

1. Company details

Name of entity:	Applyflow Limited
ABN:	29 107 371 497
Reporting period:	For the half-year ended 31 December 2020
Previous period:	For the half-year ended 31 December 2019

2. Results for announcement to the market

Revenues from ordinary activities	up from	\$673	to	\$1,378,881
				\$
Loss from ordinary activities after tax attributable to the owners of Applyflow Limited	up	14%	to	(1,424,289)
Loss for the half-year attributable to the owners of Applyflow Limited	up	14%	to	(1,424,289)

Dividends

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

Comments

The loss for the consolidated entity after providing for income tax amounted to \$1,424,289 (31 December 2019: \$1,246,764).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>0.13</u>	<u>0.25</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

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

Previous period

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

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

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

All foreign entities comply with Australian accounting standards.

10. Audit qualification or review

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

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

11. Attachments

Details of attachments (if any):

The Interim Report of Applyflow Limited for the half-year ended 31 December 2020 is attached.

12. Signed



Signed _____

Date: 25 February 2021

John Winters
Non-Executive Director

Applyflow Limited

(Formerly known as Nvoi Ltd)

ABN 29 107 371 497

Interim Report - 31 December 2020

Directors	John Winters Steven Papadopoulos Philip Crutchfield
Company secretary	David Franks
Registered office	Level 5, 126 Phillip Street Sydney NSW 2000
Principal place of business	Level 7, 82-88 Elizabeth Street Sydney NSW 2000
Share register	Automic Pty Ltd Level 5, 126 Phillip Street Sydney NSW 2000
Auditor	Stantons International 6 Middlemiss Street Lavender Bay NSW 2060
Solicitors	Milcor Legal Level 1, 6 Thelma Street West Perth WA 6005
Bankers	National Australia Bank 105 Miller Street North Sydney NSW 2060
Stock exchange listing	Applyflow Limited shares are listed on the Australian Securities Exchange (ASX code: AFW)
Website	www.applyflow.com
Corporate Governance Statement	The company's Corporate Governance Statement can be found on the company's website: https://investors.applyflow.com/investor/corporate-governance/

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Applyflow Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2020.

Directors

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

John Winters	Non-Executive Director (formerly Executive Director up to 31 July 2020)
Steven Papadopoulos	Non-Executive Director
Philip Crutchfield	Non-Executive Director and Chairman

Principal activities

During the financial half-year the principal activities of the consolidated entity consisted of the continued development of a single cloud-based software-as-a-service solution platform focusing on broader human resource management with an enhanced single offering to the recruitment market.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$1,424,289 (31 December 2019: \$1,246,764).

Board and Management

On 31 July 2020, the role of John Winters as executive director of the company changed to that of non-executive director. On 26 August 2020, Raife Watson stood down as chief executive officer of the consolidated entity with immediate effect and Steve Butler was appointed as chief executive officer on that date.

Name change, new branding and ASX ticker

In November 2020, the company changed its name to 'Applyflow Limited' and ASX ticked changed to 'AFW'

New contracts

Two of the largest recruitment agencies in the world, Adecco and PERSOLKELLY, signed agreements with the company to power their recruitment websites and job board in multiple regions.

New platform launch

In December 2020, the company launched a new Applyflow platform expanding the company's offering. A growing list of significant enterprise recruitment agencies and SMBs went live on the new platform.

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Auditor's independence declaration

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

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

On behalf of the directors

A handwritten signature in black ink, appearing to be 'John Winters', written in a cursive style.

John Winters
Non-Executive Director

25 February 2021

25 February 2021

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

Dear Directors

RE: APPLYFLOW LIMITED

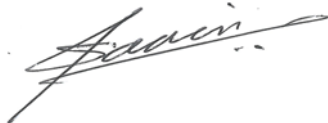
In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Applyflow Limited.

As Audit Director for the review of the financial statements of Applyflow Limited for the six months ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

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



Samir Tirodkar
Director

Statement of profit or loss and other comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10
Directors' declaration	24
Independent auditor's review report to the members of Applyflow Limited	25

General information

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

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

Registered office

Level 5
126 Phillip Street
Sydney NSW 2000

Principal place of business

Level 7
82-88 Elizabeth Street
Sydney NSW 2000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 25 February 2021. The directors have the power to amend and reissue the financial statements.

