N1 HOLDINGS LIMITED

ACN 609 268 279

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

Directors	Ren Hor Wong Executive Chairman, CEO Jia Penny He Executive Director, CFO Frank Ganis Non-Executive Director David Holmes Non-Executive Director
Company secretary	Anand Sundaraj
Registered office	Suite 502, 77 King Street Sydney NSW 2000
Share register	Link Market Services Limited Level 12, 680 George Street Sydney NSW 2000
Auditor	Crowe Sydney Level 15, 1 O'Connell Street Sydney NSW 2000
Solicitors	Sundaraj & Ker Level 36, 264 George Street Sydney NSW 2000
Stock exchange listing	N1 Holdings Limited shares are listed on the Australian Securities Exchange (ASX code: N1H)
Corporate Governance Statement	N1 Holdings Limited and the board are committed to achieving and demonstrating the appropriate standards of corporate governance for an entity the size and stage of development of the company. N1 Holdings Limited has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council. The 2021 corporate governance statement reflects the corporate governance practices in place during the financial year ended 30 June 2021. The 2021 corporate governance statement was approved by the board on 27th September 2021. A description of the Group's current corporate governance practices is set out in the Group's corporate governance statement which can be viewed at: http://www.n1holdings.com.au/

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General information

The financial statements cover N1 Holdings Limited as a Group consisting of N1 Holdings Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is N1 Holdings Limited's functional and presentation currency.

N1 Holdings Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 502, 77 King Street
Sydney NSW 2000

A description of the nature of the Group'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 September 2021. The directors have the power to amend and reissue the financial statements.

CHAIRMAN LETTER

I welcome you to the N1 Holdings Limited (**Company** or **N1**) annual report for the financial year ended 30 June 2021 (**FY21**). Another financial year has passed and we have transitioned into the new financial year amid the Greater Sydney lockdown. Just like the previous financial year, this past financial year has again seen the unprecedented COVID-19 pandemic and the way that it has affected businesses, with the addition of the Delta variant. Much like the Alpha and Beta variants adopted by investment professionals and financial market traders to measure volatility, Delta unleashed a destructive force so massive that it purged the "normal business operating environment". At the same time, the government payments such as JobKeeper last year and JobSaver in the new financial year have undoubtedly left future generations with the pressure of mounting national debts.

The government has implemented plenty of initiatives to target a rapid recovery post-lockdown, and the largest employer group of Australia - the Small and Medium Enterprises (**SME**), play a critical role in this historic moment. For example, as some economists would agree, an income or wage increase by the employers could be an effective way to address our economic problems. However, what could potentially hinder the process of economic recovery in 2022 (which we term "Recovery 2k22")? Funding. According to an ABA commissioned report titled "SME lending in Australia" that was released in August 2019, the two main reasons that the 2.3 million SMEs are seeking finance are: the need to maintain short-term cash flow, and the lack of access to funds. Interestingly, the OECD has called for more unsecured lending by banks to SMEs. Readers of N1's annual reports in the past years will be acutely aware of N1's commitment to the business of SME lending. SME lending consists of a wide range of products and is crowded with many innovative fintech lenders. While our core business model revolves around being a property financier, a direct lender to SME owners, property developers and sophisticated investors, the team at N1 also runs a brokerage firm that participates in this sector of the market.

The approach of the N1 business

I have spoken to quite a number of investors, clients of all walks and business partners throughout the years, and whenever I am asked of what our business does, my message is clear, concise and simple - N1 is a direct lender to SMEs, property developers and sophisticated investors. For an even simpler version - N1 is a property financier.

Along the journey of founding N1, to IPO and now sailing into profitable territory (which I will touch on later in this letter), we have evolved. Management has identified our strength, carefully evaluated our core market audience, and reviewed our extensive client base. We strive to be the best in this sector, as evidenced by our journey since 2017. We pivoted from a residential mortgage brokerage firm to a diversified brokerage firm with a niche in business and commercial lending, established a funds management business in 2019 and now act as an SME lender. Our vision and the decisive steps we took to implement our strategy prove to the market that we are capable of managing the business and investor capital. I want to assure shareholders that our management team has the ability to navigate through economic adversaries and attain growth. This is the quality that a business needs from a management team, especially in this pandemic struck business operating environment.

Being a sustainable lender in this sector, and given our sensitivity to cost of funds and capital risks, I have put this question to our team: what can we do better to preserve shareholder value? Our tireless efforts to diversify our funding sources is our response to that question. We are proud to present our diverse sources of funding: balance sheet money with company debt, more than one N1-managed debt or credit fund and an institutional funded warehouse facility. Moreover, we have materially reduced our funding costs and streamlined operating costs. During FY21, we attained the milestone of achieving over $30m in funding size. As of writing, we have obtained over $70m in funding size.

At this point, many would have witnessed our approach to risk management - diversification. Without steering away from our core business, this strategy ensures that we remain competitive in our business.

The performance of N1 business

N1 Holdings Limited concluded FY21 in the territory of positive operating cashflow of over $1.2m, a record revenue of over $5.39m in comparison to the FY20 revenue of $4.14m, a record EBITDA of over $1.08m and a profit of $139,570. Additionally, the revenue of One Lending Fund was $2.94m compared to the revenue of $2.26m in FY20. The financials of the One Lending Fund are not consolidated into the Company's balance sheet as the fund is a separate SME lending fund managed by N1 Venture Pty Ltd (trading as N1 Asset Management), a wholly owned subsidiary of the Company.

It is worth noting that N1 has successfully established a new funding source for the SME direct lending business just at the end of FY21 as mentioned above, which effectively more than doubled the fund size from the previous financial year. This will have a material impact on the financial performance of the Company in the new financial year. However, the past performance shown by the previous funding size is not indicative of the Company's future performance.

As previously announced in the Appendix 4E for FY21, N1 to date has committed over AUD$70m into SME lending capital, which allows N1 to continue to extend its profitable position. This demonstrates the scalability of N1's business, which can be achieved by expanding the Company's lending capacity or increasing the size of its funding to cater for an ever-increasing SME financing demand. The promising results in FY21 demonstrate the potential for SME direct lending to upscale the Company's cashflow, profitability, and revenue growth. It is important that the Company continues its growth through further capital raising activities to fulfil the rising demand in SME debt financing.

Notwithstanding the shift of the Company's core business into being a direct SME lender, the Company's broking business continues to thrive and has since reinitiated the accumulation of recurring trail income, attaining an asset value of $576,346 that steadily increases on a monthly basis.

The way forward

The Delta pandemic has had a significant impact on global economies and Australia is no exception. As a response, the Company has implemented various measures to support the health and wellbeing of its staff as well as the viability of all business units. At the same time, the Company's robust risk management framework continues to mitigate the adverse impact of the health crisis. As can be seen from the Company's annual reports in the past few years, we have had our challenges throughout the years. However, N1's business model equipped us with the agility and resilience required to overcome those challenges. In this pandemic, we are again ready to capitalise on the rapid recovery post-lockdown and grow further.

The management of N1 is excited about the opportunity to ride along with what we term as "Recovery 2k22". We are cautiously gauging market sentiment while remaining optimistic. We understand our business model, we put in place contingencies and we are in a "ready-to-launch" mode. There are plenty of exciting workings behind the scene and I am eager to share them with our shareholders and the market when they come to fruition.

Happy business 2k22!

Yours faithfully,

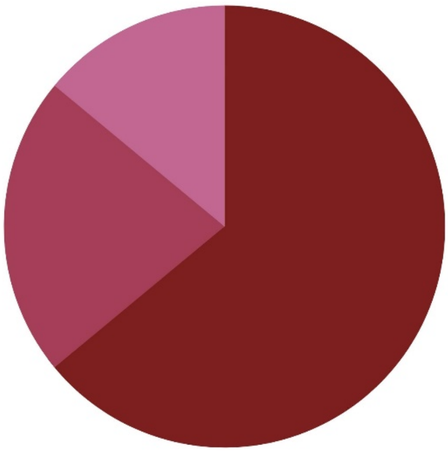
Ren Hor Wong
Executive Chairman and Chief Executive Officer
28 September 2021
Sydney

FY21 N1H REVENUE

$5.39 MIL

MATERIAL GROWTH DELIVERED BY SIGNIFICANT INCREASE IN FUNDING SIZE COMMITTED INTO SME LENDING (APPROX $30MIL)

30.2% GROWTH



N1 PIVOTED TO BECOME AN SME LENDER AND A DIRECT PROPERTY FINANCIER

$2.94 MIL

FY21 ONE LENDING FUND REVENUE

ONE LENDING FUND (OLF) IS MANAGED BY N1 VENTURE PTY LTD. ALTHOUGH OLF IS NOT PART OF THE CONSOLIDATED GROUP, ITS GROWTH IS A TESTAMENT TO THE CREATION OF INVESTORS VALUE

FY21 PROFIT

$140k

$1.1 MIL

FY21 EBIDTA

MILESTONE TERRITORY SINCE IPO, AN ENDORSEMENT OF SUCCESSFUL EXECUTION OF BUSINESS STRATEGY AS OUTLINED IN PREVIOUS ANNUAL REPORTS

SME LENDING COMMITTED CAPITAL

EXPANDING CAPACITY TO SCALE

$30 MIL

as at March 2021

This amount comprises of $10.8m committed balance sheet capital and $19.2m from One Lending Fund

$70 MIL

as at July 2021

This amount comprises of $11.5m committed balance sheet capital, $35m from a warehouse facility and $23.5 from One Lending Fund

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of N1 Holdings 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 2021.

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

Principal activities
During the financial year the principal continuing activities of the Group consisted of:
- commercial lending business;
- mortgage broking services;
- advisory, fund management and trustee services;
- migration services; and
- real estate property sale and management services.

Review of operations
The financial year has seen a significant growth in the Company's revenue, EBITDA and profitability. The Company generated revenue of $5.39m (FY20: $4.14m), which represents a growth of 30.2% to revenue in FY20 and delivered a net profit of $139,570 (FY20: loss $1.82m). EBITDA has improved to $1,075,313 (FY20: loss of $876,214).

	Consolidated	
	2021	2020
	$	$
Profit/(loss) before income tax	139,570	(1,850,718)
Add: Depreciation and amortisation	567,263	632,915
Add: Interest expense – Corporate*	368,480	341,589
EBITDA	1,075,313	(876,214)

*Interest expenses and interest income from commercial loan receivables are included in the EBITDA. The EBITDA only excludes the interest expenses relating to the corporate loans, bank loans for realty rent roll as well as interest expenses in relation to AASB 16 Leases.

During FY21, the Company has pivoted to become a direct lender, property financier and mortgage fund investment manager. It has continued the momentum of growth in its business niche of direct lending to small-to-medium enterprise (**SME**), lending from the Company's balance sheet and the One Lending Fund (**Fund**). The Fund is operated through the Company's Asset Management arm, N1 Venture Pty Ltd (trading as N1 Asset Management), which holds an Australian Financial Services licence (AFSL number 477879).

The Company's SME direct lending business captures the monumental demand unfulfilled by banks and credit institutions and has become the most prominent revenue driver for the Company. In FY21, the SME direct lending revenue was $3.44m (FY20: $2.29m), which represents 64% of the total group revenue and a 51% increase compared to the revenue in FY20. Management fees received by N1 Asset Management from One Lending Fund was $851,490 in FY21 (FY20: $898,455).

The revenue of One Lending Fund was $2.94m (audited) for FY21 (FY20 $2.26m), which is not consolidated into the Group's consolidated financial statements as the Fund is a separate SME lending fund managed by N1 Asset Management, a 100% owned subsidiary of N1H. Total funds under management as of 30 June 2021 amounted to $23.48m, an increase from the amount of $17.44m as at 30 June 2020.

