

1. Company details

Name of entity:	Nvoi Ltd
ABN:	29 107 371 497
Reporting period:	For the year ended 30 June 2020
Previous period:	For the year ended 30 June 2019

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	1888.65% to	268,070
Loss from ordinary activities after tax attributable to the owners of Nvoi Ltd	up	147.62% to	(3,510,892)
Loss for the year attributable to the owners of Nvoi Ltd	up	147.62% to	(3,510,892)

Dividends

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

Comments

The loss for the consolidated entity after providing for income tax amounted to \$3,510,892 (30 June 2019: \$1,417,869).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.25	0.16

4. Control gained over entities

Name of entities (or group of entities)	Workconex Pty Ltd Workconex Holdings Pty Ltd JXT (Global) UK Limited JXT (Global) US, Inc
Date control gained	Workconex entities - 22 January 2020 JXT entities - 1 June 2020
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)	\$ (810,125)

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

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

Previous period

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

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

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

All foreign entities are presented in compliance with International Financial Reporting Standards (IFRS).

10. Audit qualification or review

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

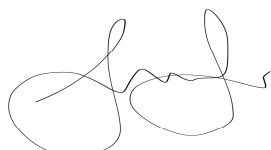
The financial statements have been audited and an unqualified opinion has been issued.

11. Attachments

Details of attachments (if any):

The Annual Report of Nvoi Ltd for the year ended 30 June 2020 is attached.

12. Signed



Signed _____

Date: 31 August 2020

John Winters
Non-Executive Director

Nvoi Ltd

ABN 29 107 371 497

Annual Report - 30 June 2020

Directors	John Winters Steven Papadopoulos Philip Crutchfield
Company secretary	Sinead Teague
Registered office	Level 5, 126 Phillip Street Sydney NSW 2000
Principal place of business	Level 7, 82-88 Elizabeth Street Sydney NSW 2000
Share register	Automic Pty Ltd Level 5, 126 Phillip St Sydney NSW 2000
Auditor	Stantons International Level 2, 22 Pitt Street Sydney NSW 2000
Solicitors	Milcor Legal Level 1, 6 Thelma Street West Perth WA 6005
Bankers	National Australia Bank 105 Miller Street North Sydney NSW 2060
Stock exchange listing	Nvoi Ltd shares are listed on the Australian Securities Exchange (ASX code: NVO)
Website	www.nvoi.com.au
Corporate Governance Statement	The company's Corporate Governance Statement can be found on the company's website: www.nvoi.com.au/investor/corporate-governance/

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Nvoi Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2020.

Directors

The following persons were directors of Nvoi Ltd during the whole of the financial year and up to the date of this report, unless otherwise stated:

John Winters	Non-Executive Director (formerly Executive Director up to 31 July 2020)
Steven Papadopoulos	Non-Executive Director
Philip Crutchfield	Non-Executive Director and Chairman (appointed 17 October 2019)
Andrew Bursill	Non-Executive Director (resigned 18 October 2019)

Principal activities

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

Dividends

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

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$3,510,892 (30 June 2019: \$1,417,869).

Acquisition of JXT

On 1 June 2020, the company completed its acquisition of the JXT business and associated key assets. This acquisition provided the company an immediate global presence with operations in Australia, the United Kingdom and the United States of America and an impressive list of recruiter and corporate clients utilising its services in more than 20 countries. JXT is already a world leader in cloud-based digital marketing solutions for recruiters and corporate hiring teams. JXT's primary product offering is a software-as-a-service platform for delivering complete websites containing, among other things, jobs boards to display opportunities to jobseekers and a results-driven solution to attract, engage and place talent into suitable roles. The purchase price was \$650,000 comprising:

- cash payment of \$535,029 as at 30 June 2020;
- a further deferred consideration of \$25,000 to be paid following collection of \$150,000 in respect of book debts;
- plus or minus adjustments for accruals and prepayments; and
- less amounts relating to annual leave liability and long service leave liability.

The company's immediate focus post-acquisition was on integration of the JXT business into the consolidated entity, consolidating revenue and development work on an enhanced JXT platform.

Following the acquisition of JXT, the company also expanded its strategic partnership with CareerOne Pty Ltd (referred to hereafter as 'CareerOne') to leverage the full strength of CareerOne's technical team and job board intellectual property and technology, with an increase in full time technical resources working across the entire Nvoi business. This expanded partnership allows the company to leverage all of CareerOne's job technology to deliver market leading products and services (in particular, further development of the JXT technology), off the back of a proven track record of building large scale applications in the job market, supporting its own business but also some of Australia's largest recruiters and corporates. This strategic partnership commenced in October 2019.

Acquisition of Workconex

On 22 January 2020, the company completed its acquisition of Workconex Holdings Pty Ltd (referred to hereafter as 'Workconex'). Under the terms of the agreement, the company acquired 100% of the issued capital of Workconex for an initial consideration of \$10 plus earn-out consideration of up to \$300,000 in cash subject to Workconex achieving at least 100 genuine paying subscribers (who have held such status for at least two consecutive months) within 12 months of completion. In addition, the company has assumed a total of approximately \$300,000 in net debt owed by Workconex, which was repaid at completion of the acquisition.

The Workconex ATS platform is a web-based tool that automates all of the steps involved in the recruitment workflow, allowing users to simplify advertising new roles, track applications in real time, communicate with candidates, reference check, extend offer letters and on-board new hires directly into their business. It makes the recruitment process highly efficient in one collaborative platform.

Strategic Review

In October 2019, the company completed its strategic review of operations and technology offering, and potential commercial arrangements, culminating in the development of a new strategy to handle broader human resource management, rather than focusing purely on the niche contractor segment of the market. Implementation of this strategy included the strategic partnership with CareerOne and subsequent acquisitions of Workconex and JXT.

Impact of COVID-19

With the onset of the COVID-19 crisis in late March, and in response to the global economic uncertainty caused by the pandemic, the company implemented measures to maintain low operational expenditure and reduce costs where possible. These measures have assisted in mitigating the impact of COVID-19 on the company's activities. The impact of COVID-19 has caused a delay in the proposed Nvoi Direct launch. For an extended period all personnel were working from home as a precaution against COVID19. The company was and remains well equipped to have staff work remotely and continue operations. These arrangements have not had a material impact on the business to date and are not expected to do so in the future.

Capital Raising

In October 2019 the company raised \$4.6 million (less costs) with the issue of 461 million new fully paid ordinary shares at 1 cent each in a placement to institutional and sophisticated investors, including to directors following receipt of shareholder approval at the company's annual general meeting. A further \$1.8 million (less costs) was raised in June 2020 via a non-renounceable entitlement offer to shareholders at 0.6 cents each.

Funds raised are being used to further the company's business strategy, buildout the company's own internal development and sales teams, for promotional, advertising and marketing activities and for general working capital.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial year other than as described above.

Matters subsequent to the end of the financial year

On 31 July 2020, the role of John Winters as executive director of the company changed to that of non-executive director.

On 26 August 2020, Raife Watson stood down as chief executive officer of the consolidated entity with immediate effect and Steve Butler was appointed as chief executive officer on that date.

Likely developments and expected results of operations

The company has commenced product development for a new JXT platform, leveraging the company's existing products (including Nvoi Direct and Workconex) and CareerOne's technology to create a product roadmap and growth strategy that consolidates all products and unlocks unique positioning in large segments of recruitment technology, furthering the company's stated strategy of creating an enhanced single offering to the recruitment market.

