

## 1. Company details

|                   |                                 |
|-------------------|---------------------------------|
| Name of entity:   | Applyflow Limited               |
| ABN:              | 29 107 371 497                  |
| Reporting period: | For the year ended 30 June 2022 |
| Previous period:  | For the year ended 30 June 2021 |

## 2. Results for announcement to the market

|   |      |        |    | \$          |
|---|------|--------|----|-------------|
| Revenues from ordinary activities   | down | 18.56% | to | 2,083,660   |
| Loss from ordinary activities after tax attributable to the owners of Applyflow Limited | down | 2.56%  | to | (2,729,305) |
| Loss for the year attributable to the owners of Applyflow Limited                       | down | 2.56%  | to | (2,729,305) |

### Dividends

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

### Comments

The loss for the consolidated entity after providing for income tax amounted to \$2,729,305 (30 June 2021: \$2,801,132).

## 3. Net tangible assets

|   | Reporting period<br>Cents | Previous period<br>Cents |
|---|---------------------------|--------------------------|
| Net tangible assets per ordinary security | <u>0.15</u>               | <u>0.07</u>              |

## 4. Control gained over entities

|  |  |           |
|--|--|-----------|
| Name of entities (or group of entities)  | Applypayments Pty Ltd<br>Applypay Pty Ltd  |           |
| Date control gained  | Applypayments Pty Ltd - registered 4 August 2021<br>Applypay Pty Ltd - registered 8 September 2021 |           |
|  |  | \$        |
| Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)            |  | (255,108) |
| Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) for the whole of the previous period (where material) |  | -         |

## 5. Loss of control over entities

|   |  |
|---|--|
| Name of entities (or group of entities) | Applypayments Pty Ltd  |
| Date control lost                       | Applypayments Pty Ltd (subsequent to year end, deregistered on 27 July 2022) |

## 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:*

All foreign entities are presented in compliance with International Financial Reporting Standards (IFRS).

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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 unmodified opinion has been issued.

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## 11. Attachments

### *Details of attachments (if any):*

The Annual Report of Applyflow Limited for the year ended 30 June 2022 is attached.

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## 12. Signed



Signed \_\_\_\_\_

Date: 29 August 2022

John Winters  
Non-Executive Director

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**Applyflow Limited**

**ABN 29 107 371 497**

**Annual Report - 30 June 2022**

|                                |  |
|--------------------------------|--|
| Directors                      | John Winters<br>Steven Papadopoulos<br>Philip Crutchfield  |
| Company secretary              | David Franks   |
| Registered office              | Level 5, 126 Phillip Street<br>Sydney NSW 2000   |
| Principal place of business    | Level 4, 82-88 Elizabeth Street<br>Sydney NSW 2000   |
| Share register                 | Automic Pty Ltd<br>Level 5, 126 Phillip St<br>Sydney NSW 2000  |
| Auditor                        | Stantons<br>Level 36, Gateway, 1 Macquarie Place<br>Sydney NSW 2000  |
| Solicitors                     | Milcor Legal<br>Level 1, 6 Thelma Street<br>West Perth WA 6005   |
| Bankers                        | National Australia Bank<br>105 Miller Street<br>North Sydney NSW 2060  |
| Stock exchange listing         | Applyflow Limited shares are listed on the Australian Securities Exchange (ASX code: AFW)  |
| Website                        | <a href="http://www.applyflow.com">www.applyflow.com</a>   |
| Corporate Governance Statement | The company's Corporate Governance Statement can be found on the company's website:<br><a href="https://investors.applyflow.com/investor/corporate-governance/">https://investors.applyflow.com/investor/corporate-governance/</a> |

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Applyflow 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 2022.

### Directors

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

|                     |                                     |
|---------------------|-------------------------------------|
| John Winters        | Non-Executive Director              |
| Steven Papadopoulos | Non-Executive Director              |
| Philip Crutchfield  | Non-Executive Director and Chairman |

### Principal activities

During the financial year, the principal activities of the consolidated entity consisted of sales and ongoing development of Applyflow's cloud-based software as a service solution platform focusing on recruitment management with enhanced offerings to the recruitment market.

### Dividends

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

### Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$2,729,305 (30 June 2021: \$2,801,132).

### Capital Raising

A fully underwritten pro rata entitlement offer raised \$5,662,042 before costs. The issue price under the offer was \$0.005 with 1,132,408,400 ordinary shares issued on 30 July 2021.

### New subsidiaries *Applypayments Pty Ltd and Applypay Pty Ltd*

*Applypayments Pty Ltd* was incorporated on 4 August 2021 as a 100% owned subsidiary of the company. The entity was subsequently deregistered on 27 July 2022 as it was not required to support the operations of the *Applypay* product.

*Applypay Pty Ltd* was incorporated on 8 September 2021 and is a 100% owned subsidiary of the company. This new subsidiary supports the *Applypay* instalment-based recruitment fee payment product.

### New contracts

In October 2021, a strategic partnership agreement was signed with Hudson Global Resources (Aust) Pty Ltd for the roll-out of the *Applypay* instalment-based finance solution for Hudson's recruiter invoices.

### 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.

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

On 16 August 2022, the company issued 12,500,000 unlisted employee options with an exercise price of \$0.006 and 12,500,000 unlisted employee options with an exercise price of \$0.010. These options all expire on 30 June 2025, and vest on 30 June 2023 subject to the employment having not been terminated by that date.

On 29 August 2022, the Board approved an increase to Steve Butler's remuneration from \$250,000 per annum plus superannuation to \$300,000 per annum plus superannuation, effective from 1 September 2022.

### Likely developments and expected results of operations

Ongoing development of Applyflow's products and continued focus on sales and market expansion. New product releases are planned in the short term to complement the existing solution and leverage the blue-chip, global customer base. These strategic products bring large, diversified opportunities and the potential to accelerate growth.

### Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

### Information on directors

**Name:** **John Winters**  
**Title:** Non-Executive Director  
**Experience and expertise:** Mr Winters has spent over 15 years 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 the founder of online investment platform Superhero, and is executive director of Superhero Holdings Limited, and Australian crypto exchange Swyftx Pty Ltd.

**Other current directorships:** None  
**Former directorships (last 3 years):** None

**Interests in shares:** 139,564,475 ordinary shares

**Interests in options:** 15,137,653 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 \$0.0030 and an expiry date of 30 November 2022.  
15,000,000 unlisted options with an exercise price of \$0.0206 and an expiry date of 30 November 2024.

**Name:** **Steven Papadopoulos**  
**Title:** Non-Executive Director  
**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:** 60,287,497 ordinary shares

**Interests in options:** 7,500,000 unlisted options with an exercise price of \$0.0034 and expiry date of 30 November 2024.  
15,000,000 unlisted options with an exercise price of \$0.0206 and expiry date of 30 November 2024.

Name: **Philip Crutchfield**  
 Title: Non-Executive Director and Chairman  
 Experience and expertise: Mr Crutchfield is a barrister and a former partner of Mallesons Stephen Jacques (now King & Wood Mallesons). He is also a board member of Encounter Resources Limited, Hamelin Gold Limited, Black Cat Syndicate Limited, Bell Shakespeare Theatre Company and the Victorian Bar Foundation Limited.

Other current directorships: Non-Executive Director of Encounter Resources Limited (ASX: ENR), Hamelin Gold Limited (ASX: HML) and Black Cat Syndicate Limited (ASX: BC8)  
 Former directorships (last 3 years): Non-Executive Chairman of Zip Co Limited (ASX: Z1P)

Interests in shares: 128,700,000 ordinary shares

Interests in options: 8,800,000 unlisted options with an exercise price of \$0.0034 and expiry date of 30 November 2024.  
 15,000,000 unlisted options with an exercise price of \$0.0206 and expiry date of 30 November 2024.

'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.

### Company secretary

*David Franks*

David Franks is a Principal of the Automic Group. He is a Chartered Accountant, Fellow of the Financial Services Institute of Australia, Fellow of the Governance Institute of Australia, Justice of the Peace, Registered Tax Agent and holds a Bachelor of Economics (Finance and Accounting) from Macquarie University. With over 30 years' experience in finance, governance and accounting, Mr Franks has been CFO, Company Secretary and/or Director for numerous ASX listed and unlisted public and private companies, in a range of industries covering energy retailing, transport, financial services, mineral exploration, technology, automotive, software development and healthcare. Mr Franks is currently the Company Secretary for the following ASX Listed entities: COG Financial Services Limited, Cogstate Limited, Exopharm Limited, IRIS Metals Limited, IXUP Limited, JCurve Solutions Limited, Noxopharm Limited, Nyrada Inc, White Energy Company Limited and ZIP Co Limited. He was also a Non-Executive Director of JCurve Solutions Limited from 2014 to 2021.

### Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2022, and the number of meetings attended by each director were:

|                     | Full Board |      |
|---------------------|------------|------|
|                     | Attended   | Held |
| John Winters        | 6          | 6    |
| Steven Papadopoulos | 6          | 6    |
| Philip Crutchfield  | 6          | 6    |

Held: represents the number of meetings held during the time the director held office.

As at 29 April 2019 the responsibilities of the Nomination and Remuneration committee and the Audit and Risk committee were assigned to the Board 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
- Additional information
- Additional disclosures relating to key management personnel

***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. There were no remuneration consultants engaged by the company during the year.

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 \$500,000. 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.

**Details of remuneration**

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

The key management personnel of the consolidated entity consisted of the following directors of Applyflow Limited:

- John Winters
- Steven Papadopoulos
- Philip Crutchfield

And the following person:

- Steve Butler (Chief Executive Officer)

|  | Short-term benefits  |            | Post-employment benefits | Long-term benefits | Share-based payments |                       | Total  |                        |
|--|----------------------|------------|--------------------------|--------------------|----------------------|-----------------------|--------|------------------------|
|  | Cash salary and fees | Cash bonus | Non-monetary             | Super-annuation    | Long service leave   | Equity-settled shares |        | Equity-settled options |
| 2022                                   | \$                   | \$         | \$                       | \$                 | \$                   | \$                    | \$     | \$                     |
| <i>Non-Executive Directors:</i>        |                      |            |                          |                    |                      |                       |        |                        |
| John Winters                           | 110,000              | -          | -                        | 11,000             | -                    | -                     | -      | 121,000                |
| Steven Papadopoulos                    | 110,000              | -          | -                        | 11,000             | -                    | -                     | -      | 121,000                |
| Philip Crutchfield                     | 130,000              | -          | -                        | 13,000             | -                    | -                     | -      | 143,000                |
| <i>Other Key Management Personnel:</i> |                      |            |                          |                    |                      |                       |        |                        |
| Steve Butler*                          | 269,231              | -          | -                        | 25,000             | 4,166                | 7,808                 | 67,346 | 373,551                |
|  | 619,231              | -          | -                        | 60,000             | 4,166                | 7,808                 | 67,346 | 758,551                |

- \* The equity-settled shares relate to \$7,808 balance of amortisation of the \$50,000 granted on 26 August 2021 being the anniversary of S Butler's appointment.  
The equity-settled options relate to share based payment amortisation on options granted to S Butler.

Cash salary and fees include the movement in the annual leave provision for all KMPs excluding non-executive directors.

|  | Short-term benefits     |               |                 | Post-employment benefits | Long-term benefits    | Share-based payments     |                           | Total \$       |
|--|-------------------------|---------------|-----------------|--------------------------|-----------------------|--------------------------|---------------------------|----------------|
|  | Cash salary and fees \$ | Cash bonus \$ | Non-monetary \$ | Super-annuation \$       | Long service leave \$ | Equity-settled shares \$ | Equity-settled options \$ |                |
| <b>2021</b>                            |                         |               |                 |                          |                       |                          |                           |                |
| <i>Non-Executive Directors:</i>        |                         |               |                 |                          |                       |                          |                           |                |
| John Winters*                          | 100,833                 | -             | -               | 9,579                    | -                     | -                        | -                         | 110,412        |
| Steven Papadopoulos                    | 110,000                 | -             | -               | 10,450                   | -                     | -                        | -                         | 120,450        |
| Philip Crutchfield                     | 130,000                 | -             | -               | 12,350                   | -                     | -                        | -                         | 142,350        |
| <i>Executive Directors:</i>            |                         |               |                 |                          |                       |                          |                           |                |
| John Winters*                          | 16,810                  | -             | -               | 1,520                    | -                     | -                        | -                         | 18,330         |
| <i>Other Key Management Personnel:</i> |                         |               |                 |                          |                       |                          |                           |                |
| Steve Butler**                         | 228,439                 | -             | -               | 19,879                   | 9,636                 | 92,192                   | 61,140                    | 411,286        |
| Raife Watson***                        | 147,144                 | 50,000        | -               | 19,000                   | -                     | -                        | (59,963)                  | 156,181        |
|  | <u>733,226</u>          | <u>50,000</u> | <u>-</u>        | <u>72,778</u>            | <u>9,636</u>          | <u>92,192</u>            | <u>1,177</u>              | <u>959,009</u> |

- \* Executive director up to 31 July 2020, non-executive director from 31 July 2020.

- \*\* S Butler appointed 26 August 2020.  
The equity-settled shares are made up of \$50,000 equity shares issued on 31 December 2020 and \$42,192 amortisation of the expected \$50,000 to be issued on 26 August 2021 being the anniversary of S Butler's appointment.  
The equity-settled options relate to share based payment amortisation on options issued to S Butler.

