

BLINKLAB PTY LTD

ACN 652 901 703

**Annual Report for the period
17 August 2021 (date of incorporation) to 30 June 2022**

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CORPORATE DIRECTORY

Board of Directors

Mr Anton Uvarov	Director (appointed 17 August 2021)
Mr Cornelis Pieter Boele	Director (appointed 17 August 2021)
Mr Hendrikus Johannes Boele	Director (appointed 17 August 2021)
Mr Richard Hopkins	Director (appointed 24 February 2022)

Secretary

Mr Vithana Kuruppu Arachchilage Sujani Goonatileka (appointed 17 August 2021)

Registered Office

Level 5, 126-130 Phillip Street
Sydney NSW 2000

Auditors

Nexia Perth Audit Services Pty Ltd
Level 3, 88 William Street
Perth WA 6000

Solicitors

Steinepreis Paganin
Level 4, Next Building
16 Milligan Street
Perth WA 6000

Bankers

Westpac Banking Corporation
109 St Georges Terrace
Perth WA 6000

Share Registry

Automatic Share Registry
Level 5, 191 St Georges Terrace
Perth WA 6000

Telephone: 1300 288 664

DIRECTORS' REPORT

The Directors of BlinkLab Pty Ltd ("BlinkLab" or "the Company") present their report, together with the financial statements of the Company for the period 17 August 2021 to 30 June 2022.

INFORMATION ON DIRECTORS

The names and details of the Company's Directors in office during the financial period and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

Mr Anton Uvarov | Director (appointed 17 August 2021)

Dr. Anton Uvarov has a background in bio-technology investments (Citigroup), and successfully led several IPO's.

During the past three years, Mr Uvarov held the following directorships in other ASX listed companies:

- Nutritional Growth Solutions (ASX.NGS) Aug 2020 – Aug 2022; and
- Neuroscientific Biopharmaceuticals (ASX.NSB) Aug 2017 - present

Mr Cornelis Pieter Boele | Director (appointed 17 August 2021)

Mr Boele MA has over 20 years of experience in software development, both as developer and executive.

During the past three years, Mr Boele did not hold any directorships in other ASX listed companies.

Mr Hendrikus Johannes Boele | Director (appointed 17 August 2021)

Dr. Henk-Jan Boele is a medical doctor and neuroscientist at Erasmus MC and Princeton University.

During the past three years, Mr Boele did not hold any directorships in other ASX listed companies.

Mr Richard Hopkins | Director (appointed 24 February 2022)

Dr. Richard Hopkins is an experienced bio-pharmaceutical executive with over 20 years in corporate leadership roles.

During the past three years, Mr Hopkins held the following directorship in other ASX listed companies:

- Zelira Therapeutics (ASX.ZLD) July 2018 – May 2021

INTERESTS IN SHARES AND OPTIONS OF THE COMPANY AND RELATED BODIES CORPORATE

The following table sets out each current Director's relevant interest in shares and options of the Company or a related body corporate as at the date of this report.

Director	Ordinary Shares	Unlisted Share Options
Mr Anton Uvarov	5,000,000	5,000,000
Mr Cornelis Pieter Boele	3,150,000	3,150,000
Mr Hendrikus Johannes Boele	5,700,000	5,700,000
Mr Richard Hopkins	450,000	-
Total	14,300,000	13,850,000

DIRECTORS' REPORT

DIRECTORS' MEETINGS

The number of Directors' meetings held during the financial period and the number of meetings attended by each Director during the time the Director's held office are:

Name	Number Eligible to Attend	Number Attended
Mr Anton Uvarov	-	-
Mr Cornelis Pieter Boele	-	-
Mr Hendrikus Johannes Boele	-	-
Mr Richard Hopkins	-	-

During the period, the Directors met regularly on an informal basis to discuss all matters associated with investment strategy, review of operations, and other Company matters.

