

Appendix 4E

Preliminary final report

1. COMPANY DETAILS

Name of entity

Wangle Technologies Limited (ASX: WGL)

ABN or equivalent
company reference

80 096 870 978

Financial year ended
(‘current period’)

30 June 2017

Financial year ended
(‘previous corresponding
period’):

30 June 2016

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

Full year comparison	12 months ended 30 June 2017	12 months ended 30 June 2016	Increase/ (decrease) %
Revenues from ordinary activities	840,726	116,706	620.38%
Loss from ordinary activities after tax attributable to members	(5,078,908)	(7,729,649)	(34.29%)
Net loss for the period attributable to members	(5,092,735)	(7,740,266)	(34.20%)
Net tangible deficiency per share	(0.007)	(0.014)	(50.00%)

3. DIVIDENDS

No dividends were paid or proposed for the current or previous corresponding period. On 31 August 2017, the Directors resolved not to declare an interim or final dividend for the year ended 30 June 2017.

4. UNAUDITED PRELIMINARY FINAL REPORT

The financial information provided in the Appendix 4E is based on the preliminary final report which has been prepared in accordance with Australian Accounting Standards.

The financial report for the year ended 30 June 2017 is in the process of being audited and Wangle Technologies Limited will release audited financial statements on/or before 30 September 2017.

5. COMMENTS BY DIRECTORS

Wangle Technologies Limited (**Wangle** or the **Company**) is pleased to present its Preliminary Final Report for the year ended 30 June 2017 (FY17 or Period).

Wangle has created a patent pending technology that combines a range of advanced subsystems to deliver data acceleration and optimisation over a secure VPN network, whilst also analysing network data in real-time (the **Wangle Network**).

To date the Wangle Network has been used to develop two mobile based applications; Wangle Mobile VPN and Wangle Family Insites.

Wangle Mobile VPN is a Virtual Private Network (**Wangle VPN**) and a network optimiser combined that provides you with unparalleled acceleration and improves your total experience while accessing the internet from your portable devices. Wangle VPN also reduces data usage while enhancing security and privacy. Ultimately this means you can enjoy the security and privacy benefits of a VPN without the impact on user experience typically associated with other VPN services.

Wangle Family Insites (**WFI**) is the new face of Parental Control software. Developed in collaboration with researchers from Telethon Kids Institute, WFI analyses real-time network behaviours, determines risk patterns and identifies potential threats. WFI does not monitor actual content, ensuring trust is preserved between parent and child.

Real-time alerts are sent to the parent portal where our partners at Telethon Kids Institute and other experts in childhood internet safety provide research backed insights, education and resources to support children and their families as they learn to safely navigate the internet.

WANGLE MOBILE VPN

On 27 July 2016, the Company announced that it had lodged a patent for its latest technology which can identify shifting patterns in network traffic in real-time, and recognise changes in behavioural patterns of online usage. This intelligence can be used for advanced analytics and diagnostics, as well enabling real time alerts where concerning changes are identified.

A combination of components make up the newly patented technology including creating network data summaries by platform and endpoint, mapping data summaries to applications and sessions, identifying session patterns and alerting concerned parties of variances from established behavioural baselines.

This developed technology allows Wangle to expand its VPN network offering and open up a new vertical of revenue for the Company via data gathering, analysis and real-time responses to behavioural changes in network data, furthering its competitive advantage prior to release.

The unique technology stack upon which the Wangle VPN App is based allows for speed and data savings well in excess of its competitors. This was verified by independent testing conducted by PricewaterhouseCoopers (**PwC**) as released to market on 4 April 2017.

After a period of testing and network optimisation, the Wangle VPN App was launched on 20 April 2017 to both Android and Apple app stores with a \$4.99 monthly subscription and 30-day free trial period. Optimisation of marketing activity reduced the Cost Per Download from an estimated \$15 CPD to \$3 CPD after an initial period of testing, with the target of 20,000 downloads achieved by the end of the period.

The underlying network handled over 35,000 user sessions and the transfer of 7.4 Terabytes of data, proving the robustness of the underlying platform, a key precursor for the upcoming launch of WFI.