- \*\*\* R Watson resigned 26 August 2020.  
The equity-settled options relate to reversal of the unvested share based payment amortisation on options granted to R Watson in the prior year.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

| Name                                   | Fixed remuneration |      | At risk - STI |      | At risk - LTI |       |
|--|--------------------|------|---------------|------|---------------|-------|
|  | 2022               | 2021 | 2022          | 2021 | 2022          | 2021  |
| <i>Non-Executive Directors:</i>        |                    |      |               |      |               |       |
| John Winters                           | 100%               | 100% | -             | -    | -             | -     |
| Steven Papadopoulos                    | 100%               | 100% | -             | -    | -             | -     |
| Philip Crutchfield                     | 100%               | 100% | -             | -    | -             | -     |
| <i>Executive Directors:</i>            |                    |      |               |      |               |       |
| John Winters                           | -                  | 100% | -             | -    | -             | -     |
| <i>Other Key Management Personnel:</i> |                    |      |               |      |               |       |
| Steve Butler                           | 79%                | 60%  | 2%            | 22%  | 19%           | 18%   |
| Raife Watson                           | -                  | 42%  | -             | 96%  | -             | (38%) |

Refer to note 29 for related party transactions.

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### 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: Steve Butler  
Title: Chief Executive Officer  
Agreement commenced: 26 August 2020  
Details: **(a) Remuneration package**  
(i) \$250,000 per annum plus superannuation.  
(ii) Shares:  
- \$50,000 worth of shares granted on 31 December 2020 in relation to the new "Next platform" infrastructure being complete and functioning, and the consolidated entity on-boarded under contract at least 10 customers on to that platform;  
- \$50,000 worth of shares granted on 26 August 2021 in relation to employment having not been terminated by that date;  
- \$100,000 worth of shares, by 26 August 2022, the consolidated entity achieving monthly recurring revenue on an annualised basis of at least \$4,000,000, subject to the employment having not been terminated by that date. This revenue milestone has not been met, the vesting condition lapsed on 26 August 2022 and these shares will not be granted.  
(iii) Options:  
- 10,000,000 options exercisable at \$0.0206 each on or before 30 November 2024, all of which shall vest on 26 August 2021, subject to the employment having not been terminated by that date.

**(b) Remuneration reviewed** annually on 1 July.

### (c) Termination

(i) Termination by company:  
- Termination by notice: company may terminate with six months' notice or payment in lieu of notice.  
- Termination by redundancy : company may terminate with payment of notice period actually worked plus the lesser of six months' salary and the amount calculated in accordance with section 200F(2)(b) of the Corporations Act.  
- Termination for illness: company may terminate if employee incapacitated due to illness, accident or other cause for three consecutive months or for a period aggregating more than three months in an 12 month period; with one months' written notice or payment in lieu of notice.  
- Summary Termination: company may summarily terminate as the result of an occurrence that gives the company a right of summary dismissal at common law, including, breach of agreement, misconduct, dishonesty, bankruptcy, the company giving the employee two written notices, at least one month apart, of his failure to meet independent performance objectives.  
(ii) Termination by employee:  
- Not less than six months' written notice to the company.

Name: John Winters  
Title: Consultancy Agreement between Applyflow Limited and Diamond Capital Partners Pty Ltd (an entity associated with non-executive director John Winters)  
Agreement commenced: 1 November 2021  
Details: - No fixed term, with termination notice of 1 month;  
- Fee of \$7,500 + GST per month;  
- Consultancy services to support the continued growth and expansion of commercial opportunities for Applyflow Limited.

As no services were utilised by the company, no fees were paid under the agreement and none are owed to Diamond Capital Partners Pty Ltd. The agreement was terminated by mutual agreement subsequent to 30 June 2022.

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

### Share-based compensation

#### Shareholders information

Details of shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2022 are set out below:

| Name         | Date           | Shares    | Issue price | \$     |
|--------------|----------------|-----------|-------------|--------|
| Steve Butler | 26 August 2021 | 5,845,895 | \$0.00855   | 50,000 |

Per Steve Butler's service agreement as Chief Executive Officer commencing 26 August 2020, the following share tranches have been achieved or are available subject to achievement of the milestones:

- \$50,000 worth of shares granted on 31 December 2020 in relation to the new "Next platform" infrastructure being complete and functioning, and the consolidated entity on-boarded under contract at least 10 customers on to that platform;
- \$50,000 worth of shares granted on 26 August 2021 in relation employment having not been terminated by that date;
- \$100,000 worth of shares, by 26 August 2022, the consolidated entity achieving monthly recurring revenue on an annualised basis of at least \$4,000,000, subject to the employment having not been terminated by that date. This revenue milestone has not been met, the vesting condition lapsed on 26 August 2022 and these shares will not be granted.

#### Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

| Name         | Number of options granted | Grant date  | Vesting date and exercisable date | Expiry date | Exercise price | Fair value per option at grant date |
|--------------|---------------------------|-------------|-----------------------------------|-------------|----------------|-------------------------------------|
| Steve Butler | 20,000,000                | 19 Oct 2021 | 30 Sep 2022                       | 30 Sep 2024 | \$0.01000      | \$0.0031                            |

Options granted carry no dividend or voting rights.

The number of options over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 30 June 2022 are set out below:

| Name         | Number of options granted during the year 2022 | Number of options granted during the year 2021 | Number of options vested during the year 2022 | Number of options vested during the year 2021 |
|--------------|--|--|---|---|
| Steve Butler | 20,000,000                                     | 10,000,000                                     | 10,000,000                                    | 3,000,000                                     |

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2022 are set out below:

| Name         | Value of options granted during the year \$ | Value of options exercised during the year \$ | Value of options lapsed during the year \$ | Remuneration consisting of options for the year % |
|--------------|---|---|--|---|
| Steve Butler | 61,262                                      | -   | -  | 18%   |

Details of options over ordinary shares granted, vested and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2022 are set out below:

| Name         | Grant date  | Vesting date | Number of options granted | Value of options granted \$ | Value of options vested \$ | Number of options lapsed | Value of options lapsed \$ |
|--------------|-------------|--------------|---------------------------|-----------------------------|----------------------------|--------------------------|----------------------------|
| Steve Butler | 27 Aug 2020 | 27 Aug 2021  | 10,000,000                | -                           | 58,282                     | -                        | -                          |
| Steve Butler | 18 Oct 2021 | 30 Sep 2022  | 20,000,000                | 61,262                      | -                          | -                        | -                          |

#### Performance rights

There were no performance rights over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2022.

There were no performance rights over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2022.

#### Additional information

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

|  | 2022   | 2021   | 2020   | 2019   | 2018   |
|--|--------|--------|--------|--------|--------|
| Share price at financial year end (\$)       | 0.002  | 0.005  | 0.011  | 0.010  | 0.003  |
| Basic earnings per share (cents per share)   | (0.10) | (0.16) | (0.26) | (0.25) | (0.88) |
| Diluted earnings per share (cents per share) | (0.10) | (0.16) | (0.26) | (0.25) | (0.88) |

#### Additional disclosures relating to key management personnel

##### Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

|                        | Balance at the start of the year | Received as part of remuneration | Additions          | Disposals/ other | Balance at the end of the year |
|------------------------|----------------------------------|----------------------------------|--------------------|------------------|--------------------------------|
| <i>Ordinary shares</i> |                                  |                                  |                    |                  |                                |
| John Winters           | 85,885,831                       | -                                | 53,678,644         | -                | 139,564,475                    |
| Philip Crutchfield     | 79,200,000                       | -                                | 49,500,000         | -                | 128,700,000                    |
| Steven Papadopoulos    | 37,099,999                       | -                                | 23,187,498         | -                | 60,287,497                     |
| Steve Butler           | 5,327,279                        | 5,845,895                        | 3,329,549          | -                | 14,502,723                     |
|                        | <u>207,513,109</u>               | <u>5,845,895</u>                 | <u>129,695,691</u> | <u>-</u>         | <u>343,054,695</u>             |

##### Option holding

The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

|                                     | Balance at the start of the year | Granted           | Exercised | Expired/ forfeited/ other | Balance at the end of the year |
|-------------------------------------|----------------------------------|-------------------|-----------|---------------------------|--------------------------------|
| <i>Options over ordinary shares</i> |                                  |                   |           |                           |                                |
| John Winters                        | 40,137,653                       | -                 | -         | -                         | 40,137,653                     |
| Philip Crutchfield                  | 23,800,000                       | -                 | -         | -                         | 23,800,000                     |
| Steven Papadopoulos                 | 22,500,000                       | -                 | -         | -                         | 22,500,000                     |
| Steve Butler                        | 13,000,000                       | 20,000,000        | -         | -                         | 33,000,000                     |
|                                     | <u>99,437,653</u>                | <u>20,000,000</u> | <u>-</u>  | <u>-</u>                  | <u>119,437,653</u>             |

|                                     | Vested and exercisable | Unvested          | Balance at the end of the year |
|-------------------------------------|------------------------|-------------------|--------------------------------|
| <i>Options over ordinary shares</i> |                        |                   |                                |
| John Winters                        | 40,137,653             | -                 | 40,137,653                     |
| Philip Crutchfield                  | 23,800,000             | -                 | 23,800,000                     |
| Steven Papadopoulos                 | 22,500,000             | -                 | 22,500,000                     |
| Steve Butler                        | 13,000,000             | 20,000,000        | 33,000,000                     |
|                                     | <u>99,437,653</u>      | <u>20,000,000</u> | <u>119,437,653</u>             |

*Other transactions with key management personnel and their related parties*  
Refer to note 29 for related party transactions.

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

### Shares under option

Unissued ordinary shares of Applyflow Limited under option at the date of this report are as follows:

| Grant date       | Expiry date       | Exercise price | Number under option |
|------------------|-------------------|----------------|---------------------|
| 18 June 2019     | 30 November 2022  | \$0.00300      | 10,000,000          |
| 18 June 2019     | 30 November 2024  | \$0.00340      | 87,437,653          |
| 29 November 2019 | 31 December 2023  | \$0.01000      | 33,333,334          |
| 29 November 2019 | 30 November 2024  | \$0.02060      | 15,000,000          |
| 29 November 2019 | 30 November 2024  | \$0.02060      | 15,000,000          |
| 29 November 2019 | 30 November 2024  | \$0.02060      | 15,000,000          |
| 22 January 2020  | 30 November 2024  | \$0.02060      | 2,500,000           |
| 28 February 2020 | 28 February 2023  | \$0.02000      | 3,000,000           |
| 27 August 2020   | 30 November 2024  | \$0.02060      | 10,000,000          |
| 17 November 2020 | 17 November 2023  | \$0.02000      | 8,000,000           |
| 11 August 2021   | 11 August 2024    | \$0.01000      | 10,000,000          |
| 19 October 2021  | 17 November 2023  | \$0.02000      | 7,500,000           |
| 19 October 2021  | 30 September 2024 | \$0.01000      | 40,000,000          |
| 28 October 2021  | 30 June 2023      | \$0.00700      | 21,435,000          |
|                  |                   |                | <u>278,205,987</u>  |

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

### Shares under performance rights

There were no unissued ordinary shares of Applyflow Limited under performance rights outstanding at the date of this report.

### Shares issued on the exercise of options

The following ordinary shares of Applyflow Limited were issued during the year ended 30 June 2022 and up to the date of this report on the exercise of options granted:

| Date options granted | Exercise price | Number of shares issued |
|----------------------|----------------|-------------------------|
| 18 June 2019         | \$0.00340      | 7,500,000               |

### Shares issued on the exercise of performance rights

There were no ordinary shares of Applyflow Limited issued on the exercise of performance rights during the year ended 30 June 2022 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.

### 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

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 26 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 26 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

### 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 directors 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



---

John Winters  
Non-Executive Director

29 August 2022

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29 August 2022

Board of Directors  
Applyflow Limited  
Level 5, 126 Phillip Street  
Sydney NSW 2000

Dear Directors

**RE: APPLYFLOW 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 Applyflow Limited.

As Audit Director for the audit of the financial statements of Applyflow Limited for the year ended 30 June 2022, 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 sincerely

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

A handwritten signature in black ink, appearing to read 'Samir', written over a light grey horizontal line.

**Samir Tirodkar**  
**Director**



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|   |    |
|---|----|
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### General information

The financial statements cover Applyflow Limited as a consolidated entity consisting of Applyflow Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Applyflow Limited's functional and presentation currency. The functional currencies of the company's foreign subsidiaries are Pound Sterling ('GBP') and United States Dollar ('USD').

Applyflow 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 5  
126 Philip 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 2022. The directors have the power to amend and reissue the financial statements.

