1. Company details

Name of entity:	Symbio Holdings Limited
ABN:	37 118 699 853
Reporting period:	For the year ended 30 June 2022
Previous period:	For the year ended 30 June 2021

2. Results for announcement to the market

				$'000
Revenue from ordinary activities - continuing operations	up	0.8%	to	202,599
Revenue from ordinary activities - discontinued operations				2,426
Profit after tax from ordinary activities attributable to members of Symbio Holdings Limited - continuing operations	down	(52.3%)	to	5,773
Profit after tax from ordinary activities attributable to members of Symbio Holdings Limited - discontinued operations				8,881

Dividends

	Amount per security Cents	Franked amount per security Cents
Interim dividend (paid 31 March 2022)	3.30	3.30
Final dividend (paid 4 October 2022)	1.70	1.70
Special dividend (paid 18 October 2022)	3.00	3.00

FY2022 Final dividend eligibility:

Record date	5 September 2022
Payment date	4 October 2022

FY2022 Special dividend eligibility

Record date	5 September 2022
Payment date	18 October 2022

Comments
The profit for the Group (which includes both continuing and discontinued operations), after providing for income tax amounted to $14,654,000 (2021: $15,578,000).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	93.33	59.14

The calculation of net tangible assets excludes goodwill and intangibles held in assets classified as held for sale on the consolidated statement of financial position. Right-of-use assets, deferred tax asset and deferred tax liabilities have been included in the calculation of net tangible assets.

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Name of entities (or group of entities)	Express Virtual Meetings Pty Limited
Date control lost	31 January 2022

6. Dividends

Current period

	Amount per security Cents	Franked amount per security Cents
Interim dividend (paid 31 March 2022)	3.30	3.30
Final dividend (paid 4 October 2022)	1.70	1.70
Special dividend (paid 18 October 2022)	3.00	3.00

Previous period

	Amount per security Cents	Franked amount per security Cents
Interim dividend for the year ended 30 June 2021 paid on 1 April 2021	3.30	3.30
Final dividend for the year ended 30 June 2021 paid on 30 September 2021	4.30	4.30

7. Dividend reinvestment plans

A dividend reinvestment plan did not operate during the current financial year. A dividend reinvestment plan was in place for interim dividend paid during FY2021.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

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

Not applicable.

10. Audit qualification or review

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

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

11. Attachments

Details of attachments (if any):

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

symbio™

Annual Report

2022

Changing the way the world communicates

Continuing EBITDA[1]

$35.4m

Down 5% vs FY21

Continuing NPAT-A[2]

$14.4m

Down 9% vs FY21

Continuing Recurring Revenue[4]

$112.3m

Up 12% vs FY21

Continuing Recurring Gross Margin[4]

$63.2m

Up 8% vs FY21

Net Retention Rate Top 10 Customers[3]

117%

Phone Numbers

6.6m

Up 9% vs FY21

1. Continuing EBITDA excludes restructure and impairment costs, gain or loss on sales of businesses, net interest, share scheme and earn out expenses, acquisition costs, tax, depreciation and amortisation and results of discontinued operations.
2. Continuing NPAT-A excludes amortisation of acquired customer contracts, acquired software and brands, tax affected restructure and impairment costs, and tax affected gain or loss on sale of businesses and results of discontinued operations.
3. NRR (Net Retention Rate) is FY22 revenue compared to FY21 revenue of Symbio's top 10 customers (excluding those that are minutes trading only). These customers combined represent approximately 22% of FY22 revenue. No single customer is more than 5.5% of revenue. Calculation excludes Aussie Broadband revenues which will be migrated to Over The Wire in year.
4. Continuing figures represent a like-for-like comparison with prior corresponding period restated to only include continuing businesses.

Contents

Message from the Chair

On behalf of Symbio's Board of Directors, I am pleased to present the FY22 Annual Report. It's been a year of consolidation and evolution for the Company, symbolised by the change of company name from MNF Group to Symbio Holdings and the reclassification of the company into the 'Software & Services' sector from the 'Telecommunications' sector. The reclassification more accurately reflects Symbio's strategy and core focus as a Software-as-a-Service (SaaS) company and allows investors to better assess and evaluate Symbio against comparable global peers.

This year's Annual Report reflects Symbio's new corporate identity, and its reframing as a software company with a single, unified global brand.

During the year, Symbio completed the sales of Symbio's direct to consumer businesses, further simplifying the business model and focussing around the three operating divisions of CPaaS, UCaaS and TaaS.

Symbio continued to make further inroads into the APAC region, scaling up its Singapore operations paving the way for further expansion. Entry into the Malaysian market is well under way and, encouraged by key customers, scoping Symbio's launch into additional Asian countries continues.

Financially, FY22 was a year of solid performance in line with our expectations and guidance to investors. Details of the company's financial performance and operational highlights are set out in this Annual Report.

In my first full year as Symbio's Chair, we continued the evolution of our Board and governance. In March, we welcomed Leanne Heywood as an Independent Director and Chair of the merged Audit and Risk Committee. Leanne's appointment augments the existing finance skills on the board and has contributed to improving gender diversity in leadership at Symbio, with women now representing three of our seven board members.

At the 2021 AGM, shareholders approved the appointment of Deloitte Touche Tohmatsu as external auditor of the company.

In line with Symbio's 2030 Vision and commitment to the triple bottom line of people, planet and profit, we also further developed our thinking on Environment, Social and Governance (ESG). During FY23 we will outline a strategic framework for ESG targets, actions and reporting at Symbio.

In closing, thank you to my fellow Directors, to Rene and the Executive Leadership Team, and to the many committed employees of Symbio for their ongoing contribution in FY22.

Finally, thank you to our shareholders for your continued support – your belief in the company and our long-term vision has propelled us to where we are today.

Anne Ward

Anne Ward
Chair

Message from the Group CEO

Dear Fellow Shareholders,

This year Symbio commenced an exciting new chapter announcing our ambitious Vision 2030 strategy: to grow to 100 million phone numbers on the network, increase our network coverage to eight Asia-Pacific countries and gain an average 15% market share in each market over the remainder of the decade.

We have also finalised the disposals of non-core businesses and executed on our desire to simplify our business, deliver best-in-class software capability and accelerate our organic growth.

This renewed focus positions us for rapid growth, assisted by the restructuring of our commercial businesses into three business divisions, each with their own CEO responsible for delivering on our Vision 2030 objectives.

Each business division is aligned to a key target market, with a distinct customer focus, go-to-market strategy and product offering. This structure more clearly communicates our value proposition to customers and can easily be scaled as Symbio implements its 2030 expansion strategy.

We have rebased our key performance indicators (KPIs) in terms of the continuing business, focused on phone numbers in CpaaS, Services in Operation (SIOs) in TaaS and Seats in UcaaS.

	Communication Platform as a Service (CPaaS)	Telco as a Service (TaaS)	Unified Communication as a Service (UCaaS)
Chief Executive	Giorgio Mihaila	Jon Cleaver	Iain Falshaw
Customers	Software companies & large telcos	Retail telcos & Managed Service Providers (MSPs)	Enterprise & Government
Markets	Worldwide	Australia, NZ & Asia Pacific	Australia, NZ & Asia Pacific
Products	• Numbers & porting • Call termination • Messaging	• White label telecom • Billing software • Management software	• Microsoft Teams • Cisco Webex • Contact Centre
Primary Brand	symbio	Telcoinabox	symbio

Global market opportunities

During FY22, See Kiat (SK) Yeo was appointed General Manager of our operations in South East Asia signifying our investment and expansion into this region. SK has been instrumental in laying the foundation for our APAC expansion through establishing our corporate presence, overseeing local licensing, compliance, and related contract arrangements.

Symbio is now able to offer our UCaaS and CPaaS services to customers wishing to deliver voice services across Singapore, assisting them in building meaningful relationships in this new, exciting market.

We have been able to leverage the experience and early learnings from our entry into Singapore to spearhead Symbio's entry into Malaysia in FY23, with plans well underway.

The Taiwanese market has shown great potential for further Asian expansion, with an economy that is bustling with activities from major ICT players and investments in data centres and cloud services ramping up in the market, and Symbio will continue to investigate this opportunity and other potential APAC markets.

Building for the future

In an uncertain global economy, Symbio remains in a strong financial position. We are growing, profitable, and debt free with a strong balance sheet. While global indicators show increasing inflation and hint at an impending recession, our products remain in high demand with high quality customers across the globe. Our strong balance sheet means we are positioned for new and exciting acquisition opportunities that may present themselves as we continue our plans for growth.

Thank you from Symbio

As a business, we have continued to embrace flexible, hybrid working and supported our employees around the world by providing tools to navigate our new working environments.

We introduced a new flexible working policy under Symbio Flex, containing an expanded menu of options for staff and managers that provides a framework for hybrid working, as well as supporting the attraction of remote employees.

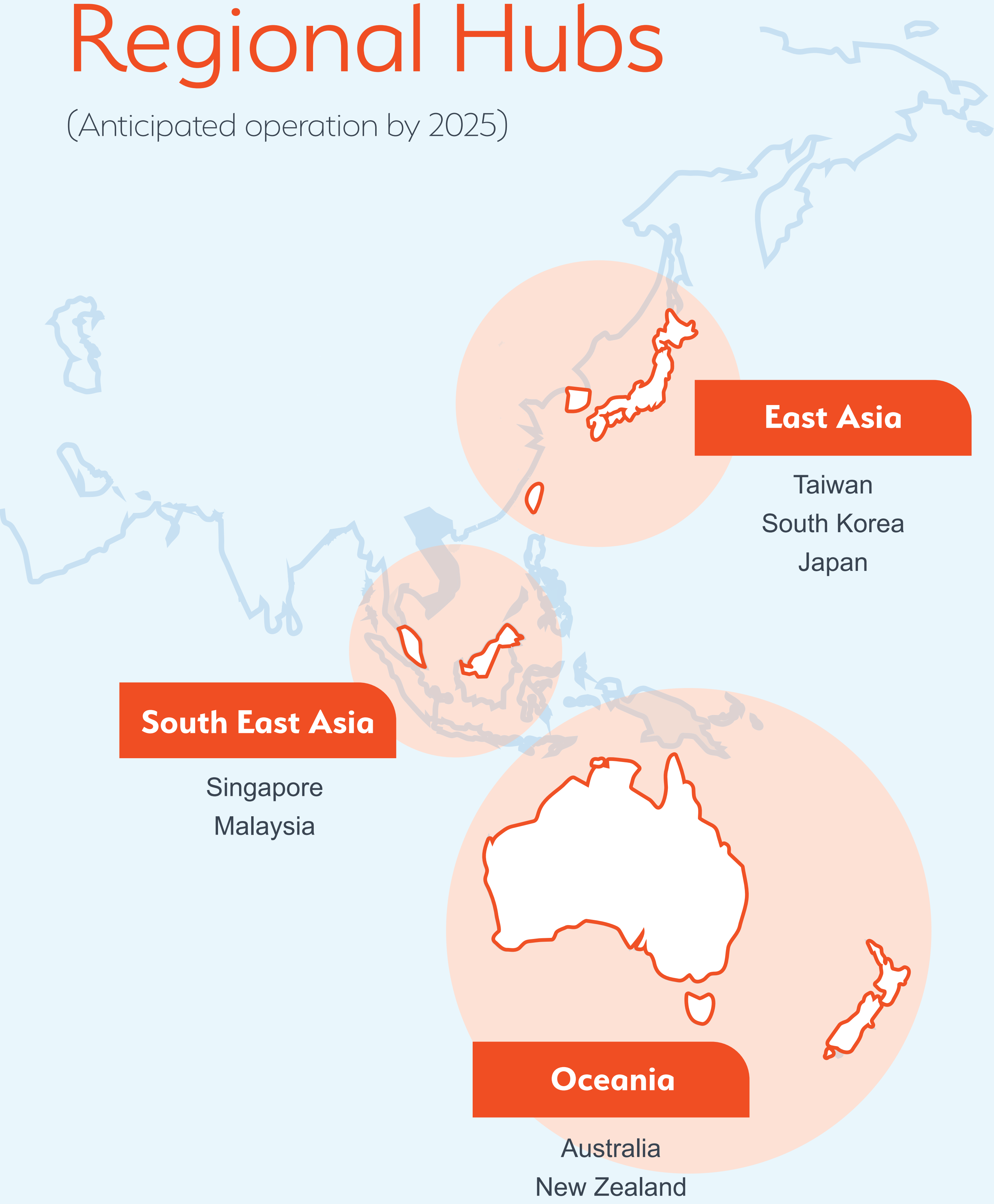
As we continue to adapt to the rapid changes and the future of work, the Symbio team, including the Executive Team, have continued to achieve our company goals, while maintaining high engagement levels across the business. I cannot thank our team enough for this incredible effort.

Lastly, thank you to all our shareholders for your continued support. The company is looking forward to executing its refined strategy and continued growth well into the future.

Rene Sugo
Group CEO

Symbio
Regional Hubs

(Anticipated operation by 2025)



Asia Pacific Expansion

Market Opportunity

The Asia Pacific (APAC) market remains a significant growth opportunity with many enterprise and government organisations yet to adopt cloud communications, and most service providers yet to enter this region in a meaningful way. Economies like Malaysia, South Korea and Taiwan will see penetration of more than 30% of employees working remotely by 2024. Worldwide, the market for workstream collaboration tools - such as Microsoft Teams, Slack and Cisco Webex – is expected to be worth $6.5 billion by 2024. Part of this is due to COVID-19, which continues to hamper travel, along with the rise of hybrid working. 85% of companies worldwide that currently use workstream collaboration will need to extend this usage to all their employees. In APAC, remote working is set to have a Compound Annual Growth Rate (CAGR) of 12% to 15% over the next few years.[1]

Malaysia

Symbio approached its entry into Malaysia with a dual-track strategy, exploring both acquisition and organic entry. We have completed the initial submission to the Malaysian regulator and are on track to become a licensed telecom operator in Malaysia, enabling ownership of phone numbers and in-country cloud communications infrastructure, alongside other major networks in the region.

Malaysia is a close neighbour of Singapore, sharing many favourable characteristics that make it a suitable market for investment and growth, with a population of 32.6 million and a Gross Domestic Product (GDP) growth of 4.7%[2]. These figures, coupled with an educated workforce and multilingual society, make Malaysia an attractive opportunity to many foreign multinational companies to set up a presence there.

By the close of the calendar year we expect to launch Symbio services in Malaysia, interconnecting our network with local carriers and working with partners to enable us to scale up our market expansion quickly.

Looking Ahead

The start of FY23 has also seen Symbio investigating the Taiwanese market as a potential market for further expansion. It is an economy that is bustling with activity from major information and communications technology (ICT) players, with investments in data centres and cloud services accelerating in this market.

Symbio's customers have long been interested in this market and we have plans to establish a presence in the Taiwanese market by the close of FY23.

1. Gartner, Remote Workers Forecast Worldwide, Aug 2020
2. Malaysian Investment Development Authority – Why Malaysia: Your Profit Centre in Asia

See Kiat Yeo

Executive General Manager – South East Asia

It has been my privilege to lead Symbio's expansion into APAC, helping to introduce Symbio's innovative cloud communication and voice carrier capabilities to the local markets. Following the successful launch of our Singapore voice network, our CPaaS business division has achieved its first key customer wins in this new market.

Our Singapore opportunity goes beyond the large telecoms and software companies served by the CPaaS division. FY22 also saw the launch of UCaaS in Singapore, working closely with Cisco Systems, bringing Symbio's capabilities to Cisco Webex. As we begin FY23, Symbio is able serve customers of both the UCaaS and CPaaS business divisions wishing to deliver voice services in Singapore.

Collaborating with a team of experienced executives, and in working with a group of dedicated employees, FY22 has been a good year for Symbio, achieving our vision of extending our reach into APAC.

Communication Platform as a Service

Growth and Opportunities

Symbio's Communication Platform as a Service (CPaaS) business division provides voice and messaging capabilities to global customer communication services across multiple regions.

Post-COVID we continue to see acceleration in migration to unified communications, customer experience services, and collaboration applications from on-premises to the cloud.

Traditionally, companies have had to juggle multiple communications service providers across multiple geographies. Not only does this provide challenges to their business continuity applications, but also leads to complicated support models and often higher TTR (time to resolve) during service events. Our core advantage is the simplicity we provide, reducing these complexities.

The same large enterprise customers that trust Symbio in Australia and New Zealand now run these services in Singapore. With Symbio's continued expansion into markets across Asia Pacific, many customers are increasing the demand to partner with trusted regional communications partners servicing multiple geographies.

We now have commitments and demand to ramp up services in Malaysia and Taiwan using Symbio's Regional Hubs. Malaysia is on track to launch in FY23 and we are exploring ways to accelerate entry into the Taiwan market, including by acquisition.

Giorgio Mihaila

Chief Executive Officer – CPaaS

Symbio's CPaaS business division is disrupting outdated telecom markets with an infinite-scale digital network serving billions of conversations that bridge cloud software and communications services using APIs for voice, messaging, and numbering. These services are consumed by some of the world's most prominent software providers including Microsoft, Google, Twilio, Zoom, and Webex, empowering companies to migrate their business applications to the cloud.

Historically, companies have had to maintain hardware infrastructure for their business applications with communications service providers across multiple geographies. This has led to an increased burden on resources as they manage the logistics of these operations.

Symbio's CPaaS offering simplifies this. Our core advantage is making voice and messaging simple for service providers, removing the heavy lifting of managing communication services across multiple regions.

Customers love the simplicity, reliability, scalability, and lower costs when using Symbio's cloud communications services to integrate their software stack in multiple countries across Asia.

Symbio delivers these experiences because applications connect to the same APIs on the same core foundation that runs the direct core network for voice, messaging, global phone numbers, and call completion.

Expanding our Services

The stakes could not be higher for our customers in FY23 due to customer experience becoming the front door for many of their end users. With 65% of consumers reporting they have changed to a different brand due to a poor experience, 93% are likely to repeat purchases with companies offering excellent customer service.[1]

In FY23, we will continue focusing on key value propositions for best-in-breed, reliable, high-quality global communication services, APIs for core capabilities like voice, messaging, and call termination embedded into any software provider's orchestration service at scale.

The demand for these services is global, though, in Asia, these applications are still limited, with only a few cloud communication service providers like Symbio able to unlock these opportunities.

For example, one of our newest clients, a global customer experience service provider, needed to add messaging capabilities using their orchestration service, with speed, to market in Asia. Within a few weeks, Symbio switched on messaging services for this client, enabling their customers to reduce call volumes to service centres by implementing new messaging channels and offloading common voice questions to their contact centres. As a result, hold times dramatically decreased, customer engagement increased, and customer retention went up by 12%.

Growth in the global application-to-person (A2P) SMS market is targeted for $74.7 billion by 2026[2] due to its broad reach and increased use cases by customers that span beyond collaboration, call centre, and UCaaS services, some experimenting with Internet of Things (IoT), authentication, e-commerce, and other applications.

Symbio provides a simple and convenient customer and user experience across our global network, with applications connected to APIs on the same core foundation that runs the direct core network for voice, messaging, global phone numbers, and call completion.

Andrew Tierney

Executive General Manager – CPaaS

Steady growth and new frontiers would be a short summary of FY22. The team has continued to work on closing deals with some of the largest global cloud operators this year, giving us an unparalleled portfolio of customers invested in our domestic offerings.

Leading service providers increasingly see Asia Pacific as a key growth region, and are planning their entry into key markets, enabled by Symbio.

This year we rebranded from TNZI to Symbio and had a strong presence at the most prominent community of leaders in the telecoms industry – the International Telecoms Week, organised by the Global Leaders Forum (GLF). This community is leading the industry with initiatives fighting fraud, IoT, Blockchain, Network Security and Diversity, Inclusion and Belonging. I am proud to be on the board of the GLF and continue to ensure Symbio’s active engagement with the industry.

1. Khoros - Must-know customer service statistics of 2022 (so far), May 2021
2. Report Linker - Global A2P SMS Industry, July 2022

Unified Communications as a Service

Growth and Opportunities

Symbio's Unified Communications as a Service (UCaaS) business division provides cloud-based enterprise calling and collaboration services utilising Symbio's carrier grade network.

We supply voice calling capabilities to our enterprise and government customers either directly or via our IT and technology partners, who also provide professional services and their expertise in the Cisco or Microsoft environments. We are proud to sit on Australian state and federal government procurement panels as a preferred supplier across all government agencies. Being included on these panels means undergoing rigorous assessment that we can deliver the security, stability, and quality that government agencies need.

We continue to work actively with our software partners, Microsoft and Cisco on joint sales and marketing programs, supporting their needs for a voice carrier to round out their unified communications solutions in Australia, New Zealand, and Singapore.

Microsoft Teams has over 270 million monthly active users[1], with 20 million new accounts added between July 2021 and January 2022. This growth continues to see a reduced reliance on physical phones, which Gartner[2] predicts will be a thing of the past for 75% of enterprise users globally, within two years.

Hybrid Working

COVID-19 accelerated the need for a flexible work model that supports a mix of working in office, at home or workers that are on the move. This hybrid working environment requires seamless transition across locations and devices. Symbio's voice network capability underpins this connectivity across multiple meeting and collaboration platforms. Symbio's UCaaS business division focusses on bringing scalable voice calling capability to the world's leading collaboration platforms such as UCaaS software partners Microsoft Teams and Cisco Webex.