While the Conversion Rate data after the 30-day free trial period from free trial to paying subscriber has initially been lower than anticipated, the Company expects to review the user experience and pricing model following the launch of WFI to take advantage of the synergies between the products.

COMMERCIAL PRODUCT STRATEGY

Whilst the initial commercial focus has centred on customer acquisition and subscription models for the Wangle VPN App specifically, the Company has determined that the Wangle VPN network is a strong core foundation on which to build multiple commercial verticals. With the addition of advanced network data capture and analytics capabilities, the Wangle network now offers a unique feature set to help realise the true commercial value of the technology. To that end, the Company has identified and intends to pursue the growing opportunity within the family and enterprise security sectors.

These verticals, not only represent a linear path of product evolution, resource focus and technical development which will enable the Company to build and launch multiple revenue streams over the next 12 months, but also demonstrate reuse of the Company's main technology to offset operational expenses across multiple products and revenue streams.

This initial focus will be on the family security sector via the Wangle Family Insites product. The product will help parents identify risk behaviours of online access by their children, provide real-time alerting and risk analysis, and provide advice and resources when risk behaviours are observed. The product is unique within the family protection vertical in that it reviews the behaviours rather than content (preserving the privacy of children and teenagers), can monitor traffic on multiple mobile devices outside of home networks, and offers real content and advice on the issues identified.

COMMERCIAL PARTNERSHIP AGREEMENT WITH THE TELETHON KIDS INSTITUTE

During the period Wangle formally entered into a commercial partnership agreement with the Telethon Kids Institute to support the continued development and commercialisation of the Wangle Family Insights product due for release later in 2017.

The Telethon Kids Institute will provide Wangle with data derived from cyber safety research including behavioural benchmarking based on 12 years of previous research. This data will enable Wangle to identify key risk behavioural trends from network patterns without interrogating the actual online content of children, thus allowing general risks to be identified while preserving the privacy, trust and cooperation of children and teenagers.

WANGLE FAMILY INSITES (WFI)

The Company is fully focused on addressing the important social issue of child safety on the internet. With key issues including cyber bullying, online predators, the distribution of inappropriate content and the general safety and well-being of children on the internet, cyber safety of our children is an international problem that is accelerating across the globe.

Competitive parental control solutions attempt to block and filter what our children are doing online but with limited effectiveness as children are often able to work around such restrictions. Furthermore, blocking solutions provide no real insight into the risks posed by other internet users during a critical period of childhood development.

Wangle has concentrated on using data signals to identify risks and provides dashboards designed to educate parents on their children's online behaviour and encourages open dialogue with children by directing them to relevant content as a resource in these often difficult but important conversations.

Our unique partnership with the Telethon Kids Institute has helped shape the way that we are able to identify key behaviours and over time Wangle intends to share anonymised data back to the Telethon Kids Institute and the greater research community to provide valuable quantitative data to help continue our fight to keep children safe online.

As such we are making it our mission "to keep children safe by open and transparent dialogue".

Development progress of the WFI product has been strong with key milestones reached on the threat matrix development, big data management, online user experience and app interface. Closed group user testing across a sample of families has commenced with the official launch planned for 2018FY Q1.

Marketing plans are well in place with additional marketing and public relations partners coming onboard to ensure the launch is executed professionally.



WANGLE MANAGEMENT & BOARD CHANGES

On 25 January 2017, the Wangle Board announced the appointment of Mr Sean Smith as Managing Director and Chief Executive Officer of Wangle. Mr Smith was accepted to the Board alongside Mr James Robinson who was appointed Non-Executive Director.

Mr Smith has almost two decades of experience growing and leading teams for a range of different sized business' including ASX-listed Australian companies, NYSE-listed global businesses and one of Australia's privately funded start up success stories.

On 21 February 2017, Wangle also announced the appointment of Mr Jon Wild as Chairman of the Board. Mr Wild has been a marketing leader for the past twenty years across a diverse range of categories and companies including Unilever, British Telecom (where he launched the O2 brand in Europe), Telstra, Orbitz Worldwide and more recently at Groupon (NASDAQ:GRPN) in roles including CMO (APAC) and VP of Marketing (North America). Messrs Andrew Haythorpe and Cameron Worth also retired at this time.