Applyflow Limited  
 Consolidated statement of profit or loss and other comprehensive income  
 For the year ended 30 June 2022



|   | Note | Consolidated       |                    |
|---|------|--------------------|--------------------|
|   |      | 2022               | 2021               |
|   |      | \$                 | \$                 |
| <b>Revenue</b>  | 4    | 2,083,660          | 2,558,555          |
| Other income  | 5    | 18,431             | 62,190             |
| <b>Expenses</b>   |      |                    |                    |
| Finance and administration costs  | 6    | (1,344,396)        | (1,687,128)        |
| Employee benefits expense   |      | (2,675,259)        | (2,997,965)        |
| Amortisation expense  | 13   | (457,018)          | (360,311)          |
| Depreciation expense on property, plant and equipment   | 11   | (6,251)            | (1,245)            |
| Depreciation expense on right-of-use assets   | 12   | (131,119)          | (59,600)           |
| Impairment expense  | 13   | -                  | (200,000)          |
| Share-based payment (expense) / write-back  | 23   | (149,242)          | 236,971            |
| Sales and marketing expense   |      | (13,007)           | (177,467)          |
| Occupancy costs   |      | (21,395)           | (88,525)           |
| Travel costs  |      | (722)              | (9,703)            |
| Research and development costs  |      | (20,529)           | (62,783)           |
| Finance costs   |      | (9,702)            | (6,373)            |
| <b>Loss before income tax expense</b>   |      | (2,726,549)        | (2,793,384)        |
| Income tax expense  | 7    | (2,756)            | (7,748)            |
| <b>Loss after income tax expense for the year attributable to the owners of Applyflow Limited</b> | 21   | (2,729,305)        | (2,801,132)        |
| <b>Other comprehensive income/(loss)</b>  |      |                    |                    |
| <i>Items that may be reclassified subsequently to profit or loss</i>                              |      |                    |                    |
| Foreign currency translation  |      | (3,223)            | 2,734              |
| Other comprehensive income/(loss) for the year, net of tax  |      | (3,223)            | 2,734              |
| <b>Total comprehensive loss for the year attributable to the owners of Applyflow Limited</b>      |      | <u>(2,732,528)</u> | <u>(2,798,398)</u> |
|   |      | <b>Cents</b>       | <b>Cents</b>       |
| Basic earnings per share  | 33   | (0.10)             | (0.16)             |
| Diluted earnings per share  | 33   | (0.10)             | (0.16)             |

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

|                                | Note | Consolidated     |                  |
|--------------------------------|------|------------------|------------------|
|                                |      | 2022             | 2021             |
|                                |      | \$               | \$               |
| <b>Assets</b>                  |      |                  |                  |
| <b>Current assets</b>          |      |                  |                  |
| Cash and cash equivalents      | 8    | 5,597,125        | 2,207,157        |
| Trade and other receivables    | 9    | 71,150           | 48,878           |
| Other                          | 10   | 180,343          | 206,893          |
| Total current assets           |      | <u>5,848,618</u> | <u>2,462,928</u> |
| <b>Non-current assets</b>      |      |                  |                  |
| Property, plant and equipment  | 11   | 22,690           | 3,399            |
| Right-of-use assets            | 12   | -                | 250,318          |
| Intangibles                    | 13   | 537,691          | 894,709          |
| Other                          | 10   | -                | 43,106           |
| Total non-current assets       |      | <u>560,381</u>   | <u>1,191,532</u> |
| <b>Total assets</b>            |      | <u>6,408,999</u> | <u>3,654,460</u> |
| <b>Liabilities</b>             |      |                  |                  |
| <b>Current liabilities</b>     |      |                  |                  |
| Trade and other payables       | 14   | 342,127          | 409,430          |
| Contract liabilities           | 15   | 614,192          | 271,078          |
| Income tax                     | 16   | 5,806            | 2,660            |
| Employee benefits              | 17   | 361,940          | 286,622          |
| Lease liabilities              | 18   | -                | 150,664          |
| Total current liabilities      |      | <u>1,324,065</u> | <u>1,120,454</u> |
| <b>Non-current liabilities</b> |      |                  |                  |
| Contract liabilities           | 15   | 38,829           | 42,376           |
| Employee benefits              | 17   | 30,870           | 36,158           |
| Lease liabilities              | 18   | -                | 122,395          |
| Total non-current liabilities  |      | <u>69,699</u>    | <u>200,929</u>   |
| <b>Total liabilities</b>       |      | <u>1,393,764</u> | <u>1,321,383</u> |
| <b>Net assets</b>              |      | <u>5,015,235</u> | <u>2,333,077</u> |
| <b>Equity</b>                  |      |                  |                  |
| Issued capital                 | 19   | 29,321,601       | 24,051,837       |
| Reserves                       | 20   | 976,518          | 834,819          |
| Accumulated losses             | 21   | (25,282,884)     | (22,553,579)     |
| <b>Total equity</b>            |      | <u>5,015,235</u> | <u>2,333,077</u> |

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

|  | Issued capital    | Reserves       | Accumulated losses  | Total equity     |
|--|-------------------|----------------|---------------------|------------------|
|  | \$                | \$             | \$                  | \$               |
| <b>Consolidated</b>  |                   |                |                     |                  |
| Balance at 1 July 2020                                       | 23,975,761        | 1,119,056      | (19,752,447)        | 5,342,370        |
| Loss after income tax expense for the year                   | -                 | -              | (2,801,132)         | (2,801,132)      |
| Other comprehensive income for the year, net of tax          | -                 | 2,734          | -                   | 2,734            |
| Total comprehensive income/(loss) for the year               | -                 | 2,734          | (2,801,132)         | (2,798,398)      |
| <i>Transactions with owners in their capacity as owners:</i> |                   |                |                     |                  |
| Contributions of equity, net of transaction costs (note 19)  | 26,076            | -              | -                   | 26,076           |
| Share-based payments (note 21)                               | 50,000            | (286,971)      | -                   | (236,971)        |
| Balance at 30 June 2021                                      | <u>24,051,837</u> | <u>834,819</u> | <u>(22,553,579)</u> | <u>2,333,077</u> |
|  |                   |                |                     |                  |
| <b>Consolidated</b>  |                   |                |                     |                  |
|  | \$                | \$             | \$                  | \$               |
| Balance at 1 July 2021                                       | 24,051,837        | 834,819        | (22,553,579)        | 2,333,077        |
| Loss after income tax expense for the year                   | -                 | -              | (2,729,305)         | (2,729,305)      |
| Other comprehensive loss for the year, net of tax            | -                 | (3,223)        | -                   | (3,223)          |
| Total comprehensive loss for the year                        | -                 | (3,223)        | (2,729,305)         | (2,732,528)      |
| <i>Transactions with owners in their capacity as owners:</i> |                   |                |                     |                  |
| Contributions of equity, net of transaction costs (note 19)  | 5,269,764         | -              | -                   | 5,269,764        |
| Share-based payments (note 21)                               | -                 | 144,922        | -                   | 144,922          |
| Balance at 30 June 2022                                      | <u>29,321,601</u> | <u>976,518</u> | <u>(25,282,884)</u> | <u>5,015,235</u> |

|  | Note | Consolidated     |                  |
|--|------|------------------|------------------|
|  |      | 2022<br>\$       | 2021<br>\$       |
| <b>Cash flows from operating activities</b>                      |      |                  |                  |
| Receipts from customers (inclusive of GST)                       |      | 2,663,941        | 2,981,074        |
| Payments to suppliers (inclusive of GST)                         |      | (4,182,126)      | (5,304,557)      |
|  |      | (1,518,185)      | (2,323,483)      |
| Interest received  |      | 2,327            | 9,956            |
| Interest and other finance costs paid                            |      | (9,702)          | (5,044)          |
| Payment to Applypay funding float                                |      | (102,000)        | -                |
| COVID-19 cash flow boost   |      | -                | 53,869           |
| Net cash (used in) operating activities                          | 32   | (1,627,560)      | (2,264,702)      |
| <b>Cash flows from investing activities</b>                      |      |                  |                  |
| Payment for purchase of business, net of cash acquired           |      | -                | (25,000)         |
| Payments for property, plant and equipment                       | 11   | (25,843)         | (5,480)          |
| Payments for intangibles   | 13   | (100,000)        | (675,000)        |
| Payments for security deposits                                   |      | -                | (61,875)         |
| Proceeds from release of security deposits                       |      | 18,769           | 15,306           |
| Net cash (used in) investing activities                          |      | (107,074)        | (752,049)        |
| <b>Cash flows from financing activities</b>                      |      |                  |                  |
| Proceeds from issue of shares                                    | 19   | 5,687,542        | 29,920           |
| Share issue transaction costs                                    | 19   | (422,098)        | (3,844)          |
| Repayment of lease liabilities                                   | 18   | (137,643)        | (45,877)         |
| Net cash from/(used in) financing activities                     |      | 5,127,801        | (19,801)         |
| Net increase/(decrease) in cash and cash equivalents             |      | 3,393,167        | (3,036,552)      |
| Cash and cash equivalents at the beginning of the financial year |      | 2,207,157        | 5,240,999        |
| Effects of exchange rate changes on cash and cash equivalents    |      | (3,199)          | 2,710            |
| Cash and cash equivalents at the end of the financial year       | 8    | <u>5,597,125</u> | <u>2,207,157</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.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

#### *Conceptual Framework for Financial Reporting (Conceptual Framework)*

The consolidated entity has adopted the revised Conceptual Framework from 1 January 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

### Going concern

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.

The consolidated entity has incurred net losses after tax of \$2,729,305 (2021: \$2,801,132) and net cash outflows from operations of \$1,627,560 (2021: \$2,264,702) for the year ended 30 June 2022. At year end, cash and cash equivalents were \$5,597,125 (2021: \$2,207,157).

These conditions indicate a material uncertainty that may cast a significant doubt about the consolidated entity's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Based on the consolidated entity's cash-flow forecasts, the directors are confident that the consolidated entity will be able to continue as a going concern.

Should the consolidated entity not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the consolidated entity not continue as a going concern.

### 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.



## Note 1. Significant accounting policies (continued)

### 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 35.

### Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Applyflow Limited ('company' or 'parent entity') as at 30 June 2022 and the results of all subsidiaries for the year then ended. Applyflow 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.

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

The financial statements are presented in Australian dollars, which is Applyflow Limited's functional and presentation currency.

#### *Foreign currency transactions*

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

#### *Foreign operations*

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The functional currency of the foreign subsidiary JXT (Global) UK Limited is Pound Sterling. The functional currency of the foreign subsidiary JXT (Global) US, Inc is the United States Dollar.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

## Note 1. Significant accounting policies (continued)

### 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.

#### *Licence fee revenue*

A licence fee comprises access and support services to the SaaS system and data hosting. Revenue is to be recognised over the length of the contract on a straight line basis (generally between 1 and 3 years). The performance obligation is satisfied over time.

#### *Combined services and licence fee revenue*

Where both services and SaaS revenue are the subject of a single undivided contract, both service and SaaS revenue are recognised according to the principles stated above concerning recognition of SaaS income.

#### *Applypay client service fee income*

The client service fee income is recognised once the final instalment payment is received in relation to Applypay funding of recruiter fees.

#### *Other revenue*

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

#### *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.

#### *Government grants*

Government grant income is recognised when it is received or when the right to receive payment is established.

### 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.

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

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.

#### 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.

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

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.

#### Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

#### Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

#### Platform Software

Development costs on technically and commercially feasible new products are capitalised and written off on a straight-line basis:

- the JXT Platform is written off on a straight-line basis over 3 years commencing on acquisition date of the JXT businesses on 1 June 2020;
- the Applyflow Platform developed during the year is written off on a straight-line basis over 4 years commencing at the time of commercial release of the new product.

The directors have elected to partially impair the JXT Platform by \$200,000 as at 30 June 2021. While the JXT Platform has value with the Platform cash generating unit, it was deemed conservative in light on the accelerating movement towards the Applyflow Platform.

#### 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.

## Note 1. Significant accounting policies (continued)

### Contract liabilities

Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

### Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

### 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 high quality corporate 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.

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.

## Note 1. Significant accounting policies (continued)

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.

### Earnings per share

#### *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to the owners of Applyflow Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

## Note 1. Significant accounting policies (continued)

### *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

### **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.

## 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.

### *Coronavirus (COVID-19) pandemic*

Judgement has been exercised in considering the impacts that the COVID-19 pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the COVID-19 pandemic.

### *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.

### *Allowance for expected credit losses*

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

### *Estimation of useful lives of assets*

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

## Note 2. Critical accounting judgements, estimates and assumptions (continued)

### *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.

### *Impairment of property, plant and equipment*

The consolidated entity assesses impairment of property, plant and equipment 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.

### *Income tax*

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

### *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.

## Note 3. Operating segments

The consolidated entity is organised into three geographical operating segments: Asia-Pacific (APAC); Europe, the Middle East and Africa (EMEA); and Americas. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.



