



NEXION GROUP LTD
APPENDIX 4E – PRELIMINARY FINAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

31 August 2023

1. DETAILS OF THE REPORTING PERIOD

This report details the consolidated results of Nexion Group Ltd, ABN: 48 628 415 887 (“NNG” or “Company”) and its controlled entities (“Group”) for the year ended 30 June 2023. Comparatives are for the year ended 30 June 2022.

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

				2023	2022
				\$'000	\$'000
2.1	Revenue from ordinary activities	Up	18%	7,935	6,747
2.2	Loss from ordinary activities after tax attributable to members	Down	52%	(3,487)	(7,174)
2.3	Loss for the year attributable to members	Down	52%	(3,487)	(7,174)
				Cents	Cents
9.	Net Tangible assets per share – at the end of the period			(0.0072)	0.00147
14.1	Loss per share			(0.024)	(0.059)
	Diluted loss per share			(0.024)	(0.059)
	No dividend was declared during the period				

The loss includes an impairment loss on intangible assets of \$618,634.

3. DIVIDENDS

No dividends have been paid or declared since the start of the financial year by the Company. The directors do not propose to pay either a final or an interim dividend.

The Company does not have a dividend reinvestment plan.

4. EXPLANATION OF RESULTS

The Group incurred a net loss for the financial year ended 30 June 2023 of \$3,486,875 (2022 \$7,173,643). The net cash outflows for the financial year was \$920,482 (2022 net outflows \$3,608,416). At 30 June 2023 the Group had a cash balance of \$321,190 (2022 \$1,241,672).

5. DETAILS OF ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST DURING THE PERIOD

Control has not been gained or lost during the period for any entities.



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6. OTHER CORPORATE TRANSACTIONS

On 25 November 2022 the Company announced a 1:1 rights issue at \$0.05 per share plus a free attaching option exercisable at \$0.10 and expiring on 31 December 2025. On 28 December 2022, Nexion Group Ltd issued an additional 21,581,338 ordinary shares, with one free attaching option for every share issued, to raise \$1,079,067 (before costs). On 1 May 2023 Nexion Group Ltd issued an additional 38,076,963 ordinary shares to raise \$571,154 (before costs) and on 28 June 2023 Nexion Group Ltd issued an additional 11,923,037 ordinary shares to raise \$178,846 (before costs).

7. DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

Nexion Group Limited has interests in the following entities:

Associated Entities	Country of Incorporation	Date of Incorporation or Acquisition	Interest
Nexion Networks Pty Ltd	Australia	07/03/2017	100%
Blue Sky Telecom Pty Ltd	Australia	23/08/2021	100%
Nexion W1 DC Pty Ltd	Australia	14/02/2018	100%
Nexion Pacific Ltd	New Zealand	31/05/2021	100%

8. AUDIT OF FINANCIAL STATEMENTS

The financial statements are in the process of being audited by the auditors and their audit report will be attached as part of the Annual Report once finalised.

This announcement has been authorized by the Board of NEXION Group Ltd.



NEXION GROUP LTD
 CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 30 JUNE 2023

	Notes	30 June 2023	30 June 2022
		\$	\$
Revenue from contracts with customers	4	7,935,784	6,747,064
Cost of goods sold		(4,448,234)	(3,764,085)
Gross Profit		3,487,550	2,982,979
Other income		507,960	8,767
Expenses			
Consulting and accounting expenses		(2,168,477)	(1,340,966)
Other expenses		(1,056,303)	(1,317,615)
Employee benefits expenses		(3,332,320)	(3,203,398)
Occupancy expenses		(149,662)	(307,418)
Share based payments	5	425,656	(568,948)
Finance costs		(166,555)	(270,110)
Foreign currency profit/(loss)		(970)	
Depreciation and amortisation		(1,015,365)	(1,028,022)
Impairment Loss	10	(618,634)	(2,249,807)
Loss before income tax		(4,087,120)	(7,294,539)
Income tax expense		604,478	120,896
Loss for the year		(3,482,642)	(7,173,643)
Other comprehensive Income/(losses)		-	-
Foreign translation differences		(4,233)	-
Total comprehensive loss for the year attributable to members		(3,486,875)	(7,173,643)
The total comprehensive loss attributable to: Owners of Nexion Group Ltd		(3,486,875)	(7,173,643)
Loss per share			
- Basic loss per share		(0.024)	(0.059)
- Diluted loss per share		(0.024)	(0.059)

The accompanying notes form part of these consolidated financial statements.



