

ASX Appendix 4D

Half-Year Financial Report to 31 December 2018

1. Details of reporting period

Name of Entity	Crowdspark Limited
ABN	27 078 661 444
Reporting Period	31 December 2018
Previous Corresponding Period	31 December 2017

2. Results for announcement to the market

Key information	31 December 2018*	31 December 2017	Increase/ (decrease)	Amount change \$
Revenues from ordinary activities	-	1,049,685	(100%)	(1,049,685)
Loss for the half-year	5,464	(1,595,210)	(100%)	1,600,674
Total comprehensive loss for the half-year attributable to members	5,464	(1,595,210)	(100%)	1,600,674
		Amount Per Security		Franked Amount Per Security
Final Dividend		Nil		Nil
Interim Dividend		Nil		Nil
Previous Corresponding Period		Nil		Nil
Record Date for Determining Entitlements		Not Applicable		

* On 17 July 2018, the former Directors of the Company appointed Cassandra Matthews and Martin Madden of Korda Mentha as Voluntary Administrators of the Company. Refer to the attached Half Year Report for detailed information on the recapitalisation of the Company.

For further information, refer to the review of operations contained in the directors' report, which forms part of the attached condensed consolidated financial statements.

3. Net tangible asset backing

	31 December 2018	31 December 2017
Net tangible backing per ordinary security	2.66 cents	5.24 cents

4. Details of entities over which control has been gained or lost during the period

N/A

5. Details of Dividends

No dividend has been paid or recommended to be paid for the half-year ended 31 December 2018.

6. Details of dividend reinvestment plans

N/A

7 Details of associate and joint venture entities

N/A

8. Foreign entities

Refer to the attached interim financial report for the period ended 31 December 2018.

9. Audit

This report has been based on accounts that have been subject to an audit review. There are no items of dispute with the auditor the audit review is subject to a disclaimer of opinion.

CROWDSPARK LIMITED

ABN 27 078 661 444

INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

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CORPORATE DIRECTORY

Directors

Mr Matthew Worner
Mr Yu Hin Eugene Tse
Ms Kyla Garic

Company Secretary

Ms Kyla Garic

Registered office

108 Outram Street
West Perth WA 6005

Auditor

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

Bankers

NAB
1232 Hay Street
West Perth WA 6005

Share Registry

Computershare Investor Services
Level, 172 St Georges Terrace
Perth WA 6001

Securities Exchange Listing

ASX Limited
152-158 St Georges Terrace
Perth WA 6000

ASX Code – CSK

DIRECTOR'S REPORT

The Directors present this report, together with the interim financial statements for CrowdSpark Limited ("the Company" or CSK) and its subsidiaries ("the Group") for the half year ended 31 December 2018. The Directors were not in office during this period, and the information in this report has been reconstructed using data provided by the Administrators and extracted from the Group's accounting system for this period. This report should be read having regard to this and other matters as set out in this report.

On 17 July 2018, the former Directors of the Company appointed Cassandra Matthews and Martin Madden of KordaMentha as Voluntary Administrators of the Company. Otsana Capital provided the Administrators with a proposal to recapitalise the Company which was approved by creditors on 21 August 2018 (**Recapitalisation Proposal**), and a deed of company arrangement (**DOCA**) to facilitate the Recapitalisation Proposal was entered into by the parties on 11 September 2018. Shareholders voted in favour of the Recapitalisation Proposal at a general meeting of the Company held on 11 January 2019, and the DOCA was effectuated on 8 March 2019 at which point all pre administration liabilities of the Company were extinguished, the Deed Administrators retired and the Company exited external administration, and all former Directors were replaced with the current Directors. The current Directors were not involved in the prior business of the Group. Further details regarding the Recapitalisation Proposal is set out later in this report.

Directors

The names and the particulars of the Directors who held office during or since the end of the half year and until the date of this report are disclosed below. The Directors were in office for this entire period unless otherwise stated.