Note 3. Operating segments (continued)

Operating segment information

|                                       | APAC               | EMEA             | AMERICAS        | Total              |
|---------------------------------------|--------------------|------------------|-----------------|--------------------|
|                                       | \$                 | \$               | \$              | \$                 |
| <b>Consolidated - 2022</b>            |                    |                  |                 |                    |
| <b>Revenue</b>                        |                    |                  |                 |                    |
| Sales to external customers           | 1,560,141          | 398,082          | 125,437         | 2,083,660          |
| <b>Total revenue</b>                  | <b>1,560,141</b>   | <b>398,082</b>   | <b>125,437</b>  | <b>2,083,660</b>   |
| <b>EBITDA</b>                         |                    |                  |                 |                    |
| Depreciation and amortisation         | (2,117,709)        | (3,712)          | (3,529)         | (2,124,950)        |
| Interest revenue                      | (594,129)          | (259)            | -               | (594,388)          |
| Finance costs                         | 2,491              | -                | -               | 2,491              |
|                                       | (9,702)            | -                | -               | (9,702)            |
| <b>Loss before income tax expense</b> | <b>(2,719,049)</b> | <b>(3,971)</b>   | <b>(3,529)</b>  | <b>(2,726,549)</b> |
| Income tax expense                    |                    |                  |                 | (2,756)            |
| <b>Loss after income tax expense</b>  |                    |                  |                 | <b>(2,729,305)</b> |
| <b>Consolidated - 2021</b>            |                    |                  |                 |                    |
| <b>Revenue</b>                        |                    |                  |                 |                    |
| Sales to external customers           | 1,825,335          | 432,246          | 300,974         | 2,558,555          |
| <b>Total revenue</b>                  | <b>1,825,335</b>   | <b>432,246</b>   | <b>300,974</b>  | <b>2,558,555</b>   |
| <b>EBITDA</b>                         |                    |                  |                 |                    |
| Depreciation and amortisation         | (1,938,646)        | (179,145)        | (62,758)        | (2,180,549)        |
| Impairment of assets                  | (420,774)          | (382)            | -               | (421,156)          |
| Interest revenue                      | (200,000)          | -                | -               | (200,000)          |
|                                       | 8,321              | -                | -               | 8,321              |
| <b>Loss before income tax expense</b> | <b>(2,551,099)</b> | <b>(179,527)</b> | <b>(62,758)</b> | <b>(2,793,384)</b> |
| Income tax expense                    |                    |                  |                 | (7,748)            |
| <b>Loss after income tax expense</b>  |                    |                  |                 | <b>(2,801,132)</b> |

Note 4. Revenue

|  | Consolidated     |                  |
|--|------------------|------------------|
|  | 2022             | 2021             |
|  | \$               | \$               |
| <i>Revenue from contracts with customers</i> |                  |                  |
| SaaS revenue                                 | 1,819,956        | 2,185,659        |
| Combined services and licence fee revenue    | 217,407          | 343,423          |
| Applypay client service fee income           | 6,092            | -                |
| Other revenue                                | 40,205           | 29,473           |
| <b>Revenue</b>                               | <b>2,083,660</b> | <b>2,558,555</b> |

**Note 4. Revenue (continued)**

*Disaggregation of revenue*

The disaggregation of revenue from contracts with customers is as follows:

|                             | <b>Consolidated</b> |                  |
|-----------------------------|---------------------|------------------|
|                             | <b>2022</b>         | <b>2021</b>      |
|                             | \$                  | \$               |
| <i>Geographical regions</i> |                     |                  |
| APAC                        | 1,560,141           | 1,825,335        |
| EMEA                        | 398,082             | 432,246          |
| AMERICAS                    | 125,437             | 300,974          |
|                             | <u>2,083,660</u>    | <u>2,558,555</u> |

**Note 5. Other income**

|                                | <b>Consolidated</b> |               |
|--------------------------------|---------------------|---------------|
|                                | <b>2022</b>         | <b>2021</b>   |
|                                | \$                  | \$            |
| Net gain on disposal of assets | 15,940              | -             |
| COVID-19 cash flow boost       | -                   | 53,869        |
| Interest income                | 2,491               | 8,321         |
|                                | <u>18,431</u>       | <u>62,190</u> |

**Note 6. Finance and administration costs**

|                                  | <b>Consolidated</b> |                  |
|----------------------------------|---------------------|------------------|
|                                  | <b>2022</b>         | <b>2021</b>      |
|                                  | \$                  | \$               |
| Legal and due diligence expenses | 5,927               | 71,117           |
| Subscriptions                    | 295,329             | 266,102          |
| IT infrastructure                | 241,010             | 373,073          |
| Administration expenses          | 802,130             | 976,836          |
|                                  | <u>1,344,396</u>    | <u>1,687,128</u> |

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Note 7. Income tax expense

|  | <b>Consolidated</b> |              |
|--|---------------------|--------------|
|  | <b>2022</b>         | <b>2021</b>  |
|  | \$                  | \$           |
| <i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>  |                     |              |
| Loss before income tax expense   | (2,726,549)         | (2,793,384)  |
| Tax at the statutory tax rate of 25% (2021: 26%)                                     | (681,637)           | (726,280)    |
| Tax effect amounts which are not deductible/(taxable) in calculating taxable income: |                     |              |
| Amortisation of intangibles  | 114,255             | 93,681       |
| Impairment of intangibles  | -                   | 52,000       |
| Share-based payments   | 37,311              | (61,612)     |
| Cash flow boost income not assessable  | -                   | (14,006)     |
| Other net expenses (deductible)/not deductible for tax purposes                      | 68,925              | (279)        |
|  | (461,146)           | (656,496)    |
| Current year tax losses not recognised   | 463,902             | 664,244      |
| Income tax expense   | <u>2,756</u>        | <u>7,748</u> |

|   | <b>Consolidated</b> |                  |
|---|---------------------|------------------|
|   | <b>2022</b>         | <b>2021</b>      |
|   | \$                  | \$               |
| <i>Tax losses not recognised</i>                                      |                     |                  |
| Unused tax losses for which no deferred tax asset has been recognised | 22,289,292          | 19,955,054       |
| Potential tax benefit @ 25%   | <u>5,572,323</u>    | <u>4,988,764</u> |

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

|   | <b>Consolidated</b> |                |
|---|---------------------|----------------|
|   | <b>2022</b>         | <b>2021</b>    |
|   | \$                  | \$             |
| <i>Deferred tax assets not recognised</i>   |                     |                |
| Deferred tax assets not recognised comprises temporary differences attributable to: |                     |                |
| Allowance for expected credit losses  | 482                 | 15,036         |
| Employee benefits   | 98,203              | 83,923         |
| Accrued expenses  | 7,500               | 4,680          |
| Total deferred tax assets not recognised  | <u>106,185</u>      | <u>103,639</u> |

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

The company has a deferred tax liability of \$11,289 which has not been recognised in the statement of financial position. This relates to the JXT Platform carrying fair value as at 30 June 2022.

**Note 8. Cash and cash equivalents**

|                       | Consolidated     |                  |
|-----------------------|------------------|------------------|
|                       | 2022             | 2021             |
|                       | \$               | \$               |
| <i>Current assets</i> |                  |                  |
| Cash at bank          | 2,084,487        | 1,196,812        |
| Cash on deposit       | 3,512,638        | 1,010,345        |
|                       | <u>5,597,125</u> | <u>2,207,157</u> |

**Note 9. Trade and other receivables**

|  | Consolidated  |               |
|--|---------------|---------------|
|  | 2022          | 2021          |
|  | \$            | \$            |
| <i>Current assets</i>                                    |               |               |
| Trade receivables  | 19,118        | 106,167       |
| Less: Allowance for expected credit losses               | (1,926)       | (57,829)      |
|  | <u>17,192</u> | <u>48,338</u> |
| Customer deposits receivable from online payment systems | 14,372        | 270           |
| Receivable from Applypay clients                         | 39,297        | -             |
| Other receivables  | -             | 145           |
| Interest receivable                                      | 289           | 125           |
|  | <u>71,150</u> | <u>48,878</u> |

*Allowance for expected credit losses*

The consolidated entity has recognised a loss of \$4,150 (2021: \$21,491) in profit or loss in respect of the expected credit losses for the year ended 30 June 2022.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

| Consolidated                         | Carrying amount |                | Allowance for expected credit losses |               |
|--------------------------------------|-----------------|----------------|--------------------------------------|---------------|
|                                      | 2022            | 2021           | 2022                                 | 2021          |
|                                      | \$              | \$             | \$                                   | \$            |
| 0 to 1 month overdue                 | 16,925          | 48,310         | -                                    | -             |
| 1 to 2 months overdue                | 1,236           | 2,716          | -                                    | -             |
| 2 to 3 months overdue                | -               | 1,549          | -                                    | -             |
| Over 3 months overdue                | 957             | 53,592         | -                                    | -             |
| Allowance for expected credit losses | -               | -              | 1,926                                | 57,829        |
|                                      | <u>19,118</u>   | <u>106,167</u> | <u>1,926</u>                         | <u>57,829</u> |

**Note 9. Trade and other receivables (continued)**

Movements in the allowance for expected credit losses are as follows:

|  | <b>Consolidated</b> |               |
|--|---------------------|---------------|
|  | <b>2022</b>         | <b>2021</b>   |
|  | \$                  | \$            |
| Opening balance  | 57,829              | 157,728       |
| Additional provisions recognised                         | 4,150               | 21,491        |
| Receivables written off during the year as uncollectable | (47,892)            | (121,390)     |
| Unused amounts reversed                                  | (14,583)            | -             |
| FX   | 2,422               | -             |
|  | <u>1,926</u>        | <u>57,829</u> |

**Note 10. Other**

|                                | <b>Consolidated</b> |                |
|--------------------------------|---------------------|----------------|
|                                | <b>2022</b>         | <b>2021</b>    |
|                                | \$                  | \$             |
| <i>Current assets</i>          |                     |                |
| Prepayments                    | 69,357              | 188,124        |
| Security deposits              | 43,106              | 18,769         |
| Applypay funding float balance | 67,880              | -              |
|                                | <u>180,343</u>      | <u>206,893</u> |
| <i>Non-current assets</i>      |                     |                |
| Security deposits              | -                   | 43,106         |
|                                | <u>180,343</u>      | <u>249,999</u> |

The security deposits relate to rental bond held over the former Sydney offices.

**Note 11. Property, plant and equipment**

|                                | <b>Consolidated</b> |              |
|--------------------------------|---------------------|--------------|
|                                | <b>2022</b>         | <b>2021</b>  |
|                                | \$                  | \$           |
| <i>Non-current assets</i>      |                     |              |
| Computer equipment - at cost   | 28,386              | 3,726        |
| Less: Accumulated depreciation | (6,194)             | (1,449)      |
|                                | <u>22,192</u>       | <u>2,277</u> |
| Office equipment - at cost     | 1,615               | 15,366       |
| Less: Accumulated depreciation | (1,117)             | (14,244)     |
|                                | <u>498</u>          | <u>1,122</u> |
|                                | <u>22,690</u>       | <u>3,399</u> |

**Note 11. Property, plant and equipment (continued)**

*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<br>equipment<br>\$ | Office<br>equipment<br>\$ | Total<br>\$   |
|-------------------------|-----------------------------|---------------------------|---------------|
| Balance at 1 July 2020  | 3,084                       | 1,482                     | 4,566         |
| Additions               | 2,543                       | 2,937                     | 5,480         |
| Exchange differences    | -                           | 24                        | 24            |
| Write off of assets     | (1,464)                     | (3,962)                   | (5,426)       |
| Reclassification        | (1,139)                     | 1,139                     | -             |
| Depreciation expense    | (747)                       | (498)                     | (1,245)       |
| Balance at 30 June 2021 | 2,277                       | 1,122                     | 3,399         |
| Additions               | 25,843                      | -                         | 25,843        |
| Disposals               | -                           | (277)                     | (277)         |
| Exchange differences    | -                           | (24)                      | (24)          |
| Depreciation expense    | (5,928)                     | (323)                     | (6,251)       |
| Balance at 30 June 2022 | <u>22,192</u>               | <u>498</u>                | <u>22,690</u> |

**Note 12. Right-of-use assets**

|                                | <b>Consolidated</b><br><b>2022</b><br>\$ | <b>2021</b><br>\$ |
|--------------------------------|--|-------------------|
| <i>Non-current assets</i>      |  |                   |
| Lease contract - right-of-use  | -  | 309,918           |
| Less: Accumulated depreciation | -  | (59,600)          |
|                                | <u>-</u>                                 | <u>250,318</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>     | Lease<br>contract<br>\$ | Total<br>\$ |
|-------------------------|-------------------------|-------------|
| Balance at 1 July 2020  | -                       | -           |
| Additions               | 309,918                 | 309,918     |
| Depreciation expense    | (59,600)                | (59,600)    |
| Balance at 30 June 2021 | 250,318                 | 250,318     |
| Disposals               | (119,199)               | (119,199)   |
| Depreciation expense    | (131,119)               | (131,119)   |
| Balance at 30 June 2022 | <u>-</u>                | <u>-</u>    |

The lease contract relates to the Sydney office principal place of business. On 31 May 2022, this lease was terminated as the company promotes remote work for its staff.

Note 13. Intangibles

|                                | Consolidated          |                       |
|--------------------------------|-----------------------|-----------------------|
|                                | 2022                  | 2021                  |
|                                | \$                    | \$                    |
| <i>Non-current assets</i>      |                       |                       |
| Workconex Platform - at cost   | -                     | 321,858               |
| Less: Accumulated amortisation | -                     | (53,643)              |
| Less: Impairment               | -                     | (268,215)             |
|                                | <u>-</u>              | <u>-</u>              |
| JXT Platform - at cost         | 802,306               | 802,306               |
| Less: Accumulated amortisation | (557,150)             | (289,718)             |
| Less: Impairment               | (200,000)             | (200,000)             |
|                                | <u>45,156</u>         | <u>312,588</u>        |
| Applyflow Platform - at cost   | 775,000               | 675,000               |
| Less: Accumulated amortisation | (282,465)             | (92,879)              |
|                                | <u>492,535</u>        | <u>582,121</u>        |
|                                | <u><u>537,691</u></u> | <u><u>894,709</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>     | JXT<br>Platform<br>\$ | Applyflow<br>Platform<br>\$ | Total<br>\$           |
|-------------------------|-----------------------|-----------------------------|-----------------------|
| Balance at 1 July 2020  | 780,020               | -                           | 780,020               |
| Additions               | -                     | 675,000                     | 675,000               |
| Impairment of assets*   | (200,000)             | -                           | (200,000)             |
| Amortisation expense    | (267,432)             | (92,879)                    | (360,311)             |
|                         | <u>312,588</u>        | <u>582,121</u>              | <u>894,709</u>        |
| Balance at 30 June 2021 | 312,588               | 582,121                     | 894,709               |
| Additions               | -                     | 100,000                     | 100,000               |
| Amortisation expense    | (267,432)             | (189,586)                   | (457,018)             |
|                         | <u>45,156</u>         | <u>492,535</u>              | <u>537,691</u>        |
| Balance at 30 June 2022 | <u><u>45,156</u></u>  | <u><u>492,535</u></u>       | <u><u>537,691</u></u> |

\* \$802,306 value was attributed to the JXT Platform acquired during the year ended 30 June 2020 through the business combinations of JXT. During the year ended 30 June 2021 the consolidated entity built a new Applyflow Platform using the JXT Platform as a base for the technology. Management plans to gradually transition over JXT customers to the new Applyflow platform and hence an impairment of \$200,000 is recognised during the financial year ended 2021.