NEXION GROUP LTD
 CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 FOR THE YEAR ENDED 30 JUNE 2023

	Notes	30 June 2023	30 June 2022
		\$	\$
Current assets			
Cash and cash equivalents	6	321,190	1,241,672
Trade and other receivables	7	1,107,445	1,474,695
Inventory		8,156	24,243
Prepayments		91,302	8,470
Total current assets		1,528,093	2,749,080
Non-current assets			
Property, plant and equipment	8	643,903	906,178
Right-of-use assets	9	1,260,359	1,504,840
Intangible Assets	10	-	1,120,726
Other non-current assets		77,177	70,163
Total non-current assets		1,981,439	3,601,907
Total assets		3,509,532	6,350,987
Current liabilities			
Trade and other payables	11	2,839,811	2,060,928
Lease liabilities		210,513	214,788
Provision for employee benefits		135,821	144,955
Loans payable	13	219,527	270,241
Total current liabilities		3,405,672	2,690,912
Non-current liabilities			
Provision for make good		23,625	22,814
Lease liabilities	12	1,187,163	1,397,678
Loans payable	13	120,676	340,203
Other payables	11	235,355	599,076
Deferred tax liabilities		-	604,478
Total non-current liabilities		1,566,819	2,964,249
Total liabilities		4,972,491	5,655,161
Net assets / (liabilities)		(1,462,959)	695,826
Equity			
Contributed equity	14	14,979,604	13,225,858
Share based payment reserve	15	945,379	1,371,035
Foreign exchange reserve		(4,233)	-
Accumulated losses	16	(17,383,709)	(13,901,067)
Capital and reserves attributable to members		1,462,959	695,826
Total Equity		(1,462,959)	695,826

The accompanying notes form part of these consolidated financial statements.



NEXION GROUP LTD
 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 30 JUNE 2023

	Contributed Equity	Share based payment reserve	Foreign exchange reserve	Accumulated Losses	Total
	\$	\$		\$	\$
Balance as at 1 July 2021	10,680,601	802,088	-	(6,727,424)	4,755,265
Loss for the year	-	-	-	(7,173,643)	(7,173,643)
Total comprehensive loss for the year	-	-	-	(7,173,643)	(7,173,643)
Share based payment	-	568,947	-	-	568,947
Issue of shares (net of costs)	2,545,257	-	-	-	2,545,257
Balance as at 30 June 2022	13,225,858	1,371,035	-	(13,901,067)	695,826
Balance as at 1 July 2022	13,225,858	1,371,035	-	(13,901,067)	695,826
Loss for the year	-	-	-	(3,482,642)	(3,482,642)
Other comprehensive income for the year, net of tax-	-	-	(4,233)	-	(4,233)
Total comprehensive loss for the year	-	-	(4,233)	(3,482,643)	(3,486,875)
Share based payment	-	(425,656)	-	-	(425,656)
Issue of shares (net of costs)	1,753,746	-	-	-	1,753,746
Balance as at 30 June 2023	14,979,605	945,379	(4,233)	(17,383,709)	(1,462,959)

The accompanying notes form part of these consolidated financial statements.



NEXION GROUP LTD
 CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 30 JUNE 2023

