PROPTECH GROUP
ASX:PTG

PropTech Group Limited (ASX: PTG)

ABN 39 141 276 959

Annual Report for the year ended 30 June 2022

VAULT RE

websiteblue

designly

real estate investar

RentfindInspector

eaglesoftware

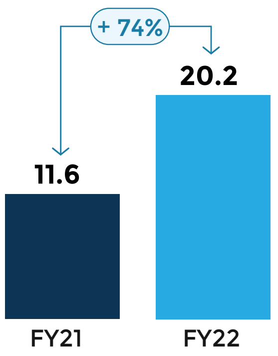
A **PROPTECH GROUP** COMPANY ASX:PTG

Contents

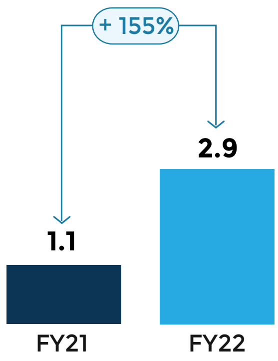
Highlights

FINANCIAL HIGHLIGHTS

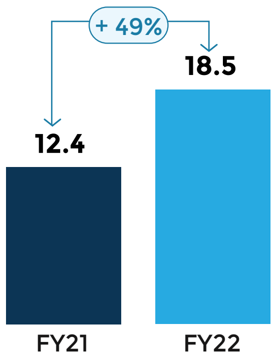
Total revenue and other income ($M)



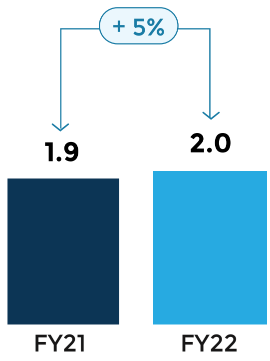
Net cash from operating activities ($M)



ARR[1] ($M)

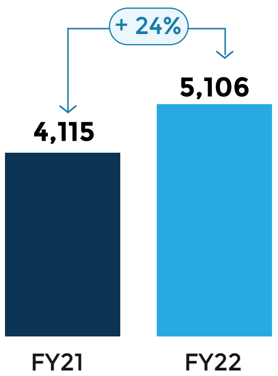


Underlying EBITDA ($M)

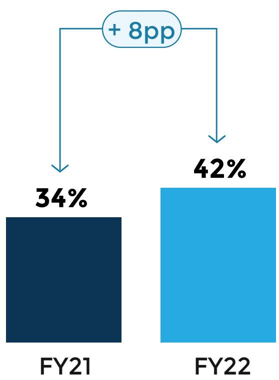


BUSINESS KPI HIGHLIGHTS

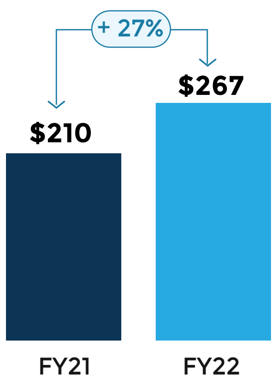
Unique accounts



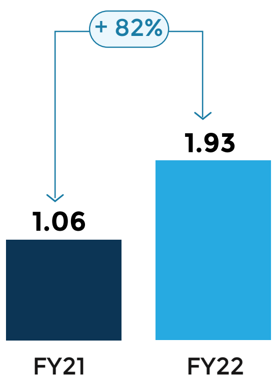
Market share[2]



ARPA[3]

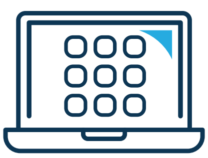


Products per account[4]



BRANDS

9
(including Associates)



STAFF[5]

152

TECHNOLOGY STAFF[5]

64

1. Annualised Recurring Revenue - is calculated as at a point in time. recurring revenue, multiplied by 12 (i.e. June 2022 run-rate). It provides a 12 month forward looking view of recurring revenue if all factors such as new, churn, pricing and foreign exchange were to remain the same for that period. This excludes other operating revenue (non-recurring revenue or other operational revenue).
2. Market share of agencies paying for one or more PropTech Group products, ANZ total market size is 12,200 agencies as per the Frost & Sullivan market report (October 2020) included in PropTech Group's prospectus.
3. Average revenue per account ('ARPA;) is monthly average revenue per account calculated for last month of period indicated.
4. Products per account has been calculated by number of products subscribed to by PropTech Group customers, divided by the total number of accounts. The individual products captured include CRM Core, CRM Property Management, CRM Commercial, Rent Find Inspect, Websites and Designly.
5. Includes contractors , full time and part time staff

About PropTech Group

The PropTech Group Limited ('PropTech Group') provides the software real estate agencies depend on all day, every day – in Australia, New Zealand, and increasingly the United Kingdom.

Forty-two per cent of Australia and New Zealand real estate agencies use at least one PropTech Group product. Our software facilitates approximately 51% of AU/NZ residential real estate sales, with a total transactional value of more than $200 billion.[1]

The best real estate agents use PropTech Group software, including Ray White and Raine & Horne in Australia and Century 21 in the United Kingdom.

Real Estate CRMs

eaglesoftware
VAULT RE

Product Extensions

RentfindInspector
websiteblue
designly

Partner Product Extensions

PROPPS
NATIONAL PROPERTY DATA

Investor Tools

real estate investar

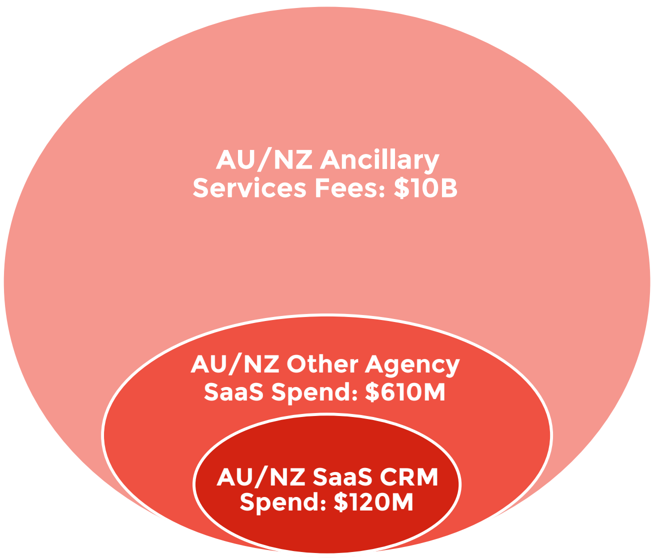
Ancillary Services (JV)

Rello

GROWTH INITIATIVES

PropTech Group pursues four key growth initiatives.

Large Target Markets for SaaS Revenue & Ancillary Services in AU/NZ[2]



1. This total transactional value is for a period of 12 months trailing that have been processed through PropTech Group CRMs. Sources: PropTech Group, Real Estate Institute of New Zealand, CoreLogic. (Jan 2022)
2. AU/NZ. Source: Frost and Sullivan, IBISWorld, management estimates

INITIATIVE 1:
Rapidly expand core real estate SaaS CRMs ($120 million TAM)

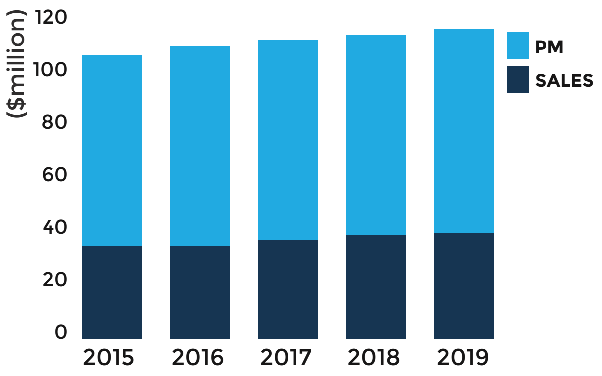
Rapidly expand our core business of SaaS CRM software for real estate sales and property management and capture an increasing share of the total addressable market ('TAM') of $120 million.

PropTech Group is the dominant player in real estate sales CRM software, with 42% of Australian and New Zealand real estate agencies already using one of our products. Our sticky CRM SaaS Software creates an average tenure approximately 9 years.[1]

Our strategy in this core market is to increase number of customer accounts and products per account through acquisition and organic growth.

The recent launch of our new property management module expands the share of CRM TAM we can address. Customers who use both the sales and property management modules obtain for the first time a unified dashboard for their entire business. For PropTech Group, the property management module significantly improves potential ARPA, as agencies typically spend more than twice on property management CRMs as on sales.

Agency Property Management Spend is more than 2x Sales CRM Spend



Notably, given the slowing real estate market conditions in Australia and New Zealand, our customers rely equally on our software in good markets and bad. PropTech Group's success is not tied to listing volume.

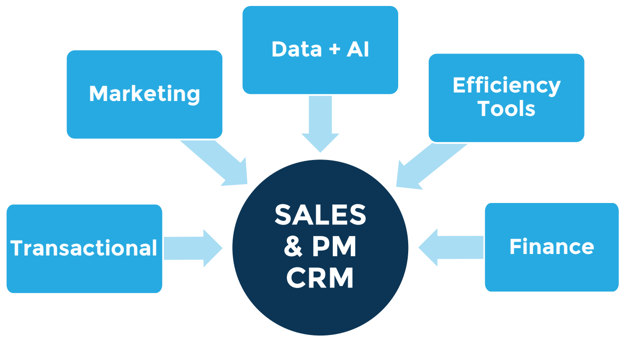
1. Based on an average over a 12-month period to 30 June 2022.

INITIATIVE 2:
Capture other agency SaaS spending with CRM add-ons ($610 million TAM)

Grow into related real estate software by leveraging our core platforms with add-ons, thus addressing a TAM of $610 million for non-CRM real estate SaaS software and related products.

PropTech Group's core sales and property management CRMs are the platforms that best integrate all other products related to real estate transactions.

CRM: The Simple Platform that integrates all other products & services



Products per account

1.06 → **1.93**

Relisting (Nov 2020) **June 2022**

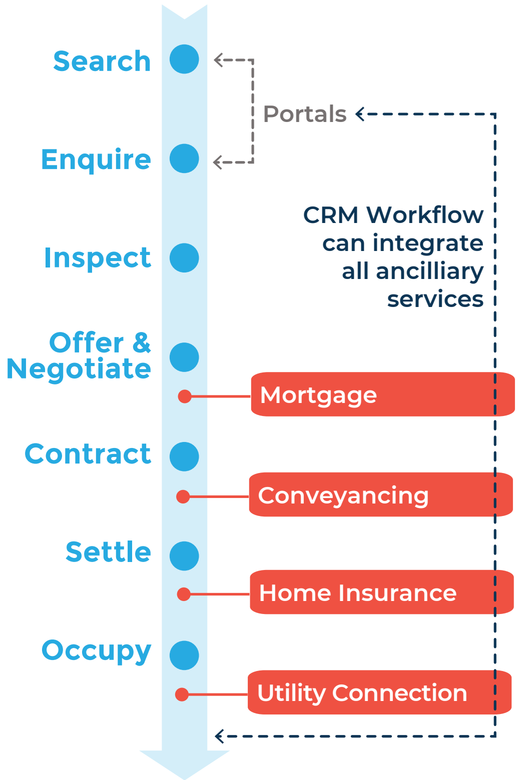
Over time, we intend to extend our proprietary product suite to replace third-party PropTech SaaS products, providing our customers with a more powerful suite of tools at a lower potential total cost. It will also increase the average number of products per account our customers use and our average revenue per account.

Thanks to PropTech Group's open API, we already have more than 1,500 third-party integrations. Products that our partners and we develop, however, benefit from a superior level of workflow integration. This deeper integration results in greater uptake compared to other products.

INITIATIVE 3:
Integrate ancillary services into our core software ($10 billion TAM)

Integrate ancillary services into our core software. Referral fees and related payments for ancillary services such as mortgages, conveyancing, utilities connections, payments and insurance make up a total addressable market of $10 billion. That is more than 100X larger than the TAM of our core SaaS CRM business.

Home Buyer Timeline: Agents using PropTech Group can make offers at the optimal time



Through deep integration into the transaction workflow, agents using PropTech Group can provide consumers with automatic offers for ancillary services (mortgages, conveyancing, insurance, utilities, etc.) at precisely the optimal time.

The power of these integrations results from the fact that our customers complete 51% of residential real estate sales transactions in Australia and New Zealand.[1] Agents benefit through improved efficiency, client satisfaction, and potential revenue sharing.

INITIATIVE 4:
Achieve profitability in the UK ($185 million TAM)

The UK market is approximately twice the size of Australia / New Zealand, yet less mature technologically.

There are approximately 25,000 agency offices in the UK, compared to 12,200 in Australia / New Zealand and UK[2] agencies spend $185 million (£105 million) per year on sales CRM and PM software.[3]

Having captured just over 1% of market share, PropTech Group continues to drive organic growth in the country and is focused on achieving profitability in its local operations.

1. CoreLogic, Real Estate Institute of New Zealand, PropTech Group.

2. UK Office for National Statistics, UK Business: activity, size, and location, 2019.
3. Frost & Sullivan.

Chairman's Letter

Simon Baker
Non – Executive Chairman

On behalf of the Board, I am pleased to present to you the annual report for the 12 months ending 30 June 2022.

The 2022 financial year is the first full financial year since our relisting in which PropTech Group functioned as a single company.

We have dedicated the year to integrating the businesses we have acquired, cementing our industry-leading market share, improving operational efficiencies, launching new partnerships and products, and increasing growth in average revenue per account via cross-selling and up-selling.

Some of the key milestones we achieved during the year include:

- Successfully migrating the vast majority of customers from the legacy MyDesktop CRM to our newer, superior enterprise sales CRM, VaultRE;
- Launching the joint venture real estate payments solution Rello, of which we own 20% and via performance we can increase our share to up to 50%;
- Partnering with digital offer management tool Propps and data provider National Property Group to earn equity in each through sales to our customers;
- Successfully integrating our Eagle Software and Website Blue acquisitions into the PTG family;
- Proving that we can rapidly accelerate the growth of proptech solutions that we tightly integrate with our sales CRMs. Post-acquisition, Website Blue's ARR is up 135% and Eagles's ARR is up 61%; and
- Growing the number of accounts compared to the prior comparable period ('PCP') by 24%, ARPA by 27%, and annual recurring revenue by 49%.

PropTech Group's focus for 2023 is on:

- Improving operational efficiencies within the business;
- Executing on each of our four key growth strategies in core CRM software, related add-on software, ancillary services, and international growth; and
- Continuing to evaluate potential partners and acquisitions for possible future M&A opportunities.

In closing, I pay tribute to our superb management team and its capable CEO and Managing Director Joe Hanna and CFO Michael Fiorenza. I also congratulate the entire management team and every other member of the company for their sustained hard work and accomplishments.

I hope the shareholders will also accept my gratitude for their continued support of the business.

Simon Baker
Non – Executive Chairman

Managing Director's Letter

The 2022 financial year was a year of growth and integration for PropTech Group.

Joe Hanna
Managing Director and CEO

In this, the first full financial year of operation since our relisting in November 2020, PropTech Group has continued to grow quickly, more deeply integrate our businesses and their teams, and exploit our dominant market share to increase average revenue and products per account.

Some of our key operational achievements as of the end of the financial year in June 2022 include:

- ARPA of $267, up 27% from PCP;
- An average of 1.93 products per account, up from 1.06 in November 2020; and
- 5,106 accounts, up 24% from 4,115 a year earlier;

Our team has continued to grow and we feel we now have the core leadership, technology, support, and sales and marketing teams we need to continue to empower our customers, improve our products, and expand our offering. We had a team of 103 at the end of the 2021 financial year, and a team of 152, 12 months later, including contractors and staff.

We have strengthened our management team since the close of the 2022 financial year, through several internal promotions. Eagle Software Founder and CEO Luke Paverd took a new role as Group Chief Operating Officer. Website Blue Chief Operating Officer Luke Thomas moved up to Group Chief Commercial Officer. And Head of Marketing Audrey Nicoll became Chief Marketing Officer.

We believe we are in a strong position to continue to drive strong growth in 2023 through a combination of organic and inorganic initiatives.

- In our core business of SaaS CRM software for real estate agencies, we expect to capture an increasing share of the $120 million total agency spend in Australia and New Zealand;
- We seek to complement our core CRM business by integrating additional related real estate software to capture a growing share of the $610 million real estate agency non-CRM SaaS and related spend;
- We are in the early stages of exploiting the significant opportunity in ancillary services, such as utility connections and mortgages, given to us by our dominant CRM market share; and
- We will continue to expand in the UK and perhaps other international markets organically, while being alive to other growth opportunities there.

The future looks bright for PropTech Group. On behalf of the management team and staff of PropTech Group, I would like to thank our Board and shareholders for their ongoing support.

Joe Hanna
Managing Director and CEO

PropTech Group Limited (ASX: PTG)

ABN 39 141 276 959

Consolidated Financial Report for the year ended 30 June 2022

Corporate Directory 30 June 2022

Directors	Simon Baker (Non-Executive Chairman) Sam Plowman (Non-Executive Director) Georg Chmiel (Non-Executive Director) Joe Hanna (Managing Director and CEO) Scott Wulff (Executive Director)
Company secretary	Lee Mitchell
Registered office	Nicholson Ryan Lawyers Pty Ltd Level 7 416-420 Collins Street Melbourne VIC 3000
Principal place of business	Level 1 85 Queen Street Melbourne VIC 3000
Share register	Boardroom Pty Ltd Level 12 225 George Street Sydney NSW 2000 Australia Phone: (07) 5655 7588 enquiries@boardroomlimited.com.au
Auditor	RSM Australia Partners Level 21 55 Collins Street Melbourne VIC 3000
Solicitors	Nicholson Ryan Lawyers Pty Ltd Level 7 416-420 Collins Street Melbourne VIC 3000
Stock exchange listing	Proptech Group Limited shares are listed on the Australian Securities Exchange (ASX). ASX code: PTG
Website	https://proptechgroup.io/
Corporate governance statement	https://proptechgroup.io/investors/

Directors' Report

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

DIRECTORS

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

Director	Position held
Simon Baker	Non-Executive Chairman
Sam Plowman	Non-Executive Director
Georg Chmiel	Non-Executive Director
Joe Hanna	Managing Director & Chief Executive Officer
Scott Wulff	Executive Director

PRINCIPAL ACTIVITIES

During the financial year, the principal activities of the Consolidated entity, consisted of the investment in, and development and sale of software to real estate agencies and investors via its various platforms, these products and services were offered mostly throughout Australia, New Zealand, and the United Kingdom.