*Impairment testing*

During the 30 June 2022, the consolidated entity has spent \$100,000 (2021: \$675,000) building a new Applyflow Platform using the JXT Platform as a base for the technology. Customers are being gradually transitioned over to the new Applyflow Platform.

The recoverable amount of the consolidated entity's intangible platform value has been determined by a value-in-use calculation using a discounted cash flow model, based on a 5-year projection period approved by the Board, together with a terminal value.

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive. The following key assumptions were used in the discounted cash flow model for the consolidated entity's operations:

**Note 13. Intangibles (continued)**

- (a) 12.5% pre-tax discount rate; and
- (b) average revenue growth of 26%.

The discount rate of 12.5% pre-tax reflects management's estimate of the time value of money, the consolidated entity's weighted average cost of capital and the risk-free rate.

Management believes the projected revenue growth is conservative and justified, based on the business achieving new contracts and interest in the newly developed Applyflow Platform.

There were no other key assumptions for the consolidated entity's operations.

*Sensitivity*

As disclosed in note 2, the directors have made judgements and estimates in respect of impairment testing of intangibles. Should these judgements and estimates not occur the resulting platform carrying value may decrease.

The key sensitivities are as follows:

- (a) for the purposes of impairment testing on platform value, with all other assumptions remaining constant, average revenue growth of the consolidated entity would need to decrease by more than 11% before platform value would need to be impaired; and
- (b) for the purposes of impairment testing on platform value, with all other assumptions remaining constant, pre-tax discount rate would need to reach 46% before platform value would need to be impaired.

Management believes that the other reasonable changes in the key assumptions on which the recoverable amount of platform value is based would not cause the cash-generating unit's recoverable amount to be less than the carrying amount.

If there are any significant negative changes in the key assumptions on which the platform value is based, this may result in an impairment charge for the platform value.

**Note 14. Trade and other payables**

|                            | <b>Consolidated</b> |                |
|----------------------------|---------------------|----------------|
|                            | <b>2022</b>         | <b>2021</b>    |
|                            | \$                  | \$             |
| <i>Current liabilities</i> |                     |                |
| Trade payables             | 102,641             | 65,159         |
| Accrued expenses           | 79,774              | 210,886        |
| GST payable                | 10,687              | 7,950          |
| VAT payable                | 93,697              | 75,623         |
| Employee taxes payable     | 55,328              | 49,812         |
|                            | <b>342,127</b>      | <b>409,430</b> |

Refer to note 24 for further information on financial instruments.



**Note 15. Contract liabilities**

|                                | <b>Consolidated</b> |                |
|--------------------------------|---------------------|----------------|
|                                | <b>2022</b>         | <b>2021</b>    |
|                                | \$                  | \$             |
| <i>Current liabilities</i>     |                     |                |
| Contract liabilities           | 614,192             | 271,078        |
| <i>Non-current liabilities</i> |                     |                |
| Contract liabilities           | 38,829              | 42,376         |
|                                | <u>653,021</u>      | <u>313,454</u> |

This liability represents the portion of unearned revenue comprised of payments received from customers for which the performance obligation has not yet been met. Revenue from these payments will be recognised over the course of the contract once performance obligations are satisfied.

*Unsatisfied performance obligations*

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was \$653,021 as at 30 June 2022 (\$313,454 as at 30 June 2021) and is expected to be recognised as revenue in future periods as follows:

|  | <b>Consolidated</b> |                |
|--|---------------------|----------------|
|  | <b>2022</b>         | <b>2021</b>    |
|  | \$                  | \$             |
| Within 6 months  | 111,981             | 108,979        |
| 6 to 12 months   | 56,478              | 40,972         |
| 12 to 18 months  | 24,314              | 16,607         |
| 18 to 24 months  | 10,467              | 13,357         |
| 24 to 36 months  | 4,048               | 12,412         |
| Unallocated until Website build complete (classified as current) | 445,733             | 121,127        |
|  | <u>653,021</u>      | <u>313,454</u> |

**Note 16. Income tax**

|                            | <b>Consolidated</b> |             |
|----------------------------|---------------------|-------------|
|                            | <b>2022</b>         | <b>2021</b> |
|                            | \$                  | \$          |
| <i>Current liabilities</i> |                     |             |
| Provision for income tax   | 5,806               | 2,660       |

Relates to estimated tax liability in JXT Global (US), Inc.

**Note 17. Employee benefits**

|                                | <b>Consolidated</b> |                |
|--------------------------------|---------------------|----------------|
|                                | <b>2022</b>         | <b>2021</b>    |
|                                | \$                  | \$             |
| <i>Current liabilities</i>     |                     |                |
| Employee benefits              | 361,940             | 286,622        |
| <i>Non-current liabilities</i> |                     |                |
| Employee benefits              | 30,870              | 36,158         |
|                                | <u>392,810</u>      | <u>322,780</u> |

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion of this provision includes the total amount accrued for annual leave entitlements; the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service; and also those where employees are entitled to long service leave pro-rata payments in certain circumstances.

Provision for non-current employee benefits represents amounts accrued for long service leave entitlements that have not vested due to employees not having completed the required period of service.

Based on past experience, the consolidated entity does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the consolidated entity does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

**Note 18. Lease liabilities**

|                                  | <b>Consolidated</b> |                |
|----------------------------------|---------------------|----------------|
|                                  | <b>2022</b>         | <b>2021</b>    |
|                                  | \$                  | \$             |
| <i>Current liabilities</i>       |                     |                |
| Lease liability - lease contract | -                   | 150,664        |
| <i>Non-current liabilities</i>   |                     |                |
| Lease liability - lease contract | -                   | 122,395        |
|                                  | <u>-</u>            | <u>273,059</u> |

*Reconciliation*

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

|                                |           |                |
|--------------------------------|-----------|----------------|
| Opening balance                | 273,059   | -              |
| Additions to lease borrowings  | -         | 318,936        |
| Repayment of lease liabilities | (137,643) | (45,877)       |
| Early termination of lease     | (135,416) | -              |
| Closing balance                | <u>-</u>  | <u>273,059</u> |

The lease liability related to the Sydney office principal place of business. On 31 May 2022, this was terminated as the company promotes remote work for its staff. There were no financial penalties resulting from the early termination.

Refer to note 24 for further information on financial risk management objectives and policies.

Note 19. Issued capital

Ordinary Shares Movement

|                              | 2022<br>Shares       | Consolidated<br>2021<br>Shares | 2022<br>\$        | 2021<br>\$        |
|------------------------------|----------------------|--------------------------------|-------------------|-------------------|
| Ordinary shares - fully paid | <u>2,957,608,034</u> | <u>1,811,853,739</u>           | <u>29,321,601</u> | <u>24,051,837</u> |

Movements in ordinary share capital

| Details  | Date              | Shares               | Issue price | \$                |
|--|-------------------|----------------------|-------------|-------------------|
| Balance  | 1 July 2020       | 1,797,726,460        |             | 23,975,761        |
| Options exercised and converted to Ordinary - fully paid shares        | 27 October 2020   | 8,800,000            | \$0.00340   | 29,920            |
| Equity share based payment to CEO as part of performance remuneration  | 31 December 2020  | 5,327,279            | \$0.00939   | 50,000            |
| Share issue costs  |                   | -                    | -           | (3,844)           |
| Balance  | 30 June 2021      | 1,811,853,739        |             | 24,051,837        |
| Ordinary share issue   | 30 July 2021      | 599,117,914          | \$0.00500   | 2,995,590         |
| Ordinary share issue   | 30 July 2021      | 533,290,486          | \$0.00500   | 2,666,452         |
| Share issue costs  | July 2021         | -                    | -           | (412,888)         |
| Share issue costs - fair value of 10,000,000 options issued to Brokers | 11 August 2021    | -                    | -           | (45,680)          |
| Equity share based payment to CEO as part of performance remuneration  | 7 September 2021  | 5,845,895            | \$0.00855   | 50,000            |
| Options exercised and converted to Ordinary - fully paid shares        | 16 September 2021 | 7,500,000            | \$0.00340   | 25,500            |
| Share issue costs  | September 2021    | -                    | -           | (9,210)           |
| Balance  | 30 June 2022      | <u>2,957,608,034</u> |             | <u>29,321,601</u> |

**Note 19. Issued capital (continued)**

*Movements in options*

| Details  | Date              | Options                   |
|--|-------------------|---------------------------|
| Balance  | 1 July 2020       | 284,237,653               |
| Unlisted Employee Options cancelled                            | 26 August 2020    | (20,000,000)              |
| Unlisted Remuneration Options issued to CEO                    | 27 August 2020    | 10,000,000                |
| Unlisted Options exercised                                     | 27 October 2020   | (8,800,000)               |
| Unlisted Remuneration Options issued to employees              | 17 November 2020  | 10,000,000                |
| Unlisted tranche 1 Performance Options issued to CareerOne Pty |                   |                           |
| Limited lapsed unvested  | 31 December 2020  | (33,333,333)              |
| Unlisted Employee Options cancelled                            | 12 May 2021       | <u>(500,000)</u>          |
| Balance  | 30 June 2021      | 241,604,320               |
| Unlisted Options issued to Advisors                            | 11 August 2021    | 10,000,000                |
| Unlisted Options exercised                                     | 16 September 2021 | (7,500,000)               |
| Unlisted Remuneration Options issued to CEO                    | 19 October 2021   | 20,000,000                |
| Unlisted Remuneration Options issued to employee               | 19 October 2021   | 27,500,000                |
| Unlisted Employee Options issued to employees                  | 28 October 2021   | 21,435,000                |
| Unlisted tranche 2 Performance Options issued to CareerOne Pty |                   |                           |
| Limited lapsed unvested  | 31 December 2021  | (33,333,333)              |
| Unlisted Employee Options cancelled                            | 12 May 2021       | <u>(1,500,000)</u>        |
| Balance  | 30 June 2022      | <u><u>278,205,987</u></u> |

*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.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

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.

The capital risk management policy remains unchanged from the 30 June 2021 Annual Report.

## Note 20. Reserves

|                              | <b>Consolidated</b> |                |
|------------------------------|---------------------|----------------|
|                              | <b>2022</b>         | <b>2021</b>    |
|                              | \$                  | \$             |
| Foreign currency reserve     | (1,557)             | 1,666          |
| Share-based payments reserve | 978,075             | 833,153        |
|                              | <u>976,518</u>      | <u>834,819</u> |

### Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars and exchange differences in intercompany loans. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

### Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

### Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

| <b>Consolidated</b>          | Foreign<br>currency<br>reserve<br>\$ | Share-based<br>payments<br>reserve<br>\$ | Total<br>\$    |
|------------------------------|--------------------------------------|--|----------------|
| Balance at 1 July 2020       | (1,068)                              | 1,120,124                                | 1,119,056      |
| Foreign currency translation | 2,734                                | -  | 2,734          |
| Share-based payments         | -                                    | (286,971)                                | (286,971)      |
|                              | <u>1,666</u>                         | <u>833,153</u>                           | <u>834,819</u> |
| Balance at 30 June 2021      | 1,666                                | 833,153                                  | 834,819        |
| Foreign currency translation | (3,223)                              | -  | (3,223)        |
| Share-based payments         | -                                    | 144,922                                  | 144,922        |
|                              | <u>(1,557)</u>                       | <u>978,075</u>                           | <u>976,518</u> |
| Balance at 30 June 2022      | <u>(1,557)</u>                       | <u>978,075</u>                           | <u>976,518</u> |

## Note 21. Accumulated losses

|   | <b>Consolidated</b> |                     |
|---|---------------------|---------------------|
|   | <b>2022</b>         | <b>2021</b>         |
|   | \$                  | \$                  |
| Accumulated losses at the beginning of the financial year | (22,553,579)        | (19,752,447)        |
| Loss after income tax expense for the year                | (2,729,305)         | (2,801,132)         |
|   | <u>(25,282,884)</u> | <u>(22,553,579)</u> |