	Notes	30 June 2023	30 June 2022
		\$	\$
Cash flow from operating activities			
Receipts from customers		8,153,609	6,808,966
Payments to suppliers and employees		(10,781,495)	(9,878,868)
R&D rebate & government subsidies received		485,859	-
Interest received		10,101	717
Interest paid		(116,074)	(191,085)
Net cash (outflow)/inflow from operating activities	17	<u>(2,248,000)</u>	<u>(3,260,270)</u>
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		50,751	92,000
Proceeds from / (Advance of) loan to third party		-	137,500
Acquisition of subsidiary (net of cash acquired)		-	(1,963,687)
Deposits repaid/(paid)		115,801	-
Payment for property, plant and equipment		(57,268)	(39,668)
Net cash (outflow) from investing activities		<u>109,284</u>	<u>(1,773,855)</u>
Cash flow from financing activities			
Repayment of borrowings		(270,241)	(887,583)
Issue of shares (net of issue costs)		1,753,746	2,545,257
Payment of lease liabilities		(265,271)	(231,965)
Net cash inflow from financing activities		<u>1,218,234</u>	<u>1,425,709</u>
Net increase in cash and cash equivalents		(920,482)	(3,608,416)
Cash and cash equivalents at beginning of year		<u>1,241,672</u>	4,850,088
Cash and cash equivalents at end of the year	6	<u>321,190</u>	<u>1,241,672</u>

The accompanying notes form part of these consolidated financial statements.



NEXION GROUP LTD
NOTES TO THE PRELIMINARY FINANCIAL REPORTS
FOR THE YEAR ENDED 30 JUNE 2023

Notes to the Preliminary Financial Report

Note 1: Basis of Preparation

The Preliminary Final Report has been prepared in accordance with ASX Listing Rule 4.3A and has been derived from the unaudited Annual Financial Report. The Preliminary Final Report is unaudited and contains disclosures which are extracted or derived from the Annual Financial Report for which an audit has yet to be completed.

Note 2: Operating segments

Identification of reportable operating segments

The Group has identified its operating segments based on the internal management reports that are reviewed and used by the Executive Directors and Officers (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group has one segment, namely the provision of Hybrid Cloud infrastructure used by corporations to host their core business systems. All the Group's activities are interconnected, and all significant operating decisions are based on analysis of the Group as one segment.

The revenues and results of this segment are those of the Group as a whole and are set out in the consolidated statement of comprehensive income.

For the year ended 30 June 2023, all revenues and material assets are considered to be derived and held in one geographical area being Australia. Whilst Nexion Pacific is based in New Zealand, minimal transactions occurred within Nexion Pacific during the year ended 30 June 2023.

Note 3: Significant events and transactions

Other than those events and transactions disclosed in the Operating and Financial Review, there are no significant events which may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group.



NEXION GROUP LTD
NOTES TO THE PRELIMINARY FINANCIAL REPORTS
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Note 4: Revenue from contracts with customers

Disaggregation of revenue from contracts with customers

The Group has disaggregated revenue into various categories in the following table which is intended to depict how the nature, amount, timing and uncertainty of revenue and cashflows are affected by economic data. All of the revenue for the Group is derived at a point in time.

	30 June 2023	30 June 2022
	\$	\$
Product Categories:		
Networking	3,518,363	1,237,632
Security	-	97,379
Data and Managed Solution	-	1,059,985
Data Centre	-	546,534
Consulting	1,213,069	909,015
Voice	-	1,791,911
Cloud	1,557,400	1,104,608
Product	53,226	-
Services	1,519,573	-
General	74,153	-
	7,935,784	6,747,064

Operating segments

The Group largely operates in one geographic segment, being Australia.

Note 5: Share based payments

Class A and Class B performance rights

On 20 November 2020, the Company issued 4,383,664 Class A Performance Rights and 5,096,908 Class B Performance Rights (together "Performance Rights"). All Class A Performance Rights expire on 29 January 2025 and all Class B Performance Rights expire on 30 January 2025. On vesting, each Performance Right converts into one ordinary share in the Company.

Class A Performance Rights will vest upon the Company achieving a Total Pro-forma Revenue of \$15,000,000 for the financial year ended on or before 30 June 2022 ("Class A Deadline"). Class B Performance Rights will vest on the Company achieving a Total Pro-forma Revenue of \$30,000,000 for a financial year ending on or before 30 June 2023 ("Class B Deadline").



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Note 5: Share based payments (continued)

Where the Total Pro-forma Revenue achieved by the Class A and B Deadlines as a percentage of the respective Total Pro-forma Revenue targets is less than 50% then no Performance Rights will vest; or 50% or more then the relevant Performance Rights will vest pro-rata equal to the percentage of Total Pro-forma Revenue achieved by the respective Class A and B Deadlines.