Notwithstanding the shift of the Company's core business into being a direct SME lender, the Company's broking business continues to thrive and has since reinitiated the accumulation of recurring trail income, attaining an asset value of $576,346 that steadily increases on a monthly basis.

The COVID-19 pandemic has had a significant impact on global economies and Australia is no exception. This has unfortunately caused disruption to the workings of society and economy well into the reported financial year. The Company has implemented various measures to support the health and wellbeing of its staff as well as the viability of all business units. At the same time, the Company's robust risk management framework continues to mitigate the adverse impact of the health crisis.

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year
N1 Holdings Limited has raised $35 million in debt capital provided under a debt facility executed on 1 July 2021 between the Company and GCI SME Mortgage Fund (Facility). The Facility is for a term of 24 months. The Facility contains a number of customary conditions precedent for debt facilities of this type (including the registration of security interests and provision of legal options).

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations
Information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Group.

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

Shares under option
There were no unissued ordinary shares of N1 Holdings Limited under option outstanding at the date of this report.

Shares issued on the exercise of options
There were no ordinary shares of N1 Holdings Limited issued on the exercise of options during the year ended 30 June 2021 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
There were no non-audit services provided during the financial year by the auditor.

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.

Directors

The following persons were directors of N1 Holdings Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Ren Hor Wong (Executive Chairman, CEO, appointed 24 November 2015);
Ms Jia Penny He (Executive Director, CFO, appointed 24 November 2015);
Mr David Holmes (Non-executive Director, appointed 15 January 2019);
Mr Paul Jensen (Non-executive Director, appointed 18 November 2019 and resigned on 31 August 2020); and
Mr Frank Ganis (Non-executive Director, appointed 1 September 2020).

Company Secretary

Mr Anand Sundaraj (Company Secretary, appointed 24 November 2015)

Information relating to Directors and Company Secretary

Mr Ren Hor Wong (Executive Chairman, CEO)	
Qualifications, experience and special responsibilities	Mr Wong is the founder, Executive Chairman and Chief Executive Officer of the Company. Mr Wong has been responsible for developing the Company's business strategy and expanding its business into Asia Pacific. Prior to establishing the Company, Mr Wong had, over a span of 6 years, applied his entrepreneurial and management skills in industries ranging from courier services, printing services and real estate. He has previously founded and successfully exited various businesses including Copiko Printing, Sydneymove.com.au and Packers Unpackers. Mr Wong is a licensed mortgage broker and fluent in both spoken and written Mandarin and Cantonese. Mr Wong conducts regular seminars and provides topical discussions across Asia in relation to Australian property investments and financing. Mr Wong has also published multiple guides and learner books for release in China. Mr Wong holds a Bachelor of Engineering with Honours from University of New South Wales.
Interest in shares and options in the Company (**Shares** and **Options**, respectively)	50,268,945 Shares
Directorships held in other listed entities during the three years prior to the current year	None

Ms Jia Penny He (Executive Director, CFO)	
Qualifications, experience and special responsibilities	Ms He is a Certified Practising Accountant and a licenced financial adviser. She has over 13 years combined industry experience in accounting, financial planning and mortgage broking. Ms He joined the Group in May 2014 as the Accounting and Tax Adviser and Principal Financial Planner. Ms He was subsequently appointed as the Company's Chief Financial Officer. Her current role within the Company includes all financial management, tax and reporting functions of the business. Prior to joining the Company, Ms He served as an executive for Cabot Square Chartered Accountants from July 2006 to May 2014. Ms He holds a Master of Accounting degree from Macquarie University and is also an ATO registered tax agent holding a Public Practice Certificate.
Interest in Shares and Options	308,168 Shares
Directorships held in other listed entities during the three years prior to the current year	None

Mr David Holmes (Non-Executive Director)	
Qualifications, experience and special responsibilities	Mr Holmes has over 30 years' experience in the financial services industry having held senior roles in the UK and Australia. He was Head of Mortgage Credit for Citibank UK before becoming COO at Preferred Mortgages, one of the first non-conforming lenders in the UK. In August 2000 David moved to Australia and was one of the founding Executives at Pepper Money. While at Pepper Money he served as COO and Global Head of Credit with responsibility for the establishment and maintenance of credit polices throughout Australia, Ireland and South Korea. David was instrumental in Pepper Money gaining warehouse funding facilities from three of the major banks in Australia. Mr Holmes holds a Bachelor of Arts (with Honours) from University of Warwick.
Interest in Shares and Options	Nil
Directorships held in other listed entities during the three years prior to the current year	None

Mr Frank Ganis (Non-Executive Director)	
Qualifications, experience and special responsibilities	Mr Ganis has over 38 years' domestic and international experience in banking and finance with an extensive background and deep knowledge of financial services. He is recognised as a pioneer and influential industry leader in Australia. Prior to retirement from full time executive work in 2017, Mr Ganis spent 28 years at Macquarie Group including 17 years as an Executive Director. In addition to his executive responsibilities, Mr Ganis also fulfilled a broad range of board and chair roles for a number of Macquarie's domestic and international subsidiaries and was a member of various regulatory and credit committees. Frank currently services as a board member for several public and private companies and various industry advisory roles. Frank is a Fellow of the Australian Property Institute (FAPI) and a Graduate of the Australian Institute of Company Directors (GAICD).
Interest in Shares and Options	117,500 Shares
Directorships held in other listed entities during the three years prior to the current year	Former Non-Executive Director – Yellow Brick Road Holdings Limited (ASX: YBR)

Mr Anand Sundaraj (Company Secretary)	
Qualifications, experience and special responsibilities	Anand Sundaraj is a corporate lawyer with over 19 years' experience. He is a principal of Sydney-based law firm, Sundaraj & Ker. Mr Sundaraj specialises in advising on mergers and acquisitions and capital raisings for both publicly listed and privately held entities. He also advises on funds management and general securities law matters including listing rule compliance and corporate governance. Mr Sundaraj has worked for a number of pre-eminent law firms including Herbert Smith Freehills, King & Wood Mallesons, and Allen & Overy, as well as global investment bank, Credit Suisse AG. Mr Sundaraj holds a Bachelor of Laws (with Honours) and a Bachelor of Science from Monash University and is admitted as a solicitor of the Supreme Courts of New South Wales and Victoria.
Interest in Shares and Options	10,000 Shares

Directorships held in other listed entities during the three years prior to the current year	None

Meetings of directors
The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2021, and the number of meetings attended by each director were:

	Number eligible to attend	Number attended
Ren Hor Wong	7	7
Jia Penny He	7	7
David Holmes	7	7
Paul Jensen (appointed on 18 November 2019 and resigned on 31 August 2020)	1	1
Frank Ganis (appointed on 1 September 2020)	6	6

Remuneration report

Remuneration policy

The remuneration policy of the Company has been designed to align key management personnel (**KMP**) objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance in areas affecting the Group's financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the high-quality KMP to run and manage the Group, as well as create goal congruence between Directors, executives and Shareholders.

The Board's policy for determining the nature and amount of remuneration for KMP of the Group is as follows:

- The remuneration policy is to be developed by the Board (having regard to the Company's earnings and the consequences of the Company's performance on shareholder wealth, in each case in the most recent financial year and previous 4 financial years) and the Board may seek advice on the policy from independent external consultants at its discretion.
- All KMP receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits options and performance incentives.
- Performance incentives are generally only paid once and conditional on key performance indicators (**KPIs**) having been met.
- Incentives paid in the form of options or rights are intended to align the interests of the Directors and the Company with those of the Shareholders. In this regard, KMP are prohibited from limiting the risk attached to those instruments by use of derivatives or other means.
- The Board reviews KMP packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors.

The performance of KMP is measured against criteria agreed annually with each executive and is based predominantly on the forecast growth of the Group's profits and Shareholders' value. All bonuses and incentives must be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes. Any change must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance results leading to long-term growth in Shareholder wealth.

KMP receive, at a minimum, the superannuation guarantee contribution required by law, which is currently 9.5% of the individual's ordinary earnings. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

The Board's policy is to remunerate non-executive Directors at market rates for time, commitment and responsibilities. The Board determines payments to the non-executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. Fees that can be paid to a non-executive Director is contained in that Directors' consultancy service agreement.

Remuneration structure

There have been no significant changes after the Company's listing on ASX. The table below summarises the remuneration components of KMP of the Group.

Remuneration component	**Reward Type**	**Purpose**	**Link to performance**
Fixed remuneration	Salaries, superannuation and other fixed benefits	To provide competitive fixed remuneration set with reference to role, market and experience	Company and individual performance are considered during the annual review
Short-term incentive	Bonus paid in cash	Rewards executives for their contribution to achievement of Group outcome	Revenue of the Group
Long-term incentive	Share options	Rewards executives for their contribution to the creation of shareholder value over the longer term	Vesting of the awards is dependent on absolute total Shareholder return in addition to continuous service vesting conditions.

Performance-based Remuneration

The KPIs are set annually, with a certain level of consultation with KMP. The measures are specifically tailored to the area each individual involved is in and has a level of control over. The KPIs target areas that the Board believes hold greater potential for Group expansion and profit covering financial and non-financial as well as short and long-term goals. The level set for each KPI is based on budgeted figures for the Group and respective industry standards.

Performance in relation to the KPIs is assessed annually, with bonuses being awarded depending on the number and deemed difficulty of the KPIs achieved. Following the assessment, the KPIs are reviewed by the remuneration committee in light of the desired and actual outcomes, and their efficiency is assessed in relation to achieving the Group's goals and shareholder value, before the KPIs are set for the following year.

In determining whether or not a KPI has been achieved, the Company bases the assessment on audited figures, however, where the KPI involves comparison of the Group or a division within the Group to the market, independent reports are obtained from other research organisations.

Relationship between remuneration policy and Company performance

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. Two methods have been applied to achieve this aim, the first being a performance-based bonus (i.e. based on KPI), and the second being the issue of options to the majority of Directors and executives to encourage the alignment of personal and shareholder interests. The Company believes this policy has been effective in increasing shareholder value over the past years.

Performance conditions linked to remuneration

The Group seeks to emphasise reward incentives for results and continued commitment to the Group through the provision of various cash bonus reward schemes, specifically the incorporation of incentive payments based on the achievement of revenue targets, return on equity ratios, and continued employment with the Group.

The performance-related proportions of remuneration (based on KPI targets) are included in the following table. The objective of the reward schemes is to both reinforce the short and long-term goals of the Group and provide a common interest between Management and Shareholders. There has been no alteration to the terms of the bonuses paid since the grant date.

The satisfaction of the performance conditions is based on a review of the audited financial statements of the Group and publicly available market indices and as such these figures reduce any risk of contention relating to payment eligibility. The Board does not believe that performance conditions should include a comparison with any other measures or factors external to the Group at this time.

The performance-based bonus schedule is detailed below, which has only available to executive Directors since 1 July 2016. No bonuses were paid to executive Directors during FY2021.

Minimum revenue achieved by the Company for a financial year	Bonus Ren Hor Wong	Bonus Jia Penny He
$5 million	$10,000	$5,000
$5.5 million	$16,000	$8,000
$6 million +	$20,000	$10,000

Maximum achievable bonus is used in below calculation.

	Fixed remuneration		Remuneration linked to performance	
	2021	**2020**	**2021**	**2020**
Directors and secretaries				
Ren Hor Wong	94.74%	94.74%	5.26%	5.26%
Jia Penny He	94.74%	94.74%	5.26%	5.26%
David Holmes	100%	100%	0%	0%
Paul Jensen	100%	100%	0%	0%
Frank Ganis	100%	0%	0%	0%

The following tables provide employment details of persons who were, during FY2021, members of KMP of the Group. The table also illustrates the proportion of remuneration that was performance and non-performance based.

