

1. Company details

Name of entity:	Applyflow Limited
ABN:	29 107 371 497
Reporting period:	For the half-year ended 31 December 2023
Previous period:	For the half-year ended 31 December 2022

2. Results for announcement to the market

			\$
Loss from ordinary activities after tax attributable to the owners of Applyflow Limited	down	37% to	(1,028,203)
Loss for the half-year attributable to the owners of Applyflow Limited	down	37% to	(1,028,203)

Dividends

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

Comments

The loss for the consolidated entity after providing for income tax amounted to \$1,028,203 (31 December 2022: \$1,635,828).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.55	1.25

4. Control gained over entities

Not applicable.

5. 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.

6. Dividend reinvestment plans

Not applicable.

7. Details of associates and joint venture entities

Not applicable.

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8. 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').

9. Audit qualification or review

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

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

10. Attachments

Details of attachments (if any):

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

11. Signed

Signed _____



Steven Papadopoulos
Chair and Non-Executive Director

Date: 26 February 2024

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Applyflow Limited

ABN 29 107 371 497

Interim Report - 31 December 2023

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Directors	Steven Papadopoulos John Winters Ian Hobson
Company secretary	David Franks
Registered office & Principal place of business	Level 5, 126 Phillip Street Sydney NSW 2000
Share register	Automic Pty Ltd Level 5, 126 Phillip Street Sydney NSW 2000
Auditor	Stantons Level 36, Gateway, 1 Macquarie Place Sydney NSW 2000
Solicitors	Larri Legal Suite 6, 152 High Street Fremantle WA 6160
Bankers	National Australia Bank 105 Miller Street North Sydney NSW 2060
Stock exchange listing	Applyflow Limited shares are listed on the Australian Securities Exchange (ASX code: AFW)
Website	www.applyflow.com
Corporate Governance Statement	The company's Corporate Governance Statement can be found on the company's website: https://investors.applyflow.com/investor/corporate-governance/

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

Directors

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

Steven Papadopoulos	Non-Executive Director and Chair
John Winters	Non-Executive Director
Ian Hobson	Non-Executive Director (appointed 31 July 2023)
Philip Crutchfield	Non-Executive Director and Chair (resigned 31 July 2023)

Principal activities

The Company is currently a global provider of HR technology products that support and empower recruitment agencies and hiring teams. The Company's principal activities have consisted of sales and ongoing development of its Applyflow cloud-based software-as-a-service (SaaS) platform focusing on recruitment management with enhanced offerings to the recruitment market. The Company has various wholly owned subsidiaries in Australia, UK and USA through which it operates its Applyflow business. On 6 November 2023 the Company announced that it had requested to ASX its securities be placed into voluntary suspension, effective immediately, pursuant to ASX Listing Rule 17.2 pending an announcement to the market of a proposed transaction under ASX Listing Rule 11.1. The suspension must remain in place until the Company has complied with certain specified procedures in relation to the proposed transaction. As at the date of this report the Company remains in discussions with ASX regarding the proposed transaction and anticipates an announcement will be made regarding the proposal in late February/early March.

Dividends

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

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$1,028,203 (31 December 2022: \$1,635,828).

Significant changes in the state of affairs

As noted above, on 6 November 2023 the Company announced that its securities are suspended from trading on ASX pending an announcement to the market of a proposed transaction under ASX Listing Rule 11.1. The Company has been in discussions with ASX regarding the proposal since that date and into 2024. .

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

Matters subsequent to the end of the financial half-year


Other than as set out above, no other matter or circumstance has arisen since 31 December 2023 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.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Steven Papadopoulos
Chair and Non-Executive Director

26 February 2024



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26 February 2024

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

Dear Sirs

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 review of the financial statements of Applyflow Limited for the half-year ended 31 December 2023, 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 review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

A handwritten signature in black ink, appearing to read "Samir Tirodkar".