Professor Donna Cross was appointed as on as a Non-Executive Director of the Company on 12 April 2017. Donna is a Professor with the Faculty of Medicine, Dentistry and Health Sciences at the University of Western Australia and the Telethon Kids Institute.

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REVIEW OF OPERATIONS

Since his appointment, Mr Smith has undertaken a review of the operational, strategic and commercial plans of the Company to ensure the delivery of commercial objectives and shareholder returns. He has focused on previously communicated business models and made assessments on the commercial viability and long-term value of each model in order to build the strategic plan.

Mr Smith has also reviewed staffing structures, the technology platform and the Company's capability to deliver on its strategic and commercial plans. This process has allowed the formulation of the strategic plan, the assigning of resources where needed, and the ability to focus the business on executing the plan quickly and thoroughly.

FINANCIAL UPDATE

On 27 February 2017, the Company announced that it had lodged claims for refundable offsets under the Federal Government's Research and Development (R&D) Tax Incentive Scheme.

Tax Advisor Maxim Hall Chadwick Pty Ltd assisted Wangle in identifying circa \$1.6M in eligible expenditure within the 2015 / 2016 financial year. Under the R&D Scheme, 45% of this eligible expenditure can be claimed as refunds, which are to be paid as cash. Refunds totalling \$739,870 were received by the Company in April 2017

The refunds will boost Company capital reserves and support upcoming operational and marketing investment as the Company shifts focus to refine, commercialise and grow its revolutionary Wangle VPN network and associated products.

Other than as referred to elsewhere in this consolidated half-year report there are no other matters or circumstances that have arisen since 30 June 2017 that may significantly affect operations, results or state of affairs of the Group in future financial years.

Since the end of the financial year, the Company has arranged for lodgement of claims for refundable offsets under the Federal Government's Research and Development Tax Incentive Scheme (R&D Scheme).

Tax Advisor Maxim Hall Chadwick has assisted Wangle in identifying circa \$2.7 Million in eligible expenditure within the 2016 / 2017 financial year. Under the R & D Scheme, 43.5% of this eligible expenditure can be claimed as refunds, being circa \$1.2 Million which is to be paid back to the Company as cash. These refunds are expected to be received in the coming weeks and will be utilised to implement the marketing plan and pursue the successful commercialisation of Wangle Family Insites due for release in 2018FY Q1.

CHANGES TO SECURITIES

Between 29 September and 12 October 2016, the Company issued a total of 19,000,000 fully paid ordinary shares arising on the conversion of options in the Company to raise a total of \$475,000.

On 10 November 2016, the Company announced that it had issued:

- (a) 1,400,000 Fully Paid Ordinary Shares to employees for services provided to the Company and retention/incentive purposes;
- (b) 2,000,000 unquoted Options exercisable at \$0.05 each on or before 31 December 2017 to the Company Secretary for services provided to the Company and retention/incentive purposes;
- (c) 23,500,000 fully paid ordinary shares issued on conversion of 11,750,000 Class A and 11,750,000 Class B Performance Shares as detailed in the Company's 22 December 2015 Prospectus. The ordinary shares issued on conversion will be escrowed until 26 February 2018; and

- (d) 38,700,000 fully paid ordinary shares issued on conversion of 19,350,000 Class A and 19,350,000 Class B Performance Shares detailed in the Company's 22 December 2015 Prospectus. The ordinary shares issued on conversion will be escrowed until 26 February 2017.

On 20 February 2017, 135,450,000 Fully Paid Ordinary Shares and 19,350,000 Class C Performance Shares were released from escrow. The release from escrow for these Performance Shares does not trigger conversion into Fully Paid Ordinary Shares. The milestone to conversion remains outstanding and the Performance Shares will remain unvested. Instead, the Performance Shares will remain an unlisted class until the conversion milestone hurdle has been met. For further details on the milestone hurdles please refer to the Company's 2015 Prospectus.

An additional 38,700,000 Fully Paid Ordinary Shares were released from escrow on 27 February 2017.

EXERCISE OF PUT OPTION

As part of the Company's back-door listing and reinstatement to official quotation on 26 February 2016, the Company acquired a majority shareholding in NexGen Networks Ltd (**NexGen**).

