

29 August 2019

Market Announcements Office  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000

## NVOI FY2019 FINANCIAL RESULTS

NVOI Limited (**NVOI** or **Company**) (ASX: NVO) is pleased to release its Annual Report for the year ended 30 June 2019, including the audited financial statements of the Company.

*NVOI Chairman Steven Papadopoulos said: 'NVOI continues to explore opportunities for enhancements to the technical capabilities of the NVOI platform and potential strategic and commercial arrangements for the Company. Management has taken steps to ensure prudent use of the Company's funds and limit costs as this process continues.'*

For more information contact:

John Winters  
Executive Director and Interim CEO  
[john.winters@nvoi.com.au](mailto:john.winters@nvoi.com.au)

### **About Nvoi**

Nvoi is Australia's only open market workforce-as-a-service platform that directly connects employers and skilled professionals, eliminating the friction points in contract workforce management. Our platform ensures low predictable costs, is performance based, easy to use, available 24/7, and provides freedom from administration. Unlike the traditional contract workforce management systems, Nvoi is the employer of record, providing instant engagement between hiring managers and rated skilled professionals, and automated back office processing at an affordable price. Nvoi's dual purpose provides value to Employers while giving Employees the job satisfaction they crave.

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**Nvoi Limited**  
**Appendix 4E**  
**Preliminary final report**

**1. Company details**

Name of entity: Nvoi Limited  
ABN: 29 107 371 497  
Reporting period: For the year ended 30 June 2019  
Previous period: For the year ended 30 June 2018

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**2. Results for announcement to the market**

			\$
Revenues from ordinary activities	down	84.61% to	13,480
Profit/(loss) from ordinary activities after tax attributable to the owners of Nvoi Limited	down	60.06% to	(1,417,869)
Profit/(loss) for the year attributable to the owners of Nvoi Limited	down	60.06% to	(1,417,869)

*Dividends*

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

*Comments*

The profit/(loss) for the consolidated entity after providing for income tax amounted to \$1,417,869 (30 June 2018: \$3,549,914).

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**3. Net tangible assets**

	<b>Reporting period Cents</b>	<b>Previous period Cents</b>
Net tangible assets per ordinary security	<u>0.16</u>	<u>0.32</u>

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**4. Control gained over entities**

Not applicable.

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**5. Loss of control over entities**

Not applicable.

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**6. Dividends**

*Current period*

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

*Previous period*

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

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**7. Dividend reinvestment plans**

Not applicable.

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**8. Details of associates and joint venture entities**

Not applicable.

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**9. Foreign entities**

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

Not applicable.

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**10. Audit qualification or review**

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

The financial statements have been audited and an unqualified opinion has been issued.

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**11. Attachments**

*Details of attachments (if any):*

The Annual Report of Nvoi Limited for the year ended 30 June 2019 is attached.

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**12. Signed**

Signed  \_\_\_\_\_

Date: 29 August 2019

**Nvoi Limited**

**ABN 29 107 371 497**

**Annual Report - 30 June 2019**

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**Nvoi Limited  
Corporate directory  
30 June 2019**

Directors	John Winters - Executive Director (Appointed 16 April 2019) and Interim Chief Executive Officer (30 April 2019) Steven Papadopoulos- Non-Executive Chairman (Appointed 16 April 2019) Andrew Bursill-Non-Executive Director (Appointed 29 April 2019) Andrew Dutton- Non-Executive Chairman (Resigned 16 April 2019) Jennifer Maritz- Executive Director, CEO (Resigned 29 April 2019) Pamela Cass- Non-Executive Director (Resigned 16 April 2019) Alec Bashinsky- Non-Executive Director (Resigned 16 April 2019)
Company secretary	A joint company secretary held between Andrew Bursill and Sinead Teague
Notice of annual general meeting	The details of the annual general meeting of Nvoi Limited are: 19 November 2019 at 11:00 am
Principal Place of business	Level 7, 82-88 Elizabeth Street Sydney, NSW 2000
Registered Office	Level 5, 126 Phillip St Sydney, NSW 2000
Share register	Automic Pty Ltd Level 5, 126 Phillip St Sydney, NSW 2000
Auditor	Stantons International Level 2, 22 Pitt Street Sydney NSW 2000
Solicitors	Milcor Legal Level 1, 6 Thelma Street West Perth WA 6005
Bankers	National Australia Bank 105 Miller Street North Sydney NSW 2060
Stock exchange listing	Nvoi Limited shares are listed on the Australian Securities Exchange (ASX code: NVO)
Website	<a href="http://www.nvoi.com.au">www.nvoi.com.au</a>
Platform	<a href="http://www.meetnvoi.com">www.meetnvoi.com</a>

**Nvoi Limited**  
**Directors' report**  
**30 June 2019**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Nvoi Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2019.

**Directors**

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

John Winters (Appointed 16 April 2019)	Executive Director
Steven Papadopoulos (Appointed 16 April 2019)	Non-Executive Chairman
Andrew Bursill (Appointed 29 April 2019)	Non-Executive Director
Andrew Dutton (Resigned 16 April 2019)	Non-Executive Chairman
Jennifer Maritz (Resigned 29 April 2019)	Executive Director, Chief Executive Officer
Pamela Cass (Resigned 16 April 2019)	Non-Executive Director
Alec Bashinsky (Resigned 16 April 2019)	Non-Executive Director

**Principal activities**

During the financial year the principal continuing activities of the consolidated entity consisted of the continued development of an advanced "talent-on-demand" cloud-based software-as-a-service platform (Platform) that delivers a scalable and flexible approach to securing and managing top talent for on-site, non-permanent work assignments in, typically, white-collar job roles, and for workers to promote themselves to access contingent assignment work.

**Dividends**

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

**Review of operations**

The profit/(loss) for the consolidated entity after providing for income tax amounted to \$1,417,869 (30 June 2018: \$3,549,914).

**The Platform, Sales and Strategy**

Nvoi operates like a recruitment agency in an attempt to 'seed' the Nvoi platform with enough supply (candidates) and demand (job posts) density to benefit from network effects and achieve baseline revenue. Strategy was then shifted to target enterprise clients and the team was able to achieve better results by providing customers with Nvoi's contractor management system as a SaaS solution.

As part of this shift In July 2018, the Company entered into a collaborative partnership with IBM, allowing for access to artificial intelligence and machine learning software to further enrich the Platform and to IBM's extensive network of clients and partners. The Company was subsequently named as a founding member of the IBM SaaS Advisory Council.

In October 2018, the Company launched an enhanced website with improved branding to target a new generation of workers seeking flexibility, agility and a great user experience.

In late 2018, the Company also shifted to a modern flexible workforce to deliver cost-savings whereby core roles are filled with permanent staff, whilst non-core activities are performed by contractors.