Applyflow Limited
(Formerly known as Nvoi Ltd)
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2020



	Note	Consolidated 31 Dec 2020 \$	31 Dec 2019 \$
Revenue	3	1,378,881	673
Other income	4	60,930	44,299
Expenses			
Administration costs	5	(1,110,539)	(286,011)
Employee benefits expense		(1,705,751)	(315,682)
Amortisation expense		(145,051)	-
Depreciation expense		(756)	(1,978)
Share-based payment (expense) / write-back	17	313,357	(543,354)
Sales and marketing expense		(125,826)	(3,055)
Occupancy costs		(44,794)	(30,000)
Travel costs		(7,463)	(75,366)
Development fee to related party		-	(36,290)
Loss before income tax expense		(1,387,012)	(1,246,764)
Income tax expense		(37,277)	-
Loss after income tax expense for the half-year attributable to the owners of Applyflow Limited		(1,424,289)	(1,246,764)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		4,774	-
Other comprehensive income for the half-year, net of tax		4,774	-
Total comprehensive loss for the half-year attributable to the owners of Applyflow Limited		<u>(1,419,515)</u>	<u>(1,246,764)</u>
		Cents	Cents
Basic loss per share	22	(0.08)	(0.11)
Diluted loss per share	22	(0.08)	(0.11)

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

Applyflow Limited
(Formerly known as Nvoi Ltd)
Statement of financial position
As at 31 December 2020



	Note	Consolidated 31 Dec 2020 \$	30 Jun 2020 \$
Assets			
Current assets			
Cash and cash equivalents	6	3,297,354	5,240,999
Trade and other receivables	7	176,479	415,460
Other	8	135,192	208,040
Total current assets		<u>3,609,025</u>	<u>5,864,499</u>
Non-current assets			
Property, plant and equipment		1,310	4,566
Intangibles	9	1,209,969	780,020
Total non-current assets		<u>1,211,279</u>	<u>784,586</u>
Total assets		<u>4,820,304</u>	<u>6,649,085</u>
Liabilities			
Current liabilities			
Trade and other payables	10	410,026	616,753
Contract liabilities	11	369,896	366,419
Income tax		35,053	-
Employee benefits		265,724	277,502
Other	12	-	25,000
Total current liabilities		<u>1,080,699</u>	<u>1,285,674</u>
Non-current liabilities			
Contract liabilities	13	71,911	-
Employee benefits		30,198	21,041
Total non-current liabilities		<u>102,109</u>	<u>21,041</u>
Total liabilities		<u>1,182,808</u>	<u>1,306,715</u>
Net assets		<u>3,637,496</u>	<u>5,342,370</u>
Equity			
Issued capital	14	24,053,759	23,975,761
Reserves	15	760,473	1,119,056
Accumulated losses		<u>(21,176,736)</u>	<u>(19,752,447)</u>
Total equity		<u>3,637,496</u>	<u>5,342,370</u>

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

Applyflow Limited
(Formerly known as Nvoi Ltd)
Statement of changes in equity
For the half-year ended 31 December 2020



Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2019	17,685,630	198,091	(16,241,555)	1,642,166
Loss after income tax expense for the half-year	-	-	(1,246,764)	(1,246,764)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	(1,246,764)	(1,246,764)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	4,511,043	-	-	4,511,043
Share-based payments (note 23)	-	543,354	-	543,354
Balance at 31 December 2019	<u>22,196,673</u>	<u>741,445</u>	<u>(17,488,319)</u>	<u>5,449,799</u>
Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2020	23,975,761	1,119,056	(19,752,447)	5,342,370
Loss after income tax expense for the half-year	-	-	(1,424,289)	(1,424,289)
Other comprehensive income for the half-year, net of tax	-	4,774	-	4,774
Total comprehensive income/(loss) for the half-year	-	4,774	(1,424,289)	(1,419,515)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 14)	27,998	-	-	27,998
Share-based payments (note 23)	50,000	(363,357)	-	(313,357)
Balance at 31 December 2020	<u>24,053,759</u>	<u>760,473</u>	<u>(21,176,736)</u>	<u>3,637,496</u>

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

Applyflow Limited
(Formerly known as Nvoi Ltd)
Statement of cash flows
For the half-year ended 31 December 2020



