1 July 2023	400,764
Additions	894
Classified as held for sale (note 9)	(379,276)
Amortisation expense	<u>(22,382)</u>
Balance at 31 December 2023	<u>-</u>

Note 13. Trade and other payables

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$	\$
<i>Current liabilities</i>		
Trade payables	149,749	519,340
Accrued expenses	328,906	449,270
Other payables	62,640	77,763
	<u>541,295</u>	<u>1,046,373</u>

Note 14. Borrowings

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$	\$
<i>Current liabilities</i>		
Bank overdraft	-	64,702
Bank loans	-	155,325
Related party - convertible notes	1,249,721	-
Insurance loans	15,573	91,437
	<u>1,265,294</u>	<u>311,464</u>
<i>Non-current liabilities</i>		
Bank loans	-	548,440
Related party - convertible notes	-	2,000,000
	<u>-</u>	<u>2,548,440</u>

Bank loans

The consolidated entity had one bank loan and an overdraft facility with Commonwealth Bank of Australia ('CBA') which was fully repaid in the half-year.

Related party loans

The consolidated entity has a related party convertible note facility with Robinwood Investments Pty Ltd ('RIPL'). The loan term is two years from the first draw-down (30 July 2021) with interest-only repayments, and the loan repayment date is 24 months from the first draw-down date with an option to be converted into equity. On 28 June 2023, the consolidated entity reached a mutual agreement with RIPL to extend the repayment date of the loan to 31 December 2024, with all terms and conditions of the Loan Agreement remaining the same (refer to ASX announcement on 28 June 2023). RIPL is an entity associated with Nicholas Hartnell, a consolidated entity non-executive director.

On 30 August 2023, agreement was reached with RIPL to settle a portion of the consolidated entity's convertible loan owing to RIPL through the acceptance of subscriptions made by RIPL for 12,758,316 shares in the company under the Non-Renounceable Entitlement Offer ('Offer'). Shares to the value of \$1,148,248 were therefore issued in settlement of an equivalent value of the convertible notes owing.

Note 14. Borrowings (continued)

Reconciliation of the written down value of related party loans at the beginning and end of the current financial half-year is set out below:

	Consolidated 31 Dec 2023 \$
Balance at 1 July 2023	2,000,000
Share capital offset (note 15)	(1,148,248)
Loan drawdown	30,000
Capitalising related party debts	<u>367,969</u>
Balance at 31 December 2023	<u><u>1,249,721</u></u>

Note 15. Issued capital

	31 Dec 2023 Shares	Consolidated 30 Jun 2023 Shares	31 Dec 2023 \$	30 Jun 2023 \$
Ordinary shares - fully paid	<u>119,611,028</u>	<u>104,459,203</u>	<u>16,688,725</u>	<u>15,366,235</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2023	104,459,203		15,366,235
Issue of shares - paid in cash	4 September 2023	2,393,509	\$0.090	205,942
Issue of shares - reduction to related party loan (note 14)	4 September 2023	12,758,316	\$0.090	1,148,248
Share issue transaction costs				<u>(31,700)</u>
Balance	31 December 2023	<u>119,611,028</u>		<u>16,688,725</u>

Note 16. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 17. Contingent liabilities

The consolidated entity had no contingent liabilities at 31 December 2023 and 30 June 2023.

Note 18. Earnings per share

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$	\$
Loss after income tax attributable to the owners of Allegra Medical Technologies Limited	<u>(1,444,171)</u>	<u>(840,715)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>114,258,481</u>	<u>104,459,203</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>114,258,481</u>	<u>104,459,203</u>
	Cents	Cents
Basic earnings per share	(1.26)	(0.80)
Diluted earnings per share	(1.26)	(0.80)

Options have been excluded from the above calculation of diluted earnings per share as their inclusion would be anti-dilutive.

Note 19. Events after the reporting period

On 6 February 2024, the consolidated entity announced the decision to not proceed with its formal submission to the Food and Drug Administration ('FDA') as previously announced. The consolidated entity has decided to go to the market to seek a buyer for all of its intellectual property relating to the Sr-HT-Gahnite and Sr-HT, including worldwide patents and all registered patents and application for patents in relation to the bio ceramic material, including the spinal fusion cage. The consolidated entity is aware that any proposed sale will be subject to the required ASX and regulatory approvals.

On 23 February 2024, the consolidated entity announced that it has requested a voluntary suspension of trading in its securities for two weeks to assist the consolidated entity in managing its continuous disclosure obligations whilst finalising the ongoing discussions with its lenders on funding requirements. The voluntary suspension was extended for an additional 2 weeks by the consolidated entity on 8 March 2024. It is expected that the consolidated entity will lodge Appendix 4D and the Half-Year Report on 22 March 2024 and seek the lifting of the suspension at that time.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations.

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 31 December 2023 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



Peter Kazacos
Director

22 March 2024
Sydney

Independent Auditor's Review Report to the Members of Allegra Medical Technologies Limited

Conclusion

We have reviewed the half-year financial report of Allegra Medical Technologies Limited (the Company) and its subsidiaries (the Consolidated entity), which comprises the statement of financial position as at 31 December 2023, the statement of comprehensive income, statement of changes in equity and 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.

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 Consolidated entity does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of Consolidated entity's financial position as at 31 December 2023 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 of Conclusion

We conducted our review in accordance with ASRE 2410 *Review of 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 Consolidated entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Emphasis of matter – Basis of Preparation

Without modifying our opinion, we draw attention to Note 2 of the financial report which indicates that a realisation basis of accounting was utilised in the preparation of the financial statements. This is due to the expected sale of the Consolidated entity's assets and subsequent wind up of operations within the next 12 months.

Responsibility of the Directors for the Financial Report

The directors of the Consolidated entity 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 Company's financial position as at 31 December 2023 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.



Crowe Sydney



Barbara Richmond
Partner

22 March 2024