Additionally, the Consolidated entity continued to add new products and services via a build, buy or partner strategy.

DIVIDENDS

No dividend has been declared for the financial year ended 30 June 2022 (2021: nil).

REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE

For the financial year ended 30 June 2022, the Group generated $20.2m (2021: $11.6m) in total revenue and other income, which on a statutory basis is an increase of 74% compared to the prior corresponding period ('PCP') and incurred a loss after providing for income tax amounting to $2.6m (2021: $1.0m).

The Group had an underlying EBITDA for the period of $2.0m (2021: $1.9m), with a net profit after tax (normalised) of $0.8m (2021: $0.6m).

The Group's revenue and underlying EBITDA performance is listed below:

	Full-year performance		
	FY22 $'000	FY21 $'000	Change %
Recurring revenue	17,109	9,967	*72*
Other operating revenue	2,787	1,206	*131*
Total operating revenue	19,896	11,173	*78*
Cost of sales	(1,603)	(1,187)	*35*
Gross profit	18,293	9,986	*83*
Gross profit margin %	*92%*	*89%*	
Other income	338	457	*(26)*
Operating expenses	(16,614)	(8,516)	*95*
Underlying EBITDA	2,017	1,927	*5*
Underlying EBITDA margin %	*10%*	*17%*	

Reconciliation between statutory results and underlying EBITDA:

	FY22 $'000	FY21[1] $'000	Change %
Underlying EBITDA	2,017	1,927	5
Share of losses in associates	(158)	-	N/A
Share based payments	(782)	(5)	>500
Bad debts	(18)	6	(400)
Foreign currency translation differences	(104)	(16)	>500
Transaction and relisting expenses	(224)	(528)	(58)
EBITDA	731	1,384	(47)
Depreciation and amortisation	(3,408)	(2,238)	52
EBIT	(2,677)	(854)	213
Net finance costs	(40)	(6)	>500
Losses before income tax	(2,717)	(860)	216
Income tax benefit / (expense)	93	(160)	(158)
Loss after income tax	(2,624)	(1,020)	157

1. Adjusted for the retrospective application of "AASB 136 (84) *Impairment of Assets*" which relates to the valuations of PropTech Group Limited (formerly known as Real Estate Investar Group Limited) and JMCG Pty Ltd. Refer to Note 24 (a) "Measurement Period Adjustment" for further details

Reconciliation between statutory results and net profit after tax normalised:

	FY22 $'000	FY21[1] $'000
Statutory net loss after tax	(2,624)	(1,020)
<u>*Add Back:*</u>		
Transaction, relisting, and other non-cash expenses	1,286	543
Depreciation and amortisation that relates to acquisition accounting and the purchase price allocation of acquisitions as per AASB 3	2,501	1,258
Income tax expense that relates to acquisition accounting and the purchase price allocation of acquisitions as per AASB 3	(319)	(228)
Net profit after tax (normalised)	844	553

1 Adjusted for the retrospective application of "AASB 136 (84) *Impairment of Assets*" which relates to the valuations of PropTech Group Limited (formerly known as Real Estate Investar Group Limited) and JMCG Pty Ltd. Refer to Note 24 (a) "Measurement Period Adjustment" for further details

Operating revenue

During the period, the Group total operating revenue increased by 78% to $19.9m (2021: $11.2m). This was a result of the Group's focus on building out a sustainable subscription-based model through its core CRM products and complementary products, services and tools in Australia, New Zealand and the United Kingdom, which represents more than 85% of the operating revenues.

The key factors driving the uplift in operating revenue included a combination of organic and acquisitive initiatives. The primary driver of this organic growth was the "land and expand" focus on both acquiring new customers and increasing the products used by the existing customer base. This strategy enabled rapid customer penetration and low-cost cross-sell and up-sell.

As of 30 June 2022, the Group's Annualised Recurring Revenue ('ARR') increased by 49% to $18.5m (June 2021: $12.4m). The highlights for the financial year 2022 were:

- Continued growth of the Group's current customer base and market share in Australia and New Zealand ('A/NZ'), which increased to 42% as at 30 June 2022 (2021: 34%). Growth of the franchise focused VaultRE CRM platform was complemented with the July 2021 acquisition Eagle Software Pty Ltd ('Eagle Software') and its real estate CRM, website, and marketing solutions for independent, boutique and small multi-office real estate agencies.

- Cross-selling and up-selling through expansion products, tools and services such as marketing, transactional, data and AI, efficiency and finance, which complement our core CRM platforms that are on offer to current and new customers giving a more rounded, complete and stickier product. Since relisting (November 2020) the Group increased the number of products per account by 82% to 1.93 (November 2020: 1.06).

- Price changes during the financial year 2022 that increased Average Revenue Per Account ('ARPA') yet maintained our cost competitiveness.

- Creating an environment for acquisitions to grow faster.

- Continuing growth of the B2C Real Estate Investar product suite.

Gross profit

During the period gross profit increased by 83% to $18.3m (2021: $10.0m). The Group's overall revenue growth, increased margins on usage products and price changes drove an increase in profit gains and margins.

As a result of the abovementioned PropTech Group increased gross profit margin by 3 percentage points for the financial year ended 30 June 2022 from 89% to 92%.

Operating expenses

During the financial year 2022, operating expenses grew by 95% to $16.6m (2021: $8.5m). The following factors contributed:

- Significant investment in research and development in the improvement of existing products and launch of new products to enhance customer stickiness, increase revenue, and improve the customer experience.
- Accelerated investment in sales and marketing, which was key to delivering the significant operating revenue increase.
- Corporate costs, with a focus on implementing controls, systems, and processes to enable the Group to lay the foundations for rapid future growth.
- The acquisitions of Eagle Software, Website Blue and the H1 platform, which were either not included or only partially included in the prior financial 2021 cost base, resulting in a naturally higher cost base.

Earnings before interest, tax, depreciation and amortisation ('EBITDA')

PropTech Group EBITDA decreased by 47% to $0.7m (2021: $1.4m). Underlying EBITDA is slightly up by 5% to $2.0m (2021: $1.9m).

For financial year 2022, the Group's Underlying EBITDA margin was 10% (2021: 17%) a decrease of 7 percentage points PCP, a change driven by the substantial investment in Sales and Marketing and R&D.

Net loss after tax

Net loss after tax on a statutory basis for the financial year 2022 increased by 157% to $2.6m (2021: $1.0m), with the difference being driven by depreciation and amortisation that relates to acquisition accounting and the purchase price allocation of acquisitions as per AASB 3 and other non-cash items.

On a normalised basis, the Group would be in a net profit after tax position of $0.8m (2021 $0.6m), excluding certain non-cash, acquisition, and relisting-related expenses and including any accounting adjustments related to assessment of the acquisition accounting and the purchase price allocation of the Group's acquisitions as per AASB 3.

The Group is currently in the process of exploring the option of becoming a tax consolidated group, pending any required compliance and regulatory approval. If approved, this will take affect from 1 July 2021.

Cash flows

As at 30 June 2022, the Group's cash balance was $14.1m (2021: $6.6m) this excludes any items that relate to bonds, and security deposits. The increase in cash balance at the end of the period was attributed to a capital raise of $15.5m (excluding directly attributable costs) and positive net cash from operating activities of $2.9m (2021: $1.1m). These gains were offset by investing activities which included investment in R&D to assist in future growth, deferred and contingent payments, and acquisition consideration made for the acquisition of Commerce Australia Pty Ltd ('MyDesktop'), and Eagle Software, all of which collectively had a net outflow of $6.8m.

Financial position

The Group's net assets increased to $45.9m (2021: $28.9m) as a result of the capital raise and the acquisition of Eagle.

The Group's Vendor Payables (relate to contingent and deferred payments due to vendors of businesses and assets acquired) increased from $4.0m as at 30 June 2021, to $8.7m as at 30 June 2022 of which the full amount is due in the next 12 months via $7.6m in cash (Eagle Software and final tranche for MyDesktop) and the remaining in scrip.

During the financial year, the Group completed its assessment of the acquisition accounting and the purchase price allocation for the Eagle Software, JMCG Pty Ltd ('**Website Blue**'), and the PropTech Group Limited (reverse acquisition) acquisitions as per AASB 3. This resulted in goodwill being reallocated to other intangible assets which were identified as software and customer base. This resulted in the Group having to amortise these assets from the respective dates of acquisition, resulting in retrospective application of "AASB 136 (84) *Impairment of Assets*".

Segment Performance

For the financial year ending 30 June 2022, the Group continued to offer its Software as a Subscription ('**SaaS**') products and services, which are split into two separate business units:

- Business to Business ('**B2B**') which is Real Estate Agent services and products offered to real estate agencies in Australia, New Zealand, and the United Kingdom; and
- Business to Consumers ('**B2C**') which offers Property Tools to retail property investors in Australia and New Zealand.

Both business units on a standalone basis operate profitably from an underlying EBITDA perspective.

The table below gives an overview of PropTech Group's business unit performance:

For the financial year ending 30 June 2022	B2B $'000	B2C $'000	Corporate $'000	PTG $'000
Recurring revenue	15,368	1,741	-	17,109
Other operating revenue	2,740	47	-	2,787
Total operating revenue	18,108	1,788	-	19,896
Underlying EBITDA	2,409	239	(631)	2,017
Underlying EBITDA margin %	*13%*	*13%*	*N/A*	*10%*

Note: Includes internal cross charging between the business units.

B2B

The Group's B2B business unit ended the financial year 2022 with $18.1m (2021: $10.2m) in operating revenue and an Underlying EBITDA of $2.4m (2021: $2.1m), with an Underlying EBITDA margin of 13%.

B2B currently represents 91% of the Group's total operating revenues.

B2B (continued)

B2B comprises real estate agency CRM's and other agent tools that empower customers to manage and expand their businesses and assists them through the real estate transaction, whether buy/sell or rent/lease. These products are mostly offered on a subscription basis as SaaS on a monthly basis in Australia, New Zealand and the United Kingdom.

During the financial year 2022 the Group added Eagle Software through acquisition. This enables the Group to offer a specialist product for every type of customer. Eagle Software best serves independents and boutique agencies, while VaultRE focuses on medium to large franchise groups.

A/NZ revenues increased by 80% when compared PCP, driven by the addition of Eagle Software, price increases, growth in market share and products per agency office.

In A/NZ, the Group has focused on increasing market share and then driving significant revenue growth by selling additional products and services to the enlarged customer base.

Approximately 42% of real estate agency offices in A/NZ use one or more of the Group's products, with the average number of products used per account now at a new high of 1.93 at the end of the financial year. The Group's focus is on increasing this number by continuing to add new products and services. In addition to the core CRMs, the Group offers property management and Commercial CRM modules to give agency offices a consolidated view of their entire sales and property management operation. These CRM products are full integrated with other fully owned products such as Rentfind Inspector, Websites, Designly, Designly Pro, and PropSEO. The Group also has deeply integrated partners such as Propps, Rello and National Property Data.

The Group also operates in the United Kingdom ('UK'), where it has 1% market share and offers a localised version of its VaultRE CRM called VaultEA, Rentfind Inspector, Designly, and Website Blue.

B2C

The Group's B2C business unit comprises the Real Estate Investar SaaS platform for property investors. Real Estate Investar enables property investors to find, evaluate, analyse, and manage their investments via monthly subscription packages. B2C currently represents 9% of the Group's total revenues and operates solely in A/NZ.

The Group's B2C business unit ended the financial year with $1.8m (2021: $1.0m) in operating revenue on a statutory basis, an increase of 78% PCP and an Underlying EBITDA of $0.2m (2021: $0.2m) with an Underlying EBITDA margin of 13%.

The Group continued to grow its B2C business unit with a focus of offering higher yielding packages and an increase in paying users.

Non-IFRS financial measures

To assist in the evaluation of the performance of the Group, certain measures are used that are not recognised under AAS or IFRS. These measures are collectively referred to as "non-IFRS financial measures."

The non-IFRS financial measures and pro-forma results provide useful information about the financial performance of the Group. They should be considered as supplements to the financial statements that have been presented in accordance with AAS and IFRS and not as a replacement for them. As these non-IFRS financial measures are not based on AAS or IFRS, they do not have standard definitions, and the way the Group has calculated these measures may differ from similarly titled measures used by other companies. Investors and readers of this financial report should therefore not place undue reliance on these non-IFRS financial measures.

The table below gives reference to non-IFRS financial measures that have been mentioned in this financial report:

Non-IFRS financial measure	Definition
ARR	Annualised recurring revenue (ARR) represents monthly recurring revenue for the relevant month, multiplied by 12 (i.e., June 2022 run-rate). It provides a 12-month forward looking view of recurring revenue if all factors such as new, churn, pricing and foreign exchange were to remain the same for that period.
ARPA	Average Revenue Per Account per month.
ARPU	Average Revenue Per User per month.
EBIT	Earnings / (losses) before interest (net finance income) and taxation
EBITDA	Represents earnings before interest, income tax expenses, depreciation, and amortisation.
Other operating revenue	Represents sources of revenue that are unpredictable and one-off transactions. These items include mobile services, setup and training fees, and consultancy.
Recurring revenue	Represents stable, predictable, and regular sales that occur at regular intervals. These items include Software as a Service, website and other subscriptions.
Underlying EBITDA	Underlying EBITDA has been adjusted to eliminate the effects of interest, tax, depreciation and amortisation, fair value adjustments, impairment expenses, loss on disposal on assets and any other non-operating items (share base payments, bad debts, share of losses in associates, transaction and relisting costs and foreign currency translation differences)

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Acquisition of Eagle Software

In July 2021, the Company acquired 100% of the ordinary shares in Eagle Software Pty Ltd. The total consideration for this acquisition is up to $15.0 million, before working capital adjustments (including contingent consideration of $7.5 million), settled by a combination of cash and equity interests of the Company.

Eagle Software is an innovative and modern real estate CRM, website and marketing solution provider focused on independent, boutique and small multi-office real estate agencies.

The acquisition of Eagle Software re-enforces the Group's objective to own, operate and invest in high-quality property technology businesses that primarily focus on the Australian, New Zealand and United Kingdom residential and commercial real estate markets.

Capital raise

During July 2021, the Company completed a capital raise of $15.5 million (before share-issue costs) by the issue of 21,536,664 fully paid ordinary shares at an issue price of $0.72 each.

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

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Macroeconomic factors affecting the economy

The advent of the Russia-Ukraine war and floods and extreme rain events in Eastern Australia have come as the global community moves toward 'living with' the COVID-19 pandemic in the context of growing inflationary pressure and supply chain constraints. Judgement has been exercised in considering the impact that these macroeconomic factors are having, has had, or may have had, on the Consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Consolidated entity unfavourably as at the reporting date or subsequently as a result of these macroeconomic factors.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Consolidated entity's operations, the results of those operations, or the Consolidated entity's state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Management's focus for the Group is to continue its growth strategy which is focusing on 4 key initiatives:

- Rapidly expand core business: SaaS CRM software for real estate sales and property management;
- Grow into related real estate software by leveraging our core platforms with add-ons;
- Integrate ancillary services into our core software; and
- Execute international expansion.

Information about the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Group.

ENVIRONMENTAL REGULATION

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

INFORMATION ON DIRECTORS

The following information is current at the date of this report.