	Note	Consolidated	Consolidated
		31 Dec 2020	31 Dec 2019
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST and VAT)		1,759,206	29,588
Payments to suppliers and employees (inclusive of GST and VAT)		<u>(3,191,028)</u>	<u>(751,692)</u>
		(1,431,822)	(722,104)
Interest received		7,925	7,685
COVID-19 cash flow boost		<u>53,869</u>	<u>-</u>
Net cash (used in) operating activities	21	<u>(1,370,028)</u>	<u>(714,419)</u>
Cash flows from investing activities			
Payment for purchase of subsidiary, net of cash acquired	12	(25,000)	-
Payments for property, plant and equipment		(2,937)	(1,846)
Payments for intangibles	9	(575,000)	-
Payments for security deposits		(18,769)	-
Proceeds from release of security deposits		<u>15,306</u>	<u>8,771</u>
Net cash (used in)/from investing activities		<u>(606,400)</u>	<u>6,925</u>
Cash flows from financing activities			
Proceeds from issue of shares	14	29,920	4,612,500
Share issue transaction costs	14	<u>(1,922)</u>	<u>(101,457)</u>
Net cash from financing activities		<u>27,998</u>	<u>4,511,043</u>
Net increase/(decrease) in cash and cash equivalents		(1,948,430)	3,803,549
Cash and cash equivalents at the beginning of the financial half-year		5,240,999	1,555,663
Effects of exchange rate changes on cash and cash equivalents		<u>4,785</u>	<u>-</u>
Cash and cash equivalents at the end of the financial half-year		<u><u>3,297,354</u></u>	<u><u>5,359,212</u></u>

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

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

New or amended Accounting Standards and Interpretations adopted

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

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

Going concern

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

The consolidated entity has incurred net losses after tax of \$1,424,289 (2019: \$1,246,764) and net cash outflows from operations of \$1,370,028 (2019: \$714,419) for the half-year ended 31 December 2020. Net tangible assets as at 31 December 2020 is \$2,427,527 (30 June 2020 \$4,562,350).

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

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

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

Note 2. Operating segments

Identification of reportable operating segments

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

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

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

Note 2. Operating segments (continued)

Operating segment information

	APAC	EMEA	AMERICAS	Total
	\$	\$	\$	\$
Consolidated - 31 Dec 2020				
Revenue				
Sales to external customers	977,601	228,249	173,031	1,378,881
Total revenue	977,601	228,249	173,031	1,378,881
EBITDA				
Depreciation and amortisation	(1,396,668)	9,305	139,594	(1,247,769)
Interest revenue	(145,616)	(191)	-	(145,807)
	6,564	-	-	6,564
Profit/(loss) before income tax expense	(1,535,720)	9,114	139,594	(1,387,012)
Income tax expense				(37,277)
Loss after income tax expense				(1,424,289)
Consolidated - 31 Dec 2019				
Revenue				
Sales to external customers	673	-	-	673
Total revenue	673	-	-	673
EBITDA				
Depreciation and amortisation	(1,252,471)	-	-	(1,252,471)
Interest revenue	(1,978)	-	-	(1,978)
	7,685	-	-	7,685
Loss before income tax expense	(1,246,764)	-	-	(1,246,764)
Income tax expense				-
Loss after income tax expense				(1,246,764)

Note 3. Revenue

	Consolidated	
	31 Dec 2020	31 Dec 2019
	\$	\$
<i>Revenue from contracts with customers</i>		
SaaS revenue	1,208,601	673
Other revenue	170,280	-
Revenue	1,378,881	673

Note 3. Revenue (continued)

Disaggregation of revenue

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

	Consolidated	
	31 Dec 2020	31 Dec 2019
	\$	\$
<i>Geographical regions</i>		
APAC	977,601	673
EMEA	228,249	-
AMERICAS	173,031	-
	<u>1,378,881</u>	<u>673</u>
<i>Timing of revenue recognition</i>		
Services transferred over time	<u>1,378,881</u>	<u>673</u>

Note 4. Other income

	Consolidated	
	31 Dec 2020	31 Dec 2019
	\$	\$
R&D tax incentive grant	-	36,543
COVID-19 cash flow boost	53,869	-
Interest income	6,564	7,685
Other income	497	71
	<u>60,930</u>	<u>44,299</u>

Note 5. Administration costs

	Consolidated	
	31 Dec 2020	31 Dec 2019
	\$	\$
Legal and due diligence expenses	39,062	28,133
Subscriptions	151,037	8,860
IT infrastructure	259,871	-
Administration expenses	660,569	249,018
	<u>1,110,539</u>	<u>286,011</u>