Due to the size and scale of the Company, there is no Remuneration and Nomination Committee or Audit Committee at present. Matters typically dealt with by these Committees are, for the time being, managed by the Board.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the period were the research and development of mental health care through mobile solutions.

FINANCIAL RESULTS

The financial results of the Company for the period ended 30 June 2022 are:

	30-Jun-22
Cash and cash equivalents (\$)	616,912
Net assets (\$)	717,102

	30-Jun-22
Revenue (\$)	-
Earnings per share (\$)	(0.02)
Net loss after tax (\$)	(485,148)

REVIEW OF OPERATIONS

On 17 August 2021, the Company was incorporated and appointed Mr Anton Uvarov, Mr Cornelis Pieter Boele and Hendrikus Johannes Boele as Directors. On 24 February 2022, Mr Richard Hopkins was appointed as a Director.

On 17 August 2021, the Company issued 22,500,000 incorporation shares at \$0.0001 per share ("Founder Shares") and 22,500,000 unlisted options as a 1:1 free attaching option to the Founder Shares. The unlisted options have a strike price equal to the share price at the IPO or next qualified round (qualified round means any round of at least AUD\$4 million), expiring 5 years from the date of issue of these options.

Pursuant to the execution of an exclusive license with Princeton University, New Jersey, the Company issued 450,000 fully paid ordinary shares to The Trustees of Princeton University at nil consideration for services rendered.

On 26 November 2021, the Company successfully raised seed capital of A\$1.2m million through the issue of 12,000,000 fully paid ordinary shares at \$0.10 per share.

DIVIDENDS

No dividend is recommended in respect of the current financial period.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in state of affairs during and subsequent to the end of the financial period.

DIRECTORS' REPORT

MATTERS SUBSEQUENT TO THE REPORTING PERIOD

There are no matters or circumstances that have arisen since 30 June 2022 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company's main efforts will be focused on developing its technology for conducting neurobehavioral evaluations to enable remote and rapid testing to aid research on neurodevelopmental and neurodegenerative conditions such as schizophrenia, autism, ADHD and various forms of dementia.

SHARES UNDER OPTION

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

Grant Date	Number Under Option	Exercise Price	Expiry Date
17/08/2021	22,500,000	IPO Price	20/09/2026

No options have been granted to the Directors of the Company since the end of the financial year.

SHARES ISSUED ON THE EXERCISE OF OPTIONS

There were no ordinary shares issued during the period ended 30 June 2022 and up to the date of this report on the exercise of options.

INDEMNIFICATION AND INSURANCE OF AUDITORS

The Company has not, during or since the end of the financial period, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial period, 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 purposes of taking responsibility on behalf of the Company for all or part of these proceedings.

DIRECTORS' REPORT

ENVIRONMENTAL REGULATIONS

The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. The Directors have assessed that there are no current reporting requirements under this Act, but this may change in the future. The Company is not aware of any matters that requires disclosure regarding any significant environmental regulation in respect of its operating activities.

OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF Nexia Australia

There are no officers of the Company who are former partners of Nexia Australia.

AUDITOR

Nexia Perth Audit Services Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

NON-AUDIT SERVICES

There were no non-audit services provided by the Company's auditors in the current financial year.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 has been received and included within these financial statements.

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



Anton Uvarov

Director

28 July 2023

To the directors of BlinkLab Pty Ltd

Auditor's independence declaration under section 307C of the *Corporations Act 2001*

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2022 there have been:

- (i) no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

NPAS

Nexia Perth Audit Services Pty Ltd



Justin Mulhair

Director

Perth

31 July 2023

Advisory. Tax. Audit.

ACN 145 447 105

Nexia Perth Audit Services Pty Ltd (ABN 27 145 447 105) is a firm of Chartered Accountants. It is affiliated with, but independent from Nexia Australia Pty Ltd. Nexia Australia Pty Ltd is a member of Nexia International, a leading, global network of independent accounting and consulting firms. For more information please see www.nexia.com.au/legal. Neither Nexia International nor Nexia Australia Pty Ltd provide services to clients.