Simon Baker - Non-Executive Chairman	
Date of appointment	15 November 2010
Experience and expertise	Simon is an experienced Chairman with substantial commercial experience and knowledge within the global PropTech sector gained through positions as Chairman, CEO, advisor, and significant investor in numerous PropTech businesses. Simon is currently a non-Executive Director of NYSE listed CIAN (NYSE:CIAN) and an Executive Director of the NASDAQ listed SPAC, Genesis Growth Tech Acquisition Corporation (NASDAQ:GGAA). From 2015 to 2019, Simon was the independent Non-Executive Chairman of ASX listed Mitula Group Limited (ASX: MUA), a leading player in the global online classifieds industry. Mitula Group Limited (ASX: MUA) was successfully sold to a Japanese listed company Lifull Co Ltd (TYO: 2120) in January 2019. Simon was the former CEO and Managing Director of the ASX listed REA Group from 2001 through 2008. Simon was also the Chairman of ASX listed iProperty Group Limited from 2009 to 2012. Simon is a serial investor and has invested in many successful online classifieds and e-commerce companies around the world including Grupo Zap, Redbubble (ASX:RBL), Mitula Group (ASX:MUA), iProperty Group (ASX:IPP), Vertical Networks Group, Fintonic, Lifull (TSE:2120), Juwai IQI, and many others. Simon holds a Bachelor of Science with a major in Computer Science from Monash University and a Master of Business Administration from the Melbourne Business School.
Other current Australian listed directorships	Nil
Former Australian listed company Directorships in last 3 years	Non-Executive Chairman of Mitula Group Limited (ASX: MUA)
Special Responsibilities	Chair of the Board Member of the Nomination and Remuneration Committee Member of the Audit and Risk Committee
Interests in Ordinary Shares	11,373,174
Interests in Options	Nil
Interests in Rights	Nil

Sam Plowman - Non-Executive Director	
Date of appointment	29 January 2019
Experience and expertise	Sam has extensive experience in the PropTech and FinTech industries. He is the former General Manager of Domain, headed up online banking at both ANZ and NAB, and was the CEO at fin tech company Sandstone. He is currently the CEO at Payment Logic - a leading Australian FinTech providing accounts payables and receivables solutions with partners like American Express, Visa, Mastercard Qantas and Velocity. From a corporate governance perspective, Sam is the Chairman of Vertical Networks Group - the owner and operator of Artshub, Screenhub and GamesHub, and also Property Portal Watch (the global leader in online real estate news and conferences). Sam holds a Bachelor of Business with a major in Marketing from RMIT, and a Graduate Diploma in Finance from the Securities Institute of Australia
Other current Australian listed directorships	Nil
Former Australian listed company Directorships in last 3 years	Nil
Special Responsibilities	Chair of the Nomination and Remuneration Committee Member of the Audit and Risk Committee
Interests in Ordinary Shares	5,778,526
Interests in Options	200,000
Interests in Rights	Nil

Georg Chmiel- Non-Executive Director	
Date of appointment	1 August 2020
Experience and expertise	Georg brings approximately 30 years of experience in the online media, proptech and fintech industry. Georg is Chair of Juwai IQI Holdings, one of Asia's largest PropTech platforms in Asia with more than 27,000 sales agents and leading portals. Previously he was Executive Chair of iCarAsia (ASX:ICQ) and Managing Director and CEO of iProperty Group (ASX:IPP), the owners of South East Asia's No. 1 networks of automotive and property portal sites. He played a key role in finalising the sale of both iCarAsia to Carsome in 2022 and iProperty Group to REA Group in 2016. Prior to that, Georg was Managing Director and CEO of LJ Hooker Group with 700 offices across 10 countries providing residential and commercial real estate as well as financial service. Before that, Georg was CFO of REA Group (ASX:REA) for six years. Georg holds an MBA from INSEAD (France) and Diplom-Informatiker (Computer Science) Degree from TU Munich (Germany). Georg is a CPA (USA) and a Fellow of the Australian Institute of Company Directors and the Institute of Malaysian Corporate Directors. Georg is the recipient of many awards including the 2021 Lifetime Achievement Award for Property Excellence, the 2016 Asia Pacific Entrepreneurship Award and the 2015 Top Outstanding Leaders Asia Award.
Other current Australian listed directorships	Non-Executive Director of Centrepoint Alliance Limited (ASX:CAF) Non-Executive Chair of Spacetalk Limited (ASX:SPA) Non-Executive Director of Butn Limited (ASX:BTN)
Former Australian listed company Directorships in last 3 years	Executive Chair of iCar Asia Limited (ASX: ICQ) Non-Executive Director of Mitula Group Limited (ASX: MUA)
Special Responsibilities	Member of the Nomination and Remuneration Committee Chair of the Audit and Risk Committee
Interests in Ordinary Shares	500,000
Interests in Options	Nil
Interests in Rights	Nil

Joe Hanna - Managing Director and Chief Executive Officer	
Date of appointment	1 January 2019 (previously Non-Executive Director from 15 October 2015)
Experience and expertise	Joe has extensive product and technology experience with online classifieds, search and SaaS. He is a serial entrepreneur, having co-founded PredictiveMatch: a behavioral classifieds recommendation technology company, xLabs: an AI tech company delivering world leading webcam eye tracking software, and ModernSearch (Acquired by Mitula in 2010). From 2015 to 2019, Joe served as a Non-Executive Director of ASX listed Mitula Group Limited (ASX: MUA), a leading player in the global online classifieds industry. Mitula Group Limited (ASX: MUA) was successfully sold to a Japanese listed company Lifull Co Ltd (TYO: 2120) in January 2019. In November 2010 ModernSearch (a company Joe founded and grew in 2010) merged with Mitula Classifieds SL. From Nov 2010 - Oct 2012 Joe served as Mitula Classifieds South East Asia CEO and was responsible for growing presence in key South East Asian markets, and helped shape the company's product and technology strategy. Previously Joe spent 8 years at Fairfax Media Limited in senior roles including: Product and Technology Director – Online Employment at CIO Advantate, and Emerging Business and Technology Manager at The Age. Joe holds a Bachelor of Business with a major in Computing from Victoria University.
Other current Australian listed directorships	Nil
Former Australian listed company Directorships in last 3 years	Non-Executive Director of Mitula Group Limited (ASX: MUA). Non-executive Chairman of Latam Autos Limited (ASX: LAA)
Special Responsibilities	Nil
Interests in Ordinary Shares	5,361,729
Interests in Options	200,000
Interests in Rights	1,622,702

Scott Wulff – Executive Director	
Date of appointment	19 November 2020
Experience and expertise	Scott is one the founders of Vault Group Pty Ltd, the developer of the VaultRE and Rentfind Inspector technologies. Scott is also an executive director of Real Estate CRM. Prior to the formation of Vault Group, Scott and the core development team created and commercialised the MyDesktop system. Scott has a Commerce degree majoring in accounting and prior to his PropTech experience, he was a project finance executive for a major multinational.
Other current Australian listed directorships	Nil
Former Australian listed company Directorships in last 3 years	Nil
Special Responsibilities	Nil
Interests in Ordinary Shares	5,157,856
Interests in Options	Nil
Interests in Rights	132,000

Company Secretary

Mr Lee Mitchell BA LLM has held the position of company secretary for the year and was appointed company secretary on 31 July 2015. He is responsible for legal services and regulatory matters. He holds a Master of Laws from the University of Melbourne.

Mr Mitchell has over 20 years' experience in corporate and commercial law and is a former partner of Logie-Smith Lanyon Lawyers, practicing principally in corporate law advising on corporate and securities regulation, capital raisings, formulation and implementation of mergers and acquisitions, corporate governance and ASX compliance matters. Since May 2016, Mr Mitchell established his own practice and is the director of Convergence Legal. Convergence Legal merged with Nicholson Ryan lawyers on 1 September 2018 with Mr Mitchell becoming a Director.

Meetings of Directors

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

Director's name	Board meetings		Audit committee[1]		Nomination and remuneration committee[1]	
	A	*B*	*A*	*B*	*A*	*B*
Simon Baker	14	14	-	-	-	-
Sam Plowman	14	11	-	-	-	-
Georg Chmiel	14	13	-	-	-	-
Joe Hanna	14	14	-	-	-	-
Scott Wulff	14	13	-	-	-	-

Where:

- Column A is the number of meetings the director was entitled to attend; and
- Column B is the number of meetings the director attended

[1]Audit and Risk Committee and Nomination and Remuneration Committee matters were dealt with in meetings of the Board.

REMUNERATION REPORT (AUDITED)

The remuneration report details the Key Management Personnel ('KMP') remuneration arrangements for the Consolidated entity, in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

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

The remuneration report is set out under the following main headings:
- Key Management Personnel;
- Principles used to determine the nature and amount of remuneration;
- Details of remuneration;
- Service agreements;
- Share-based compensation;
- Additional disclosures relating to key management personnel; and
- Additional information.

Key management personnel

For the purposes of this report, KMP include all Directors of the Board (Executive and Non-Executive) and Senior Executives who have the authority and responsibility for planning, directing and controlling the activities of the Group as outlined below for the financial year ended 30 June 2022.

Name	Position Held
Non-Executive Directors	
Simon Baker	Non-Executive Chairman
Sam Plowman	Non-Executive Director
Georg Chmiel	Non-Executive Director
Executive Directors	
Joe Hanna	Managing Director and Chief Executive Officer
Scott Wulff	Executive Director
Senior Executives	
Michael Fiorenza	Chief Financial Officer

Principles used to determine the nature and amount of remuneration

The objective of the Consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward.

The Board of Directors ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation; and
- transparency.

Principles used to determine the nature and amount of remuneration (continued)

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Consolidated Entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel.

The Nomination and Remuneration Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Consolidated Entity.

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

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

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

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

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

Non-Executive Directors remuneration

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

ASX listing rules require the aggregate Non-Executive Directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 30 November 2020 where the shareholders approved a maximum annual aggregate remuneration of $500,000.

The total fees paid to directors during the year did not exceed the approved limit. The following table sets out the current approved fee structure:

Role	Per Annum $
Chair of the Board	65,000
Chair of the Nomination & Remuneration Committee	5,000
Chair of the Audit and Risk Committee	10,000
Board Member (Non-Executive)	45,000

Executive remuneration

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

The executive remuneration and reward framework has four components:

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

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

Executive remuneration – fixed

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee based on individual and the overall performance of the Consolidated Entity and comparable market remunerations.

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

Executive remuneration – short-term incentive policy

The short-term incentives ('STI') program is designed to align the targets of the business with the performance hurdles of executives. STI is an annual "at risk" opportunity awarded to Executive KMP based on specific annual targets and key performance indicators. Performance conditions are clearly defined and measurable and designed to support the financial and strategic direction of the business and in turn translate to shareholder return. For the year ended 30 June 2022 the STI's have or will be paid in the form of share-based payments.

For the executive KMP, the STI component varied between 25% and 71% of total fixed remuneration and are measured against the achievement of four key performance hurdles that are independently assessed, and carry the weighing outlined in the table below.

FY22 Short term incentive performance hurdles	Allocation[1]
Revenue target	20% to 35%
EBITDA target	20% to 35%
M&A	0% to 30%
Role specific KPIs & performance targets	0% to 60%

1. The allocation range reflects weighting of the executive KMPs as a group with a high and low variable stated, the structure varies depending on the role of the individual.

In the event financial performance targets are between the base and expected performance range, or expected and stretch performance range, the payment will be apportioned between the levels of performance. Payment on the achievement of financial performance targets under the STI plan are capped at 120%.

Other key employees within the organisation who have an impact on the Group's performance may be rewarded if specific financial and non-financial targets are achieved.

Executive remuneration – long-term incentive policy

The long-term incentives ('LTI') include long service leave and share-based payments. Shares are awarded to executives over a period of three years based on long-term incentive measures. These include increase in shareholders' value relative to the entire market and the increase compared to the consolidated entity's direct competitors. The Nomination and Remuneration Committee reviewed the long-term equity-linked performance incentives specifically for executives during the year ended 30 June 2022.

For the financial year ended 30 June 2022 the executive KMP had an LTI component that varied between 20% to 88% of total fixed remuneration, these were issued as performance rights that would only vest and become exercisable once both of the following conditions are met:

- the Company's share price at a 90-day VWAP at measurement date; and
- the KMP remaining an Employee or still in office on the relevant vesting date.

If any of the above conditions are not met conjunctively, then all right would lapse immediately.

An additional one-off LTI that related to financial year 2021 was granted for the Chief Executive Officer during the financial year ended 30 June 2022.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the Consolidated entity are set out in the following tables:

	Short term employee benefits		Post employee benefit	Long term benefits	Share based payments			
	Salary & fees	Bonus	Superann-uation	Long service leave	Equity settled options & rights[1]	Equity settled shares	Total	Performance based % of remuneration
FY 2022	$	$	$	$	$	$	$	%
Non-Executive Directors								
Simon Baker	68,449	-	-	-	-	-	68,449	-
Sam Plowman	53,495	-	5,350	-	-	-	58,845	-
Georg Chmiel	48,056	-	1,500	-	-	-	49,556	-
Executive Directors								
Joe Hanna[2,3]	330,000	-	23,566	-	385,000	55,848	794,414	55
Scott Wulff[4]	180,000	-	18,000	-	20,287	-	218,287	9
Other Executive KMP								
Michael Fiorenza[5,6]	236,667	-	23,426	-	35,422	30,740	326,255	20
Total	**916,667**	**-**	**71,842**	**-**	**440,709**	**86,588**	**1,515,806**	**35**

1 The value of the options and rights granted to key management personal that relates to LTIs as part of their remuneration is calculated as at the grant date using the binomial pricing model. The amounts disclosed as part of remuneration for the financial year have been determined by allocating the grant date value on a straight -line basis over the period from grant date to vesting. STIs are calculated using the grant date value and discounting based on management assumptions of the likelihood of achievement of the respective hurdles.

2 The equity settled options and rights component is split into 3 tranches, 1) STI – Performance based on STI Performance Hurdles being achieved; 2) LTI - Performance based on market condition targets achieved; and 3) LTI - Performance based on market condition targets achieved, which related to the financial year 2021.

3 The equity settled shares component relates to the difference in bonus (STI) achieved in FY21 and the issued equity in the current year.

4 The equity settled options component is split into 2 tranches, 1) STI – Performance based on STI Performance Hurdles being achieved; and 2) LTI - Performance based on market condition targets achieved .

5 The equity settled options and rights component based on STI Performance Hurdles being achieved, these have been agreed but are yet to be issued as at 30 June 2022.

6 The equity settled shares component relates to the difference in bonus (STI) achieved in FY21 and the issued equity in the current year

Post RECRM-Acquisition	Short term employee benefits		Post employee benefit	Long term benefits	Share based payments			
Post 19 November 2020[1]	Salary & fees	Bonus (STI) [3]	Superannuation	Long service leave	Equity settled options & rights	Equity settled shares	Total	Performance based % of remuneration
FY 2021	$	$	$	$	$	$	$	%
Non-Executive Directors								
Simon Baker	46,666	-	-	-	-	-	46,666	-
Sam Plowman	36,667	-	3,483	-	5,486	-	45,636	-
Georg Chmiel	30,000	-	2,850	-	-	-	32,850	-
Executive Directors								
Joe Hanna[4,6]	206,667	367,000	13,304	-	-	-	586,971	63
Scott Wulff[2]	120,000	-	11,400	-	-	-	131,400	-
Other Executive KMP								
Michael Fiorenza[5,7]	153,333	202,000	12,665	-	-	-	367,998	55
Total	593,333	569,000	43,702	-	5,486	-	1,211,521	47

1 Relates to remuneration from 19 November 2020 to 30 June 2021
2 Became a KMP from 19 November 2020
3 The bonus component has been accrued and not paid as at the date of this report.
4 The STI component is split into 2 tranches, 1) STI – Performance based on STI Performance Hurdles being achieved and 2) A one off bonus was granted for a successful relisting and re-compliance to the ASX.
5 The STI component is split into 2 tranches, 1) STI – Performance based on STI Performance Hurdles being achieved and 2) A one off bonus was granted for a successful relisting and re-compliance to the ASX.
6 Consultancy agreement was terminated at relisting and an employment agreement was entered into between Joe Hanna and PropTech Group
7 Consultancy agreement was terminated at relisting and an employment agreement was entered into between Michael Fiorenza and PropTech Group

Pre RECRM-Acquisition[1]	Short term employee benefits		Post employee benefit	Long term benefits	Share based payments			
Pre 19 November 2020[2]	Salary & fees	Bonus (STI)	Superannuation	Long service leave	Equity settled options & rights	Equity settled shares	Total	Performance based % of remuneration
FY 2021	$	$	$	$	$	$	$	%
Non-Executive Directors								
Simon Baker	23,334	-	-	-	-	-	23,334	-
Sam Plowman	18,333	-	1,742	-	-	-	20,075	-
Georg Chmiel[3]	11,250	-	356	-	-	-	11,606	-
Executive Directors								
Joe Hanna[4]	103,333	-	-	-	-	-	103,333	-
Other Executive KMP								
Michael Fiorenza[5]	76,667	-	-	-	-	-	76,667	-
Total	232,917	-	2,098	-	-	-	235,015	-

1 Represents remuneration for PropTech Group Limited (formally known as Real Estate Investar Group Limited) prior to the RECRM Acquisition
2 Relates to remuneration from 1 July 2020 to 19 November 2020
3 Appointed 1 August 2020
4 Consultancy agreement was terminated at relisting and an employment agreement was entered into between Joe Hanna and PropTech Group
5 Consultancy agreement was terminated at relisting and an employment agreement was entered into between Michael Fiorenza and PropTech Group

Service agreements

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

Joe Hanna - Managing Director and Chief Executive Officer

Agreement commenced:	Employment agreement from 19 November 2020.
Term of agreement:	Ongoing until either party gives notice.
Details:	Base salary of $340,000 plus superannuation, to be reviewed annually by the Nomination and Remuneration Committee, 'at-risk' STI and LTI, subject to annual performance review by the Nomination and Remuneration Committee.
STI	The STI granted for FY22 was 392,583 performance rights, with the vesting date of 30 August 2022 subject to the achievement of performance hurdles.
LTI	The LTI granted for FY21 in FY22 was 748,000 performance rights, with the vesting date of 30 August 2023 subject to the achievement of performance hurdles. The LTI granted for FY22 was 482,119 performance rights, with the vesting date of 30 August 2024 subject to the achievement of performance hurdles.
Notice period	6-month termination notice by either party.

Michael Fiorenza - Chief Financial Officer

Agreement commenced:	Employment agreement from 19 November 2020
Term of agreement:	Ongoing until either party gives notice
Details:	Base salary of $240,000 plus superannuation, to be reviewed annually by the Nomination and Remuneration Committee., 'at-risk' STI and LTI, subject to annual performance review by the Nomination and Remuneration Committee.
STI	The STI for FY22 will be a discretionary bonus in the form of a share-based payment, subject to meeting performance hurdles.
Notice period	6-month termination notice by either party.

Scott Wulff – Executive Director

Agreement commenced:[1]	3 January 2017
Term of agreement:	Ongoing until either party gives notice
Details:	Base salary of $180,000 plus superannuation, to be reviewed annually along with any incentives by the Nomination and Remuneration Committee.
STI	The STI granted for FY22 was 72,000 performance rights, with the vesting date of 30 August 2022 subject to the achievement of performance hurdles.
LTI	The LTI granted for FY22 was 60,000 performance rights, with the vesting date of 30 August 2024 subject to the achievement of performance hurdles.
Notice period	12-month termination notice by either party

1 Commencement date relates to the date Scott Wulff commenced with Vault Group

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

Share-based compensation

Issue of shares

During the year ended 30 June 2022 the following were shares issued to directors and other key management personnel as part of compensation.