Note 6. Current assets - cash and cash equivalents

	Consolidated	
	31 Dec 2020	30 Jun 2020
	\$	\$
Cash at bank	1,289,040	2,234,917
Cash on deposit	2,008,314	3,006,082
	<u>3,297,354</u>	<u>5,240,999</u>

Note 7. Current assets - trade and other receivables

	Consolidated	
	31 Dec 2020	30 Jun 2020
	\$	\$
Trade receivables	200,180	372,838
Less: Allowance for expected credit losses	<u>(84,043)</u>	<u>(157,728)</u>
	<u>116,137</u>	<u>215,110</u>
Customer deposits receivable from JXT administrator	20,720	132,762
Customer deposits receivable from online payment systems	1	896
GST receivable	38,464	56,838
Other receivables	758	8,094
Interest receivable	<u>399</u>	<u>1,760</u>
	<u>176,479</u>	<u>415,460</u>

Allowance for expected credit losses

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

Consolidated	Carrying amount		Allowance for expected credit losses	
	31 Dec 2020	30 Jun 2020	31 Dec 2020	30 Jun 2020
	\$	\$	\$	\$
0 to 1 months overdue	114,605	180,197	-	-
1 to 2 months overdue	10,295	34,909	-	-
2 to 3 months overdue	13,775	22,053	-	-
Over 3 months overdue	61,505	135,679	-	-
Allowance for expected credit losses	<u>-</u>	<u>-</u>	<u>84,043</u>	<u>157,728</u>
	<u>200,180</u>	<u>372,838</u>	<u>84,043</u>	<u>157,728</u>

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

	Consolidated	
	31 Dec 2020	30 Jun 2020
	\$	\$
Opening balance	157,728	-
Additions through business combinations	-	157,728
Receivables written off during the year as uncollectable	<u>(73,685)</u>	<u>-</u>
Closing balance	<u>84,043</u>	<u>157,728</u>

Note 8. Current assets - other

	Consolidated	
	31 Dec 2020	30 Jun 2020
	\$	\$
Prepayments	116,423	192,734
Security deposits	<u>18,769</u>	<u>15,306</u>
	<u>135,192</u>	<u>208,040</u>

Note 9. Non-current assets - intangibles

	Consolidated	
	31 Dec 2020	30 Jun 2020
	\$	\$
Nvoi Platform - at cost	2,030,472	2,030,472
Less: Accumulated amortisation	<u>(2,030,472)</u>	<u>(2,030,472)</u>
	-	-
Workconex Platform - at cost	321,858	321,858
Less: Accumulated amortisation	(53,643)	(53,643)
Less: Impairment	<u>(268,215)</u>	<u>(268,215)</u>
	-	-
JXT Platform - at cost	802,306	802,306
Less: Accumulated amortisation	<u>(156,002)</u>	<u>(22,286)</u>
	646,304	780,020
Applyflow Platform - at cost	575,000	-
Less: Accumulated amortisation	<u>(11,335)</u>	<u>-</u>
	563,665	-
	<u>1,209,969</u>	<u>780,020</u>

Reconciliations

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

Consolidated	Nvoi Platform \$	Workconex Platform \$	JXT Platform \$	Applyflow Platform \$	Total \$
Balance at 1 July 2020	-	-	780,020	-	780,020
Additions	-	-	-	575,000	575,000
Amortisation expense	<u>-</u>	<u>-</u>	<u>(133,716)</u>	<u>(11,335)</u>	<u>(145,051)</u>
Balance at 31 December 2020	<u>-</u>	<u>-</u>	<u>646,304</u>	<u>563,665</u>	<u>1,209,969</u>

JXT Platform

The JXT Platform was acquired on the acquisition of JXT entities on 1 June 2020. The identification and fair value measurement of the assets and liabilities acquired are provisional and amendments may be made to these figures up to 12 months following the date of acquisition if new information is obtained about facts and circumstances that existed at the acquisition date and, if known, would have affected the measurement of the amounts recognised as of the date.

Applyflow Platform

The Board have considered it appropriate for consolidated entity to capitalise the development costs relating to the Applyflow Platform. The Applyflow Platform went live during December 2020 and development costs arising from 1 July 2020 have been capitalised and amortised on a straight-line basis over a 4 year period.