Name	Status	Appointment/ Resignation
Mr Matthew Worner	Non-Executive Director	Appointed on 8 March 2019
Mr Yu Hin Eugene Tse	Non-Executive Director	Appointed on 8 March 2019
Ms Kyla Garic	Non-Executive Director	Appointed on 8 March 2019
Mr Charles Koonen	Non-Executive Director and Chairman	Appointed 12 February 2016 Resigned on 7 March 2019
Mr Ed Wilson	Non-Executive Director	Appointed 31 August 2016 Resigned on 7 March 2019
Mr Chris Adams	Non-Executive Director	Appointed 20 September 2017 Resigned on 7 March 2019

Company Secretary

Name	Status	Appointment/ Resignation
Ms Kyla Garic	Company Secretary	Appointed on 8 March 2019
Ms Leanne Ralph	Company Secretary	Appointed 14 February 2018 Resigned on 7 March 2019

Principal activities

As detailed in the above paragraphs the former Directors appointed Cassandra Matthews and Martin Madden of KordaMentha as Voluntary Administrators of the Company on 17 July 2018, and the Company remained in administration until 8 March 2019. The Administrators were in control of the Company during this period and shortly after their appointment, commenced a process of the recapitalisation of the Company, which was the primary activities of the Company during this period.

Incomplete records

To prepare this interim financial report, the Directors who were not in office during the periods presented in this report have reconstructed the financial records of the Group using data provided by the Administrators and extracted from the Group's

DIRECTOR'S REPORT

Incomplete records (continued)

accounting system for the year. However, there may be information that the Directors have not been able to obtain, the impact of which may or may not be material on the financial statements.

These half year financial statements do not contain all the required information or disclosures in relation to transactions undertaken by the Company as this information is unascertainable due to the external administration and and/or the change in directorship and key management personnel of the Company.

The Directors have not been able to source books and records of the Company's subsidiaries up to the date of this report. Accordingly, the financial information of the group's subsidiaries has been deconsolidated effective 1 July 2017.

Consequently, and although the Directors have prepared this financial report to the best of their knowledge based on the information that is available to them, they are of the opinion that it is not possible to state that this interim financial report has been prepared in accordance with Australian Accounting Standards including Australian Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001, nor is it possible to state this interim financial report gives a true and fair view of the Group's financial position as at 31 December 2018.

Refer below to Significant changes in state of affairs – Recapitalisation of the Company, for further information.

Significant changes in state of affairs

As noted above, on 17 July 2018, the former Directors of the Company resolved to appoint Martin Madden and Cassandra Mathews of KordaMentha as Voluntary Administrators.

The First Meeting of Creditors was held on 27 July 2018 at which the Voluntary Administrators were advised that a Committee of Inspection may be formed for the Company. There was no proposal from the creditors, nor was there any party present at the meeting to appoint a Committee of Inspection for the Company.

At the Second Meeting of Creditors held on 21 August 2018, the Creditors approved the Company's entry into the DOCA to facilitate the implementation of the Recapitalisation Proposal submitted by Otsana Capital, a Corporate Advisory firm specialising in the recapitalisation of ASX listed entities. It was resolved that Cassandra Mathews and Martin Madden of KordaMentha be appointed Deed Administrators of the DOCA and the Company.

The Company executed the DOCA on 11 September 2018.

Recapitalisation of the Company

The key purposes of the Recapitalisation Proposal were to raise funds to effectuate the DOCA and release the Company from all creditor claims, implement a more appropriate capital structure of the Company moving forward, and return control of the Company from the Deed Administrator to newly appointed Directors nominated by Otsana Capital to identify and assess potential acquisition opportunities to facilitate the reinstatement of the Company's securities to trading on the ASX.

The key terms of the "Recapitalisation Proposal" submitted by Otsana Capital in relation to the Company are set out below.

- a) the Company will consolidate its issued capital on 10 to 1 basis (**Consolidation**);
- b) the Company will undertake a placement to raise up to a maximum of \$900,000 through the issue of (on a post Consolidation basis) up to 45,000,000 fully paid ordinary shares (**Shares**) at an issue price of \$0.02 per Share, together with 45,000,000 free attaching options, each with an exercise price of \$0.03 expiring on the earlier of: (i) 3 years from the date the Company is reinstated to the Official List of ASX; and (ii) 6 years from the date of issue (**Placement**). The Placement was managed by Otsana Capital, which under the Recapitalisation Proposal had the discretion to change terms of the Placement, including raising less than the maximum amount for which approval was sought for;
- c) \$400,000 of funds raised under the Placement will be paid to creditors of the Company (**Creditor Payment**);

DIRECTOR'S REPORT**Recapitalisation of the Company (continued)**

- d) the Company will issue Otsana Capital (or its nominees) up to a maximum of 50,000,000 Shares (on a post Consolidation basis) in consideration for restructuring and advisory services provided and to be provided by Otsana Capital (and/ or its nominees) (**Advisor Shares**); and
- e) all Directors of the Company would be replaced (to the extent they had not already resigned) and be replaced by Directors nominated by Otsana Capital.