Cloud-based Unified Communications

Leading software vendors remain committed to providing their customers with the flexibility of choosing their own voice carrier. The UCaaS division continues to help enterprises who already use cloud-based collaboration tools such as Microsoft Teams and Cisco Webex to switch from their on-premises based telephony platforms to Symbio's cloud-connected public switched telephone network (PSTN) solution.

Iain Falshaw

Chief Executive Officer - UCaaS

Symbio has continued to implement its strategy to simplify and focus on its core areas of future growth. To support this, several of Symbio's Direct businesses were sold, with the sale of Express Virtual Meetings completing at the end of January 2022.

The remaining enterprise and government business is the basis of our Unified Communications as a Service (UCaaS) business division, and we continue to see strong growth across multiple metrics.

Customer seats increased by 40% year on year and recurring Gross Margins improved by 11% for the FY22 period.

We recently launched the first of our UCaaS services in Singapore with one of our key partners, Cisco Webex, and plan to launch further offerings later this year.

We have also introduced our innovative, industry leading Microsoft Teams Calling solution, Symbio Enterprise Calling, into the Australian and New Zealand markets; meaning we are well positioned to maximise the opportunity presented by the growth in adoption of Microsoft Teams.

Products

Symbio Enterprise Calling

Building on our partnership with Microsoft in Australia and New Zealand, we launched our Microsoft Teams Direct Routing native application, Symbio Enterprise Calling. The first of its kind, the application is designed to streamline Microsoft Teams phone system deployment and management for enterprise and government customers across Australia and New Zealand.

Cisco in Singapore

This year we have achieved the next step in our expansion plan by partnering with global collaboration and communications software provider Cisco to provide cloud native calling capabilities for its partners and customers in Singapore.

Symbio has also provided this solution to Cisco partners in Australia and New Zealand. We are now able to offer Cisco's current and future partners in Singapore the same high-quality calling experience they have come to expect. Cisco partners in Singapore can now deliver a simple, cost-effective cloud communications solution for Webex Calling and Contact Centre customers, unlocking collaboration opportunities for businesses across Singapore by giving them access to our global voice network.

1. Microsoft Earning Call, January 2022
2. Gartner Forecast Analysis on Unified Communications, Worldwide, April 2021

Telco as a Service

Growth and Opportunities

Symbio's Telco as a Service (TaaS) business division continues to enable entrepreneurs and challengers to compete against incumbent telcos through the emergence of cloud communications, mobile services, as well as nbn™ in Australia.

Technology changes, such as the roll-out of the nbn™ and the increasing coverage of 5G, are key growth drivers for TaaS. These changes continue to fuel the growth of smaller, challenger communication providers, as customers gain the flexibility to move away from the major networks.

Challenger service providers differentiate through customer service: being easier to deal with, being highly responsive to calls for support, and having automated and easy to use systems.

We will continue to bring new products and features to market, investing in tools that assist customers in operating more efficiently and leanly, to support their growing customer base.

Products

Unite Calling

Unite Calling is a modern, cloud-based telephone system. Unite Calling enables IT and telecom service providers to add calling capabilities, quickly and easily to Microsoft Teams.

Traditionally, Microsoft partners have struggled to enable calling in Teams because they lacked the necessary telecom knowledge. Unite Calling solves this challenge by automating the entire process end-to-end, making it quick and easy for service providers.

This enables us to support our customers' digital acceleration, drive new growth, and create real-world impact, whether through simple applications or complex integrations.

Unite Calling simplifies the setup process from days to minutes, providing a seamless way to 'switch on' calling inside of Microsoft Teams.

Mobile

We rounded out our mobile offering in FY22 with the addition of data banking features, which allows customers to roll their unused data from one period to be used in the next.

We also launched our new data pooling feature, allowing customers to pool or share data with a group of users. We have had great take up from our challenger telecoms and Managed Service Providers, who see considerable demand for data pooling and data banking from their customers.

These features give our customers access to more opportunities and more tools to compete in this space, winning market share from end users who are tired of being under serviced by the large telcos.

We will continue to see this product suite expand throughout FY23 in our Australian and New Zealand markets as we enter the market with 5G.

Superloop

Our partnership with Superloop enabled us to give our customers access to Superloop's next generation nbn™ solution, whilst leveraging Symbio's next generation voice offerings.

Superloop's nbn™ automation capabilities have been deployed nationwide, allowing TaaS customers a completely digital mechanism to order, provision and assure nbn™ business services anywhere on nbn™ fixed line and wireless footprint in real time. These services offer delivery to mainstream data centres in Australia, empowering our customers to compete and succeed.

Jon Cleaver
Chief Executive Officer - TaaS

The opportunities for our challenger service providers have never looked stronger. Our Australian customers continue to win market share as end users move away from large telcos seeking customer service-focused providers.

Meanwhile, the previously underserviced small business market has become an area of opportunity. Symbio's Telecommunications as a Service (TaaS) service providers are facilitating their adoption of cloud collaboration platforms, which is reflected in the continued growth of our cloud voice services.

The investment in our strategy to develop a unified platform has proven successful, with the new platform delivered on time, enabling faster onboarding, and powering next generation products.

We released a self-serve Microsoft Teams product, our new Superloop nbn™ product and additions to the mobile suite. These product launches and speed to market were made possible by the execution of our unified platform strategy.

The success of our TaaS division can be seen in the growth of our core KPI metric, Services in Operation (SIOs), with growth spanning the verticals of data, voice and mobile.

We head into FY23 with a clear vision, strong exit rate of growth and with a team of highly skilled individuals with a proven track record of execution.

Our Technology

Getting to the CORE

We are proud to have launched our Symbio SuperCore, AppCore and GeoCore initiatives this year that collectively underpin our ability to not only capitalise on hyper growth but accelerate growth across our three business divisions.

SuperCore provides a unique approach to providing a single entry point via regional hubs, allowing customers global reach and access to multiple countries. We've already launched these hubs in three countries and are looking to expand to five more across Asia Pacific by 2025. Our unique technology unlocks a potential market of over 500 million people, with a growing need and desire to transform their consumer business, enterprise and government software solutions.

SuperCore also allows us to reduce our deployment times across multiple geographies to allow for faster, more efficient speed to market, which underpins the growth across our business divisions.

National Core Network

FY22 saw the completion of our National Core Network (NCN) project which focused on improving capacity, resiliency, and voice quality for all our customers and forms the backbone of our world class voice offering.

Security

We have continued to invest in fraud and risk management tools, along with regular information security audits to keep abreast of the growing global challenges around cyber threats. These audits have allowed us to continue to pave the way in our commitment to ensuring all customer data is secured to the strictest standards, in compliance with all applicable security, data sovereignty and privacy laws.

Scam Prevention

We have taken a focused approach to assisting our customers as well as providing our operational teams with bespoke tools and systems to combat the growing volume of scam calls, engaging with international peak regulating bodies in defining industry stands. We are continuing to work on developing tools to assist our customers using data analytics and automation, so that our customers are notified even quicker of potential scams.

Our unique technology unlocks a potential market of over:

500 million

people in APAC

John Boesen
Chief Technology Officer

After Symbio's successful entry into Singapore, we refocused our teams on Malaysia where we are forecasting a 60% reduction in our deployment timeframe, assisted by our SuperCore initiatives.

We saw early wins with our AppCore strategy which enabled the successful launch of the Unite Calling and Symbio Enterprise Calling applications for Teams in months, a process that previously would have taken a year.

We completed a 3-year program of modernisation that sees all our voice services run over a state of the art, highly resilient and performant voice network core, which has delivered a seven-fold reduction in customer escalations.

Cloud adoption of our key workloads continues into FY23 with ongoing simplification and improvement of our internal systems, which will see additional investment in FY23.

We increased our spending on security platforms in FY22 and this will increase again in FY23 with additional engineers and tooling focused on protecting our business and customers from cyber threats.

Environment, Social and Governance

As Symbio continues to grow, we recognise the importance of environmental, social and governance (ESG) factors and are committed to setting meaningful targets and actions to mitigate any related impacts and enhance any related opportunities in connection with the business. Here are some of our environmental, social and governance focuses in FY22.

Environment

Reducing our Carbon Footprint

The offsets purchased in respect of FY21 and FY22 electricity usage from our global corporate offices will support the Thaa-Nguigarr Carbon Project, an early dry season savanna burning project aimed at reducing late dry season wildfires, thereby reducing carbon emissions. We offset our carbon footprint through the purchase of these carbon offsets for electricity usage and business travel and have commenced work to adopt a meaningful science-based target approach we anticipate will go even further to reduce the carbon impact of our business. We have engaged a consultant to support us in assessing our carbon footprint and setting achievable targets, with a strategy to be set in FY23.

Reducing Personal Impact on the Planet

With a sizeable proportion of our employees working from home, we recognise that Symbio's carbon footprint extends beyond our physical operations. FY22 saw the formation of an employee-led group to help educate and drive awareness on the positive changes individuals can make to reduce their impact on the planet. A key focus has been curating keynote speakers and providing informational resources.

Social Responsibility

Health and Safety

The health and safety of our people is fundamental. In FY22 we encouraged COVID safe practices including work from home through periods of higher risk of infection, provided COVID vaccine leave and free flu vaccines. We have also supported our people with wellbeing programs and industry leading paid domestic violence leave.

Developing a Skilled Workforce

We have enhanced our learning and development capability in FY22 by establishing the Graduate Program and Symbio Academy, a new Learning and Development platform that allows our employees access to a wide range of material to support their personal and development goals.

Diversity and Inclusion

Symbio is proud to be an inclusive workplace that enables our employees to bring their whole selves to work and fulfil their individual potential. We continue to promote gender equality through our Women@Symbio program, which you can read more about in our People section.

Our recent Diversity and Inclusion survey revealed 52% of our employees speak, read, or write fluently a language other than English and we have over 36 different nationalities represented across our workforce.

Charity partnerships

We continue to financially support important initiatives and appeals, as well as giving our employees paid opportunities to volunteer with local charities. One of our key partners in FY22 was Ronald McDonald House, where we sponsored a family room and ran a volunteer day program.

We have also continued our sponsorship of Telco Together, an industry foundation collectively addressing social challenges in an increasingly connected world.

Good2Give®

Our payroll giving platform Good2Give®, provides an easy way for both businesses and employees to support the causes they care about. Symbio covers the administration fee of all donations, with 100% of the donation going to charity. Using Good2Give® we have supported over 15 charitable appeals, both domestically and internationally in FY22, with over $13,000 raised by employees through their charitable giving.

Respecting Human Rights

At Symbio, we are committed to protecting the human rights of poeople with whom we interact, or who are impacted by our business, including those in our supply chain. These principles are incorporated into our Supplier Code of Conduct, which suppliers are expected to follow.

Ronald McDonald House volunteer day program

Governance

Corporate Governance

Symbio recognises the value of effective and robust corporate governance practices to its business and to foster confidence for its shareholders, investors, customers and other stakeholders.

Information about Symbio's approach to corporate governance is set out in our 2022 Corporate Governance Statement, which is available on the Symbio website.

Our Board

The process of board renewal and resizing which commenced in FY20 has continued into FY22. These changes have been gradual to ensure stability and continuity while enhancing the mix of skills, knowledge, experience, and diversity to support the company.

A smooth transition to the new independent Chair, Anne Ward, was completed in July 2021. March 2022 saw the appointment of Leanne Heywood as an Independent Director and Chair of the newly merged Audit Committee and Risk Committee. Her appointment augments the existing finance skills on the board and has contributed to a further improvement in gender diversity of our board, with 3 of our 7 board members now being women.

Following the new Chair's review of the board, committees, directors and the mix of skills in August and September 2021 a number of initiatives were identified to improve governance and efficient operation of the board. Implementation of these initiatives commenced in FY22 and will continue into FY23.

Auditor Appointment

With the continued growth of the Company, including its further expansion into Asia, Symbio reviewed its professional service providers, including the provision of audit services. The Company issued expressions of interest and following an evaluation of the proposals, the Board resolved to recommend a change of external auditor to Deloitte Touche Tohmatsu.

Managing Risk

A new risk management framework was approved and implemented through the business in FY22. Based on the ISO31000:2018 (Risk Management Guidelines) standard, the framework includes a risk management policy, principles and standards and a risk appetite statement. It is underpinned by a governance framework comprising of the Board, Audit & Risk Committee & Executive Risk Committee.

In FY22 we selected and deployed a specialised third-party risk management tool to facilitate group wide risk management based on the new framework. Business division-aligned risk registers have been consolidated into this tool, enhancing transparency, consistency, and reporting at an enterprise level. Risk leads have been drawn from each business division and trained. Working with their executives, the risk leads champion the risk management effort across the business.

Code of Conduct

Symbio's Code of Conduct[1] is underpinned by the Symbio Values and fosters a culture of ethical accountability, making it clear that our success depends on it.

Employees are encouraged to report suspected breaches through the Whistleblower Policy.

Training is also provided to all our employees on key areas including the Code of Conduct, Values, anti-bribery and corruption, anti-discrimination and bullying.

1. Further details on Symbio's Code of Conduct and policies can be found at www.symbio.global

Our People

Our Talent

Over the past year Symbio has competed for talent in a challenging global technology market, seeing an increased demand in sourcing highly skilled people to position us for growth.

To combat the challenges posed by COVID-19 and a reduced talent pool, we designed and implemented a resourcing framework that has enabled us to proactively engage prospective employees, matching their unique skills to our growing needs. It saw us recruiting for nearly 200 roles in FY22.

To facilitate this growth, we have focused our investment in three key areas, allowing us to remain agile and fast as we scale.

Our Graduate Program

A substantial investment was made into our graduate program, which kicked off with an intake of 20 graduates.

Our focus is on working closely with managers and graduates so that their experience is meaningful and their contribution valued.

Graduates were also the first group to experience our new Symbio Academy development platform and their feedback was used to improve its offering before it launched across the business.

Diversifying Our Talent

We have partnered with offshore providers to source local talent in the Philippines, Malaysia, and Vietnam to support our Vision 2030 Asian expansion plans.

As we progress as a global organisation, Symbio is committed to honouring local hours, public holidays, and culture.

Our Employer Brand

We introduced a specific employer brand in FY22 to increase our employer brand presence in the market, which included refreshing our intranet, careers, and LinkedIn pages. We have continued to review our strategy, ensuring that every employee review, comment, and hashtag provides a true and balanced view of Symbio, positioning us a #techwithempathy company.

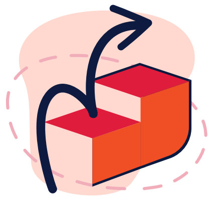
Company Values

Our refreshed Symbio values align our existing values with our Vision 2030. Our values place both our employees and customers firmly at the centre of everything we do and highlight our focus on striving for excellence, acknowledging that continued growth and innovation requires courage.

The values are:

We start and end
with the customer

We are
courageous



We do it better
everyday

We are
stronger together

We are
building the future

Cathy Doyle
Chief People Experience Officer

We have adapted our business model to position Symbio as a Software-as-a-Service, Cloud Communications company. Our realigned CPaaS, UCaaS and TaaS business divisions have been a significant step on our path for growth, building a strong business for generations to come.

Our focus continues to be on attracting, retaining, and developing high quality talent and building our culture on its DNA - the foundations of empathy, inclusion, and performance.

We have created unique talent engagement and retention programs: Symbio All Stars and Symbio Quantum to reward teamwork, performance, dedication, and innovation efforts of our employees.

We launched Symbio Academy, a leading-edge learning platform with over 100,000 accredited courses, accessible to all employees to assist in their growth and development.

Symbio encourages our people to be innovative, entrepreneurial, courageous and to “get things done” in a values first company. Our “tech with empathy” positioning statement enables employees to accomplish things in the most effective way, regardless of location.

We are very fortunate to have a passionate and highly capable leadership team that is as focused on culture, people, and planet as we are on delivering business results.

Talent Recognition

At Symbio, we place high value on strategies to reward and recognise everyone in the business in a fair and consistent way. Our incentive and development programs are part of our employee value proposition (EVP) initiative to build a culture of community, performance, and alignment with our company goals.

To counteract the challenges presented by COVID-19 we have designed two significant programs that support attraction, retention, and engagement of our people.

Symbio Quantum

Symbio Quantum is a short-term incentive designed to reward individuals for achievement of their goals where the reward is a combination of a cash bonus and Symbio shares. This program was extremely well received and was a key factor in reducing employee attrition in FY22.

Symbio All Stars

Symbio All Stars is a unique annual program, owned and managed by the participants themselves and provides development, career opportunities and granting of Symbio shares. It currently has 53 participants who also serve as our "Truth Champions", providing feedback on strategic initiatives across the business.

Learning and Development

A key focus for the Learning and Development team this year was sourcing a fit for purpose, best-in-breed learning platform to support our teams in their growth and development goals. We partnered with Skillsoft™, a Learning Management Systems (LMS) provider, to create our Symbio Academy platform, which we launched in FY22.

The Symbio Academy

The Symbio Academy gives employees access to an extensive catalogue of courses across the technology, leadership, and personal development verticals. It caters to a wide range of learning styles and preferences (video, audio, written) and is available across devices and integrated within our communication platform (MS Teams).

Mentorship Program

Our Mentor Program continues to support employees along their career paths. 10 groups completed the program in FY22, and we aim to double the participation in FY23.

Symbio Academy Statistics

Adoption	Completed Courses	Learning
314 visiting learners	505 course badges	395.1 learning hours

Discovery	Achievement
6.3k content launches	661 completions

Statistics as at 11 July 2022

Flex and Remote Working

As the world continued to adapt to remote working, Symbio took a progressive approach to support our employees through these changes. We empower our managers to develop flexible work arrangements in consultation with their people, so that we can support employees' work and personal needs.

These practices are an essential part of our EVP for attracting and retaining employees.

Our flexible working policy has been reviewed and we have launched a new iteration, Symbio Flex Policy, with an expanded range of options for employees and managers. The aim is to maximise the benefits for Symbio and the individual within the business by providing a framework for hybrid working as well as supporting the attraction of remote employees.

Wellbeing at Symbio

Symbio wellbeing initiatives continue to ensure employees are safe, healthy, and engaged.

We continue to focus on preventative action, to minimise the incidence of stress, injury and overwhelm for people.

Remote working continues to blur the lines between work and private life, creating new challenges for employees and managers. Mental wellbeing and resilience have become an important focus for us, and we are proactively working with various companies on initiatives and events that focus on building a culture of holistic wellbeing including mental, emotional, social, and career aspects.

We have created a wellbeing calendar of events where experts in wellness and mental health guide and educate our employees on a wide range of topics. The sessions are interactive and relevant, covering practical tips on managing challenges of a hybrid working environment. In our recent engagement survey over 90% of our employees rated their manager as caring about their well-being which is testament to the empathic culture we have fostered.

Diversity and Inclusion

Over the course of FY22 the Diversity and Inclusion programs celebrated and recognised several key events including the following:

IDAHOBIT

For International Day Against Homophobia, Biphobia, Interphobia and Transphobia (IDAHOBIT) our employees learned about barriers, challenges, statistics around bullying and discrimination facing LGBTQIA+ youth and the importance of active allyship and practical tips for supporting LGBTQIA+ friends, colleagues, and clients.

NAIDOC Week

NAIDOC week saw Ruth Wallace from Reconciliation in Action and Faye Parriman, a Yamatji woman from the Nhanda clan in the wildflower country of the Western Desert area, sharing Faye's work in the development of her program, 'The Yarning Mat'. It is a tool Faye developed based on an extensive understanding of Aboriginal kinship systems and family life that enables Aboriginal families to talk about their lives and concerns for children in a safe, non-shaming, and culturally sensitive way.

WOMEN @ SYMBIO

Women@Symbio

Women@Symbio continues to promote gender diversity in the workplace. Since its inception in 2020, 90 women have completed the program and reported improved confidence and career progression. The participants have formed a strong alumni group that continues to provide support to others across Symbio.

Legal and Governance

Helen Fraser
General Counsel

The Legal team plays a key role in enabling Symbio to execute its strategy by providing legal, compliance and governance related support across the business – from operations through to the Board.

In FY22 we leveraged the experience and learnings from the Singapore launch, supporting our expansion into Malaysia and beyond, establishing corporate presence, overseeing local licensing, compliance, and related contract arrangements.

We also continued to assist our customers in Singapore in response to early feedback, aiming to lower barriers to enter the market by simplifying contracting and onboarding requirements while at the same time meeting our compliance obligations.

Finance

Kate Denton
Acting Chief Financial Officer

FY22 saw the Finance team support a range of initiatives across the business helping to deliver another year of record Gross Margin, meeting EBITDA within range and delivering a strong balance sheet.

We played a key role in the ongoing simplification process, with the finalisation of the divestments of our Direct business. New financial frameworks were created to support our new CPaaS, TaaS and UCaaS business divisions as we aligned the business with its Vision 2030 goals. We supported our market entry into Singapore and Malaysia and renegotiated our loan facilities to ensure funds to support future Asian expansion.

The year also saw the onboarding of our new external auditors, Deloitte Touche Tohmatsu, helping them build a solid understanding of our business and processes.

In FY23 our focus will be on supporting further expansion into Asia as well as an increased focus on simplification of finance systems and processes.