Positions of KMPs and their employment details

	Position held	Contract duration	Employment type	Termination notice period
Ren Hor Wong	Chairman, CEO	18/03/2016 - Ongoing	Permanent	3 months
Jia Penny He	Executive Director, CFO	18/03/2016 - Ongoing	Permanent	3 months
David Holmes	Independent Director	15/01/2019 - Ongoing	Consultancy agreement	3 months
Paul Jensen	Independent Director	18/11/2019 – 31/08/2020	Consultancy agreement	10 business days
Frank Ganis	Independent Director	01/09/2020 - Ongoing	Consultancy agreement	10 business days

Key terms of KMP contract

Chief Executive Officer

- The CEO receives fixed remuneration of $360,000 per annum plus superannuation contributions under the *Superannuation Guarantee (Administration) Act 1992 (Cth)* and the *Superannuation Guarantee Charge Act 1992 (Cth)*.
- In addition to the fixed remuneration, the CEO will be entitled to a bonus on the following terms:

Minimum revenue achieved by the Company for a financial year	Bonus Ren Hor Wong
$5 million	$10,000
$5.5 million	$16,000
$6 million +	$20,000

- The Company provide a car benefit to the CEO and a car allowance of $1,000 pm.
- Fixed and incentive remuneration is reviewed and determined annually.
- Termination notice period is 3 months or without notice in the event of breach of services agreement between Mr Wong and the Company or serious misconduct.
- Restraint period being up to 24 months.

Chief Financial Officer

- The CFO receives fixed remuneration of $180,000 per annum plus superannuation contributions under the *Superannuation Guarantee (Administration) Act 1992 (Cth)* and the *Superannuation Guarantee Charge Act 1992 (Cth)*.
- In addition to the fixed remuneration, the CFO will be entitled to a bonus on the following terms:

Minimum revenue achieved by the Company for a financial year	Bonus Jia Penny He
$5 million	$5,000
$5.5 million	$8,000
$6 million +	$10,000

- Fixed and incentive remuneration will be reviewed and determined annually.
- Termination notice period is 3 months or without notice in the event of breach of services agreement between Ms He and the Company or serious misconduct.
- Restraint period being up to 24 months.

Non-Executive Director – David Holmes

- The remuneration (Service Fee) of the Non-Executive Director is $66,000 per annum including Superannuation.
- The Service Fee will be reviewed and determined annually.
- Termination notice period is 3 months or 1 month in the event of breach of services agreement between the relevant Non-Executive Director and the Company or serious misconduct.
- Restraint period being up to 24 months.

Non-Executive Director – Paul Jensen (resigned on 1 September 2020)

- The remuneration (Service Fee) of the Non-Executive Director is $65,700 per annum.
- The Service Fee will be reviewed and determined annually.
- Termination notice period is 10 business days or immediately in the event of breach of services agreement between the relevant Non-Executive Director and the Company or serious misconduct.

Non-Executive Director – Frank Ganis

- The remuneration (Service Fee) of the Non-Executive Director is $66,000 per annum.
- The Service Fee will be reviewed and determined annually.
- Termination notice period is 10 business days or immediately in the event of breach of services agreement between the relevant Non-Executive Director and the Company or serious misconduct.

Remuneration of KMP

2021	Short term employee benefits			Post-employment benefits	Long term employee benefits	Share based payments	Total
	Salaries	Bonus	Other (note 1)	Superannuation	Long service leave	Options	
Directors and Secretaries							
Ren Hor Wong	$374,762	-	$5,569	$21,003	$9,173	-	$410,506
Jia Penny He	$181,381	-	-	$17,100	$4,438	-	$202,919
David Holmes	$60,274	-	-	$5,726	-	-	$66,000
Paul Jensen*	$10,950	-	-	-	-	-	$10,950
Frank Ganis*	$45,205	-	-	$4,295	-	-	$49,500

* Representing remuneration from 1 July 2020 to 31 August 2020 for Paul Jensen and remuneration from 1 September 2020 to 30 June 2021 for Frank Ganis.

2020	Short term employee benefits			Post-employment benefits	Long term employee benefits	Share based payments	Total
	Salaries	Bonus	Other (note 1)	Superannuation	Long service leave	Options	
Directors and Secretaries							
Ren Hor Wong	$368,030	-	$15,609	$22,753	$7,704	-	$414,096
Jia Penny He	$175,512	-	-	$17,100	$3,728	-	$196,340
Tarun Kanji*	$17,700	-	-	-	-	-	$17,700
David Holmes	$60,274	-	-	$5,726	-	-	$66,000
Paul Jensen*	$40,515	-	-	-	-	-	$40,515
Other KMP							
Jacqueline Wang*	$99,495	-	-	$9,048	$2,607	-	$111,150

* Representing remuneration from 1 July 2019 to 18 November 2019 for Tarun Kanji and remuneration from 18 November 2019 to 30 June 2020 for Paul Jensen. Jacqueline Wang is no longer involved in key decision making and is hence not included in the 2021 remuneration report figures.

Note 1: The Company provides car benefits to the CEO.

Options and rights granted as remuneration

The terms and conditions relating to Options granted as remuneration during the year to KMP are as follows:

2021	Number of options beginning of the year	Granted No.	Exercised during the year	Lapsed during the year	Number of options at the end of the year	Vested	Unvested
Jia Penny He	750,000	-	-	750,000	-	-	-

Note: The option expiry date is 14 December 2020.

2020	Number of options beginning of the year	Granted No.	Exercised during the year	Lapsed during the year	Number of options at the end of the year	Vested	Unvested
Jia Penny He	750,000	-	-	-	750,000	750,000	-

The fair value of Options granted as remuneration and as shown in the above table has been determined in accordance with Australian Accounting Standards and will be recognised as an expense over the relevant vesting period to the extent that conditions for vesting are satisfied.

Description of Options/rights issued as remuneration

Details of the Options granted as remuneration to those KMP and executives listed in the previous table are as follows:

	Tranche	Grant date	Number of options granted	Exercising value	Exercising price	Vesting date	Reason for grant
Jia Penny He	1	14/12/2015	750,000	$150,000	$0.2	14/12/2018	Employee share option

	Tranche	Fair value per option at granting date	Vesting conditions
Jia Penny He	1	$0.0544	Continuous employment with the Group from 14/12/2015 to 14/12/2018

Option values at grant date were determined by applying the Binomial Approximation valuation methodology.

KMP shareholdings

The number of ordinary shares in the Company held by each KMP of the Group during the financial year is as follows:

2021	Number of Shares beginning of the year	Received as remuneration during year	Received on exercising Options	Shares purchased	Number of Shares at the end of the year
Ren Hor Wong (Note 1)	50,024,000	-	-	244,945	50,268,945
Jia Penny He (Note 2)	250,000	-	-	58,168	308,168
Frank Ganis	-	-	-	117,500	117,500

2020	Number of Shares beginning of the year	Received as remuneration during year	Received on exercising Options	Shares purchased	Number of Shares at the end of the year
Ren Hor Wong (Note 1)	50,024,000	-	-	-	50,024,000
Jia Penny He (Note 2)	250,000	-	-	-	250,000

Other equity-related KMP transactions

There have been no other transactions involving equity instruments apart from those described in the tables above relating to Options, Rights and Shares.

Loans to KMP

There are no loans from the Company to KMP as at 30 June 2021.

Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2021.

Options

There were no options over ordinary shares issued and/or granted to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2021.

This concludes the remuneration report, which has been audited.

Auditor

Crowe Sydney 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

Ren Hor Wong
Executive Chairman and CEO

28 September 2021

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28 September 2021

The Board of Directors
N1 Holdings Limited
Suite 502, 77 King Street
Sydney NSW 2000

Dear Board Members

N1 Holdings 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 N1 Holdings Limited.

As lead audit partner for the audit of the financial report of N1 Holdings Limited for the year ended 30 June 2021, I declare that to the best of my knowledge and belief, that 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

Crowe Sydney

Crowe Sydney

Suwarti Asmono
Partner

Liability limited by a scheme approved under Professional Standards Legislation.

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

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Sydney, an affiliate of Findex (Aust) Pty Ltd. Liability limited by a scheme approved under Professional Standards Legislation.

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	Note	Consolidated 2021 $	Consolidated 2020 $
Revenue from continuing operation	3	5,388,462	4,139,470
Other income	4	412,184	347,459
Expenses			
Consulting and referral fees		(926,721)	(922,239)
Employee cost		(2,319,574)	(2,474,296)
IT and technology		(3,859)	(6,092)
Sales and marketing		(56,993)	(111,846)
Rent and utilities		(91,562)	(108,538)
Professional fee		(330,517)	(394,474)
Office and administrative expense		(186,507)	(231,478)
Finance cost	5	(1,154,631)	(1,040,081)
Travel cost		(18,327)	(46,746)
Depreciation and amortisation	5	(567,263)	(632,915)
Other operation cost		(3,701)	(24,694)
Loss from write-off of other financial assets		(1,421)	(344,248)
Profit/(loss) before income tax benefit		139,570	(1,850,718)
Income tax benefit	40	-	34,033
Profit/(loss) after income tax benefit for the year	25	139,570	(1,816,685)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		139,570	(1,816,685)
		Cents	**Cents**
Basic earnings per share	1	0.2	(2.2)
Diluted earnings per share	1	0.2	(2.2)

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

N1 Holdings Limited
Consolidated statement of financial position
As at 30 June 2021

	Note	Consolidated 2021 $	Consolidated 2020 $
Assets			
Current assets			
Cash and cash equivalents	6	3,211,848	2,781,579
Trade and other receivables	7	1,321,889	474,423
Contract assets	8	235,139	116,141
Commercial loan receivables	9	6,600,583	5,478,000
Other financial assets	10	371,507	421,507
Other current assets	11	152,455	81,491
Total current assets		11,893,421	9,353,141
Non-current assets			
Contract assets	8	341,207	181,948
Investments in associate and joint venture	12	51	150
Other financial assets	13	167,047	172,048
Property, plant and equipment	14	1,404,294	2,024,254
Deferred tax assets	41	213,225	163,185
Intangible assets	15	1,270,831	1,340,100
Other non-current assets	16	245,803	247,357
Total non-current assets		3,642,458	4,129,042
Total assets		15,535,879	13,482,183
Liabilities			
Current liabilities			
Trade and other payables	17	948,672	499,173
Contract liabilities	18	11,291	6,196
Loan and borrowings	19	5,704,780	6,402,390
Lease liabilities	20	326,117	369,794
Deferred income	21	121,786	67,618
Provisions	22	152,909	121,970
Total current liabilities		7,265,555	7,467,141
Non-current liabilities			
Contract liabilities	18	16,383	9,706
Loan and borrowings	19	8,441,073	5,965,853
Lease liabilities	20	962,459	1,410,984
Deferred tax liabilities	41	213,225	163,185
Provisions	22	114,811	82,511
Total non-current liabilities		9,747,951	7,632,239
Total liabilities		17,013,506	15,099,380
Net liabilities		(1,477,627)	(1,617,197)
Equity			
Issued capital	23	5,654,061	5,654,061
Reserves	24	206,524	206,524
Retained earnings	25	(7,338,212)	(7,477,782)
Total deficiency in equity		(1,477,627)	(1,617,197)

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

N1 Holdings Limited
Consolidated statement of changes in equity
For the year ended 30 June 2021