- Joe Hanna was issued 797,826 shares in lieu of bonuses accrued from the financial year 2021, these were issued on 23 December 2021; and
- Michael Fiorenza was issued 439,130 shares in lieu of bonuses accrued from the financial year 2021, these were issued on 23 December 2021.

Details of shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2021 are set out below:

- Simon Baker was issued 494,318 shares in lieu of accrued Directors fees from financial year 2019 and 2020, these were issued on 19 November 2020;
- Sam Plowman was issued 194,301 shares in lieu of accrued Directors fees from financial year 2019 and 2020, these were issued on 19 November 2020;
- Joe Hanna was issued 1,207,623 shares in lieu of Directors fees and Executive Remuneration from financial year 2019 and 2020, these were issued on 19 November 2020; and
- Michael Fiorenza was issued 447,822 shares in lieu of Directors fees and Executive Remuneration from financial year 2019 and 2020, these were issued on 19 November 2020.

Performance rights

Performance rights granted under the STI and LTI plans are for no consideration and carry no voting rights. Each performance right carries an entitlement to one fully paid ordinary share in PropTech Group Limited.

Set out below is a summary of performance rights granted.

	Date grated	Measurement period	Number of rights granted	Number vested during the year	Number lapsed during the year	Number outstanding during the year	Vesting date	Value at grant date (if granted this year)[2]
Joe Hanna								
STI (FY22)	29/11/2021	1 July 2021 to 30 June 2022	392,583	-	-	392,583	30/08/2022	$185,380
LTI (FY22)	29/11/2021	1 July 2021 to 30 June 2024	482,119	-	-	482,119	30/08/2024	$173,563
LTI (FY21)[1]	29/11/2021	1 July 2021 to 30 June 2023	748,000	-	-	748,000	30/08/2023	$284,240
Scott Wulff								
STI (FY22)	29/11/2021	1 July 2021 to 30 June 2022	72,000	-	-	72,000	30/08/2022	$13,107
LTI (FY22)	29/11/2021	1 July 2021 to 30 June 2024	60,000	-	-	60,000	30/08/2024	$21,600

1 A one-off LTI that related to financial year 2021 was granted for the Chief Executive Officer during the financial year ended 30 June 2022.

2 Vesting date is subject to achievement of performance hurdles, if hurdles are not achieved at vesting date for the measurement period, these rights will automatically lapse

Shares under option

No options were granted as equity compensation benefits to key management personnel during the years ended 30 June 2022 and 30 June 2021.

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

	Date granted	Options granted	Exercisable date	Expiry date	Value per option at grant date	Total value of option at grant date	Exercise price per option
Sam Plowman	29 Jan 2019	200,000	29 Jan 2021	27 Jan 2023	$0.24	$48,000	$0.24
Joe Hanna	29 Nov 2018	200,000	29 Nov 2018	30 Nov 2023	$0.30	$60,000	$0.30
Michael Fiorenza	31 Jan 2019	200,000	31 Jan 2019	30 Jan 2023	$0.30	$60,000	$0.30

Additional disclosures relating to key management personnel

Shareholding

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

FY 2022	Balance 1 July 2021	Received as remuneration[1]	Acquisitions during the year (on market)[2]	Other changes	Disposals	Balance 30 June 2022
Simon Baker	10,418,737	-	954,437	-	-	11,373,174
Sam Plowman	5,638,525	-	140,001	-	-	5,778,526
Georg Chmiel	300,000	-	200,000	-	-	500,000
Joe Hanna	4,530,421	797,826	33,482	-	-	5,361,729
Scott Wulff	5,157,856	-	-	-	-	5,157,856
Michael Fiorenza	1,556,045	439,130	25,073	-	-	2,020,248
Total	**27,601,584**	**1,236,956**	**1,352,993**	**-**	**-**	**30,191,533**

1 Shares issued in lieu of bonuses accrued from FY21, which Joe Hanna and Michael Fiorenza elected to be paid in shares rather than cash.

2 A combination of shares issued during the capital raise that took place in July 2021 and shares acquired on market during the financial year 2022.

FY 2021	Balance 1 July 2020[1]	Received as remuneration[2]	Acquisitions during the year (on market)[3]	Other changes[4]	Disposals	Balance 30 June 2021
Simon Baker	3,924,419	494,318	-	6,000,000	-	10,418,737
Sam Plowman	-	194,301	-	5,444,224	-	5,638,525
Georg Chmiel[5]	-	-	300,000	-	-	300,000
Joe Hanna	1,322,798	1,207,623	-	2,000,000	-	4,530,421
Scott Wulff[6]	-	-	-	5,157,856	-	5,157,856
Michael Fiorenza	108,175	447,822	-	1,000,048	-	1,556,045
Total	**5,355,392**	**2,344,064**	**300,000**	**19,602,128**	**-**	**27,601,584**

1 On 6 October 2020, the Company completed a share consolidation of 20:1, for consistency these numbers have been restated to reflect the consolidation.

2 Conversion shares of 2,344,066 were issued in lieu of accrued directors fees and executive remuneration which related to financial years 2019 and 2020.

3 Shares issued during the capital raise that took place in November 2020.

4 Relate to the consideration shares that were issued as part of the RECRM acquisition on a scrip for scrip basis. All shares issued to directors and executives are escrowed for 24 months from 19 November 2021.

5 Appointed 1 August 2020.

6 Appointed 19 November 2020.

Option & rights holdings

The number of options and rights over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Consolidated entity, including their personally related parties as at 30 June 2022, is set out below:

FY 2022	Balance 1 July 2021	Granted during year	Exercised during year	Expired during year	Vested during year	Balance 30 June 2022 un-exercisable	Balance 30 June 2022 vested and exercisable
Options							
Sam Plowman	200,000	-	-	-	-	-	200,000
Joe Hanna	200,000	-	-	-	-	-	200,000
Michael Fiorenza	200,000	-	-	-	-	-	200,000
Total	600,000	-	-	-	-	-	600,000
Performance rights							
Joe Hanna	-	1,622,702	-	-	-	1,622,702	-
Scott Wulff	-	132,000	-	-	-	132,000	-
Total	-	1,754,702	-	-	-	1,754,702	-

FY 2021	Balance 1 July 2020[1]	Granted during year	Exercised during year	Expired during year	Vested during year	Balance 30 June 2021 un-exercisable	Balance 30 June 2021 vested and exercisable
Options							
Simon Baker	25,000	-	-	(25,000)	-	-	-
Sam Plowman	-	-	-	-	200,000	-	200,000
Joe Hanna	225,000	-	-	(25,000)	-	-	200,000
Michael Fiorenza	200,000	-	-	-	-	-	200,000
Total	450,000	-	-	(50,000)	200,000	-	600,000

1 On 6 October 2020, the Company completed a share consolidation of 20:1, for consistency these numbers have been restated to reflect the consolidation.

There were no performance rights in the Company held during the financial year ended 30 June 2021.

Other transactions with key management personnel and their related parties

There were no other transactions with key management and their related parties other than director fees for the financial year ended 30 June 2022.

During the financial year ended 30 June 2021, payments for Sales Director services from Global Online Classifieds Pty Ltd (director-related entity of Simon Baker) of $83,234 (excluding GST) were made. All transactions were made on normal commercial terms and conditions and at market rates. (see note 26 to the financial statements for further detail).

Additional information

The following shows the Group’s total revenue and other income, total operating revenue, EBITDA, losses and factors that are considered to affect total shareholders return ('TSR') for the five years to 30 June 2022 are summarised below:

	2022 $	2021 $	2020 $
Total revenue and other income ($'000)	20,234	11,630	3,001
Total operating revenue ($'000)	19,896	11,173	2,861
EBITDA ($'000)	731	1,384	522
Loss after income tax ($'000)	(2,624)	(1,020)	(385)
Basic losses per share for the year (cents per share)	(1.76)	(1.00)	(0.73)
Share price at financial year end ($)	0.22	0.80	N/A

This concludes the remuneration report, which has been audited.

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

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

INDEMNITY AND INSURANCE OF AUDITOR
The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

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

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

NON-AUDIT SERVICES
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 31 to the financial statements.

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

The directors are of the opinion that the services as disclosed in note 31 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:
- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

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 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.

AUDITOR

RSM Australia Partners continues in office in accordance with section 327 of the *Corporations Act 2001*.

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

On behalf of the directors

Simon Baker
Chairman

29 August 2022

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of PropTech Group Ltd 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.

RSM

RSM AUSTRALIA PARTNERS

R J MORILLO MALDONADO
Partner

Melbourne, Victoria
Dated: 29 August 2022

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

	Notes	Consolidated 2022 $	Consolidated 2021[1] $
Revenue from continuing operations	4	19,895,537	11,173,773
Other income	5	338,437	456,605
Total revenue and other income		20,233,974	11,630,378
Expenses			
Employee benefits	18	(12,109,127)	(6,441,595)
Operating costs	6	(6,836,192)	(3,581,166)
Depreciation and amortisation	6	(3,408,489)	(2,237,622)
Other expenses	6	(399,437)	(224,244)
Share of losses of associates accounted for using the equity method	29	(158,000)	-
Finance costs	6	(40,376)	(5,665)
Loss before income tax expense from continuing operations		(2,717,647)	(859,914)
Income tax credit (expense)	13	92,708	(160,225)
Loss after income tax expenses for the year attributable to the owners of PropTech Group Limited		(2,624,939)	(1,020,139)
Other comprehensive income, net of tax			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences		(28,048)	(5,651)
Other comprehensive income for the year, net of tax		(28,048)	(5,651)
Total comprehensive loss for the year attributable to the owners of PropTech Group Limited		(2,652,987)	(1,025,790)

Earnings / (losses) per share		Cents	Cents
Basic losses per share	35	(1.76)	(1.00)
Diluted losses per share	35	(1.76)	(1.00)

1. Adjusted for the retrospective application of "AASB 136 (84) *Impairment of Assets*" which relates to the valuations of PropTech Group Limited (formerly known as Real Estate Investar Group Limited) and JMCG Pty Ltd. Refer to Note 24 (a) "Measurement Period Adjustment" for further details.

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

PropTech Group Limited
Consolidated statement of financial position
As at 30 June 2022

	Notes	Consolidated 2022 $	Consolidated 2021[1] $
Assets			
Current assets			
Cash and cash equivalents	7	14,052,828	6,581,850
Trade and other receivables	8	1,257,514	607,412
Contract assets	9	448,884	176,474
Financial assets at amortised cost		184,021	150,000
Current tax asset	13	-	137,560
Prepayments and other assets	10	551,443	300,594
Total current assets		16,494,690	7,953,890
Non-current assets			
Plant and equipment	11	823,253	424,899
Intangible assets	12	44,342,240	29,401,782
Deferred tax assets	13	221,911	373,952
Investment in associates	29	92,000	-
Total non-current assets		45,479,404	30,200,633
Total assets		61,974,094	38,154,523
Liabilities			
Current liabilities			
Trade and other payables	14	2,454,992	1,472,032
Accrued expenses	14	809,496	1,184,027
Contract liabilities	15	592,147	251,932
Vendor payables	16	8,690,472	3,375,000
Lease liabilities	17	409,168	84,126
Employee benefits	18	798,696	484,921
Current tax liability	13	4,886	-
Total current liabilities		13,759,857	6,852,038
Non-current liabilities			
Vendor payables	16	-	675,000
Lease liabilities	17	283,714	209,402
Employee benefits	18	127,509	40,722
Deferred tax liabilities	13	1,925,001	1,467,613
Total non-current liabilities		2,336,224	2,392,737
Total liabilities		16,096,081	9,244,775
NET ASSETS		45,878,013	28,909,748
Equity			
Issued share capital	19	49,226,095	30,300,043
Reserves	20	681,576	14,424
Accumulated losses	21	(4,029,658)	(1,404,719)
TOTAL EQUITY		45,878,013	28,909,748

1. Adjusted for the retrospective application of "AASB 136 (84) *Impairment of Assets*" which relates to the valuations of PropTech Group Limited (formerly known as Real Estate Investar Group Limited) and JMCG Pty Ltd. Refer to Note 24 (a) "Measurement Period Adjustment" for further details.

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

PropTech Group Limited
Consolidated statement of changes in equity
For the year ended 30 June 2022

Consolidated - 2021	Note	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2020		16,159,312	14,589	(384,580)	15,789,321
Loss after income tax expense for the year[1]	21	-	-	(1,020,139)	(1,020,139)
Other comprehensive income for the year, net of tax					
Exchange difference on translation of foreign operations		-	(5,651)	-	(5,651)
Total comprehensive loss for the year		-	(5,651)	(1,020,139)	(1,025,790)
Transactions with owners in their capacity as owners					
Contributions of equity, net of transaction costs	19	14,140,731	-	-	14,140,731
Share-based payments		-	5,486	-	5,486
Balance at 30 June 2021		30,300,043	14,424	(1,404,719)	28,909,748

Consolidated - 2022	Note	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2021		30,300,043	14,424	(1,404,719)	28,909,748
Loss after income tax expense for the year	21	-	-	(2,624,939)	(2,624,939)
Other comprehensive income for the year, net of tax					
Exchange difference on translation of foreign operations		-	(28,048)	-	(28,048)
Total comprehensive loss for the year		-	(28,048)	(2,624,939)	(2,652,987)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs	19	18,839,464	-	-	18,839,464
Share based payments		86,588	695,200	-	781,788
Balance at 30 June 2022		49,226,095	681,576	(4,029,658)	45,878,013

1. Adjusted for the retrospective application of "AASB 136 (84) *Impairment of Assets*" which relates to the valuations of PropTech Group Limited (formerly known as Real Estate Investar Group Limited) and JMCG Pty Ltd. Refer to Note 24 (a) "Measurement Period Adjustment" for further details.

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

PropTech Group Limited
Consolidated statement of cash flows
For the year ended 30 June 2022

	Note	Consolidated 2022 $	2021 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		21,447,799	12,341,315
Payments to suppliers and employees (inclusive of GST)		(18,974,714)	(11,070,410)
Government assistance received		70,981	138,175
Interest received		4,104	1,659
Interest paid		(22,295)	(5,665)
Other income		-	5,235
Income taxes receipted / (paid)		365,022	(274,475)
Net cash from operating activities	32	2,890,897	1,135,834
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired		(6,794,624)	(5,761,950)
Payments for financial assets		-	(150,000)
Payments for plant and equipment		(94,108)	(127,790)
Payment for intangible assets		(2,604,597)	(739,799)
Payments for security deposits (net)		(72,714)	(44,549)
Payment for investment in associates		(250,000)	-
Loans advanced		(34,021)	-
Net cash used in investing activities		(9,850,064)	(6,824,088)
Cash flows from financing activities			
Proceeds from issue of shares		15,506,401	10,600,000
Share issue transaction costs		(731,720)	(773,337)
Repayment of lease liabilities		(212,424)	(9,313)
Net cash from financing activities		14,562,257	9,817,350
Cash and cash equivalents at the beginning of the financial year		6,581,850	2,474,815
Net increase in cash and cash equivalents		7,603,090	4,129,096
Effects of exchange rate changes on cash and cash equivalents		(132,112)	(22,061)
Cash and cash equivalents at the end of the financial year	7	14,052,828	6,581,850

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

1. SIGNIFICANT ACCOUNTING POLICIES

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

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2021.

There are no new and revised Standards, Amendments, or Interpretations effective for the current year that are relevant to the Group.

At the date of authorisation of the financial statements, the Group has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective:

Standard/amendment	Effective for annual reporting periods beginning on or after
AASB 2014-10 *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*, AASB 2015-10 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*	1 January 2025 (Editorial corrections in AASB 2017-5 applied from 1 January 2018)
AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date*	1 January 2023
AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments*	1 January 2022
AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*	1 January 2023
AASB 2021-5 *Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
AASB 2022-1 *Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information*	1 January 2023

The amendments apply to annual reporting periods beginning after 1 July 2022. The directors of the Company do not anticipate that the amendments will have a material impact on the Group.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of preparation

These financial statements are general purpose financial statements which have been prepared in accordance with the *Corporations Act 2001*, Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB) and comply with other requirements of the law. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board (IASB). Consequently, this financial report has been prepared in accordance with and complies with IFRS as issued by the IASB.

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

Historical cost convention

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

Critical accounting estimates

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

Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the Consolidated entity only. Supplementary information about the Parent entity is disclosed in note 27.

Principles of consolidation

The Consolidated financial statements incorporate the assets and liabilities of all subsidiaries of PropTech Group Limited ('Company', 'Parent entity' or 'PropTech Group') as at 30 June 2022 and the results of all subsidiaries for the year then ended. PropTech Group Limited and its subsidiaries together are referred to in these financial statements as the ('Consolidated entity' or 'Group').

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Principles of consolidation (continued)

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

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Consolidated entity. Losses incurred by the Consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Consolidated entity 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 Consolidated entity 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.

Operating segments

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

Foreign currency translation

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

Foreign currency transactions

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

Foreign operations

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

The foreign currency reserve is recognised in profit or loss when a foreign operation or net investment has been disposed.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

The Consolidated entity recognises revenue as follows:

Revenue from contracts with customers

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

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

The Group recognises revenue from the following major sources:

- Subscription revenues, which are comprised of subscription fees from customers accessing the Company's Customer Resource Management ('CRM') and Property Management ('PM') cloud-based software, software licenses, and customers paying for additional support that is included in the contract as a variable component; and
- Related professional services such as implementation services, and further development services.