As detailed in the Company's Notice of Meeting dated 23 November 2015 and the Company's 2015 Prospectus, the transaction included a put option held by the B Class Shareholders in NexGen (**Put Option**).

The Put Option was exercisable between 12 and 24 months after signing of the original transaction term sheet. The Company received notice from the B Class Shareholders and the exercise of the Put Option was completed on 30 June 2017. Consequently, the Company owns 100% of the shares in NexGen and issued 84,600,000 Shares and 9,400,000 C Class Performance Shares as restricted securities and 40,500,000 Shares and 4,500,000 C Class Performance Shares as unrestricted securities to the B Class Shareholders.

WANGLE TECHNOLOGIES LIMITED AND ITS CONTROLLED ENTITY
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2017

	Notes	UNAUDITED 2017 \$	AUDITED 2016 \$
CONTINUING OPERATIONS			
Revenue	2	40,195	53,977
Interest Income	2	60,661	62,729
R+D Tax Rebate		739,870	-
Research and development costs, materials and consultants		(771,008)	(208,567)
Directors' fees, salaries, superannuation and consulting costs		(1,093,297)	(409,276)
Depreciation expenses		(26,540)	(9,684)
Public company costs, fees, share registry, shareholder costs		(87,966)	(165,467)
Occupancy costs		(66,084)	(73,720)
Legal fees		(48,607)	(268,769)
Audit fees		(38,512)	(36,058)
Insurances		(9,786)	(13,665)
Interest expenses		(17,942)	(2,730)
Foreign Exchange Expense		(215)	29,499
Other expenses from ordinary activities		(156,440)	(128,871)
Corporate fees		(125,495)	(114,195)
Share Based Payments		(43,143)	(357,846)
Impairment Expense		(3,434,599)	(6,086,956)
Loss before income tax expense		(5,078,908)	(7,729,649)
Income tax (benefit)/expense		-	-
Loss for the year from continuing operations		(5,078,908)	(7,729,649)
Other comprehensive income			
Owners of the Company		(5,092,735)	(7,740,266)
Loss attributable to non-controlling interests		13,827	10,617
Total comprehensive income for the year		(5,078,908)	(7,729,649)
Earnings/(Loss) Per Share			
Basic and diluted loss per share (cents per share)	3	(0.007)	(0.014)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

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WANGLE TECHNOLOGIES LIMITED AND ITS CONTROLLED ENTITY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 June 2017

	Notes	UNAUDITED 2017 \$	AUDITED 2016 \$
Current assets			
Cash and cash equivalents	11	922,745	3,245,569
Trade and other receivables	4	118,060	240,603
Other current assets	6	-	-
Total current assets		1,040,805	3,486,172
Non-current assets			
Plant and equipment	5	70,535	82,337
Development Costs	7	2,142,210	1,195,362
Intellectual Property	7	51,456	29,688
Total non-current assets		2,264,201	1,307,387
Total assets		3,305,006	4,793,559
Liabilities			
Current liabilities			
Trade and other payables	8	276,341	297,645
Provision for leave		18,053	
Other financial liabilities		-	40,173
Total current liabilities		294,394	337,818
Total liabilities		294,394	337,818
Net assets		3,010,612	4,455,741
Equity			
Issued capital	9	25,765,103	21,102,320
Reserves	10	1,175,547	2,304,327
Accumulated losses		(23,930,038)	(18,837,303)
Non-controlling interest		-	(113,603)
Total equity		3,010,612	4,455,741

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

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WANGLE TECHNOLOGIES LIMITED AND ITS CONTROLLED ENTITY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2017