The company expects this enhanced product offering, which will be designed to streamline the recruitment experience between recruiters, clients and candidates, to launch in Q3 FY2021.

Environmental regulation

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

Information on directors

Name: John Winters
Title: Non-Executive Director
 (formerly Executive Director up to 31 July 2020)
Experience and expertise: Mr Winters has spent over a decade in the financial services industry focusing on investment advisory, corporate advisory and business development at firms including Shaw and Partners, Macquarie Group and Diamond Capital Partners. He is the founder and executive director of Superhero Markets Pty Ltd and Superhero Financial Services Pty Ltd.
Other current directorships: None
Former directorships (last 3 years): None
Interests in shares: 85,885,831 ordinary shares
Interests in options: 15,137,653 unlisted options with an exercise price of \$0.0034 and expiry date of 30 November 2024
 10,000,000 unlisted options with an exercise price of \$0.0030 and an expiry date of 30 November 2022
 15,000,000 unlisted options with an exercise price of \$0.0206 and an expiry date of 30 November 2024

Name: Steven Papadopoulos
Title: Non-Executive Director
Experience and expertise: Mr Papadopoulos has considerable experience in assisting and guiding small and micro-cap companies, including numerous technology companies, listed on the ASX. He is an experienced corporate lawyer, having worked at leading Australian and London law firms, in all areas of corporate and commercial law, with a focus on equity capital markets, M&A and private equity.
Other current directorships: None
Former directorships (last 3 years): None
Interests in shares: 37,099,999 ordinary shares
Interests in options: 7,500,000 unlisted options with an exercise price of \$0.0034 and expiry date of 30 November 2024.
 15,000,000 unlisted options with an exercise price of \$0.0206 and expiry date of 30 November 2024.

Name: Philip Crutchfield (appointed 17 October 2019)
Title: Non-Executive Director and Chairman
Experience and expertise: Mr Crutchfield is a barrister and a former partner of Mallesons Stephen Jacques (now King & Wood Mallesons). He is also a board member of Encounter Resources Limited, the Geelong Grammar School Council, Bell Shakespeare Theatre Company and the Victorian Bar Foundation Limited.
Other current directorships: Non-Executive Chairman of Zip Co Limited (ASX: Z1P)
 Non-Executive Director of Encounter Resources Limited (ASX: ENR)
Former directorships (last 3 years): None
Interests in shares: 79,200,000 ordinary shares
Interests in options: 8,800,000 unlisted options with an exercise price of \$0.0034 and expiry date of 30 November 2024.
 15,000,000 unlisted options with an exercise price of \$0.0206 and expiry date of 30 November 2024.

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Sinead Teague

Ms Teague has been Nvoi Limited's company secretary since 24 June 2019. Ms Teague is a governance and compliance professional with over ten years of company secretarial experience across a range of industries and ASX listed companies.

Andrew Bursill

Mr Bursill ceased as joint company secretary on 18 October 2019.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2020, and the number of meetings attended by each director were:

	Full Board Attended	Held
John Winters	7	7
Steven Papadopoulos	7	7
Philip Crutchfield (appointed 17 October 2019)	4	4
Andrew Bursill (resigned 18 October 2019)	-	3

Held: represents the number of meetings held during the time the director held office.

As at 29 April 2019 the responsibilities of the Nomination and Remuneration committee and the Audit and Risk committee were assigned to the Board and will remain for the foreseeable future.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

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

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

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

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

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

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

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors remuneration

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

Non-executive Director's fees are determined within an aggregate fee pool limit, which is periodically recommended for approval by shareholders. The current fee aggregate limit is \$300,000. They do not receive performance-based pay or non-statutory retirement allowances. The chairman does not receive additional fees for participating in or chairing committees.

Executive remuneration

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

The executive remuneration and reward framework has four components:

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

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

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

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

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include profit contribution, customer satisfaction, leadership contribution and product management.

Consolidated entity performance and link to remuneration

Remuneration for certain individuals is directly linked to the performance of the consolidated entity. A portion of cash bonus and incentive payments are dependent on defined earnings per share targets being met. The remaining portion of the cash bonus and incentive payments are at the discretion of the Board.

Details of remuneration

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following directors of Nvoi Ltd:

- John Winters
- Steven Papadopoulos
- Philip Crutchfield (appointed 17 October 2019)
- Andrew Bursill (resigned 18 October 2019)

And the following person:

- Raife Watson (Chief Executive Officer, appointed 13 January 2020, resigned 26 August 2020)

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled shares	Equity-settled options	Total
2020	\$	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>								
Steven Papadopoulos	74,306	-	-	7,059	-	-	161,853	243,218
Philip Crutchfield	71,050	-	-	6,750	-	-	161,853	239,653
Andrew Bursill*	-	-	-	-	-	-	-	-
<i>Executive Directors:</i>								
John Winters	171,818	60,000	-	21,090	-	-	161,853	414,761
<i>Other Key Management Personnel:</i>								
Raife Watson	155,991	-	-	13,519	-	-	59,963	229,473
	473,165	60,000	-	48,418	-	-	545,522	1,127,105

* A Bursill has a director fee valued at \$3,000 per month for a period up to 12 months from 30 April 2019, this director fee has been waived by Automic Pty Ltd.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled shares	Equity-settled options	Total
2019	\$	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>								
Steven Papadopoulos*	12,500	-	-	1,188	-	-	-	13,688
Andrew Dutton**	34,247	-	-	3,253	-	-	-	37,500
Pamela Cass**	17,123	-	-	1,627	-	-	-	18,750
Alec Bashinsky**	17,123	-	-	1,627	-	-	-	18,750
Andrew Bursill****	-	-	-	-	-	-	-	-
<i>Executive Directors:</i>								
John Winters*	33,750	-	-	3,206	-	-	-	36,956
Jennifer Maritz***	373,579	-	-	31,233	-	-	(22,088)	382,724
<i>Other Key Management Personnel:</i>								
Michael Bermeister***	181,458	-	-	15,906	-	-	(26,025)	171,339
	669,780	-	-	58,040	-	-	(48,113)	679,707

* appointed 16 April 2019

** resigned 16 April 2019

*** resigned 29 April 2019

**** A Bursill has a director fee valued at \$3,000 per month for a period up to 12 months from 30 April 2019, this director fee has been waived by Automic Pty Ltd

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2020	2019	2020	2019	2020	2019
<i>Non-Executive Directors:</i>						
Steven Papadopoulos	33%	100%	-	-	67%	-
Philip Crutchfield	32%	-	-	-	68%	-
Andrew Bursill	-	-	-	-	-	-
Andrew Dutton	-	100%	-	-	-	-
Pamela Cass	-	100%	-	-	-	-
Alec Bashinsky	-	100%	-	-	-	-
<i>Executive Directors:</i>						
John Winters	47%	100%	14%	-	39%	-
Jennifer Maritz	-	100%	-	-	-	-
<i>Other Key Management Personnel:</i>						
Raife Watson	74%	-	-	-	26%	-
Michael Bermeister	-	100%	-	-	-	-

Refer to note 27 for related party transactions.

Service agreements

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

Name: John Winters
Title: Executive Director
Agreement commenced: 30 April 2019
Details: (a) Remuneration Package
- \$162,000 per annum plus superannuation
- Cash bonus as determined by the board subject to achievement of certain specified performance criteria within a certain period of time.

(b) Remuneration will be reviewed annually.

(c) Termination
- one month's notice in writing from the company or from employee.