Subscription and support revenues

Subscription revenue comprises of recurring monthly fees from subscribers to the Group's products. Subscribers are invoiced monthly. Support products offered as part of the subscription remain unbilled at balance date and are recognised in the Statement of Financial Position as Contract assets. Unearned revenue at balance date is recognised in the Statement of Financial Position as Contract liabilities and included in our current liabilities.

Subscription revenue is recognised as performance obligations under contracts with customers. Performance obligations for subscriptions to cloud based software consist of the provisioning of the software and related support services over the term of the contract. Where the performance obligations of support services are usage based (such as Mobile services), revenue is recognised consistent with the usage profile.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

Related professional services
The Group provides a service of installation and bespoke development of various software products for specialised business operations. Such services are recognised as a performance obligation satisfied over time. Revenue is recognised for these services based on the entity's efforts or inputs relative to the total expected inputs to the satisfaction of the services of the various software products. The directors have assessed this as an appropriate measure of progress towards complete satisfaction of the performance obligation under AASB 15 *Revenue from Contract with Customers*.

Payment for such services is not due from the customer until specific milestones are complete and therefore a contract asset or contract liability is recognised over the period in which the installation services are performed representing the entity's right to consideration for the services performed to date or the entity's obligation to perform such service.

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

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

Government grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

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 a liability in a transaction that is not a business combination and that, at the time of the transaction, a neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joi 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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax (continued)

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.

The Group has accumulated tax losses at 30 June 2022 amounting to $15,753,812 (2021: $14,054,905) that can be used to offset future taxable gains. The Group are investigating whether any of the accumulated tax losses will be carried forward if the Company chooses to become a tax Consolidated Group for tax purposes. At 30 June 2022 $221,911 deferred tax asset has been recognised in respect of tax losses on a 'standalone basis'.

Current and non-current classification

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

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

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

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

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Trade and other receivables (continued)

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

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

Contract assets

Contract assets are recognised when the Consolidated entity has transferred goods or services to the customer but where the Consolidated entity is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Associates

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

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

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

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 Consolidated entity 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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (continued)

Amortised cost

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Impairment of financial assets

The Consolidated entity 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 Consolidated entity'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.

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 plant and equipment over their expected useful lives as follows:

Leasehold improvements	Lease term
Plant and equipment	3-5 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 Consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Right-of-use assets

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

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

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

Intangible assets

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

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.

Patents and trademarks

Significant costs associated with patents and trademarks are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 8-10 years.

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 8 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 3-5 years.

1. 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.

Trade and other payables

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

Contract liabilities

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

Lease liabilities

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

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

Finance costs

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

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Provisions
Provisions are recognised when the Consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the Consolidated entity 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.

Employee benefits
Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

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

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Share-based payments (continued)

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

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

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

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

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

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

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

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

Fair value measurement

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value measurement (continued)

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.

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.

Business combinations

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

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

Where the business combination is achieved in stages, the Consolidated entity 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.

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations (continued)

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.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of PropTech Group 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 shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

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

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

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

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

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

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 dollar.

2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

Share-based payment transactions

The Consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Binomial, or Trinomial 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. Refer to note 18a for further information.

Revenue from contracts with customers involving sale of goods

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the Consolidated entity is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Determination of variable consideration

Judgement is exercised in estimating variable consideration which is determined having regard to past experience with respect to the goods returned to the Consolidated entity where the customer maintains a right of return pursuant to the customer contract or where goods or services have a variable component. Revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised under the contract will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

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, historical collection rates, the impact of macroeconomic factors and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note 8, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Fair value measurement hierarchy

The Consolidated entity is required to classify all assets and liabilities, measured 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; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs. Refer to note 23 for further information.

Estimation of useful lives of assets

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

Goodwill and other indefinite life intangible assets

The Consolidated entity 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 1. 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. Refer to note 12 for further information.

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

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

Income tax

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

2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Recovery of deferred tax assets

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

Lease term

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

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Employee benefits provision

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

Business combinations

As discussed in note 1, 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 Consolidated entity 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.

3. OPERATING SEGMENTS

Identification of reportable operating segments

The Consolidated entity is organised into two operating segments based on differences in services provided: business to business, and business to consumer. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

Other segments represent the corporate costs of the Consolidated entity.

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

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

Types of products and services

The principal products and services of each of these operating segments are as follows:

Business to business ('B2B')	Customer Relationship Management platforms for Residential and Commercial Property sales and property management along with additional products and services such as website development & marketing tools and support Software as a Service
Business to consumer ('B2C')	Property investor Software as a Service

Intersegment transactions

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

Major customers

The Directors assessed there were no major customers.

3. OPERATING SEGMENTS (CONTINUED)

Operating segment information

Consolidated – 2022	B2B $	B2C $	Other segments $	Total $
Operating revenue	18,108,062	1,787,475	-	19,895,537
Other income	265,548	-	72,889	338,437
Cost of Sales	(1,106,227)	(496,365)	-	(1,602,592)
Operating expenses	(10,632,978)	(741,791)	(5,168,137)	(16,542,906)
Other expenses	(57,667)	(5,996)	(7,392)	(71,055)
Intercompany charges	(4,167,339)	(304,503)	4,471,842	-
Underlying EBITDA	2,409,399	238,820	(630,798)	2,017,421

Consolidated – 2021[1]	B2B $	B2C $	Other segments $	Total $
Operating revenue	10,170,710	1,003,063	-	11,173,773
Other income	454,653	800	1,152	456,605
Cost of Sales	(797,039)	(389,840)	-	(1,186,879)
Operating expenses	(6,217,014)	(663,557)	(1,636,060)	(8,516,631)
Intercompany charges	(1,504,100)	249,671	1,254,429	-
Underlying EBITDA	2,107,210	200,137	(764,256)	1,926,868

Reconciliation from segment reporting to net profit/(loss) before tax

	Consolidated 2022 $	Consolidated 2021[1] $
EBITDA	2,017,421	1,926,868
Depreciation and amortisation	(3,408,489)	(2,237,622)
Finance costs	(40,376)	(5,665)
Share based payments	(781,788)	(5,486)
Share of losses in associates accounted for using equity method	(158,000)	-
Other expenses	(346,415)	(538,009)
Loss before income tax expense	(2,717,647)	(859,914)

1. The results for the year ended 30 June 2021 have been reclassified to consider the adjustments made to the reporting performed to the 'Chief of Decision Maker'. The overall Losses before income tax expense are consistent with prior year reporting including adjustment as per Note 24 (a) "Measurement Period Adjustment".

3. OPERATING SEGMENTS (CONTINUED)

Depreciation and amortisation by segment

	Consolidated 2022 $	Consolidated 2021 $
Business to business	3,329,647	2,190,442
Business to consumer	78,842	46,415
Other segments	-	765
	3,408,489	2,237,622

Geographical information

	Sales to external customers		Geographical non-current assets[1]	
	2022 $	2021 $	2022 $	2021 $
Australia	18,162,891	10,038,951	45,057,594	29,816,420
Rest of world	1,732,646	1,134,822	108,399	10,261
	19,895,537	11,173,773	45,165,993	29,826,681

1. The geographical non-current assets above are exclusive of deferred tax assets, financial instruments, and investments in associates, where applicable.

4. REVENUE

	Consolidated 2022 $	Consolidated 2021 $
Revenue from contracts with customers		
Recurring revenues[1]	17,108,202	9,967,489
Mobile services	1,169,123	638,513
Set-up and training fees	414,333	330,123
Consultancy and other revenues	1,203,879	237,648
	19,895,537	11,173,773

1. Represents stable, predictable, and regular sales that occur at regular intervals. These items include Software as a Service, website and other subscriptions.

4. REVENUE (CONTINUED)

Disaggregation of revenue

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

Consolidated - 2022	B2B $	B2C $	Total $
Major service lines			
Recurring revenues	15,367,355	1,740,847	17,108,202
Mobile services	1,169,123	-	1,169,123
Set-up and training fees	414,333	-	414,333
Consultancy and other revenues	1,157,251	46,628	1,203,879
	18,108,062	1,787,475	19,895,537
Geographical regions			
Australia	16,453,393	1,709,498	18,162,891
Rest of world	1,654,669	77,977	1,732,646
	18,108,062	1,787,475	19,895,537
Timing of revenue recognition			
Services transferred over time	16,536,478	1,740,847	18,277,325
Services at a point in time	1,571,584	46,628	1,618,212
	18,108,062	1,787,475	19,895,537

Consolidated - 2021	B2B $	B2C $	Total $
Major service lines			
Recurring revenues	8,984,564	982,925	9,967,489
Mobile services	638,513	-	638,513
Set-up and training fees	330,123	-	330,123
Consultancy and other revenues	217,510	20,138	237,648
	10,170,710	1,003,063	11,173,773
Geographical regions			
Australia	9,101,385	937,566	10,038,951
Rest of world	1,069,325	65,497	1,134,822
	10,170,710	1,003,063	11,173,773
Timing of revenue recognition			
Services transferred over time	9,623,077	982,925	10,606,002
Services at a point in time	547,633	20,138	567,771
	10,170,710	1,003,063	11,173,773

5. OTHER INCOME

	Consolidated	
	2022 $	2021 $
Income from government assistance	70,981	253,344
R&D incentive income	264,352	201,602
Interest income	3,104	1,659
Other income	338,437	456,605

6. EXPENSES

	Consolidated 2022 $	Consolidated 2021 $
Loss before income tax includes the following specific expenses:		
Operating costs		
Cost of sales	1,602,592	1,186,879
Data and production costs	2,014,897	1,149,450
Advertising and marketing expenses	719,739	193,690
General and administration	1,593,101	713,027
IT and legal expenses	719,144	250,962
Low value or short-term rent	168,686	93,277
Bad debts and allowances for expected credit losses (write backs)	18,033	(6,119)
Total operating costs	6,836,192	3,581,166
Depreciation and amortisation expenses		
Depreciation – Plant and equipment	49,965	10,907
Depreciation– Right of Use assets	248,744	14,976
Depreciation – Leasehold improvement	16,854	-
Amortisation – Software and web platform	1,852,917	1,333,411
Amortisation – Patents and trademarks	1,382	1,382
Amortisation – Customer contracts	1,238,627	876,946
Total depreciation and amortisation	3,408,489	2,237,622
Other expenses		
Acquisitions costs	141,648	97,577
Other	153,726	110,257
Foreign exchange losses (net)	104,063	16,410
Total other expenses	399,437	224,244
Finance costs		
Interest on bank accounts	20,861	4,937
Interest on lease liabilities	19,515	728
Total finance costs	40,376	5,665

7. CASH AND CASH EQUIVALENTS

	Consolidated	
	2022 $	2021 $
Cash at bank	14,052,828	6,581,850
	14,052,828	6,581,850

Reconciliation to cash and cash equivalents at the end of the financial year
The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:

	2022 $	2021 $
Balances as above	14,052,828	6,581,850
Balance as per statement of cash flows	14,052,828	6,581,850

8. TRADE AND OTHER RECEIVABLES

	Consolidated 2022 $	Consolidated 2021 $
Current		
Trade receivables	1,217,179	735,099
Less: Allowance for expected credit losses	(212,348)	(207,839)
	1,004,831	527,260
Other receivables	252,683	80,152
	1,257,514	607,412

Allowance for expected credit losses

The Consolidated entity has recognised a loss of $18,033 in profit or loss (2021: gain $6,119) in respect of the expected credit losses for the year ended 30 June 2022.

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

Consolidated	Expected credit loss rate 2022 %	Expected credit loss rate 2021 %	Carrying amount 2022 $	Carrying amount 2021 $	Allowance for expected credit losses 2022 $	Allowance for expected credit losses 2021 $
Not overdue	0.31%	7.72%	455,009	291,814	(1,392)	(22,538)
0 to 1 months overdue	0.90%	3.84%	277,351	55,020	(2,507)	(2,111)
1 to 2 months overdue	6.96%	0.69%	63,637	28,206	(4,426)	(193)
2 to 3 months overdue	10.83%	2.64%	25,436	15,795	(2,755)	(417)
3 to 4 months overdue	8.86%	1.49%	21,105	80,091	(1,869)	(1,191)
Over 5 months overdue	53.22%	68.66%	374,641	264,173	(199,398)	(181,389)
			1,217,179	735,099	(212,348)	(207,839)

The Consolidated entity has increased its monitoring of debt recovery as there is an increased probability of customers delaying payment or being unable to pay, due to macroeconomic factors. As a result, the Consolidated entity has revised its calculation of expected credit losses and has adjusted accordingly as at 30 June 2022.

Movements in the allowance for expected credit losses are as follows

	Consolidated 2022 $	Consolidated 2021 $
Opening balance	207,839	3,399
Additional provisions recognised	18,033	14,873
Additions through business combinations	998	211,059
Receivables written off during the year as uncollectable	(994)	(239)
Unused amounts reversed	(13,528)	(21,253)
Closing balance	212,348	207,839

9. CONTRACT ASSETS

	Consolidated	
	2022	2021
	$	$
Current contract assets	448,884	176,474

Reconciliation

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

	2022 $	2021 $
Opening balance	176,474	159,872
Additions	448,884	176,474
Transfer to trade receivables	(176,474)	(159,872)
Closing balance	448,884	176,474

10. PREPAYMENTS AND OTHER ASSETS

	Consolidated	
	2022	2021
	$	$
Current		
Prepayments	413,885	256,045
Security deposits	137,558	44,549
	551,443	300,594

11. PLANT AND EQUIPMENT

	Consolidated 2022 $	Consolidated 2021 $
Plant and equipment	168,739	74,123
Less: Accumulated depreciation	(51,108)	(18,209)
	117,631	55,914
Leasehold improvements	84,658	81,120
Less: Accumulated depreciation	(16,854)	-
	67,804	81,120
Building right of use	901,538	302,841
Less: Accumulated depreciation	(263,720)	(14,976)
	637,818	287,865
	823,253	424,899

Reconciliations

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

Consolidated	Building right of use	Plant and equipment	Leasehold improvements	Total
Balance at 1 July 2020	-	18,014	-	18,014
Additions	302,841	46,143	81,120	430,104
Additions through business combinations (note 24)	-	2,664	-	2,664
Revaluation increments	-	-	-	-
Disposals	-	-	-	-
Depreciation expense	(14,976)	(10,907)	-	(25,883)
Balance at 30 June 2021	287,865	55,914	81,120	424,899
Additions	574,163	112,761	3,538	690,462
Additions through business combinations (note 24)	-	-	-	-
Revaluation increments	24,534	-	-	24,534
Disposals	-	(1,079)[1]	-	(1,079)
Depreciation expense	(248,744)	(49,965)	(16,854)	(315,563)
Balance at 30 June 2022	637,818	117,631	67,804	823,253

1. During the financial year 2022 the entity disposed of office equipment at cost of $18,145 (2021: $32,179). At the time of disposal the total net book value of assets were $1,079 (2021: nil).

2. For impairment testing, the right-of-use assets have been allocated to the Business to business (B2B) cash-generating unit. Refer to note 12 for further information on the impairment testing key assumptions and sensitivity analysis.

12. INTANGIBLE ASSETS

	Consolidated 2022 $	Consolidated 2021 $
Goodwill	29,708,240	20,835,885
Less: Impairment	-	-
	29,708,240	**20,835,885**
Software and web platform	11,763,829	4,977,700
Less: Accumulated amortisation	(3,782,635)	(1,929,718)
	7,981,194	**3,047,982**
Patents and trademarks	12,916	12,916
Less: Accumulated amortisation	(7,437)	(6,055)
	5,479	**6,861**
Customer contracts	8,981,900	6,607,000
Less: Accumulated amortisation	(2,334,573)	(1,095,946)
	6,647,327	**5,511,054**
	44,342,240	**29,401,782**

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	Software and web platform	Patents and trademarks	Customer contracts	Total
Balance at 1 July 2020	15,542,139	2,633,180	8,243	6,346,000	24,529,562
Additions	-	1,340,330	-	-	1,340,330
Additions through business combinations (note 24)	1,386,465	-	-	-	1,386,465
Additions through reverse acquisition transaction (note 24)	4,141,961	204,284	-	-	4,346,245
Amortisation expense	-	(1,315,942)	(1,382)	(875,167)	(2,192,492)
Balance at 30 June 2021	21,070,565	2,861,851	6,861	5,470,833	29,410,110
Retrospective adjustment due to valuation (note 24 (a))	(234,680)	186,131	-	40,221	(8,328)
Balance at 30 June 2021 – restated	20,835,885	3,047,982	6,861	5,511,054	29,401,782
Additions	-	2,526,829	-	-	2,526,829
Additions through business combinations (note 24)	8,872,355	4,259,300	-	2,374,900	15,506,555
Amortisation expense	-	(1,852,917)	(1,382)	(1,238,627)	(3,092,926)
Balance at 30 June 2022	29,708,240	7,981,194	5,479	6,647,327	44,342,240

12. INTANGIBLE ASSETS (CONTINUED)

Impairment testing

The Group has identified that there are two (2) cash-generating units which are aligned with the operating segments disclosed in Note 3 and against which goodwill and other intangible assets are allocated and tested.

Goodwill acquired through business combinations have been allocated to the following cash-generating units:

	Consolidated 2022 $	2021[1] $
Business to business (B2B)	25,646,479	16,774,124
Business to consumer (B2C)	4,061,761	4,061,761
	29,708,240	20,835,885

1. As per the reverse acquisition of Real Estate technology company Real Estate CRM Pty Ltd ('RECRM') the Consolidated entity acquired the B2C segment on 19 November 2020 (refer to reverse acquisition, note 24).