Group	Number of signups 2019	Number of signups 2018	Number of signups 2017	Variation 2019 vs 2018 %	Variation 2018 vs 2017 %
Manager	38	233	774	(84%)	(69%)
Candidates	130	1,664	13,456	(92%)	(88%)
Placement - Accepted Offer(s)*	6	20	17	(70%)	17%

*\*some workers accepted multiple offers, be it at the same company or multiple companies.*

**Nvoi Limited**  
**Directors' report**  
**30 June 2019**

Following a change to the Company's Board of Directors and Management during the latter half of the financial year, the Company has focussed on conducting a strategic review of the Company's operations and the Platform, including exploring opportunities for enhancement of the technical capabilities of the Platform and potential commercial arrangements.

**Capital Raising**

In March 2019, the Company undertook a placement of ordinary shares to professional and sophisticated investors to raise \$352,708 before costs.

The placement comprised the issue of 62,242,592 shares (within the Company's Listing Rule 7.1 capacity) at \$0.0034 to raise approximately \$211,625 and 41,495,061 shares (within the Company's Listing Rule 7.1A capacity) at \$0.0034 to raise approximately \$141,083. The placement also comprised the issue of options on a one for one basis, subject to shareholder approval.

In April 2019 the Company closed an underwritten non-renounceable entitlement issue of shares to shareholders on a one for one basis at an issue price of \$0.003 per share, raising \$1,553,365 before costs. The Company received valid acceptances for 177,954,399 shares, representing a 34.4% take up of the offer, raising \$533,863. The shortfall of 339,833,873 shares (raising \$1,019,502) was placed to professional and sophisticated investors in consultation with the underwriter.

In June 2019, the Company's shareholders in a general meeting ratified the March 2019 placement of ordinary shares and approved the issue of free-attaching options on a one for one basis as well as related advisor options.

**Board and Management**

In February 2019, the Company received a requisition notice pursuant to section 249D of the Corporations Act 2001 requesting that the Company convene a meeting of shareholders to move resolutions to remove Mr Andrew Dutton, Ms Pamela Cass, Mr Alec Bashinsky and Ms Jennifer Maritz as directors of the Company and to appoint Mr Lindsay Rowlands, Mr Mark Rowlands and Mr Angus Washington as directors. The shareholders meeting was held on 29 March 2019 and none of the resolutions were passed.

On 16 April 2019, Mr Andrew Dutton resigned Non-Executive Chairman, and Ms Pamela Cass and Mr Alec Bashinsky resigned as Non-Executive Directors. Also on that date Mr Steven Papadopoulos was appointed as Non-Executive Chairman and Mr John Winters was appointed as Non-Executive Director.

On 29 April 2019, Mrs Jennifer Maritz resigned as CEO and Executive Director and Mr Michael Bermeister resigned as CFO and Company Secretary, and Mr Andrew Bursill was appointed as Non-Executive Director and Company Secretary.

On 30 April 2019, Mr John Winters was appointed as interim CEO.

On 24 June 2019, Ms Sinead Teague was appointed as joint Company Secretary.

**Operating activities**

Excluding R&D tax credits, recognised revenue (being platform revenue, interest & other Income) for the year ended 30 June 2019 decreased 68% to \$42,046 versus \$133,194 for the same period last year. R&D tax credits decreased to \$172,466 (2018: \$229,111), associated with planned reductions in current year R&D activities, plus the accumulated backlog of R&D tax credits in the comparative year.

Net losses decreased 60% to \$1,417,869 for the year ended 30 June 2019 versus \$3,549,914 for the same period last year.

Cash on hand at 30 June 2019 was \$1,555,663 as compared to \$1,130,192 at 30 June 2018.

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the consolidated entity during the financial year apart from the change in the Board leading to a strategic review of the consolidated entity's operations and technology potential.

**Matters subsequent to the end of the financial year**

No matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

### **Likely developments and expected results of operations**

The Company has focused on conducting a strategic review of the consolidated entity's operations and the Nvoi Platform, including exploring opportunities for enhancement of the technical capabilities of the Nvoi Platform and potential commercial arrangements.

### **Information on directors**

**Name:** John Winters  
**Title:** Director/Interim Chief Executive Officer  
**Experience and expertise:** Mr Winters has spent over a decade in the financial services industry focusing on investment advisory, corporate advisory and business development at firms including Shaw and Partners, Macquarie Group and Diamond Capital Partners. He is a non-executive director of leading Australian job and recruitment business, CareerOne. He is also founder and executive director of Superhero Financial Group.  
**Other current directorships:** None  
**Former directorships (last 3 years):** None  
**Interests in shares:** 64,071,526\*: Ordinary Shares  
15,137,655: Unlisted Options with an exercise price of \$0.0034 and expiry date of 30 November 2024  
10,000,000: Unlisted Options with an exercise price of \$0.003 and an expiry date of 30 November 2022

\* Through Rocstar Nominees Pty Ltd

**Name:** Steven Papadopoulos  
**Title:** Chairman  
**Experience and expertise:** Mr Papadopoulos has considerable experience in assisting and guiding small and micro-cap companies, including numerous technology companies, listed on the ASX. He is an experienced corporate lawyer, having worked at leading Australian and London law firms, in all areas of corporate and commercial law, with a focus on equity capital markets, M&A and private equity.  
**Other current directorships:** None  
**Former directorships (last 3 years):** None  
**Interests in shares:** 28,416,666\*\*: Ordinary Shares  
7,500,000: Unlisted Options with an exercise price of \$0.0034 and expiry date of 30 November 2024

\*\* Through Parlin Investments Pty Ltd and Parlin Super Pty Ltd

**Name:** Andrew Bursill  
**Title:** Joint Company Secretary and Non-Executive Director  
**Experience and expertise:** Andrew Bursill has more than 20 years of experience as CFO of ASX listed, public and private companies in tech, biotech, medical devices, mining and VC. He has CFO experience at all stages of company development from pre-revenue start-ups to \$100 million plus annual turnover. Andrew is a founding partner of CFO Innovation – a provider of outsourced CFO and Company Secretarial services, where he has participated in numerous successful IPOs and backdoor listings. Andrew is a member of the Chartered Accountants Australia and New Zealand.  
**Other current directorships:** Argonaut Resources NL (Non-Executive Director)  
**Former directorships (last 3 years):** None  
**Interests in shares:** Nil

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.



**Nvoi Limited**  
**Directors' report**  
**30 June 2019**

**Company secretary**

A joint company secretary held between Andrew Bursill and Sinead Teague

**Meetings of directors**

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2019, and the number of meetings attended by each director were:

	Full Board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Attended	Eligible	Attended	Eligible	Attended	Eligible
John Winters (Appointed 16 April 2019)	2	2	-	-	-	-
Steven Papadopoulos (Appointed 16 April 2019)	2	2	-	-	-	-
Andrew Bursill (Appointed 29 April 2019)	1	1	-	-	-	-
Andrew Dutton (Resigned 16 April 2019)	16	16	1	1	5	5
Jennifer Maritz (Resigned 29 April 2019)	16	17	1	1	5	5
Pamela Cass (Resigned 16 April 2019)	14	16	1	1	5	5
Alec Bashinsky (Resigned 16 April 2019)	12	16	1	1	3	5

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

As at 29 of April 2019 the responsibilities of the Nomination and Remuneration committee and the Audit and Risk committee were assigned in full to the Board of Directors and will remain for the foreseeable future.