Name: Raife Watson
Title: Chief Executive Officer
Agreement commenced: 13 January 2020
Details: (a) Remuneration package
- \$300,000 per annum plus superannuation.
- Cash bonus \$50,000 plus superannuation on 30 July 2020 subject to employment not terminated before that date.
- \$300,000 worth of shares subject to revenue target of at least \$250,000 per month for three consecutive months during the period of 12 months after commencement date.
- 20 million options exercisable at 2.06 cents each on or before 30 November 2024, all of which shall vest on the anniversary of commencement date.

(b) Remuneration reviewed annually on the anniversary of commencement date.

(c) Termination
(i) Termination by company:
- Termination by notice: company may terminate with three months' notice or payment in lieu of notice.
- Termination by redundancy : company may terminate with payment of notice period actually worked plus the lesser of six months' salary' and the amount calculated in accordance with section 200F(2)(b) of the Corporations Act.
- Termination for illness: company may terminate if employee incapacitated due to illness, accident or other cause for three consecutive months or for a period aggregating more than three months in an 12 month period; with one months' written notice or payment in lieu of notice.
- Summary Termination: company may summarily terminate as the result of an occurrence that gives the company a right of summary dismissal at common law, including, breach of agreement, misconduct, dishonesty, bankruptcy, the company giving the employee two written notices, at least one month apart, of his failure to meet independent performance objectives.
(ii) Termination by employee:
- Not less than three months' written notice to the company.

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

Share-based compensation

Shareholders information

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2020.

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
John Winters * ^	10,000,000	18 Jun 2019	18 Jun 2019	30 Nov 2022	\$0.0030	\$0.0117
Philip Crutchfield	15,000,000	29 Nov 2019	29 Nov 2019	30 Nov 2024	\$0.0206	\$0.0108
Steve Papadopoulos ^^	15,000,000	29 Nov 2019	29 Nov 2019	30 Nov 2024	\$0.0206	\$0.0108
John Winters ^	15,000,000	29 Nov 2019	29 Nov 2019	30 Nov 2024	\$0.0206	\$0.0108
Raife Watson	20,000,000	28 Feb 2020	13 Jan 2021	30 Nov 2024	\$0.0206	\$0.0078

Options granted carry no dividend or voting rights.

* In the General Meeting held on 18 June 2019, the issue of 113,737,653 options was approved. These were issued in July 2019. The 10,000,000 options issued to John Winters forms part of these options.

^ granted indirectly to Rocstar Nominees Pty Ltd

^^ granted indirectly to Parlin Investments Pty Ltd

Options granted to directors as part of a 1 for 1 basis to ordinary shares issued under placement are excluded here as they do not form part of share-based compensation.

The number of options over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 30 June 2020 are set out below:

Name	Number of options granted during the year 2020	Number of options granted during the year 2019	Number of options vested during the year 2020	Number of options vested during the year 2019
John Winters * ^	15,000,000	10,000,000	15,000,000	10,000,000
Philip Crutchfield	15,000,000	-	15,000,000	-
Steven Papadopoulos ^^	15,000,000	-	15,000,000	-
Raife Watson (resigned 26 August 2020)	20,000,000	-	-	-

* In the General Meeting held on 18 June 2019, the issue of 113,737,653 options was approved. These were issued in July 2019. The 10,000,000 options issued to John Winters forms part of these options.

^ granted indirectly to Rocstar Nominees Pty Ltd

^^ granted indirectly to Parlin Investments Pty Ltd

Options granted to directors as part of a 1 for 1 basis to ordinary shares issued under placement are excluded here as they do not form part of share-based compensation.

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2020 are set out below:

Name	Value of options granted during the year \$	Value of options exercised during the year \$	Value of options lapsed during the year \$	Remuneration consisting of options for the year %
John Winters ^	161,853	-	-	40%
Philip Crutchfield	161,853	-	-	68%
Steven Papadopoulos ^^	161,853	-	-	67%
Raife Watson	156,000	-	-	28%

^ granted indirectly to Rocstar Nominees Pty Ltd

^^ granted indirectly to Parlin Investments Pty Ltd

Options granted to directors as part of a 1 for 1 basis to ordinary shares issued under placement are excluded here as they do not form part of share-based compensation.

Details of options over ordinary shares granted, vested and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2020 are set out below:

Name	Grant date	Vesting date	Number of options granted	Value of options granted \$	Value of options vested \$	Number of options lapsed	Value of options lapsed \$
John Winters * ^	18 Jun 2019	18 Jun 2019	10,000,000	116,671	116,671	-	-
Philip Crutchfield	29 Nov 2019	29 Nov 2019	15,000,000	161,853	161,853	-	-
Steven Papadopoulos ^^	29 Nov 2019	29 Nov 2019	15,000,000	161,853	161,853	-	-
John Winters ^	29 Nov 2019	29 Nov 2019	15,000,000	161,853	161,853	-	-
Raife Watson	28 Feb 2020	13 Jan 2021	20,000,000	156,000	59,963	-	-

In the General Meeting held on 18 June 2019, the issue of 113,737,653 options was approved. These were issued in July 2019. The 10,000,000 options issued to John Winters forms part of these options.

^ granted indirectly to Rocstar Nominees Pty Ltd

^^ granted indirectly to Parlin Investments Pty Ltd

Options granted to directors as part of a 1 for 1 basis to ordinary shares issued under placement are excluded here as they do not form part of share-based compensation.

Additional information

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2020	2019	2018	2017	2016
Share price at financial year end (\$)	0.01	0.01	0.01	0.03	0.07
Basic earnings per share (cents per share)	(0.26)	(0.25)	(0.88)	(1.14)	(2.41)
Diluted earnings per share (cents per share)	(0.26)	(0.25)	(0.88)	(1.14)	(2.41)

Additional disclosures relating to key management personnel

Shareholding

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

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
John Winters	64,071,526	-	21,814,305	-	85,885,831
Philip Crutchfield*	61,000,000	-	18,200,000	-	79,200,000
Steven Papadopoulos	28,416,666	-	8,683,333	-	37,099,999
Raife Watson	-	-	3,333,333	-	3,333,333
	153,488,192	-	52,030,971	-	205,519,163

* Philip Crutchfield's opening balance here refers to his initial director's interest at his date of appointment, 17 October 2019.

Option holding

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

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
<i>Options over ordinary shares</i>					
John Winters	25,137,653	15,000,000	-	-	40,137,653
Philip Crutchfield*	8,800,000	15,000,000	-	-	23,800,000
Steven Papadopoulos	7,500,000	15,000,000	-	-	22,500,000
Raife Watson	-	20,000,000	-	-	20,000,000
	41,437,653	65,000,000	-	-	106,437,653

* Philip Crutchfield's opening balance here refers to his initial director's interest at his date of appointment, 17 October 2019.

	Vested and exercisable	Unvested	Balance at the end of the year
<i>Options over ordinary shares</i>			
John Winters	40,137,653	-	40,137,653
Philip Crutchfield	23,800,000	-	23,800,000
Steven Papadopoulos	22,500,000	-	22,500,000
Raife Watson	-	20,000,000	20,000,000
	86,437,653	20,000,000	106,437,653

This concludes the remuneration report, which has been audited.