	Share Capital \$	Option Premium Reserve \$	Performance Share Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Non-Controlling Interests \$	Total \$
AUDITED							
Balance at 1 July 2015	11,415,813	660,074	-	-	(11,091,188)	-	984,699
Consolidated loss for the year	-	-	-	-	(7,740,266)	10,617	(7,729,649)
Total comprehensive income for the year	-	-	-	-	(7,740,266)	10,617	(7,729,649)
Non-controlling interest arising on the acquisition of subsidiary	-	-	-	-	-	(124,220)	(124,220)
Shares/options issued during the year	5,265,656	-	-	-	-	-	5,265,656
Shares issued on the acquisition of subsidiary	4,557,948	60,113	1,583,941	199	(5,849)	-	6,196,352
Share/option issue costs	(137,097)	-	-	-	-	-	(137,097)
Balance at 30 June 2016	21,102,320	720,187	1,583,941	199	(18,837,303)	(113,603)	4,455,741
UNAUDITED							
Balance at 1 July 2016	21,102,320	720,187	1,583,941	199	(18,837,303)	(113,603)	4,455,741
Consolidated loss for the year	-	-	-	-	(5,092,735)	13,827	(5,078,908)
Total comprehensive income for the year	-	-	-	-	(5,092,735)	13,827	(5,078,908)
Shares/Options issued during the year	3,513,327	8,143	-	-	-	-	3,521,470
Shares issued on the acquisition of subsidiary	1,149,456	-	(1,149,456)	-	-	-	-
Foreign currency translation effect	-	-	-	12,533	-	-	12,533
Acquisition of minority interest share in NexGen	-	-	-	-	-	99,776	99,776
Balance at 30 June 2017	25,765,103	728,330	434,485	12,732	(23,930,038)	-	3,010,612

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

WANGLE TECHNOLOGIES LIMITED AND ITS CONTROLLED ENTITY
CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 30 June 2017

	Notes	UNAUDITED 2017 \$	AUDITED 2016 \$
Cash flows from operating activities			
Payments to suppliers and employees		(2,313,124)	(1,463,067)
Receipts from customers		35,029	89,117
Interest received	2	60,661	62,729
Interest paid		(17,942)	(2,730)
R+D Tax Rebate		739,870	-
Net cash used by operating activities	11.1	(1,495,506)	(1,313,951)
Cash flows from investing activities			
Payments for property, plant and equipment	5	(14,738)	(47,309)
Payments in relation to acquisition		-	(236,420)
Payments for intangible assets; development costs	7	(1,264,518)	(1,193,200)
Payments for intangible assets; intellectual property	7	(21,768)	(29,688)
Net cash generated by investing activities		(1,301,024)	(1,506,617)
Cash flows from financing activities			
Proceeds from issues of shares	9	475,000	5,265,458
Payments of share issue costs		-	(137,097)
Proceeds from issue of options		-	-
Net cash generated by financing activities		475,000	5,128,361
Net (decrease)/increase in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year		(2,321,530)	2,307,793
Foreign exchange effects		3,245,569	937,776
		(1,294)	-
Cash and cash equivalents at the end of the year	11	922,745	3,245,569

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

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WANGLE TECHNOLOGIES LIMITED AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2017

Wangle Technologies Limited (the Company and controlled entities) is a listed public Company incorporated in Australia and operating in New Zealand and Singapore. The principal activity in the course of the financial year was the development and commercialisation of the Wangle Application.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1.1. Basis of preparation

These unaudited preliminary financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and comply with other requirements of the law.

The unaudited preliminary financial statements comprise the consolidated financial statements for the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated. The unaudited preliminary financial statements are for the Group consisting of Wangle Technologies Limited and its subsidiaries.

The unaudited preliminary financial statements have been prepared on a historical cost basis, except for available-for-sale investments which have been measured at fair value. Historical cost is based on the fair values of the consideration given in exchange for goods and services.

1.2. Statement of compliance

The unaudited preliminary financial statements were authorised for issue by the directors on 31 August 2017.

The unaudited preliminary financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

1.3. Significant accounting estimates and judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

1.4. Going concern basis

The unaudited preliminary consolidated financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Group has incurred a net loss after tax for the year ended 30 June 2017 of \$5,078,908 (2016: \$7,729,649), and a net cash outflow from operations of \$1,495,506 (2016: \$1,313,951). At 30 June 2017, the Group has net current assets of \$746,411 (2016: \$3,148,354) and net equity of \$3,010,612 (2016: \$4,455,741).

The Directors are satisfied that, having reviewed the performance of the Company and forecasts for the forthcoming year, the Group has adequate resources to enable it to continue in business for the foreseeable future. Should the Company require additional funding within the next financial period, the Board will consider conducting capital raising activities to meeting these requirements. For this reason, the Directors have adopted the going concern basis for the preparation of the unaudited preliminary consolidated financial statements.