Directors' Report

FY2022 Principal Activities and Review of Operations

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group' or 'Symbio Group') consisting of Symbio Holdings Limited (referred to hereafter as 'Symbio' or the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2022.

Directors

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

Anne Ward (appointed 22 July 2021)
Andy Fung
David Stewart
Gail Pemberton
Leanne Heywood (appointed 1 March 2022)
Michael Boorne
Rene Sugo
Terry Cuthbertson (resigned 22 July 2021)

Principal activities

The Group provides communication services to software companies, telecom providers and enterprise customers across Australia and Internationally.

The purpose of Symbio is to 'change the way the world communicates'. The Group derives revenue from:

- enabling IP communication services, especially as an alternative to legacy phone networks;
- providing automated systems for number porting and service configuration, simplifying the migration to cloud communication services; and
- partnering with technology vendors and IT service providers to deliver cloud communication services across Australia and Asia.

The fees consist of recurring charges for access to the above-mentioned services, as well as consumption of charges for variable usage of those facilities. Revenue was also derived from sale of hardware, which helps support use of these services.

During the year the Group completed the disposal of part of Direct business operations in August 2021 and the disposal of the Express Virtual Meetings business in January 2022. Details of the disposal are contained in note 9 of the financial statements.

Dividends

Dividends paid during the financial year were as follows:

	Consolidated 2022 $'000	Consolidated 2021 $'000
Final dividend for the year ended 30 June 2021 (2021: 30 June 2020) of 4.30 cents (2021: 3.60 cents) per ordinary share	3,641	3,035
Interim dividend for the year ended 30 June 2022 (2021: 30 June 2021) of 3.30 cents (2021: 3.30 cents) per ordinary share	2,800	2,794
	6,441	5,829

On 29 August 2022, the directors declared a final dividend of 1.7 cents per ordinary share to be paid on 4 October 2022. As well, the directors also declared a special dividend of 3.0 cents per ordinary share as a result of the disposal of non-core assets during the year ended 30 June 2022, to be paid on 18 October 2022. This is a total estimated distribution of $3,987,000 based on the number of ordinary shares on issue as at 30 June 2022. As these dividends were fully franked, there are no income tax consequences for the owners of Symbio Holdings Limited relating to these dividends.

Review of operations

Gross margin from continuing operations has increased by 6% to $95,501,000. Continuing EBITDA has declined from prior year to $35,375,000 after further business divestments during the financial year. The profit for the Group after providing for income tax (net profit after tax or NPAT) amounted to $14,654,000 (2021: $15,578,000), resulting in an earnings per share ('EPS')^ for the Group of 17.29 cents (2021: 18.43 cents).

The total dividend for the full year is 8.0 cents per share (fully franked) with the Company declaring a final dividend of 1.7 cents per share for the second half of the 2022 financial year, and a special dividend of 3.0 cents per share for FY2022. The full year dividend represents 44.1% of the 2022 full year EPS.

	2022 $'000	2021 $'000	Change $'000	Change %
Revenue from continuing operations	202,599	200,910	1,689	1%
Revenue from discontinued operations	2,426	17,779	(15,353)	(86%)
Group consolidated Revenue	205,025	218,689	(13,664)	(6%)
Gross margin from continuing operations(i)	95,501	89,827	5,674	6%
Gross margin from discontinued operations(i)	2,028	12,371	(10,343)	(84%)
Group Consolidated Gross margin(i)	97,529	102,198	(4,669)	(5%)
NPAT from continuing operations	5,773	12,097	(6,324)	(52%)
NPAT from discontinued operations	8,881	3,481	5,400	155%
Group Consolidated NPAT	14,654	15,578	(924)	(6%)

(i) Gross margin calculated using Revenue less Network and communication expenses

	2022 Cents	2021 Cents	Change %
EPS^	17.29	18.43	(6%)
Dividends	8.00	7.60	5%

^ Total from both continuing and discontinued operations

The Directors consider Underlying Earnings Before Interest, Tax, Depreciation and Amortisation ('EBITDA') to reflect the core earnings of the Group. Underlying EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for non-cash and significant items.

Reconciliation of NPAT to underlying EBITDA(2) and continuing EBITDA(4):

	Consolidated	
	2022 $'000	2021 $'000
NPAT from continuing operations	5,773	12,097
NPAT from discontinued operations	8,881	3,481
Group Consolidated NPAT	14,654	15,578
Add:		
Depreciation and amortisation(1)	20,518	17,720
Income tax expense(1)	2,294	6,257
Net interest(1)	1,550	2,736
Costs related to acquisition	98	57
Gain on sale of business(1)	(14,178)	(367)
Restructuring costs	200	55
Impairment of assets(1)	4,937	-
Share scheme and earn-out expenses	5,669	1,088
	21,088	27,546
Underlying EBITDA(2)	35,742	43,124
Less:		
Discontinued EBITDA(3)	(367)	(5,860)
Continuing EBITDA(4)	35,375	37,264

(1) Total from both continuing and discontinued operations

(2) Underlying EBITDA: excludes restructure and impairment costs, gain or loss on sale of businesses, net interest, share scheme costs and earn-out expenses, acquisition costs, tax, depreciation and amortisation

(3) Discontinued EBITDA: calculated using discontinued operations profit before tax and adding back discontinued operations depreciation and amortisation, finance costs, impairment of assets expenses (see note 4 for discontinued operations expenses breakup)

(4) Continuing EBITDA: underlying EBITDA less discontinued EBITDA

Summary of net cash position of the Group:

	Consolidated	
	2022 $'000	**2021 $'000**
Cash	42,586	22,668
Debt	-	-
Net cash	42,586	22,668
Debt facility limit	60,000	60,000

The Group's balance sheet is well positioned to support future acquisitions with $42,586,000 of cash and undrawn revolving credit facilities totalling $60,000,000 at 30 June 2022.

Business outlook

Symbio Holdings Limited (the 'Company' or 'parent entity') is a Software-as-a-Service (SaaS) company that enables innovative communications technologies through its proprietary software platforms. Symbio aims to disrupt the $70 billion legacy global telecommunications industry by enabling a shift from traditional physical networks to cloud based software infrastructure.

In the last financial year, Symbio announced its new “Vision 2030” strategy to expand into a total of eight key markets in the Asia-Pacific region, simplified its business operations by disposing of assets that were non-core to the strategy, and commenced an investment cycle to execute on the strategy by building the necessary foundations for success by 2025.

The Company has a stated goal of achieving 100 million phone numbers on our networks by the year 2030. This represents approximately 15% market share in each of the key markets – Australia, New Zealand, Singapore, Malaysia, Taiwan, South Korea, Japan and Vietnam. Each phone number generates high margin and recurring revenue on a quasi-permanent basis, regardless of the frequency of use.

Our mission is to *“Empower service providers with the best software platform for delivering communications services across the Asia Pacific region supported by the best team in the world!”*

New Operating Divisions to Target Growth

To best support this newly energised focus the Company has established three new revenue generating divisions, CPaaS, UCaaS and TaaS, supported by the Finance, People Experience, Legal & Compliance, and Technology corporate business units.

The three new operating divisions are:

- **CPaaS – Communications Platform as a Service**

The CPaaS division will focus on empowering software companies (in Australia, APAC and globally) and larger infrastructure-based service providers to enable calling and messaging via Symbio hosted phone numbers. CPaaS will directly contribute to our overall goal of acquiring 100 million phone numbers on network by 2030.

- **UCaaS – Unified Communications as a Service**

The UCaaS division will focus on enabling the roll-out and self-service management of enterprise collaboration services (in Australia and APAC) based on industry leading partnerships with Microsoft Teams, Cisco WebEx, Twilio and other enterprise software specialists. UCaaS will purchase infrastructure from CPaaS, thereby indirectly contributing to our overall goal of acquiring 100 million phone numbers on network by 2030.

- **TaaS – Telecom as a Service**

The TaaS division will focus on providing a digital platform for small service providers (initially in Australia only) to operate their telecom and managed services business. TaaS will purchase infrastructure from CPaaS as well as other industry leading vendors of complementary telecom services, thereby indirectly contributing to our overall goal of acquiring 100 million phone numbers on network by 2030. TaaS will predominantly operate under the Telcoinabox brand.

Accelerated Investment

Symbio announced last year an accelerated investment program required to build the foundations required for rapid execution of its strategy. The investment was spread across all divisions and the core business and focussed on improving customer experience, simplification initiatives to accelerate growth, and strategic execution. Despite recruitment challenges leading to a reduced expenditure, the business managed to execute on a record number of initiatives putting the business in an excellent position to grow in FY2023. The accelerated investment program will continue into FY2023 to continue building unique capabilities to support the strategic execution and the Vision 2030 strategy.

Acquisition Opportunities

As part of the sharper focus on strategy, the Company also has a clearer framework for identifying target acquisitions. Symbio has a $60,000,000 undrawn facility as well as $42,586,000 cash at bank, together with the ability to raise additional debt and capital if required. The Executive Team and the Board will continue to review opportunities to support the Company to achieve its strategic goals.

Business Risks

The following is a summary of material business risks that could adversely affect our financial performance and growth potential in future years and how we propose to mitigate such risks. For the risk presented by COVID-19 please refer to the following section titled 'Coronavirus (COVID-19) pandemic'.

Macroeconomic risks

The Company's financial performance can be impacted by current and future economic conditions outside its control, such as increases in interest rates and inflation and foreign currency fluctuations. The Company stays abreast of these conditions, has careful cash management, internal debtor controls and has a diversified customer base across its 3 operating divisions to help manage these risks.

Geopolitical risks

Russia's invasion of Ukraine is a reminder that geopolitical risks may emerge at any time. We consider the potential impact on the Company's financial performance to be low given that the Company's revenue is principally Australia based. As we execute our Vision 2030 strategy, we monitor this risk carefully with regular reviews of the regions in which we plan to grow.

Changes to market trends and competitive landscape

The Company operates in a highly competitive market where technology and products are changing. This may result in declining customer value in our product suite or price pressure. We manage this risk through capable product development teams, strong customer relationships, keeping abreast of likely changes and diversifying our market through our Vision 2030 strategy.

Network and data security and network stability

The Company's financial performance is dependent on its ability to maintain secure and stable networks and systems. Technology systems are increasingly subject to security threats from cyber attacks which put data and service continuity at risk. Similarly, disruptions to customer services can arise from system and network downtime. The Company manages these risks by implementing and regularly reviewing security measures and providing for network redundancy and other measures.

Regulatory compliance and changes

The Company's operations are subject to telecommunications and other laws and regulations in several countries. The Company maintains internal controls for compliance. The Company is represented on relevant industry bodies and monitors for changes which may impact its business, advocating for changes which foster industry competition and to protect consumers and their ability to make and receive calls globally.

Attraction and retention of a skilled workforce

The Company reviews its employee value proposition regularly and has developed a range of programs designed to attract and retain skilled employees and foster diversity and inclusion.

Coronavirus (COVID-19) pandemic

The consequences of the Coronavirus (COVID-19) pandemic are continuing to be felt around the world, and its impact on the Group, has been reflected in the results to date. The Group overall has been a beneficiary of the changes and disruptions caused by the pandemic which has accelerated the adoption of new voice communications and collaboration technologies by our large global customers. The Group is well placed with a profitable growing business, strong balance sheet, no debt and excellent cash conversion from high quality global customers.

Whilst it would appear that control measures and related government policies, including the roll out of the vaccine and boosters, have started to mitigate the risks caused by COVID-19, it is not possible at this time to state that the pandemic will not subsequently impact the Group's operations going forward, especially with the Omicron and other new variants. The Group now has experience in the swift implementation of business continuation processes should future lockdowns of the population occur, and these processes continue to evolve to minimise any operational disruption. Management continues to monitor the situation both locally and internationally.

Significant changes in the state of affairs

Sale of part of the Direct business

The Group entered into a sale agreement with Vonex Limited to sell part of the Direct business. The sale was completed on 9 August 2021 for $31 million.

Change of name

In November 2021, following approval by shareholders at the 2021 Annual General Meeting, the Company changed its name from MNF Group Limited to Symbio Holdings Limited. The change of name reflects the simplification of the Company's operations following the sale of the Direct business and the focus on core operations of software-enabled communications for wholesale clients.

Sale of Express Virtual Meetings business

The Group entered into a sale agreement with Boardroom Ventures to sell the conference business operating under the Express Virtual Meetings brand. The sale was completed on 31 January 2022 for $1.

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

Matters subsequent to the end of the financial year

Apart from the dividend declared as discussed above, no other matter or circumstance has arisen since 30 June 2022 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.

Environmental regulation

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

Board of directors

The names and details of the Company's directors in office during the financial year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Ms Anne Ward (appointed on 22 July 2021)
Chairman and Independent Non-Executive Director

Qualifications
BA, LLB, FAICD

Experience and expertise
Ms Ward is a highly experienced company director with a focus on growth strategies in rapidly changing, highly regulated and customer focused businesses and broad industry experience spanning financial services, banking, insurance, technology, healthcare, agriculture, government, education and tourism.

Prior to becoming a professional director, Ms Ward was a commercial lawyer for 28 years and was General Counsel for Australia at the National Australia Bank and a partner at Minter Ellison in Melbourne.

Ms Ward is Chairman of Redbubble Ltd, director of the Foundation for Imaging Research and Brain Australia Limited, and Governor of The Florey Institute of Neuroscience and Mental Health.

Current ASX directorships
Chairman, RedBubble Ltd (ASX: RBL) (director from March 2018; Chairman from March 2020)
Director, The Star Entertainment Group Limited (ASX:SGR) (the appointment was announced on 15 August 2022 and is subject to regulatory approval)

Former ASX directorships (last 3 years)
Director, Crown Resorts Limited (ASX: CWN) (from January to June 2022)
Director, MYOB Group Ltd (ASX: MYO) (from March 2015 to May 2019)

Special responsibilities
Member of the Audit & Risk Committee
Member of the Nomination Committee

Interest in shares
10,000 ordinary shares

Interest in options
N/a

Interest in rights
N/a

Rene Sugo
Executive Director and Group CEO

Qualifications
BEng (Hons), GAICD

Experience and expertise
Mr Sugo is a co-founder of the Group. He is a strong industry advocate, representing both the interests of the Group and the telecommunications industry.

Mr Sugo sits on various industry committees locally and overseas and regularly contributes articles and opinions on issues affecting the industry, such as the NBN, regulatory policy and innovation.

Mr Sugo is alternate director of Communications Alliance Ltd and Industry Number Management Service Ltd.

Current ASX directorships
N/a

Former ASX directorships (last 3 years)
N/a

Special responsibilities
N/a

Interest in shares
6,755,863 ordinary shares

Interest in rights
N/a[1]

Interest in options
356,694 uniquoted options

Michael Boorne

Non-Executive Director

Qualifications
DipEEng

Experience and expertise
Mr Boorne is a successful entrepreneur with extensive experience in combining technical expertise with commercial and corporate experience. He has founded start- up businesses Sprit Modems and Mitron and is a director and committee member of numerous private companies and charitable foundations. He was previously a Non-Executive Director of Netcomm Ltd.

Current ASX directorships
N/a

Former ASX directorships (last 3 years)
N/a

Special responsibilities
Member of the Audit & Risk Committee
Member of the Remuneration Committee

Interest in shares
1,129,875 ordinary shares

Interest in options
N/a

Interest in rights
N/a

Andy Fung

Non-Executive Director

Qualifications
BEng, MCom

Experience and expertise
Mr Fung is a co-founder of the Group. He was Managing Director of the Group from 2006 until 2012. With extensive telecommunications industry experience, Mr Fung previously held senior management positions with Telstra, Optus and Lucent Technologies of the US.

During his time in Telstra, Mr Fung was seconded to the Australian Trade Commission (Austrade) as Specialist Trade Commissioner and supported Australian industry's export to countries in Asia.

Mr Fung is also an Executive Director of a private company with interests in trade and investments.

Current ASX directorships
N/a

Former ASX directorships (last 3 years)
N/a

Special responsibilities
Chair of the Nomination Committee

Interest in shares
11,462,428 ordinary shares

Interest in options
N/a

Interest in rights
N/a

Leanne Heywood OAM

Independent Non-Executive Director

Qualifications
B.Bus(Acc), MBA, FCPA, GAICD

Experience and expertise
Ms Heywood is a highly experienced company director holding board positions for both public and private companies in B2B settings across a variety of industries.

She currently chairs Audit and Risk Committees at ASX-listed companies Allkem Ltd, Midway Ltd and Quickstep Holdings, and she is a director of Snowy Hydro Limited and Graduate Member of the Charles Sturt University Council.

With a background in finance and accounting, Ms Heywood brings considerable commercial, sales and marketing, and business analytics experience to the Board. She also has extensive international experience managing complex and culturally diverse stakeholder relationship across the APAC region during her 11 years at Rio Tinto, including her position as General Manager, Sales and Marketing, Copper Concentrate

Current ASX directorships
Director, Allkem Limited (ASX:AKE) (from September 2016)
Director, Midway Limited (ASX:MWY) (from March 2019)
Director, Quickstep Holdings Limited (ASX:QHL) (from February 2019)

Former ASX directorships (last 3 years)
N/a

Special responsibilities
Chair of the Audit & Risk Committee

Interest in shares
N/a

Interest in options
N/a

Interest in rights
N/a

Gail Pemberton AO

Independent Non-Executive Director

Qualifications
MA, GradCert in Finance, FAICD

Experience and expertise
Ms Pemberton has extensive experience as a director of both ASX listed and global companies and has participated in several IPOs, numerous acquisitions and divestments and capital raising.

Prior to pursuing a non-executive career in 2008, Ms Pemberton was COO at BNP Paribas Securities Services UK Ltd, and CEO and Managing Director at BNP Paribas Fund Services Australasia Pty Ltd. She was previously Group CIO and Financial Services Group COO at Macquarie Bank.

Ms Pemberton was awarded the Order of Australia (AO) in the Australia Day Honours list 2018 for distinguished service to the finance and banking industry through a range of roles, as a mentor to women. She was recognised by the Federal Government with the award of a Centenary Medal in 2002 for outstanding services to Australian business.

Ms Pemberton is Chairman of Prospa Group Limited and Eclipx Group Limited, and a director of HSBC Bank Australia Limited, Sydney Metro and Land Services WA.

Current ASX directorships
Chairman, Prospa Group Limited (ASX: PGL) (director from May 2018; Chairman from February 2019);
Chairman, Eclipx Group Limited (ASX: ECX) (director from March 2015; Chairman from May 2021)

Former ASX directorships (last 3 years)
N/a

Special responsibilities
Member of the Audit & Risk Committee
Member of the Nomination Committee
Member of the Remuneration Committee

Interest in shares
17,140 ordinary shares

Interest in options
N/a

Interest in rights
N/a

David Stewart

Independent Non-Executive Director

Qualifications
GAICD

Experience and expertise
Mr Stewart is an experienced CEO and successful entrepreneur with more than 30 years in management and business leadership roles.

Mr Stewart founded Banksia Technology Pty Limited in 1988 and became Managing Director of Netcomm Limited in 1997, remaining at the helm of the Company until December 2016. A year later he was appointed as a Non-Executive Director of NetComm Wireless, a position he held until 30 June 2019. Mr Stewart also joined the Board of Lockbox Technologies in early 2018 until July 2020.

Current ASX directorships
Director, Beam Communications Holding Ltd (ASX: BCC) (from November 2017)

Former ASX directorships (last 3 years)
Director, Netcomm Wireless Ltd (ASX: NTC) (from 1997 to June 2019)

Special responsibilities
Chair of the Remuneration Committee
Member of the Nomination Committee

Interest in shares
251,625 ordinary shares

Interest in options
N/a

Interest in rights
N/a

Company secretary

Nawal Silfani (appointed with effect from 28 February 2022)
Ms Silfani is an experienced lawyer and corporate governance specialist with qualifications in law, governance and risk. She has spent over 20 years in executive roles at private and listed companies in Australia and has practiced law at a top tier firm.

Catherine Ly (resigned with effect from 11 March 2022)
Ms Ly joined the Group in April 2006 as CFO and Company Secretary and has focused on the role of Company Secretary and Treasurer from August 2013 to February 2021 following the expansion of the Group. Ms Ly is now focusing on other roles within the business.

Meetings of Directors

The number of meetings of the Company's Board and its committees held during the year ended 30 June 2022, and the number of meetings attended by each director/committee member are set out below.

	Board		Audit and Risk Committee[4]		Nomination Committee	
	Required to attend	Attended	Required to attend	Attended	Required to attend	Attended
Anne Ward[1]	15	15	1	1	1	1
Rene Sugo	16	16	-	1	-	1
Michael Boorne	16	16	1	1	-	1
Andy Fung	16	16	-	1	1	1
Leanne Heywood[2]	5	5	1	1	-	-
Gail Pemberton	16	15	1	1	1	1
David Stewart	16	16	-	1	1	1
Terry Cuthbertson[3]	1	1	-	-	-	-

	Remuneration Committee		Audit Committee[5]		Risk Committee[6]	
	Required to attend	Attended	Required to attend	Attended	Required to attend	Attended
Anne Ward[1]	-	2	3	3	1	1
Rene Sugo	-	2	-	3	1	1
Michael Boorne	2	2	3	3	-	1
Andy Fung	-	2	3	3	1	1
Leanne Heywood[2]	-	1	-	-	-	-
Gail Pemberton	2	2	-	3	-	1
David Stewart	2	2	-	3	-	1
Terry Cuthbertson[3]	-	-	-	-	-	-

Note: all directors have a standing invitation to all meetings of the Board's standing committees and the "Attended" columns in the above table include standing invitees. From time to time, the Board may delegate authority to a specific purpose committee of the Board and appoint Board members to such committees. Meetings of special purpose committees are not included in the above table, nor are Board and committee workshops, and other Board-related commitments.