Performance rights issued to key management personnel and related parties are as follows:

	Class A	Class B
Paul Glass	1,534,282	1,783,918
Kevin Read	1,534,282	1,783,918
Peter Christie	657,550	764,536
Chris Daly	438,366	509,691
Dom Papaluca	175,347	203,876
Jack Toby	43,837	50,969
Total	<u>4,383,664</u>	<u>5,096,908</u>

Total Pro-forma Revenue for a financial year means the total consolidated revenue for that financial year of the Company plus the pre-acquisition revenue for that financial year of any subsidiaries acquired during that financial year. Any Performance Rights not vested before their expiry date, will lapse.

The Class A Performance Rights vesting period ended on 30 June 2022. While the full hurdle was not met, a pro-rata vesting of Class A Performance Rights occurred as the Group achieved greater than 50% of the Proforma revenue target. The Class A Performance Rights remained on issue from their date of issue until they vested on 6 December 2022. On 6 December 2022, 4,383,664 Class A Performance Rights partially met their vesting conditions and 2,245,555 ordinary shares were issued on 6 December 2022 pursuant to the vesting of all 4,383,664 Class A Performance Rights.

On 19 February 2023, 3,567,836 Class B Performance Rights lapsed in accordance with their terms and conditions due to the holder ceasing to be an officer (and employee, if applicable) of the Company. The remaining 1,529,072 Class B Performance Rights remain on issue. No other Class B Performance Rights have been vested, converted or cancelled since their date of issue. None of the Class B Performance Rights vesting conditions have been met since their date of issue.



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Note 5: Share based payments (continued)

	No. Class A Vested	\$ Value
Paul Glass	785,944	157,189
Kevin Read	785,944	157,189
Peter Christie	336,834	67,367
Chris Daly	224,555	44,911
Dom Papaluca	89,822	17,964
Jack Toby	22,456	4,491
Total	2,245,555	449,111

The fair value of the Class A performance rights was determined using the following assumptions:

	FY 2022	FY 2023
Value per performance right	\$0.20	\$0.20
Hurdle revenue	\$15,000,000	\$30,000,000
Pro-forma revenue achieved	\$7,683,832	\$7,935,784
Number of rights expected to vest as at 30 June 2022	2,245,566	Nil
Value of rights vested	\$449,111	n/a
Percentage of revenue achieved /expected to be achieved against hurdle revenue	51.22%	26.45%

Share based payments (reversals)/expense recognised for the year ended 30 June 2023 in relation to these performance rights amounted to (\$425,656) (30 June 2022: expense of \$568,947) as follows:

	2023	2022
	\$	\$
Performance rights		
Class A	-	258,383
Class B	(425,655)	310,564
Total	(425,655)	568,947



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NOTES TO THE PRELIMINARY FINANCIAL REPORTS
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Note 5: Share based payments (continued)

Broker options

On 2 February 2021, the Company issued 6,038,702 options to the Lead Manager's nominees following the IPO capital raising. The options do not have any vesting conditions, and therefore vested immediately. Details of the options issued are as set out below:

Number of options	6,038,702
Exercise price	\$0.40
Expiry date	2 February 2024
Value of options issued	\$496,269

The fair value of the broker options was determined using a Black-Scholes model, and the following assumptions:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
2/02/2021	2/02/2024	\$0.20	\$0.40	90.00%	0.00%	0.11%	\$0.0822

The share based payment expense recognised for the year ended 30 June 2021 in respect of the broker options was \$496,269.

Note 6: Current assets - cash and cash equivalents

	30 June 2023	30 June 2022
	\$	\$
Cash at bank	<u>321,190</u>	<u>1,241,672</u>
	321,190	1,241,672

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 consolidated statement of cash flows as follows:

Balances as above	<u>321,190</u>	<u>1,241,672</u>
Balance as per statement of cash flows	321,190	1,241,672



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Note 7: Current assets – trade and other receivables

	30 June 2023	30 June 2022
	\$	\$
Trade receivables	1,205,303	1,367,496
Less: Allowance for expected credit losses	(160,397)	(56,696)
	1,044,906	1,310,800
Other receivables:		
Term deposit	42,539	42,539
Accrued income	20,000	-
Deposits	-	121,356
Total trade and other receivables	1,107,445	1,474,695