On 7 March 2019, ownership of the subsidiaries of the Group were divested prior to effectuation of the DOCA.

The Recapitalisation Proposal was approved by shareholders at a general meeting of the Company held on 11 January 2019, and the DOCA was effectuated on 8 March 2019 at which time:

- a) the Company completed the Placement and issued (on a post Consolidation basis) 25,000,000 Shares at an issue price of \$0.02 per Share raising \$500,000;
- b) 33,333,333 (post Consolidation) Advisor Shares were issued;
- c) from funds raised under the Placement, \$384,618 (being the Creditor Payment less an amount of \$15,382 in ASX Listing Fees already paid to ASX) was paid to the Deed Administrators in their capacity as trustees of the Creditors Trust;
- d) all rights, interest and assets of the Company were transferred to the Deed Administrators in their capacity as trustees of the Creditors Trust, and the Company was released from the claims of all creditors and the security interests held by secured creditors were discharged and/or released;
- e) all existing Directors were removed (to the extent they had not already resigned); and
- f) the Administrators retired and control of the Company was passed to newly appointed Directors Ms Kyla Garic, Mr Yu Hin Eugene Tse and Mr Matthew Worner.

Operating and financial review

The profit for the half-year amounted to \$5,464 (2017: loss of \$1,791,670).

Dividends paid or recommended

There were no dividends paid or recommended during the half financial year ended 31 December 2018 (2017: Nil).

Changes in capital structure after reporting date

On 22 January 2019, the Deed Administrators announced the completion of the Consolidation, following which the capital structure of the Company was as follows:

Class	Numbers
Fully paid ordinary shares	3,711,492
Unlisted Options with an exercise price \$40.00 expiring 14 June 2019	41,998
Unlisted Options with an exercise price \$60.00 expiring 14 June 2019	9,000
Unlisted Options with an exercise price \$40.00 expiring 15 June 2019	8,500
Unlisted Options with an exercise price \$40.00 expiring 8 November 2019	1,000

On 7 March 2019 and as noted above and as part of the Recapitalisation Proposal, the Company issued 25,000,000 Shares under the Placement, and 33,333,333 Advisor Shares to advisors of the Company in consideration for corporate advisory and restructuring services provided and to be provided to the Company, as approved by shareholders at the General Meeting held on 11 January 2019.

On 10 April 2019, the Company issued the balance of 16,666,667 Advisor Shares as approved by shareholders to advisors of the Company for corporate advisory and restructuring services provided and to be provided to the Company.

DIRECTOR'S REPORT

On 17 June 2019, the Company announced the expiry of the following options:

- 41,998 options exercisable at \$40.00 on 14 June 2019;
- 9,000 options exercisable at \$60.000 on 14 June 2019; and
- 8,500 options exercisable at \$40.00 on 15 June 2019

Change in Registered Office

On 8 March 2019, the Company's registered office and principal place of business moved to 108 Outram Street, West Perth, WA, 6005.

Auditor independence and non-audit services

The auditor's independence declaration is included on page 6 of the financial report.

Signed in accordance with a resolution of the Board of Directors.



Kyla Garic

Non-Executive Director

Dated: 30 January 2020

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

To the directors of CrowdSpark Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the period ended 31 December 2018 there have been:

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

**Nexia Perth Audit Services Pty Ltd**

Muranda Janse Van Nieuwenhuizen
Director

Perth
30 January 2020

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

	Note	31-Dec-18	31-Dec-17
		\$	\$
Revenue		-	1,049,685
Other income		5,464	193,706
Administration expense		-	(219,637)
Depreciation and amortisation		-	(71,142)
Employee expenses		-	(1,652,640)
Finance expense		-	(82,645)
Share based payments		-	(71,010)
Other expenses		-	(937,987)
Profit/ (Loss) before income tax		5,464	(1,791,670)
Income tax expense		-	196,460
Profit/ (Loss) after income tax		5,464	(1,595,210)
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Other comprehensive income		-	(226,076)
Total comprehensive profit/ (loss) for the year		5,464	(1,821,286)
Basic profit/ (loss) per share (cents per share)		0.01	(0.05)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Note	31-Dec-18	30-Jun-18
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	4	5,564	-
Other current assets		50,000	50,000
TOTAL CURRENT ASSETS		55,564	50,000
TOTAL ASSETS		55,564	50,000
CURRENT LIABILITIES			
Trade and other payables		1,040,156	1,040,156
TOTAL CURRENT LIABILITIES		1,040,156	1,040,156
TOTAL LIABILITIES		1,040,156	1,040,156
NET (LIABILITIES)/ASSETS		(984,592)	(990,156)
EQUITY			
Issued capital	5	57,032,549	57,020,877
Reserves		3,567,302	3,578,874
Accumulated losses		(61,595,371)	(61,589,907)
TOTAL EQUITY		(984,592)	(990,156)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	Issued Capital	Share Option Reserve	Translation Reserve	Other Equity Contributions	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017	56,994,964	2,442,660	(769,432)	957,631	(56,069,299)	3,556,524
Profit/ (loss) for the period	-	-	-	-	(1,595,210)	(1,595,210)
<i>Other comprehensive income for the period</i>						
Foreign currency translation differences	-	-	(226,076)	-	-	(226,076)
Total comprehensive profit/ (loss) for the period	-	-	(226,076)	-	(1,595,210)	(1,821,286)
Transactions with owner's recorder directly in equity						
Share based payments	25,913	-	-	-	-	25,913
Share based rights and options	-	45,098	-	-	-	45,098
Share issue reserve	-	-	-	133,485	-	133,485
Balance at 31 December 2017	57,020,877	2,487,758	(995,508)	1,091,116	(57,664,509)	1,939,734
Balance at 1 July 2018	57,020,877	2,487,758	-	1,091,116	(61,589,907)	(990,156)
Profit/ (loss) for the period	-	-	-	-	5,464	5,464
<i>Other comprehensive income for the period</i>						
Foreign currency translation differences	-	-	-	-	-	-
Total comprehensive profit/ (loss) for the period	-	-	-	-	5,464	5,464
Transactions with owner's recorder directly in equity						
Conversion of performance rights	11,672	(11,572)	-	-	-	100
Balance at 31 December 2018	57,032,549	2,476,186	-	1,091,116	(61,595,371)	(984,592)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	31 December 2018	31 December 2017
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	-	1,368,921
Payments to suppliers and employees	5,464	(3,415,908)
Interest received	-	36,927
Net cash used in operating activities	5,464	(2,010,060)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for plant and equipment	-	(3,658)
Net cash used in investing activities	-	(3,658)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	-	-
Repayment of borrowings	-	(683,903)
Proceeds from shares issues	100	204,497
Payment of capital raising costs	-	(71,012)
Net cash used in financing activities	100	(550,418)
Net increase (decrease) in cash and cash equivalents	5,564	(2,564,136)
Cash and cash equivalents at beginning of period	-	5,021,782
Effect of exchange rate fluctuations on cash held	-	6,656
Cash and cash equivalents at end of period	4	2,464,302

The accompanying notes form part of these financial statements

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2018**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These consolidated financial statements for the half year ended 31 December 2018 cover CrowdSpark Limited (“the Company”) and its controlled entities as a consolidated entity (also referred to as “the Group”). CrowdSpark Limited is a company limited by shares, incorporated and domiciled in Australia. The Group is a for-profit entity.

This interim financial report was issued on 30 January 2020 by the directors of the Company.

a) Statement of compliance

The interim financial report is a condensed financial report prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134: Interim Financial Reporting. Compliance with AASB 134 ensures compliance with IAS 34 ‘Interim Financial Reporting’ where possible (refer to Note 1(b)).

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

This half-year report does not include the full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide in full an understanding of the financial performance, financial position and cash flows of the Company as in the full financial report.