1 Ms Ward was appointed to the Board on 22 July 2021.

2 Ms Heywood was appointed to the Board on 1 March 2022 and was appointed Chair of the Audit & Risk Committee effective from 1 April 2022.

3 Mr Cuthbertson resigned from the Board on 22 July 2021.

4 The Audit & Risk Committee was established as a standing committee of the Board effective from 1 April 2022.

5 The Audit Committee was extinguished by the Board effective from 31 March 2022.

6 The Risk Committee was extinguished by the Board effective from 31 March 2022.

Remuneration Report

Message from the Remuneration Committee Chair

Dear Shareholders,

On behalf of the Board, I'm pleased to present our remuneration report for FY22. The report outlines performance and remuneration outcomes for key management personnel (KMP) of the Group for the year ended 30 June 2022.

Our Remuneration Framework

The Remuneration Framework is designed to reward senior executives responsibly and fairly through components of Fixed Remuneration, Short-Term Incentives (STI) and Long-Term Incentives (LTI). STIs are based on achievement of both financial targets (Financial KPIs) and non-financial targets which are composed of the key strategic objectives for the company (Customer Engagement, Employee Engagement and Strategy Execution KPIs). The LTI scheme is directly linked to Shareholder value creation and designed to only provide benefit to participants when there is an annual growth in the share price and earnings per share (EPS) in the long term and the employee remains engaged by the Group. This scheme came into effect for senior executives in July 2020.

This framework aims to deliver a traditional incentive plan that supports the retention and motivation of high calibre executives and is aligned to acceptable market practice.

Business Performance

COVID-19 continued to see the Company competing in a challenging global technology market, with an increased demand in sourcing highly skilled people. To facilitate growth, we focused our investment on key opportunities, allowing us to remain agile as we scale. We further invested in strategic incentive programs for non-KMP staff to reduce attrition and engage and support our people with opportunities in personal development, career opportunities with awards of shares. These joint investments supported us in achieving the EBITDA threshold for the year.

Restructuring for Growth

As part of our Vision 2030 for growth and simplification, new financial frameworks were established to support our new Communications Platform as a Service (CPaaS), Telco as a Service (TaaS) and Unified Communication as a Service (UCaaS) business divisions. Each of these verticals address specific needs within the technology market and were established to support our growth domestically and into Asia Pacific.

On behalf of the Board, we invite you to read the Report and look forward to receiving your feedback at the Annual General Meeting.

Sincerely,

DM Stewart

David Stewart
Chair of the Remuneration Committee

Contents

Remuneration report overview

The Directors of Symbio Holdings Limited present the Remuneration Report (the Report) for the Company and its controlled entities for the year ended 30 June 2022. This Report forms part of the Directors' Report and has been audited in accordance with section 300A of the Corporations Act 2001. The Report details the remuneration arrangements for Symbio Holdings Limited's key management personnel (KMPs):

- Non-executive directors (NEDs)
- Executive Director & Group CEO and other KMPs

KMP are those persons who, directly or indirectly, have authority and responsibility for planning, directing, and controlling the major activities of the Company and Group.

The table below outlines the KMPs of the Group and their movements during FY22

Name	Position	Term as KMP
Ms. A Ward[1]	Chair (independent, non-executive director)	From 22 July 2021
Mr. M Boorne	Non-executive director	Full year
Mr. A Fung	Non-executive director	Full year
Ms. L Heywood[2]	Independent, non-executive director	From 1 March 2022
Ms. G Pemberton	Independent, non-executive director	Full year
Mr. D Stewart	Independent, non-executive director	Full year
Mr. R Sugo	Executive Director and Group Chief Executive Officer	Full year
Mr. T Cuthbertson[3]	Chair	To 22 July 2021
Mr. C Last[4]	Chief Financial Officer	To 22 March 2022

1. Ms. A Ward was appointed to the Board on 22 July 2021
2. Ms. L Heywood was appointed to the Board on 1 March 2022
3. Mr. T Cuthbertson retired from the Board on 22 July 2021
4. Mr. C Last resigned as Chief Financial Officer on 22 March 2022

Changes since the end of the reporting period:
There have been no changes to the above since the end of the reporting period.

Principles of the remuneration framework

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, aligning with market best practice. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- attraction and retention of key skills and abilities
- fit for purpose
- alignment of executive incentives to shareholder interests
- transparency

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

- having EBITDA as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price,
- delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value including customer and employee engagement, and
- rewarding strategic execution

Additionally, the reward framework should seek to incentivize and reward our executives by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards, and
- attracting and retaining high calibre executives

Governance of Remuneration

The Remuneration Committee's purpose is to review and make recommendations to the Board on the level and composition of remuneration for non-executive directors, the Group CEO and other KMPs. The committee also reviews and endorses the remuneration of non KMP who report directly to the Group CEO. The Remuneration Committee is also responsible for reviewing and reporting to the Board in respect of whether there is any gender or other inappropriate bias in remuneration for directors and senior executives, overseeing compliance with statutory responsibilities in relation to remuneration disclosure.

Non-Executive Director remuneration

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

Fees paid to non-executive Directors reflect the demands and responsibilities of their roles, including committee duties. Non-executive Directors' fees are reviewed annually by the Remuneration Committee. The Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to provide assurance that non-executive Directors' fees are appropriate and in line with the market.

Non-executive Directors do not receive share options or other incentives.

ASX listing rules require the aggregate of non-executive Directors' remuneration be approved by shareholders. The most recent determination was made at the Annual General Meeting held on 27 October 2020, where shareholders approved a maximum annual aggregate remuneration of $950,000. **There are no changes being recommended to the size of this pool this calendar year.**

Executive KMP remuneration

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

The executive KMP remuneration and reward framework has five components:

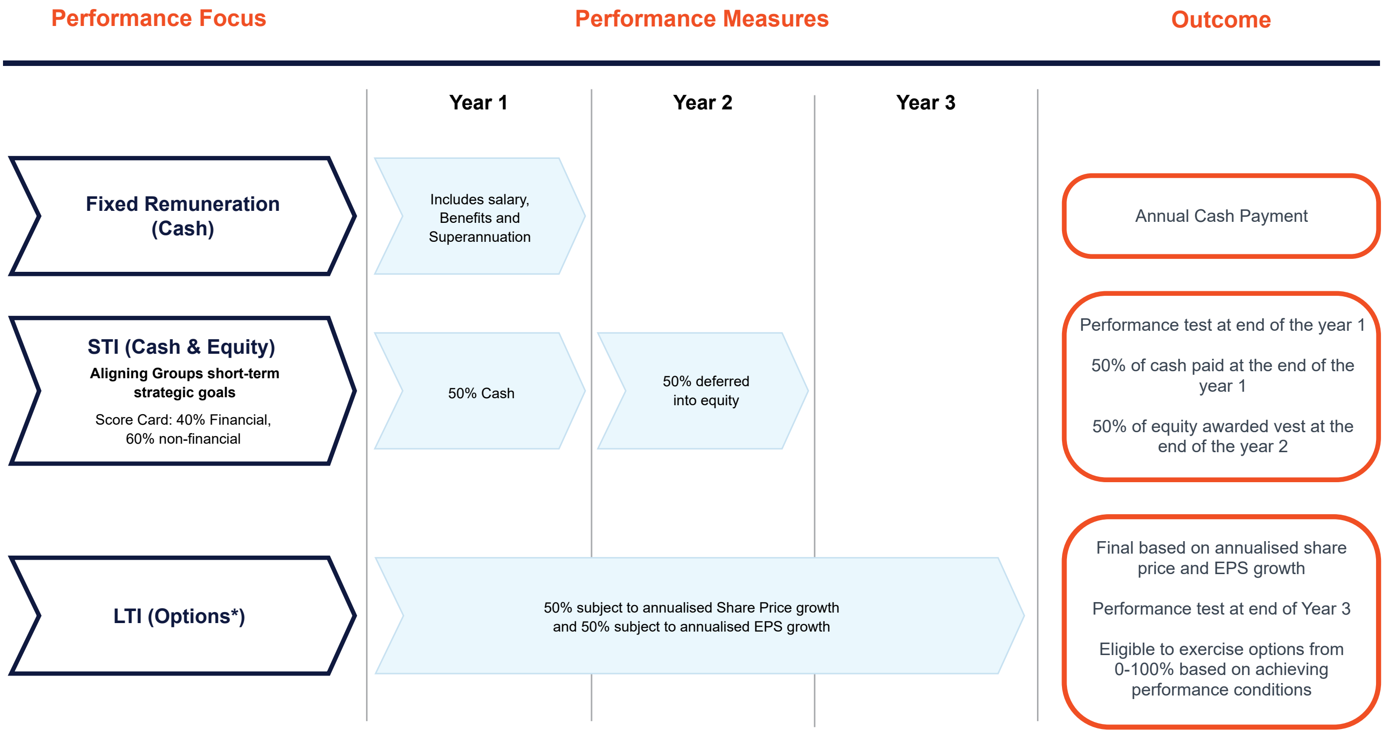
- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave, and
- long-term incentives

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

Fixed remuneration, consisting of base salary, superannuation, and non-monetary benefits, are reviewed annually by the Remuneration Committee based on market, internal individual and business unit performance, the overall performance of the Group and comparable market remuneration.

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

The chart below provides a summary of the structure of executive remuneration in FY22:



*Strike price is equal to exercise price

Details of the short-term incentive plan

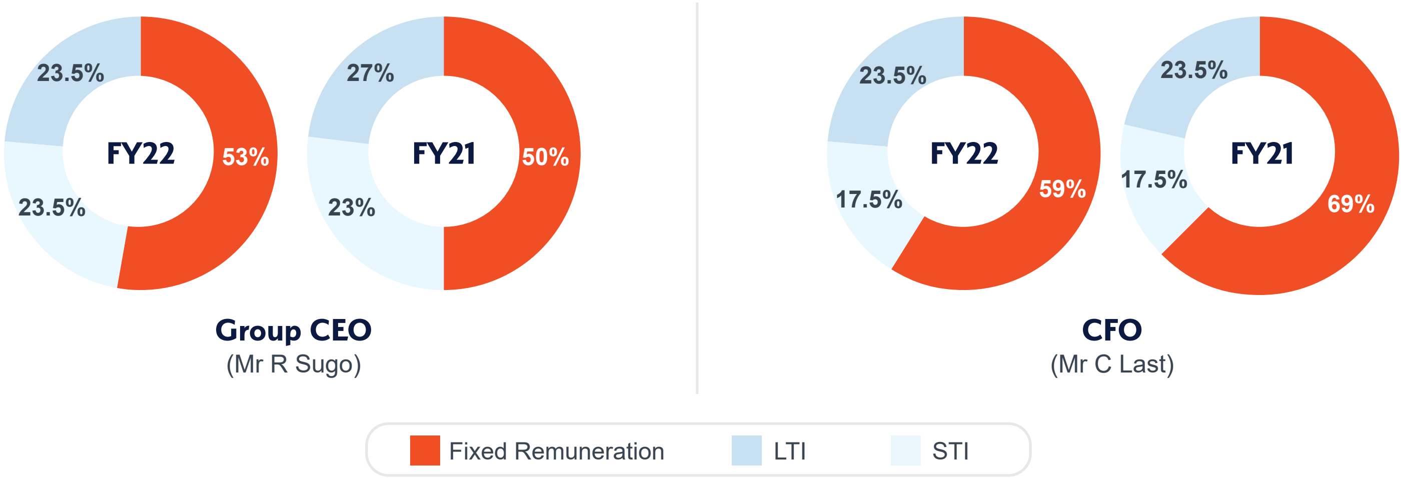
The short-term incentive (STI) program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators (KPIs) being achieved. KPIs are EBITDA, Customer Engagement, Employee Engagement and Strategic Execution. The STI is delivered in the form of a cash bonus and nil-priced options subject to the attainment of these clearly defined objectives.

As depicted in the diagram above these STI targets are set at the start of each financial year by the Board and align with the Group's long-term strategic goals.

Participants can earn up to 150% payout for achieving stretch performance (i.e., significant out-performance against performance measures). The total STI awards is determined after the end of the financial year following a review of performance over the year against the STI performance measures set. The Board approves the final STI award based on this assessment of performance. 50% is paid in cash within three months after the end of the performance period. The balance of 50% of the STI is deferred into shares, with the number of shares calculated based on the Company's 5-days volume weighted average price (VWAP) of a share on 30 June 2022 (inclusive). Vesting of these shares is subject to a further one-year service period.

The weighted average outcome for the FY22 year has led to an outcome of 65% achievement of the STI bonus.

The below chart illustrates the structured employee entitlements of eligible KMPs as a percentage of their fixed remuneration:



Details of long-term incentive (LTI) plans

The purpose of the Plan is to:

(a) assist in the reward, retention, and motivation of Eligible Participants; and
(b) align the interests of Eligible Participants with shareholders of the Group.

Change of Control

Notwithstanding any other provision of the plan rules, but subject to all applicable laws, regulations, the Listing Rules, and the terms of a Participant's Invitation, if:

- a Change of Control Event occurs;
- or the Board determines for the purpose of this Plan that such a Change of Control Event is likely to occur, the Board may in its absolute discretion determine the way any or all the Participant's Awards (whether vested or unvested) and Resulting Shares (as applicable) will be dealt with.

FY20 LTI Plan

The FY20 LTI plan was aimed at retaining highly skilled KMPs and employees to align remuneration with sector peer organisations. This is a share-based plan.

The options granted for the share plan have a nil exercise price. This scheme ceased in January 2022. Final options vested on 1 January 2022.

Vesting Condition

Recipients must be employed by the Group on each successive vesting date to be eligible to receive each respective tranche of options. Should the employee resign or be dismissed, any unvested options will immediately expire.

FY21 LTI Plan & FY22 LTI plan

The LTI plan was revamped in FY21 and had performance hurdles linked to both compound annual EPS growth and share price growth over a 4-year performance period.

The FY21 LTI plan is a share-based plan offered to KMPs of the Group and senior executives and subject to achievement of performance criteria.

The FY21 grant was the first grant under this plan. For FY21 LTI grant, performance period is 4 years and for FY22 LTI grant, performance period is 3 years. Everything else remains the same.

The FY21 and FY22 LTI grants have an exercise price of $5.6790 and $5.4242 respectively, with vesting of the two tranches being conditional upon the recipient continuing employment with the Group up until date of vesting.

Vesting Conditions:

Tranche 1- Share price growth

The proportion of Tranche 1 options which will vest is subject to the annual growth in the Company's share price (Share Price Growth) achieved during the relevant performance period (Performance Period). The annual Share Price Growth condition for the Tranche 1 Awards will be satisfied in accordance with the following schedule:

Share Price Growth over the Performance Period (Annualised)	Proportion of Tranche 1 Awards that will satisfy the Share Price Growth performance condition
Share Price Growth < 3%	Nil
Share Price Growth ≥ 3% & < 6%	Progressive pro-rata vesting from 50% to 75% (On a straight-line basis)
Share Price Growth ≥ 6% & < 10%	Progressive pro-rata vesting from 75% to 100% (On a straight-line basis)
Share Price Growth ≥ 10%	100%

The Share Price Growth of the Company will be approved by the Board and is the growth in the share price over the relevant Performance Period.

The start price for the Share Price Growth calculation will be $5.6790 (FY21 plan) and $5.4242 (FY22 plan) being the 5-day volume weighted average price (**VWAP**) of a Share prior to 1 July 2020 and 1 July 2021 (being the first day of the Performance Period). The end price for the Share Price Growth calculation will be the 5-day VWAP of a Share ending on 30 June 2024 (being the last day of both Performance Periods).

Tranche 2- EPS growth

The proportion of Tranche 2 options which will vest is subject to the compound annual growth in the Company's earnings per share (**EPS Growth**) during the relevant Performance Period. EPS Growth of the Company will be determined by the Board and is the growth of the Company's EPS, which is measured as the growth in the 'net profit after tax and interest' of the Company (on a per Share basis) annualised over the relevant Performance Period.

The starting EPS for the purpose of the EPS calculation will be 14.88 cents (FY21 plan) and 18.43 cents (FY22 plan), being the EPS calculated in accordance with the FY20 audited annual consolidated accounts. The end EPS for the EPS calculation will be calculated following the end of the Performance Period in accordance with the above principles having regard to the FY24 audited annual consolidated accounts.

The EPS Growth condition for the Tranche 2 Awards will be satisfied in accordance with the following schedule:

EPS Growth over the Performance Period (Annualised)	Proportion of Tranche 2 Awards that will satisfy the EPS performance condition
EPS Growth < 3%	Nil
EPS Growth ≥ 3% & < 6%	Progressive pro-rata vesting from 50% to 75% (On a straight-line basis)
EPS Growth ≥ 6% & < 10%	Progressive pro-rata vesting from 75% to 100% (On a straight-line basis)
EPS Growth ≥ 10%	100%

EPS and Share Price Growth will be measured on an average annualised % growth rate calculated by reference to the respective measure at commencement of the 4-year vesting period compared to the respective measure at the end of the 4-year vesting period.

Use of remuneration consultants

The Group engages remuneration consultants from time to time to provide remuneration benchmarking, market information and specific sector information to guide decision making on remuneration related activities. For FY22 the Group did not engage remuneration consultants.

*Voting and comments made at the Company's Annual General Meeting (**AGM**) on 9 November 2021 for the FY21 remuneration report*

At the 2021 AGM, 99.64% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2021. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Actual remuneration of KMP's

Details of the remuneration of KMP of the Group are set out in the following tables:

		Short-term				**Post-employment benefits**	**Long-Term**	**Share-based payments (Accounting valuation)**[x]	**Total**
	FY	Salaries and fees	Cash profit share and bonuses paid[i]	Cash profit share and bonuses accrued[ii]	Other benefits[iii]	Superannuation	Long Service Leave Accrual	STI & LTI schemes	
		$	$	$	$	$	$	$	$
Directors									
Ms. A Ward[iv]	2022	188,636	-	-	-	18,864	-	-	207,500
	2021	-	-	-	-	-	-	-	-
Mr. T Cuthbertson[xiii]	2022	13,958	-	-	-	1,395	-	-	15,353
	2021	167,500	-	-	-	15,912	-	-	183,412
Mr. M Boorne	2022	111,250	-	-	-	10,875	-	-	122,125
	2021	112,500	-	-	-	10,688	-	-	123,188
Mr. A Fung	2022	100,625	-	-	-	10,062	-	-	110,687
	2021	101,686	-	-	-	9,660	-	-	111,346
Mr. D Stewart	2022	97,500	-	-	-	9,750	-	-	107,250
	2021	98,314	-	-	-	9,340	-	-	107,654
Ms. G Pemberton	2022	96,250	-	-	-	792	-	-	97,042
	2021	79,479	-	-	-	7,551	-	-	87,030
Ms. L Heywood[v]	2022	35,000	-	-	-	3,500	-	-	38,500
	2021	-	-	-	-	-	-	-	-

		Short-term				Post-employment benefits	Long-Term	Share-based payments (Accounting valuation)[x]	Total
	FY	Salaries and fees	Cash profit share and bonuses paid[i]	Cash profit share and bonuses accrued[ii]	Other benefits[iii]	Superannuation	Long Service Leave Accrual	STI & LTI schemes	
		$	$	$	$	$	$	$	$
Executive Director & Group CEO									
Mr. R Sugo	2022	715,000	-	107,250	29,538	25,000	35,736	245,118[x]	1,157,642[viii]
	2021	575,000	97,500	168,000	44,093	25,000	18,582[xii]	61,009[xi]	989,184
Other KMPs									
Mr. C Last[vi]	2022	270,002	68,910	-	(15,012)	18,750	-	90,454	433,104[viii]
	2021	350,750	2,875	90,456	13,989	25,000	-	73,392[ix][x]	556,462
Ms. C Ly[vii]	2022	-	-	-	-	-	-	-	-
	2021	118,947	-	-	-	11,300	4,466[xiii]	1,000[ix]	135,713
Total	2022	**1,628,221**	**68,910**	**107,250**	**14,526**	**98,988**	**35,736**	**335,572**	**2,289,203**
	2021	**1,604,176**	**100,375**	**258,456**	**58,082**	**114,451**	**23,048**	**135,401**[xi]	**2,293,989**

* All the above numbers are rounded to the nearest $ value.