## Note 22. Dividends

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

Note 23. Share-based payments

| Option   | Class  | Exercise price | Number under option       |
|--|--|----------------|---------------------------|
| Unlisted Director Options, issued as part of share-based compensation for remuneration | Vested on 18 June 2019<br>Expiring on 30 November 2022   | \$0.0030       | 10,000,000                |
| Unlisted Performance Options, issued to CareerOne Pty Limited                          | Vesting in two remaining tranches upon attainment of performance milestones as set out in the AGM Notice of Meeting dated 30 October 2019:<br>33,333,334 vesting on 31 Dec 2022<br>This tranche of options shall expire 12 months from date of vesting | \$0.0100       | 33,333,334                |
| Unlisted Director Options, issued as part of share-based compensation for remuneration | Vested on 29 November 2019<br>Expiring on 30 November 2024   | \$0.0206       | 45,000,000                |
| Unlisted Employee Options, issued as part of share-based compensation for remuneration | Vested on 22 January 2021<br>Expiring on 30 November 2024  | \$0.0206       | 2,500,000                 |
| Unlisted Employee Options, issued as part of share-based compensation for remuneration | Vested on 15 February 2021<br>Expiring on 28 February 2023   | \$0.0200       | 3,000,000                 |
| Unlisted Employee Options, issued as part of share-based compensation for remuneration | Vesting on 27 August 2021<br>Expiring on 30 November 2024  | \$0.0206       | 10,000,000                |
| Unlisted Employee Options, issued as part of share-based compensation for remuneration | Vesting on 17 November 2021<br>Expiring on 17 November 2023  | \$0.0200       | 8,000,000                 |
| Advisor Options  | Escrowed to 11 February 2022<br>Expiring on 11 August 2024   | \$0.0100       | 10,000,000                |
| Unlisted Employee Options, issued as part of share-based compensation for remuneration | Vesting on 4 October 2022<br>Expiring on 17 November 2023  | \$0.0200       | 4,000,000                 |
| Unlisted Employee Options, issued as part of share-based compensation for remuneration | Vesting on 17 August 2022<br>Expiring on 17 November 2023  | \$0.0200       | 3,500,000                 |
| Unlisted Employee Options, issued as part of share-based compensation for remuneration | Vesting on 30 September 2022<br>Expiring on 30 September 2024  | \$0.0100       | 40,000,000                |
| Unlisted Incentive Options, issued as part of Hudson agreement                         | Vesting in three tranches with vesting conditions set out in ASX announcement on 28 October 2021:<br>7,145,000 vested on 30 June 2022<br>14,290,000 vesting on 31 December 2022<br>Expiring on 30 June 2023  | \$0.0070       | <u>21,435,000</u>         |
| Balance, see also note 34 'Options' - Options granted under incentive plans            |  |                | <u><u>190,768,334</u></u> |

Note 23. Share-based payments (continued)

|  | Consolidated   |                  |
|--|----------------|------------------|
|  | 2022           | 2021             |
|  | \$             | \$               |
| <b>Share based payment expense (write-back)</b>  |                |                  |
| Amortisation of share based payment options based on vesting conditions above  | 117,102        | 97,226           |
| Cancelled and non-vested Employee share based options  | -              | (59,963)         |
| Cancelled and non-vested CareerOne Pty Limited Tranche 1 performance share options   | -              | (183,497)        |
| Reversal of previously amortised and non-vested CareerOne Pty Limited Tranche 2 and Tranche 3 performance share options <sup>(1)</sup> | -              | (182,929)        |
| Amortisation of share based payments for employee equity incentive shares, non-vested  | 7,808          | 42,192           |
| Share based payment for employee equity incentive shares issued during the year  | -              | 50,000           |
| Incentive share based payment to Hudson <sup>(2)</sup>   | 24,332         | -                |
|  | <u>149,242</u> | <u>(236,971)</u> |

- (1) Management have re-assessed the probability of the CareerOne Pty Limited Tranche 3 performance options to be 0% as at 30 June 2022. This reversal reflects the Tranche 2 and Tranche 3 amounts previously amortised.

Management assessed the probability of the CareerOne Pty Limited performance options to be 0% as at 30 June 2021 and 30 June 2022. The 30 June 2021 reversal reflects the Tranche 2 and Tranche 3 amounts previously amortised.

- (2) Management have assessed the probability of the Hudson Tranche 1 incentive options to be 100% as at 30 June 2022.

Management have re-assessed the probability of the Hudson Tranche 2 and Tranche 3 incentive options to be 0% as at 30 June 2022.

Refer to note 34 for details on valuation model inputs to determine fair value.

Note 24. 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.

**Market risk**

**Foreign currency risk**

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. As each of the individual entity within the group primarily transact in their own respective functional currency, foreign currency risk is deemed to be minimal.

**Note 24. Financial instruments (continued)**

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

|                     | Assets         |                | Liabilities    |                |
|---------------------|----------------|----------------|----------------|----------------|
|                     | 2022<br>\$     | 2021<br>\$     | 2022<br>\$     | 2021<br>\$     |
| <b>Consolidated</b> |                |                |                |                |
| US dollars          | 6,427          | 6,142          | 93,043         | 90,798         |
| Pound Sterling      | 603,812        | 318,466        | 231,748        | 545,123        |
|                     | <u>610,239</u> | <u>324,608</u> | <u>324,791</u> | <u>635,921</u> |

**Price risk**

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

**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.



## Note 24. Financial instruments (continued)

### Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

|                                      | Weighted<br>average<br>interest rate<br>% | 1 year or less<br>\$ | Between 1<br>and 2 years<br>\$ | Between 2<br>and 5 years<br>\$ | Over 5 years<br>\$ | Remaining<br>contractual<br>maturities<br>\$ |
|--------------------------------------|---|----------------------|--------------------------------|--------------------------------|--------------------|--|
| <b>Consolidated - 2022</b>           |   |                      |                                |                                |                    |  |
| <b>Non-derivatives</b>               |   |                      |                                |                                |                    |  |
| <i>Non-interest bearing</i>          |   |                      |                                |                                |                    |  |
| Trade payables                       | -   | 102,641              | -                              | -                              | -                  | 102,641                                      |
| Other payables                       | -   | 239,486              | -                              | -                              | -                  | 239,486                                      |
| Contract liabilities                 | -   | 614,192              | 34,781                         | 4,048                          | -                  | 653,021                                      |
| Total non-derivatives                |   | 956,319              | 34,781                         | 4,048                          | -                  | 995,148                                      |
| <b>Consolidated - 2021</b>           |   |                      |                                |                                |                    |  |
| <b>Non-derivatives</b>               |   |                      |                                |                                |                    |  |
| <i>Non-interest bearing</i>          |   |                      |                                |                                |                    |  |
| Trade payables                       | -   | 65,159               | -                              | -                              | -                  | 65,159                                       |
| Other payables                       | -   | 344,271              | -                              | -                              | -                  | 344,271                                      |
| Contract liabilities                 | -   | 271,078              | 29,964                         | 12,412                         | -                  | 313,454                                      |
| <i>Interest-bearing - fixed rate</i> |   |                      |                                |                                |                    |  |
| Lease liability                      | 5.00%                                     | 160,930              | 124,982                        | -                              | -                  | 285,912                                      |
| Total non-derivatives                |   | 841,438              | 154,946                        | 12,412                         | -                  | 1,008,796                                    |

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

### Fair value of financial instruments

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

## Note 25. Key management personnel disclosures

### Directors

The following persons were directors of Applyflow Limited during the financial year:

|                     |                                     |
|---------------------|-------------------------------------|
| John Winters        | Non-Executive Director              |
| Steven Papadopoulos | Non-Executive Director              |
| Philip Crutchfield  | Non-Executive Director and Chairman |

### Other key management personnel

The following person 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:

|              |                         |
|--------------|-------------------------|
| Steve Butler | Chief Executive Officer |
|--------------|-------------------------|

**Note 25. Key management personnel disclosures (continued)**

*Compensation*

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>2022</b>         | <b>2021</b>    |
|                              | \$                  | \$             |
| Short-term employee benefits | 619,231             | 783,226        |
| Post-employment benefits     | 60,000              | 72,778         |
| Long-term benefits           | 4,166               | 9,636          |
| Share-based payments         | 75,154              | 93,369         |
|                              | <u>758,551</u>      | <u>959,009</u> |

**Note 26. 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, and its network firms:

|   | <b>Consolidated</b> |               |
|---|---------------------|---------------|
|   | <b>2022</b>         | <b>2021</b>   |
|   | \$                  | \$            |
| <i>Audit services - Stantons International Audit and Consulting Pty Ltd</i> |                     |               |
| Audit or review of the financial statements                                 | <u>50,289</u>       | <u>56,422</u> |
| <i>Other services - Associated Firm/Entity</i>                              |                     |               |
| Technical valuation for options issued                                      | <u>850</u>          | <u>1,350</u>  |

**Note 27. Contingent liabilities**

The consolidated entity had no contingent liabilities as at 30 June 2022 and 30 June 2021.

**Note 28. Commitments**

|   | <b>Consolidated</b> |              |
|---|---------------------|--------------|
|   | <b>2022</b>         | <b>2021</b>  |
|   | \$                  | \$           |
| <i>Lease commitments - operating</i>  |                     |              |
| Committed at the reporting date but not recognised as liabilities, payable: |                     |              |
| Within one year   | <u>-</u>            | <u>5,688</u> |

**Note 29. Related party transactions**

*Parent entity*

Applyflow Limited is the parent entity.

*Subsidiaries*

Interests in subsidiaries are set out in note 30.

*Key management personnel*

Disclosures relating to key management personnel are set out in note 25 and the remuneration report included in the directors' report.

**Note 29. Related party transactions (continued)**

*Transactions with related parties*

The following transactions occurred with related parties:

|  | <b>Consolidated</b> |             |
|--|---------------------|-------------|
|  | <b>2022</b>         | <b>2021</b> |
|  | \$                  | \$          |
| Sale of goods and services:  |                     |             |
| Applypay funding income (as part of a trial transaction and R&D development in relation to the Applypay product) received from Superhero Markets Pty Ltd, a company associated with John Winters | 915                 | -           |
| Payment for goods and services:  |                     |             |
| Legal fees (including legal services in relation to capital raising), paid to Milcor Legal Pty Ltd, a company associated with Steven Papadopoulos*   | 43,800              | 132,389     |
| Purchase of second hand office equipment, paid to Superhero Super Pty Ltd, a company associated with John Winters  | -                   | 2,937       |

\* 30 June 2022: \$43,800 is made up of the following: \$18,800 relates to legal expenses incurred in the 12 months to 30 June 2022 and \$25,000 relates to legal expenses incurred in the prior year ended 30 June 2021 which was recorded as a related party payable as at 30 June 2021.

30 June 2021: \$132,389 is made up of the following: \$31,885 relates to legal expenses incurred in the 12 months to 30 June 2021 and \$100,504 relates to legal expenses incurred in the prior year ended 30 June 2020 which was recorded as a related party payable as at 30 June 2020.

*Other transactions:*

On 1 November 2021, Applyflow Limited entered into consultancy agreement with Diamond Capital Partners Pty Ltd, a company associated with John Winters. The consultancy agreement was to provide consultancy services to support the continued growth and expansion of commercial opportunities for Applyflow Limited. The fee was to be \$7,500 per month with no fixed term and termination notice of 1 month. As no services were utilised by the company, no fees were paid under the agreement and none are owed to Diamond Capital Partners Pty Ltd. The agreement was terminated by mutual agreement subsequent to 30 June 2022.

*Receivable from and payable to related parties*

The following balances are outstanding at the reporting date in relation to transactions with related parties:

|  | <b>Consolidated</b> |             |
|--|---------------------|-------------|
|  | <b>2022</b>         | <b>2021</b> |
|  | \$                  | \$          |
| Current payables:  |                     |             |
| Legal fees, payable to Milcor Legal Pty Ltd, a company associated with Steven Papadopoulos | -                   | 25,000      |

*Loans to/from related parties*

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

*Terms and conditions*

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

### Note 30. 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 /<br>Country of incorporation | Ownership interest |           |
|--|---|--------------------|-----------|
|  |   | 2022<br>%          | 2021<br>% |
| Nvoi Asiapac Pty Ltd (deregistered 11 August 2021)                             | Australia   | -                  | 100%      |
| Workconex Holdings Pty Limited   | Australia   | 100%               | 100%      |
| Workconex Pty Limited  | Australia   | 100%               | 100%      |
| JXT International Pty Ltd  | Australia   | 100%               | 100%      |
| JXT Australia Pty Ltd  | Australia   | 100%               | 100%      |
| JXT Global (UK) Limited  | United Kingdom  | 100%               | 100%      |
| JXT Global (US), Inc   | USA   | 100%               | 100%      |
| Applypayments Pty Ltd<br>(registered 4 August 2021, deregistered 27 July 2022) | Australia   | 100%               | -         |
| Applypay Pty Ltd (registered 8 September 2021)                                 | Australia   | 100%               | -         |

### Note 31. Events after the reporting period

On 16 August 2022, the company issued 12,500,000 unlisted employee options with an exercise price of \$0.006 and 12,500,000 unlisted employee options with an exercise price of \$0.010. These options all expire on 30 June 2025, and vest on 30 June 2023 subject to the employment having not been terminated by that date.

On 29 August 2022, the Board approved an increase to Steve Butler's remuneration from \$250,000 per annum plus superannuation to \$300,000 per annum plus superannuation, effective from 1 September 2022.