The recoverable amount of the Group's goodwill has been determined by a value-in-use (VIU) methodology, using past experience of sales, growth and margin to determine the expectations for the future. The VIU calculation uses a discounted cash flow model, based on a 1-year projection period approved by management and extrapolated for a further 4 years using a steady rate.

Key assumptions

Key assumptions are those to which the recoverable amount of the cash-generating units is most sensitive. The following key assumptions were used in the discounted cash flow model for the CGUs.

Key Assumption	B2B	B2C
Projected revenue growth rate per annum	15% (2021: 15%)	10% (2021: 15%)
Projected operating costs and overheads increase	7.5-15% (2021: 15%)	3-10% (2021: 15%)
Pre-tax discount rate	21.6% (2021: 21.5%)	21.7% (2021: 21.35%)
Long-term growth rate	2.5% (2021: 2.5%)	2.5 % (2021: 2.5%)

The discount rates reflect management's estimate of the time value of money and the Group's weighted average cost of capital adjusted for the computer retailing division, the risk-free rate and the volatility of the share price relative to market movements.

Based on this calculation, there was no impairment charge recorded against goodwill, software, or other intangible assets during for the respective CGU's in financial year 2022 (2021: nil).

Management believes the projected revenue growth rates are prudent and justified, based on historical performance of the businesses.

12. INTANGIBLE ASSETS (CONTINUED)

Results

Based on the above,

- the recoverable amount of B2B CGU exceeded the carrying amount by $6.8 million
- the recoverable amount of B2C CGU exceeded the carrying amount by $1.9 million.

Sensitivity

As disclosed in note 2, the directors have made judgements and estimates in respect of impairment testing of goodwill. Should these judgements and estimates not occur the resulting goodwill carrying amount may decrease. The sensitivities are as follows:

- Revenue growth would need to decrease by more than 2.1% for the B2B CGU before goodwill would need to be impaired, with all other assumptions remaining constant.
- The pre-tax discount rate would be required to increase by 2.7% for B2B before goodwill would need to be impaired, with all other assumptions remaining constant.
- Revenue growth would need to decrease by more than 7.6% for the B2C CGU before goodwill would need to be impaired, with all other assumptions remaining constant.
- The pre-tax discount rate would be required to increase by 11.1% for B2C before goodwill would need to be impaired, with all other assumptions remaining constant.

Management believes that other reasonable changes in the key assumptions on which the recoverable amount of both the CGUs' goodwill is based would not cause the CGUs' carrying amount to exceed its recoverable amount.

13. CURRENT AND DEFERRED INCOME TAX

Income tax expense

	Consolidated 2022 $	Consolidated 2021 $
Income tax expense		
Current tax	-	84,647
Adjustments in respect of prior years[1]	(108,412)	117,874
Deferred tax - origination and reversal of temporary differences	15,704	(42,297)
Aggregate income tax expense (credit)	(92,708)	160,225
Deferred tax included in income tax expense comprises:		
(Increase)/decrease in deferred tax assets	152,041	183,804
Increase/(Decrease) in deferred tax liabilities	(136,337)	(226,101)
Deferred tax - origination and reversal of temporary differences	15,704	(42,297)
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(2,717,647)	(859,914)
Income tax expense at the statutory tax rate of 25% (2021: 26%)	(679,412)	(223,578)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Tax losses not recognised	478,131	292,490
Reduction in tax rates on deferred tax assets, net	818	70,141
Non-deductible expenses	47,308	65,760
Non-assessable income	(66,088)	(163,889)
Share based payments	195,447	1,426
Share of losses – associates	39,500	-
Adjustments in respect of prior years[1]	(108,412)	117,874
Income tax expense / (credit)	(92,708)	160,225

1. Relates to income tax expense relating to one of the subsidiaries, pertaining to add-back of expenses relating to R&D incentive in FY 2021 (FY21: 2020 R&D incentive). The related R&D incentive income has been accounted for as “Other income”.

13. CURRENT AND DEFERRED INCOME TAX (CONTINUED)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in the statement of financial position for the following items:

	Consolidated	
	2022 $	2021 $
Unused tax losses	15,753,812	14,054,905
Deductible temporary differences	666,848	1,954,040
Total	16,420,660	16,008,945
Potential benefit at 25% (2021: 26%)	4,105,165	4,162,326

The deferred tax asset has not been brought to account on the basis that at this stage it is not probable that sufficient taxable income will be generated to utilize the losses or to offset the temporary differences.

The deferred tax asset relating to carry forward losses and temporary differences will only be recognised if:

a) future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
b) the conditions for deductibility imposed by tax legislation continue to be complied with; and
c) the Consolidated entity is able to meet the continuity of business and or continuity of ownership tests.

Current tax asset/(liability)

	Consolidated	
	2022 $	2021 $
Income tax receivable / (Income tax payable)	(4,886)	137,560

Deferred tax assets

	Consolidated	
	2022 $	2021 $
Deferred tax assets	221,911	373,952
Deferred tax asset comprises temporary differences attributable to:		
Allowance for expected credit losses	1,928	1,635
Leases	8,028	-
Intangible assets – Software	-	330,476
Employee benefits	104,521	35,643
Payables, accruals, and contract liabilities	26,811	6,198
Tax losses	80,623	-
	221,911	373,952
Movements:		
Opening balance	373,952	557,756
Credited / (debited) to profit or loss	(152,041)	(183,804)
Closing balance	221,911	373,952

13. CURRENT AND DEFERRED INCOME TAX (CONTINUED)

Deferred tax liabilities

	Consolidated 2022 $	2021 $
Deferred tax liability	1,925,001	1,467,613
Deferred tax liability comprises temporary differences attributable to:		
Payables, accruals & contract liabilities	-	34,276
Intangible asset – Software	217,290	-
Intangible assets – Customer contracts	1,707,711	1,433,337
	1,925,001	1,467,613
Movements:		
Opening balance	1,467,613	1,682,794
Acquired as part of business combination (note 24)	593,725	10,920
Charged/(credited) to profit or loss	(136,337)	(226,101)
Closing balance	1,925,001	1,467,613

14. TRADE AND OTHER PAYABLES

	Consolidated	
	2022 $	2021 $
Trade payables	1,016,804	696,920
Other payables	2,675	-
Statutory liabilities	1,435,513	775,112
Accrued expenses	809,496	1,184,027
	3,264,488	**2,656,059**

Refer to note 22 for further information on financial instruments.

15. CONTRACT LIABILITIES

	Consolidated	
	2022 $	2021 $
Contract liabilities	592,147	251,932

	Consolidated	
Reconciliation		
Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:		
Opening balance	251,932	-
Payments received in advance	592,147	-
Payments transferred to trade payables	(251,932)	251,932
Closing balance	592,147	251,932

Unsatisfied performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was $592,147 as at 30 June 2022 (2021: $251,932) and is expected to be recognised as revenue in future periods as follows:

	Consolidated	
	2022 $	2021 $
Within 6 months	592,147	251,932
6 to 12 months	-	-
12 to 18 months	-	-
18 to 24 months	-	-
	592,147	251,932

16. VENDOR PAYABLES

	Consolidated 2022 $	2021 $
Current		
Contingent consideration payable[1]	8,690,472	3,375,000
	8,690,472	3,375,000
Non-current		
Contingent consideration payable[1]	-	675,000
	-	675,000

1. Paid/Payable to the following vendors based on specific conditions:

Acquisition	Amount payable at 30 June 2022	Milestones
Commerce Australia Pty Ltd (original payable $3,000,000)	$140,472	$2,859,528 cash paid during the year 2022 for the retention of a key franchise group licensing MyDesktop, during August 2021. The qualification for this hurdle required that the customer extended the contract (migrating to VaultRE) for a minimum term of 2 years beyond the contract expiry date of 1 July 2021 for Australia and New Zealand. Tied to the extension of the same franchise group independently for the region of Indonesia. This is outstanding as at 30 June 2022.
Harcourts International Ltd	$300,000	To be paid to the vendor only when the following conditions are met: • at least 80% of both the Seller's Australian and New Zealand franchisee network (defined by the number of offices but allowing for the potential consolidation of office numbers of multi-office franchisees) having migrated to one of the Buyer's PTG CRMs, as contemplated by the Supply Agreement (Migration); and • the Migration being completed within 18 months from 'Product Readiness' otherwise agreed between the parties in writing (Migration Period).
JMCG Pty Ltd	$375,000	Will be on or around August 2022, paid in equity or cash at the discretion of the buyer which will be issued at a VWAP of 1 month. The qualifications for this hurdle are: • JMCG Pty Ltd's annual SaaS revenue does not fall below its current amount which will be confirmed during the Due Diligence and mutually agreed; and • The Designly product is supported and maintained to a standard that is in line with its service-level agreement
JMCG Pty Ltd	$375,000	Will be on or around February 2023, paid in equity or cash at the discretion of the buyer which will be issued at a VWAP of 1 month. The qualifications for this hurdle are: • JMCG Pty Ltd's annual SaaS revenue does not fall below its current amount which will be confirmed during the Due Diligence and mutually agreed; and • The Designly product is supported and maintained to a standard that is in line with its service-level agreement.
Eagle Software Pty Ltd	$7,500,000	Payable to the vendor on or around September 2022. The qualification for the hurdles is dependent on the annual recurring revenue (ARR) growth rate achieved and calculated (refer to Note 24).
	$8,690,472	

The fair value of non-current portion of contingent consideration is estimated materially the same as their nominal value. Refer to note 22 for further information on financial instruments.

17. LEASE LIABILITIES

	Consolidated	
	2022 $	2021 $
Current		
Lease liability	409,168	84,126
Non-current		
Lease liability	283,714	209,402
	692,882	293,528

Refer to note 22 for further information on financial instruments.

18. EMPLOYEE BENEFITS

Expenses recognised for employee benefits are analysed below:

	Consolidated	
	2022 $	2021 $
Employee benefits expense		
Salaries, wages and leave allowances (including consultancy charges)	9,683,145	5,676,275
Defined contribution superannuation expenses	983,333	421,625
Share based payments[1]	781,788	5,486
Short term employee benefits	11,448,266	6,103,386
Other long-term benefits, including movement in provisions	48,679	(3,222)
On-costs	612,182	341,431
Total	12,109,127	6,441,595
Employee benefits liabilities		
Provision for employee entitlements – current	798,696	484,921
Provision for employee entitlements – non-current	127,509	40,722

1. Comparative share based payments have been reclassified from note 6. 'Other expenses' to note 18. 'Employee benefits' to better reflect the nature of the cost in line with FY 2022 transactions

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 Consolidated entity does not have an unconditional right to defer settlement. However, based on past experience, the Consolidated entity does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

18. EMPLOYEE BENEFITS (CONTINUED)

18 (A). SHARE BASED PAYMENTS UNDER EMPLOYEE BENEFITS

Performance rights for executive management

At the 2021 Annual General Meeting 1,754,702 performance rights were granted. All performance rights have a nil exercise price and will vest subject to the attainment of various performance conditions (market and non-market) and continuous employment.

The number of rights to be granted is determined based on the currency value of the individuals short ("STI") and long ("LTI) term incentives divided by the weighted average price at which the company's shares are traded on the Australian Stock Exchange during a period determined by the Directors.

At 30 June 2022 Executive Management agreed to provide short term incentives for employees

a) Performance rights with market conditions

During the period, there were two separate tranches of incentives with market conditions issued under the Plan which were linked with an increase in share price from the grant date (29 November 2021: $0.53):

- Employee Equity Plan 1 ('EEP-1') - Achievement of 90-day VWAP of the Company's ordinary shares as at 30 June 2023 being $1.25 or higher
- Employee Equity Plan 2 ('EEP-2')- Achievement of 90-day VWAP of the Company's ordinary shares as at 30 June 2024 being $2.47 or higher

The fair value of the incentives was determined using the Binomial option model using the following inputs as at 30 June 2022:

	EEP-1	EEP-2
Share price at measurement date	$0.53	$0.53
Fair value of shares at grant date	$0.38	$0.36
Measurement period end date	30-Jun-23	30-Jun-24
Expected volatility (%)	75%	75%
Dividend yield (%)	0%	0%
Risk-free interest rate (%)	1.46%	1.46%
Numbers of performance rights granted under the Employment Equity Plan with market conditions as at 30 June 2022	748,000	542,119

Performance rights with non-market conditions

During the year, 1,505,261 performance rights were granted with non-market conditions. The fair value of the rights at grant date ($0.22 - $0.52) was estimated by taking the market price of the company's shares on that date less the present value of expected dividends that will not be received by the executives on their rights during the two-year vesting period.

The weighted average contractual life of the performance rights outstanding as of 30 June 2022 is 0.16 years.

18. EMPLOYEE BENEFITS (CONTINUED)

18 (A). SHARE BASED PAYMENTS UNDER EMPLOYEE BENEFITS (CONTINUED)

Other share-based payments

A grant of short-term incentives was issued for the achievement of key performance hurdles related to non-market condition and the successful capital raising and re-compliance listing on the Australian Stock Exchange. These bonuses were consideration for the extraordinary time and commitment expensed by the executives.

The issue of incentives for the Chief Executive Officer were approved in the 2021 Annual General Meeting, and other executive rights approved by the Board of Directors.

Initial recognition was on cash settled based payment, as the executives had not elected on a method of settlement. Subsequently it was agreed with the executives that the consideration would be settled with the issue of shares.

	2022 $
Issue of shares for achievement of key performance hurdles	655,588
Less: Initial recognition of cash settled based payments converted to shares	(569,000)
Expenses arising from share-based payment transactions	86,588

Expenses arising from share-based payments

	2022 $	2021 $
Performance rights for executive staff	420,423	-
Performance rights for staff under a share incentive program	249,607	-
Options modified to performance rights	25,170	-
Other share-based payment transactions	86,588	5,486
	781,788	5,486

19. ISSUED CAPITAL

	Consolidated			
	2022 Shares	2021 Shares	2022 $	2021 $
Ordinary shares – fully paid	150,822,420	123,540,696	49,226,095	30,300,043

Movements in ordinary share capital

Details	Date	Shares*	Issue price $	Issued capital $
Balance as of 30 June 2020	30-Jun-20	223,205,108		16,159,312
Consolidation of shares in the ratio of 20:1	6-Oct-20	(221,544,800)	-	-
		11,660,308		16,159,312
Issue of shares to retail and institutional investors	19-Nov-20	42,400,000	0.25	10,600,000
Issue of shares to the original shareholders of Real Estate CRM Pty Ltd (refer to note 24)	19-Nov-20	64,900,048	0.04	2,915,077
Issue of shares to Key Management Personnel in consideration for services performed	19-Nov-20	2,344,064	0.21	498,996
Issue of shares for consideration of purchase of JMCG Pty Ltd (refer to Note 24)	8-Mar-21	1,623,774	0.37	600,000
Issue of shares for consideration of purchase of intangible assets from Harcourts International Ltd	6-Apr-21	612,502	0.49	300,000
Share issue transaction costs, net of tax		-	-	(773,342)
Balance as of 30 June 2021	30-Jun-2021	123,540,696		30,300,043
Issue of shares to retail and institutional investors	8-Jul-2021	18,179,278	0.72	13,089,080
Issue of non-renounceable rights to retail and institutional investors	22-Jul-21	3,357,386	0.72	2,417,315
Issue of shares for consideration of purchase of Eagle Software Pty Ltd (refer to Note 24)	23-Jul-21	4,508,104	0.75	3,393,750
Issue of shares to Key Management Personnel in consideration for services performed	23-Dec-21	797,826	0.53	422,848
Issue of shares to Key Management Personnel in consideration for services performed	23-Dec-21	439,130	0.53	232,740
Share transaction costs, net of taxes				(629,681)
Balance as of 30 June 2022	30-Jun-22	150,822,420		49,226,095

*Per AASB 3, the equity structure (i.e., the number of ordinary shares issued) reflects the equity structure of PTG (the accounting acquiree), including the shares issued by PTG to effect the reverse acquisition transaction. Per Note 24 for further details.

19. ISSUED CAPITAL (CONTINUED)

Ordinary shares

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

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

Share buy-back

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

Capital risk management

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

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

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

The capital risk management policy remains unchanged from prior year.

20. RESERVES

Share based payment reserve

The share-based payments reserve is used to recognise:

- the grant date fair value of options issued to employees but not exercised
- the grant date fair value of shares issued to employees
- the grant date fair value of deferred shares granted to employees but not yet vested

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.

	Consolidated	
	2022 $	2021 $
Share based payment reserve	700,686	5,486
Foreign currency translation reserve	(19,110)	8,938
	681,576	14,424

Movements in reserves

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

Consolidated	Foreign currency $	Share-based payment $	Total $
Balance at 1 July 2020	14,589	-	14,589
Exchange differences on translating the net assets of foreign operations, net of tax	(5,651)	-	(5,651)
Credit to equity for equity-settled share-based payments, net of deferred tax	-	5,486	5,486
Balance at 30 June 2021	8,938	5,486	14,424
Exchange differences on translating the net assets of foreign operations, net of tax	(28,048)	-	(28,048)
Credit to equity for equity-settled share-based payments, net of deferred tax	-	695,200	695,200
Balance at 30 June 2022	(19,110)	700,686	681,576

21. ACCUMULATED LOSSES

	Consolidated	
	2022 $	2021 $
Accumulated losses at the beginning of the financial year	(1,404,719)	(384,580)
Loss after income tax expense for the year	(2,624,939)	(1,020,139)
Accumulated losses at the end of the financial year	(4,029,658)	(1,404,719)

22. FINANCIAL INSTRUMENTS

Financial risk management objectives

The Consolidated entity's activities expose it to a variety of financial risks:

- market risk (including foreign currency risk, price risk and interest rate risk);
- credit risk; and
- liquidity risk

The Consolidated entity's overall risk management program focuses on managing these risks and implementing and monitoring of controls around the cash management function.