Note 8: Non-current assets – property, plant and equipment

	30 June 2023	30 June 2022
	\$	\$
Vehicles – at cost	-	108,899
Vehicles – accumulated depreciation	-	(51,033)
Vehicles – carrying value at the end of the year	-	57,867
Plant & equipment – at cost	1,550,734	1,491,168
Plant & equipment – accumulated depreciation	(828,623)	(642,856)
Plant & equipment – accumulated impairment	(78,208)	-
Plant & equipment – carrying value at the end of the year	643,903	848,312
Total property, plant & equipment	643,903	906,178

Note 9: Non-current assets – right-of-use assets

i) AASB 16 related amounts recognised in the consolidated statement of financial position.

	30 June 2023	30 June 2022
	\$	\$
Land & buildings – right-of-use	1,961,914	2,136,290
Less: Accumulated depreciation	(701,555)	(631,451)
Carrying value	1,260,359	1,504,840



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Note 10: Intangible assets

	30 June 2023	30 June 2022
	\$	\$
Customer list and contracts – at fair value	2,901,499	2,901,499
Less: Accumulated amortisation	(1,063,883)	(483,583)
Less: Impairment	(1,837,616)	(1,297,190)
	<u>-</u>	<u>1,120,726</u>
Goodwill	952,617	952,617
Less: Impairment	(952,617)	(952,617)
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>1,120,726</u>

The intangible assets held by the Group increases as a result of the acquisition of BlueSky Telecom Pty Ltd.

Note 11: Trade and other payables

	30 June 2023	30 June 2022
	\$	\$
Trade payables	1,293,512	779,162
Other payables	1,546,299	1,281,766
Total trade and other payables	2,839,811	2,060,928
Non-Current Other payables	235,355	599,076
	<u>235,355</u>	<u>599,076</u>
	3,075,166	2,660,004

Note 12: Non-current liabilities – lease liabilities

	30 June 2023	30 June 2022
	\$	\$
Lease liabilities	1,187,163	1,397,678

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:



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Note 12: Non-current liabilities – lease liabilities (continued)

30 June 2023	< 1 year	1 – 5 years	>5 years	Total undiscounted lease liabilities	Lease liabilities included in the Consolidated Statement of Financial Position
	\$	\$	\$	\$	\$
Lease liabilities	252,988	877,979	444,808	1,575,775	1,397,676
30 June 2022					
Lease liabilities	264,460	951,425	597,960	1,813,845	1,612,467

Note 13: Loans payable

	30 June 2023	30 June 2022
	\$	\$
Current		
Loans payable to third parties (i)	219,527	232,046
Hire purchase – vehicles	-	38,195
Total trade and other payables	<u>219,527</u>	<u>270,241</u>
Non-Current		
Loans payable to third parties (i)	<u>120,676</u>	340,203
	<u>120,676</u>	<u>340,203</u>
	<u>340,203</u>	<u>610,444</u>

(i) Loans payable to third parties is for equipment finance for IT property, plant and equipment used in the Data Centre and for some client contracts. The terms of the finance arrangements are as follows:

Loan terms	Loan #1	Loan #2	Loan #3	Loan #4
Amount financed	246,209	55,745	403,177	80,555
Commencement date	5-Jun-19	27-Jun-19	28-Feb-20	2-Jun-21
Monthly repayments	5,040	1,160	8,001	1,591
Finance term	5 years	5 years	5 years	5 years
Interest rate	8.41%	9.10%	7.09%	7.16%
Loan terms	Loan #5	Loan #6	Loan #7	Loan #8
Amount financed	105,018	16,722	20,488	81,470
Commencement date	30-Nov-21	1-Feb-22	1-Feb-22	14-Dec-20
Monthly repayments	3,217	498	618	4,000
Finance term	3 years	3 years	3 years	2 years
Interest rate	6.86%	4.38%	5.60%	9.60%



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Note 14: Equity – issued capital