It is recommended that this half-year financial report is read in conjunction with the annual financial report for the year ended 30 June 2018 and any public announcements made by the Company during the half-year in accordance with the continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The Accounting policies adopted in the preparation of this half-year financial report are consistent with those followed in preparation of the Group’s annual consolidated financial statements for the year ended 30 June 2018, except for the adoption of new standards and interpretations effective as of 1 July 2018 applied retrospectively. The adoption of these Standards and Interpretations has had no material impact.

b) Incomplete records

To prepare this half year financial report, the Directors who were not in office during the period under review have reconstructed the financial records of the Group using data provided by the Administrators and extracted from the Group’s accounting system for the half-year. However, there may be information that the Directors have not been able to obtain, the impact of which may or may not be material on the half year financial statements.

These half year financial statements do not contain all the required information or disclosures in relation to transactions undertaken by the Company as this information is unascertainable due to the Company being placed in external administration and/or the change in directorships and key management personnel of the Company.

The Directors have not been able to source books and records of the Company’s subsidiaries up to the date of this report. Ownership of the subsidiaries was transferred to the creditors’ trust on the effectuation of the Deed of Company Arrangement. Accordingly, the financial information of the group’s subsidiaries has been deconsolidated effective 1 July 2017.

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Incomplete records (continued)

Consequently, and although the Directors have prepared this financial report to the best of their knowledge based on the information that is available to them, they are of the opinion that it is not possible to state that this financial report has been prepared in accordance with Australian Accounting Standards including Australian interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001, nor is it possible to state this financial report gives a true and fair view of the Group's financial performance for the half-year then ended.

For further information refer to subsequent events disclosures in Note 7.

c) Going concern

As detailed on page 3, following effectuation of the DOCA and completion of the Recapitalisation Proposal, all rights, interest and assets of the Company were transferred to the Deed Administrators in their capacity as trustees of the Creditors Trust, and the Company was released from the claims of all creditors and the security interests held by secured creditors were discharged and/or released. Following their appointment as Directors on completion of the proposal, the current Directors have been assessing various acquisition opportunities to facilitate the reinstatement of the Company to the Official List of ASX. Save for this, the Company is dormant and not incurring any material liabilities.

For these reasons, the Directors consider the Group to be a going concern. Notwithstanding the material uncertainties of future events inherent in whether the Company will be able to successfully identify and complete an acquisition, the Directors consider it is appropriate to prepare financial information on a going concern basis and hence no adjustments have been made to the financial information relating to the recoverability and classification of the asset carrying amounts or the amounts and classifications of liabilities that might be necessary if the Group does not continue as a going concern.

NOTE 2: OPERATING SEGMENTS

Segment Information - identification of reportable segments

On 17 July 2018 the then Directors of the Company entered the Company into Voluntary administration and the Group's operations were suspended under the Administrators. As detailed in Note 1(b), the current Directors do not have sufficient information to enable this level of disclosure to be made.

NOTE 3: REVENUE AND EXPENSES

	31 December 2018	31 December 2017
	\$	\$
a) Revenue		
Revenue	*	1,049,685
	*	1,049,685
b) Other income		
Other income	5,464	193,706
	5,464	193,706
c) Expenses		
Administration expense	*	(219,637)
Depreciation and amortisation	*	(71,142)
Employee expenses	*	(1,652,640)
Finance expense	*	(82,645)
Share based payments	*	(71,010)
Other expenses	*	(937,987)
	*	(3,035,061)

* The Group was placed into voluntary administration on 17 July 2018. As a result of this and as detailed in Note 1 (b), there is insufficient information to enable this level of disclosure to be made.

NOTE 4: CASH AND CASH EQUIVALENTS

	31 December 2018	30 June 2018
	\$	\$
Cash on hand	5,564	-
	5,564	-

NOTE 5: ISSUED CAPITAL

	Note	31 December 2018	30 June 2018
		\$	\$
(a) Issued Capital:			
Ordinary shares fully paid		57,032,549	57,020,877

(b) Movement in ordinary share capital of the Company during the period was as follows:

	Number	\$
Opening balance at 1 July 2017	7,310,162,145	56,994,964
Issue of director shares	22,814,427	25,913
Share consolidation	(7,296,312,632)	-
Issue of employee shares	357,148	-
Closing balance at 30 June 2018	37,021,088	57,020,877
Opening balance at 1 July 2018	37,021,088	57,020,877
Issue of shares on exercise of Performance Rights	100,000	100
Conversion of Performance Rights	-	11,572
Closing balance at 31 December 2018	37,121,088	57,032,549

NOTE 6: CONTINGENT LIABILITIES AND COMMITMENTS**Contingent Liabilities**

The directors who were not in the office during the half year ended 31 December 2018 do not have sufficient information to determine if there are any other contingent liabilities as at 31 December 2018.