Liability limited under a scheme approved under Professional Standards Legislation.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period 17 August 2021 to 30 June 2022

	Note	2022 \$
General and administration expenses	3(a)	(328,472)
Compliance and regulatory expenses		(3,151)
Amortisation and depreciation		(19,354)
Employee benefit expenses		(119,108)
Legal fees		(782)
Marketing and advertising		(6,796)
Finance costs		(1,994)
Other expenses		(5,491)
Loss before income tax		(485,148)
Income tax expense	4	-
Loss after income tax		(485,148)
Other comprehensive income for the period, net of tax		-
Total comprehensive loss		(485,148)
Loss per share for the period		
Basic and diluted loss per share (\$)		(0.02)

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the financial statements.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Note	2022 \$
ASSETS		
Current assets		
Cash and cash equivalents	5	616,912
Trade and other receivables		6,034
Total current assets		622,946
Non-current assets		
Intangible assets	6	208,793
Right of use asset	7	30,144
Property, plant and equipment	8	49,611
Total non-current assets		288,548
Total assets		911,494
LIABILITIES		
Current liabilities		
Trade and other payables	9	164,964
Lease liabilities	10	12,872
Total current liabilities		177,836
Non-current liabilities		
Lease liabilities	10	16,556
Total non-current liabilities		16,556
Total liabilities		194,392
Net assets		717,102
EQUITY		
Issued capital	11	1,202,250
Accumulated losses	12	(485,148)
Total equity		717,102

The Statement of Financial Position is to be read in conjunction with the notes to the financial statements.

STATEMENT OF CHANGES IN EQUITY

For the period 17 August 2021 to 30 June 2022

	Issued Capital	Accumulated Losses	Total
	\$	\$	\$
Balance at 17 August 2021 (incorporation)	-	-	-
Loss for the year	-	(485,148)	(485,148)
Total comprehensive loss for the period after tax	-	(485,148)	(485,148)
Transactions with owners in their capacity as owners:			
Issue of share capital	1,202,250	-	1,202,250
Balance at 30 June 2022	1,202,250	(485,148)	717,102

The Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements.

STATEMENT OF CASH FLOWS

For the period 17 August 2021 to 30 June 2022

	Note	2022 \$
Cash flows from operating activities		
Payment to suppliers and employees		(301,339)
Finance costs, net		(1,994)
Net cash outflow from operating activities		(303,333)
Cash flows from investing activities		
Payments for intangible assets		(211,758)
Payments for property, plant and equipment		(53,105)
Net cash outflow from investing activities		(264,863)
Cash flows from financing activities		
Proceeds from issue of shares		1,202,250
Principal payments of lease liabilities		(13,611)
Net cash inflow from financing activities		1,188,639
Net increase in cash and cash equivalents		620,443
Cash and cash equivalents at the beginning of the period		-
Exchange rate variations on foreign cash and cash equivalents balances		(3,531)
Cash and cash equivalents at the end of the period	5	616,912

The Statement of Cash Flows is to be read in conjunction with the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

BlinkLab Pty Ltd (referred to as “BlinkLab” or the “Company”) is a company domiciled in Australia. The address of the Company’s registered office and principal place of business is disclosed in the Corporate Directory of the Annual Report. The nature of the operations and principal activities of the Company are described in the Directors’ Report.

(b) Basis of Preparation

Statement of Compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (“AASB”) and the Corporations Act 2001. The financial statements comply with International Financial Reporting Standards (“IFRS”) adopted by the International Accounting Standards Board (“IASB”). BlinkLab Pty Ltd is a for-profit entity for the purpose of preparing the financial statements.

The financial statements are authorised for issue on 28 July 2023 by the directors of the Company.

Basis of measurement

The financial statements have been prepared on a going concern basis in accordance with the historical cost convention, unless otherwise stated.