Consolidated	Issued capital $	Reserves $	Retained profits $	Total deficiency in equity $
Balance at 1 July 2019	5,688,093	206,524	(5,661,097)	233,520
Loss after income tax benefit for the year	-	-	(1,816,685)	(1,816,685)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(1,816,685)	(1,816,685)
Transactions with owners in their capacity as owners:				
Recovery of deferred tax on IPO cost	(34,032)	-	-	(34,032)
Balance at 30 June 2020	5,654,061	206,524	(7,477,782)	(1,617,197)

Consolidated	Issued capital $	Reserves $	Retained profits $	Total deficiency in equity $
Balance at 1 July 2020	5,654,061	206,524	(7,477,782)	(1,617,197)
Profit after income tax expense for the year	-	-	139,570	139,570
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	139,570	139,570
Balance at 30 June 2021	5,654,061	206,524	(7,338,212)	(1,477,627)

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

N1 Holdings Limited
Consolidated statement of cash flows
For the year ended 30 June 2021

	Note	Consolidated 2021 $	Consolidated 2020 $
Cash flows from operating activities			
Receipts from customers		4,744,627	4,237,433
Receipt of government grants		380,885	252,246
Interest received from bank deposit		3,406	13,880
Net proceeds from disposal of trail book		-	1,790,887
Payments to suppliers and employees		(3,887,620)	(4,741,486)
Net increase in fund lent as commercial loans		(1,122,583)	(2,725,500)
Net Increase in fund received for commercial loans		1,860,000	5,070,000
Interest and other finance costs paid for commercial loans		(779,364)	(530,397)
Net cash from operating activities	42	1,199,351	3,367,063
Cash flows from investing activities			
Purchase of property, plant and equipment	14	(4,142)	(76,526)
Purchase of Intangible assets	15	(102,481)	-
Investment in other financial assets		(9,120)	(113,335)
Investment in associates and joint ventures		(1)	(110)
Loans to related parties		(517)	(1,085)
Loan to third parties		50,000	-
Net cash used in investing activities		(66,261)	(191,056)
Cash flows from financing activities			
Proceeds from borrowings and loans		100,000	1,261,262
Repayment of borrowings and loans		(182,390)	(1,773,762)
Payment of finance cost and interest		(323,730)	(468,592)
Repayment of other financial liability		(16,941)	(15,387)
Repayment of lease liabilities and interest expense		(279,760)	(317,481)
Net cash used in financing activities		(702,821)	(1,313,960)
Net increase in cash and cash equivalents		430,269	1,862,047
Cash and cash equivalents at the beginning of the financial year		2,781,579	919,532
Cash and cash equivalents at the end of the financial year	6	3,211,848	2,781,579

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

Note 1. Earnings per share

	Consolidated	
	2021	**2020**
	$	**$**
Profit/(loss) after income tax	139,570	(1,816,685)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	81,555,573	81,555,573
Weighted average number of ordinary shares used in calculating diluted earnings per share	81,555,573	81,555,573
	Cents	**Cents**
Basic earnings per share	0.2	(2.2)
Diluted earnings per share	0.2	(2.2)

Note 2. Operating segments

Identification of reportable operating segments
The Group is organised into four operating segments: financial services, real estate services, migration services and other. 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.

Financial services

This segment refers to the operating activities in the area of financial service business mainly including:
- Mortgage broking
- Commercial loan lending
- Advisory service

The Group acts as a mortgage broker that provides its customers with advice and support and receives commission payments on loans originated through its network of customers.

The Group lends privately raised funds to commercial borrowers and earns loan facility set up related fees, interest income as well as management fees from mortgage fund issued and managed by N1 Venture Pty Ltd.

The Group provides financial advisory, trustee and fund management services to its customers and receives advisory service fees.

Real estate services

The Group conducts real estate services through N1 Realty Pty Ltd and Sydney Boutique Properties Pty Ltd. The services currently are focused on rental property management and property sales agent service.

Migration services

The Group provides migration services to its customers through N1 Migration Pty Ltd which holds a migration agent licence.

Other segments represent services provided by the Group other than the above three categories, including investment activities.

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.

N1 Holdings

Note 2. Operating segments (continued)

Operating segment information

Consolidated - 2021	Financial services $	Real estate services $	Migration services $	Other $	Total $
Revenue					
Revenue	4,874,021	430,725	83,717	-	5,388,463
Interest	2,699	-	17	690	3,406
Other income	335,099	20,973	34,900	17,807	408,779
Total revenue	5,211,819	451,698	118,634	18,497	5,800,648
Profit/(loss) before income tax expense	1,738,372	11,135	(3,266)	(1,606,671)	139,570
Income tax expense					-
Profit after income tax expense					139,570
Material items include:					
Depreciation and amortisation expense	268,718	171,270	-	127,275	567,263
Interest expense	838,961	33,757	32	281,881	1,154,631
Assets					
Segment assets	12,311,530	2,614,947	66,948	26,773,889	41,767,314
Intersegment eliminations					(26,231,435)
Total assets					15,535,879
Liabilities					
Segment liabilities	12,974,346	4,633,035	138,516	14,821,964	32,567,861
Intersegment eliminations					(15,554,355)
Total liabilities					17,013,506

Consolidated - 2020	Financial services $	Real estate services $	Migration services $	Other $	Total $
Revenue					
Revenue	3,539,465	443,073	57,880	99,051	4,139,469
Interest	11,434	1,212	30	1,204	13,880
Other income	233,579	11,615	19,000	69,386	333,580
Total revenue	3,784,478	455,900	76,910	169,641	4,486,929
Loss before income tax benefit	(413,924)	(76,502)	(51,524)	(1,308,768)	(1,850,718)
Income tax benefit					34,033
Loss after income tax benefit					(1,816,685)
Material items include:					
Depreciation and amortisation expense	260,895	232,751	-	139,269	632,915
Interest expense	700,866	46,977	139	292,099	1,040,081
Assets					
Segment assets	10,765,150	2,481,283	29,945	26,722,522	39,998,900
Intersegment eliminations					(26,516,717)
Total assets					13,482,183
Liabilities					
Segment liabilities	13,166,042	4,510,506	98,246	13,164,335	30,939,129
Intersegment eliminations					(15,839,749)
Total liabilities					15,099,380

Note 3. Revenue from continuing operation

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

	Consolidated	
	2021	**2020**
	$	**$**
Mortgage brokering and commercial lending origination commission	699,472	998,021
Mortgage brokering trail commission	210,460	155,256
Net movement in trail commission asset valuation	266,485	72,740
Commercial lending fee and interest	3,444,603	2,288,449
Real estate service	430,725	443,074
Migration service	83,717	57,880
Advisory service	253,000	25,000
Other service	-	99,050
	5,388,462	4,139,470
Geographical regions		
Australia	5,388,462	4,139,470

Timing of revenue recognition

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers. The analysis of the revenue recognition point is as below:

	2021	2021	2020	2020
	At point in time $	Over time $	At point in time $	Over time $
Mortgage brokering and commercial lending origination commission	699,472	-	998,021	-
Trail commission	476,945	-	227,996	-
Commercial lending fee and interest	1,925,429	1,519,174	1,504,595	783,854
Real Estate service	116,430	314,295	113,659	329,415
Migration service	83,717	-	57,880	-
Advisory service	253,000	-	25,000	-
Other service	-	-	99,050	-
	3,554,993	1,833,469	3,026,201	1,113,269

Note 3. Revenue from continuing operation (continued)

Mortgage broking services
The Group provides a service of introducing applicants to lenders as part of the process to originate a loan and receive commissions for the service provided. The service activities that form part of this process are interrelated and interdependent of each other and form a single performance obligation. The Group recognises commission as revenue upon the settlement of loans, which is when the performance obligation is completed.

The deferral of a portion of the commission as trail commission is a mechanism by which lenders incentivise brokers to introduce quality applicants that will not refinance their loans and therefore maximise the life of the loan. This mechanism affects the transaction price, but it does not give rise to a separate performance obligation. As a result, trail commission is also recognised as revenue upon settlement of loans and at the same time, the right to trail commission is recognised as a contract asset on the statement of financial position. The contract asset will only become a financial asset (i.e. a receivable) when the right to the consideration is unconditional. This is expected to be as each month's entitlement to the trail commission is established, i.e. when an invoice is raised to the aggregator.

The Group recognises trailing commission as revenue only if it is highly probable that a change in the estimate of the variable consideration would not result in a significant reversal of the cumulative revenue already recognised.

The upfront origination commission was recognised at its transactions price and the trailing commission is recognised by using expected value approach constrained by avoiding possible future downward revenue adjustments (i.e., revenue reversals).

The Group is a principal because it controls its service activities during the loan application process and entitled to gross commissions from lenders/aggregators. As a result the revenue for commission earned is presented on a gross basis. The portion payable to commission-based brokers is recorded separately and recognised as trail commission liabilities at reporting date.

Commercial lending service
The Group enters into contracts to lend privately raised funds to commercial borrowers. Under these contracts, the Group provides loan services and earns commercial lending fees and interest income. Commercial lending fees are recognised as revenue when the loan facility is set up. Interest income generated from the commercial lending is recognised when it is earned over time.

Management fees received from funds under management are recognised when derived.

Real estate service
The Group enters into contracts with its customers to manage and/or sell properties on the customer's behalf. Under these contracts, the Group provides rental management and/or selling agent services.

As a result, the Group receives property management fees which are based on a percentage of rental collected on behalf of the landlords. Income is recognised in the period when the services are rendered. In terms of the real estate selling agent services, the Group receives commissions and fees derived from real estate sales. They are recognised at the time that unconditional exchange of contracts between vendors and purchasers take place.

Other services (including migration service)

Revenue is recognised in the accounting period in which the services are rendered. For fixed-price services, revenue is recognised based on the actual services provided till the end of the reporting period as a proportion of the total services to be provided.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period when the change in circumstances becomes known to management.

Interest
Interest revenue is recognised using the effective interest method. This is a method of calculating the amortised cost of 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.

Note 3. Revenue from continuing operation (continued)

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

Note 4. Other income

	Consolidated 2021 $	Consolidated 2020 $
Gain/(loss) on revaluation of financial asset	(786)	58,713
Government grants	380,885	252,246
Interest income	3,406	13,880
Other income	28,679	22,620
Other income	412,184	347,459

Note 5. Expense

	Consolidated 2021 $	Consolidated 2020 $
Finance cost		
Interest expense in relation to leases	46,503	26,401
Interest expense from borrowings and loans	1,093,559	999,664
Bank fees	14,569	14,016
	1,154,631	1,040,081

	Consolidated 2021	Consolidated 2020
Depreciation and amortisation		
Depreciation expense in relation to leases	313,831	307,531
Depreciation expense	68,346	74,300
Amortisation costs	185,086	251,084
	567,263	632,915

Note 6. Cash and cash equivalents

	Consolidated 2021 $	Consolidated 2020 $
Cash and cash equivalents	3,211,848	2,781,579

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. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Note 7. Trade and other receivables

	Consolidated	
	2021	**2020**
	$	**$**
Trade receivables	635,341	425,105
Interest receivable	666,386	28,328
Agent commission clawback receivable	20,162	20,990
	1,321,889	474,423

Trade and other receivables are initially recognised at their transaction price (as defined in AASB 15) and subsequently measured at amortised cost (on the basis that the Group's business model is to hold and collect contractual cash flow and solely for payments of trade and other receivables).

The impairment assessment required by AASB 9 for financial assets are based on a forward-looking expected credit loss ('ECL') model.

Simplified approach is adopted to assess the impairment of trade and other receivables. Under simplified approach, life time expected credit loss estimated based on historical incurred and forward expected credit loss will both be examined and assessed to determine the amount of impairment as at reporting date. Specifically, the Group will apply credit loss factors determined from estimation of customer default probability and loss percentage on current observable data which may include:

• forecasts of economic conditions such as unemployment, interest rates, gross domestic product and inflation;
• financial difficulties of a counterparty or probability that a counterparty will enter bankruptcy; and
• conditions specific to the asset to which the receivable relates.