Shares under option

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

Grant date	Expiry date	Exercise price	Number under option
18 June 2019	30 November 2022	\$0.0030	10,000,000
18 June 2019	30 November 2024	\$0.0034	103,737,653
29 November 2019	31 December 2021	\$0.0100	33,333,333
29 November 2019	31 December 2022	\$0.0100	33,333,333
29 November 2019	31 December 2023	\$0.0100	33,333,334
29 November 2019	30 November 2024	\$0.0206	15,000,000
29 November 2019	30 November 2024	\$0.0206	15,000,000
29 November 2019	30 November 2024	\$0.0206	15,000,000
22 January 2020	30 November 2024	\$0.0206	2,500,000
24 February 2020	30 November 2024	\$0.0206	20,000,000
28 February 2020	28 February 2023	\$0.0200	3,000,000
			<u>284,237,653</u>

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares issued on the exercise of options

There were no ordinary shares of Nvoi Ltd issued on the exercise of options during the year ended 30 June 2020 and up to the date of this report.

Indemnity and insurance of officers

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

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

Indemnity and insurance of auditor

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

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

Proceedings on behalf of the company

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

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor or network firms are outlined in note 24 to the financial statements.

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

The directors are of the opinion that the services as disclosed in note 24 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and

- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the company who are former partners of Stantons International Audit and Consulting Pty Ltd

There are no officers of the company who are former partners of Stantons International Audit and Consulting Pty Ltd.

Auditor's independence declaration

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

Auditor

Stantons International Audit and Consulting Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

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

On behalf of the directors



John Winters
Non-Executive Director

31 August 2020

31 August 2020

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

Dear Directors

RE: NVOI LIMITED

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

As Audit Director for the audit of the financial statements of Nvoi Limited for the year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD



Martin Michalik
Director

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General information

The financial statements cover Nvoi Ltd as a consolidated entity consisting of Nvoi Ltd and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Nvoi Ltd's functional and presentation currency.

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

Registered office

Level 5
126 Philip Street
Sydney NSW 2000

Principal place of business

Level 7
82-88 Elizabeth Street
Sydney NSW 2000

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 31 August 2020. The directors have the power to amend and reissue the financial statements.

Nvoi Ltd
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2020

Nvoi

	Note	Consolidated 2020 \$	2019 \$
Revenue	4	268,070	13,480
Other income	5	75,537	201,032
Expenses			
Finance and administration costs	6	(1,041,944)	(223,095)
Employee benefits expense		(1,111,766)	(857,867)
Amortisation expense	12	(75,929)	-
Depreciation expense	11	(2,138)	(11,981)
Impairment expense	12	(268,215)	-
Share-based payment (expense) / write-back	21	(922,033)	44,742
Sales and marketing expense		(26,220)	(14,795)
Occupancy costs		(67,449)	(113,991)
Travel costs		(84,270)	(61,804)
Development fee to related party	27	(211,290)	-
Research and development costs		(43,245)	(393,590)
Loss before income tax expense		(3,510,892)	(1,417,869)
Income tax expense	7	-	-
Loss after income tax expense for the year attributable to the owners of Nvoi Ltd	19	(3,510,892)	(1,417,869)
Other comprehensive loss			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(1,068)	-
Other comprehensive loss for the year, net of tax		(1,068)	-
Total comprehensive loss for the year attributable to the owners of Nvoi Ltd		<u>(3,511,960)</u>	<u>(1,417,869)</u>
		Cents	Cents
Basic earnings per share	32	(0.26)	(0.25)
Diluted earnings per share	32	(0.26)	(0.25)

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

	Note	Consolidated 2020 \$	2019 \$
Assets			
Current assets			
Cash and cash equivalents	8	5,240,999	1,555,663
Trade and other receivables	9	415,460	195,811
Other	10	208,040	8,771
Total current assets		<u>5,864,499</u>	<u>1,760,245</u>
Non-current assets			
Property, plant and equipment	11	4,566	3,673
Intangibles	12	780,020	-
Total non-current assets		<u>784,586</u>	<u>3,673</u>
Total assets		<u>6,649,085</u>	<u>1,763,918</u>
Liabilities			
Current liabilities			
Trade and other payables	13	616,753	86,989
Employee benefits	14	277,502	34,763
Other	15	391,419	-
Total current liabilities		<u>1,285,674</u>	<u>121,752</u>
Non-current liabilities			
Employee benefits	16	21,041	-
Total non-current liabilities		<u>21,041</u>	<u>-</u>
Total liabilities		<u>1,306,715</u>	<u>121,752</u>
Net assets		<u>5,342,370</u>	<u>1,642,166</u>
Equity			
Issued capital	17	23,975,761	17,685,630
Reserves	18	1,119,056	198,091
Accumulated losses	19	(19,752,447)	(16,241,555)
Total equity		<u>5,342,370</u>	<u>1,642,166</u>

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

	Issued capital	Reserves	Accumulated losses	Non-controlling interest	Total equity
Consolidated	\$	\$	\$	\$	\$
Balance at 1 July 2018	16,023,954	126,162	(14,823,686)	-	1,326,430
Loss after income tax expense for the year	-	-	(1,417,869)	-	(1,417,869)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive loss for the year	-	-	(1,417,869)	-	(1,417,869)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 17)	1,661,676	116,671	-	-	1,778,347
Share-based payments (note 21)	-	(44,742)	-	-	(44,742)
Balance at 30 June 2019	17,685,630	198,091	(16,241,555)	-	1,642,166

	Issued capital	Reserves	Accumulated losses	Non-controlling interest	Total equity
Consolidated	\$	\$	\$	\$	\$
Balance at 1 July 2019	17,685,630	198,091	(16,241,555)	-	1,642,166
Loss after income tax expense for the year	-	-	(3,510,892)	-	(3,510,892)
Other comprehensive loss for the year, net of tax	-	(1,068)	-	-	(1,068)
Total comprehensive loss for the year	-	(1,068)	(3,510,892)	-	(3,511,960)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 17)	6,290,131	-	-	-	6,290,131
Share-based payments (note 21)	-	922,033	-	-	922,033
Balance at 30 June 2020	23,975,761	1,119,056	(19,752,447)	-	5,342,370

	Note	Consolidated 2020 \$	2019 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		260,258	549,969
Payments to suppliers (inclusive of GST)		(2,421,464)	(2,239,066)
		(2,161,206)	(1,689,097)
Interest received		17,467	9,583
Research and development tax incentive grant received		209,008	229,111
COVID-19 cash flow boost		19,695	-
Net cash (used in) operating activities	31	(1,915,036)	(1,450,403)
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired	28	(448,574)	-
Payments for property, plant and equipment	11	(1,846)	-
Proceeds from disposal of property, plant and equipment		-	4,426
Proceeds from release of security deposits		8,771	93,101
Net cash (used in)/from investing activities		(441,649)	97,527
Cash flows from financing activities			
Proceeds from issue of shares	17	6,412,500	1,906,073
Share issue transaction costs		(122,369)	(127,726)
Repayment of borrowings		(248,187)	-
Net cash from financing activities		6,041,944	1,778,347
Net increase in cash and cash equivalents		3,685,259	425,471
Cash and cash equivalents at the beginning of the financial year		1,555,663	1,130,192
Effects of exchange rate changes on cash and cash equivalents		77	-
Cash and cash equivalents at the end of the financial year	8	<u>5,240,999</u>	<u>1,555,663</u>

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

Note 1. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The impact of the adoption of these standards did not have any impact on the consolidated entity's accounting policies and did not require retrospective adjustments.