No other matter or circumstance has arisen since 30 June 2022 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 32. Reconciliation of loss after income tax to net cash (used in) operating activities

|  | Consolidated       |                    |
|--|--------------------|--------------------|
|  | 2022<br>\$         | 2021<br>\$         |
| Loss after income tax expense for the year                       | (2,729,305)        | (2,801,132)        |
| Adjustments for:   |                    |                    |
| Depreciation and amortisation                                    | 594,388            | 421,156            |
| Impairment of intangibles  | -                  | 200,000            |
| Net loss/(gain) on disposal of non-current assets                | (15,940)           | 5,426              |
| Share-based payments   | 149,242            | (236,971)          |
| Other non-cash items   | -                  | 9,018              |
| Change in operating assets and liabilities; net of acquisitions: |                    |                    |
| Decrease/(increase) in trade and other receivables               | (22,272)           | 366,582            |
| Decrease in prepayments  | 118,767            | 4,610              |
| Increase in other operating assets                               | (67,880)           | -                  |
| Decrease in trade and other payables                             | (67,303)           | (207,323)          |
| Increase in provision for income tax                             | 3,146              | 2,660              |
| Increase in employee benefits                                    | 70,030             | 24,237             |
| Increase/(decrease) in other operating liabilities               | 339,567            | (52,965)           |
| Net cash (used in) operating activities                          | <u>(1,627,560)</u> | <u>(2,264,702)</u> |

Note 33. Earnings per share

|   | Consolidated         |                      |
|---|----------------------|----------------------|
|   | 2022                 | 2021                 |
|   | \$                   | \$                   |
| Loss after income tax attributable to the owners of Applyflow Limited                     | <u>(2,729,305)</u>   | <u>(2,801,132)</u>   |
|   | Number               | Number               |
| Weighted average number of ordinary shares used in calculating basic earnings per share   | <u>2,864,964,570</u> | <u>1,806,337,870</u> |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | <u>2,864,964,570</u> | <u>1,806,337,870</u> |
|   | Cents                | Cents                |
| Basic earnings per share  | (0.10)               | (0.16)               |
| Diluted earnings per share  | (0.10)               | (0.16)               |

Note 34. Options

**Options granted under incentive plans**

A share option plan has been established by the consolidated entity and approved by shareholders at a general meeting, whereby the consolidated entity may, at the discretion of the Nomination and Remuneration Committee, grant options over ordinary shares in the company to certain key management personnel of the consolidated entity. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Board.

Set out below are summaries of options granted under the plan:

|  | Number of<br>options<br>2022 | Weighted<br>average<br>exercise price<br>2022 | Number of<br>options<br>2021 | Weighted<br>average<br>exercise price<br>2021 |
|--|------------------------------|---|------------------------------|---|
| Outstanding at the beginning of the financial year | 146,666,667                  | \$0.01450                                     | 180,500,000                  | \$0.01370                                     |
| Granted  | 78,935,000                   | \$0.01010                                     | 20,000,000                   | \$0.02030                                     |
| Forfeited  | <u>(34,833,333)</u>          | \$0.01040                                     | <u>(53,833,333)</u>          | \$0.01400                                     |
| Outstanding at the end of the financial year       | <u>190,768,334</u>           | \$0.01350                                     | <u>146,666,667</u>           | \$0.01450                                     |
| Exercisable at the end of the financial year       | <u>95,645,000</u>            | \$0.01660                                     | <u>70,500,000</u>            | \$0.01810                                     |

Note 34. Options (continued)

2022

| Grant date                      | Expiry date | Exercise price | Balance at the start of the year | Granted           | Exercised | Expired/ forfeited/ other | Balance at the end of the year |
|---------------------------------|-------------|----------------|----------------------------------|-------------------|-----------|---------------------------|--------------------------------|
| 18/06/2019                      | 30/11/2022  | \$0.00300      | 10,000,000                       | -                 | -         | -                         | 10,000,000                     |
| 29/11/2019                      | 31/12/2022  | \$0.01000      | 33,333,333                       | -                 | -         | (33,333,333)              | -                              |
| 29/11/2019                      | 31/12/2023  | \$0.01000      | 33,333,334                       | -                 | -         | -                         | 33,333,334                     |
| 29/11/2019                      | 30/11/2024  | \$0.02060      | 15,000,000                       | -                 | -         | -                         | 15,000,000                     |
| 29/11/2019                      | 30/11/2024  | \$0.02060      | 15,000,000                       | -                 | -         | -                         | 15,000,000                     |
| 29/11/2019                      | 30/11/2024  | \$0.02060      | 15,000,000                       | -                 | -         | -                         | 15,000,000                     |
| 22/01/2020                      | 30/11/2024  | \$0.02060      | 2,500,000                        | -                 | -         | -                         | 2,500,000                      |
| 28/02/2020                      | 28/02/2023  | \$0.02000      | 3,000,000                        | -                 | -         | -                         | 3,000,000                      |
| 27/08/2020                      | 30/11/2024  | \$0.02060      | 10,000,000                       | -                 | -         | -                         | 10,000,000                     |
| 17/11/2020                      | 17/11/2023  | \$0.02000      | 9,500,000                        | -                 | -         | (1,500,000)               | 8,000,000                      |
| 11/08/2021                      | 11/08/2024  | \$0.01000      | -                                | 10,000,000        | -         | -                         | 10,000,000                     |
| 19/10/2021                      | 17/11/2023  | \$0.02000      | -                                | 7,500,000         | -         | -                         | 7,500,000                      |
| 19/10/2021                      | 30/09/2024  | \$0.01000      | -                                | 40,000,000        | -         | -                         | 40,000,000                     |
| 28/10/2021                      | 30/06/2023  | \$0.00700      | -                                | 21,435,000        | -         | -                         | 21,435,000                     |
|                                 |             |                | <u>146,666,667</u>               | <u>78,935,000</u> | <u>-</u>  | <u>(34,833,333)</u>       | <u>190,768,334</u>             |
| Weighted average exercise price |             |                | \$0.01450                        | \$0.01010         | \$0.00000 | \$0.01040                 | \$0.01350                      |

2021

| Grant date                      | Expiry date | Exercise price | Balance at the start of the year | Granted           | Exercised | Expired/ forfeited/ other | Balance at the end of the year |
|---------------------------------|-------------|----------------|----------------------------------|-------------------|-----------|---------------------------|--------------------------------|
| 18/06/2019                      | 30/11/2022  | \$0.00300      | 10,000,000                       | -                 | -         | -                         | 10,000,000                     |
| 29/11/2019                      | 31/12/2021  | \$0.01000      | 33,333,333                       | -                 | -         | (33,333,333)              | -                              |
| 29/11/2019                      | 31/12/2022  | \$0.01000      | 33,333,333                       | -                 | -         | -                         | 33,333,333                     |
| 29/11/2019                      | 31/12/2023  | \$0.01000      | 33,333,334                       | -                 | -         | -                         | 33,333,334                     |
| 29/11/2019                      | 30/11/2024  | \$0.02060      | 15,000,000                       | -                 | -         | -                         | 15,000,000                     |
| 29/11/2019                      | 30/11/2024  | \$0.02060      | 15,000,000                       | -                 | -         | -                         | 15,000,000                     |
| 29/11/2019                      | 30/11/2024  | \$0.02060      | 15,000,000                       | -                 | -         | -                         | 15,000,000                     |
| 22/01/2020                      | 30/11/2024  | \$0.02060      | 2,500,000                        | -                 | -         | -                         | 2,500,000                      |
| 24/02/2020                      | 30/11/2024  | \$0.02060      | 20,000,000                       | -                 | -         | (20,000,000)              | -                              |
| 28/02/2020                      | 28/02/2023  | \$0.02000      | 3,000,000                        | -                 | -         | -                         | 3,000,000                      |
| 27/08/2020                      | 30/11/2021  | \$0.02000      | -                                | 10,000,000        | -         | -                         | 10,000,000                     |
| 17/11/2020                      | 17/11/2023  | \$0.02000      | -                                | 10,000,000        | -         | (500,000)                 | 9,500,000                      |
|                                 |             |                | <u>180,500,000</u>               | <u>20,000,000</u> | <u>-</u>  | <u>(53,833,333)</u>       | <u>146,666,667</u>             |
| Weighted average exercise price |             |                | \$0.01370                        | \$0.02030         | \$0.00000 | \$0.01400                 | \$0.01450                      |

Note 34. Options (continued)

**Total options**

Options outstanding at the end of the financial period have the following expiry date and exercise prices:

| Option  | Class   | Exercise price | Number of options  |
|---|---|----------------|--------------------|
| Unlisted Director Options, issued as part of share-based compensation for remuneration  | Vested on 18 June 2019<br>Expiring on 30 November 2022  | \$0.0030       | 10,000,000         |
| Unlisted Options (these options were free attaching granted on 1:1 basis to shareholders of the placement complete on 8 March 2019) | Vested on 18 June 2019<br>Expiring on 30 November 2024  | \$0.0034       | 87,437,653         |
| Unlisted Performance Options, issued to CareerOne Pty Limited   | Vesting in one remaining tranche upon attainment of performance milestones as set out in the AGM Notice of Meeting dated 30 October 2019:<br>33,333,334 vesting on 31 Dec 2022<br>This tranche of options shall expire 12 months from date of vesting | \$0.0100       | 33,333,334         |
| Unlisted Director Options, issued as part of share-based compensation for remuneration  | Vested on 29 November 2019<br>Expiring on 30 November 2024  | \$0.0206       | 45,000,000         |
| Unlisted Employee Options, issued as part of share-based compensation for remuneration  | Vesting on 22 January 2021<br>Expiring on 30 November 2024  | \$0.0206       | 2,500,000          |
| Unlisted Employee Options, issued as part of share-based compensation for remuneration  | Vesting on 15 February 2021<br>Expiring on 28 February 2023   | \$0.0200       | 3,000,000          |
| Unlisted CEO Options, issued as part of share-based compensation for remuneration   | Vesting on 27 August 2021<br>Expiring on 30 November 2024   | \$0.0206       | 10,000,000         |
| Unlisted Employee Options, issued as part of share-based compensation for remuneration  | Vesting on 17 November 2021<br>Expiring on 17 November 2023   | \$0.0200       | 8,000,000          |
| Advisor Options   | Vesting on 11 February 2022<br>Expiring on 11 August 2024   | \$0.0100       | 10,000,000         |
| Unlisted Employee Options, issued as part of share-based compensation for remuneration  | Vesting on 4 October 2022<br>Expiring on 17 November 2023   | \$0.0200       | 4,000,000          |
| Unlisted Employee Options, issued as part of share-based compensation for remuneration  | Vesting on 17 August 2022<br>Expiring on 17 November 2023   | \$0.0200       | 3,500,000          |
| Unlisted Employee Options, issued as part of share-based compensation for remuneration  | Vesting on 30 September 2022<br>Expiring on 30 September 2024   | \$0.0100       | 40,000,000         |
| Unlisted Incentive Options, issued as part of Hudson agreement  | Vesting in three tranches with vesting conditions set out in ASX announcement on 28 October 2021:<br>7,145,000 vesting on 30 June 2022<br>14,290,000 vesting on 31 December 2022<br>Expiring on 30 June 2023  | \$0.0070       | 21,435,000         |
|   |   |                | <u>278,205,987</u> |

### Note 34. Options (continued)

Set out below are the options exercisable at the end of the financial year:

| Grant date | Expiry date | 2022<br>Number     | 2021<br>Number     |
|------------|-------------|--------------------|--------------------|
| 18/06/2019 | 30/11/2022  | 10,000,000         | 10,000,000         |
| 18/06/2019 | 30/11/2024  | 8,800,000          | 8,800,000          |
| 18/06/2019 | 30/11/2024  | 7,500,000          | 7,500,000          |
| 18/06/2019 | 30/11/2024  | 8,800,000          | 8,800,000          |
| 18/06/2019 | 30/11/2024  | 8,800,000          | 8,800,000          |
| 18/06/2019 | 30/11/2024  | 4,500,000          | 4,500,000          |
| 18/06/2019 | 30/11/2024  | -                  | 7,500,000          |
| 18/06/2019 | 30/11/2024  | 7,500,000          | 7,500,000          |
| 18/06/2019 | 30/11/2024  | 15,137,653         | 15,137,653         |
| 18/06/2019 | 30/11/2024  | 8,800,000          | 8,800,000          |
| 18/06/2019 | 30/11/2024  | 8,800,000          | 8,800,000          |
| 18/06/2019 | 30/11/2024  | 8,800,000          | 8,800,000          |
| 29/11/2019 | 30/11/2024  | 15,000,000         | 15,000,000         |
| 29/11/2019 | 30/11/2024  | 15,000,000         | 15,000,000         |
| 29/11/2019 | 30/11/2024  | 15,000,000         | 15,000,000         |
| 27/08/2020 | 30/11/2024  | 10,000,000         | 10,000,000         |
| 28/02/2020 | 30/11/2024  | 2,500,000          | 2,500,000          |
| 28/02/2020 | 28/02/2023  | 3,000,000          | 3,000,000          |
| 17/11/2020 | 17/11/2023  | 8,000,000          | -                  |
| 28/10/2021 | 30/06/2023  | 7,145,000          | -                  |
|            |             | <u>173,082,653</u> | <u>165,437,653</u> |

Included in the options exercisable at the end of the financial year, 87,437,653 (2021: 94,937,653) are free attaching options granted on a 1:1 basis on the 8 March 2019 placement.

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.43 years (2021: 2.10 years).