Debts that are known to be uncollectable are written off when identified.

Credit risk

The Group has credit risk exposure in relation to commercial lending interest and fees receivable from an Australian company, its associated entities and guarantors. The total receivable from this borrower is $778,299 (60% of the receivables) (2020: $28,238 (6% of the receivables) as at 30 June 2021.

On a geographic basis, the Group has significant credit risk exposures in Australia only.

The Group has assessed that there are no trade and other receivables that are impaired at year end (30 June 2020: nil). As at 30 June 2021, the amount of all trade and other receivables past due is $888,945 (2020: $208,420).

Note 8. Contract assets

	Consolidated	
	2021	**2020**
	$	**$**
Contract assets - current	235,139	116,141
Contract assets - non-current	341,207	181,948

The contract asset relates to future trail income. It is recognised and measured by using expected value approach. The contract asset will only become a financial asset (i.e. a receivable) when the right to the consideration is unconditional. This is at the point when monthly trail commission is invoiced to the aggregator.

Note 8. Contract assets (continued)

	2021 $	2020 $
Reconciliation of the contract assets at the beginning and end of the current financial year are set out below:		
Opening balance	298,089	212,839
Expected trail commission from new loans and commission step up	488,717	240,506
Trail commission received	(210,460)	(155,256)
	576,346	298,089

Note 9. Commercial loan receivables

	Consolidated	
	2021 **$**	**2020** **$**
Commercial loan receivables	6,600,583	5,478,000

The Group raises funds to lend money to commercial entities on a short-term basis and earns interest income. The loans are secured with established real property or land in line with the Group's lending requirements.

The commercial loan balance represents the outstanding amounts owed.

Loan receivables are initially recognised at fair value adjusted for transaction costs that are directly attributable to the acquisition or issue of the loan (as defined in para 5.1.1 in AASB 9) and subsequently measured at amortised cost (on the basis that the Group's business model is to hold and collect contractual cash flow and solely for payments of principals and interest on principal amount outstanding (as defined in para 4.1.2 in AASB 9).

The impairment assessment required by AASB 9 for financial assets are based on a forward-looking expected credit loss ('ECL') model.

The general approach is adopted to assess the impairment of loan receivables.

Under the general approach, 12 month's credit losses or life time credit losses are estimated based on whether the credit risk on that financial instrument (loan receivables) has increased significantly since initial recognition to determine the amount of impairment as at reporting date. Specifically, if the credit risk has not increased significantly since initial recognition, then a loss allowance equal to 12 month's credit losses should be measured and recognised otherwise life time expected credit losses should be measured and recognised. The Group will apply credit loss factors determined from estimation of customer default probability and loss percentage.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are 'credit-impaired'. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The Group takes into consideration the collateral in making credit risk assessment.

The Group recognises loss allowances at an amount equal to lifetime (normally less than 12 months) ECL on loan receivables. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of the loan receivable and are a probability-weighted estimate of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Note 9. Commercial loan receivables (continued)

The Group analyses the age of outstanding receivable balances and applies historical default percentages adjusted for other current observable data as a means to estimate ECL. Other current observable data may include:
• forecasts of economic conditions such as unemployment, interest rates, gross domestic product and inflation;
• financial difficulties of a counterparty or probability that a counterparty will enter bankruptcy; and
• conditions specific to the asset to which the receivable relates.

Debts that are known to be uncollectable are written off when identified.

Note 10. Other financial assets

	Consolidated	
	2021	**2020**
	$	**$**
Other financial assets	371,507	421,507

Other financial assets represent investment loan receivable and they are initially recognised at fair value adjusted for transaction costs that are directly attributable to the acquisition or issue of the loan (as defined in para 5.1.1 in AASB 9) and subsequently measured at amortised cost (on the basis that the Group's business model is to hold and collect contractual cash flow and solely for payments of principals and interest on principal amount outstanding (as defined in para 4.1.2 in AASB 9).

Note 11. Other current assets

	Consolidated	
	2021	**2020**
	$	**$**
Prepayments	152,455	81,491

Note 12. Investments in associate and joint venture

	Consolidated	
	2021	**2020**
	$	**$**
Investment in associate 1573 Pty Ltd	-	10
Investment in associate N1X Capital Pty. Ltd.	-	40
Investment in joint venture Loan 77 Pty Ltd	50	50
Investment in joint venture RN2 Pty Ltd	-	50
Investment in Aura N1 Lending Pty Ltd	1	-
	51	150

Refer to note 33 for further information on interests in associates.

Refer to note 34 for further information on interests in joint ventures.

Investment in associates and joint ventures are accounted for using the equity method. Under the equity method, on initial recognition the investment in an associate or a joint venture is recognised at cost, and the carrying amount is increased or decreased to recognise the Group’s share of the profit or loss of the investee after the date of acquisition. The Group’s share of the investee’s profit or loss is recognised in the Group’s profit or loss. Distributions received from an investee reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the Group’s proportionate interest in the investee arising from changes in the investee’s other comprehensive income. Such changes include those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences. The Group’s share of those changes is recognised in other comprehensive income.

Note 13. Other financial assets

	Consolidated	
	2021	**2020**
	$	**$**
Investment in Stropro Technologies Pty Ltd	157,927	158,713
Investment in Vaikuntha Pty Ltd	-	13,335
Investment in Bluebet Holdings Ltd	9,120	-
	167,047	172,048

Refer to note 29 for further information on fair value measurement.

Other investments are financial assets at fair value through profit or loss which are equity interests owned by the Group. They are initially measured at fair value with subsequent changes in fair value recognised in profit or loss.

Note 14. Property, plant and equipment

	Consolidated	
	2021	**2020**
	$	**$**
Office equipment	99,021	94,879
Less: Accumulated depreciation	(84,042)	(71,431)
	14,979	23,448
Motor vehicles	74,329	74,329
Less: Accumulated depreciation	(57,895)	(52,417)
	16,434	21,912
Furniture & fittings	586,041	586,041
Less: Accumulated depreciation	(386,077)	(335,820)
	199,964	250,221
Premises - right-of-use	1,520,596	2,036,204
Less: Accumulated depreciation	(347,679)	(307,531)
	1,172,917	1,728,673
	1,404,294	2,024,254

Plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment. In the event that the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. Impairment losses are recognised in profit or loss.

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.

Depreciation

The depreciable amount of all plant and equipment and is depreciated on a diminishing basis over the asset's useful life commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Currently the depreciation rate is in the range of 10% to 50%.

Note 14. Property, plant and equipment (continued)

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 Group 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 range of lease terms for current leases are between 1 to 5 years.

Movements in carrying amounts

Movements in carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year.

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

Consolidated	Office Equipment $	Motor Vehicles $	Furniture & Fittings $	Office - right-of-use $	Total $
Balance at 1 July 2019	19,256	29,216	244,882	-	293,354
Additions by application of AASB16	-	-	-	657,552	657,552
Additions	20,596	-	55,931	1,378,652	1,455,179
Depreciation expense	(16,404)	(7,304)	(50,592)	(307,531)	(381,831)
Balance at 30 June 2020	23,448	21,912	250,221	1,728,673	2,024,254
Additions	4,142	-	-	-	4,142
Write off of assets by lease expired	-	-	-	(273,683)	(273,683)
Write off of accumulated depreciation by lease expired	-	-	-	273,683	273,683
Lease adjustments	-	-	-	(241,925)	(241,925)
Depreciation expense	(12,611)	(5,478)	(50,257)	(313,831)	(382,177)
Balance at 30 June 2021	14,979	16,434	199,964	1,172,917	1,404,294

The motor vehicles were acquired via finance lease.

The Group entered into a new 5 year office lease with ARE Noble Pty Ltd starting from 15 September 2020. The rental premises is at 77 King Street, Sydney, 2000.

The weighted average lessee’s incremental borrowing rate applied to lease liabilities recognised in the statement of financial position at the date of initial application is 4.765% and 3.937% respectively with the current two leases. The rate is determined by referring to the interest rate on the group's existing loans with similar terms. Lease terms are based on signed agreements.

Note 15. Intangible assets

	Consolidated 2021 $	Consolidated 2020 $
Goodwill	536,216	536,216
Finance licence	99,988	-
Rent roll	2,217,048	2,217,048
Less: Accumulated amortisation	(1,623,412)	(1,460,142)
	593,636	756,906
Website and IT system	344,785	328,957
Less: Accumulated amortisation	(303,794)	(281,979)
	40,991	46,978
	1,270,831	1,340,100

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

Consolidated	Goodwill (a) $	Finance licence $	Rent Roll (b) $	Website and IT system (c) $	Total $
Balance at 1 July 2019	536,216	-	976,671	78,298	1,591,185
Amortisation/written-down	-	-	(219,765)	(31,320)	(251,085)
Balance at 30 June 2020	536,216	-	756,906	46,978	1,340,100
Additions	-	99,988	-	15,829	115,817
Amortisation/written-down	-	-	(163,270)	(21,816)	(185,086)
Balance at 30 June 2021	536,216	99,988	593,636	40,991	1,270,831

Note: An amount of $13,335 was paid for the finance licence in the previous financial year and was recorded in other financial assets.

a) Goodwill
Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

Critical accounting estimates and judgements – Key assumptions used for value-in-use calculations

The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit ("CGU") is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a three-year period and extrapolated to five years. The following table sets out the key assumptions for the impairment testing of the goodwill. The goodwill balance at the reporting date only relates the real estate services segment.

Note 15. Intangible assets (continued)

Growth rate: 2%	Growth rate is based on management's estimated inflation rate.
Post-tax discount rate: 12%	Post-tax discount rate reflects the specific risks relating to the real estate agency industry in Australia.
Terminal value:	Terminal value is based on the third year budgeted net cash flow, the post-tax discount rate of 12% and the growth rate of 2%.

b) Rent Roll Assets

	Consolidated	
	2021	**2020**
	$	**$**
Rent Roll – Cost	2,217,048	2,217,048
Rent Roll – Written-down	(1,623,412)	(1,460,142)
Rent Roll – Net	593,636	756,906

Rent rolls are accounted for as an intangible asset with a finite life in accordance with AASB 138 (Intangible Assets). They are initially recognised at cost and subsequently written down to their recoverable value at each reporting period, with reference to the reduction in rent under management times industry resale multiple being 2-5 times.

c) Website and IT System

	Consolidated	
	2021	**2020**
	$	**$**
Website and IT system – Cost	344,785	328,957
Website and IT system – Accumulated amortisation	(303,794)	(281,979)
Website and IT system – Net	40,991	46,978

Acquired website and computer software licences are capitalised on the basis of costs incurred to acquire them.

These costs are amortised over their estimated useful lives. Costs associated with maintaining computer software programs are recognised as an expense as incurred.

Amortisation is recognised in the profit or loss statement on a diminishing basis over the estimated useful life of the intangible assets from the date that they are considered suitable for use. The estimated useful life of website and IT system is 5 years. The current amortisation charges for website and IT system are included under depreciation and amortisation expenses.

Note 16. Other non-current assets

	Consolidated	
	2021	**2020**
	$	**$**
Loan - 1573 Pty Ltd	-	367
Loan - RN2 Pty Ltd	-	718
Other non-current assets	245,803	246,272
	245,803	247,357

The other non-current assets are mainly bond deposit paid by the Group.

Note 17. Trade and other payables

	Consolidated 2021 $	Consolidated 2020 $
Trade payables	216,756	129,592
Superannuation and salary withholding tax payable	479,287	199,285
Other creditors and accruals	252,629	170,296
	948,672	499,173

Refer to note 28 for further information on specific financial risk exposures and management.