**Remuneration report (audited)**

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation

**Principles used to determine the nature and amount of remuneration**

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

#### *Non-executive directors remuneration*

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

Non-executive Director's fees are determined within an aggregate fee pool limit, which is periodically recommended for approval by shareholders. The current fee aggregate limit is \$300,000. They do not receive performance-based pay or non-statutory retirement allowances. The chairman does not receive additional fees for participating in or chairing committees.

#### *Executive remuneration*

The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include profit contribution, customer satisfaction, leadership contribution and product management.

#### *Consolidated entity performance and link to remuneration*

Remuneration for certain individuals is directly linked to the performance of the consolidated entity. A portion of cash bonus and incentive payments are dependent on defined earnings per share targets being met. The remaining portion of the cash bonus and incentive payments are at the discretion of the Board.

**Nvoi Limited**  
**Directors' report**  
**30 June 2019**

**Details of remuneration**

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

2019	Short-term benefits	Post-employment benefits	Long-term benefits	Total	Performance based % of remuneration
	Cash salary and fees \$	Super-annuation \$	Share Options \$		
<i>Non-Executive Directors:</i>					
Steven Papadopoulos*	12,500	1,188	-	13,688	-
Andrew Bursill	-	-	-	-	-
Andrew Dutton**	34,247	3,253	-	37,500	-
Pamela Cass**	17,123	1,627	-	18,750	-
Alec Bashinsky**	17,123	1,627	-	18,750	-
<i>Executive Directors:</i>					
John Winters*	33,750	3,206	-	36,956	-
Jennifer Maritz***	373,579	31,233	(22,088)	382,724	(6)
<i>Other Key Management Personnel:</i>					
Michael Bermeister****	181,458	15,906	(26,025)	171,339	(15)
	<u>669,780</u>	<u>58,040</u>	<u>(48,113)</u>	<u>679,707</u>	

\* Appointed 16 April 2019

\*\* Resigned as a director on 16 April 2019

\*\*\* Resigned as a director on 29 April 2019 (Includes notice period)

\*\*\*\* Resigned 29 April 2019

*Director Andrew Bursill has a director fee valued at \$3,000 per month for a period up to 12 months from 30 April 2019. This director fee has been waived by Automic Pty Ltd.*

2018	Short-term benefits	Post-employment benefits	Long-term benefits	Total	Performance based % of remuneration
	Cash salary and fees \$	Super-annuation \$	Share Options \$		
<i>Non-Executive Directors:</i>					
Andrew Dutton	95,661	4,338	-	99,999	-
Pamela Cass	47,831	2,169	-	50,000	-
Alec Bashinsky	45,748	2,169	-	47,917	-
Timothy Ebbeck*	8,333	-	-	8,333	-
<i>Executive Directors:</i>					
Jennifer Maritz	328,767	31,233	10,998	370,998	3
<i>Other Key Management Personnel:</i>					
Michael Bermeister	182,648	17,352	26,025	226,025	12
	<u>708,988</u>	<u>57,261</u>	<u>37,023</u>	<u>803,272</u>	

\* Resigned as a director 31 August 2017

**Nvoi Limited**  
**Directors' report**  
**30 June 2019**

**Service agreements**

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name: John Winters  
 Title: Executive Director/Interim Chief Executive Officer  
 Agreement commenced: Director: 16/4/2019 - Interim Chief Executive Officer: 30/04/2019  
 Term of agreement: Unspecified  
 Details: Director of the Board of Directors \$42,000 per annum. As Interim CEO \$120,000 per annum. Both are exclusive of statutory superannuation. The role and contract may be terminated by either party with one month's prior written notice.

Name: Steven Papadopoulos  
 Title: Non-executive Chairman  
 Agreement commenced: 16/4/2019  
 Term of agreement: Unspecified  
 Details: Chairman, \$60,000 per annum exclusive of superannuation. The role and contract may be terminated by either party without prior written notice.

Name: Andrew Bursill  
 Title: Non-executive Director  
 Agreement commenced: 30/04/2019  
 Term of agreement: 12 months  
 Details: Andrew Bursill has a director fee valued at \$3,000 per month for a period up to 12 months from 30 April 2019. This fee has been waived by Automic Pty Ltd.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

All other Key Management Personnel contracts are as disclosed in the prior year and have since been terminated.

**Share-based compensation**

*Shareholders information*

The number of ordinary shares in the company during 2019 reporting period held by each of Nvoi's Key Management Personnel, including their related parties, is set below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals / Others***	Balance as at 30 June 2019
Non-Executive Directors:					
Steven Papadopoulos**	-	-	28,416,666	-	28,416,666
Andrew Bursill	-	-	-	-	-
Andrew Dutton	1,385,891	-	-	(1,385,891)	-
Pamela Cass	925,906	-	-	(925,906)	-
Alec Bashinsky	678,795	-	-	(678,795)	-
Executive Directors:					
Jennifer Maritz	1,006,039	-	-	(1,006,039)	-
John Winters*	-	-	64,071,526	-	64,071,526
Other KMP					
Michael Burmeister	-	-	-	-	-
	<u>3,996,631</u>	<u>-</u>	<u>92,488,192</u>	<u>(3,996,631)</u>	<u>92,488,192</u>

\*Through Rocstar Nominees Pty Ltd.

\*\*Through Parlin Investments Pty Ltd and Parlin Super Pty Ltd.

\*\*\* Held at date of resignation

**Nvoi Limited**  
**Directors' report**  
**30 June 2019**

*Options*

The options over ordinary shares Issued during the year to directors and other key management personnel were not issued until July 2019. These options were granted to an entity associated with Steven Papadopoulos and an entity associated with John Winters which participated in the Placement in March 2019.

At the time of allotment and issue of the Placement Shares which occurred on 8 March 2019, Mr Papadopoulos and Mr Winters were not related parties of the Company. Subsequent to completion of the Placement, on 15 April 2019 Mr Papadopoulos and Mr Winters were appointed as Directors and are, therefore, now related parties of the Company. This number only shows options issued to Mr Papadopoulos and Mr Winters from the total number 103,737,653.

	Balance at the start of the year	Issued during the year	Expired/ forfeited during the year	Balance at end of the year
John Winters*	-	25,137,653	-	25,137,653
Steven Papadopoulos**	-	7,500,000	-	7,500,000
Jennifer Maritz	10,500,000	-	10,500,000	-
Michael Bermeister	3,000,000	-	3,000,000	-
<b>Total</b>	<b>13,500,000</b>	<b>32,637,653</b>	<b>13,500,000</b>	<b>32,637,653</b>

\*Through Rocstar Nominees Pty Ltd.