Samir Tirodkar
Director

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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 half-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 is:

Registered office & Principal place of business

Level 5
126 Phillip 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 28 February 2024. 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 half-year ended 31 December 2023



	Note	Consolidated 31 Dec 2023 \$	31 Dec 2022 \$
Revenue from continuing operations	4	-	1,209
Other income	5	15,238	25,336
Expenses			
Finance and administration costs	6	(318,060)	(334,570)
Employee benefits expense		(306,290)	(676,903)
Share-based payment expense		-	(48,800)
Travel costs		(1,807)	(13,387)
Research and development costs		-	(7,722)
Finance costs		(10)	-
Loss before income tax expense from continuing operations		(610,929)	(1,054,837)
Income tax expense		-	-
Loss after income tax expense from continuing operations		(610,929)	(1,054,837)
Loss after income tax benefit from discontinued operations	7	(417,274)	(580,991)
Loss after income tax benefit for the half-year attributable to the owners of Applyflow Limited		(1,028,203)	(1,635,828)
Other comprehensive income/(loss)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		3,717	(2,898)
Other comprehensive income/(loss) for the half-year, net of tax		3,717	(2,898)
Total comprehensive loss for the half-year attributable to the owners of Applyflow Limited		<u>(1,024,486)</u>	<u>(1,638,726)</u>
Total comprehensive loss for the half-year is attributable to:			
Continuing operations		(607,212)	(1,057,735)
Discontinued operations		(417,274)	(580,991)
		<u>(1,024,486)</u>	<u>(1,638,726)</u>
		Cents	Cents
Earnings per share for loss from continuing operations attributable to the owners of Applyflow Limited			
Basic loss per share	19	(0.41)	(0.71)
Diluted loss per share	19	(0.41)	(0.71)
Earnings per share for loss from discontinued operations attributable to the owners of Applyflow Limited			
Basic loss per share	19	(0.28)	(0.39)
Diluted loss per share	19	(0.28)	(0.39)
Earnings per share for loss attributable to the owners of Applyflow Limited			
Basic loss per share	19	(0.70)	(1.11)
Diluted loss per share	19	(0.70)	(1.11)

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

Applyflow Limited
Consolidated statement of financial position
As at 31 December 2023



		Consolidated	
	Note	31 Dec 2023	30 Jun 2023
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	8	2,428,368	3,335,306
Trade and other receivables	9	-	70,805
Other assets	10	80,235	182,573
		<u>2,508,603</u>	<u>3,588,684</u>
Assets of disposal groups classified as held for sale		107,451	-
Total current assets		<u>2,616,054</u>	<u>3,588,684</u>
Non-current assets			
Property, plant and equipment		-	30,210
Total non-current assets		<u>-</u>	<u>30,210</u>
Total assets		<u>2,616,054</u>	<u>3,618,894</u>
Liabilities			
Current liabilities			
Trade and other payables	12	96,798	235,654
Contract liabilities		-	1,096,617
Income tax		-	6,003
Employee benefits		56,281	355,208
		<u>153,079</u>	<u>1,693,482</u>
Liabilities directly associated with assets classified as held for sale		1,595,019	-
Total current liabilities		<u>1,748,098</u>	<u>1,693,482</u>
Non-current liabilities			
Contract liabilities		-	29,001
Employee benefits		47,523	51,492
Total non-current liabilities		<u>47,523</u>	<u>80,493</u>
Total liabilities		<u>1,795,621</u>	<u>1,773,975</u>
Net assets		<u>820,433</u>	<u>1,844,919</u>
Equity			
Issued capital	13	29,321,601	29,321,601
Reserves	14	1,017,948	1,014,231
Accumulated losses		<u>(29,519,116)</u>	<u>(28,490,913)</u>
Total equity		<u>820,433</u>	<u>1,844,919</u>