The board of directors has overall responsibility for the establishment and oversight of the risk management framework which is summarised below:

Market risk

Foreign currency risk

The Consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

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

The Consolidated entity exposure to currency risk was comprised as follows:

	Consolidated	
	2022 $	2021 $
Financial assets	1,411,493	1,228,922
Financial liabilities	(110,266)	(71,042)
Net exposure	1,301,227	1,157,880

Following analysis of historical data over the 6 months and expected currency rate movements for the year, together with consultation with the Board, the Consolidated entity considers the movements in the table below in Australia Dollars is considered reasonably possible for the reporting period. This analysis is performed on the same basis as prior year and is not guaranteed.

A strengthening/weakening of the AUD to the extent indicated against the currencies listed below at 30 June would have increased/(decreased) the net profit before income tax and the statement of financial position by the amounts shown below:

22. FINANCIAL INSTRUMENTS (CONTINUED)

Market risk (continued)

Foreign currency risk (continued)

Consolidated – 2022

	New Zealand Dollar	British Pound	Total
Rate change (Increases)	5%	5%	
Net exposure	1,251,238	49,989	1,301,227
Net loss before income tax	62,562	2,499	65,061
Statement of Financial Position	62,562	2,499	65,061
Rate change (Decreases)	5%	5%	
Net exposure	1,251,238	49,989	1,301,227
Net loss before income tax	(62,562)	(2,499)	(65,061)
Statement of Financial Position	(62,562)	(2,499)	(65,061)

As per AASB 9, the Company reviewed its foreign currency exposure rate and has adjusted the British Pound from 10% in financial year 2021 to 5% in financial year 2022 in line with the foreign exchange volatility over the past 12 months.

Consolidated – 2021

	New Zealand Dollar	British Pound	Total
Rate change (Increases)	5%	10%	
Net exposure	1,071,362	86,518	1,157,880
Net loss before income tax	53,568	8,652	62,220
Statement of Financial Position	53,568	8,652	62,220
Rate change (Decreases)	5%	10%	
Net exposure	1,071,362	86,518	1,157,880
Net loss before income tax	(53,568)	(8,652)	(62,220)
Statement of Financial Position	(53,568)	(8,652)	(62,220)

Price risk

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

Interest rate risk

The Consolidated entity holds its surplus cash in bank deposits with floating interest rates. The Consolidated entity analyses its interest rate exposure on an ongoing basis. Currently there are no assets or liabilities that are materially exposed to variations in interest rate changes.

22. FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date amounts to $16,082,784 (2021: $7,560,285) which relates to the carrying amount of financial assets (comprising Cash and cash equivalents, other financial assets at amortised cost, trade receivables net of allowance for expected credit losses), contract assets and security deposits as disclosed in the statement of financial position and Notes 7, 8, 9 and 10 to the financial statements. The Consolidated entity's cash at bank is deposited with Westpac Banking Corporation, Suncorp Bank, ASB Bank Limited, Australia and New Zealand Banking Group Limited (ANZ) ,National Australia Bank, Bank of New Zealand (BNZ) and Clydesdale bank UK.

Trade and other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Consolidated entity, and a failure to make contractual payments for a period of greater than 180 days past due. The Consolidated entity applies the AASB 9 *Financial Instruments* simplified approach' to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item. To measure the expected credit losses, trade and other receivables have been grouped based on the days past due.

The Consolidated entity holds material contracts with which, the material credit risk exposure is low as the nature of the business being core to the management and day to day operations of the customers' business, this creates a natural hedge. The expected loss rates for the Consolidated entity reflect current and forward-looking information mainly, changes in the macroeconomic environment which have placed significant downward pressure on all businesses in Australia and New Zealand. On that basis, the loss allowance as at 30 June 2022 has been calculated in Note 8 which contains the reconciliation of the opening and closing loss allowances.

Liquidity risk

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

Contractual maturities

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

22. FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk (continued)

Contractual maturities (continued)

Consolidated – 2022	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade and other payables		1,019,479	-	-	-	1,019,479
Vendor payables		8,690,472	-	-	-	8,690,472
Interest-bearing – fixed rate						
Lease liability	4.52	412,221	271,844	19,174	-	703,239
Total non-derivatives		10,122,172	271,844	19,174	-	10,413,190

Consolidated – 2021	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade and other payables		2,976,122	-	-	-	2,976,122
Vendor payables		3,375,000	675,000	-	-	4,050,000
Interest-bearing – fixed rate						
Lease liabilities	4.52	82,635	126,060	105,525	-	314,220
Total non-derivatives		6,433,757	801,060	105,525	-	7,340,342

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

Fair value of financial instruments

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

23. FAIR VALUE MEASUREMENT

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.

No financial assets or liabilities are readily traded on organised markets in standardised form.

24. BUSINESS COMBINATIONS

Business combinations in the financial year 2022

Eagle Software Pty Limited

On 1 July 2021, the Group acquired 100% of the ordinary shares of Eagle Software Pty Limited for a total consideration of $15,000,000, which consists of 2 tranches:

- Initial Consideration - $7,500,000 consisting of $4,106,250 paid in cash and $3,393,750 paid in PropTech Group shares at a 30-day trading VWAP from date of signing of the Share purchase agreement, less working capital adjustment paid to PropTech Group for the amount of $96,582; and
- Subsequent earn out – $7,500,000 to be issued in cash or shares at PropTech Group's discretion, provided specific hurdles are met, assessable on or about September 2022

Eagle is an innovative and modern real estate CRM, website and marketing solution provider focused on independent, boutique and small multi-office real estate agencies. Currently, it is used by more than 1,000 agency offices across Australia and New Zealand. The acquisition of Eagle advances PropTech Group's objective to own, operate and invest in high-quality property technology businesses that primarily focus on the Australian, New Zealand and United Kingdom residential and commercial real estate markets.

Fair value adjustments of the business combination accounting has been applied, which have an impact on the assets and liabilities, depreciation and amortisation, and income tax reported.

The acquired business contributed revenues of $4,533,420 and profit before tax of $547,634 to the consolidated entity for year ended 30 June 2022. The values identified in relation to the acquisition of Eagle are final as at 30 June 2022.

24. BUSINESS COMBINATIONS (CONTINUED)

Business combinations in the financial year 2022 (continued)

Eagle Software Pty Limited (continued)

Details of the acquisition are as follows:

	Eagle Software Pty Ltd Fair value $
Cash and cash equivalents	74,572
Trade and other receivables	90,976
Contract assets	7,500
Other current assets	51,239
Valuation of Software acquired	4,259,300
Valuation of Customer contracts acquired	2,374,900
Trade and other payables	(74,273)
Accrued expenses	(25,121)
Contract liabilities	(27,850)
Employee provisions	(105,123)
Income tax liabilities	(1,332)
Deferred tax liabilities	(593,725)
Net assets acquired	6,031,063
Goodwill	8,872,355
Acquisition-date fair value of the total consideration transferred	**14,903,418**
Representing:	
Cash paid or payable to the vendor	4,106,250
Equity of PropTech Group Limited (issued on 23 July 2021)	3,393,750
Contingent consideration payable	7,500,000
Add: Payment from vendor for working capital adjustment	(96,582)
	14,903,418
Acquisition costs expensed to profit or loss	88,751
Cash used to acquire business; net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	14,903,418
Less: Consideration provided in Equity of PropTech Group Limited	(3,393,750)
Less: Cash and cash equivalents acquired	(74,572)
Less: Deferred and contingent consideration payable	(7,500,000)
Net cash used as at 30 June 2022	3,935,096

24. BUSINESS COMBINATIONS (CONTINUED)

Business combinations during the previous year, finalised in the current year

PropTech Group Limited (reverse acquisition)

On 19 November 2020, PropTech Group Limited completed the acquisition of 100% of the ordinary shares in Real Estate CRM Pty Ltd ('RECRM') and its wholly owned subsidiaries ('Acquisition'). PropTech Group issued 64,900,048 shares to the former shareholders of RECRM which resulted in RECRM's former shareholders holding a majority share interest in PropTech Group Limited.

The Acquisition was accounted for using the principles for reverse acquisitions in AASB 3 *Business Combinations*, as a result of the Acquisition, the former shareholders of RECRM (the legal subsidiary entity) obtained accounting control of the Company (the legal Parent entity).

The deemed consideration transferred by RECRM under the principles of AASB 3 is $2,915,077.

The fair values of the identifiable net assets acquired in PropTech Group on reverse acquisition are as follows:

Assets	PropTech Group Fair value $	Measurement period adjustment Note (a) $	Post measurement Fair value $
Cash and cash equivalents	319,423	-	319,423
Trade and other receivables	6,654	-	6,654
Accrued income	314,375	-	314,375
Prepayments	97,294	-	97,294
Plant, and equipment	2,664	-	2,664
Intangible assets – Software	204,284	80,200	284,484
Trade and other payables	(2,096,601)	-	(2,096,601)
Employee benefit liabilities	(74,977)	-	(74,977)
Goodwill	4,141,961	(80,200)	4,061,761
Net assets acquired	**2,915,077**	-	**2,915,077**

JMCG Pty Limited (trading as "Website Blue") acquisition

On 6 March 2021, the Group acquired 100% of the ordinary shares of JMCG Pty Limited (trading as "Website Blue") for a total consideration of $1,500,000, which consists of 3 tranches:

- Initial Consideration - $750,000 consisting of $150,000 paid in cash and $600,000 paid in PropTech Group shares at a 30-day trading VWAP from date of signing of the Share purchase agreement, less working capital adjustment paid to PropTech Group for the amount of $68,633;
- First Year Earn Out – $375,000 to be issued in cash or shares at PropTech Group 's discretion, provided specific hurdles are met, assessable 12 months from the acquisition date.
- Second Year Earn Out – $375,000 to be issued in cash or shares at PropTech Group's discretion, provided specific hurdles are met, assessable 24 months from the acquisition date

Based in Brisbane, QLD, Website Blue offers real estate agencies a full-service web design package along with a product called 'Designly' which enables agencies to deploy and manage marketing assets and campaigns.

24. BUSINESS COMBINATIONS (CONTINUED)

Business combinations during the previous year, finalised in the current year

JMCG Pty Limited (trading as "Website Blue") acquisition

The Board believes this acquisition will provide synergies and strengthen the Group's current product offerings with the ability to leverage its current assets to excel the growth of the acquisition, along with the ability to extract synergies from a cost perspective.

Details of the acquisition are as follows:

	JMCG Pty Ltd Fair value $	Measurement period adjustment Note (a) $	Post measurement Fair value $
Cash and cash equivalents	22,221	-	22,221
Trade and other receivables	62,027	-	62,027
Other assets	17,806	-	17,806
Customer contracts	-	42,000	42,000
Internally developed software	-	123,400	123,400
Trade and other payables	(42,041)	-	(42,041)
Employee benefits	(15,111)	-	(15,111)
Deferred tax liability	-	(10,920)	(10,920)
Net assets acquired	**44,902**	**154,480**	**199,382**
Goodwill	1,386,465	(154,480)	1,231,985
Acquisition-date fair value of the total consideration transferred	**1,431,367**	-	**1,431,367**
Representing:			
Cash paid or payable to vendor	150,000	-	150,000
Equity of PropTech Group Limited issued	600,000	-	600,000
Contingent consideration payable[1]	750,000	-	750,000
Add: Payment from vendor for capital working adjustment	(68,633)	-	(68,633)
	1,431,367	-	**1,431,367**
Acquisition costs expensed to profit or loss	97,577	-	97,577
Cash used to acquire business; net of cash acquired:			
Acquisition-date fair value of the total consideration transferred	1,431,367	-	1,431,367
Less: Consideration provided in Equity of PropTech Group Limited	(600,000)	-	(600,000)
Less: Deferred and contingent consideration payable	(750,000)	-	(750,000)
Net cash used as at 30 June 2021	**81,367**	-	**81,367**

1. Deferred conditional consideration of $750,000 ("Conditional Consideration") split into two tranches of $375,000. Each payment conditional, which are to be distributed as follows:

- First Year Earn Out – $375,000 to be issued in cash or shares at PropTech Group's discretion, provided specific hurdles are met, assessable 12 months from the acquisition date, if shares are elected, they will be issued at a VWAP of 1 month; and
- Second Year Earn Out – $375,000 to be issued in cash or shares at PropTech Group's discretion, provided specific hurdles are met, assessable 24 months from the acquisition date, if shares are elected, they will be issued at a VWAP of 1 month

24. BUSINESS COMBINATIONS (CONTINUED)

24 (A) – MEASUREMENT PERIOD ADJUSTMENT

In accordance with AASB 3, pursuant to finalisation of reverse acquisition accounting of PropTech Group Limited and JMCG Pty Ltd in the current year, the Group has recognised adjustments to the provisional amounts as if the accounting for the business combination had been completed at the respective acquisition dates. Thus, the Group has revised comparative information for prior periods presented in financial statements as needed, including making changes to amortisation effects recognised in completing the initial accounting. The following table shows the changes made to revise the comparative financial information pursuant to measurement period adjustments:

The following considers the adjustment for the retrospective application of "AASB 136 (84) *Impairment of Assets*" which relates to the valuations of PropTech Group Limited (formerly known as Real Estate Investar Group Limited) and JMCG Pty Ltd ("Website Blue"):

Condensed consolidated statement of financial position	30 June 2021 Current comparatives $	30 June 2021 Reported in prior year $	Change $
Intangible assets			
Goodwill	20,835,885	21,070,565	(234,680)
Software	3,047,982	2,861,851	186,131
Customer contracts	5,511,054	5,470,833	40,221
Patents and trademarks	6,861	6,861	-
	29,401,782	29,410,110	(8,328)
Deferred tax liabilities	1,467,613	1,457,156	10,457
Reserves / (Accumulated losses)	(1,404,719)	(1,385,933)	(18,786)

The following considers the adjustment for the retrospective application of "AASB 136 (84) *Impairment of Assets*" which relates to the valuations of PropTech Group Limited (formerly known as Real Estate Investar Group Limited) and RECRM Pty Ltd.

Condensed consolidated statement of profit or loss and other comprehensive income	30 June 2021 Current comparatives $	30 June 2021 Reported in prior Year $	Change $
Depreciation and amortisation expense	(2,237,622)	(2,218,374)	(19,248)
Loss before income taxes	(859,914)	(840,666)	(19,248)
Income tax expense	(160,225)	(160,687)	462
Profit / (Loss) after income tax expense	(1,020,139)	(1,001,353)	(18,786)
Total comprehensive profit / (loss) for the period	(1,025,790)	(1,007,004)	(18,786)

25. CONTINGENT ASSETS AND LIABILITIES

The Consolidated entity had no contingent assets or contingent liabilities as at 30 June 2022 (2021: Nil).

26. RELATED PARTY TRANSACTIONS

Parent entity
PropTech Group Limited is the Parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 28.

Key management personnel
Key management personnel are identified as the following personnel:
- Board of Directors
- Chief Executive Officer
- Chief Financial Officer

Disclosures relating to key management personnel are set out in this note 26 and the remuneration report included in the directors' report.

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

KMP Compensation	Consolidated 2022 $	Consolidated 2021 $
Short-term employee benefits	916,667	1,162,333
Post-employment benefits	71,842	43,702
Share-based payments	527,297	5,486
	1,516,806	**1,211,521**

This includes one Key Management Personnel who came on board 19th November 2020 as part of the reverse acquisition transaction (refer note 24).

Balances owing to/from Key Management Personnel
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated 2022 $	Consolidated 2021 $
Current payables:		
Short-term employee benefits payable	16,250	569,000
Trade payables for consulting and corporate services	-	17,500
	16,250	**586,500**

Current payables due to directors are for director fees owing and are paid on normal commercial terms. All are non-interest bearing and unsecured.

26. RELATED PARTY TRANSACTIONS (CONTINUED)

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated	
	2022 $	2021 $
Payment for goods and services:		
Consulting and corporate services fee expenses	-	225,628[1]
Sales Director fees	-	83,234[2]
	-	308,862

1. These services were provided by the executive and senior team of Real Estate Investar Group Limited, pre-19 November 2020.
2. On 27 August 2020 RECRM entered into an agreement with Global Online Classifieds Pty Ltd (Simon Baker is a majority shareholder and director), for the services of James Gray to act as Head of Sales for RECRM , this agreement ceased on 4 June 2021.

Receivable from and payable to related parties
As at 30 June 2022 (2021: Nil) there were no Receivable from and payable to related parties, except what is disclosed in Balances owing to/from Key Management Personnel**.**

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

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

27. 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 $	2021 $
(Loss) after income tax	(2,064,226)	(1,079,118)
Total comprehensive loss	(2,064,226)	(1,079,118)

Statement of financial position

	Parent	
	2022 $	2021 $
Total current assets	6,521,975	2,154,798
Total assets	62,550,940	37,098,738
Total current liabilities	9,857,242	1,670,703
Total liabilities	9,940,880	2,045,703
Equity		
Issued capital	60,218,872	41,292,821
Reserves	1,092,510	397,310
Retained profits / (accumulated loss)	(8,701,322)	(6,637,096)
Total equity	52,610,060	35,053,035

Contingent liabilities
The Parent entity had no contingent liabilities as at 30 June 2022 (2021: nil).

Capital commitments - Property, plant and equipment
The Parent entity had no capital commitments for property, plant and equipment as at 30 June 2022 (2021: nil).

Significant accounting policies
The accounting policies of the Parent entity are consistent with those of the Consolidated entity, as disclosed in note 1, except the investments in subsidiaries are accounted for at cost, less any impairment, in the Parent entity.