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

The directors believe the adoption of these Accounting Standards and Interpretations will not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 16 Leases

The consolidated entity has adopted AASB 16 from 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

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

Critical accounting estimates

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

Going concern basis of preparation

The financial statements have been prepared on the basis of going concern which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. Management raised funds from existing or new shareholders in the form of additional capital raisings during 2019 and 2020, and in that way continually maintains sufficient cash and realisable assets to cover all anticipated entity operating costs and liabilities in the normal course of business, for a period of 12 months or more from the date of this report. This will ensure the entity's ability to continue as a going concern.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 34.

Note 1. Significant accounting policies (continued)

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Nvoi Ltd ('company' or 'parent entity') as at 30 June 2020 and the results of all subsidiaries for the year then ended. Nvoi Ltd and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

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

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

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

Operating segments

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

Foreign currency translation

The financial statements are presented in Australian dollars, which is Nvoi Ltd's functional and presentation currency.

Foreign currency transactions

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

Foreign operations

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

The functional currency of the foreign subsidiary JXT (Global) UK Limited is Pound Sterling. The functional currency of the foreign subsidiary JXT (Global) US, Inc is the United States Dollar.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

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

Note 1. Significant accounting policies (continued)

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

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Licence fee income

A licence fee comprises access and support services to the SaaS system and data hosting. Revenue is to be recognised over the length of the contract on a straight line basis (generally between 1 and 3 years). The performance obligation is satisfied over time.

Interest

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

Other revenue

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

Government grants

Government grant income is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

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

Note 1. Significant accounting policies (continued)

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

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

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

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

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

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

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Office equipment	3-10 years
Computer equipment	3 years

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Intangible assets

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

Platform Software

Development costs on technically and commercially feasible new products are capitalised and written off on a straight-line basis over a period of 3 years commencing at the time of commercial release of the new product.

Note 1. Significant accounting policies (continued)

The directors have elected to recognise the Platform Software value on the business acquisitions of Workconex and JXT during the year. While management are optimistic regarding the potential of the Workconex cash generating unit, in light of the current environment, it was deemed conservative to impair the full value of the Workconex platform as at 30 June 2020.

Trade and other payables

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

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

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

Termination benefits

Termination benefits are recognised when a detailed plan of termination has been communicated to affected employees. They are measured as short-term employee benefits when expected to be settled wholly within 12 months of the reporting date or as long-term benefits when not expected to be settled within 12 months of the reporting date.

Share-based payments

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

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

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

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

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

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

Note 1. Significant accounting policies (continued)

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

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

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

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

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

Fair value measurement

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

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

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Business combinations

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

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

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

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Note 1. Significant accounting policies (continued)

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Nvoi Ltd, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

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

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

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

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

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

Note 2. Critical accounting judgements, estimates and assumptions

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

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the COVID-19 pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the COVID-19 pandemic.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Estimation of useful lives of assets

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

Goodwill and other indefinite life intangible assets

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

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

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

Impairment of property, plant and equipment

The consolidated entity assesses impairment of property, plant and equipment at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax

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

Recovery of deferred tax assets

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

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Employee benefits provision

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

Deferred consideration

The deferred consideration liability is the difference between the total purchase consideration, usually on an acquisition of a business combination, and the amounts paid or settled up to the reporting date, discounted to net present value. The consolidated entity applies provisional accounting for any business combination. Any reassessment of the liability during the earlier of the finalisation of the provisional accounting or 12 months from acquisition-date is adjusted for retrospectively as part of the provisional accounting rules in accordance with AASB 3 'Business Combinations'. Thereafter, at each reporting date, the deferred consideration liability is reassessed against revised estimates and any increase or decrease in the net present value of the liability will result in a corresponding gain or loss to profit or loss. The increase in the liability resulting from the passage of time is recognised as a finance cost.

Business combinations

As discussed in note 1, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Note 3. Operating segments

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

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

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

Operating segment information

	APAC	EMEA	AMERICAS	Total
	\$	\$	\$	\$
Consolidated - 2020				
Revenue				
Sales to external customers	183,745	44,293	40,032	268,070
Total revenue	<u>183,745</u>	<u>44,293</u>	<u>40,032</u>	<u>268,070</u>
EBITDA	(3,216,811)	1,861	31,113	(3,183,837)
Depreciation and amortisation	(78,021)	(46)	-	(78,067)
Impairment of assets	(268,215)	-	-	(268,215)
Interest revenue	19,227	-	-	19,227
Profit/(loss) before income tax expense	<u>(3,543,820)</u>	<u>1,815</u>	<u>31,113</u>	<u>(3,510,892)</u>
Income tax expense				-
Loss after income tax expense				<u>(3,510,892)</u>

Note 3. Operating segments (continued)

	APAC	EMEA	AMERICAS	Total
	\$	\$	\$	\$
Consolidated - 2019				
Revenue				
Sales to external customers	13,480	-	-	13,480
Total revenue	13,480	-	-	13,480
EBITDA	(1,415,471)	-	-	(1,415,471)
Depreciation and amortisation	(11,981)	-	-	(11,981)
Interest revenue	9,583	-	-	9,583
Loss before income tax expense	(1,417,869)	-	-	(1,417,869)
Income tax expense				-
Loss after income tax expense				(1,417,869)

Note 4. Revenue

	Consolidated	
	2020	2019
	\$	\$
<i>Revenue from contracts with customers</i>		
Platform revenue	673	13,480
SaaS revenue	185,197	-
Other revenue	82,200	-
Revenue	<u>268,070</u>	<u>13,480</u>

Note 5. Other income

	Consolidated	
	2020	2019
	\$	\$
R&D tax incentive grant	36,543	172,466
COVID-19 cash flow boost	19,695	-
Interest income	19,227	9,583
Other income	72	18,983
Other income	<u>75,537</u>	<u>201,032</u>

Note 6. Finance and administration costs

	Consolidated	
	2020	2019
	\$	\$
Legal and due diligence expenses	323,472	8,866
Subscriptions	147,918	39,132
Other finance and administration expenses	570,554	175,097
	<u>1,041,944</u>	<u>223,095</u>

Note 7. Income tax expense

	Consolidated	
	2020	2019
	\$	\$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(3,510,892)	(1,417,869)
Tax at the statutory tax rate of 27.5%	(965,495)	(389,914)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Amortisation of intangibles	20,880	-
Impairment of intangibles	73,759	-
Share-based payments	253,559	(12,304)
Research and development tax offset income not assessable	(10,049)	(47,428)
Research and development costs subject to tax offset	-	109,030
Cash flow boost income not assessable	(5,416)	-
Other net expenses (deductible)/not deductible for tax purposes	13,359	(48,117)
	(619,403)	(388,733)
Current year tax losses not recognised	619,403	388,733
Income tax expense	-	-

	Consolidated	
	2020	2019
	\$	\$
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	17,545,353	15,292,984
Potential tax benefit @ 27.5%	4,824,972	4,205,571

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

	Consolidated	
	2020	2019
	\$	\$
<i>Deferred tax assets not recognised</i>		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Allowance for expected credit losses	43,375	-
Employee benefits	78,470	9,560
Accrued expenses	6,875	12,349
Total deferred tax assets not recognised	128,720	21,909

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

The company has a deferred tax liability of \$220,634 which has not been recognised in the statement of financial position. This relates to the JXT Platform acquisition fair value.