Trade and other payable are recognised at fair value initially and subsequently measured at amortised cost.

Note 18. Contract liabilities

	Consolidated 2021 $	Consolidated 2020 $
Contract liabilities - current	11,291	6,196

	Consolidated 2021 $	Consolidated 2020 $
Contract liabilities - non-current	16,383	9,706

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

Note 19. Loan and borrowings

	Consolidated 2021 $	Consolidated 2020 $
Current		
Bank loan (i)	104,780	52,390
Loan received for commercial lending (ii)	3,900,000	5,450,000
Convertible debts (iii)	1,000,000	370,000
Loan from other lenders (iv)	700,000	530,000
	5,704,780	6,402,390

	Consolidated 2021 $	Consolidated 2020 $
Non-current		
Bank loan (i)	681,073	785,853
Loan received for commercial lending (ii)	6,810,000	3,400,000
Convertible debts (iii)	370,000	1,000,000
Loan from other lenders (iv)	580,000	780,000
	8,441,073	5,965,853

Note 19. Loan and borrowings (continued)

i) The bank loan from National Australia Bank was renewed in May 2020. The repayment term of the loan is 3 years expiring 31 March 2023. The interest is 3.879% per annum with principal and interest repayments in accordance with the amended loan agreement. The loan is secured by the Sydney Boutique Property's rent roll. The outstanding loan balance as at 30 June 2021 is $785,853 (30 June 2020: $838,243).

ii) Loan received for commercial lending is the funds being raised for commercial loan lending to customers. They are unsecured. Key information of these loans are detailed in the table below.

	Repayment term	Drawdown amount	Drawdown date	Balance at 30/06/2021	Interest rate (per annum)
Private loan batch#1	6 months rolling **	2,000,000	01/10/2019	2,000,000	6.00%
Private loan batch#2	6 months rolling **	1,000,000	15/11/2019	1,000,000	6.00%
Private loan batch#3	2 years **	200,000	22/11/2019	200,000	10.00%
Private loan batch#4	1.5 years **	100,000	16/03/2020	100,000	8.00%
Private loan batch#5	2 years **	600,000	01/09/2020	600,000	10.00%
Private loan batch#6	2 years **	600,000	15/10/2020	600,000	8.00%
Private loan batch#7	1 year**	100,000	21/10/2020	100,000	8.00%
Private loan batch#8	2 years **	500,000	30/12/2020	500,000	8.00%
Private loan batch#9	1 year **	100,000	26/02/2021	100,000	7.00%
Private loan batch#10	2 years **	1,200,000	10/03/2021	1,200,000	7.00%
Private loan batch#11	1 year **	100,000	01/04/2021	100,000	10.00%
Private loan batch#12	2 years **	2,900,000	01/05/2021	2,900,000	8.00%
Private loan batch#13	1 year **	100,000	09/05/2021	100,000	7.00%
Private loan batch#14	2 years **	150,000	11/05/2021	150,000	8.00%
Private loan batch#15	1 year **	200,000	01/06/2021	200,000	7.00%
Private loan batch#16	2 years **	360,000	01/06/2021	360,000	8.00%
Private loan batch#17	2 years **	400,000	24/06/2021	400,000	7.00%
Private loan batch#18	2 years **	100,000	01/07/2021	100,000	7.00%
		10,710,000		10,710,000	

** Interest only

iii) Convertible debts

	Consolidated 2021 $	Consolidated 2020 $
As at the beginning of the period	1,370,000	1,370,000
As at end of the period	1,370,000	1,370,000

In FY17, the Company issued 1.85 million unlisted convertible notes in exchange for a cost fund of $370,000. The holders of the convertible notes may choose to convert the notes to shares in the Company at $0.20 per share at any time before the maturity date, which was extended to 11 May 2021, then further extended to 11 May 2023. In addition, the interest rate has been amended from 10% to 8% pa which will take effect on and from 12 May 2021.

On 27 September 2017, the Company issued 5 million unlisted unsecured convertible notes with a total value of $1,000,000. The holders of the convertible notes may choose to convert the notes to shares in the Company at $0.20 per share at any time before the maturity date, which was extended to 27 September 2021.

Note 19. Loan and borrowings (continued)

iv) Loan from other lenders

	Repayment term	Drawdown amount	Drawdown date	Balance at 30/06/2021	Interest rate (per annum) %
Private loan batch#1	4 years**	200,000	01/09/2017	200,000	10.00%
Private loan batch#2	4 years**	200,000	01/01/2018	200,000	10.00%
Private loan batch#3	2 years**	380,000	01/05/2021	380,000	8.00%
Private loan batch#4	1 year**	300,000	01/06/2021	300,000	6.00%
Private loan batch#5	2 years**	200,000	10/06/2021	200,000	7.00%
		1,280,000		1,280,000	

** Interest only

Note 20. Lease liabilities

	Consolidated 2021 $	2020 $
Lease liability - current	326,117	369,794
Lease liability - non-current	962,459	1,410,984

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 Group'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.

Note 21. Deferred income

	Consolidated 2021 $	2020 $
Interest advanced from borrower	121,786	67,618

Note 22. Provisions

	Consolidated	
	2021	**2020**
	$	**$**
Employee provision - current	97,807	75,148
Refund liabilities	55,102	46,822
	152,909	121,970

	Consolidated	
	2021	**2020**
	$	**$**
Employee provision - non-current	114,811	82,511

	2021	2020
	$	$
Movement of provision for refunds		
Beginning of the year	46,822	71,004
Additions/(Reductions) during the year	-	(24,182)
Ending of the year	46,822	46,822

Refund liabilities
Refund liabilities represent the estimated commission to be clawed back by the lenders after loans are terminated before 24 months.

Critical accounting estimates and Judgements - Clawback Receivable and Provision

There is potential for origination commissions to be clawed back by lenders after loans have settled. In the event a lender claws back the commission, a corresponding clawback will be deducted from the authorised brokers contracted by the Group where the clawback relates to a broker derived borrower. As a result, the group assess the probability of the clawbacks and determines both provision for clawbacks and clawback receivable from agents at each reporting date. The provision is based on the historical record of actual clawback and recovery. The probability used in estimate of the clawbacks is 11.3% (FY20: 11.3%).

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

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Group 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 Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service. The probability of long service leave being taken is based on historical data.

Note 23. Issued capital

	Consolidated 2021 $	Consolidated 2020 $
Fully paid ordinary shares	5,654,061	5,654,061

	Consolidated 2021 Shares	2020 Shares	2021 $	2020 $
Issued capital	81,555,573	81,555,573	5,654,061	5,654,061

Movements in ordinary share capital

Details	**Date**	**Shares**	**$**
Balance	1 July 2019	81,555,573	5,688,093
Recovery of deferred tax on IPO cost		-	(34,032)
Balance	30 June 2020	81,555,573	5,654,061
Balance	30 June 2021	81,555,573	5,654,061

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.

Capital management
Management controls the capital of the group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the group can fund its operations and continue as a going concern.

The Group's debt and capital include ordinary share capital, convertible notes and other financial liabilities, supported by financial assets.

The Group is not subject to any externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year. No debt has been retired during the current year.

Note 24. Reserves

	Consolidated 2021 $	Consolidated 2020 $
Options reserve	206,524	206,524

The Group operates an employee share and option plan.

Note 24. Reserves (continued)

Share-based payments to employees are remeasured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are remeasured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined that the fair value of the goods or services cannot be reliably measured, and are recorded at the date that the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the binomial approximation and Black Scholes valuation methodology. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

(a) Employee Option Plan
The establishment of the Employee Option Plan was approved by the board of directors in February 2017. The Employee Option Plan is designed to provide long-term incentives for employees (including executive directors) to deliver long-term shareholder returns. Under the plan, participants are granted options which only vest if certain performance standards are met. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. Once options are vested, the options remain exercisable for a period of two years.

Options are granted under the plan for no consideration and carry no dividend or voting rights. When exercised, each option is convertible into one ordinary share.

(b) Options granted under the Employee Option Plan:

	2021 Average exercise price per Option $	2021 Number of Options	2020 Average exercise price per Option $	2020 Number of Options
As at beginning of the year	0.20	5,403,750	0.20	5,403,750
Forfeited during the year	0.20	(5,403,750)	0.20	-
As at end of the year	-	-	0.20	5,403,750

Options outstanding under the Employee Option Plan at the end of the year have the following expiry dates and exercise prices:

Grant Date	Expiry Date	Exercise price $	Fair value at grant date $	Options 30 June 21	Options 30 June 20
14/12/2015	14/12/2020	$0.20	0.0540	-	3,710,000
18/03/2016	18/03/2018	$0.20	0.0385	-	-
01/03/2017	14/12/2020	$0.20	0.0475	-	1,693,750

(c) Fair value of the options granted
The fair value of the options granted is considered to represent the value of the services received over the vesting period. The value was calculated using the Black Scholes valuation methodology applying the following inputs:

Weighted average exercise price： $0.20

Weighted average life of the Option: 2.79 years

Expected share price volatility: 43.19%

Risk-free interest rate: 1.99%

Historical share price volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future volatility. The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

Note 25. Retained earnings

	Consolidated	
	2021	**2020**
	$	**$**
Accumulated losses at the beginning of the financial year	(7,477,782)	(5,661,097)
Profit/(loss) after income tax benefit for the year	139,570	(1,816,685)
Accumulated losses at the end of the financial year	(7,338,212)	(7,477,782)

Note 26. Dividends

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

Note 27. Financial risk management

The Group’s financial instruments consist mainly of deposits with banks, accounts receivable and payable, other payables and other financial liabilities.

Note 28. Specific financial risk exposures and management

Financial risk management objectives
The Group'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 Group'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 Group. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The Group 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 Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk
The Group is not exposed to any significant foreign currency risk.

Price risk
The Group is not exposed to any significant price risk.

Interest rate risk
Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The financial instruments primarily exposed the Group to interest rate risk are disclosed as below:

	Consolidated	
	2021	**2020**
	$	**$**
Bank loans	785,853	838,243

Note 28. Specific financial risk exposures and management (continued)

The Group has bank loans outstanding totalling $785,853 (2020: $838,243), which are principal and interest payment loans. Monthly cash outlays of approximately $2,598 (2020: $3,603) per month are required to service the interest payments and monthly cash outlays of approximately $8,732 (2020: Nil) per month are required to service the principal payments. An official increase/decrease in interest rates of 100 basis points would have an adverse/favourable effect on profit before tax of $7,859 per annum. The percentage change is based on the expected volatility of interest rates using market data and analysts' forecasts.

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

The Group 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 Group based on recent sales experience, historical collection rates and forward-looking information that is available.

Credit risk related to balances with banks and other financial institutions is managed by the Board. All the group's cash assets are deposited with Australian major banks.

The majority of outstanding receivables are commissions (including contract assets) owed from Aggregators Finsure Finance and Insurance Pty Ltd (ABN 72 068 153 926) (Finsure), Vow Financial Pty Ltd (ABN 66 138 789 161) (Vow), Specialist Finance Group (ABN 48 612 422 178) (SFG) and lenders who make commission payments directly to the Group. Finsure, Vow and SFG are aggregators of retailing loan brokers and act as an intermediaries between the group and the lenders (financial institutions) to pass through the commission paid by those lenders to the Group.

The Group has credit risk associated with trade and other receivables ($1,301,728 as at 30 June 2021 and $474,423 as at 30 June 2020), commercial loan receivable ($6,600,583 as at 30 June 2021 and $5,478,000 as at 30 June 2020), and other investments ($371,507 as at 30 June 2021 and $421,507 as at 30 June 2020). These balances were within their terms of trade respectively except for the loan made to an Australian private company of $1,250,000 in principal and $778,299 interest and fees. Management assessed the recoverability of these amounts and concluded the amounts were not impaired as at 30 June 2021.