	30 June 23	30 June 22	30 June 23	30 June 22
	No.	No.	\$	\$
Ordinary shares – fully paid	202,307,854	128,480,961	14,979,604	13,225,858
a. Ordinary shares				
At the beginning of the year	128,480,961	111,293,461	13,225,858	10,680,601
• Shares issued	-	17,187,500	-	2,750,000
• Conversion of performance rights (Note 5)	2,245,555	-	-	-
• Issue of shares – Rights issue entitlement	20,875,066	-	1,043,753	-
• Shares issued – Rights shortfall	706,272	-	35,314	-
• Issue of shares – Placement	38,076,963	-	571,154	-
• Issue of shares – Placement	11,923,037	-	178,846	-
Transaction costs relating to share issues	-	-	(75,321)	(204,743)
At reporting date	202,307,854	128,480,961	14,979,604	13,225,858

(a) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Group in proportion to the number of and amounts paid on the shares held.

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.

(b) Options and performance rights

For information relating to the Company's options and performance rights, refer to note 5.

For information relating to performance rights issued to key management personnel during the year, refer to note 5.

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders.

Capital is regarded as total equity, as recognised in the consolidated statement of financial position, plus cash and cash equivalents.

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

The capital risk management policy remains unchanged from the 30 June 2022 Annual Report.



NEXION GROUP LTD
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Note 15: Equity – share-based payment reserves

	Share based payment reserve
	\$
Balance as at 1 July 2021	802,088
Share based payment expense recognised during the year	568,947
Balance as at 30 June 2022	1,371,035
Share based payment expense recognised during the year	(425,655)
Balance as at 30 June 2023	945,380

Share based payment reserves relate to share options and performance rights granted by the Company to its employees, consultants and Directors under the terms and conditions issued by the Company.

Movements in performance rights are set out below:

	30 June 2023		30 June 2022	
	Number	Value at reporting date (\$)	Number	Value at reporting date (\$)
Class A Performance rights				
Balance at the start of the year	4,383,664	449,111	4,383,664	526,040
Vested during the year	(2,245,555)	-	-	-
Forfeited during the year	(2,138,109)	-	-	-
Effect of changes in percentage of revenue achieved/expected to be achieved against hurdle revenue	-	(449,111)	-	(76,929)
Balance at the end of the year	-	-	4,383,664	449,111
Class B Performance rights				
Balance at the start of the year	5,096,908	849,485	5,096,908	509,691
Vested during the year	-	-	5,096,908	509,691
Lapsed during the year	(3,567,836)	-	-	-
Effect of changes in percentage of revenue achieved/expected to be achieved against hurdle revenue	-	(849,485)	-	339,794
Balance at the end of the year	1,529,072¹	-	5,096,908	849,485

¹ The remaining unissued performance rights will no longer vest as the vesting condition has not been met.



NEXION GROUP LTD
NOTES TO THE PRELIMINARY FINANCIAL REPORTS
FOR THE YEAR ENDED 30 JUNE 2023

Note 16: Equity – accumulated losses

	30 June 2023	30 June 2022
	\$	\$
Accumulated losses at the beginning of the financial year	13,901,067	6,727,424
Losses for the year	3,482,642	7,173,643
Accumulated losses at the end of the financial year	17,383,709	13,901,067

Note 17: Reconciliation of profit after income tax to net cash from operating activities

	30 June 2023	30 June 2022
	\$	\$
Loss after income tax expense for the year	(3,482,642)	(7,173,643)
<i>Adjustments for non-cash expenses:</i>		
Depreciation and amortisation	1,015,364	1,028,022
Impairment loss	618,634	2,249,807
Non-cash interest expense	51,292	79,025
Share-based payments	(425,656)	568,948
Loss on sale of non-current asset	-	(5,461)
Foreign exchange gain/(loss)	(4,233)	-
Allowance for credit loss	65,091	-
<i>Movement in operating assets and liabilities:</i>		
Decrease/(increase) in trade and other receivables	186,360	(742,600)
Increase in prepayments	(82,833)	(8,470)
(Decrease)/increase in trade and other payables	415,162	677,585
Decrease in inventories	16,087	12,070
Increase in other provisions	(9,134)	74,469
(Increase)/decrease in other non-current assets	(7,014)	44,179
Decrease in deferred tax liability	(604,478)	(120,896)
Net cash from operating activities	(2,248,000)	(3,260,270)