Note 8. Current assets - cash and cash equivalents

	Consolidated 2020 \$	2019 \$
Cash at bank	5,240,999	1,555,663

Note 9. Current assets - trade and other receivables

	Consolidated 2020 \$	2019 \$
Trade receivables	372,838	-
Less: Allowance for expected credit losses	(157,728)	-
	215,110	-
Customer deposits receivable from JXT administrator	132,762	-
Customer deposits receivable from online payment systems	896	-
GST receivable	56,838	16,123
Research and development tax incentive grant receivable	-	172,465
Other receivables	8,094	7,223
Interest receivable	1,760	-
	415,460	195,811

Allowance for expected credit losses

The consolidated entity has recognised a loss of \$nil (2019: \$nil) in profit or loss in respect of the expected credit losses for the year ended 30 June 2020.

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

	Carrying amount 2020 \$	2019 \$	Allowance for expected credit losses 2020 \$	2019 \$
Consolidated				
0 to 1 month overdue	180,197	-	-	-
1 to 2 months overdue	34,909	-	-	-
2 to 3 months overdue	22,053	-	-	-
Over 3 months overdue	135,679	-	-	-
Allowance for expected credit losses	-	-	(157,728)	-
	372,838	-	(157,728)	-

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

	Consolidated 2020 \$	2019 \$
Opening balance	-	-
Additions through business combinations	(157,728)	-
Closing balance	(157,728)	-

Note 10. Current assets - other

	Consolidated 2020 \$	2019 \$
Prepayments	192,734	-
Security deposits	15,306	8,771
	<u>208,040</u>	<u>8,771</u>

Note 11. Non-current assets - property, plant and equipment

	Consolidated 2020 \$	2019 \$
Computer equipment - at cost	29,348	24,679
Less: Accumulated depreciation	(26,264)	(22,967)
	<u>3,084</u>	<u>1,712</u>
Office equipment - at cost	17,129	4,089
Less: Accumulated depreciation	(15,647)	(2,128)
	<u>1,482</u>	<u>1,961</u>
	<u>4,566</u>	<u>3,673</u>

Reconciliations

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

Consolidated	Computer equipment \$	Office equipment \$	Total \$
Balance at 1 July 2018	13,259	9,927	23,186
Disposals	(1,541)	(5,991)	(7,532)
Depreciation expense	(10,006)	(1,975)	(11,981)
Balance at 30 June 2019	1,712	1,961	3,673
Additions	1,846	-	1,846
Additions through business combinations (note 28)	1,264	-	1,264
Exchange differences	(79)	-	(79)
Depreciation expense	(1,659)	(479)	(2,138)
Balance at 30 June 2020	<u>3,084</u>	<u>1,482</u>	<u>4,566</u>

Note 12. Non-current assets - intangibles

	Consolidated	
	2020	2019
	\$	\$
Nvoi Platform - at cost	2,030,472	2,030,472
Less: Accumulated amortisation	(2,030,472)	(2,030,472)
	<u>-</u>	<u>-</u>
Workconex Platform - at cost	321,858	-
Less: Accumulated amortisation	(53,643)	-
Less: Impairment	(268,215)	-
	<u>-</u>	<u>-</u>
JXT Platform - at cost	802,306	-
Less: Accumulated amortisation	(22,286)	-
	<u>780,020</u>	<u>-</u>
	<u><u>780,020</u></u>	<u><u>-</u></u>

Reconciliations

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

	Nvoi Platform \$	Workconex Platform \$	JXT Platform \$	Total \$
Consolidated				
Balance at 1 July 2018	-	-	-	-
Balance at 30 June 2019	-	-	-	-
Additions through business combinations (note 28)	-	321,858	802,306	1,124,164
Impairment of assets*	-	(268,215)	-	(268,215)
Amortisation expense	-	(53,643)	(22,286)	(75,929)
Balance at 30 June 2020	<u>-</u>	<u>-</u>	<u>780,020</u>	<u>780,020</u>

* Management are optimistic regarding the potential of the Workconex cash generating unit, however in light of the current economic environment, it was deemed conservative to impair the full value of the Workconex platform as at 30 June 2020.

Note 13. Current liabilities - trade and other payables

	Consolidated	
	2020	2019
	\$	\$
Trade payables	334,060	25,546
Accrued expenses	124,354	44,904
VAT payable	82,829	-
Employee taxes payable	75,510	16,539
	<u>616,753</u>	<u>86,989</u>

Refer to note 22 for further information on financial instruments.

Note 14. Current liabilities - employee benefits

	Consolidated	
	2020	2019
	\$	\$
Employee benefits	<u>277,502</u>	<u>34,763</u>

Note 15. Current liabilities - other

	Consolidated	
	2020	2019
	\$	\$
Deferred consideration*	25,000	-
Deferred revenue	<u>366,419</u>	<u>-</u>
	<u>391,419</u>	<u>-</u>

* Relates to purchase of JXT business

Note 16. Non-current liabilities - employee benefits

	Consolidated	
	2020	2019
	\$	\$
Employee benefits	<u>21,041</u>	<u>-</u>

Note 17. Equity - issued capital

Ordinary Shares Movement

	2020	Consolidated	2020	2019
	Shares	2019	\$	\$
		Shares		
Ordinary shares - fully paid	<u>1,797,726,460</u>	<u>1,036,476,544</u>	<u>23,975,761</u>	<u>17,685,630</u>

Note 17. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2018	414,950,619		16,023,954
Ordinary share issue	8 March 2019	103,737,653	\$0.0034	352,708
Ordinary share issue	15 April 2019	517,788,272	\$0.0030	1,553,365
Share issue costs		-		(244,397)
Balance	30 June 2019	1,036,476,544		17,685,630
Ordinary share issue	24 October 2019	155,471,481	\$0.0098	1,523,621
Ordinary share issue	24 October 2019	103,647,654	\$0.0103	1,067,571
Ordinary share issue	2 December 2020	184,630,865	\$0.0100	1,846,308
Ordinary share issue	27 December 2020	17,500,000	\$0.0100	175,000
Share issue costs		-		(101,457)
Ordinary share issue	16 June 2020	299,999,916	\$0.0060	1,800,000
Share issue costs		-		(20,912)
Balance	30 June 2020	<u>1,797,726,460</u>		<u>23,975,761</u>

Movements in options

Details	Date	Options
Balance	1 July 2018	22,300,000
Unlisted Options issued		108,437,653
Unlisted Options cancelled		(13,500,000)
Balance	30 June 2019	117,237,653
Unlisted Performance Options issued to CareerOne	29 November 2019	100,000,000
Unlisted Remuneration Options issued to directors	29 November 2019	45,000,000
Unlisted Employee Options issued to employees	22 January 2020	2,500,000
Unlisted Employee Options issued to employees	24 February 2020	20,000,000
Unlisted Employee Options issued to employees	28 February 2020	3,000,000
Unlisted Employee Options cancelled	28 February 2020	(3,500,000)
Balance	30 June 2020	<u>284,237,653</u>

Ordinary shares

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

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

Share buy-back

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

Note 17. Equity - issued capital (continued)

Options

100,000,000 Unlisted Performance Options were issued to CareerOne, each with an exercise price of \$0.0100 per share, vesting in three tranches upon attainment of performance milestones as set out in the AGM Notice of Meeting dated 30 October 2019:

- 33,333,333 on 31 December 2020;
- 33,333,333 on 31 December 2021; and
- 33,333,334 on 31 December 2022.

Each tranche of options shall expire 12 months from date of vesting.

45,000,000 Unlisted Remuneration Options were issued to directors, each with an exercise price of \$0.0206 per option, vesting immediately on issue date 29 November 2020, and expiring on 30 November 2024.

20,000,000 Unlisted Employee Options were issued with an exercise price of \$0.0206 per option, vesting on 13 January 2021, and expiring on 30 November 2024.