(i) STI amounts paid in FY22 relate to the achievement of FY21 targets.
(ii) STI amounts accrued in the current financial year are in relation to the FY22 and would be paid in the subsequent financial year, subject to board approval.
(iii) The category "Other benefits" represent other benefits such as car parking, annual leave movements and items including FBT.
(iv) Ms. A Ward was appointed to the Board on 22 July 2021.
(v) Ms. L Heywood was appointed to the Board on 1 March 2022.
(vi) Mr. C Last resigned as Chief Financial Officer on 22 March 2022 and unused annual leave paid out as part of final pay.
(vii) Ms. C Ly ceased her combined role as Company Secretary & Treasurer of the Group on 28 February 2021.
(viii) Total FY22 value excludes amounts paid in FY22 but accrued in FY21.
(ix) The amount includes $1,000 employee share gift scheme awarded discretionary by the board.
(x) Share based payment value is the total accounting value of FY21 and FY22 STI and LTI grants.
(xi) Re-valuation based on updated grant date for accounting valuation for FY21 and FY22 STI and LTI grants.
(xii) Long Service Leave movement for FY21, which was not included in FY21 remuneration data.
(xiii) Mr. T Cuthbertson resigned from the Board on 22 July 2021.

Service agreements

The Group has entered into an executive employment agreement with the Group CEO. The remuneration and terms of employment for other key executives are also set out in written agreements. Each of these employment agreements are unlimited in term, but may be terminated by written notice by either party or by the Company making payment in lieu of notice.

Each of these agreements sets out the arrangements for total fixed remuneration, performance-related cash bonus opportunities, superannuation, termination rights and obligations and eligibility to participate in the employee equity-based incentive scheme. Executive salaries are reviewed annually. The executive employment agreements do not require the Company to increase base salary, incentive bonuses or to continue the participants' participation in equity-based incentive programs. Payment of any STI is at the Board's discretion. The Company may terminate the employment of the key executives without notice and without payment in lieu of notice in the following circumstances:

- commits an act of serious misconduct
- commits a material breach of the executive employment agreement; and
- denigrates or engages in any behaviour that may materially damage the reputation of, or otherwise bring the Group into disrepute; or is convicted of any criminal offence which would in the reasonable opinion of the Board adversely affect the carrying out of the executive's duties

Details of Executive KMPs agreements are as follows:

Name:	Rene Sugo
Title:	Executive Director and Group CEO
Agreement commenced:	March 2012
Term of agreement:	4 Months' notice
Details:	Fixed salary package of $740,000, consisting of base salary and superannuation, reviewed annually by the Board. Eligible to participate in applicable STI and LTI plans. 6 months' notice period by the Company and 4-month notice period by the employee. Termination provision of 6 months of base salary.

Name:	Chris Last (resigned with effect from 22 March 2022)
Title:	Former Chief Financial Officer
Agreement commenced:	September 2019
Term of agreement:	3 Months' notice
Details:	Fixed salary package of $390,272, consisting of base salary and superannuation, reviewed annually by the Board in September. Eligible to participate in applicable STI and LTI plans. 3 months' notice period by both the parties. Termination provision of 3 months of base salary.

KMPs have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

Details of shares issued to Directors and other KMP as part of compensation during the year ended 30 June 2022 are set out below:

Name	Date	Shares	Issue Price	Total Value
Mr. C Last	01/01/2022	10,000	$6.891	$68,910

Options

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

Name	Number of options granted	Grant date	Vesting Date	Fair value at grant date	Exercise price	Expiry date
Mr. R Sugo	30,972	27/07/2021	30/06/2023	$5.1823	$0.00	30/06/2031
Mr. C Last	16,676	27/07/2021	30/06/2023	$5.1823	$0.00	30/06/2031
Mr. R Sugo	151,913	23/11/2021	Based on achievement of vesting conditions	$2.1805	$5.42	30/06/2031

Options granted carry no dividend or voting rights.

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

Name	Number of options granted during the year 2022	Number of options granted during the year 2021	Number of options vested during the year 2022	Number of options vested during the year 2021
Mr. R Sugo	182,885	173,809	-	-

Additional information

The earnings of the Group for the four years to 30 June 2022 are summarised below:

	2022	2021	2020	2019*	2018
	$'000	$'000	$'000	$'000	$'000
Sales revenue**	205,025	218,689	230,913	215,587	220,728
Profit after income tax**	14,654	15,578	11,947	9,943	11,859

* Restated based on correction of deferred tax made to the 30 June 2019 financial year

** The balance for financial year 2021 and 2020 is the sum of both continuing and discontinued operations

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

	2022	2021	2020	2019*	2018
Share price at financial year end ($)	3.50	5.34	5.63	3.85	5.25
Total dividends declared (cents per share)	8.00	7.60	6.10	6.10	8.35
Basic earnings per share (cents per share) **	17.29	18.43	14.88	13.56	16.25

* Restated based on correction of deferred tax made to the 30 June 2019 financial year

** The Basic EPS shown here is calculated based on NPAT from both continuing and discontinued operations for financial year 2021 and 2022

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each Director and other members of KMP of the Group, including their personally related parties, is set out below:

KMP	Ordinary shares held at start of the financial year	Ordinary shares received as part of remuneration	Ordinary shares acquired during The financial year	Ordinary shares disposed/lapsed /etc. during the financial year	Ordinary shares held at end of the financial year
Ms. A Ward	-	-	10,000	-	10,000
Mr. M Boorne	384,605	-	745,270[3]	-	1,129,875
Mr. A Fung	11,462,428	-	-	-	11,462,428
Ms. L Heywood	-	-	-	-	-
Ms. G Pemberton	17,140	-	-	-	17,140
Mr. D Stewart	251,625	-	-	-	251,625
Mr. T Cuthbertson[1]	855,906	-	-	-	NA
Mr. R Sugo	7,105,863	-	-	(350,000)	6,755,863
Mr. C Last[2]	20,599	10,000	-	-	NA

1. Mr. T Cuthbertson resigned on 22 July 2021 and accordingly, an Appendix 3Z was notified to the ASX on 22 July 2021.
2. Mr.C Last resigned on 22 March 2022.
3. Mr. M Boorne acquired a notifiable interest in these shares, details of which were disclosed to the ASX on 5 May 2022 via an Appendix 3Y notification.

Option holding

The number of options over ordinary shares in the Company held during the financial year by each Director and other members of KMP of the Group, including their personally related parties, is set out below:

Options over ordinary shares

KMP	Balance at the start of the FY	Granted	Exercised	Expired/ Forfeited/other	Balance at end of the FY
Mr. R Sugo	173,809	182,885	-	-	356,694
Mr. C Last	71,414	70,574	(10,000)	(115,312)	NA

This concludes the remuneration report, which has been audited.

Shares under option

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

Grant date	Expiry date	Exercise price	Number under option
27/10/2020	1/07/2030	$5.63	500,311
1/07/2021	30/06/2031	$0.00	137,013
23/09/2021	1/07/2031	$5.42	458,136
15/10/2021	30/08/2031	$0.00	100,183
October 2021	2/09/2022	$0.00	114,653
October 2021	2/09/2023	$0.00	343,978
November 2021	2/09/2022	$0.00	21,736
November 2021	2/09/2023	$0.00	71,431
December 2021	2/09/2022	$0.00	8,763
December 2021	2/09/2023	$0.00	35,541
1/03/2022	28/02/2032	$0.00	323,369
			2,115,114

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

Shares issued on the exercise of options

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

Date options granted	Exercise price	Number of shares issued
11/12/2018	$0.00	120,000

Indemnity and insurance of officers

The Company has indemnified the officers 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.

Officers of the Company who are former partners of Deloitte Touche Tohmatsu
There are no officers of the Company who are former partners of Deloitte Touche Tohmatsu.

Rounding of amounts
The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

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

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

On behalf of the Directors

Anne Ward
Chairman

Rene Sugo
Managing Director and Group CEO

29 August 2022
Sydney

Deloitte Touche Tohmatsu
A.B.N. 74 490 121 060

Grosvenor Place
225 George Street
Sydney NSW 2000
Australia

Tel: +61 (0) 2 9322 7000
www.deloitte.com.au

The Board of Directors
Symbio Holdings Limited
Level 4, 580 George Street
Sydney NSW 2000

29 August 2022

Dear Directors

Auditor's Independence Declaration to Symbio 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 Symbio Holdings Limited.

As lead audit partner for the audit of the financial report of Symbio Holdings Limited for the year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU

Pooja Patel
Pooja Patel
Partner
Chartered Accountants

Financial Report

For the year ended
30 June 2022

Financial Report Contents

Consolidated statement of profit or loss and other comprehensive income

	Note	Consolidated 2022 $'000	Consolidated 2021 $'000
Continuing operations			
Revenue	5	202,599	200,910
Other income	6	736	901
Expenses			
Network and communication		(107,098)	(111,083)
Employee benefits	7	(48,790)	(40,385)
Depreciation and amortisation	7	(20,014)	(16,433)
Acquisition costs		(98)	(57)
Restructure costs		(200)	(55)
Other expenses	7	(17,684)	(13,593)
Financing costs	7	(1,607)	(2,908)
Profit before income tax expense from continuing operations		7,844	17,297
Income tax expense	8	(2,071)	(5,200)
Profit after income tax expense from continuing operations		5,773	12,097
Profit after income tax (expense)/benefit from discontinued operations	9	8,881	3,481
Profit after income tax (expense)/benefit for the year	28	14,654	15,578
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss			
Net change in the fair value of cash flow hedges taken to equity, net of tax		-	844
Foreign currency translation		1,354	(1,296)
Other comprehensive income/(loss) for the year, net of tax		1,354	(452)
Total comprehensive income for the year		16,008	15,126
Total comprehensive income for the year is attributable to:			
Continuing operations		7,127	11,430
Discontinued operations		8,881	3,696
		16,008	15,126
		Cents	**Cents**
Earnings per share from continuing operations			
Basic earnings per share	10	6.81	14.31
Diluted earnings per share	10	6.72	14.20
Earnings per share from discontinued operations			
Basic earnings per share	10	10.48	4.12
Diluted earnings per share	10	10.34	4.09
Earnings per share for the Group			
Basic earnings per share	10	17.29	18.43
Diluted earnings per share	10	17.06	18.28

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes. See note 2 for explanation of gross profit.

Consolidated statement of financial position

	Note	Consolidated 2022 $'000	2021 $'000
Assets			
Current assets			
Cash and cash equivalents	11	42,586	22,668
Trade and other receivables	12	42,104	38,390
Inventories	13	1,280	1,262
Income tax refund due	8	2,311	-
		88,281	62,320
Assets classified as held for sale	14	-	13,349
Total current assets		**88,281**	**75,669**
Non-current assets			
Trade and other receivables	12	441	932
Other financial assets	15	7,200	-
Property, plant and equipment	16	25,684	27,361
Right-of-use assets	17	11,875	14,976
Intangibles	18	82,857	87,295
Deferred tax asset	8	727	702
Total non-current assets		**128,784**	**131,266**
Total assets		**217,065**	**206,935**
Liabilities			
Current liabilities			
Trade and other payables	19	30,080	25,978
Lease liabilities	21	2,865	3,270
Income tax payable	8	-	31
Employee benefits	22	4,389	4,206
Provisions	23	420	72
Customer deposits	24	1,174	1,198
		38,928	34,755
Liabilities directly associated with assets classified as held for sale	25	-	2,421
Total current liabilities		**38,928**	**37,176**
Non-current liabilities			
Lease liabilities	21	11,970	14,587
Deferred tax liability	8	2,810	3,622
Employee benefits	22	554	442
Provisions	23	764	1,056
Total non-current liabilities		**16,098**	**19,707**
Total liabilities		**55,026**	**56,883**
Net assets		**162,039**	**150,052**
Equity			
Issued capital	26	102,064	102,486
Reserves	27	7,969	3,773
Retained profits	28	52,006	43,793
Total equity		**162,039**	**150,052**

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

Consolidated statement of cash flows

	Note	Consolidated 2022 $'000	2021 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		221,373	225,209
Payments to suppliers and employees (inclusive of GST)		(188,202)	(182,670)
Interest received		92	146
Interest and other finance costs paid		(1,221)	(2,013)
Income taxes paid		(7,015)	(5,703)
Net cash from operating activities	40	25,027	34,969
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired	38	-	(5,631)
Payments for property, plant and equipment	16	(6,314)	(4,677)
Software development costs		(10,564)	(9,181)
Proceeds received for sale of businesses		29,172	267
Payment for other financial asset		(7,200)	-
Net cash from/(used in) investing activities		5,094	(19,222)
Cash flows from financing activities			
Proceeds from issue of shares	26	-	724
Purchase of treasury shares		(1,249)	-
Dividends paid	29	(6,441)	(5,829)
Repayment of borrowings	40	-	(30,000)
Repayment of lease liabilities	40	(3,384)	(3,057)
Hedge instrument settlement		-	(521)
Net cash used in financing activities		(11,074)	(38,683)
Net increase/(decrease) in cash and cash equivalents		19,047	(22,936)
Cash and cash equivalents at the beginning of the financial year		22,668	46,164
Effects of exchange rate changes on cash and cash equivalents		871	(560)
Cash and cash equivalents at the end of the financial year	11	42,586	22,668

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

Consolidated statement of changes in equity

Consolidated	Issued capital $'000	Treasury Shares $'000	Foreign currency reserve $'000	Hedging reserve $'000	Share-based payments reserve $'000	Retained profits $'000	Total equity $'000
Balance at 1 July 2020	101,771	-	143	(844)	3,839	34,044	138,953
Profit after income tax expense for the year	-	-	-	-	-	15,578	15,578
Other comprehensive income/(loss) for the year, net of tax	-	-	(1,296)	844	-	-	(452)
Total comprehensive income/(loss) for the year	-	-	(1,296)	844	-	15,578	15,126
Transactions with members in their capacity as members:							
Shares issued - Dividend reinvestment plan	715	-	-	-	-	-	715
Share-based payments (note 41)	-	-	-	-	1,087	-	1,087
Dividends paid (note 29)	-	-	-	-	-	(5,829)	(5,829)
Balance at 30 June 2021	102,486	-	(1,153)	-	4,926	43,793	150,052

Consolidated	Issued capital $'000	Treasury Shares $'000	Foreign currency reserve $'000	Hedging reserve $'000	Share-based payment reserve $'000	Retained profits $'000	Total equity $'000
Balance at 1 July 2021	102,486	-	(1,153)	-	4,926	43,793	150,052
Profit after income tax expense for the year	-	-	-	-	-	14,654	14,654
Other comprehensive income for the year, net of tax	-	-	1,354	-	-	-	1,354
Total comprehensive income for the year	-	-	1,354	-	-	14,654	16,008
Transactions with members in their capacity as members:							
Share-based payments (note 41)	827	-	-	-	2,842	-	3,669
Own shares acquired in the year	-	(1,249)	-	-	-	-	(1,249)
Dividends paid (note 29)	-	-	-	-	-	(6,441)	(6,441)
Balance at 30 June 2022	103,313	(1,249)	201	-	7,768	52,006	162,039

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

Notes to the consolidated financial statements Contents

Note 1. General information

The financial statements cover Symbio Holdings Limited as a Group consisting of Symbio 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 Symbio Holdings Limited's functional and presentation currency.

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

Level 4, 580 George 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 29 August 2022. The Directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards does not have any material impact for the Group.

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

Basis of preparation

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

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, 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 3.

Note 2. Significant accounting policies (continued)

Reclassification

To provide further clarity to the users of the financial statements as well as in accordance with AASB 101 Presentation of Financial Statements, the cost of sales line has been reclassified as network and communication expense and the gross margin subtotal has been removed for both the current and the comparative year in the consolidated statement of profit or loss and other comprehensive income. It is noted that this change in presentation has had no impact on the total balances.

As permitted by AASB 112, Income Taxes, deferred tax liability is offset against deferred tax asset levied by the same taxation jurisdiction and the Group has a legally enforceable right to set off current tax assets against current tax liabilities. As a result the comparative of deferred tax liabilities and deferred tax assets have been adjusted by the offset value of $2,704,000.

Where applicable, certain comparative figures have been reclassified to discontinued operations, to align with current year presentation, as a result of the divestments of part of the Direct business and Express Virtual Meetings business. Refer to note 9 for further details. In addition, certain comparative figures have been reclassified in note 4 Operating segments to align with current year presentation, as a result of the reassessment of the Group's reporting segments.

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 37.

Principles of consolidation

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

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.

Note 2. Significant accounting policies (continued)

Foreign currency translation
The financial statements are presented in Australian dollars, which is Symbio Holdings Limited's functional and presentation currency.

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

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

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

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.

Derivative financial instruments
Cash flow hedges
The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the `other gains and losses' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect other comprehensive income. Furthermore, if the Group expects that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in cash flow hedge reserve at that time remains in equity and is reclassified to profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in the cash flow hedge reserve is reclassified immediately to profit or loss.

Non-current assets or disposal groups classified as held for sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Note 2. Significant accounting policies (continued)

Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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

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

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

Rounding of amounts
The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2022. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations. The standards that may have some relevance are as follows:

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current
AASB 2020-1 was issued in March 2020 and is applicable to annual periods beginning on or after 1 January 2023, as extended by AASB 2020-6. Early adoption is permitted. This standard amends AASB 101 'Presentation of Financial Statements' to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. The amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. If the deferral right is conditional, the right only exists if, at the end of the reporting period, those conditions have been complied with. Classification of a liability as non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least 12 months after the reporting date or even if the entity settles the liability prior to issue of the financial statements. The meaning of settlement of a liability is also clarified.

Note 2. Significant accounting policies (continued)

AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments

AASB 2020-3 was issued in June 2020 and is applicable to annual periods beginning on or after 1 January 2022. Early adoption is permitted. This standard amends certain accounting standards including:

- AASB 9 'Financial Instruments' – the amendments clarify the net fees paid or received to be included in the present value calculations of cash flows of debt instruments for the purposes of ascertaining extinguishment where there has been a change in terms as well as clarifying the treatment of costs or fees both on extinguishment of a debt instrument or in cases where a modified debt instrument has not been extinguished;
- AASB 116 'Property, Plant and Equipment' – requires an entity to recognise the sales proceeds of items produced, and their related cost in profit or loss where such items relate to property, plant and equipment which is being prepared for its intended use (instead of deducting the net proceeds from the cost of the asset). The related costs shall be measured in accordance with AASB 102. Additional related disclosures are now required;
- AASB 137 'Provisions, Contingent Liabilities and Contingent Assets' – clarifies that the unavoidable costs of meeting obligations in an onerous contract include both the incremental costs of fulfilling the contract such as direct labour and materials and an allocation of other costs related directly to fulfilling the contract such as depreciation.

AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates

AASB 2021-2 was issued in March 2021 and is applicable to annual periods beginning on or after 1 January 2023. Early adoption is permitted. This standard amends AASB Standards to improve accounting policy disclosures so that they provide more useful information to investors and users of the financial statements and clarify the distinction between accounting policies and accounting estimates. Specifically, AASB 2021-2 amends:

- AASB 7 Financial Instruments: Disclosures, to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements
- AASB 101 Presentation of Financial Statements, to require entities to disclose their material accounting policy information rather than their significant accounting policies
- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates
- AASB 134 Interim Financial Reporting, to identify material accounting policy information as a component of a complete set of financial statements
- AASB Practice Statement 2 Making Materiality Judgements, to provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures.

Note 3. Critical accounting judgements, estimates and assumptions

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

Share-based payment transactions

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

Allowance for expected credit losses

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

Note 3. Critical accounting judgements, estimates and assumptions (continued)

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

Goodwill and other indefinite life intangible assets
The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Research and development
Research and development expenses incurred relate to services provided by third parties and internal salaries and on-costs of employees. Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility, and the cost can be measured reliably.

Key areas of judgement relate to determining the portion of the internal salary and on-costs that are directly attributable to development of the Group’s network capabilities and software, and identifying and assessing the technical feasibility of completing the intangible asset and generating future economic benefits. An impairment loss is recognised if the carrying amount of the development asset exceeds its recoverable amount.

The Group determines the estimated useful lives for the capitalised development costs. The useful lives could change as a result of technical innovations or some other event. The amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete, or no longer in use, and then subsequently written off.

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

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

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

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Employee benefits provision
A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

Lease make good provision
A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

Business combinations
As discussed in note 38, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the Group taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Note 4. Operating segments

Identification of reportable operating segments
Symbio previously operated 3 segments, being Domestic Wholesale, Global Wholesale and Direct, reflecting the different markets and product suites of each segment.

These segments are based on the internal reports that are reviewed and used by the Board including the CEO (who is identified as the Chief Operating Decision Maker 'CODM'), in assessing performance and in determining the allocation of resources.

Post the announcement of the disposal of the residential and small business operations, in the Financial Report for the financial year ended 30 June 2021, the Group also announced the intention to organise itself into three new revenue generating segments based on customer's product consumption patterns for financial year end 30 June 2022 and beyond. The new segments are as follows:

- CPaaS – Communications Platform as a Service

The CPaaS division is focused on empowering software companies (in Australia, APAC and globally) and larger infrastructure-based service providers to enable calling and messaging via Symbio hosted phone numbers. The CPaaS division predominantly operates under the Symbio brand and incorporates the global TNZI brand and customer base. The TNZI brand was rebranded to Symbio during the financial year which resulted in the brand's nil net book value as at 30 June 2022 (see note 9).

- UCaaS – Unified Communications as a Service

The UCaaS segment is focused on enabling the roll-out and self-service management of enterprise collaboration services (in Australia and the entire APAC region) based on industry leading partnerships with Microsoft Teams and Cisco WebEx. This segment purchases infrastructure from the CPaaS division. The UCaaS segment predominantly operates under the MNF Enterprise brand.