Commitments

The current directors who were not in the office during the half year ended 31 December 2018 do not have sufficient information to determine if there are any commitments as at 31 December 2018.

NOTE 7: EVENTS SUBSEQUENT TO REPORTING DATE

On 17 July 2018, the former Directors of the Company resolved to appoint Martin Madden and Cassandra Mathews of KordaMentha as Voluntary Administrators.

The First Meeting of Creditors was held on 27 July 2018 at which the Voluntary Administrators were advised that a Committee of Inspection may be formed for the Company. There was no proposal from the creditors, nor was there any party present at the meeting to appoint a Committee of Inspection for the Company.

At the Second Meeting of Creditors held on 21 August 2018, the Creditors approved the Company's entry into the DOCA to facilitate the implementation of the Recapitalisation Proposal submitted by Otsana Capital, a Corporate Advisory firm specialising in the recapitalisation of ASX listed entities. It was resolved that Cassandra Mathews and Martin Madden of KordaMentha be appointed Deed Administrators of the DOCA and the Company.

The Company executed the DOCA on 11 September 2018.

Recapitalisation of the Company

The key purposes of the Recapitalisation Proposal were to raise funds to effectuate the DOCA and release the Company from all creditor claims, implement a more appropriate capital structure of the Company moving forward, and return control of the Company from the Deed Administrator to newly appointed Directors nominated by Otsana Capital to identify and assess potential acquisition opportunities to facilitate the reinstatement of the Company's securities to trading on the ASX.

The key terms of the "Recapitalisation Proposal" submitted by Otsana Capital in relation to the Company are set out below.

- a) the Company will consolidate its issued capital on 10 to 1 basis (**Consolidation**);
- b) the Company will undertake a placement to raise up to a maximum of \$900,000 through the issue of (on a post Consolidation basis) up to 45,000,000 fully paid ordinary shares (**Shares**) at an issue price of \$0.02 per Share, together with 45,000,000 free attaching options, each with an exercise price of \$0.03 expiring on the earlier of: (i) 3 years from the date the Company is reinstated to the Official List of ASX; and (ii) 6 years from the date of issue (**Placement**). The Placement was managed by Otsana Capital, which under the Recapitalisation Proposal had the discretion to change terms of the Placement, including raising less than the maximum amount for which approval was sought for;
- c) \$400,000 of funds raised under the Placement will be paid to creditors of the Company (**Creditor Payment**);
- d) the Company will issue Otsana Capital (or its nominees) up to a maximum of 50,000,000 Shares (on a post Consolidation basis) in consideration for restructuring and advisory services provided and to be provided by Otsana Capital (and/ or its nominees) (**Advisor Shares**); and
- e) all Directors of the Company would be replaced (to the extent they had not already resigned) and be replaced by Directors nominated by Otsana Capital.

On 7 March 2019, ownership of the subsidiaries of the Group were divested prior to effectuation of the DOCA.

The Recapitalisation Proposal was approved by shareholders at a general meeting of the Company held on 11 January 2019, and the DOCA was effectuated on 8 March 2019 at which time:

- a) the Company completed the Placement and issued (on a post Consolidation basis) 25,000,000 Shares at an issue price of \$0.02 per Share raising \$500,000;

- b) 33,333,333 (post Consolidation) Advisor Shares were issued;
- c) from funds raised under the Placement, \$384,618 (being the Creditor Payment less an amount of \$15,382 in ASX Listing Fees already paid to ASX) was paid to the Deed Administrators in their capacity as trustees of the Creditors Trust;
- d) all rights, interest and assets of the Company were transferred to the Deed Administrators in their capacity as trustees of the Creditors Trust, and the Company was released from the claims of all creditors and the security interests held by secured creditors were discharged and/or released;
- e) all existing Directors were removed (to the extent they had not already resigned); and
- f) the Administrators retired and control of the Company was passed to newly appointed Directors Ms Kyla Garic, Mr Yu Hin Eugene Tse and Mr Matthew Worner.