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

Applyflow Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2023



Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2022	29,321,601	976,518	(25,282,884)	5,015,235
Loss after income tax expense for the half-year	-	-	(1,635,828)	(1,635,828)
Other comprehensive loss for the half-year, net of tax	-	(2,898)	-	(2,898)
Total comprehensive loss for the half-year	-	(2,898)	(1,635,828)	(1,638,726)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 20)	-	48,800	-	48,800
Movement in FX Reserve	-	1,557	-	1,557
Balance at 31 December 2022	<u>29,321,601</u>	<u>1,023,977</u>	<u>(26,918,712)</u>	<u>3,426,866</u>

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023	29,321,601	1,014,231	(28,490,913)	1,844,919
Loss after income tax expense for the half-year	-	-	(1,028,203)	(1,028,203)
Other comprehensive income for the half-year, net of tax	-	3,717	-	3,717
Total comprehensive income/(loss) for the half-year	-	3,717	(1,028,203)	(1,024,486)
Balance at 31 December 2023	<u>29,321,601</u>	<u>1,017,948</u>	<u>(29,519,116)</u>	<u>820,433</u>

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

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Applyflow Limited
Consolidated statement of cash flows
For the half-year ended 31 December 2023



	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST and VAT)	1,313,793	1,347,815
Payments to suppliers and employees (inclusive of GST and VAT)	<u>(2,228,581)</u>	<u>(2,375,859)</u>
	(914,788)	(1,028,044)
Interest received	<u>14,881</u>	<u>25,624</u>
Net cash (used in) operating activities	<u>(899,907)</u>	<u>(1,002,420)</u>
Cash flows from investing activities		
Payments for property, plant and equipment	<u>(1,799)</u>	<u>(5,148)</u>
Net cash used in investing activities	<u>(1,799)</u>	<u>(5,148)</u>
Net cash from financing activities	<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents	(901,706)	(1,007,568)
Cash and cash equivalents at the beginning of the financial half-year	3,334,792	5,597,125
Effects of exchange rate changes on cash and cash equivalents	<u>(4,718)</u>	<u>(1,803)</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>2,428,368</u></u>	<u><u>4,587,754</u></u>

For cash flows of discontinued operations see note 7

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

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Note 1. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

New or amended Accounting Standards and Interpretations adopted

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

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

Going concern

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

The consolidated entity has incurred net losses after tax of \$1,028,203 (31 December 2022: \$1,635,828) and net cash outflows from operations of \$899,907 (31 December 2022: \$1,002,420) for the half-year ended 31 December 2023. Cash and cash equivalents as at 31 December 2023 is \$2,428,368 (30 June 2023 \$3,335,306).

As noted above, on 6 November 2023 the Company announced that its securities are suspended from trading on ASX pending an announcement to the market of a proposed transaction under ASX Listing Rule 11.1. As the proposal has not yet been finalised, a material uncertainty exists 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.

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.

Note 2. Critical accounting judgements, estimates and assumptions

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

Share-based payment transactions

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

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

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.

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

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

Identification of reportable operating segments

The continuing operations of the consolidated entity is organised into one geographical operating segments: Asia-Pacific (APAC).

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.

Operating segment information

	APAC \$	EMEA \$	AMERICAS \$	Total \$
Consolidated - 31 Dec 2023				
EBITDA	(632,112)	-	-	(632,112)
Loss on discontinued operations	(388,029)	(23,327)	(5,918)	(417,274)
Interest revenue	14,881	-	-	14,881
Loss before income tax benefit	<u>(1,005,260)</u>	<u>(23,327)</u>	<u>(5,918)</u>	<u>(1,034,505)</u>
Income tax benefit				6,302
Loss after income tax benefit				<u>(1,028,203)</u>
Consolidated - 31 Dec 2022				
EBITDA	(1,080,173)	-	-	(1,080,173)
Loss from discontinued operation	(746,008)	130,106	34,911	(580,991)
Interest revenue	25,336	-	-	25,336
Profit/(loss) before income tax expense	<u>(1,800,845)</u>	<u>130,106</u>	<u>34,911</u>	<u>(1,635,828)</u>
Income tax expense				-
Loss after income tax expense				<u>(1,635,828)</u>