2,500,000 Unlisted Employee Options were issued with an exercise price of \$0.0206 per option, vesting on 22 January 2021, and expiring on 30 November 2024.

3,000,000 Unlisted Employee Options were issued with an exercise price of \$0.0200 per option, vesting on 15 February 2021, and expiring on 28 February 2023.

Capital risk management

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

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

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

The 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.

Note 18. Equity - reserves

	Consolidated 2020 \$	2019 \$
Foreign currency reserve	(1,068)	-
Share-based payments reserve	1,120,124	198,091
	<u>1,119,056</u>	<u>198,091</u>

Foreign currency reserve

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

Share-based payments reserve

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

Note 18. Equity - reserves (continued)

Movements in reserves

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

Consolidated	Foreign currency reserve \$	Share-based payments reserve \$	Total \$
Balance at 1 July 2018	-	126,162	126,162
Share issue transaction costs	-	116,671	116,671
Share-based payments (write-back)	-	(44,742)	(44,742)
Balance at 30 June 2019	-	198,091	198,091
Foreign currency translation	(1,068)	-	(1,068)
Share-based payments	-	922,033	922,033
Balance at 30 June 2020	<u>(1,068)</u>	<u>1,120,124</u>	<u>1,119,056</u>

Note 19. Equity - accumulated losses

	Consolidated	
	2020	2019
	\$	\$
Accumulated losses at the beginning of the financial year	(16,241,555)	(14,823,686)
Loss after income tax expense for the year	<u>(3,510,892)</u>	<u>(1,417,869)</u>
Accumulated losses at the end of the financial year	<u>(19,752,447)</u>	<u>(16,241,555)</u>

Note 20. Equity - dividends

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

Note 21. Share-based Payments

	Consolidated	
	2020	2019
	\$	\$
Employee and director options cancelled	-	(161,413)
10,000,000 director options issued as part of share-based compensation for remuneration	-	116,671
3,500,000 employee options cancelled as part of remuneration restructure	(3,686)	-
100,000,000 performance options issued to CareerOne Pty Limited	366,426	-
45,000,000 director options issued as part of share-based compensation for remuneration	485,559	-
25,500,000 employee options issued as part of share-based compensation for remuneration	<u>73,734</u>	<u>-</u>
	<u>922,033</u>	<u>(44,742)</u>

Refer to note 33 for details on valuation model inputs to determine fair value.

Note 22. Financial instruments

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. As each of the individual entity within the group primarily transact in their own respective functional currency, foreign currency risk is deemed to be minimal.

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
	2020	2019	2020	2019
Consolidated	\$	\$	\$	\$
US dollars	87,345	-	101,214	-
Pound Sterling	217,528	-	266,822	-
	<u>304,873</u>	<u>-</u>	<u>368,036</u>	<u>-</u>

Price risk

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

Interest rate risk

The consolidated entity is not exposed to any significant interest rate risk.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the consolidated statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Note 22. Financial instruments (continued)

Liquidity risk

The consolidated entity is not exposed to any significant liquidity risk.

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

Remaining contractual maturities

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

	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Consolidated - 2020						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	334,060	-	-	-	334,060
Other payables	-	282,693	-	-	-	282,693
Total non-derivatives		616,753	-	-	-	616,753
Consolidated - 2019						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	25,546	-	-	-	25,546
Other payables	-	61,443	-	-	-	61,443
Total non-derivatives		86,989	-	-	-	86,989

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

Fair value of financial instruments

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

Note 23. Key management personnel disclosures

Directors

The following persons were directors of Nvoi Ltd during the financial year:

John Winters	Executive Director (changed to Non-Executive Director on 31 July 2020)
Steven Papadopoulos	Non-Executive Director
Philip Crutchfield (appointed 17 October 2019)	Non-Executive Director and Chairman
Andrew Bursill (resigned 18 October 2019)	Non-Executive Director

Note 23. Key management personnel disclosures (continued)

Other key management personnel

The following person also had the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, during the financial year:

Raife Watson Chief Executive Officer
(appointed 13 January 2020, resigned 26 August 2020)

Compensation

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

	Consolidated 2020 \$	2019 \$
Short-term employee benefits	533,165	669,780
Post-employment benefits	48,418	58,040
Share-based payments	545,522	(48,113)
	<u>1,127,105</u>	<u>679,707</u>

Note 24. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Stantons International Audit and Consulting Pty Ltd, the auditor of the company, and its network firms:

	Consolidated 2020 \$	2019 \$
<i>Audit services - Stantons International Audit and Consulting Pty Ltd</i>		
Audit or review of the financial statements	<u>41,441</u>	<u>34,741</u>
<i>Other services - network firms</i>		
Technical valuation for options issued	<u>1,460</u>	<u>-</u>

Note 25. Contingent liabilities

On 22 January 2020, the company completed its acquisition of Workconex Holdings Pty Ltd (refer Business combinations note 28). Under the terms of the agreement, the company acquired 100% of the issued capital of Workconex for an initial consideration of \$10 plus earn-out consideration of up to \$300,000 in cash subject to Workconex achieving at least 100 genuine paying subscribers (who have held such status for at least two consecutive months) within 12 months of completion. The earn-out amount is equal to \$857 for each subscriber until capped out and is payable within 14 days of the end of that 12-month period.

At acquisition date management consider these to be stretch targets and as such considered remote in the likelihood of settlement and as such are considered a contingent liability.

Note 26. Commitments

The consolidated entity had no commitments as at 30 June 2020 (2019: \$nil)

Note 27. Related party transactions

Parent entity

Nvoi Ltd is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 29.

Key management personnel

Disclosures relating to key management personnel are set out in note 23 and the remuneration report included in the directors' report.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	2020	2019
	\$	\$
Payment for goods and services:		
Company secretarial and accounting services, paid to Automic Pty Ltd, a company associated with Andrew Bursill	-	14,773
Corporate advisory services on the issue of shares, paid to Diamond Capital Partners Pty Ltd, a company associated with John Winters	-	107,162
Legal fees, paid to Milcor Legal Pty Ltd, to a company associated with Steven Papadopoulos	63,633	1,925
Rent expense, paid to Superhero Markets Pty Ltd, a company associated with John Winters	75,000	-
Software design and development services expense, paid to Superhero Super Pty Ltd, a company associated with John Winters	23,500	-
Development fee, paid to CareerOne Pty Limited, a company associated with John Winters	186,290	-

Receivable from and payable to related parties

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

	Consolidated	
	2020	2019
	\$	\$
Current payables:		
Legal fees, payable to Milcor Legal Pty Ltd, to a company associated with Steven Papadopoulos	100,504	-
Development fee, payable to CareerOne Pty Limited, a company associated with John Winters	25,000	-

Loans to/from related parties

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

Terms and conditions

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

Note 28. Business combinations

Workconex

On 22 January 2020, Nvoi Ltd acquired 100% of the ordinary shares of Workconex Holdings Pty Limited (**Workconex**) for the total consideration transferred of \$10.

This acquisition included Workconex's proprietary Applicant Tracking System (**ATS**) technology platform.

The ATS platform is a web-based tool that automates all the steps involved in the recruitment workflow, allowing users to simplify advertising new roles, track applications in real time, communicate with candidates, reference check, extend offer letters and on-board new hires directly into their business. It makes the recruitment process highly efficient in one collaborative platform.

The acquired business contributed revenues of \$7,738 and loss after tax of \$504,789 to the consolidated entity for the period from 22 January 2020 to 30 June 2020. This loss after tax includes \$268,215 arising from Workconex Platform impairment expense.