Going Concern

This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the Company incurred a loss of \$485,148, had net cash outflows from operating activities of \$303,333 and had net cash inflows from financing activities of \$1,188,639 for the period ended 30 June 2022. As at that date, the Company has net assets of \$717,102. The Company has determined that further capital will be required if the Company is to continue as a going concern based on the planned level of operations.

The financial statements have been prepared on the basis that the Company is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

The Company is currently in the process of preparing for an initial public offering (IPO).

Should the Company not be successful in the IPO or secure alternative funding, a material uncertainty may exist over the Company’s ability to continue as a going concern, in which case 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 Company not continue as a going concern.

Significant changes in current reporting period

There were no significant changes in accounting policies during the period ended 30 June 2022, nor did the introduction of new accounting standards lead to any change in measurement or disclosure in these financial statements.

The Company has not adopted any accounting standards that are issued but not yet effective. Significant accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided in the annual financial report.

NOTES TO THE FINANCIAL STATEMENTS

New, revised or amended standards and interpretations adopted by the Company

The Company 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. The Company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Significant Judgements and Estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company'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.

(c) Functional and Presentation Currency

The financial statements have been presented in Australian dollars, the Company's functional currency is United States dollars.

(d) 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 Company'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 Company'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.

(e) Comparatives

No comparative information is available as the Company was incorporated on 17 August 2021.

(f) 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.

NOTE 2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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.

Material judgements and estimates are found in the following notes:

Note 6 Intangible Assets

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 3 EXPENSES

	2022 \$
(a) General and administrative expenses	
Accounting and audit fees	18,848
Professional fees	239,742
Travel and accommodation expenses	5,473
Rent expenses	804
Insurance expense	7,346
General expenses	56,259
	328,472

NOTE 4 INCOME TAX

	2022 \$
(a) The components of tax expense comprise:	
Current tax	-
Deferred tax	-
Income tax expense reported in the statement of profit or loss and other comprehensive income	-
(b) The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:	
Loss before income tax expense	(485,148)
Prima facie tax benefit on loss before income tax at 25%	(121,287)
Tax effect of:	
Amounts not deductible in calculating taxable income	76
Temporary differences not recognised	121,211
Income tax expense/(benefit)	-
(c) Deferred tax assets not brought to account are:	
Accruals	121,211
Total deferred tax assets not brought to account	121,211

Potential deferred tax assets attributable to tax losses and other temporary differences have not been brought to account at 30 June 2022 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

- the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the expenditure to be realised; and
- no changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the expenditure.

Accounting Policy

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

Current Tax

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 INCOME TAX (Continued)

Deferred Tax

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

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

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

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

NOTE 5 CASH AND CASH EQUIVALENTS

	2022
	<u>\$</u>
Cash at bank	616,912
	<u>616,912</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 CASH AND CASH EQUIVALENTS (Continued)

(b) Reconciliation of net loss after income tax to net cash flows used in operating activities

	2022
	\$
Loss for the financial period	(485,148)
<i>Adjustments for:</i>	
Amortisation and depreciation	19,354
Foreign currency	3,531
Change in assets and liabilities	
Increase / (decrease) in trade and other receivables	(6,034)
Increase / decrease in trade and other payables	164,964
Net cash flow used in operating activities	(303,333)

Accounting Policy

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

NOTE 6 INTANGIBLE ASSETS

	Developed Software	Total
	2022	2022
	\$	\$
Cost	211,758	211,758
Accumulated amortisation	(2,965)	(2,965)
	208,793	208,793
Movement		
Net carrying amount at the beginning of the year	-	-
Additions	211,758	211,758
Amortisation	(2,965)	(2,965)
Net carrying amount at the end of the year	208,793	208,793

Accounting Policy

Developed Software

Costs incurred in developing or acquiring software, licenses or systems that will contribute future financial benefits or are capitalised. These include external direct costs of materials and service and direct payroll and payroll related costs of employees' time spent on the project. IT development costs include only those costs directly attributable to the development phase.