\*\*Through Parlin Investments Pty Ltd.

***This concludes the remuneration report, which has been audited.***

**Shares under option**

Date Granted	Date Expire	Exercise Price	Number Under Option
18/06/2019	01/11/2022	0.0030	10,000,000
18/06/2019	01/11/2024	0.0034	103,737,653
30/11/2016	29/09/2022	0.0300	1,500,000
08/03/2017	21/11/2021	0.1000	2,000,000
			<u>117,237,653</u>

**Shares issued on the exercise of options**

There were no ordinary shares of Nvoi Limited issued on the exercise of options during the year ended 30 June 2019 and up to the date of this report.

**Indemnity and insurance of officers**

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

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

**Nvoi Limited  
Directors' report  
30 June 2019**

**Indemnity and insurance of auditor**

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

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

**Proceedings on behalf of the company**

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

**Non-audit services**

There were no non-audit services provided during the financial year by the auditor.

**Officers of the company who are former partners of Stantons International Audit and Consulting Pty Ltd**

There are no officers of the company who are former partners of Stantons International Audit and Consulting Pty Ltd.

**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.

**Auditor**

Stantons International Audit and Consulting Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



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Steven Papadopoulos  
Chairman

29 August 2019

29 August 2019

Board of Directors  
Nvoi Limited  
Level 5,  
126 Philip Street,  
Sydney NSW 2000

Dear Directors

**RE: NVOI LIMITED**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Nvoi Limited.

As Audit Director for the audit of the financial statements of Nvoi Limited for the year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
**(Trading as Stantons International)**  
**(An Authorised Audit Company)**



**Martin Michalik**  
Director

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**Nvoi Limited**  
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**30 June 2019**

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**General information**

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

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

**Registered office**

Level 5  
126 Philip Street  
Sydney NSW 2000

**Principal place of business**

Level 7  
82-88 Elizabeth Street  
Sydney NSW 2000

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 29 August 2019. The directors have the power to amend and reissue the financial statements.



**Nvoi Limited**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2019**

	Note	Consolidated 2019 \$	2018 \$
<b>Revenue</b>	4	13,480	87,613
Interest Income	4	9,583	38,753
Research & development tax offset scheme	4	172,466	229,111
Other Income	4	18,983	6,828
<b>Expenses</b>			
Employee benefits expense		(857,867)	(484,843)
Depreciation, amortisation and impairment expense	9	(11,981)	(12,041)
Share based payment Write-back / (expense)		44,742	(76,508)
Sales and marketing		(14,795)	(1,637,188)
Occupancy costs		(113,991)	(240,134)
Research and development		(393,590)	(1,056,281)
Finance and administration		(284,899)	(405,224)
<b>Profit/(loss) before income tax expense</b>		(1,417,869)	(3,549,914)
Income tax expense	5	-	-
<b>Profit/(loss) after income tax expense for the year attributable to the owners of Nvoi Limited</b>	15	(1,417,869)	(3,549,914)
Other comprehensive income/(loss) for the year, net of tax		-	-
<b>Total comprehensive income/(loss) for the year attributable to the owners of Nvoi Limited</b>		<u>(1,417,869)</u>	<u>(3,549,914)</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	6	(0.25)	(0.88)
Diluted earnings per share	6	(0.25)	(0.88)

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

**Nvoi Limited**  
**Consolidated statement of financial position**  
**As at 30 June 2019**

	Note	Consolidated 2019 \$	2018 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	1,555,663	1,130,192
Trade and other receivables	8	195,899	291,228
Other		-	37,772
<b>Total current assets</b>		<u>1,751,562</u>	<u>1,459,192</u>
<b>Non-current assets</b>			
Property, plant and equipment	9	3,673	23,186
Other	10	-	93,101
<b>Total non-current assets</b>		<u>3,673</u>	<u>116,287</u>
<b>Total assets</b>		<u>1,755,235</u>	<u>1,575,479</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	11	78,306	163,943
Employee benefits	12	34,763	85,106
<b>Total current liabilities</b>		<u>113,069</u>	<u>249,049</u>
<b>Total liabilities</b>		<u>113,069</u>	<u>249,049</u>
<b>Net assets</b>		<u>1,642,166</u>	<u>1,326,430</u>
<b>Equity</b>			
Issued capital	13	17,685,630	16,023,954
Reserves	14	198,091	126,162
Accumulated losses	15	(16,241,555)	(14,823,686)
<b>Total equity</b>		<u>1,642,166</u>	<u>1,326,430</u>

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

**Nvoi Limited**  
**Consolidated statement of changes in equity**  
**For the year ended 30 June 2019**

<b>Consolidated</b>	<b>Issued capital</b> \$	<b>Share based payment</b> \$	<b>Accumulated Losses</b> \$	<b>Non-controlling interest</b> \$	<b>Total equity</b> \$
Balance at 1 July 2017	15,089,946	49,654	(11,273,772)	-	3,865,828
Profit/(loss) after income tax expense for the year	-	-	(3,549,914)	-	(3,549,914)
Other comprehensive income/(loss) for the year, net of tax	-	-	-	-	-
<b>Total comprehensive income/(loss) for the year</b>	<b>-</b>	<b>-</b>	<b>(3,549,914)</b>	<b>-</b>	<b>(3,549,914)</b>
Shares issued during the year	1,000,000	-	-	-	1,000,000
Share raising cost	(65,992)	-	-	-	(65,992)
Share based payment-employees	-	76,508	-	-	76,508
<b>Balance at 30 June 2018</b>	<b>16,023,954</b>	<b>126,162</b>	<b>(14,823,686)</b>	<b>-</b>	<b>1,326,430</b>

<b>Consolidated</b>	<b>Issued capital</b> \$	<b>Share based payment</b> \$	<b>Accumulated losses</b> \$	<b>Non-controlling interest</b> \$	<b>Total equity</b> \$
Balance at 1 July 2018	16,023,954	126,162	(14,823,686)	-	1,326,430
Profit/(loss) after income tax expense for the year	-	-	(1,417,869)	-	(1,417,869)
Other comprehensive income/(loss) for the year, net of tax	-	-	-	-	-
<b>Total comprehensive income/(loss) for the year</b>	<b>-</b>	<b>-</b>	<b>(1,417,869)</b>	<b>-</b>	<b>(1,417,869)</b>
Shares issued during the year	1,906,073	-	-	-	1,906,073
Share raising costs	(244,397)	116,671	-	-	(127,726)
Share-based payment- employees	-	(44,742)	-	-	(44,742)
<b>Balance at 30 June 2019</b>	<b>17,685,630</b>	<b>198,091</b>	<b>(16,241,555)</b>	<b>-</b>	<b>1,642,166</b>