1.5. Basis of consolidation

The unaudited preliminary consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement in with the investee; and
- has the ability to its power to affect its returns.

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above.

When the Company has less than a majority of the voting rights if an investee, it has the power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights are sufficient to give it power, including,

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties; rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholder meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Changes in the Group's ownership interest in existing subsidiaries

Changes in the Group's ownership interest in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in subsidiaries. Any difference between the amount paid by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between:

- The aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- The previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

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All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by the applicable AASBs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

1.6. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of Directors of Wangle Technologies Limited.

1.7. Functional currency translation

The unaudited preliminary consolidated financial statements are presented in Australian dollars (AUD\$), which is the Group's presentation currency unless otherwise stated.

Both the functional and presentation currency of Wangle Technologies and its Australian subsidiaries is Australian dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.

All exchange differences in the consolidated financial report are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

The functional currency of the foreign operations, NexGen Networks Limited is New Zealand Dollars (NZD).

As at the balance date the assets and liabilities of these subsidiaries are translated into the presentation currency of Wangle Technologies at the rate of exchange ruling at the balance date and income and expense items are translated at the average exchange rate for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used.

The exchange differences arising on the translation are taken directly to a separate component of equity, being recognised in the foreign currency translation reserve.

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WANGLE TECHNOLOGIES LIMITED AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2017

2. REVENUE

Operating Activities

	UNAUDITED 2017 \$	AUDITED 2016 \$
Revenue	40,195	53,977
Interest received	60,661	62,729
R+D Tax Rebate	739,870	-
	840,726	116,706

3. LOSS PER SHARE

3.1. Basic loss per share

	UNAUDITED 2017 Cents per share	AUDITED 2016 Cents per share
From continuing operations	(0.007)	(0.014)
From discontinued operations	-	-
Total basic loss per share	(0.007)	(0.014)

The loss and weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:

	UNAUDITED 2016 \$	AUDITED 2016 \$
Loss for the year from continuing operations	(5,092,735)	(7,740,266)
Loss for the year	(5,092,735)	(7,740,266)

	UNAUDITED No.	AUDITED No.
Weighted average number of ordinary shares for the purposes of basic loss per share	773,165,813	550,056,095

3.2. Diluted loss per share

The following potential ordinary shares are anti-dilutive and are therefore excluded from the weighted average number of ordinary shares for the purposes of diluted loss per share:

	UNAUDITED No.	AUDITED No.
Unlisted options exercisable at \$0.05 on or before 31 December 2017	2,000,000	-
Unlisted options exercisable at \$0.025 on or before 31 August 2018	43,034,867	62,034,867
Unlisted options exercisable at \$0.075 on or before 31 August 2018	5,000,000	5,000,000
Unlisted options exercisable at \$0.10 on or before 31 August 2018	5,000,000	5,000,000
Unlisted options exercisable at \$0.15 on or before 31 August 2018	5,000,000	5,000,000

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WANGLE TECHNOLOGIES LIMITED AND ITS CONTROLLED ENTITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2017

4. TRADE AND OTHER RECEIVABLES

	UNAUDITED 2017 \$	AUDITED 2016 \$
Trade debtors	386,847	386,847
Provision for impairment (i)	(386,847)	(386,847)
Sundry debtors and prepayments	118,060	240,603
	118,060	240,603

(i) As at 30 June 2017, current trade receivables of the Group with a value of \$386,847 were impaired. The amount of the provision was \$386,847 (2016: \$386,847).

Trade receivables past due but not impaired

There were no other trade receivables past due but not impaired (2016: \$NIL).

Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

5. PLANT AND EQUIPMENT

	UNAUDITED 2017 \$	AUDITED 2016 \$
Plant and equipment at cost	347,120	347,120
Accumulated depreciation and impairment	(343,844)	(343,075)
	3,276	4,045
Motor vehicles at cost	85,972	85,972
Accumulated depreciation	(76,608)	(74,411)
	9,364	11,561
Office equipment at cost	64,596	70,624
Accumulated depreciation	(64,596)	(64,596)
	-	6,028
Office furniture at cost	22,016	20,995
Accumulated depreciation	(18,423)	(18,032)
	3,593	2,963
Computer - at cost	83,457	63,711
Accumulated depreciation	(29,154)	(5,971)
	54,303	57,740
Total accumulated depreciation and impairment	70,536	82,337