Recognition and measurement

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with indefinite lives are amortised over the useful life of the asset on a straight-line basis. Significant software intangible assets are amortised over the useful life of up to twenty years. The amortization period and method is reviewed at each reporting date to determine whether indefinite life assessment continues to be supportable.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6 INTANGIBLE ASSETS (Continued)

Impairment of intangible assets

Assets with finite lives are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets that have an indefinite useful life or not yet ready for use are tested annually for impairment or more frequently if events or changes in circumstances indicate that they may be impaired.

An impairment loss is recognised in the statement of comprehensive income for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less costs to sell and value in use.

NOTE 7 RIGHT-OF-USE ASSET

	2022
	\$
Office lease – Right-of-use	43,039
Less: Accumulated depreciation	(12,895)
	30,144

Accounting Policy

At right-of-use asset recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of 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 Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

NOTE 8 PROPERTY, PLANT AND EQUIPMENT

	Computer Equipment \$	Total \$
<u>At 30 June 2022</u>		
Cost	53,105	53,105
Accumulated depreciation	(3,494)	(3,494)
Net book amount	49,611	49,611
<u>Year ended 30 June 2022</u>		
Opening net book amount	-	-
Additions	53,105	53,105
Depreciation charge	(3,494)	(3,494)
Closing net book amount	49,611	49,611

Accounting Policy

Each asset of plant and equipment is carried at cost less where applicable, any accumulated depreciation and impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 PROPERTY, PLANT AND EQUIPMENT (Continued)

Plant & equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

Depreciation

Items of plant and equipment are depreciated using the straight-line or diminishing value method over their estimated useful lives to the Company. The depreciation rates used for each class of asset for the current period are as follows:

- Computer Equipment 33%
- Plant & Equipment 20-50%

Assets are depreciated from the date the asset is ready for use.

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is assessed on the basis of expected net cash flows that will be received from the assets continual use or subsequent disposal.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

NOTE 9 TRADE AND OTHER PAYABLES

	2022
	\$
Accrued expenses	164,964
	164,964

Accounting Policy

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.

NOTE 10 LEASE LIABILITIES

	2022
	\$
<i>Current</i>	
Lease liabilities	12,872
<i>Non-current</i>	
Lease liabilities	16,556
	29,428

Accounting Policy

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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10 LEASE LIABILITIES (Continued)

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

NOTE 11 ISSUED CAPITAL

a) ORDINARY SHARES

			2022	
			No.	\$
Fully paid ordinary shares			34,950,000	1,202,250
<i>Movement in ordinary shares</i>	Date	Issue Price	No.	\$
Balance at 17 August 2021 (incorporation)			-	-
Incorporation shares issued	17/08/21	\$0.0001	22,500,000	2,250
Shares issued to Princeton	17/11/21	-	450,000	0
Seed Shares	26/11/21	\$0.10	12,000,000	1,200,000
Balance at 30 June 2022			34,950,000	1,202,250

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

At shareholders meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Accounting Policy

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. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the Company reacquires its own equity instruments, for example, as a result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

b) UNLISTED OPTIONS

On 17 August 2021, the Company issued 22,500,000 unlisted options as a 1:1 free attaching option to the Founder Shares. The unlisted options have a strike price equal to the share price at the IPO or next qualified round (qualified round means any round of at least AUD\$4 million), expiring 5 years from the date of issue of these options.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 12 ACCUMULATED LOSSES

	2021
	\$
Accumulated losses at the beginning of the financial period	-
Loss after income tax for the period	(485,148)
Accumulated losses at the end of the financial period	(485,148)

NOTE 13 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate and foreign exchange prices. Ageing analysis and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through the development of future cash flow forecasts.

Risk management is carried out by Management and overseen by the Board of Directors with assistance from suitably qualified external advisors.