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

**Nvoi Limited**  
**Consolidated statement of cash flows**  
**For the year ended 30 June 2019**

	Note	Consolidated 2019 \$	2018 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		549,969	1,300,695
Platform payments for independent contractors (inclusive of GST)		(491,217)	(1,161,206)
Payments to suppliers and employees (inclusive of GST)		(1,747,849)	(4,065,640)
Research and development tax offset income		229,111	643,290
Interest received		9,583	43,286
Proceeds from Rental Bond		93,101	-
Net cash (used in) operating activities	27	<u>(1,357,302)</u>	<u>(3,239,575)</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	9	-	(6,155)
Proceeds from sale of property, plant and equipment		4,426	-
Net cash from/(used in) investing activities		<u>4,426</u>	<u>(6,155)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares (net of cost)	13	<u>1,778,347</u>	<u>934,008</u>
Net cash from financing activities		<u>1,778,347</u>	<u>934,008</u>
Net increase/(decrease) in cash and cash equivalents		425,471	(2,311,722)
Cash and cash equivalents at the beginning of the financial year		<u>1,130,192</u>	<u>3,441,914</u>
Cash and cash equivalents at the end of the financial year	7	<u><u>1,555,663</u></u>	<u><u>1,130,192</u></u>

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

## **Note 1. Significant accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, 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. The impact of the adoption of these standards did not have any impact on the consolidated entity's accounting policies and did not require retrospective adjustments.

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

### **Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

### *Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

### *Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

### *Going concern basis of preparation*

The financial statements have been prepared on the basis of going concern which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. Management raised funds from existing or new shareholders in the form of additional capital raisings in early 2019, and in that way continually maintain sufficient cash and realisable assets to cover all anticipated entity operating costs and liabilities in the normal course of business, for a period of 12 months or more. This will ensure the entity's ability to continue as a going concern.

### **Parent entity information**

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 28.

### **Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Nvoi Limited ('company' or 'parent entity') as at 30 June 2019 and the results of all subsidiaries for the year then ended. Nvoi Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

**Note 1. Significant accounting policies (continued)**

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

**Operating segments**

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

**Foreign currency translation**

*Functional and Presentation currency:*

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollar (\$), which is Nvoi Limited's functional and presentation currency.

*Transactions and balances:*

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

**Revenue recognition**

The consolidated entity recognises revenue as follows:

*Revenue from contracts with customers*

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

*Rendering of services*

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

*Interest*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

*Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

**Note 1. Significant accounting policies (continued)**

**Income tax**

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

**Current and non-current classification**

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

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

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

Deferred tax assets and liabilities are always classified as non-current.

**Cash and cash equivalents**

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

**Trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

**Note 1. Significant accounting policies (continued)**

**Property, plant and equipment**

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

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

Office equipment	3-10 years
Computer equipment	3 years

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

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

**Trade and other payables**

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

**Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

**Finance Costs**

Finance Costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

**Employee benefits**

*Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

*Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

*Termination benefits*

Termination benefits are recognised when a detailed plan of termination has been communicated to affected employees. They are measured as short-term employee benefits when expected to be settled wholly within 12 months of the reporting date or as long-term benefits when not expected to be settled within 12 months of the reporting date.

*Share-based payments*

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.



**Note 1. Significant accounting policies (continued)**

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

**Fair value measurement**

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

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

**Issued capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**Note 1. Significant accounting policies (continued)**

**Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

**New Accounting Standards and Interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2019. The consolidated entity has assessed the impact of these new or amended Accounting Standards and Interpretations and there will be no significant impact to the consolidated financial statements. .

**Note 2. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

*Share-based payment transactions*

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

*Impairment of non-financial assets other than goodwill and other indefinite life intangible assets*

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

*Recovery of deferred tax assets*

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

*Employee benefits provision*

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

**Nvoi Limited**  
**Notes to the consolidated financial statements**  
**30 June 2019**

**Note 3. Operating segments**

The consolidated entity currently only has a single operating segment being the development of the advanced Talent-On-Demand cloud-based platform. The consolidated entity operations and assets are all primarily located in Australia

**Note 4. Revenue**

	<b>Consolidated</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Platform revenue	13,480	87,613
Interest Income	9,583	38,753
Research & development tax offset scheme	172,466	229,111
Other Income	18,983	6,828
Total revenue	<u>214,512</u>	<u>362,305</u>

**Note 5. Income tax expense**

	<b>Consolidated</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Profit/(loss) before income tax expense	<u>(1,417,869)</u>	<u>(3,549,914)</u>
Tax at the statutory tax rate of 27.5%	(389,914)	(976,226)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Research and development tax offset income not assessable	(47,428)	(63,006)
Research and development costs subject to tax offset	109,030	144,841
Share based payments	-	21,040
Accelerated depreciation of fixed assets	-	(1,912)
Listing expenses (Section 40-880 amortisation)	(60,421)	(46,979)
Other net expenses (deductible)/not deductible for tax purposes	-	(8,769)
Current year tax losses not recognised	<u>388,733</u>	<u>931,011</u>
Income tax expense	<u>-</u>	<u>-</u>

The consolidated group has an estimated accumulated unused tax loss of \$9,055,024 (2018: \$7,499,518) that will be finalised once income tax return for the year has been completed. Furthermore, following the change in the consolidated entity's structure during 2016, the consolidated group may be in a position in terms of the Australian Tax Office's Same Business/Continuity of Ownership tests to carry forward additional unused tax losses of \$6,480,536.

No deferred tax asset has been recognised given the short-term probability that no future taxable amounts will be available to utilise these losses.

**Note 6. Loss per Share**

	<b>Consolidated</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax attributable to the owners of Nvoi Ltd	<u>(1,417,869)</u>	<u>(3,549,914)</u>

**Nvoi Limited**  
**Notes to the consolidated financial statements**  
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**Note 6. Loss per Share (continued)**

	Number	Number
Weighted average number of ordinary shares used in calculating basic loss per share	556,867,131	402,832,600
Weighted average number of ordinary shares used in calculating diluted loss per share	556,867,131	402,832,600
	Cents	Cents
Basic loss per share	(0.25)	(0.88)
Diluted loss per share	(0.25)	(0.88)

**Note 7. Current assets - cash and cash equivalents**

	<b>Consolidated</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Cash at Bank	<u>1,555,663</u>	<u>1,130,192</u>

**Note 8. Current assets - trade and other receivables**

	<b>Consolidated</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Refundable R&D income tax credits	172,465	229,111
Other receivables	14,663	62,117
Rental bond	8,771	-
	<u>195,899</u>	<u>291,228</u>

Refundable R&D income tax benefits are refunds received from government within 30 days after finalisation of the Group's income tax returns and have been received by the Group after the year end. All receivables are either not past their respective due dates, or have been collected after year end. The above refundable R&D income tax credit is subject to Australian Taxation Office approval.