Note 10. Current liabilities - trade and other payables

	Consolidated	
	31 Dec 2020	30 Jun 2020
	\$	\$
Trade payables	217,855	334,060
Accrued expenses	103,000	124,354
VAT payable	39,312	82,829
Employee taxes payable	49,859	75,510
	410,026	616,753
	410,026	616,753

Note 11. Current liabilities - contract liabilities

	Consolidated	
	31 Dec 2020	30 Jun 2020
	\$	\$
Contract liabilities	369,896	366,419
	369,896	366,419
	369,896	366,419
Current contract liabilities, per above	369,896	366,419
Non-current contract liabilities, refer note 13	71,911	-
	441,807	366,419
	441,807	366,419

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 \$441,807 as at 31 December 2020 (\$366,419 as at 30 June 2020) and is expected to be recognised as revenue in future periods as follows:

	Consolidated	
	31 Dec 2020	30 Jun 2020
	\$	\$
Within 6 months	194,118	146,523
6 to 12 months	100,088	187,563
12 to 18 months	37,304	-
18 to 24 months	20,379	-
24 to 36 months	14,228	-
Unallocated until Website build complete	75,690	32,333
	441,807	366,419
	441,807	366,419

Note 12. Current liabilities - other

	Consolidated	
	31 Dec 2020	30 Jun 2020
	\$	\$
Deferred consideration*	-	25,000

* Relates to purchase of JXT business

Note 13. Non-current liabilities - contract liabilities

	Consolidated	
	31 Dec 2020	30 Jun 2020
	\$	\$
Contract liabilities	71,911	-

Refer to note 11 for split between current and non-current contract liabilities and expected recognition as revenue in future periods.

Note 14. Equity - issued capital

	Consolidated			
	31 Dec 2020	30 Jun 2020	31 Dec 2020	30 Jun 2020
	Shares	Shares	\$	\$
Ordinary shares - fully paid	1,811,853,739	1,797,726,460	24,053,759	23,975,761

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2020	1,797,726,460		23,975,761
Options exercised and converted to Ordinary - fully paid shares	27 October 2020	8,800,000	\$0.0034	29,920
Equity share based payment to employee as part of performance remuneration	31 December 2020	5,327,279	\$0.0094	50,000
Share issue costs		-		(1,922)
Balance	31 December 2020	<u>1,811,853,739</u>		<u>24,053,759</u>

Movements in options

Details	Date	Options
Balance	1 July 2020	284,237,653
Unlisted tranche 1 Performance Options issued to CareerOne Pty Limited cancelled	31 December 2020	(33,333,333)
Unlisted Employee Options cancelled	26 August 2020	(20,000,000)
Unlisted Options exercised	27 October 2020	(8,800,000)
Unlisted Remuneration Options issued to CEO	27 August 2020	10,000,000
Unlisted Remuneration Options issued to employees	17 November 2020	10,000,000
Balance	31 December 2020	<u>242,104,320</u>

Note 14. Equity - 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.

Note 15. Equity - reserves

	Consolidated	
	31 Dec 2020	30 Jun 2020
	\$	\$
Foreign currency reserve	3,706	(1,068)
Share-based payments reserve	756,767	1,120,124
	<u>760,473</u>	<u>1,119,056</u>

Foreign currency reserve

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

Share-based payments reserve

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

Movements in reserves

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

Consolidated	Foreign currency reserve \$	Share-based payments reserve \$
Balance at 1 July 2020	(1,068)	1,120,124
Foreign currency translation	4,774	-
Share-based payment options amortised during the period	-	45,635
Share based payments options written-back during the period	-	(426,389)
Share based payments for employee equity incentive shares amortised during the period	-	17,397
Balance at 31 December 2020	<u>3,706</u>	<u>756,767</u>

Note 16. Equity - dividends

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

Note 17. Share-based payments

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

Options issued as part of share based payments and outstanding at the end of the financial period have the following expiry date and exercise prices:

Option	Class	Exercise Price	Balance
Unlisted Director Options, issued as part of share-based compensation for remuneration	Vested on 18 June 2019. Expiring on 30 November 2022.	\$0.0300	10,000,000
Unlisted Performance Options, issued to CareerOne Pty Limited	Vesting in two remaining tranches upon attainment of performance milestones as set out in the AGM Notice of Meeting dated 30 October 2019: 33,333,333 vesting on 31 Dec 2021 33,333,334 vesting on 31 Dec 2022 Each tranche of options shall expire 12 months from date of vesting.	\$0.0100	66,666,667
Unlisted Director Options, issued as part of share-based compensation for remuneration	Vested on 29 November 2019. Expiring on 30 November 2024.	\$0.0206	45,000,000
Unlisted Employee Options, issued as part of share-based compensation for remuneration	Vesting on 22 January 2021. Expiring on 30 November 2024.	\$0.0206	2,500,000
Unlisted Employee Options, issued as part of share-based compensation for remuneration	Vesting on 15 February 2021. Expiring on 28 February 2023.	\$0.0200	3,000,000
Unlisted Employee Options, issued as part of share-based compensation for remuneration	Vesting on 27 August 2021. Expiring on 30 November 2024.	\$0.0206	10,000,000
Unlisted Employee Options, issued as part of share-based compensation for remuneration	Vesting on 17 November 2021. Expiring on 17 November 2023.	\$0.0200	10,000,000
			<u>147,166,667</u>

Consolidated
31 Dec 2020 31 Dec 2019

Share based payment expense (write-back)

Amortisation of share based payment options based on vesting conditions above	45,635	543,354
Cancelled and non-vested Employee share based options	(59,963)	-
Cancelled and non-vested CareerOne Pty Limited Tranche 1 performance share options	(183,497)	-
Reversal of previously amortised and non-vested CareerOne Pty Limited Tranche 2 and Tranche 3 performance share options ⁽¹⁾	(182,929)	-
Amortisation of share based payments for employee equity incentive shares, non-vested	17,397	-
Share based payment for employee equity incentive shares issued during the period	50,000	-
	<u>(313,357)</u>	<u>543,354</u>

Note 17. Share-based payments (continued)

(1) Management have re-assessed the probability of the CareerOne Pty Limited Tranche 2 and Tranche 3 performance options to be 0% as at 31 December 2020. This reversal reflects the Tranche 2 and Tranche 3 amounts previously amortised.

Refer to note 23 for details on valuation model inputs to determine fair value.

Note 18. Commitments and contingent liabilities

	Consolidated	
	31 Dec 2020	30 Jun 2020
	\$	\$
<i>Capital commitments</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Intangible assets*	200,000	-
<i>Lease commitments - operating</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	45,500	-

* Amounts payable to CareerOne Pty Limited for phase 2 of the Applyflow Platform.

The consolidated entity had no contingent liabilities as at 31 December 2020.

Note 19. Related party transactions

Parent entity

Applyflow Limited is the parent entity.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	31 Dec 2020	31 Dec 2019
	\$	\$
<i>Payment for goods and services:</i>		
Legal fees, paid to Milcor Legal Pty Ltd, to a company associated with Steven Papadopoulos*	129,989	18,875
Rent expense, paid to Superhero Markets Pty Ltd, a company associated with John Winters	-	40,000
Purchase of second hand office equipment, paid to Superhero Super Pty Ltd, a company associated with John Winters	2,937	-
Development fee, paid to CareerOne Pty Limited, a company associated with John Winters**	-	36,290

Receivable from and payable to related parties

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

	Consolidated	
	31 Dec 2020	30 Jun 2020
	\$	\$
<i>Current payables:</i>		
Legal fees, payable to Milcor Legal Pty Ltd, to a company associated with Steven Papadopoulos	-	100,504
Development fee, payable to CareerOne Pty Limited, a company associated with John Winters**	-	25,000

Note 19. Related party transactions (continued)

- * \$29,485 relates to legal expenses incurred in the 6 months to 31 December 2020; \$100,504 relates to legal expenses incurred in the prior year ended 30 June 2020 which was recorded as a related party payable as at 30 June 2020.
- ** CareerOne Pty Limited ceased being a related party, John Winters resigned as a director of CareerOne Pty Limited in May 2020.