The main risks arising for the Company are foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

The carrying values of the Company's financial instruments are as follows:

	2022
	\$
Financial Assets	
Cash and cash equivalents	616,912
	616,912
Financial Liabilities	
Trade and other payables	164,964
Lease liabilities	29,428
	194,392
Net exposure	422,520

(a) Market Risk

Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 13 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Credit risk

Credit risk arises from the financial assets of the Company, which comprise cash and cash equivalents, trade and other receivables and other financial assets. The Company's exposure to credit risk arises from potential default of the counterparty, with maximum exposure equal to the carrying amount of the financial assets.

The Company's policy is to trade only with recognised, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms will be subject to credit verification procedures.

In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. There are no significant concentrations of credit risk within the Company.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation.

The following are the contractual maturities of the Company's financial liabilities:

2022	6 months \$	6-12 months \$	1-5 years \$	> 5 years \$	Total \$
Trade and other payables	164,964	-	-	-	164,964
Lease liabilities	10,154	4,916	14,358	-	29,428
	175,118	4,916	14,358	-	194,392

(d) Capital risk management

The Company's objectives when managing capital are to:

- Safeguard their ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- Maintain an optimal capital structure to reduce the cost of capital.

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

Given the stage of the Company's development there are no formal targets set for return on capital. There were no changes to the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements. The net equity of the Company is equivalent to capital. Net capital is obtained through private capital raisings.

NOTES TO THE FINANCIAL STATEMENTS
NOTE 14 AUDITOR'S REMUNERATION

2022

 \$

Amounts received or due and receivable by Nexia Perth Audit Services Pty Ltd for:

- Audit of the financial report of the Company	8,000
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Total Auditor Remuneration

8,000

NOTE 15 RELATED PARTY TRANSACTIONS**(a) Key management personnel compensation**

No compensation was made to directors and other members of key management personnel of the Company for the period ended 30 June 2022.

b) Transactions with related parties

No transactions with related parties for the period ended 30 June 2022.

NOTE 16 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There are no contingent assets or contingent liabilities as at 30 June 2022.

NOTE 17 COMMITMENTS

There are no commitments as at 30 June 2022.

NOTE 18 EVENTS AFTER THE REPORTING DATE

There are no matters or circumstances that have arisen since 30 June 2022 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

DIRECTORS' DECLARATION

In the Directors' opinion:

- a) The financial statements and accompanying notes are in accordance with the Corporations Act 2001, including:
 - i) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - ii) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its performance for the period ended on that date.
- b) The financial statements and notes comply with International Financial Reporting Standards.
- c) 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.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



Anton Uvarov
Director
28 July 2023

Independent Audit Report to the Members of BlinkLab Pty Ltd

Report on the financial report

Opinion

We have audited the financial report of BlinkLab Pty Ltd ("the Company"), which comprises statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and 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 Company is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company'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 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 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Company incurred a net loss of \$485,148 during the period from 17 August 2021 to 30 June 2022 and, the Company's current assets exceeded its current liabilities by \$445,110 as at 30 June 2022. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Advisory. Tax. Audit.

ACN 145 447 105

Nexia Perth Audit Services Pty Ltd (ABN 27 145 447 105) is a firm of Chartered Accountants. It is affiliated with, but independent from Nexia Australia Pty Ltd. Nexia Australia Pty Ltd is a member of Nexia International, a leading, global network of independent accounting and consulting firms. For more information please see www.nexia.com.au/legal. Neither Nexia International nor Nexia Australia Pty Ltd provide services to clients.

Liability limited under a scheme approved under Professional Standards Legislation.

Other information

The directors are responsible for the other information. The other information comprises the information in BlinkLab Pty Ltd 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 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 the other information we are required to report that fact. We have nothing to report in this regard.

Directors' responsibility 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 Company's ability 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 entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility 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 Australian 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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.

NPAS

Nexia Perth Audit Services Pty Ltd**Justin Mulhair**

Director

Perth
31 July 2023