*Allowance for expected credit losses*

The consolidated entity has recognised \$nil loss in profit or loss in respect of the expected credit losses for the period ended 30 June 2019 as there is no recoverability issue historically.

**Nvoi Limited**  
**Notes to the consolidated financial statements**  
**30 June 2019**

**Note 9. Non-current assets - property, plant and equipment**

	<b>Consolidated</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Computer equipment - at cost	24,679	29,365
Less: Accumulated depreciation	(22,967)	(16,106)
	<u>1,712</u>	<u>13,259</u>
Office equipment - at cost	4,089	13,426
Less: Accumulated depreciation	(2,128)	(3,499)
	<u>1,961</u>	<u>9,927</u>
Nvoi platform	2,030,472	2,030,472
Less: Impairment	(2,030,472)	(2,030,472)
	<u>-</u>	<u>-</u>
	<u><u>3,673</u></u>	<u><u>23,186</u></u>

*Reconciliations*

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

<b>Consolidated</b>	Computer equipment \$	Office equipment \$	Total \$
Balance at 1 July 2017	19,211	9,861	29,072
Additions	3,453	2,702	6,155
Depreciation expense	(9,405)	(2,636)	(12,041)
Balance at 30 June 2018	13,259	9,927	23,186
Disposals	(1,541)	(5,991)	(7,532)
Depreciation expense	(10,006)	(1,975)	(11,981)
Balance at 30 June 2019	<u><u>1,712</u></u>	<u><u>1,961</u></u>	<u><u>3,673</u></u>

**Note 10. Non-current assets - other**

	<b>Consolidated</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Rental bond	<u>-</u>	<u>93,101</u>

**Nvoi Limited**  
**Notes to the consolidated financial statements**  
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**Note 11. Current liabilities - trade and other payables**

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Trade payables	25,546	40,450
Other payables	52,760	123,493
	<u>78,306</u>	<u>163,943</u>

Refer to note 18 for further information on financial instruments.

**Note 12. Current liabilities - employee benefits**

	<b>Consolidated</b>	<b>Consolidated</b>
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Employee benefits	<u>34,763</u>	<u>85,106</u>

**Note 13. Equity - issued capital**

*Ordinary Shares Movement*

	Consolidated 2019 Shares	Consolidated 2018 Shares	Consolidated 2019 \$	Consolidated 2018 \$
Balance at beginning of financial year	414,950,619	376,489,081	16,023,954	15,089,946
Ordinary - fully paid shares issued	621,525,925	38,461,538	1,906,073	1,000,000
Cost of equity raising	-	-	(244,397)	(65,992)
Balance at the end of financial year	<u>1,036,476,544</u>	<u>414,950,619</u>	<u>17,685,630</u>	<u>16,023,954</u>

Comparative information for share issues occurring in the 2018 financial year:

Ordinary shares on issue	Date issued	No. of Shares	Issue Value Before raising cost \$	Raising Cost \$	Issue Value Net of raising cost \$
Opening balance at 1 July 2018	01/07/2018	414,950,619	16,089,946	(65,992)	16,023,954
Ordinary shares issue	08/03/2019	103,737,653	352,708	(20,908)	331,800
Ordinary shares issue	15/04/2019	517,788,272	1,553,365	(223,489)	1,329,876
		<u>1,036,476,544</u>	<u>17,996,019</u>	<u>(310,389)</u>	<u>17,685,630</u>

**Nvoi Limited**  
**Notes to the consolidated financial statements**  
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**Note 13. Equity - issued capital (continued)**

*Options Movements*

	Number of options for year 2019	Number of options for year 2018
Balance at beginning of financial year	22,300,000	17,013,334
Options issued*	108,437,653	11,000,000
Employee options cancelled	(13,500,000)	(3,500,000)
Options expired	-	(2,213,334)
	<u>117,237,653</u>	<u>22,300,000</u>

\*This balance includes 32,637,653 options approved to Directors in June 2019 at Extraordinary General Meeting. From the mentioned options 10,000,000 have an exercise price of 0.3 cents and an expiry date of 30 November 2022. The remaining 22,637,653 options have an exercise price of 0.034 cents and an expiry date of 30 November 2024.

These options were approved for issue to Directors on 18 June 2019 at an Extraordinary General Meeting and issued in July 2019.

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

*Share buy-back*

There is no current on-market share buy-back.

*Capital risk management*

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment.

**Note 14. Equity - reserves**

	<b>Consolidated</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Share-based payments reserve	<u>198,091</u>	<u>126,162</u>

**Nvoi Limited**  
**Notes to the consolidated financial statements**  
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**Note 15. Equity - accumulated losses**

	<b>Consolidated</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Accumulated losses at the beginning of the financial year	(14,823,686)	(11,273,772)
Profit/(loss) after income tax expense for the year	<u>(1,417,869)</u>	<u>(3,549,914)</u>
Accumulated losses at the end of the financial year	<u><u>(16,241,555)</u></u>	<u><u>(14,823,686)</u></u>

**Note 16. Equity - dividends**

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

**Note 17. Shared-based Payments**

*Employee Option Plan*

Establishment of the Nvoi Employee Option Plan was approved by shareholders in 2016. The Employee Option Plan is designed to provide long-term incentives for senior managers and above (including executive directors) to deliver long-term shareholder returns. Under the plan, participants are granted options which only vest if employees remain employed and other vesting hurdles are met. Once vested, the options remain exercisable until they expire. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Options are granted under the plan for no consideration and carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share. The exercise price of these options is set by the Board and based on either: a) the weighted average price at which the company's shares are traded on the Australian Securities Exchange including the date of the grant; and/or b) the future ongoing employment of the employee over a 12, 24 or 36-month period.

	2019 Number of options	2018 Number of options
As at 1 July (Average price: 2019: 7.2c / 2018: 10.0c)	20,000,000	13,000,000
Granted during the year (Average price: 2019: n/a / 2018: 3.0c)	-	11,000,000
Forfeited during the year (Average price: 2019: 6.2c / 2018: 4.8c)	<u>(16,500,000)</u>	<u>(4,000,000)</u>
As at 30 June (Average price: 2019: 7.0c / 2018: 7.2c)	<u><u>3,500,000</u></u>	<u><u>20,000,000</u></u>

No options expired during the year covered by the above periods.

Employee share options outstanding at the end of the year have the following expiry date and exercise prices:

Pool	Balance	Exercise Price	Expiry Date
Options Pool 1	2,000,000	\$0.10	08/12/2021
Options Pool 2	1,500,000	\$0.03	28/11/2022

*Fair value of options granted*

The company granted 10,000,000 unlisted share options valued at \$116,671 (1.17c per option) at Extraordinary General Meeting in June 2019 and issued in July 2019. For those granted during the year ended 30 June 2018 the fair value at grant date was between 0.67c and 2.45c per option. The fair value at grant date of the options is independently determined using the Black Scholes Model (which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, and the risk-free interest rate for the term of the option).