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PLANT AND EQUIPMENT (CONT'D)

Movement in Carrying Amounts:

	Plant & Equipment	Motor Vehicles	Office Equipment	Office Furniture	Computer Equipment	Total
	\$	\$	\$	\$	\$	\$
Carrying amount at 30 June 2015	4,997	14,280	-	-	-	19,277
AUDITED						
Acquisitions/(Disposals)	-	-	6,028	3,005	63,711	74,744
Depreciation expense	(952)	(2,719)	-	(42)	(5,971)	(9,684)
Carrying amount at 30 June 2016	4,045	11,561	6,028	2,963	57,740	82,337
UNAUDITED						
Acquisitions/(Disposals)	-	-	(6,028)	1,021	19,746	14,739
Depreciation expense	(769)	(2,197)	-	(391)	(23,183)	(26,540)
Carrying amount at 30 June 2017	3,276	9,364	-	3,593	54,303	70,536

6. OTHER CURRENT ASSETS

Financial information relating to the other current asset is set out below:

	UNAUDITED 2017	AUDITED 2016
	\$	\$
Balance at the beginning of the year	-	100,000
<i>Additions:</i>		
Payments in relation to acquisition	-	-
Total	-	-
<i>Less:</i>		
Acquisition of subsidiary	-	(100,000)
Balance at the end of the year	-	-

7. INTANGIBLE ASSETS

	UNAUDITED 2017	AUDITED 2016
	\$	\$
Technology rights at cost	500,000	500,000
Capitalised patent expenditure at cost	548,022	548,022
Accumulated amortisation – technology rights and patent	(425,759)	(425,759)
Amount written off – technology rights and patent	(622,263)	(622,263)
	-	-
Licence and know-how at cost	400,100	400,100
Accumulated amortisation – licence	(140,000)	(140,000)
Amount written off – licence	(260,100)	(260,100)
	-	-

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INTANGIBLE ASSETS (CONT'D)

Goodwill at cost	49,998	49,998
Amount written off – goodwill	(49,998)	(49,998)
	-	-
Development costs capitalised	2,459,880	1,195,362
Impairment - Development costs	(317,670)	-
Intellectual property cost capitalised	51,456	29,688
	2,193,666	1,225,050

8. TRADE AND OTHER PAYABLES

	UNAUDITED 2017 \$	AUDITED 2016 \$
Current		
Unsecured trade creditors	97,551	194,918
Sundry creditors and accruals	178,790	102,727
	276,341	297,645

9. ISSUED CAPITAL

	UNAUDITED 2017 \$	AUDITED 2016 \$
925,444,168 fully paid ordinary shares (2016: 717,744,168)	25,765,103	21,102,320

9.1. Fully paid ordinary shares

	UNAUDITED 2017		AUDITED 2016	
	No.	\$	No.	\$
Balance at beginning of year	717,744,168	21,102,320	325,000,000	11,415,813
Conversion - Options	19,000,000	475,000	209,844,168	5,255,656
Prospectus placement \$0.05	-	-	200,000	10,000
Acquisition - A Class shares	-	-	182,700,000	4,557,948
Share issue costs	-	-	-	(137,097)
Placement to employees	1,400,000	35,000	-	-
Conversion - Class A+B Performance Shares	62,200,000	1,149,456	-	-
Acquisition - B Class shares	125,100,000	3,003,327	-	-
Balance at end of year	925,444,168	25,765,103	717,744,168	21,102,320

Fully paid ordinary shares carry one vote per share and carry the right to dividends. Ordinary shares participate in the proceeds on winding up of the Company in proportion to the number of shares held.

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ISSUED CAPITAL (CONT'D)

9.2. Share options on issue

Share options issued by the Company carry no rights to dividends and no voting rights.