Loans to/from related parties

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

Terms and conditions

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

Note 20. Events after the reporting period

No matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 21. Reconciliation of loss after income tax to net cash (used in) operating activities

	Consolidated	Consolidated
	31 Dec 2020	31 Dec 2019
	\$	\$
Loss after income tax expense for the half-year	(1,424,289)	(1,246,764)
Adjustments for:		
Depreciation and amortisation	145,807	1,978
Net loss on disposal of non-current assets	5,426	-
Share-based payments	(313,357)	543,354
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	238,981	(51,171)
Decrease/(increase) in prepayments	76,311	(53,453)
Increase/(decrease) in trade and other payables	(206,727)	86,925
Increase in provision for income tax	35,053	-
Increase/(decrease) in employee benefits	(2,621)	4,712
Increase in other operating liabilities	75,388	-
Net cash (used in) operating activities	<u>(1,370,028)</u>	<u>(714,419)</u>

Note 22. Earnings per share

	Consolidated	
	31 Dec 2020	31 Dec 2019
	\$	\$
Loss after income tax attributable to the owners of Applyflow Limited	<u>(1,424,289)</u>	<u>(1,246,764)</u>
	Cents	Cents
Basic loss per share	(0.08)	(0.11)
Diluted loss per share	(0.08)	(0.11)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>1,800,911,934</u>	<u>1,164,224,622</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>1,800,911,934</u>	<u>1,164,224,622</u>

Note 23. Options

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

Note 23. Options (continued)

Option	Class	Exercise Price	Balance
Unlisted Director Options, issued as part of share-based compensation for remuneration	Vested on 18 June 2019. Expiring on 30 November 2022.	\$0.0300	10,000,000
Unlisted Options (these options were free attaching granted on 1:1 basis to shareholders of the placement complete on 8 March 2019)	Vested on 18 June 2019. Expiring on 30 November 2024.	\$0.0034	94,937,653
Unlisted Performance Options, issued to CareerOne Pty Limited	Vesting in two remaining tranches upon attainment of performance milestones as set out in the AGM Notice of Meeting dated 30 October 2019: 33,333,333 vesting on 31 Dec 2021 33,333,334 vesting on 31 Dec 2022 Each tranche of options shall expire 12 months from date of vesting.	\$0.0100	66,666,667
Unlisted Director Options, issued as part of share-based compensation for remuneration	Vested on 29 November 2019. Expiring on 30 November 2024.	\$0.0206	45,000,000
Unlisted Employee Options, issued as part of share-based compensation for remuneration	Vesting on 22 January 2021. Expiring on 30 November 2024.	\$0.0206	2,500,000
Unlisted Employee Options, issued as part of share-based compensation for remuneration	Vesting on 15 February 2021. Expiring on 28 February 2023.	\$0.0200	3,000,000
Unlisted Employee Options, issued as part of share-based compensation for remuneration	Vesting on 27 August 2021. Expiring on 30 November 2024.	\$0.0206	10,000,000
Unlisted Employee Options, issued as part of share-based compensation for remuneration	Vesting on 17 November 2021. Expiring on 17 November 2023.	\$0.0200	<u>10,000,000</u>
			<u>242,104,320</u>

Set out below are summaries of option movements during the financial half-year:

	Number of options 31 Dec 2020	Weighted average exercise price 31 Dec 2020	Number of options 31 Dec 2019	Weighted average exercise price 31 Dec 2019
Outstanding at the beginning of the financial half-year	284,237,653	\$0.0100	117,237,653	\$0.0054
Granted	20,000,000	\$0.0203	145,000,000	\$0.0133
Forfeited	(53,333,333)	\$0.0140	-	\$0.0000
Exercised	(8,800,000)	\$0.0034	-	\$0.0000
Outstanding at the end of the financial half-year	<u>242,104,320</u>	\$0.0102	<u>262,237,653</u>	\$0.0097
Exercisable at the end of the financial half-year	<u>149,937,653</u>	\$0.0085	<u>158,737,653</u>	\$0.0083

Note 23. Options (continued)

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

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
27/08/2020	30/11/2024	\$0.0100	\$0.0206	100.0000%	-	0.3005%	\$0.0058
17/11/2020	17/11/2023	\$0.0090	\$0.0200	100.0000%	-	0.1201%	\$0.0041

Applyflow Limited
(Formerly known as Nvoi Ltd)
Directors' declaration
31 December 2020



In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors

A handwritten signature in black ink, appearing to read 'John Winters', written over a horizontal line.

John Winters
Non-Executive Director

25 February 2021

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Applyflow Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Applyflow Limited, which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (a) giving a true and fair view of the Applyflow Limited financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

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

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company on 25 February 2021.

Responsibility of the Directors for the Financial Report

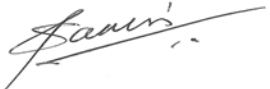
The directors of the Applyflow Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable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

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

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

Stantons International Audit and Consulting Pty Ltd


Samir Tirodkar

Director

West Perth, Western Australia

25 February 2021