**Note 18. Financial instruments**

**Financial risk management objectives**

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

2019	Floating Interest rate	Fixed interest rate	Non-interest bearing	Total
<b>Financial assets</b>				
Cash and cash equivalents	1,493,921	-	61,742	1,555,663
Trade and other receivables	-	-	195,899	195,899
<b>Total financial assets</b>	<b>1,493,921</b>	<b>-</b>	<b>257,641</b>	<b>1,751,562</b>
<b>Financial Liabilities</b>				
Trade and other payables	-	-	113,069	113,069
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>113,069</b>	<b>113,069</b>
2018	Floating interest rate	Fixed interest rate	Non-Interest bearing	Total
<b>Financial assets</b>				
Cash and cash equivalents	1,062,148	-	68,044	1,130,192
Trade and other receivables	-	-	291,228	291,228
Other assets	-	93,101	-	93,101
<b>Total financial assets</b>	<b>1,062,148</b>	<b>93,101</b>	<b>359,272</b>	<b>1,514,521</b>
<b>Financial Liabilities</b>				
Trade and other payables	-	-	163,943	163,943
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>163,943</b>	<b>163,943</b>

**Market risk**

**Foreign currency risk**

The consolidated entity makes use of overseas services payable in US dollars. However the amount payable in USD does not make it necessary to maintain like in previous years a protection against future exchange rate movements. At the end of the financial year the consolidated entity did not have any liability in a foreign currency.

**Price risk**

The consolidated entity is not exposed to any significant price risk.

**Note 18. Financial instruments (continued)**

*Interest rate risk*

The consolidated entity is not exposed to any significant interest rate risk.

***Credit risk***

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the consolidated statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

***Liquidity risk***

The consolidated entity is not exposed to any significant liquidity risk.

The consolidated entity manages liquidity risk by monitoring and maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

***Fair value of financial instruments***

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

**Note 19. Key Management personnel disclosures**

*Directors*

John Winters - Executive Director (Appointed Director: 16 April 2019; appointed Interim CEO: 30 April 2019)  
Steven Papadopoulos - Non-Executive Chairman (Appointed 16 April 2019)  
Andrew Bursill - Non-Executive Director (Appointed 29 April 2019)  
Andrew Dutton - Non-Executive Chairman (Resigned 16 April 2019)  
Jennifer Maritz - Executive Director, CEO (Resigned 29 April 2019)  
Pamela Cass - Non-Executive Director (Resigned 16 April 2019)  
Alec Bashinsky - Non-Executive Director (Resigned 16 April 2019)

*Other key management personnel*

The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, during the financial year:

Michael Bermeister – CFO and Company Secretary (Resigned 29 April 2019)

*Compensation*

**Nvoi Limited**  
**Notes to the consolidated financial statements**  
**30 June 2019**

**Note 19. Key Management personnel disclosures (continued)**

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

	<b>Consolidated</b>	
	<b>2019</b>	<b>2018</b>
Short term employee benefits	669,780	708,988
Post-employment benefits	58,040	57,261
Share-based payments	(48,113)	37,023
	<u>679,707</u>	<u>803,272</u>
Total Compensation	<u>679,707</u>	<u>803,272</u>

**Note 20. Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by Stantons International Audit and Consulting Pty Ltd, the auditor of the company:

	<b>Consolidated</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<i>Audit services - Stantons International Audit and Consulting Pty Ltd</i>		
Audit or review of the financial statements	<u>34,741</u>	<u>30,267</u>

**Note 21. Contingent assets**

There were no material contingent assets as at 30 June 2019 (2018: nil).

**Note 22. Contingent liabilities**

The group had no contingent liabilities as at 30 June 2018. The bank guarantee from 2018 of \$93,101 to its North Sydney landlord, was cancelled during the financial year.

**Note 23. Commitments**

	<b>Consolidated</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<i>Lease commitments - finance</i>		
Committed at the reporting date and recognised as liabilities, payable:		
Within one year	-	103,320
Total commitment	-	103,320
Less: Future finance charges	-	-
Net commitment recognised as liabilities	<u>-</u>	<u>103,320</u>

**Note 24. Related party transactions**

*Parent entity*

Nvoi Limited is the parent entity.

**Nvoi Limited**  
**Notes to the consolidated financial statements**  
**30 June 2019**

**Note 24. Related party transactions (continued)**

*Subsidiaries*

Interests in subsidiaries are set out in note 25.

*Transactions with related parties*

There were no transactions with related parties during the current and previous financial year.

*Receivable from and payable to related parties*

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

*Loans to/from related parties*

*Key management personnel*

Disclosures relating to key management personnel are set out in note 19 and the remuneration report included in the directors' report.

*Key management personnel*

The following transactions occurred with related parties:

Payment to Automic Pty Ltd in the amount of \$14,773 for Company Secretarial and Accounting services where Andrew Bursill was a Director and related party to the company for the 2019 Financial Year.

Payment to Diamond Capital Partners Pty Ltd in the amount of \$107,162 for Corporate Advisory on the issue of shares where John Winters was a Director and related party to the company for the 2019 Financial Year.

Payment to Milcor Legal in the amount of \$1,925 for the provision of legal services for the 2019 Financial Year.

*Terms and conditions*

All transactions were made on normal commercial terms and conditions and at market rates.

**Note 25. Interests in subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2019 %	2018 %
Parent Entity Nvoi Limited	Australia	100%	100%
Subsidiaries Nvoi AsiaPac Pty Ltd	Australia	100%	100%
Nvoi Australia Pty Ltd	Australia	100%	100%
Nvoi Payroll Services Pty Ltd	Australia	100%	100%
Nvoi Custodian Pty Ltd	Australia	100%	100%

**Note 26. Events after the reporting period**

No matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Note 27. Reconciliation of profit/(loss) after income tax to net cash (used in) operating activities**

	<b>Consolidated</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Profit/(loss) after income tax expense for the year	(1,417,869)	(3,549,914)
Adjustments for:		
Depreciation and amortisation	11,981	12,041
Share-based payments	(44,742)	76,508
Other non-cash items	3,106	-
Change in operating assets and liabilities:		
Increase /(Decrease) in trade and other receivables	95,329	363,219
Increase /(Decrease) in prepayments, deposits and other assets	130,873	(7,419)
Increase /(Decrease) in trade and other payables	(85,637)	(156,458)
Increase /(Decrease) in other employee benefits	(50,343)	22,448
Net cash (used in) operating activities	<u>(1,357,302)</u>	<u>(3,239,575)</u>

**Note 28. Parent Entity Information**

Set out below is the supplementary information about the parent entity.