Note 4. Revenue

Consolidated	
31 Dec 2023	31 Dec 2022
\$	\$

From continuing operations

Revenue from contracts with customers

Other revenue

-	1,209
<u>-</u>	<u>1,209</u>

Disaggregation of revenue

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

Consolidated	
31 Dec 2023	31 Dec 2022
\$	\$

Geographical regions

APAC

-	1,209
<u>-</u>	<u>1,209</u>

Timing of revenue recognition

Services transferred over time

-	1,209
<u>-</u>	<u>1,209</u>

Note 5. Other income

Consolidated	
31 Dec 2023	31 Dec 2022
\$	\$

Net gain on disposal of other

Interest income

357	-
14,881	25,336
<u>15,238</u>	<u>25,336</u>

Other income

15,238	25,336
<u>15,238</u>	<u>25,336</u>

Note 6. Finance and administration costs

Consolidated	
31 Dec 2023	31 Dec 2022
\$	\$

Legal and due diligence expenses

Subscriptions

Administration expenses

10,820	6,029
1,929	3,269
305,311	325,272
<u>318,060</u>	<u>334,570</u>

Finance and administration costs

318,060	334,570
<u>318,060</u>	<u>334,570</u>

Note 7. Discontinued operations

Description

The Company intends to dispose of the existing business, the Applyflow cloud-based software-as-a-service (SaaS) platform, subject to shareholder approval. The associated assets and liabilities were consequently presented as held for sale in the 31 December 2023 financial statements.

Financial information relating to the discontinued operation for the period is set out below.

Note 7. Discontinued operations (continued)

Financial performance information

The financial performance and cash flow information presented are for the half-year ended 31 December 2023 and the half-year ended 31 December 2022.

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$	\$
SaaS revenue	695,054	812,846
Combined services and licence fee revenue	48,306	-
Applypay client service fee income	344,450	-
Other revenue	20,748	179,857
Total revenue	<u>1,108,558</u>	<u>992,703</u>
Employee benefits expense	(1,151,233)	(884,542)
Advertising and marketing expense	(20,639)	(5,581)
Legal fees	(1,874)	(2,345)
Depreciation and amortisation	(8,347)	(147,617)
Subscriptions	(64,039)	(161,260)
Other admin and corporate costs	(96,962)	(231,942)
IT Infrastructure	(188,685)	(140,407)
Finance costs	(355)	-
Total expenses	<u>(1,532,134)</u>	<u>(1,573,694)</u>
Loss before income tax benefit	(423,576)	(580,991)
Income tax benefit	6,302	-
Loss after income tax benefit from discontinued operations	<u>(417,274)</u>	<u>(580,991)</u>

Cash flow information

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$	\$
Net cash (used in) operating activities	<u>(485,086)</u>	<u>-</u>

Carrying amounts of assets and liabilities held for sale

	Consolidated
	31 Dec 2023
	\$
Trade and other receivables	60,825
Property, plant and equipment	24,927
Prepayments	21,699
Total assets	<u>107,451</u>
Trade and other payables	62,696
Other liabilities	1,532,323
Total liabilities	<u>1,595,019</u>
Net liabilities	<u>(1,487,568)</u>

Note 8. Cash and cash equivalents

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$	\$
<i>Current assets</i>		
Cash at bank	802,312	1,059,131
Cash on deposit	1,626,056	2,276,175
	<u>2,428,368</u>	<u>3,335,306</u>

Note 9. Trade and other receivables

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$	\$
<i>Current assets</i>		
Trade receivables	-	86,790
Less: Allowance for expected credit losses	-	(15,985)
	<u>-</u>	<u>70,805</u>

Note 10. Other assets

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$	\$
<i>Current assets</i>		
Prepayments	29,235	65,573
Security deposits	51,000	117,000
	<u>80,235</u>	<u>182,573</u>