As at 30 June 2017, the Company has:

- 2,000,000 unlisted share options on issue (2016: Nil) exercisable on a 1:1 basis for 2,000,000 shares (2016: Nil) at an exercise price of \$0.05 cents on a post-consolidation basis. The options expire on 31 December 2017;
- 43,034,867 unlisted share options on issue (2016: 62,034,867) exercisable on a 1:1 basis for 43,034,867 shares (2016: 62,034,867) at an exercise price of \$0.025 cents on a post-consolidation basis. The options expire on 31 August 2018;
- 5,000,000 unlisted share options on issue (2016: 5,000,000) exercisable on a 1:1 basis for 5,000,000 shares (2016: 5,000,000) at an exercise price of \$0.075 cents on a post-consolidation basis. The options expire on 31 August 2018;
- 5,000,000 unlisted share options on issue (2016: 5,000,000) exercisable on a 1:1 basis for 5,000,000 shares (2016: 5,000,000) at an exercise price of \$0.10 cents on a post-consolidation basis. The options expire on 31 August 2018; and
- 5,000,000 unlisted share options on issue (2016: 5,000,000) exercisable on a 1:1 basis for 5,000,000 shares (2016: 5,000,000) at an exercise price of \$0.15 cents on a post-consolidation basis. The options expire on 31 August 2018;

During the year 19,000,000 options were converted into shares (2016: 209,844,168).

10. RESERVES

	UNAUDITED 2017 \$	AUDITED 2016 \$
Option reserve balance at beginning of year	720,187	660,074
Options issued during the year	8,143	60,113
Option reserve balance at end of the financial year	728,330	720,187

The reserve arises on the grant of share options to executives, employees, consultants and advisors. They also arise upon issue of options to shareholders or buyers. Amounts are transferred out of reserve and into accumulated losses when options expire or lapse.

	UNAUDITED 2017 \$	AUDITED 2016 \$
Performance share reserve balance at beginning of year	1,583,941	-
Performance share issued/(converted) during the year	(1,149,456)	1,583,941
Performance share reserve balance at end of the financial year	434,485	1,583,941

The reserve change is due to the conversion of Class A and B performance shares into fully paid ordinary shares and to recognise the 2nd stage of the acquisition of NexGen Networks Limited. As at 30 June 2017 there were 50,000,000 performance shares on issue. Amounts are transferred out of reserve and into accumulated losses when performance shares convert, expire or lapse.

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11. CASH AND CASH EQUIVALENTS

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

	UNAUDITED 2017 \$	AUDITED 2016 \$
Cash and bank balances	922,745	3,245,569

11.1. Reconciliation of (loss)/profit for the year to net cash flows from operating activities

(Loss)/profit for the year	(5,078,907)	(7,729,649)
Non-cash items		
<i>Depreciation</i>	26,540	9,684
<i>Impairment of intangible assets</i>	3,434,599	6,086,956
<i>Share based payments</i>	43,143	357,846
<i>(Loss)/profit on disposal or write-off of plant and equipment</i>	-	-
	<u>(1,574,625)</u>	<u>(1,275,163)</u>
Movements in working capital		
<i>(Increase) in prepayments</i>	(204)	(167)
<i>(Increase) in trade and other receivables</i>	82,574	(133,568)
<i>(Decrease) in trade and other payables</i>	(3,251)	94,947
Net cash used in operating activities	<u>(1,495,506)</u>	<u>(1,313,951)</u>

11.2. Non-cash transactions

In the prior year, the Group did not enter into any non-cash financing activities which are not reflected in the consolidated statement of cash flows.

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12. SEGMENT INFORMATION

The Group identifies its operating segments based on the internal reports that are reviewed and used by the Board of directors (chief operating decision maker) in assessing performance and determining the allocation of resources.

The Group operates primarily in development and commercialisation of the Wangle Application. The unaudited preliminary financial information presented in the consolidated statement of comprehensive income and the consolidated statement of financial position is the same as that presented to the chief operating decision maker.

Unless stated otherwise, all amounts reported to the Board of directors as the chief operating decision maker is in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

- (a) This Appendix 4E has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.
- (b) This Appendix 4E, and the accounts upon which the Appendix 4E is based (if separate), use the same accounting policies.
- (c) This Appendix 4E does give a true and fair view of the matters disclosed.
- (d) This Appendix 4E is based on financial statements which are in the process of being audited.
- (e) In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (f) Audit of the Company accounts is currently in progress and it is expected to contain an emphasis of matter for the audit opinion.



Jonathan Wild
Chairman

31 August 2017