	<b>Parent</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Profit/(loss) after income tax	(7,308,315)	(835,155)
Total comprehensive income/(loss)	<u>(7,308,315)</u>	<u>(835,155)</u>

	<b>Parent</b>	
	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Total current assets	39,115	107,480
Total assets	39,584	5,606,029
Total current liabilities	72,788	64,521
Total liabilities	72,788	64,521
Equity:		
Issued Capital	17,104,828	15,443,152
Share-based payments reserve	580,758	508,829
Accumulated losses	<u>(17,718,788)</u>	<u>(10,410,473)</u>
Total equity	<u>(33,202)</u>	<u>5,541,508</u>

*Guarantees entered into by the parent entity in relation to the debts of its subsidiaries*

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2019 and 30 June 2018

*Contingent liabilities*

The parent entity had no contingent liabilities as at 30 June 2019 and 30 June 2018

*Capital commitments - Property, plant and equipment*

**Note 28. Parent Entity Information (continued)**

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2019 and 30 June 2018

*Significant accounting policies*

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

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**Nvoi Limited**  
**Directors' declaration**  
**30 June 2019**


In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the financial 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.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



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Steven Papadopoulos  
Chairman

29 August 2019

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
NVOI LIMITED**

**Report on the Audit of the Financial Report**

***Opinion***

We have audited the financial report of Nvoi Limited, the Company and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

***Basis for Opinion***

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group 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 (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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



**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the matter was addressed in the audit
<p><b>Going Concern</b></p> <p>In considering the going concern basis of accounting, management considered whether there are any material uncertainties on the Group’s ability to continue as a going concern. In making this assessment management need to consider the period of at least 12 months from the date our audit opinion is signed.</p> <p>The assessment is largely based on the assumptions made by the management in their cash flow forecasts. These forecasts include management and directors’ assumptions regarding the timing of future cash flows, operating results, and capital raising activities (if any).</p> <p>This is a key audit matter due to the Group’s history of operating losses and negative cashflows.</p>	<p>Inter alia, our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>i. Obtaining and reviewing management’s cash flow forecasts to assess whether current cash levels and proposed capital management initiatives can sustain operations for a period of at least 12 months from the proposed date of signing the financial statements;</li> <li>ii. Reviewing the assumptions used by management in the going concern forecasts for reasonableness and challenging these where necessary;</li> <li>iii. Corroborating, where possible, management’s assumptions in relation to its cash flow forecasts, including enquiry, verifications of and discussions pertaining to these assumptions; and</li> <li>iv. Assessing the adequacy of the Group’s related disclosures within the financial report.</li> </ul>

**Other Information**

The directors are responsible for the other information. The other information comprises the information included in the Group’s annual report for the year ended 30 June 2019, but does not include the financial report and our auditor’s report thereon.

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

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

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

**Responsibilities of the Directors for the Financial Report**

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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## Report on the Remuneration Report

### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included in pages 5 to 9 of the directors' report for the year ended 30 June 2019.

In our opinion the Remuneration Report of Nvoi Limited for the year ended 30 June 2019 complies with section 300A of the Corporations Act 2001.

### *Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
**(Trading as Stantons International)**  
**(An Authorised Audit Company)**

*Stantons International Audit & Consulting Pty Ltd*



**Martin Michalik**  
Director

West Perth, Western Australia  
29 August 2019

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**Nvoi Limited**  
**Shareholder information**  
**30 June 2019**

The shareholder information set out below was applicable as at 31 July 2019.

**Distribution of equitable securities**

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares	Number of holders of options over ordinary shares
1 to 1,000	15	10
1,001 to 5,000	8	7
5,001 to 10,000	62	69
10,001 to 100,000	311	239
100,001 and over	429	297
	<u>825</u>	<u>622</u>
Holding less than a marketable parcel	<u>287</u>	<u>238</u>

**Equity security holders**

*Twenty largest quoted equity security holders*

The names of the twenty largest security holders of quoted equity securities are listed below:

	Number held	Ordinary shares % of total shares issued
Oaktel Investments Pty Ltd	78,794,871	7.60
Mr Philip David Crutchfield	61,000,000	5.89
Rocstar Nominees Pty Ltd	60,071,526	5.80
Dornain Investment Holdings Pty	60,000,000	5.79
Stone Poneys Nominees Pty Ltd	52,000,000	5.02
Range Ventures Pty Ltd	46,777,865	4.51
Diamond Venture Holdings Pty	44,000,000	4.25
Active Blue Pty Ltd	35,000,000	3.38
Romance Pacific Pty Limited	34,477,864	3.33
Reads It Pty Ltd	31,400,000	3.03
Mr Garen Azoyan	29,028,825	2.80
Naley Pty Ltd	28,500,000	2.75
Ten Goals Pty Ltd	24,000,000	2.32
Parlin Investments Pty Ltd	22,416,666	2.16
Delite Holdings Pty Ltd	22,000,000	2.12
Geepee Holdings Pty Limited	16,136,966	1.56
Mr Peter John Gray	15,000,000	1.45
Bnp Paribas Nominees Pty Ltd	13,619,045	1.31
Romance Private Pty Ltd	12,300,000	1.19
Ms Samantha Wood	10,000,000	0.96
	<u>696,523,628</u>	<u>67.22</u>

**Nvoi Limited**  
**Shareholder information**  
**30 June 2019**

**Unquoted Equity Securities**

Holder	Options over ordinary shares Number held	Options over ordinary shares % of the total options
Rocstar Nominees Pty Ltd	25,137,653	21.44%
Mr Garen Azoyan	8,800,000	7.51%
Mr Philip David Crutchfield	8,800,000	7.51%
Diamond Venture Holdings Pty Ltd	8,800,000	7.51%
Domain Investment Holdings Pty Ltd	8,800,000	7.51%
Stoneponeys Nominees Pty Ltd	8,800,000	7.51%
Mr John David Winters	8,800,000	7.51%
Zeltner Pty Ltd	8,800,000	7.51%
Delite Holdings Pty Ltd	7,500,000	6.40%
Naley Pty Ltd	7,500,000	6.40%
Parlin Investments Pty Ltd	7,500,000	6.40%
Mr Peter John Gray	4,500,000	3.84%
Steve Butler	3,500,000	2.99%
	<u>117,237,653</u>	

**Substantial holders**

The substantial holders in the company are:

		%
Rocstar Nominees Pty Ltd	85,209,179	7.39%
Oaktel Investments Pty Ltd	78,794,871	6.83%
Mr Philip David Crutchfield	61,000,000	5.29%
Domain Investment Holdings Pty Ltd	60,000,000	5.20%
	<u>285,004,050</u>	

**Voting rights**

Voting rights are set out below:

*Ordinary shares*

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

*Options*

All quoted and unquoted options do not carry any voting rights.

There are no other classes of equity securities.

**Listing Rule 3.13.1 and 14.3**

The Annual General Meeting is scheduled to be held at Automic Group, Level 5, 126 Phillip Street, Sydney NSW 2000 at 11:00 am on 19 November 2019.