Note 11. Intangibles

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$	\$
<i>Non-current assets</i>		
JXT Platform - at cost	-	802,306
Less: Accumulated amortisation	-	(602,306)
Less: Impairment	-	(200,000)
	<u>-</u>	<u>-</u>
Applyflow Platform - at cost	-	775,000
Less: Accumulated amortisation	-	(476,217)
Less: Impairment	-	(298,783)
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

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Note 12. Trade and other payables

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$	\$
<i>Current liabilities</i>		
Trade payables	28,723	9,444
Accrued expenses	66,895	138,109
Revenue received in advance	1,180	-
GST payable	-	9,643
VAT payable	-	11,250
Employee taxes payable	-	67,208
	<u>96,798</u>	<u>235,654</u>

Note 13. Issued capital

	Consolidated			
	31 Dec 2023	30 Jun 2023	31 Dec 2023	30 Jun 2023
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>147,880,653</u>	<u>147,880,653</u>	<u>29,321,601</u>	<u>29,321,601</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2023	<u>147,880,653</u>		<u>29,321,601</u>
Balance	31 December 2023	<u>147,880,653</u>		<u>29,321,601</u>

Movements in options

Details	Date	Options
Balance	1 July 2022	11,071,883
Options lapsed	17 November 2023	<u>(450,000)</u>
Balance	31 December 2023	<u>10,621,883</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.

Note 14. Reserves

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$	\$
Foreign currency reserve	(21,660)	(25,377)
Share-based payments reserve	1,039,608	1,039,608
	<u>1,017,948</u>	<u>1,014,231</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 certain key management personnel, employees, advisors and business partners of the consolidated entity as part of their incentive or compensation for services.

Movements in reserves

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

Consolidated	Foreign currency reserve \$	Share-based payments reserve \$	Total \$
Balance at 1 July 2023	(25,377)	1,039,608	1,014,231
Foreign currency translation	3,717	-	3,717
Balance at 31 December 2023	<u>(21,660)</u>	<u>1,039,608</u>	<u>1,017,948</u>

Note 15. Dividends

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

Note 16. Contingent liabilities

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

Note 17. Related party transactions

Parent entity

Applyflow Limited is the parent entity.

Note 17. Related party transactions (continued)

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	Consolidated
	31 Dec 2023	31 Dec 2022
	\$	\$
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	-	1,209
Payment for goods and services:		
Legal fees paid to Milcor Legal Pty Ltd, to a company associated with Steven Papadopoulos*	10,820	4,675

Receivable from and payable to related parties

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

Loans to/from related parties

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 18. Events after the reporting period

As noted above, on 6 November 2023 the Company announced that its securities are suspended from trading on ASX pending an announcement to the market of a proposed transaction under ASX Listing Rule 11.1. The Company has been in discussions with ASX regarding the proposal since that date and into 2024.

No other matter or circumstance has arisen since 31 December 2023 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 19. Earnings per share

	Consolidated	Consolidated
	31 Dec 2023	31 Dec 2022
	\$	\$
<i>Earnings per share for loss from continuing operations</i>		
Loss after income tax attributable to the owners of Applyflow Limited	<u>(610,929)</u>	<u>(1,054,837)</u>
	Cents	Cents
Basic loss per share	(0.41)	(0.71)
Diluted loss per share	(0.41)	(0.71)
	Consolidated	Consolidated
	31 Dec 2023	31 Dec 2022
	\$	\$
<i>Earnings per share for loss from discontinued operations</i>		
Loss after income tax attributable to the owners of Applyflow Limited	<u>(417,274)</u>	<u>(580,991)</u>

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Note 19. Earnings per share (continued)

	Cents	Cents
Basic loss per share	(0.28)	(0.39)
Diluted loss per share	(0.28)	(0.39)
	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$	\$
<i>Earnings per share for loss</i>		
Loss after income tax attributable to the owners of Applyflow Limited	<u>(1,028,203)</u>	<u>(1,635,828)</u>
	Cents	Cents
Basic loss per share	(0.70)	(1.11)
Diluted loss per share	(0.70)	(1.11)
	Number	Number
<i>Weighted average number of ordinary shares</i>		
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>147,880,653</u>	<u>147,880,653</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>147,880,653</u>	<u>147,880,653</u>