- TaaS – Telecom as a Service

The TaaS segment is focused on providing a digital platform for small service providers (in Australia only) to operate their telecom and managed services business. This division purchases infrastructure from the CPaaS division as well as other industry leading vendors of complementary telecom services. The TaaS segment predominantly operates under the Telcoinabox brand and incorporates the iBoss brand and customer base.

Discrete financial information for each of these segments is reported to the CODM regularly. The CODM reviews the revenues and the gross margin for their internal decision-making and to assess performance. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in these financial statements.

Intersegment transactions
Intersegment transactions were made at market rates. Intersegment transactions are eliminated on consolidation.

Major customers
The Group has many customers to which it provides services and products. The Group's top revenue contributing customer makes up 5.1% (2021: 4.6%) of total Group continuing revenue.

Note 4. Operating segments (continued)

Consolidated - 2022	Continuing operations UCaaS $'000	TaaS $'000	CPaaS $'000	Continuing operations Total $'000	Discontinued operations Total $'000	Group Total $'000
Rendering of services	9,722	58,660	132,502	200,884	2,385	203,269
Sale of goods	137	1,565	13	1,715	41	1,756
External revenue	**9,859**	**60,225**	**132,515**	**202,599**	**2,426**	**205,025**
Inter-segment revenue	38	8,593	8,616	17,247	28	17,275
External and inter-segment revenue	**9,897**	**68,818**	**141,131**	**219,846**	**2,454**	**222,300**
Network and communication expense	(3,682)	(34,399)	(69,017)	(107,098)	(398)	(107,496)
Gross margin	**6,177**	**25,826**	**63,498**	**95,501**	**2,028**	**97,529**
Other income				736	-	736
Expenses [1]				(88,393)	(2,165)	(90,558)
Profit before tax				**7,844**	**(137)**	**7,707**
Income tax expenses				(2,071)	41	(2,030)
Profit after tax excluding net gain on sale				**5,773**	**(96)**	**5,677**
Net gain on disposal of discontinued operations				-	8,977	8,977
Group profit after tax				5,773	8,881	14,654

1. Discontinued operations expenses are made up of employee benefits expense $1,274,000; depreciation and amortisation $504,000; other expenses $387,000.

Note 4. Operating segments (continued)

Consolidated - 2021	Continuing operations UCaaS $'000	TaaS $'000	CPaaS $'000	Continuing operations Total $'000	Discontinued operations Total $'000	Group Total $'000
Rendering of services	11,597	55,504	131,854	198,955	17,325	216,280
Sale of goods	276	1,607	72	1,955	454	2,409
External revenue	**11,873**	**57,111**	**131,926**	**200,910**	**17,779**	**218,689**
Inter-segment revenue	138	5,724	9,216	15,078	104	15,182
External and inter-segment revenue	**12,011**	**62,835**	**141,142**	**215,988**	**17,883**	**233,871**
Network and communication expense	(5,464)	(31,303)	(74,316)	(111,083)	(5,408)	(116,491)
Gross margin	**6,409**	**25,808**	**57,610**	**89,827**	**12,371**	**102,198**
Other income				901	-	901
Expenses[1]				(73,431)	(7,833)	(81,264)
Profit before tax				**17,297**	**4,538**	**21,835**
Income tax expense				(5,200)	(1,057)	(6,257)
Profit after tax excluding net gain on sale				**12,097**	**3,481**	**15,578**
Net gain on disposal of discontinued operations				-	-	-
Group profit after tax				12,097	3,481	15,578

1. Discontinued operations expenses are made up of employee benefits expense $4,655,000; depreciation and amortisation $1,286,000; other expenses $1,892,000.

Geographical information

Australia and New Zealand are the only individual countries from which the Group derives material revenues. In the current year, the Group derived revenue of $152,594,000 from Australia (2021: $141,050,000) and $25,050,000 from New Zealand (2021: $24,587,000). Of the Group's non-current assets, $112,552,000 (2021: $97,669,000) are located in Australia and $3,761,000 (30 June 2021: $4,616,000) are located in New Zealand.

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets, post-employment benefits assets and rights under insurance contracts.

Note 4. Operating segments (continued)

Disaggregation of revenue

	Consolidated 2022 $'000	Consolidated 2021 $'000
Recurring		
UCaaS	9,859	9,471
TaaS	54,613	47,695
CPaaS	47,764	43,084
Total	112,236	100,250
Non-recurring		
UCaaS	-	2,402
TaaS	5,611	9,416
CPaaS	84,752	88,842
Total	90,363	100,660
Total Continuing operations	202,599	200,910

Accounting policy for operating segments

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

Note 5. Revenue

	Consolidated 2022 $'000	Consolidated 2021 $'000
From continuing operations		
Revenue from contracts with customers		
Rendering of services	200,884	198,955
Sale of goods	1,715	1,955
Revenue from continuing operations	202,599	200,910

Refer to note 4 for information on disaggregation of revenue.

Revenue from services provided are recognised over time and revenue from sale of goods are recognised at a point in time.

Revenue from Contracts with Customers

Revenue is measured based on consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a good or service to a customer.

The Group provides telecommunication services, including access to communication solutions systems, coupled with telecommunication services and provision of low value hardware, as part of a total business communications solutions.

Primarily, customers pay a monthly charge to access services, plus a fee for usage, customer billing cycles are mainly monthly, with payment following shortly thereafter. This accounts for the majority of the revenue recognised in the Group.

Note 5. Revenue (continued)

Telecommunication services:
Performance obligations for contracts with customers are generally satisfied over time as the Group transfers control of the services to the customers, which is demonstrated by the customer simultaneously receiving and consuming the benefits provided by the Group. The Group use output methods to measure the telecommunication units consumed by customers on a monthly basis, which we consider an appropriate method to capture progress towards the satisfaction of the performance obligation. For the most part, revenue recognition corresponds to the billing cycles, with revenue being recognised based on a right to invoicing. The amount of revenue recognised is based on the amount of transaction price allocated to the performance obligation.

Management and billing services:
Revenue is recognised over the life of the contract beginning when the customer first has access to the communication solutions systems. Revenue is calculated based on the fee per user of the system.

Interconnection fees:
The Group receives interconnection fees based on agreements entered with other telecommunications operators. These revenues are recognised in the period in which the services were rendered using output methods as mentioned above used to monitor progress of satisfaction of the performance obligation being units consumed.

Negotiated changes to monthly recurring amounts (e.g., annual price changes) and/or changes to the pricing of services provided to customers is accounted for on a prospective basis.

Hardware sales:
Hardware purchases, which contribute to a small portion of Group revenue, is accounted for at a point in time when control of the asset is transferred to the customer on receipt of goods.

Revenue totals for the financial year have been disaggregated by each operating segment – CpaaS, TaaS, UCaaS – and further into recurring revenue and non-recurring revenue for each segment:

- Recurring revenue comprises revenue from customer contracts that comprise a fixed monthly charge and include intrinsic telecommunications charges associated with that service.
- Non-recurring revenue comprises revenue from customer contracts where the revenue recognised is based purely on telecommunication services consumed each month.

Note 6. Other income

	Consolidated	
	2022 **$'000**	**2021** **$'000**
Other income	679	729
Interest on bank deposits	57	172
Other income	736	901

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

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

Note 7. Expenses

	Consolidated 2022 $'000	2021 $'000
Profit before income tax from continuing operations includes the following specific expenses:		
Depreciation		
Leasehold improvements	840	842
Network infrastructure and equipment	5,688	5,421
Office furniture and equipment	424	870
Buildings right-of-use assets	3,316	3,273
Depreciation expense reclassed as discontinued operations	(329)	(640)
Total depreciation	9,939	9,766
Amortisation		
Brands	1,823	-
Customer contracts	1,626	1,086
Software and other assets	2,921	2,680
Software development	3,880	3,547
Amortisation reclassed as discontinued operations	(175)	(646)
Total amortisation	10,075	6,667
Total depreciation and amortisation	20,014	16,433
Employee benefit expense		
Salaries and wages	36,971	33,689
Superannuation	3,136	2,672
Share based payment expense	3,669	1,052
Earn-out expenses	2,000	-
Other employee benefit expense	3,014	2,972
	48,790	40,385
Finance costs		
Interest and finance charges paid/payable on borrowings	977	1,238
Interest and finance charges paid/payable on lease liabilities	630	762
Finance charges related to hedge instrument	-	387
Hedge instrument settlement	-	521
Total finance costs	1,607	2,908
Other expenses		
Technology and support	6,768	5,207
International partners	3,400	3,128
Legal and consulting	1,366	616
Insurance	1,027	817
Property	979	989
Accounting, tax and audit	949	810
Others	3,195	2,026
Total other expenses	17,684	13,593

Note 8. Income tax

	Consolidated 2022 $'000	Consolidated 2021 $'000
Income tax expense		
Current tax	3,178	5,835
Deferred tax - origination and reversal of temporary differences	(956)	628
Adjustment recognised for prior periods	72	(206)
Aggregate income tax expense	2,294	6,257
Income tax expense is attributable to:		
Profit from continuing operations	2,071	5,200
Profit from discontinued operations	223	1,057
Aggregate income tax expense	2,294	6,257
Deferred tax included in income tax expense comprises:		
Increase in deferred tax assets	(1,001)	(304)
Increase in deferred tax liabilities	45	932
Deferred tax - origination and reversal of temporary differences	(956)	628
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense from continuing operations	7,844	17,297
Profit before income tax (expense)/benefit from discontinued operations	9,104	4,538
	16,948	21,835
Tax at the statutory tax rate of 30%	5,084	6,551
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Excess tax capital gain on the disposal of part of Direct business	2,380	-
Excess tax capital loss on the disposal of Express Virtual Meetings	(4,896)	-
Share-based payments	(230)	-
R&D tax incentive	(137)	(116)
Other non-temporary differences	90	108
Foreign jurisdiction tax rate difference	(69)	(80)
	2,222	6,463
Adjustment recognised for prior periods	72	(206)
Income tax expense	2,294	6,257

Note 8. Income tax (continued)

	Consolidated 2022 $'000	2021 $'000
Deferred tax asset		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Employee benefits	2,745	1,534
Accrued expense	345	740
Allowance for expected credit losses	430	520
Lease adjustments	274	355
Unrealised foreign exchange gains and losses	53	82
Acquisition and project costs	216	175
Other	150	-
Total deferred tax assets	4,213	3,406
Set-off of deferred tax liabilities pursuant to set-off provisions	(3,486)	(2,704)
Net deferred tax assets	727	702
Movements:		
Opening balance	3,406	3,102
Credited to profit or loss	1,001	304
Credited to equity	-	-
Foreign exchange movement	18	-
Adjustment relating to prior periods	(212)	-
Adjustment in respect of discontinued operations	-	-
Closing balance	4,213	3,406
Deferred tax liability		
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Property, plant and equipment	2,990	1,627
Intangible assets	1,041	3,043
Prepayments	19	-
Software development costs	1,412	1,559
Customer contracts	946	-
Other	(112)	97
Total deferred tax liabilities	6,296	6,326
Set-off of deferred tax liabilities pursuant to set-off provisions	(3,486)	(2,704)
Net deferred tax liabilities	2,810	3,622

Note 8. Income tax (continued)

	Consolidated	
	2022	2021
	$'000	$'000
Movements:		
Opening balance	6,326	4,691
Charged to profit or loss	45	932
Charged to equity	-	-
Foreign exchange movement	(45)	-
Adjustment relating to prior periods	(14)	-
Adjustment in respect of discontinued operations	(16)	-
Additions through business combinations	-	703
Closing balance	6,296	6,326
Income tax refund due		
Income tax refund due	2,311	-
Provision for income tax		
Provision for income tax	-	31

Accounting policy for income tax

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

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

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

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

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

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

Symbio Holdings Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. Symbio is identified as the 'head entity' under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Note 8. Income tax (continued)

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

The FY2021 deferred tax liabilities of $2,704,000 have been offset against deferred tax assets as they relate to the same taxation jurisdiction and taxing entity. Going forward the Group will take the same approach for tax related balance when they relate to the same taxation jurisdiction and the Group has right to offset them.

Note 9. Discontinued operations

	Direct business operations $'000	Express Virtual Meetings business operations $'000	Total $'000
2022			
Profit after tax from discontinued operations	8,079	802	8,881
2021			
Profit after tax from discontinued operations	3,696	(215)	3,481

Direct business operations

Description
On 9 August 2021, the sale of part of the direct business was completed. The sale was for $31 million to Vonex Limited.

Financial performance information

	Consolidated 2022 $'000	Consolidated 2021 $'000
Revenue	1,594	14,949
Expenses	(775)	(9,669)
Profit before income tax	**819**	**5,280**
Attributable tax expense from operations	(245)	(1,584)
Profit after tax from operations	**574**	**3,696**
Net gain on disposal of discontinued operations	14,122	-
Attributable tax expense on disposal	(6,617)	-
Net profit after income tax expense from discontinued operations	**8,079**	**3,696**

Note 9. Discontinued operations (continued)

Carrying amounts of assets and liabilities disposed

	Consolidated 2022 $'000
Trade and other receivables	1,737
Inventories	134
Property, plant and equipment	23
Goodwill and other intangibles	13,824
Total assets	**15,718**
Trade and other payables	(42)
Provisions	(242)
Customer deposits	(373)
Total liabilities	**(657)**
Net assets	**15,061**

Net Cash flow

	Consolidated 2022 $'000	2021 $'000
Net cash from operating activities	481	3,673
Net cash from investing activities	28,333	-
Net cash from financing activities	-	-
Net increase in cash and cash equivalents from discontinued operations	**28,814**	**3,673**

Express Virtual Meetings business operations

Description

As at 31 December 2021, the Group entered into a sale agreement with Boardroom Ventures Pty Ltd to sell the conference business operating under the Express Virtual Meetings brand. On 31 January 2022, the sale was completed for $1.

Financial performance information

Revenue	832	2,830
Expenses	(1,788)	(3,572)
Loss before income tax	**(956)**	**(742)**
Attributable tax benefit from operations	287	527
Loss after tax from operations	(669)	(215)
Net gain on disposal of discontinued operations	56	-
Impairment loss on disposal of discontinued operations	(4,937)	-
Attributable tax on disposal	6,352	-
Net profit/(loss) after income tax expense from discontinued operations	802	(215)

Note 9. Discontinued operations (continued)

Carrying amounts of assets and liabilities disposed

	Consolidated 2022 $'000
Assets	
Trade and other receivables	146
Liabilities	
Trade and other payables	(13)
Provisions	(126)
Deferred tax liability	(16)
Total Liability	**(155)**
Net Liabilities	**(9)**

Net cash flow

	Consolidated 2022 $'000	Consolidated 2021 $'000
Net cash inflow/(outflow) from operating activities	164	(442)
Net cash outflow from investing activities	(159)	(19)
Net cash outflow from financing activities	(69)	(109)
Net decrease in cash generated	**(64)**	**(570)**

Accounting policy for discontinued operations

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

Note 10. Earnings per share

	Consolidated 2022 $'000	Consolidated 2021 $'000
Earnings per share from continuing operations		
Profit after income tax	5,773	12,097
	Cents	**Cents**
Basic earnings per share	6.81	14.31
Diluted earnings per share	6.72	14.20

	Consolidated 2022 $'000	Consolidated 2021 $'000
Earnings per share from discontinued operations		
Profit after income tax	8,881	3,481
	Cents	**Cents**
Basic earnings per share	10.48	4.12
Diluted earnings per share	10.34	4.09
Earnings per share for profit attributable to the members of the company		
Profit after income tax	14,654	15,578
	Cents	**Cents**
Basic earnings per share	17.29	18.43
Diluted earnings per share	17.06	18.28
	Number	**Number**
Weighted average number of ordinary shares		
Weighted average number of ordinary shares used in calculating basic earnings per share	84,754,000	84,520,000
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	1,142,000	682,000
Weighted average number of ordinary shares used in calculating diluted earnings per share	85,896,000	85,202,000

Accounting policy for earnings per share

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

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming conversion of all dilutive potential ordinary shares.

Note 11. Cash and cash equivalents

	Consolidated 2022 $'000	Consolidated 2021 $'000
Current assets		
Cash at bank	42,586	22,668

Accounting policy for 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.

Note 12. Trade and other receivables

	Consolidated 2022 $'000	Consolidated 2021 $'000
Current assets		
Trade receivables	33,030	32,490
Less: Allowance for expected credit losses	(1,660)	(1,609)
	31,370	30,881
Other receivables	10,734	7,509
	42,104	38,390
Non-current assets		
Other receivables	441	932
	42,545	39,322

Allowance for expected credit losses
The Group has recognised a loss of $133,000 (2021: $789,000) in profit or loss in respect of the expected credit losses ('ECL') for the year ended 30 June 2022.

	Carrying amount		Allowance for expected credit losses	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Not overdue	18,289	19,581	(150)	(166)
0 to 3 months overdue	12,024	9,788	(223)	(147)
3 to 5 months overdue	864	934	(135)	(144)
Over 5 months overdue	1,853	2,187	(1,152)	(1,152)
	33,030	32,490	(1,660)	(1,609)

In addition to the provision for expected credit losses, the Group recognises specific provisions for debts that are known or suspected to be bad, regardless of aging. The debtors balance also includes trading agreements that are settled net of creditor balances. For these debtors, the ECL is calculated on the net balance. The Group's ECL provision cannot therefore be calculated using the rates and balances disclosed above.

The Group continues to focus on debt recovery as there is an increased probability of customers delaying payment or being unable to pay, due to the Coronavirus (COVID-19) pandemic and current economic environment. The calculation of expected credit losses has been revised as at 30 June 2022 and rates have decreased, mainly from the 3 to 5 months overdue bracket.

Note 12. Trade and other receivables (continued)

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

	Consolidated	
	2022	2021
	$'000	$'000
Opening balance	1,609	3,171
Other movements	184	(793)
Receivables written off during the year as uncollectable	(133)	(769)
Closing balance	1,660	1,609

Accounting policy for 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.

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

Note 13. Inventories

	Consolidated	
	2022	2021
	$'000	$'000
Current assets		
Goods for resale	497	531
Network and communication inventory	783	731
	1,280	1,262

Accounting policy for inventories
Inventories are stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Note 14. Assets classified as held for sale

	Consolidated	
	2022	2021
	$'000	$'000
Current assets		
Trade and other receivables	-	538
Inventories	-	109
Plant and equipment	-	10
Intangibles	-	12,683
Deferred tax asset	-	9
	-	13,349

Note 15. Other financial assets

	Consolidated 2022 $'000	Consolidated 2021 $'000
Non-current assets		
Financial asset at fair value through other comprehensive income	7,200	-

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

	2022 $'000	2021 $'000
Opening carrying amount	-	-
Additions	7,200	-
Closing carrying amount	7,200	-

Financial assets at fair value through other comprehensive income (FVTOCI) are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the directors of the Group have elected to designate these financial assets as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

Refer to note 31 for further information on fair value measurement.

Accounting policy for financial assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Note 16. Property, plant and equipment

	Consolidated 2022 $'000	Consolidated 2021 $'000
Non-current assets		
Leasehold improvements - at cost	5,629	5,758
Less: Accumulated depreciation	(3,316)	(2,545)
	2,313	3,213
Network infrastructure and equipment - at cost	57,864	53,617
Less: Accumulated depreciation	(37,348)	(31,261)
	20,516	22,356
Office furniture and equipment - at cost	4,985	7,885
Less: Accumulated depreciation	(4,529)	(6,212)
	456	1,673
Work in progress	2,399	119
	25,684	27,361

Note 16. Property, plant and equipment (continued)

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

Consolidated	Leasehold improve- ments $'000	Network infrastructure & equipment $'000	Office furniture & equipment $'000	Work in progress $'000	Total $'000
Balance at 1 July 2020	3,907	23,959	2,375	5	30,246
Additions	172	4,301	94	120	4,687
Additions through business combinations (note 38)	-	68	-	-	68
Classified as held for sale (note 14)	-	-	(20)	-	(20)
Disposals	-	(75)	12	-	(63)
Exchange differences	(24)	(437)	(13)	-	(474)
Transfer to software development costs	-	-	-	(6)	(6)
Transfer (out)/in	-	(48)	48	-	-
Depreciation expense	(842)	(5,412)	(823)	-	(7,077)
Balance at 30 June 2021	3,213	22,356	1,673	119	27,361
Additions	2	6,098	133	124	6,357
Disposals	-	(23)	(23)	-	(46)
Transfer to intangible asset	-	-	-	(49)	(49)
Exchange differences	19	313	33	4	369
Impairment of assets	(218)	(1,108)	(41)	-	(1,367)
Asset recategorisation*	137	(1,432)	(895)	2,201	11
Depreciation expense	(840)	(5,688)	(424)	-	(6,952)
Balance at 30 June 2022	2,313	20,516	456	2,399	25,684

*In the current year, a review of the fixed asset register was undertaken. Recategorisation to better reflect the nature of assets resulted in reclasses between types of assets within the property, plant and equipment asset class.

Disposals
Asset disposals relate to equipment that is fully written down to net book value $Nil and is no longer in use. There was no material impact to the profit or loss account in relation to these disposals.