28. INTERESTS IN SUBSIDIARIES

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

Name	Principal place of business / Country of incorporation	Ownership interest 2022 %	Ownership interest 2021 %
Real Estate CRM Pty Ltd	Australia	100.00	100.00
Commerce Australia Pty Ltd^	Australia	100.00	100.00
Vault Group Pty Limited^	Australia	100.00	100.00
Vaultrealestate Pty Ltd*	Australia	100.00	100.00
Clientvault Pty Ltd*	Australia	100.00	100.00
Rentfind Technologies Pty Ltd*	Australia	100.00	100.00
Rentfind.com.au Pty Ltd*	Australia	100.00	100.00
Clientvault UK Pty Ltd*	United Kingdom	100.00	100.00
Complete RE Solutions Pty Ltd*	Australia	100.00	100.00
Real Estate Investar Australia Pty Ltd	Australia	100.00	100.00
Real Estate Investar Accounting Services Pty Ltd	Australia	100.00	100.00
Property Investor Developments Pty Ltd	Australia	100.00	100.00
Real Estate Investar Ltd	New Zealand	100.00	100.00
JMCG Pty Ltd (Trading as "Website Blue")	Australia	100.00	100.00
Eagle Software Pty Ltd	Australia	100.00	0.00
PropTech Group Ventures Pty Ltd	Australia	100.00	0.00

* Subsidiaries of Vault Group Pty Limited
^Subsidiaries of Real Estate CRM Pty Limited

29. INVESTMENT IN ASSOCIATES

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

	Reporting entities percentage holding		Losses from associates under equity method	
Name of associate	2022 %	2021 %	2022 $	2021 $
RealPay Holdings Pty Ltd (t/a "Rello")	20	-	(158,000)	-
			(158,000)	-

In November 2021 the Group received shares in RealPay Holdings Pty Ltd ("Rello") which amounted to a 20% interest in the company. Rello is a Company incorporated in Australia and engaged to create the leading Marketplace for real estate related payments for businesses and consumers (owners and tenants).

As at 30 June 2022 recognition of the investment in the associate under equity method accounting was $250,000. During the period for the financial year ended 30 June 2022 there was a share of losses in the associate to the value of $158,000 resulting in a value of $92,000 for the investment in associate as at 30 June 2022.

30. EVENTS SUBSEQUENT TO THE REPORTING PERIOD

Macroeconomic factors affecting the economy

The advent of the Russia-Ukraine war and floods and extreme rain events in Eastern Australia have come as the global community moves toward 'living with' the COVID-19 pandemic in the context of growing inflationary pressure and supply chain constraints. Judgement has been exercised in considering the impact that these macroeconomic factors are having, has had, or may have had, on the Consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Consolidated entity unfavourably as at the reporting date or subsequently as a result of these macroeconomic factors.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Consolidated entity's operations, the results of those operations, or the Consolidated entity's state of affairs in future financial years.

31. REMUNERATION OF AUDITORS

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the company, its network firms and unrelated firms:

	Consolidated 2022 $	Consolidated 2021 $
Audit services – RSM Australia Partners		
Audit of the Annual Report and review of the Half year Report	88,700	74,300
Audit and review of the financial statements –subsidiaries and acquisitions	-	67,185
Other services – RSM Australia Partners		
Investigating Accountants Report – Prospectus	-	32,750
Tax consolidation work	30,000	-
Other tax advisory	49,000	-
	167,700	174,235

32. RECONCILIATION OF PROFIT/ (LOSS) AFTER INCOME TAX TO NET CASH FROM OPERATING ACTIVITIES

	Consolidated 2022 $	Consolidated 2021 $
(Loss) after income tax expense for the year	(2,624,939)	(1,020,139)
Adjustments for:		
Depreciation and amortisation	3,408,489	2,237,622
Issue of shares in consideration for corporate and consultancy charges	-	498,996
Unrealised exchange losses	104,063	16,410
Bad debts and allowance for expected credit losses	18,033	(6,119)
Share-based payments	781,788	5,486
Share of losses of associates accounted for using the equity method	158,000	-
Other non-cash expenses	113,042	(462)
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(440,728)	(283,570)
Decrease/(increase) in contract assets	(264,910)	217,621
Increase in prepayments	(126,896)	(118,427)
Increase in deferred tax assets	152,041	183,804
Increase/(decrease) in trade and other payables	1,000,333	(319,480)
Increase in contract liabilities	312,365	76,127
Increase in employee benefits	295,439	156,953
Increase/(decrease) in provision for income tax	141,114	(283,350)
Increase/(decrease) in deferred tax liabilities	(136,337)	(225,638)
Net cash from operating activities	2,890,897	1,135,834

33. NON-CASH INVESTING AND FINANCING ACTIVITIES

	Consolidated	
	2022 $	2021 $
Additions to the right-of-use assets	598,697	302,841
Shares issued in consideration of reverse acquisition	-	2,915,077
Shares issued in consideration for acquisition of business / assets	3,393,750	900,000
	3,992,447	4,117,918

34. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Consolidated	Lease Liability $
Balance at 1 July 2020	-
Acquisition of building leases	302,841
Net cash from/(used in) financing activities	(9,313)
Balance at 30 June 2021	293,528
Acquisition of building leases	574,163
Revaluation increments	37,615
Net cash from/(used in) financing activities	(212,424)
Balance at 30 June 2022	692,882

35. EARNINGS PER SHARE

	Consolidated	
	2022 $	2021 $
Loss after income tax	(2,624,939)	(1,020,139)
Loss after income tax attributable to the owners of PropTech Group Limited	(2,624,939)	(1,020,139)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	149,411,965	100,171,250
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares and performance rights	1,025,734	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	152,408,109	100,171,250

	Cents	Cents
Basic loss per share	(1.76)	(1.00)
Diluted loss per share	(1.76)	(1.00)

Note: Potential shares comprising options over ordinary shares and performance rights have not been considered in the calculation of weighted average number of ordinary shares for diluted earnings per share as they are anti-dilutive in nature.

As required by AASB 133, the weighted average number of ordinary shares outstanding during the current and previous period has been adjusted for consolidation of ordinary shares as if the event had occurred at the beginning of the previous period.

Director's Declaration

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

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

On behalf of the directors

Simon Baker
Chairman

29 August 2022

RSM Australia Partners

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INDEPENDENT AUDITOR'S REPORT

To the Members of PropTech Group Limited

Opinion

We have audited the financial report of PropTech Group Limited ('the Company') and its subsidiaries (together 'the Group'), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

(i) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We 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 of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters (continued)

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed this matter</th></tr>
<tr><td colspan="2">Valuation of Goodwill, including impairment assessment
Refer to Note 12 in the financial statements</td></tr>
<tr><td>As at 30 June 2022, the Group has goodwill with a carrying amount of $30 million (approx. 48% of the total assets of the Group) relating to the business acquisitions conducted in the current and previous financial periods.

As required by AASB 136 Impairment of Assets, ("AASB 136") management performed an impairment testing over the goodwill balance as at 30 June 2022 by:

• calculating the recoverable amount of each identified cash generating units ("CGU") using a discounted cash flow model. This model used cash flow projections for the CGUs for 5 years, with a terminal growth rate applied to the 5th year.

• Discounting the cash flow projections to their net present value using the Group's weighted average cost of capital ("WACC"); and

• comparing the resulting value in use of each CGU to its carrying amount.

Management identified there are two CGUs for the purpose of testing goodwill impairment. As a result of this testing, no impairment of goodwill was determined as at 30 June 2022. In addition, management performed a sensitivity analysis over the value in use calculations, by varying the assumptions used to assess the impact on the valuations.

We assessed the impairment testing of goodwill to be a Key Audit Matter due to the materiality of the goodwill balance. Also, because the impairment testing involves significant level of judgements and estimations such as the determination of the existing CGUs, the estimation of future underlying cash flows of the business, including the growth rates for the CGUs and the discount rates applied to the estimated cash flows.</td><td>Our audit procedures in relation to the impairment testing of goodwill included:

• Assessing management's determination that goodwill should be allocated to two CGUs;

• Assessing and challenging the reasonableness of key assumptions used in the discounted cash flow model, including the cash flow projections, future growth rates, discount rate applied and the terminal value.

• Reviewing the consistencies of the key assumptions adopted across the model;

• Verifying the mathematical accuracy of the cash flow model and reconciling input data to supporting evidence, such as approved budgets;

• Reviewing management's sensitivity analysis over the key assumptions in the model and assessing the reasonableness of the changes in key assumptions used in the analysis to determine when those changes would cause an impairment to be recognised; and

• Reviewing the disclosures in Note 12 to the financial statements to assess the appropriateness, completeness and compliance with the disclosure requirements of AASB 136 and AASB 138 Intangible assets.

Our audit work conducted on this matter involved the assistance of our Corporate Finance team.</td></tr>
</table>

Key Audit Matters (continued)

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed this matter</th></tr>
<tr><td colspan="2">Accounting for Business Combinations
Refer to Note 24 in the financial statements</td></tr>
<tr><td>During the year the Group completed the acquisition of 100% of the ordinary shares of Eagle Software Pty Ltd ("Eagle"). The total consideration for this acquisition is $15,000,000 in being settle by a combination of cash and equity interests of the Company.

In addition, in accordance with AASB 3, the Group finalised the acquisition accounting of two significant business combinations occurred in the prior year, which resulted in the recognition of identifiable intangible assets in the measurement period.

The accounting of business combination was considered a Key Audit Matter as the accounting for the transactions is complex and involves significant judgements in applying the accounting standards. These matters include the identification of the acquirer, recognition and valuation of consideration paid and payable, the determination of the fair value of the assets acquired and liabilities assumed, and the identification and valuation of intangible assets not previously recognised by the business acquired.</td><td>Our audit procedures included, among others:
Obtaining the purchase agreements, shareholder agreements and other associated documents to understand the key terms and conditions;
Assessing whether the transactions had been accounted for in compliance with AASB 3, including reviewing management’s process for identification of the acquirer, calculation of purchase consideration, acquisition date. This include reviewing management’s for the identification and completeness of assets acquired and liabilities, as well as for the determination of fair value of these and having regard to the identified and the resultant goodwill;
Corroborating the cash consideration paid, as well as the appropriate of the valuation of share-based consideration paid; and
Reviewing the adequacy of the disclosures in the financial statement against the requirements of AASB 3.</td></tr>
</table>

Key Audit Matters (continued)

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed this matter</th></tr>
<tr><td colspan="2">Recognition of Revenue
Refer to Note 4 in the financial statements</td></tr>
<tr><td>The Group’s revenue from operations for the year ended 30 June 2022 amounted to $19.9 million.

Revenue was considered a Key Audit Matter because it is the most significant account balance in the consolidated statement of profit or loss, and it was considered to have an increased inherent risk due to the different revenue streams earned by the Group.

The Group’s revenue is earned from the following major sources:
• Subscription revenues;
• Support products offered as part of the subscription; and
• Professional services.

Revenue recognition can be impacted by a failure to correctly identify the performance obligations, revenue in accordance with applicable accounting standards and/or by incorrectly determining the point when the performance obligation is satisfied in a manner that depicts the transfer to the customer of the services promised.</td><td>Our audit procedures in relation to revenue recognition included:
• Assessing whether the Group’s revenue recognition policies were in compliance with the requirements of AASB 15 Revenues from Contracts with Customers;
• Evaluating and testing the operating effectiveness of key controls related to revenue recognition;
• Reviewing any large or unusual transactions close to the end of the financial year;
• Performing cut-off testing over transactions recorded either side of the period end, to ensure that revenues were recorded in the appropriate period;
• Conducting a combination of tests of controls, substantive analytical procedures and tests of details in respect of revenue related transactions; and
• Reviewing the disclosures in the financial statements to corroborate where appropriate and in accordance with AASB 15 .</td></tr>
</table>

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 the auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of PropTech Group 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.

RSM

RSM AUSTRALIA PARTNERS

R J MORILLO MALDONADO
Partner

Melbourne, Victoria
Dated: 29 August 2022

Additional Shareholders Information

In accordance with ASX Listing Rule 4.10, the Company provides the following information to shareholders not elsewhere disclosed in this Annual Report. All information provided below is current as at 29 July 2022 unless otherwise stated.

Corporate Governance

The Company's corporate governance statement is available on the Company's website:

https://proptechgroup.io/investors/

Classes of equity securities on issue

Equity security class	Number of holders
Ordinary shares	1,159
Unlisted options over ordinary shares (Options)	3
Unlisted options over ordinary shares (Rights)	2

VOTING RIGHTS ATTACHED TO EACH CLASS OF EQUITY SECURITY

At a general meeting of the Company, every shareholder present in person or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each share held. If the votes are equal on a proposed resolution, the chairperson of the meeting has a casting vote, in addition to any deliberative vote.

Each shareholder is entitled to receive notice of, attend and vote at general meetings of the Company and to receive all notices, accounts and other documents required to be sent to shareholders under the constitution, *Corporations Act* and listing rules. The Company must give at least 28 days' written notice of a general meeting.

Options holders do not have voting rights.

DISTRIBUTION SCHEDULE IN EACH CLASS OF EQUITY SECURITIES

Class of Security – Ordinary Shares

150,822,420 fully paid ordinary shares are held by 1,159 individual shareholders. All issued ordinary shares carry one vote per share and carry the rights to dividends.

Spread of holdings	Holders	Ordinary shares	% of Issued ordinary shares
1–1,000	145	75,846	0.05%
1,001–5,000	301	864,815	0.57%
5,001–10,000	141	1,091,551	0.73%
10,001–100,000	434	15,536,725	10.30%
100,001 and over	138	133,253,483	88.35%
Total	1,159	150,822,420	100.00%

Class of Security – Unlisted options over ordinary shares (Options)

Spread of holdings	Holders	Options	% of Issued options
1–1,000	-	-	0%
1,001–5,000	-	-	0%
5,001–10,000	-	-	0%
10,001–100,000	-	-	0%
100,001 and over	3	600,000	100.00%
Total	3	600,000	100.00%

Class of Security – Unlisted options over ordinary shares (Rights)

Spread of holdings	Holders	Rights	% of Issued options
1–1,000	-	-	0%
1,001–5,000	-	-	0%
5,001–10,000	-	-	0%
10,001–100,000	-	-	0%
100,001 and over	2	1,754,702	100.00%
Total	2	1,754,702	100.00%

SUBSTANTIAL SHAREHOLDERS

Substantial holders in the Company are set out below:

Shareholder	Ordinary shares held	% of Issued ordinary shares
SIMON BAKER	11,373,174	7.54%
PROPPLAT PTY LTD	9,942,569	6.59%
SONGPAN INVESTMENTS PTY LTD	7,900,000	5.24%

TOP 20 SHAREHOLDERS

The 20 largest holders of ordinary shares and the number of ordinary shares and the percentage of capital held by each are as follows:

Shareholder*	Ordinary shares held	% of Issued ordinary shares
PROPPLAT PTY LTD	9,529,069	6.32%
SONGPAN INVESTMENTS PTY LTD	7,900,000	5.24%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,673,173	5.09%
HB SUPER HOLDINGS PTY LTD	6,700,116	4.44%
REAL ESTATE INSTITUTE OF WESTERN AUSTRALIA	5,583,350	3.70%
LAWSON MACNEE PTY LTD	4,999,928	3.32%
MR DAVID LANGLEY JAMES	4,866,088	3.23%
A & N CAMPBELL PTY LTD	4,866,088	3.23%
MR SCOTT WULFF	4,645,148	3.08%
MR MATTHEW JOHN HEALY	4,559,508	3.02%
SAM PLOWMAN	3,860,001	2.56%
J P MORGAN NOMINEES AUSTRALIA PTY LTD	3,219,579	2.13%
ATHERLEY INVESTMENTS PTY LTD	3,207,623	2.13%
H&G HIGH CONVICTION LIMITED	3,111,569	2.06%
PAVERD HOLDINGS PTY LTD	2,515,572	1.67%
IRIS FUNDS PTY LTD	2,500,400	1.66%
MR CAREY STEWART SMITH	2,361,329	1.57%
CS FOURTH NOMINEES PTY LIMITED	2,143,629	1.42%
ATHERLEY INVESTMENTS PTY LTD	2,120,624	1.41%
MR ANTHONY JOHN SHIELDS	1,700,000	1.13%
Total	88,062,794	58.39%

* The shareholders listed are those on our share register and do not, in all cases reflect the underlying beneficial holders.

STATEMENT REGARDING USE OF CASH AND ASSETS

From the time of the Company's admission to the ASX until 30 June 2022, the Company has used the cash and assets in a form readily convertible to cash, that it had at the time of admission, in a way that is consistent with its business objectives at that time.

UNMARKETABLE PARCELS

The number of holders holding less than a marketable parcel of the Company's main class of securities (fully paid ordinary shares) based on the closing market price as at 29 July 2022.

	Holders	Unmarketable units
Minimum $500.00 parcel at $0.265 per share	229	199,606

NUMBER AND CLASS OF RESTRICTED SECURITIES OR SECURITIES SUBJECT TO VOLUNTARY ESCROW

Class of restricted securities	Type of restriction	Number of securities	End date of escrow period
Fully paid ordinary shares	ASX escrowed 12 months, plus an additional 12-months voluntary escrow	19,449,540	24/11/2022
Fully paid ordinary shares	ASX Escrowed 24 months	16,788,288	24/11/2022
Fully paid ordinary shares	Voluntary 24 months	4,508,104	22/07/2023

UNQUOTED EQUITY SECURITIES

	Units
Director – 30c options vested 29-Nov-18, expiring 30-Nov-23	200,000
Director – 24c options vesting 29-Jan-21, expiring 27-Jan-23	200,000
KMP – 30c options vested 31-Jan-19, expiring 30-Jan-23	200.000
Unvested rights	1,754,702
Total	2,354,702

PROPTECH GROUP
ASX:PTG

PropTech Group Limited
(ASX: PTG)
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