There are generally no guarantees against trade and other receivables, except where the amounts relate to existing commercial loans. Collateral in the form of property is taken against commercial loans receivable to reduce credit risk

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
Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by 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.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities. Cash flows realised from financial assets reflect Management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed.

Note 28. Specific financial risk exposures and management (continued)

Financial liability maturity analysis

	Total contractual cash flows $	No more than 1 year $	1-2 years $	2-5 years $	More than 5 years $
2021					
Trade and other payables	948,672	948,672	-	-	-
Convertible debts	1,370,000	1,000,000	370,000	-	-
Finance lease liabilities	21,301	21,301	-	-	-
Bank loan and other borrowings	12,775,853	4,704,780	8,071,073	-	-
Lease liabilities	1,267,276	304,817	331,834	630,625	-
	16,383,102	6,979,570	8,772,907	630,625	-

	Total contractual cash flows	No more than 1 year	1-2 years	2-5 years	More than 5 years
2020					
Trade and other payables	499,173	499,173	-	-	-
Convertible debts	1,370,000	370,000	1,000,000	-	-
Finance lease liabilities	37,540	37,540	-	-	-
Bank loan and other borrowings	10,998,243	6,032,390	3,784,781	1,181,072	-
Lease liabilities	1,743,238	332,254	340,045	1,016,376	54,563
	14,648,194	7,271,357	5,124,826	2,197,448	54,563

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

Note 29. Fair value measurement

AASB 13: fair value measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input which is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share- based payment arrangements) maybe valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Note 29. Fair value measurement (continued)

The Group has equity interests in Stropro Technologies Pty Ltd and Vaikuntha Pty Ltd which are recognised and subsequently measured at fair value Level 3 on a recurring basis. (Refer to Note 14 Other investments for details)

Note 30. Related party transactions

Parent entity
N1 Holdings Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 32.

Associates
Interests in associates are set out in note 33.

Joint ventures
Interests in joint ventures are set out in note 34.

Key management personnel
Disclosures relating to key management personnel are set out in note 35 and the remuneration report included in the directors' report.

Other Related Parties

Other related parties include entities controlled by the ultimate parent entity and entities over which key management personnel have joint control.

Transactions with related parties
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. The following transactions occurred with other related parties:

The following transactions occurred with related parties:

	Consolidated 2021 $	Consolidated 2020 $
Sale of goods and services:		
Management and processing fee from One Lending Fund	1,118,101	898,455
Rental property management income from a key management personnel	1,823	2,360
Payment for goods and services:		
N1 Consultants Group Sdn Bhd - Malaysia	107,347	143,923
Other transactions:		
Sale of 1573 Pty Ltd to a key management personnel	10	-

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

	Consolidated 2021 $	Consolidated 2020 $
Current receivables:		
Trade receivables from One Lending Fund	9,775	2,198

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

Note 30. Related party transactions (continued)

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

Note 31. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2021	**2020**
	$	**$**
Loss after income tax	(1,591,066)	(1,394,949)
Total comprehensive income	(1,591,066)	(1,394,949)

Statement of financial position

	Parent	
	2021	**2020**
	$	**$**
Total current assets	494,625	95,419
Total assets	26,395,820	26,239,082
Total current liabilities	5,793,971	6,535,178
Total liabilities	14,531,708	12,783,903
Equity		
Issued capital	15,824,119	15,824,119
Options reserve	206,524	206,524
Accumulated losses	(4,166,531)	(2,575,464)
Total equity	11,864,112	13,455,179

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 2021 and 30 June 2020.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2021 and 30 June 2020.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2021 and 30 June 2020.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 36, 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.

Note 32. Interests in subsidiaries

The subsidiaries listed below have share capital consisting solely of ordinary shares or ordinary units which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by Group. Each subsidiary's principal place of business is also its country of incorporation.

Name of subsidiary	Principal place of business / Country of incorporation	Ownership interest 2021 %	Ownership interest 2020 %
N1 Loans Pty Ltd	Australia	100.00%	100.00%
N1 Migration Pty Ltd	Australia	100.00%	100.00%
N1 Realty Pty Ltd	Australia	100.00%	100.00%
N1 Project Pty Ltd	Australia	100.00%	100.00%
N1 Venture Pty Ltd	Australia	100.00%	100.00%
Sydney Boutique Property Pty Ltd	Australia	100.00%	100.00%
N1 Franchise Pty Ltd	Australia	100.00%	100.00%
N1 Capital Singapore Pte. Ltd.	Singapore	100.00%	100.00%
Everone Consulting Pty Ltd	Australia	100.00%	100.00%
Yizhihao (Shanghai) Business Consulting Co.,Ltd	China	100.00%	100.00%
Zillion Finance Pty Ltd (i)	Australia	100.00%	-
N1 WH2 Pty Ltd (ii)	Australia	100.00%	-

(i) Zillion Finance Pty Ltd was acquired on 31 July 2020. It has been fully owned by the Group since acquisition.

(ii) N1 WH2 Pty Ltd was incorporated on 6 June 2021, it has been fully owned by the Group since incorporation.

Note 33. Interests in associates

Interests in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the Group are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest 2021 %	Ownership interest 2020 %
N1X Capital Pty. Ltd.	Australia	-	40.00%
1573 Pty Ltd	Australia	-	33.30%

N1X Capital Pty. Ltd. was incorporated on 10 May 2017 and it has been an associate of the Group since its incorporation. N1X Capital Pty Ltd had no trading activity during the period. $40 in share capital was invested in N1X Capital Pty Ltd by N1 Venture Pty Ltd. N1X Capital Pty Ltd was deregistered on 3 September 2020.

1573 Pty Ltd was incorporated on 19 December 2019 and it has been an associate of the Group since its incorporation. 1573 Pty Ltd had no trading activity during the period. $10 in share capital was invested in 1573 Pty Ltd by N1 Holdings Pty Ltd. 1573 Pty Ltd was sold to Ren Hor Wong on the 22nd of June 2021.

Note 34. Interests in joint ventures

Interests in joint ventures are accounted for using the equity method of accounting. Information relating to joint ventures that are material to the Group are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest 2021 %	Ownership interest 2020 %
Loan 77 Pty Ltd	Australia	50.00%	50.00%
RN2 Pty Ltd	Australia	-	50.00%
Aura N1 Lending Pty Ltd	Australia	50.00%	-

Note 34. Interests in joint ventures (continued)

(i) Loan 77 Pty Ltd was incorporated on 12 July 2019, it has been a joint venture of the Group since its incorporation. Loan 77 Pty Ltd had no trading activity during the period. $50 in share capital was invested in Loan 77 Pty Ltd by N1 Loans Pty Ltd.

(ii) RN2 Pty Ltd was incorporated on 1 August 2019, it has been a joint venture of the Group since its incorporation. RN2 Pty Ltd had no trading activity during the period. $50 in share capital was invested in RN2 Pty Ltd by N1 Holdings Pty Ltd. RN2 Pty Ltd was deregistered on 18 October 2020.

(iii) Aura N1 Lending Pty Ltd was incorporated on 23 July 2020, it was a joint venture of the Group since its incorporation. Aura N1 Lending Pty Ltd had no trading activity during the period. $1 in share capital was invested in Aura N1 Lending Pty Ltd by N1 Loans Pty Ltd.

Note 35. Key management personnel

Other key management personnel
Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity are considered KMP.

Compensation
Please refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's KMP for the year ended 30 June 2021. The total of remuneration paid to or payable to KMP of the Group during the year was:

	Consolidated	
	2021 $	2020 $
Short-term employee benefits	678,141	777,135
Post-employment benefits	48,124	54,627
Other long-term benefits	13,611	14,039
	739,876	845,801

Short-term employee benefits

These amounts include fees and benefits paid to non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other key management personnel.

Post-employment benefits

These amounts represent amounts paid under the defined superannuation contribution.

Other long-term benefits

These amounts represent long service leave benefits accruing during the year.

Note 36. Other principal 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.

The Group has adopted all of the new and revised standards and interpretations, including amendments to the existing standards issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operation and effective for the current reporting period. The adoption of these amendments and new standards has not resulted in any significant changes to the group's accounting policies or any significant effect on the measurement or disclosure of the amounts reported for the current or prior reporting period.

Note 36. Other principal accounting policies (continued)

The impact of other new accounting standards released but for application in future periods has been disclosed in the relevant section.

Going concern
The financial statements have been prepared on a going concern basis. The Group incurred a net profit of $139,570 for the year ended 30 June 2021 (30 June 2020: Loss of $1,816,685). As at 30 June 2021, the Group had a net liability of $1,477,627 (30 June 2020: Net liabilities $1,617,197).

The Group has prepared a cash flow forecast which indicates that the Group will be able to settle its liabilities in the foreseeable future. The following strategy will be implemented, with the objective to continue the transitioning of the Group's core operations into a predominantly financial services business.

- The Group will continue to pursue the growth in commercial lending business through balance sheet lending and fund management fee from One Lending Fund.
- The Group will contact all existing lenders to extend the private loans that are approaching their expiry date. Most existing loans have opted to renew or extend as per track record.
- The Group will actively pursue the pipeline of mandated development funding projects and commercial property loans.
- The Group will actively pursue new private funding opportunities to fund its expanded commercial lending.
- The Group will proactively manage operational expenditures.
- Leverage the existing head office infrastructure. No additional operational costs are needed to achieve the forecast increased revenue in the next 12 months.
- The Group has achieved a positive EBITDA in the second half year of FY2020 and up until June 2021. It is expected to continue this momentum in the future.

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 Group'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 37.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 31.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of N1 Holdings Limited ('Company' or 'parent entity') as at 30 June 2021 and the results of all subsidiaries for the year then ended. N1 Holdings Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group 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 Group. They are de-consolidated from the date that control ceases.

Note 36. Other principal accounting policies (continued)

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group 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 Group.

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.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non- monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the maximum extent that the underlying gain or loss can be recognised in other comprehensive income, otherwise the exchange difference is recognised in the profit or loss.

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 Group'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 Group'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.

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 Group 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.

Associates
Associates are entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

Note 36. Other principal accounting policies (continued)

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Joint ventures
A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Income earned from joint venture entities reduce the carrying amount of the investment.

Impairment of assets
At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset’s fair value less costs of disposal and value in use, to the asset’s carrying amount. Any excess of the asset’s carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another standard (e.g. in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of revalued asset is treated as a revaluation decrease in accordance with that other standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for intangible assets with indefinite lives and intangible assets not yet available for use.

Employee benefits

Retirement benefit obligations
All employees of the Group receive defined contribution superannuation entitlements, for which the Group pays the fixed superannuation guarantee contribution to the employee‘s superannuation fund of choice. All contributions in respect of employees’ defined contribution entitlements are recognised as an expense when they become payable. The Group’ s obligation with respect to employees’ defined contribution entitlements is limited to its obligations for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are remeasured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Group’ s statement of financial position.

Comparative figures
When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statement is presented.

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.

Note 36. Other principal accounting policies (continued)

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

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

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

New Accounting Standards and Interpretations not yet mandatory or early adopted
The impact of other new accounting standards released but for application in future periods has been disclosed in the relevant section.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2021. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 January 2020 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the Group has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the Group may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the Group's financial statements.

Note 37. 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 Coronavirus (COVID-19) pandemic has had, or may have, on the Group 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 Group 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 Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Lease term
The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Note 38. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by , the auditor of the Company:

	Consolidated	
	2021	**2020**
	$	**$**
Remuneration of the auditor Crowe Sydney for:		
Audit or review of the financial statements	83,638	77,003

Note 39. Contingent liabilities and Contingent assets

There are no contingent liabilities or contingent assets as at 30 June 2021 (2020: nil).