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

| Grant date | Expiry date | Share price<br>at grant date | Exercise<br>price | Expected<br>volatility | Dividend<br>yield | Risk-free<br>interest rate | Fair value<br>at grant date |
|------------|-------------|------------------------------|-------------------|------------------------|-------------------|----------------------------|-----------------------------|
| 11/08/2021 | 11/08/2024  | \$0.00800                    | \$0.01000         | 100.0000%              | -                 | 0.1902%                    | \$0.0046                    |
| 19/10/2021 | 17/11/2023  | \$0.00600                    | \$0.02000         | 100.0000%              | -                 | 0.6672%                    | \$0.0015                    |
| 19/10/2021 | 30/09/2022  | \$0.00600                    | \$0.01000         | 100.0000%              | -                 | 0.6672%                    | \$0.0031                    |
| 28/10/2021 | 30/06/2023  | \$0.00700                    | \$0.00700         | 100.0000%              | -                 | 1.0440%                    | \$0.0034                    |

### Note 35. Parent entity information

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

#### Statement of profit or loss and other comprehensive income

|                          | Parent             |                    |
|--------------------------|--------------------|--------------------|
|                          | 2022<br>\$         | 2021<br>\$         |
| Loss after income tax    | (1,924,746)        | (1,665,488)        |
| Total comprehensive loss | <u>(1,924,746)</u> | <u>(1,665,488)</u> |



**Note 35. Parent entity information (continued)**

*Statement of financial position*

|                              | Parent           |                  |
|------------------------------|------------------|------------------|
|                              | 2022<br>\$       | 2021<br>\$       |
| Total current assets         | 4,832,834        | 1,845,119        |
| Total assets                 | 7,573,165        | 4,313,900        |
| Total current liabilities    | 287,941          | 400,439          |
| Total liabilities            | 305,551          | 536,226          |
| Equity                       |                  |                  |
| Issued capital               | 28,740,799       | 23,471,035       |
| Share-based payments reserve | 1,360,742        | 1,215,820        |
| Accumulated losses           | (22,833,927)     | (20,909,181)     |
| Total equity                 | <u>7,267,614</u> | <u>3,777,674</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 2022 and 30 June 2021.

*Contingent liabilities*

The parent entity had no contingent liabilities as at 30 June 2022 and 30 June 2021.

*Capital commitments - Property, plant and equipment*

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2022 and 30 June 2021.

*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.

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 2022 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



---

John Winters  
Non-Executive Director

29 August 2022

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

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

***Opinion***

We have audited the financial report of Applyflow Limited ("the Company"), and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2022, 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 2022 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 Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (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.

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### **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>Carrying Value of Intangible Assets</p> <p>As at 30 June 2022, Intangible Assets totalled \$537,691 (refer to Note 13 of the financial report).</p> <p>The carrying value of Intangible Assets is a key audit matter due to:</p> <ul style="list-style-type: none"> <li>• The significance of the Intangible Assets representing 8% of total assets;</li> <li>• The necessity to assess management's application of the requirements of the accounting standards, in light of any indicators of impairment that may be present; and</li> <li>• The assessment of significant judgements made by management in relation to the internally generated assets.</li> </ul> | <p>Inter alia, our audit procedures included the following:</p> <ol style="list-style-type: none"> <li>i. We evaluated the Group's accounting policy and compliance with AASB 138 (Intangible Assets);</li> <li>ii. Vouched on sample basis costs capitalised during the period;</li> <li>iii. Requested the Group complete an impairment review in line with AASB 138 and Impairment of Assets (AASB 136), reviewed their assumptions for reasonableness and satisfied ourselves that no impairment was necessary; and</li> <li>iv. Reviewed the disclosures included in the annual report.</li> </ol> |

### **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 2022, 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 opinion 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.

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***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.

***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 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.

**Report on the Remuneration Report**

*Opinion on the Remuneration Report*

We have audited the Remuneration Report included in pages 4 to 12 of the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Applyflow Limited for the year ended 30 June 2022 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 and Consulting Pty Ltd*  
*Samir*

**Samir Tirodkar**  
Director  
West Perth, Western Australia  
29 August 2022

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The shareholder information set out below was applicable as at 17 August 2022.

**Distribution of equitable securities**

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

**AFW ordinary shares**

| <b>Holding ranges</b>                 | <b>Number of holders</b> | <b>% of total shares issued</b> | <b>Total number of shares issued</b> |
|---------------------------------------|--------------------------|---------------------------------|--------------------------------------|
| 1 to 1,000                            | 25                       | -                               | 3,412                                |
| 1,001 to 5,000                        | 9                        | -                               | 32,630                               |
| 5,001 to 10,000                       | 62                       | 0.02                            | 586,228                              |
| 10,001 to 100,000                     | 405                      | 0.82                            | 24,222,971                           |
| 100,001 and over                      | 977                      | 99.16                           | 2,932,762,793                        |
|                                       | <b>1,478</b>             | <b>100.00</b>                   | <b>2,957,608,034</b>                 |
| Holding less than a marketable parcel | 752                      | 2.22                            | 65,627,254                           |

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**Options over ordinary shares issued**

| <b>Holding Ranges</b>  | <b>Number of holders</b> | <b>% of total options issued</b> | <b>Total number of options issued</b> |
|--|--------------------------|----------------------------------|---------------------------------------|
| Unlisted Options at \$0.003 Exp 30/11/22<br>100,001 and over           | 1                        | 100.00%                          | 10,000,000                            |
| Unlisted Options at \$0.0034 Exp 30/11/24<br>100,001 and over          | 10                       | 100.00%                          | 87,437,653                            |
| Unlisted Options at \$0.01 Exp 31/12/23<br>100,001 and over            | 1                        | 100.00%                          | 33,333,334                            |
| Unlisted Options at \$0.01 Exp 11/08/24<br>100,001 and over            | 2                        | 100.00%                          | 10,000,000                            |
| Unlisted Director Options at \$0.0206 Exp 30/11/24<br>100,001 and over | 3                        | 100.00%                          | 45,000,000                            |
| Unlisted Employee Options at \$0.0206 Exp 30/11/24<br>100,001 and over | 2                        | 100.00%                          | 12,500,000                            |
| Unlisted Employee Options at \$0.0200 Exp 28/02/23<br>100,001 and over | 1                        | 100.00%                          | 3,000,000                             |
| Unlisted Employee Options at \$0.0200 Exp 17/11/23<br>100,001 and over | 13                       | 100.00%                          | 15,500,000                            |
| Unlisted Employee Options at \$0.01 Exp 30/09/24<br>100,001 and over   | 2                        | 100.00%                          | 40,000,000                            |
| Unlisted Options at \$0.007 Exp 30/06/23<br>100,001 and over           | 1                        | 100.00%                          | 21,435,000                            |
| Unlisted Employee Options at \$0.006 Exp 30/06/25<br>100,001 and over  | 9                        | 100.00%                          | 12,500,000                            |
| Unlisted Employee Options at \$0.010 Exp 30/06/25<br>100,001 and over  | 9                        | 100.00%                          | 12,500,000                            |
|  | 54                       |                                  | 303,205,987                           |



## Equity security holders

*Twenty largest quoted equity security holders*

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

|   | Ordinary shares      |                          |
|---|----------------------|--------------------------|
|   | Number held          | % of total shares issued |
| SUPERHERO SECURITIES LIMITED [CLIENT A/C]                                     | 275,532,459          | 9.32                     |
| ALTOR CAPITAL MANAGEMENT PTY LTD [ALTOR ALPHA FUND A/C]                       | 235,432,521          | 7.96                     |
| UBS NOMINEES PTY LTD  | 149,725,000          | 5.06                     |
| PHILIP DAVID CRUTCHFIELD  | 128,700,000          | 4.35                     |
| STONE PONEYS NOMINEES PTY LTD [CHAPMAN INVESTMENT FUND A/C]                   | 113,858,332          | 3.85                     |
| OAKTEL INVESTMENTS PTY LTD [SAT SUPERANNUATION FUND A/C]                      | 85,039,354           | 2.88                     |
| MRS CARLI ELOISE SKURNIK  | 61,695,117           | 2.09                     |
| DIAMOND VENTURE HOLDINGS PTY LTD [DIAMOND FAMILY A/C]                         | 57,240,000           | 1.94                     |
| MR GAREN AZOYAN SUTISY & MRS ARMINEH MOSES MINASKANIANS [GAAM SUPER FUND A/C] | 44,253,333           | 1.50                     |
| DELITE HOLDINGS PTY LTD [JLK SUPERANNUATION FUND A/C]                         | 40,000,000           | 1.35                     |
| BNP PARIBAS NOMINEES PTY LTD [IB AU NOMS RETAILCLIENT DRP]                    | 37,541,039           | 1.27                     |
| REMCOR PTY LTD  | 36,941,664           | 1.25                     |
| MR GAREN AZOYAN SUTISY  | 36,789,954           | 1.24                     |
| INVIA CUSTODIAN PTY LIMITED [RIDA SUPER FUND A/C]                             | 35,166,666           | 1.19                     |
| MRS TINA MARIE NISKI  | 30,000,000           | 1.01                     |
| MR DAVID JOHN MYERS & MRS AMANDA MYERS  | 27,777,777           | 0.94                     |
| MR ZEMING MA  | 25,000,000           | 0.85                     |
| MR MATTHEW BLUMBERG   | 23,833,332           | 0.81                     |
| ACTIVE BLUE PTY LTD [J&E WINTERS A/C]   | 23,375,966           | 0.79                     |
| PARLIN SUPER PTY LTD [PARLIN SF A/C]  | 23,345,833           | 0.79                     |
|   | <b>1,491,248,347</b> | <b>50.44</b>             |

## Unquoted Equity Securities

*Holders of more than 20% of unquoted equity security holders (excluding Employee Incentive Schemes)*

|  | Number held | % of total securities issued |
|--|-------------|------------------------------|
| <b>Unlisted Options at \$0.003 Exp 30/11/22</b>    |             |                              |
| ROCSTAR NOMINEES PTY LTD [BELLAGIO INVESTMENT A/C] | 10,000,000  | 100.00                       |
| <b>Unlisted Options at \$0.01 Exp 31/12/23</b>     |             |                              |
| CAREERONE PTY LTD                                  | 33,333,334  | 100.00                       |

|  | Number held       | % of total securities issued |
|--|-------------------|------------------------------|
| <b>Unlisted Options at \$0.01 Exp 11/08/24</b> |                   |                              |
| GD EQUITIES PTY LTD                            | 5,000,000         | 50.00                        |
| SHAW AND PARTNERS LIMITED                      | 5,000,000         | 50.00                        |
|  | <u>10,000,000</u> | <u>100.00</u>                |

|   | Number held       | % of total securities issued |
|---|-------------------|------------------------------|
| <b>Unlisted Options at \$0.0206 Exp 30/11/24</b>      |                   |                              |
| PHILIP DAVID CRUTCHFIELD                              | 15,000,000        | 33.33                        |
| PARLIN INVESTMENTS PTY LTD [PARLIN DISCRETIONARY A/C] | 15,000,000        | 33.33                        |
| ROCSTAR NOMINEES PTY LTD [BELLAGIO INVESTMENT A/C]    | 15,000,000        | 33.33                        |
|   | <u>45,000,000</u> | <u>99.99</u>                 |

|   | Number held | % of total securities issued |
|---|-------------|------------------------------|
| <b>Unlisted Options at \$0.007 Exp 30/06/23</b> |             |                              |
| HUDSON GLOBAL RESOURCES (AUST) PTY LTD          | 21,435,000  | 100.00                       |

*Unquoted equity securities on issue*

| <b>Options over ordinary shares issued</b>         | <b>Number on issue</b> | <b>Number of holders</b> |
|--|------------------------|--------------------------|
| Unlisted Options at \$0.003 Exp 30/11/22           | 10,000,000             | 1                        |
| Unlisted Options at \$0.0034 Exp 30/11/24          | 87,437,653             | 10                       |
| Unlisted Options at \$0.01 Exp 31/12/23            | 33,333,334             | 1                        |
| Unlisted Options at \$0.01 Exp 11/08/24            | 10,000,000             | 2                        |
| Unlisted Director Options at \$0.0206 Exp 30/11/24 | 45,000,000             | 3                        |
| Unlisted Employee Options at \$0.0206 Exp 30/11/24 | 12,500,000             | 2                        |
| Unlisted Employee Options at \$0.0200 Exp 28/02/23 | 3,000,000              | 1                        |
| Unlisted Employee Options at \$0.0200 Exp 17/11/23 | 15,500,000             | 13                       |
| Unlisted Employee Options at \$0.01 Exp 30/09/24   | 40,000,000             | 2                        |
| Unlisted Options at \$0.007 Exp 30/06/23           | 21,435,000             | 1                        |
| Unlisted Employee Options at \$0.006 Exp 30/06/25  | 12,500,000             | 9                        |
| Unlisted Employee Options at \$0.010 Exp 30/06/25  | 12,500,000             | 9                        |

### Substantial holders

Substantial holders in the company are set out below:

|  | Ordinary shares |                          |
|--|-----------------|--------------------------|
|  | Number held     | % of total shares issued |
| ALTOR CAPITAL MANAGEMENT PTY LTD [ALTOR ALPHA FUND A/C] (Note 1) | 235,432,521     | 7.96                     |
| THORNEY TECHNOLOGIES LTD (Note 2)                                | 149,725,000     | 5.06                     |

Note 1: Substantial shareholder lodgement dated 19 August 2022

Note 2: Substantial shareholder lodgement dated 15 July 2022

### 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.

### ASX Listing Rule 3.13.1 and 14.3

The company advises that the Annual General Meeting ('AGM') of the company is scheduled for Wednesday 16 November 2022.

Further to Listing Rule 3.13.1, Listing Rule 14.3 and clause 6.2(f) of the Company's Constitution, nominations for election of directors at the AGM must be received not less than 35 Business Days before the meeting, being no later than Tuesday 27 September 2022.