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

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

Leasehold improvements	3-9 years
Network infrastructure and equipment	2-10 years
Office furniture and equipment	3-10 years

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

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

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

Note 17. Right-of-use assets

	Consolidated 2022 $'000	Consolidated 2021 $'000
Non-current assets		
Land and buildings - right-of-use	21,532	21,515
Less: Accumulated depreciation	(9,657)	(6,539)
	11,875	14,976

Additions to the right-of-use assets during the year were $307,000.

The Group leases land and buildings for its offices under agreements of between three to seven years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

The Group leases office equipment under agreements of less than 1 year. These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

For AASB 16 Lease disclosures refer to:
- note 7 for depreciation on right-of-use assets and interest on lease liabilities;
- note 21 for lease liabilities at year end;
- note 30 for maturity analysis of lease liabilities; and
- consolidated statement of cash flows for repayment of lease liabilities.

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

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the 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 Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Note 18. Intangibles

	Consolidated 2022 $'000	Consolidated 2021 $'000
Non-current assets		
Goodwill - at cost	36,800	36,800
Brands - at cost	2,495	5,495
Less: Accumulated amortisation	(1,823)	-
	672	5,495
Customer contracts - at cost	9,293	10,793
Less: Accumulated amortisation	(4,675)	(4,525)
	4,618	6,268
Software and other assets - at cost	26,729	26,864
Less: Accumulated amortisation	(14,261)	(11,299)
	12,468	15,565
Software development - at cost	36,563	28,884
Less: Accumulated amortisation	(8,264)	(5,717)
	28,299	23,167
	82,857	87,295

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 $'000	Brands $'000	Customer contracts $'000	Software and other assets $'000	Software development $'000	Total $'000
Balance at 1 July 2020	46,282	5,419	5,012	18,185	18,252	93,150
Additions	-	-	-	-	9,175	9,175
Additions through business combinations (note 38)	3,653	76	2,342	164	-	6,235
Classified as held for sale (note 14)	(12,683)	-	-	-	-	(12,683)
Disposals	(452)	-	-	-	(823)	(1,275)
Transfer from work in progress	-	-	-	-	6	6
Transfer (out)/in	-	-	-	(104)	104	-
Amortisation expense	-	-	(1,086)	(2,680)	(3,547)	(7,313)
Balance at 30 June 2021	36,800	5,495	6,268	15,565	23,167	87,295
Additions	-	-	-	-	10,515	10,515
Disposals	-	-	-	-	(1,183)	(1,183)
Transfer from PPE	-	-	-	-	49	49
Impairment of assets	-	(3,000)	(25)	(175)	(369)	(3,569)
Amortisation expense	-	(1,823)	(1,625)	(2,922)	(3,880)	(10,250)
Balance at 30 June 2022	36,800	672	4,618	12,468	28,299	82,857

Note 18. Intangibles (continued)

Impairment testing
Indefinite useful life intangible assets are allocated to the Group's cash-generating units ('CGU') and tested at least annually.

For the year ended 30 June 2022, impairment testing has been performed at the new operating segment level. As a result of the segment reorganisation during the year the following changes to the Group's impairment models has occurred:

- reallocation of assets and cash flows to align with the new segments. The allocation is expected to remain consistent for future periods, unless other reorganisations occur;
- reallocated of goodwill across the segments. This is a onetime reallocation on reorganisation and goodwill attributed to each segment will not change in future years.

As at 30 June 2022, the Group has three CGUs, being CPaaS, UCaaS and TaaS. The carrying amount of goodwill and brands are allocated to the CGUs as below:

	Goodwill 2022* $'000	Brands 2022* $'000
CPaaS	19,049	-
UCaaS	13,468	-
TaaS	4,283	672
Total intangible assets	36,800	672

*FY2022 CGUs do not have comparative amounts for FY2021 due to change in segmentation in the current financial year.

The recoverable amount of the Group's indefinite useful life intangible assets has been determined based on value-in-use (VIU) calculations using cash flow projections based on five-year financial forecasts and assumptions that represent management's best estimate of the range of business and economic conditions at the time. Assets that do not have independent cashflows such as brands, are allocated to CGUs, and then the VIU of the CGU is determined.

VIU represents the present value of the future net cash flow arising from the assets' continued use and subsequent disposal. A reduction in the carrying value is recognised as an expense in the consolidated statement of profit or loss and other comprehensive income in the reporting period in which the impairment loss is incurred.

In determining value in use, management apply their best judgement in establishing forecasts of future operating performance, as well as a selection of growth rates, terminal rates and discount rates. These judgements are applied based on management's understanding of historical information and expectation of future performance.

Key assumptions used
The following describes the key assumptions on which the Group has based its cash flow projections when determining VIU relating to the CGU:

	CPaaS 2022* %	TaaS 2022* %	UCaaS 2022* %
Discount rate (post tax)	9.0%	8.4%	11.4%
Terminal value growth rate	2.5%	2.5%	2.5%

*FY2022 CGUs do not have comparative rates for FY2021 due to change in segmentation in the current financial year.

The discount rate is based on the Group's weighted average costs of capital adjusted to reflect an estimate of specific risks assumed in the cashflow projections.

The terminal value growth rate is based on the Group's expectation of long-term performance of the CGUs in line with industry expectations. This is used to extrapolate cashflows beyond the five-year period.

Note 18. Intangibles (continued)

Judgement has been exercised in considering the Group's FY2023 outlook, which is based on the financial budget approved by the directors. This consideration extends to the nature of the products and services offered, customers, the inherent uncertainty in the timing of new incremental revenue, the global workforce and the economic conditions of the geographic regions in which the Group operates.

The following describes each key assumption on which management had based its cash flow projections when determining the VIU of its CGU:

- the Group will not experience any substantial adverse movements in currency exchange rates;
- the Group's research and development program will ensure that the current suite of products remains competitive; and
- the Group can maintain its current gross margins by product line. The growth is projected at a rate reflective of historical trends, into the future, as detailed below:

    - CPaaS gross margin growth for year 2 is 11%, year 3 is 12%, year 4 is 13% and year 5 is 14%.
    - UCaaS gross margin growth for year 2 is 23%, year 3 is 36%, year 4 is 36% and year 5 is 35%.
    - TaaS gross margin growth for year 2 is 4%, year 3 is 5%, year 4 is 7% and year 5 is 8%.

Other key assumptions used in the VIU calculation includes:

- Management have used assumptions for sales growth rates based on historical trends, normalised for any anomalies, as these are once-off events not expected to be repeated in the future.
- Operating costs and overheads were forecast based on historical experience of operating margins and interaction with gross margin growth rates, adjusting for inflationary increases, and expected increase in spend as COVID-19 restrictions have lifted.
- Capital expenditure forecast is based on requirement to maintain and expand network infrastructure to support growth assumptions in profit projections.

Based on the results, the recoverable amount of the CGUs exceeded the carrying amounts and therefore no impairment was recognised (30 June 2021: nil).

Symbio at 31 December 2021, entered into a sales agreement to sell its conferencing business under the Express Virtual Meetings brand (which was part of the UCaaS CGU). Refer to discontinued operations note 8 for further information on completion of sale. This was an indicator of impairment for the remaining UCaaS CGU and Express Virtual Meetings business in accordance with Australian accounting standards and an impairment test was performed. The Express Virtual Meeting business was valued using fair value less costs of disposal (sale price being $1). An impairment loss totalling $4,937,000 (comprising of $3,000,000 for the EVM brand, $569,000 for other intangible assets and $1,367,000 for property, plant and equipment) has been included in the impairment line shown in the table above, note 16 and the profit or loss in the Profit from discontinued operations line item.

Sensitivity analysis

The Group has conducted an analysis of the sensitivity of the impairment test to consider any reasonable change in the key assumptions such as the terminal value growth rate and discount rate on which the recoverable amount is based, so determine the recoverable amount for each of the CGUs to which goodwill is allocated. Any reasonably possible change in key assumptions did not cause the CGU's carrying amount to exceed its recoverable amount. If the CGU's carrying amount does exceed the recoverable amount, this will give rise to an impairment of assets.

Accounting policy for intangible assets

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

Note 18. Intangibles (continued)

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Capitalised development costs
Research costs are expensed in the period in which they are incurred. Capitalised development costs represent the up-front costs of developing new products or enhancing existing products to meet customer needs. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources and intent to complete the development; and its costs can be measured reliably.

Capitalised development costs are amortised on a straight-line basis over the period of their expected life, being their finite life of 3 - 10 years, depending on the nature of the intangible.

Customer contracts
Customer contracts acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 - 10 years.

Software
Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3 - 10 years.

Note 19. Trade and other payables

	Consolidated	
	2022 **$'000**	**2021** **$'000**
Current liabilities		
Trade payables	14,263	13,781
Other creditors and accruals	15,442	11,820
Security deposits held	375	377
	30,080	25,978

Refer to note 30 for further information on financial instruments.

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

Note 20. Borrowings

Financing arrangements
Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated 2022 $'000	Consolidated 2021 $'000
Total facilities		
Bank loan	60,000	60,000
Used at the reporting date		
Bank loan	-	-
Unused at the reporting date		
Bank loan	60,000	60,000

- $30 million facility has a maturity date of 31 May 2025
- $30 million facility has a maturity date of 31 May 2027
- $45 million facility terminated on 14 May 2022
- $15 million facility terminated on 9 June 2022

$3 million of the revolving multi-option credit facility has been utilised as bank guarantees for property leases and supplier securities as required.

Accounting policy for borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Note 21. Lease liabilities

	Consolidated 2022 $'000	Consolidated 2021 $'000
Current liabilities		
Lease liability	2,865	3,270
Non-current liabilities		
Lease liability	11,970	14,587
	14,835	17,857

Refer to note 30 for further information on financial instruments.

Accounting policy for 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.

Note 21. Lease liabilities (continued)

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 22. Employee benefits

	Consolidated	
	2022 $'000	2021 $'000
Current liabilities		
Annual leave	2,921	2,872
Long service leave	1,468	1,334
	4,389	4,206
Non-current liabilities		
Long service leave	554	442
	4,943	4,648

Amounts not expected to be settled within the next 12 months
The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the Group does not have an unconditional right to defer settlement. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

Employee benefit obligation expected to be settled 12 months after year end is $2,921,000.

Accounting policy for employee benefits

Short-term employee benefits
A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Other long-term employee benefits
Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

Note 23. Provisions

	Consolidated 2022 $'000	Consolidated 2021 $'000
Current liabilities		
Lease make good	342	72
Other	78	-
	420	72
Non-current liabilities		
Lease make good	764	1,056
	1,184	1,128

Lease make good
The provision represents the present value of the estimated costs to make good the premises leased by the Group at the end of the respective lease terms.

Other
The provision represents general provision for various expenditures.

Movements in provisions
Movements in each class of provision during the current financial year are set out below:

Consolidated - 2022	Lease make good $'000	Other $'000
Carrying amount at the start of the year	1,128	-
Additional provisions recognised	-	78
Amounts used	(22)	-
Carrying amount at the end of the year	1,106	78

Accounting policy for provisions
Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Note 24. Customer deposits

	Consolidated 2022 $'000	Consolidated 2021 $'000
Current liabilities		
Customer deposits	1,174	1,198

Customer deposits mostly relates to cash received in advance from customers with respect to prepaid customer accounts. The balance represents the unused call credits as at balance date.

Note 25. Liabilities directly associated with assets classified as held for sale

	Consolidated 2022 $'000	2021 $'000
Current liabilities		
Trade payables	-	582
Income tax payable	-	1,594
Provisions	-	245
	-	2,421

Note 26. Issued capital

	Consolidated 2022 Shares	2021 Shares	2022 $'000	2021 $'000
Ordinary shares - fully paid	84,839,564	84,672,752	102,064	102,486

Movements in ordinary share capital

Details	Date	Shares	Issue price	$'000
Balance	1 July 2020	84,311,444		101,771
Issue of shares on Dividend Reinvestment Plan ('DRP') participation*	1 October 2020	163,356	$4.43	715
Issue of shares on the exercise of options	1 January 2021	120,000	$0.00	-
Issue of shares for staff share plan	9 February 2021	77,952	$0.00	-
Balance	30 June 2021	84,672,752		102,486
Issue of shares on the exercise of options	1 January 2022	120,000	$6.89	827
Issue of shares for staff share plan	11 February 2022	46,812	$0.00	-
Treasury shares purchased on market held in escrow		-	$0.00	(1,249)
Balance	30 June 2022	84,839,564		102,064

* Shares issued as a result of participation in the Group Dividend Reinvestment Plan.

Share capital movements above are presented net of transaction costs.

Treasury Shares

During the reporting period, 302,188 fully paid ordinary shares at an average price per security of $4.0941 were purchased on-market under for the purpose of an employee incentive scheme or to satisfy the entitlements of the holders of options granted under an employee incentive scheme.

	Shares	$'000
Treasury shares purchased on market held in escrow	302,188	(1,249)

Ordinary shares
Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the Company be wound up in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Note 26. Issued capital (continued)

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

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

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

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

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

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

The Group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

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

Accounting policy for issued capital
Ordinary shares are classified as equity.

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

Note 27. Reserves

	Consolidated	
	2022 $'000	2021 $'000
Foreign currency reserve	201	(1,153)
Share-based payments reserve	7,768	4,926
	7,969	3,773

Financial assets at fair value through other comprehensive income reserve
The reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income. Refer to note 15 for details on the movement for the year.

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

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

Note 27. Reserves (continued)

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

Consolidated	Foreign currency $'000	Hedging $'000	Share-based payments $'000	Total $'000
Balance at 1 July 2020	143	(844)	3,839	3,138
Foreign currency translation	(1,296)	-	-	(1,296)
Share-based payments	-	-	1,087	1,087
Net change in the fair value of cash flow hedges taken to equity, net of tax	-	844	-	844
Balance at 30 June 2021	(1,153)	-	4,926	3,773
Foreign currency translation	1,354	-	-	1,354
Share-based payments	-	-	2,842	2,842
Balance at 30 June 2022	201	-	7,768	7,969

Note 28. Retained profits

	Consolidated	
	2022 $'000	2021 $'000
Retained profits at the beginning of the financial year	43,793	34,044
Profit after income tax (expense)/benefit for the year	14,654	15,578
Dividends paid (note 29)	(6,441)	(5,829)
Retained profits at the end of the financial year	52,006	43,793

Note 29. Dividends

Dividends
Dividends paid during the financial year were as follows:

	Consolidated	
	2022 $'000	2021 $'000
Final dividend for the year ended 30 June 2021 (2021: 30 June 2020) of 4.30 cents (2021: 3.60 cents) per ordinary share	3,641	3,035
Interim dividend for the year ended 30 June 2022 (2021: 30 June 2021) of 3.30 cents (2021: 3.30 cents) per ordinary share	2,800	2,794
	6,441	5,829

On 29 August 2022, the directors declared a final dividend of 1.7 cents per ordinary share to be paid on 4 October 2022. As well, the directors also declared a special dividend of 3.0 cents per ordinary share as a result of the disposal of non-core assets during the year ended 30 June 2022, to be paid on 18 October 2022. This is a total estimated distribution of $3,987,000 based on the number of ordinary shares on issue as at 30 June 2022. As these dividends were fully franked, there are no income tax consequences for the owners of Symbio Holdings Limited relating to these dividends.

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Note 29. Dividends (continued)

Franking credits

	Consolidated	
	2022 $'000	2021 $'000
Franking credits available for subsequent financial years based on a tax rate of 30%	19,253	15,123

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:
- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

Accounting policy for dividends
Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

Note 30. Financial instruments

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.

Financial risk management is carried out by senior finance executives ('finance'), including identification and analysis of the risk exposure of the Group and implementing appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk
Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

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
Interest rate risk arises from long-term borrowings. The Group has not used any of its borrowing facilities and is therefore not exposed to any significant interest rate risk.

Credit risk
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.

The Group has trading agreements with certain trade debtors to offset its creditor balances and settle on a net basis. For these debtors, the Group's exposure to credit risk is limited to the net balance. The Group determines the expected credit loss separately to the fixed rates of credit loss provisioning.

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.

Note 30. Financial instruments (continued)

Allowance for expected credit losses
The Group has recognised a loss of $133,000 (2021: $789,000) in profit or loss in respect of the expected credit losses for the year ended 30 June 2022.

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 continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Financing arrangements
Unused borrowing facilities at the reporting date:

	Consolidated	
	2022 $'000	2021 $'000
Bank loan	60,000	60,000

	Consolidated	
	2022 $'000	2021 $'000
Term deposit		
No later than 1 month	17,000	-
Later than 1 and not later than 3 months	-	-
Later than 3 and not longer than 12 months	-	-
Longer than 1 year	-	-
	17,000	-

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

Consolidated - 2022	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives					
Non-interest bearing					
Trade payables	14,263	-	-	-	14,263
Other payables	15,442	-	-	-	15,442
Deposits	375	-	-	-	375
Total non-derivatives	30,080	-	-	-	30,080

Note 30. Financial instruments (continued)

Consolidated - 2021	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives					
Non-interest bearing					
Trade payables	13,781	-	-	-	13,781
Other payables	11,820	-	-	-	11,820
Deposits	377	-	-	-	377
Total non-derivatives	25,978	-	-	-	25,978

Maturity analysis of lease liabilities

	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Lease liabilities	2,865	2,938	9,032	-	14,835

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

Note 31. Fair value measurement

Fair value hierarchy
The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

Consolidated - 2022	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Financial asset at fair value through other comprehensive income	-	-	7,200	7,200
Total assets	-	-	7,200	7,200

Assets and liabilities held for sale are measured at fair value on a non-recurring basis.

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Valuation techniques for fair value measurements categorised within level 2 and level 3
Unquoted investments have been valued using a discounted cash flow model.

Note 31. Fair value measurement (continued)

The other financial asset of $7,200,000 was acquired at fair value and there are no current indicators that suggest changes to the fair value at 30 June 2022. Therefore, no movement to the financial asset has been recognised in other comprehensive income for the year ended 30 June 2022.

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

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

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Note 32. Key management personnel disclosures

Compensation
The aggregate compensation made to Directors and other members of key management personnel ('KMP') of the Group is set out below:

	Consolidated	
	2022	2021
	$	$
Short-term benefits	1,818,907	2,021,089
Post-employment benefits	98,988	114,451
Long-term benefits	35,736	23,048
Share-based payments	335,572	135,401
	2,289,203	2,293,989

Note 33. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Deloitte Touche Tohmatsu, the auditor of the Company, and unrelated firms:

	Consolidated	
	2022	**2021**
	$	**$**
Audit services - Deloitte Touche Tohmatsu (2021: MNSA Pty Ltd)		
Audit or review of the financial statements	522,002	335,000
Other services - Deloitte Touche Tohmatsu (2021: MNSA Pty Ltd)		
Non-audit service	-	-
	522,002	335,000
Audit services - others		
Audit or review of the financial statements	72,678	85,000

Note 34. Contingent liabilities

The Group had no material contingent liabilities as at 30 June 2022 and 30 June 2021.

Note 35. Commitments

The Group had no material capital commitments as at 30 June 2022 and 30 June 2021.

Note 36. Related party transactions

Parent entity
Symbio Holdings Limited is the parent entity.

Key management personnel
Disclosures relating to KMP are set out in note 32 and the remuneration report included in the Directors' report.

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

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

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

Note 37. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent 2022 $'000	Parent 2021 $'000
Loss after income tax	(5,527)	(16,799)
Other comprehensive income for the year, net of tax	-	844
Total comprehensive loss	(5,527)	(15,955)

Statement of financial position

	Parent 2022 $'000	Parent 2021 $'000
Total current assets	35,622	7,229
Total non-current assets	105,863	128,036
Total assets	141,485	135,265
Total current liabilities	5,952	64,906
Total non-current liabilities	97,462	22,523
Total liabilities	103,414	87,429
Net assets	38,071	47,836
Equity		
Issued capital	106,879	107,301
Reserves	7,768	4,929
Accumulated losses	(76,576)	(64,394)
Total equity	38,071	47,836

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
There were no new guarantees as at 30 June 2022. The Company has a guarantee to Telstra Corporation Limited. This guarantee covers all primary obligations including any debts of its wholly owned subsidiaries. It does not impose any greater liability of the Company than is already in place for the subsidiaries collectively.

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

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

Note 37. Parent entity information (continued)

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 38. Business combinations

There were no acquisitions during the year ended 30 June 2022.

Acquisition during the year ended 30 June 2021

Comms Code Pty Ltd and Tariff Expert Pty Ltd
On 1 March 2021, the Company purchased Comms Code Pty Limited and Tariff Expert Pty Limited for $5.9 million. Comms Code and Tariff Expert impart the Group with a fast-growing wholesale customer base, and a software solution that not only dominates in the Australian market, but can also scale and expand into the Group's other markets. The acquired business contributed revenues of $917,000 and profit after tax of $231,000 to the Group for the period from 1 March 2021 to 30 June 2021. If the acquisition occurred on 1 July 2020 the full year contributions would have been revenues of $2,789,000 and profit after tax of $931,000. The values identified in relation to the acquisition were finalised at 1 March 2022. The goodwill of $3,653,000 represents the expected synergies from the business combination from which the goodwill arose.