Note 20. 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 options 31 Dec 2023	Weighted average exercise price 31 Dec 2023	Number of options 31 Dec 2022	Weighted average exercise price 31 Dec 2022
Outstanding at the beginning of the financial half-year	11,071,883	\$0.2079	278,205,987	\$0.0145
Granted	-	\$0.0000	25,000,000	\$0.0101
Other (see below)	-	\$0.0000	(288,045,687)	\$0.0104
Expired/Cancelled	<u>(450,000)</u>	<u>\$0.4000</u>	<u>(2,166,667)</u>	<u>\$0.0000</u>
Outstanding at the end of the financial half-year	<u>10,621,883</u>	<u>\$0.1997</u>	<u>12,993,633</u>	<u>\$0.2079</u>
Exercisable at the end of the financial half-year	<u>10,621,883</u>	<u>\$0.1997</u>	<u>11,743,633</u>	<u>\$0.2130</u>

Other

In November 2022 there was a consolidation of shares and share options. The shares were consolidated on the basis that every 20 pre-consolidation shares or option securities were consolidated into 1 post consolidation security. This had the effect of reducing both the shares in issue and share options outstanding by 20 times in this period compared to the last reporting period.

Note 20. 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 Expiring on 30 November 2024	\$0.0680	4,371,883
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 Expiring on 30 November 2024	\$0.4120	2,250,000
Unlisted Employee Options, issued as part of share-based compensation for remuneration	Vesting on 22 January 2021 Expiring on 30 November 2024	\$0.4120	125,000
Unlisted CEO Options, issued as part of share-based compensation for remuneration	Vesting on 27 August 2021 Expiring on 30 November 2024	\$0.4120	500,000
Advisor Options	Vesting on 11 February 2022 Expiring on 11 August 2024	\$0.2000	500,000
Unlisted Employee Options, issued as part of share-based compensation for remuneration	Vesting on 30 September 2022 Expiring on 30 September 2024	\$0.2000	2,000,000
Unlisted Employee Options, issued as part of share-based compensation for remuneration	Vesting on 16 August 2022 Expiring on 30 June 2025	\$0.1200	437,500
Unlisted Employee Options, issued as part of share-based compensation for remuneration	Vesting on 16 August 2022 Expiring on 30 June 2025	\$0.2000	<u>437,500</u>
			<u><u>10,621,883</u></u>

As at 31 December 2023, total of 10,621,883 options were exercisable (30 June 2023 - 11,071,883).

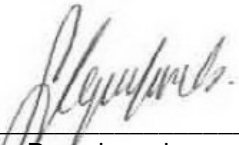
The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.22 year (30 June 2023 : 2.22 years).

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Steven Papadopoulos
Chair and Non-Executive Director

26 February 2024

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

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Applyflow Limited, which comprises the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that causes us believe that the accompanying half-year financial report of Applyflow Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of Applyflow Limited's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company on 26 February 2024.

Responsibility of the Directors for the Financial Report

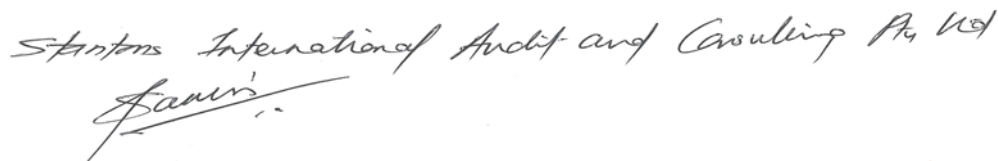
The directors of Applyflow Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)



Stantons International Audit and Consulting Pty Ltd
Samir

Samir Tirodkar
Director

West Perth, Western Australia
26 February 2024

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