Note 40. Income tax (expense)/benefit

(a) Income Tax

The income tax expense (benefit) for the year comprises current income tax expense (benefit) and deferred tax expense (benefit).

Current income tax expense (benefit) charged to profit or loss is the tax payable (recoverable) on taxable income (loss). Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense (benefit) reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (benefit) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which Management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

	Group 2021 $	Group 2020 $
(i) The components of tax expense (benefit) comprise:		
Current tax	40,383	119,509
Deferred tax	21,777	(615,959)
Deferred tax for tax losses under-recognised	(62,160)	462,417
	-	(34,033)
(ii) The prima facie tax on profit from ordinary activities before income tax is reconciled to income tax as follows:		
Profit/(loss) before income tax	139,570	(1,850,719)

Note 40. Income tax (expense)/benefit (continued)

Tax rate at 26% (2020: 27.5%)	36,288	(508,948)
Tax effect of:	-	-
Permanent differences	(310)	12,498
Effect of change in income tax rate	26,182	-
Deferred tax for tax losses	(62,160)	462,417
Income tax (benefit)/expense	-	(34,033)

As at 30 June 2021, the tax loss carried forward for the Group is $5,893,188 (2020: $6,048,505).

The Group has been tax consolidated since 11 March 2016.

(b) Tax position

The Group's current tax payable is $nil (2020: $nil)

Note 41. Deferred tax assets

Deferred tax liabilities

	Opening balance $	Charge to income statement $	Charge to equity $	Closing balance $
2021				
Trailing income	(2,775)	72,498	-	69,723
Assets valued up in business combination	149,814	(21,373)	-	128,441
Investment - unrealised capital gain	16,146	(1,085)	-	15,061
Balance at 30 June 2021	163,185	50,040	-	213,225

	Opening balance $	Charge to income statement $	Charge to equity $	Closing balance $
2020				
Trailing income	629,526	(632,301)	-	(2,775)
Assets valued up in business combination	210,249	(60,435)	-	149,814
Investment - unrealised capital gain	-	16,146	-	16,146
Balance at 30 June 2020	839,775	(676,590)	-	163,185

Deferred tax assets

Note 41. Deferred tax assets (continued)

	Opening balance $	Charge to income statement $	Charge to equity $	Closing balance $
2021				
Clawback and accrued	7,104	1,981	-	9,085
Tax Losses	56,216	21,777	-	77,993
Other temporary differences	95,860	5,754	-	101,614
Lease	4,005	20,528	-	24,533
Balance at 30 June 2021	163,185	50,040	-	213,225

	Opening balance $	Charge to income statement $	Charge to equity $	Closing balance $
2020				
Clawback and accrued	5,070	2,034	-	7,104
Tax Losses	638,142	(581,926)	-	56,216
IPO costs	34,032	-	(34,032)	-
Other temporary differences	162,531	(66,671)	-	95,860
Lease	-	4,005	-	4,005
Balance at 30 June 2020	839,775	(642,558)	(34,032)	163,185

Critical accounting estimates and Judgements - Taxation

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

Note 42. Reconciliation of profit/(loss) after income tax to net cash from operating activities

	Consolidated 2021 $	2020 $
Profit/(loss) after income tax benefit for the year	139,570	(1,816,685)
Adjustments for:		
Depreciation and amortisation	567,263	632,915
Net loss on derecognition of financial assets at amortised cost	1,421	-
Net fair value loss/ (gain) on financial assets	786	(58,713)
Interest expense for financing activities	370,672	494,993
Income tax benefit	-	(34,033)
Change in operating assets and liabilities:		
Increase in trade and other receivables	(847,468)	(190,836)
Increase in contract assets	(278,257)	(85,250)
Decrease/(increase) in deferred tax assets	(50,039)	676,591
Increase in prepayments	(70,964)	(26,842)
Increase in short-term loan receivables	(1,122,583)	(2,725,500)
Decrease in assets held for sale	-	2,384,525
Increase in trade and other payables	457,544	65,226
Increase/(decrease) in deferred tax liabilities	50,039	(676,591)
Increase in employee benefits	54,959	25,808
Increase in other operating assets	468	(9,488)
Increase/(decrease) in contract liabilities	11,772	(253,829)
Increase in short-term loans	1,860,000	5,070,000
Increase/(decrease) in other operating liabilities	54,168	(105,228)
Net cash from operating activities	1,199,351	3,367,063

Note 43. Changes in liabilities arising from financing activities

Consolidated	Loans and borrowings $	Lease liability $	Total $
Balance at 1 July 2019	4,030,743	708,593	4,739,336
Net cash used in financing activities	(512,500)	(332,868)	(845,368)
Acquisition of leases	-	1,378,652	1,378,652
Other changes	-	26,401	26,401
Balance at 30 June 2020	3,518,243	1,780,778	5,299,021
Net cash used in financing activities	(82,390)	(296,701)	(379,091)
Other changes	-	(195,501)	(195,501)
Balance at 30 June 2021	3,435,853	1,288,576	4,724,429

Note 44. Events after the reporting period

N1 Holdings Limited has raised $35 million in debt capital provided under a debt facility executed on 1 July 2021 between the Company and GCI SME Mortgage Fund (Facility). The Facility is for a term of 24 months. The Facility contains a number of customary conditions precedent for debt facilities of this type (including the registration of security interests and provision of legal options).

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

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 36 to the financial statements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2021 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

Ren Hor Wong
Executive Chairman and CEO

28 September 2021

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Independent Auditor's Report to the Members of N1 Holdings Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of N1 Holdings Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other 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 Group is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended;

(b) and complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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 Matter	How we addressed the Key Audit Matter
Recoverability of Commercial Loan Receivables – Note 9	
The Group had commercial loan receivables of $6,600,583 as at 30 June 2021. We focused on this area as a key audit matter due to high degree of estimation and judgement made by management in assessing expected credit losses.	Our procedures included: • Checked to loan contracts to identify, among others, loan repayment date and collateral taken. • Checked repayment of the loans due post balance date. • Held discussions with management regarding the loans with extended repayment dates. • Obtained the directors' assessment on expected credit losses. For collaterals taken, we checked the estimated fair value to the valuation reports prepared by management's experts (third parties) and/or publicly available information.
Impairment Assessment of Intangible Assets (Goodwill and Rent Roll) – Note 15	
The Group had goodwill and rent roll assets relating to its real-estate business. The impairment assessment of goodwill invoices significant judgement in respect of factors such as: a) Cash flow projections; b) Growth rate; and c) Discount rate. The recoverable value of rent rolls was determined with reference to the reduction in rent of the rental properties under management and resale multiple. We focused on this area as a key audit matter due to the high degree of estimation and judgement made by management.	Our procedures included, but were not limited to, challenging the assumptions that supported the directors' position on impairment and recoverability of these intangible assets as follows: • Checked the reasonableness of the cash flow projections with reference to the last actual result. • Tested the accuracy of the value in use model and checking the mathematical calculation. • Checked the reasonableness of key assumptions in the value in use model with reference to market available data and the Group's historical data. • Prepared sensitivity analysis of the valuation model.
Going Concern Assessment – Note 36	
The Group has a profit after income tax of $139,570 (2020: Loss of $1,816,685) and a deficiency of net assets of $1,477,627 (2020: $1,617,197).	We critically analysed the Group's cash flow forecast, including the potential impact of the COVID-19 pandemic, that was used to support the going

Key Audit Matter	How we addressed the Key Audit Matter
Notwithstanding the net asset deficiency, the financial statements have been prepared on a going concern basis based on the actions undertaken by management as outlined in Note 36 of the financial report.	concern assessment, including performing the following procedures: • Interrogated the cashflow forecast using different inputs as a means to perform a sensitivity analysis. • Discussed with management the significant assumptions and inputs used in the cashflow forecast, compared the inputs used with historical results, and obtained reasonable justification for those inputs that differ from historical results. • Checked post balance date performance of the entity up to 31 August 2021 to determine if the business performance was consistent with management's expectation.

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 2021, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have 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

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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 the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- 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.
- 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 true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the group financial report. The auditor is responsible for the direction, supervision and performance of the group audit. The auditor remains solely responsible for the 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 the audit.

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, actions taken to eliminate threats or safeguards applied.

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 the key audit matters. We describe these matters in the 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 the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the remuneration report included in pages 12 to 18 of the directors' report for the year ended 30 June 2021.

In our opinion, the remuneration report of N1 Holdings Limited, for the year ended 30 June 2021, 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.

Crowe Sydney

Crowe Sydney

Suwarti Asmono
Partner

28 September 2021
Sydney

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Additional information required by the Australian Securities Exchange Ltd (ASX) and not disclosed elsewhere in this report is set out below. The information is current as at **20 September 2021.**

1. Shareholding

a. Distribution of Shareholders

Category (size of holding)	Number of shares	%	Number of holders	%
1 to 1,000	1,087	0.00%	3	1.05%
1,001 to 5,000	25,911	0.03%	10	3.50%
5,001 to 10,000	887,749	1.09%	90	31.47%
10,001 to 100,000	4,835,556	5.93%	126	44.06%
100,001 and Over	75,805,270	92.95%	57	19.93%
Total	**81,555,573**		**286**	

b. The number of shareholdings held in less than marketable parcels is 0.

c. The names of the substantial shareholders listed in the holding company's register are:

Shareholder	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
REN H WONG PTY LTD	50,000,000	61.31%
MR YOKE MENG CHAN	2,780,266	3.41%
TIN FAMILY SMSF PTY LTD	2,450,000	3.00%
BNP PARIBAS NOMS PTY LTD	2,297,367	2.82%
THE THREE HORSESHOES PTY LTD	1,749,315	2.14%
Total	**59,276,948**	**72.68%**

d. 20 Largest Shareholders — Ordinary Shares

	Shareholder	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1.	REN H WONG PTY LTD	50,000,000	61.31%
2.	MR YOKE MENG CHAN	2,780,266	3.41%
3.	TIN FAMILY SMSF PTY LTD	2,450,000	3.00%
4	BNP PARIBAS NOMS PTY LTD	2,297,367	2.82%
5	THE THREE HORSESHOES PTY LTD	1,749,315	2.14%
6	MS YUEXIAN ZHAO	1,359,979	1.67%
7	MR HO YAN MAK	1,298,482	1.59%
8	JIANRONG SUN	1,250,000	1.53%
9	MS HUEY CHARNG WONG	1,002,062	1.23%
10	MR TONG CHAI TAN	908,500	1.11%
11	MISS ZHAOJIA HE	843,750	1.03%
12	MS MUN CHING WANG	760,470	0.93%
13	TAN (NSW) PTY LTD	500,000	0.61%
14	LC FAMILY SUPER PTY LTD	500,000	0.61%
15	AUSTRALIA WIDE DEVELOPMENT GROUP PTY LTD	500,000	0.61%
16	IPOH YAP SMSF CO PTY LTD	487,500	0.60%
17	SUPERHERO NOMINEES PTY LTD	479,676	0.59%
18	MR ANDREW THOMAS BARRY KENNEDY	415,371	0.51%
19.	MR ENG LEK LAU	401,024	0.49%
20.	MISS MANNI FU	341,115	0.42%
	Total	**70,324,877**	**86.23%**

e. Escrowed Shares

No

f. Vested Options

5,403,750 options exercisable at $0.2 and expiring on 14 December 2020 are held by 13 holders.

g. Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares

- Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

There are no other classes of equity securities.

h. Current on-market buy-back

There is no current on-market buy-back in relation to the Company's ordinary shares.

N1 Holdings Limited

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