Operating and financial review

The profit for the half-year amounted to \$5,464 (2017: loss of \$1,791,670).

Changes in capital structure after reporting date

On 22 January 2019, the Deed Administrators announced the completion of the Consolidation, following which the capital structure of the Company was as follows:

Class	Numbers
Fully paid ordinary shares	3,711,492
Unlisted Options with an exercise price \$40.00 expiring 14 June 2019	41,998
Unlisted Options with an exercise price \$60.00 expiring 14 June 2019	9,000
Unlisted Options with an exercise price \$40.00 expiring 15 June 2019	8,500
Unlisted Options with an exercise price \$40.00 expiring 8 November 2019	1,000

On 7 March 2019 and as noted above and as part of the Recapitalisation Proposal, the Company issued 25,000,000 Shares under the Placement, and 33,333,333 Advisor Shares to advisors of the Company in consideration for corporate advisory and restructuring services provided and to be provided to the Company, as approved by shareholders at the General Meeting held on 11 January 2019.

On 10 April 2019, the Company issued the balance of 16,666,667 Advisor Shares as approved by shareholders to advisors of the Company for corporate advisory and restructuring services provided and to be provided to the Company.

On 17 June 2019, the Company announced the expiry of the following options:

- 41,998 options exercisable at \$40.00 on 14 June 2019;
- 9,000 options exercisable at \$60.000 on 14 June 2019; and
- 8,500 options exercisable at \$40.00 on 15 June 2019

Change in Registered Office

On 8 March 2019, the Company's registered office and principal place of business moved to 108 Outram Street, West Perth, WA, 6005.

DIRECTORS' DECLARATION

- 1) In the opinion of the Directors of CrowdSpark Limited:
 - a) As set out in Note 1(b), although the current Directors have prepared the financial statements and notes thereto to the best of their knowledge based on the information made available to them, they are of the opinion that it **is not possible** to state that the half-year financial statements and notes thereto are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 31 December 2018 and of its performance for the half-year ending on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.
- 2) Subject to the matters highlighted in Note 1 (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.
- 3) The declaration required to be made in accordance with Section 303 of the Corporations Act 2001 for the half year ended 31 December 2018 has been **unable** to be made due to the reasons set out in Note 1(b).

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



Kyla Garic
Non-Executive Director

Dated 30 January 2020

Independent Auditor's Review Report to the members of CrowdSpark Limited

Disclaimer of Conclusion

Because of the significance of the matters described in the Basis for Disclaimer of Conclusion paragraph, we have not been able to obtain sufficient appropriate evidence to provide a basis for a review conclusion. Accordingly, we do not express a conclusion on whether we have become aware of any matter that makes us believe that the half-year financial report for CrowdSpark Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2018 and of its performance for the period ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Basis for Disclaimer of Conclusion

As stated in Note 1(b) to the financial statements, the Directors who were not in office during the periods presented in the financial report have reconstructed the financial records of the Group using data provided by the Administrators and extracted from the Group's accounting system for the year. As stated in that Note and in the Directors' Declaration, the Directors are unable to determine whether the financial statements present a true and fair view of the Company's and the Group's financial position as at 30 June 2018, their performance for the year then ended or whether the financial statements comply with Australian Accounting Standards. As a result, we were unable to obtain sufficient appropriate audit evidence regarding the amounts and disclosures included in the financial report taken as a whole and, therefore, we are unable to form an opinion on the financial report.

Directors' Responsibility for the Interim Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2018 and its performance for the period ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of CrowdSpark Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim 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.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of CrowdSpark Limited, would be in the same terms if given to the directors as at the time of this review report.

Report on Other Legal and Regulatory Requirements

Due to the matters described in the Basis of Disclaimer of Conclusion paragraph, we have not been given all information explanation and assistance necessary for the conduct of the review; and we are unable to determine whether the Company has kept:

- (a) financial records sufficient to enable the financial report to be prepared and reviewed; and
- (b) other records and registers as required by the Corporation Act 2001.



Nexia Perth Audit Services Pty Ltd



Muranda Janse Van Nieuwenhuizen
Director

Perth
30 January 2020