Details of the acquisition are as follows:

	Fair value $'000
Cash and cash equivalents	306
Trade receivables	307
Fixed assets	68
Software	164
Brand	76
Customer contracts	2,342
Trade payables	(267)
Deferred tax liability	(703)
Other provisions	(16)
Net assets acquired	2,277
Goodwill	3,653
Acquisition-date fair value of the total consideration transferred	5,930
Representing:	
Cash paid or payable to vendor	5,930
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	5,930
Less: cash and cash equivalents	(306)
Net cash used	5,624

Accounting policy for business combinations
The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

Note 38. Business combinations (continued)

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Note 39. Interests in subsidiaries

Name	Principal place of business / Country of incorporation	Ownership interest 2022 %	Ownership interest 2021 %
Comms Code Pty Limited	Australia	100.00	100.00
Conference Call Asia Pty Limited	Australia	100.00	100.00
Conference Call International Pty Limited	Australia	100.00	100.00
Eureka Teleconferencing Pty Limited	Australia	100.00	100.00
Express Virtual Meetings Pty Limited (i)	Australia	-	100.00
Internex Australia Pty Limited	Australia	100.00	100.00
IVox Pty Limited	Australia	100.00	100.00
Mobile Service Solutions Pty Limited	Australia	100.00	100.00
My Net Fone Australia Pty Limited	Australia	100.00	100.00
Neural Networks Pty Limited	Australia	100.00	100.00
Ozlink Conferencing Pty Limited	Australia	100.00	100.00
Superinternet (S) Pte Limited	Singapore	100.00	100.00
Superinternet Access Pte Limited	Singapore	100.00	100.00
Symbio Holdings Malaysia Sdn. Bhd.(ii)	Malaysia	100.00	-
Symbio Networks Malaysia Sdn. Bhd.(iii)	Malaysia	100.00	-
Symbio Networks Pty Limited	Australia	100.00	100.00
Symbio Wholesale (Singapore) Pte Limited	Singapore	100.00	100.00
Symbio Wholesale NZ Pty Limited	New Zealand	100.00	100.00
Symbio Wholesale Pty Limited	Australia	100.00	100.00
Tariff Expert Pty Limited	Australia	100.00	100.00
Telcoinabox Operations Pty Limited	Australia	100.00	100.00
TNZI Australia Pty Limited	Australia	100.00	100.00
TNZI International Pty Limited	Australia	100.00	100.00
TNZI New Zealand Limited(iv)	New Zealand	100.00	100.00
TNZI Singapore Pte Limited	Singapore	100.00	100.00
TNZI UK Limited(v)	United Kingdom	100.00	100.00
TNZI USA LLC(vi)	USA	100.00	100.00

(i) Express Virtual Meetings Pty Ltd was sold on 31 January 2022.

(ii) Symbio Holdings Malaysia Sdn. Bhd. was incorporated on 17 January 2022.

(iii) Symbio Networks Malaysia Sdn. Bhd. was incorporated on 2 March 2022.

(iv) TNZI New Zealand Limited changed its name to Symbio Networks New Zealand Limited on 1 July 2022.

(v) TNZI UK Limited changed its name to Symbio Networks UK Limited on 1 July 2022.

(vi) TNZI USA LLC changed its name to Symbio Networks USA LLC on 1 July 2022.

Note 40. Cash flow information

Reconciliation of profit after income tax to net cash from operating activities

	Consolidated 2022 $'000	Consolidated 2021 $'000
Profit after income tax (expense)/benefit for the year	14,654	15,578
Adjustments for:		
Depreciation and amortisation	20,518	17,720
Share-based payments	3,669	1,087
Earn-out expenses	2,000	-
Net loss on disposal of property, plant and equipment	-	39
Gain on sale of business	(14,490)	(367)
Impairment of investments	4,937	-
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	(2,502)	3,507
Decrease in inventories	61	532
Increase in deferred tax assets	(747)	(212)
Increase/(decrease) in trade and other payables	1,469	(1,579)
Decrease in customer deposits	(423)	(2,346)
(Decrease)/increase in provisions and employee benefits	(153)	231
Decrease in provision for income tax	(3,955)	(160)
(Decrease)/increase in deferred tax liabilities	(11)	939
Net cash from operating activities	25,027	34,969

Non-cash investing and financing activities

	2022 $'000	2021 $'000
Additions to the right-of-use assets	307	-

Changes in liabilities arising from financing activities

Consolidated	Lease liability $'000	Bank loan $'000	Total $'000
Balance at 1 July 2020	20,936	30,000	50,936
Net cash used in financing activities	-	(30,000)	(30,000)
Repayment of leases	(3,057)	-	(3,057)
Exchange differences	(22)	-	(22)
Balance at 30 June 2021	17,857	-	17,857
Addition of leases	313	-	313
Exchange differences	49	-	49
Repayment of leases	(3,384)	-	(3,384)
Balance at 30 June 2022	14,835	-	14,835

Note 41. Share-based payments

Employee option plan (EOP)
The Board may issue options under the EOP to any employee of the Group, including executive directors and non-executive directors. Options are issued as part of an employee's remuneration unless the Board determines otherwise. Each option is to subscribe for one share and when issued, the shares will rank equally with other shares. Unless the terms on which an option was offered specify otherwise, an option may be exercised at any time after one year from the date it is granted, provided the employee is still employed by the Company.

An option may also be exercised in special circumstances, that is, at any time within six months after the employee's death, total and permanent disablement, or retrenchment. An option lapses upon the termination of the employee's employment by the Company and, unless the terms of the offer of the option specify otherwise, lapses three years after the date upon which it was granted.

The maximum number of options on issue under the EOP must not at any time exceed 5% of the total number of shares on issue at that time.

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

2022 Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
11/12/2018	30/06/2022	$0.00	120,000	-	(120,000)	-	-
27/10/2020*	1/07/2030	$5.63	561,726	-	-	(61,414)	500,312
1/07/2021	30/06/2031	$0.00	-	137,013	-	-	137,013
23/09/2021	1/07/2031	$5.42	-	556,917	-	(98,781)	458,136
15/10/2021	30/08/2031	$0.00	-	10,018	-	-	10,018
15/10/2021	30/08/2031	$0.00	-	25,047	-	-	25,047
15/10/2021	30/08/2031	$0.00	-	65,118	-	-	65,118
14/10/2021	2/09/2022	$0.00	-	26,013	-	-	26,013
14/10/2021	2/09/2023	$0.00	-	78,044	-	-	78,044
15/10/2021	2/09/2022	$0.00	-	30,519	-	(5,191)	25,328
15/10/2021	2/09/2023	$0.00	-	91,562	-	(15,574)	75,988
18/10/2021	2/09/2022	$0.00	-	16,976	-	-	16,976
18/10/2021	2/09/2023	$0.00	-	50,927	-	-	50,927
19/10/2021	2/09/2022	$0.00	-	50,844	-	(4,508)	46,336
19/10/2021	2/09/2023	$0.00	-	152,545	-	(13,526)	139,019
18/11/2021	2/09/2022	$0.00	-	23,814	-	(2,078)	21,736
18/11/2021	2/09/2023	$0.00	-	78,626	-	(7,195)	71,431
10/12/2021	2/09/2022	$0.00	-	8,107	-	(986)	7,121
10/12/2021	2/09/2023	$0.00	-	32,433	-	(3,943)	28,490
20/12/2021	2/09/2022	$0.00	-	959	-	-	959
20/12/2021	2/09/2023	$0.00	-	4,317	-	-	4,317
23/12/2021	2/09/2022	$0.00	-	1,738	-	(1,055)	683
23/12/2021	2/09/2023	$0.00	-	7,483	-	(4,749)	2,734
1/03/2022	28/02/2032	$0.00	-	32,340	-	-	32,340
1/03/2022	28/02/2032	$0.00	-	80,850	-	-	80,850
1/03/2022	28/02/2032	$0.00	-	210,179	-	-	210,179
			681,726	1,772,389	(120,000)	(219,000)	2,115,115
Weighted average exercise price			$4.64	$1.70		$4.02	$2.51

Note 41. Share-based payments (continued)

2021 Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
27/12/2016	30/06/2021	$7.15	620,000	-	-	(620,000)	-
11/12/2018	30/06/2022	$0.00	120,000	-	(120,000)	-	-
11/12/2018	30/06/2022	$0.00	120,000	-	-	-	120,000
27/10/2020*	1/07/2030	$5.63	-	561,726	-	-	561,726
			860,000	561,726	(120,000)	(620,000)	681,726
Weighted average exercise price			$5.15	$5.63		$7.15	$4.64

The weighted average share price during the financial year was $2.51 (2021: $4.53).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 10 years (2021: 9 years).

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

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility %	Dividend yield %	Risk-free interest rate %	Fair value at grant date
23/09/2021	1/07/2031	$5.42	$5.42	40.00%	1.40%	0.79%	$2.2303
23/09/2021	1/07/2031	$5.42	$5.42	40.00%	1.40%	0.86%	$2.1308
15/10/2021	30/08/2031	$6.66	$0.00	-	1.14%	-	$6.5900
15/10/2021	30/08/2031	$6.66	$0.00	-	1.14%	-	$6.5200
15/10/2021	30/08/2031	$6.66	$0.00	-	1.14%	-	$6.4500
14/10/2021	2/09/2022	$6.43	$0.00	-	1.18%	-	$6.3600
14/10/2021	2/09/2023	$6.43	$0.00	-	1.18%	-	$6.2900
15/10/2021	2/09/2022	$6.66	$0.00	-	1.14%	-	$6.5900
15/10/2021	2/09/2023	$6.66	$0.00	-	1.14%	-	$6.5200
18/10/2021	2/09/2022	$6.69	$0.00	-	1.09%	-	$6.9200
18/10/2021	2/09/2023	$6.69	$0.00	-	1.09%	-	$6.8500
19/10/2021	2/09/2022	$7.00	$0.00	-	1.09%	-	$6.9300
19/10/2021	2/09/2023	$7.00	$0.00	-	1.09%	-	$6.8600
18/11/2021	2/09/2022	$7.36	$0.00	-	1.03%	-	$7.3000
18/11/2021	2/09/2023	$7.36	$0.00	-	1.03%	-	$7.2300
10/12/2021	2/09/2022	$6.95	$0.00	-	1.09%	-	$6.9000
10/12/2021	2/09/2023	$6.95	$0.00	-	1.09%	-	$6.8200
20/12/2021	2/09/2022	$6.61	$0.00	-	1.15%	-	$6.5600
20/12/2021	2/09/2023	$6.61	$0.00	-	1.15%	-	$6.4800
23/12/2021	2/09/2022	$6.68	$0.00	-	1.14%	-	$6.6300
23/12/2021	2/09/2023	$6.68	$0.00	-	1.14%	-	$6.5500
1/03/2022	28/02/2032	$5.73	$0.00	-	1.42%	-	$5.6500
1/03/2022	28/02/2032	$5.73	$0.00	-	1.42%	-	$5.5800
1/03/2022	28/02/2032	$5.73	$0.00	-	1.42%	-	$5.5100

Share based payment expense for the financial year was $3,669,000 (30 June 2021: $1,052,000).

On 1 January 2022, 10,000 shares were issued to key management personnel at an issue price of $6.89 per share and a total transactional value of $68,910.

Note 41. Share-based payments (continued)

A share option plan as part of STI or LTI has been established by the Group and approved by shareholders at a general meeting, whereby the Group may, at the discretion of the Remuneration Committee, grant options over ordinary shares in the Company to certain key management personnel of the Group. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Remuneration Committee.

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
27/10/2020*	1/07/2030	$5.63	235,223	-	-	(61,414)	173,809
1/07/2021*	0/06/2031	$0.00	-	47,648	-	-	47,648
23/09/2021	1/07/2031	$5.42	-	205,811	-	(53,898)	151,913
11/12/2018	30/06/2022	$0.00	10,000	-	(10,000)	-	-
Weighted average exercise price			$0.00	$5.42	$0.00	$0.00	$0.00

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
27/10/2020*	1/07/2024	$5.63	-	235,224	-	-	235,224
11/12/2018	30/06/2022	$0.00	10,000	-	-	-	10,000
Weighted average exercise price			$0.00	$0.00	$0.00	$0.00	$0.00

* Grant date has been revised from 1/7/2020 to 27/10/2020.

Inputs to the valuation model
The valuation of options is based on the share price - determined by a 5 day Volume Weighted Average Price ('VWAP') of the MNF Shares traded on the Australian Security Exchange during the 5 trading days up to the Grant date.

A risk free interest derived from the implied yield as at the valuation date from zero-coupon Australian Government bond issued in Australian Dollars with a remaining term equal to the expected life of Awards being valued. This yield will be converted into a continuously compounded rate in the valuation model.

Accounting policy for share-based payments
Equity-settled share-based compensation benefits are provided to employees.

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

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

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

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

Note 41. Share-based payments (continued)

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

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

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

Note 42. Events after the reporting period

Apart from the dividend declared as disclosed in note 29, no other matter or circumstance has arisen since 30 June 2022 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.

No other matter or circumstance has arisen since 30 June 2022 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 2 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 2022 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

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

On behalf of the Directors

Anne Ward
Chairman

Rene Sugo
Managing Director and Group CEO

29 August 2022
Sydney

Deloitte Touche Tohmatsu
A.B.N. 74 490 121 060

Grosvenor Place
225 George Street
Sydney NSW 2000
Australia

Tel: +61 (0) 2 9322 7000
www.deloitte.com.au

Independent Auditor's Report to the members of Symbio Holdings Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Symbio Holdings Limited (the Company) and its subsidiaries (the Group) which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss, 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 other explanatory information, and the directors' declaration.

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

- giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- 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 & 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for 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 the scope of our audit responded to the Key Audit Matter
Capitalised software development costs As at 30 June 2022, the Group's carrying value of product and software development costs capitalised as intangibles was $28.3m of which $10.5m is attributable to capitalisation in the current financial year, as disclosed in Notes 3 and 18. In accordance with AASB 138 Intangible Assets, only directly attributable costs should be capitalised and judgement is required in determining the eligibility of labour costs for capitalisation, particularly with respect to developers and senior management.	Our procedures included but were not limited to: - making enquiries of project managers involved in product development to understand and assess the basis and rationale for capitalising labour costs associated with key projects; - assessing the key projects that are included in the opening balance of capitalised software development costs as at 1 July 2021, which was $23.2m, to determine whether these key projects were appropriately capitalised at that date and, as applicable, as at 30 June 2022; - evaluating of the recoverability and reassessing the useful life of projects capitalised as at 30 June 2022; - evaluating the amortisation expense recorded for capitalised software development costs including assessing whether the amortisation appropriately commenced at the relevant date in accordance with the requirements of the accounting standard; - for additions in the current year: o testing on a sample basis, capitalised labour costs by reviewing timesheets and holding discussions with project managers and project delivery lead personnel; o assessing whether all eligible employees are included, and ineligible employees are excluded, in the calculations, where appropriate; o challenging management's key assumptions such as the allocation of senior management time in the labour capitalisation calculation including performing sensitivity analysis on the percentage of senior management time allocated to software development to assess the reasonableness of the percentages used by management in the calculation; o evaluating the nature of employee costs included, and whether all directly attributable employment costs were included, such as on-costs; and - testing the mathematical accuracy of management's labour capitalisation schedule on a sample basis. We also assessed the appropriateness of the disclosures in Notes 3 and 18 to the financial statements.
Revenue recognition	Our procedures included but were not limited to:

The Group recognised $202.6m of revenue for the year ended 30 June 2022 as disclosed in Note 5. Revenue is a material balance consisting of a high volume of low value transactions. Revenue is derived from several revenue streams across the three newly defined revenue generating segments. In addition, auditing the Group's revenue is complex as there are multiple IT systems utilised in processing and recording transactions. Management override through inappropriate manual revenue journals including topside entries is a risk, given revenue is a key performance indicator in the assessment of management's performance.	• obtaining an understanding of the significant revenue streams and the appropriateness of the Group's principles for determining revenue recognition in accordance with the criteria in the relevant accounting standards; • assessing the design and implementation of key manual controls over the recognition and measurement of revenue; • obtaining an understanding of the key IT billing platforms and processes relating to the recognition of revenue and considering the extent to which we could rely on general IT and automated controls over revenue recognition; • using data analytic tools to identify revenue related to unusual manual journals posted in the general ledger; • testing the underlying transactions to which the journals identified above relate, by agreeing these to the relevant billing platform and source documentation, to determine whether any indicators of management override through inappropriate manual revenue had occurred; and • Performing substantive testing on a sample basis of revenue transactions in material revenue streams, including: ○ agreeing the revenue recognised in the year to signed customer contracts, price lists and related invoices; ○ assessing revenue cutoff by testing revenue recognised pre and post year end; ○ testing revenue completeness for selected customers. We also assessed the appropriateness of the disclosures in Note 5 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with 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 fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

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

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 our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 42 to 54 of the Directors' Report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Symbio Holdings Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Yours sincerely

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU

Pooja Patel
Pooja Patel
Partner
Chartered Accountants

Additional information

Additional information not shown elsewhere in this report is set out below.
The information is current as at 3 August 2022.

Equity securities

Symbio has ordinary shares and unquoted options on issue.

Fully paid ordinary shares

Symbio's ordinary shares are listed on the Australian Securities Exchange under the ASX code "SYM" (previously "MNF").
There are 84,839,564 fully paid ordinary shares held by 4,213 individual shareholders.
Symbio's ordinary shares carry one vote per share and are entitled to receive dividends as determined by the Board.

Options

Symbio has 2,107,515 unquoted options held by 198 option holders.
Symbio's unquoted options do not carry a right to vote.

Distribution of shareholdings

Shareholders are listed by size of holding as at 3 August 2022.

Number of shares held	Number of holders	Number of shares	% of issued capital
1 – 1,000	2,005	850,554	77.37
1,001 – 5,000	1,277	3,132,157	14.24
5,001 – 10,000	415	3,135,976	3.70
10,001 – 100,000	475	12,077,922	3.69
100,001 and over	41	65,642,955	1.00
Total	**4,213**	**84,839,564**	**100**

Marketable parcels

As at 3 August 2022, there were no shareholders holding less than a marketable parcel of Symbio fully paid ordinary shares.

Substantial shareholders

The below sets out current substantial shareholder notifications made to ASX as at 3 August 2022.

Ordinary shareholders	Number	Percentage
Andy Fung and Monique Ly	13,462,428	13.54
National Nominees Ltd ACF Australian Ethical Investment	6,044,659	7.12
QVG Capital Pty Ltd	5,277,604	6.23

Twenty largest shareholders

The following are the twenty largest shareholders as at 3 August 2022

	Name	Number of fully paid ordinary shares	Percentage of issued shares
1	National Nominees Limited	14,932,953	17.60
2	Mr Andy Kam Kan Fung & Ms My Van Monique Ly <The Fung Family Super Fund>	6,764,213	7.97
3	J P Morgan Nominees Australia Pty Limited	6,593,114	7.77
4	Avondale Innovations Pty Ltd <The Avondale Family A/C>	6,153,373	7.25
5	Citicorp Nominees Pty Limited	4,683,138	5.52
6	Mr Andy Kam Kan Fung & Ms My Van Monique Ly <The Fung Family>	4,489,861	5.29
7	Ms Catherine Margaret Salisbury	3,712,582	4.38
8	HSBC Custody Nominees (Australia) Limited – A/C 2	3,276,350	3.86
9	HSBC Custody Nominees (Australia) Limited	3,150,841	3.71
10	BNP Paribas Noms Pty Ltd <DRP>	995,223	1.17
11	UBS Nominees Pty Ltd	865,090	1.02
12	Kore Management Services Pty Ltd <Cuthbertson Super Fund A/C>	855,906	1.01
13	Boorne Superannuation Fund Pty Ltd <Boorne Family Super Fund A/C>	672,226	0.79
14	Neweconomy.com.au Nominees Pty Limited <900 Account>	639,755	0.75
15	G & E Properties Pty Ltd <Kopp Super Fund A/C>	639,697	0.75
16	RACS SMSF Pty Limited <RACS Super Fund A/C>	602,490	0.71
17	CMS Fund Pty Limited <CMS Superannuation Fund A/C>	602,482	0.71
18	L & C Pty Ltd <Tai Family A/C>	600,000	0.71
19	Pacific Custodians Pty Limited Employee Share TST	561,556	0.66
20	Sandhurst Trustees Ltd <Endeavour Asset Mgmt MDA A/C>	553,648	0.65

On-market buy back

There is currently no on-market buy back.

Corporate Information

Symbio's Offices

Australia (registered office)

Level 4, 580 George Street
Sydney NSW 2000
Australia

New Zealand

Level 8, 1 Willis Street
Wellington 6011
New Zealand

Singapore

80 Raffles Place
#32-01 UOB Plaza
Singapore 048624

UK/Europe

201 Borough High Street
London SE1 1JA
United Kingdom

Telephone
(+61 2) 8008 8088

Website
symbio.global

Investor website
investors.symbio.global

Symbio's Share Registry

Link Market Services Limited

Level 12, 680 George Street
Sydney NSW 2000
Australia

Telephone: (+61) 1300 554 474
Website: www.linkmarketservices.com.au

Symbio's Auditor

Deloitte

Level 9, Grosvenor Place
225 George Street
Sydney NSW 2000
Australia

Telephone: (+61 2) 9322 7000
Website: www.deloitte.com.au

symbio.global