If the acquisition occurred on 1 July 2019, the full year contributions would have been revenues of \$30,473.

The values identified in relation to the acquisition of Workconex are final as at 30 June 2020.

Details of the acquisition are as follows:

	Fair value \$
Other receivables	2,054
Platform software	321,858
Other payables	(20,082)
Employee benefits	(52,071)
Deferred revenue	(3,562)
Bank overdraft	(145,050)
Bank loans	(103,137)
	<hr/>
Net assets acquired	10
Goodwill	-
	<hr/>
Acquisition-date fair value of the total consideration transferred	10
	<hr/> <hr/>
Representing:	
Cash paid or payable to vendor	10
	<hr/> <hr/>
Acquisition costs expensed to profit or loss	25,758
	<hr/> <hr/>
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	10
	<hr/> <hr/>

JXT

On 1 June 2020, Nvoi Ltd acquired the JXT business and associated key assets from the administrators of JXT Global Pty Ltd (under deed of company arrangement) for a cash consideration of \$650,000 adjusted for outgoings, receipts and accruals as at an agreed date of 30 April 2020.

This acquisition provided the consolidated entity with an immediate global presence with operations in Australia, the United Kingdom and the United States of America and an impressive list of recruiter and corporate clients utilising its services in many countries. JXT provides cloud-based digital marketing solutions for recruiters and corporate hiring teams. Its primary product offering is a software-as-a-service platform for delivering complete websites including job boards to display opportunities to jobseekers and a results-driven solution to attract, engage and place talent into suitable roles.

Note 28. Business combinations (continued)

The acquired business contributed revenues of \$259,659 and loss after tax of \$305,336 to the consolidated entity for the period from 1 June 2020 to 30 June 2020.

The initial accounting for the business combination is provisional due to the uncertainty around the fair value of assets and liabilities at acquisition date. This will be reassessed for the end of the next financial reporting period.

Details of the acquisition are as follows:

	Fair value \$
Cash and cash equivalents	86,465
Trade receivables	204,075
Other receivables	19,674
Prepayments	1,715
Other current assets	15,714
Plant and equipment	1,264
Platform software	802,306
FX adjustments	658
Trade payables	(4,088)
Other payables	(85,150)
Employee benefits	(136,614)
Deferred revenue	(320,990)
Deferred consideration for collection of book debts	(25,000)
	<hr/>
Net assets acquired	560,029
Goodwill	-
	<hr/>
Acquisition-date fair value of the total consideration transferred	<u>560,029</u>
Representing:	
Cash paid or payable to vendor	535,029
Deferred consideration	25,000
	<hr/>
	<u>560,029</u>
	<hr/>
Acquisition costs expensed to profit or loss	<u>127,120</u>
	<hr/>
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	485,029
Less: deposits made	50,000
Less: cash and cash equivalents	(86,465)
	<hr/>
Net cash used/(received)	<u>448,564</u>

Note 29. Interests in subsidiaries

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

Name	Principal place of business / Country of incorporation	Ownership interest	
		2020 %	2019 %
Nvoi Asiapac Pty Ltd	Australia	100%	100%
Nvoi Australia Pty Ltd	Australia	100%	100%
Nvoi Payroll Services Pty Ltd	Australia	100%	100%
Workconex Holdings Pty Limited	Australia	100%	-
Workconex Pty Limited	Australia	100%	-
JXT International Pty Ltd	Australia	100%	-
JXT Australia Pty Ltd	Australia	100%	-
JXT Global (UK) Limited	United Kingdom	100%	-
JXT Global (US), Inc	USA	100%	-

Note 30. Events after the reporting period

On 31 July 2020, the role of John Winters as executive director of the company changed to that of non-executive director.

On 26 August 2020, Raife Watson stood down as chief executive officer of the consolidated entity with immediate effect and Steve Butler was appointed as chief executive officer on that date.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 31. Reconciliation of loss after income tax to net cash (used in) operating activities

	Consolidated	
	2020 \$	2019 \$
Loss after income tax expense for the year	(3,510,892)	(1,417,869)
Adjustments for:		
Depreciation and amortisation	78,067	11,981
Impairment of intangibles	268,215	-
Share-based payments	922,033	(44,742)
Foreign exchange differences	(658)	-
Other non-cash items	(5,505)	3,106
Change in operating assets and liabilities; net of acquisitions:		
Decrease in trade and other receivables	4,255	95,329
Increase in prepayments	(191,019)	-
Decrease in other operating assets	-	37,772
Increase/(decrease) in trade and other payables	403,505	(85,637)
Increase/(decrease) in employee benefits	75,096	(50,343)
Increase in other operating liabilities	41,867	-
Net cash (used in) operating activities	<u>(1,915,036)</u>	<u>(1,450,403)</u>

Note 32. Earnings per share

	Consolidated 2020 \$	2019 \$
Loss after income tax attributable to the owners of Nvoi Ltd	<u>(3,510,892)</u>	<u>(1,417,869)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>1,342,359,454</u>	<u>556,867,131</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>1,342,359,454</u>	<u>556,867,131</u>
	Cents	Cents
Basic earnings per share	(0.26)	(0.25)
Diluted earnings per share	(0.26)	(0.25)

Note 33. Options

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

Set out below are summaries of options granted under the plan:

	Number of options 2020	Weighted average exercise price 2020	Number of options 2019	Weighted average exercise price 2019
Outstanding at the beginning of the financial year	117,237,653	\$0.0054	20,500,000	\$0.0202
Granted	170,500,000	\$0.0144	113,737,653	\$0.0034
Forfeited	<u>(3,500,000)</u>	\$0.0700	<u>(17,000,000)</u>	\$0.0100
Outstanding at the end of the financial year	<u>284,237,653</u>	\$0.0100	<u>117,237,653</u>	\$0.0054
Exercisable at the end of the financial year	<u>158,737,653</u>	\$0.0083	<u>117,237,653</u>	\$0.0054

Note 33. Options (continued)

2020

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
18/06/2019	30/11/2022	\$0.0030	10,000,000	-	-	-	10,000,000
18/06/2019	30/11/2024	\$0.0034	8,800,000	-	-	-	8,800,000
18/06/2019	30/11/2024	\$0.0034	8,800,000	-	-	-	8,800,000
18/06/2019	30/11/2024	\$0.0034	7,500,000	-	-	-	7,500,000
18/06/2019	30/11/2024	\$0.0034	8,800,000	-	-	-	8,800,000
18/06/2019	30/11/2024	\$0.0034	8,800,000	-	-	-	8,800,000
18/06/2019	30/11/2024	\$0.0034	4,500,000	-	-	-	4,500,000
18/06/2019	30/11/2024	\$0.0034	7,500,000	-	-	-	7,500,000
18/06/2019	30/11/2024	\$0.0034	7,500,000	-	-	-	7,500,000
18/06/2019	30/11/2024	\$0.0034	15,137,653	-	-	-	15,137,653
18/06/2019	30/11/2024	\$0.0034	8,800,000	-	-	-	8,800,000
18/06/2019	30/11/2024	\$0.0034	8,800,000	-	-	-	8,800,000
18/06/2019	30/11/2024	\$0.0034	8,800,000	-	-	-	8,800,000
08/03/2017	08/12/2021	\$0.1000	2,000,000	-	-	(2,000,000)	-
24/10/2017	30/11/2022	\$0.0300	1,500,000	-	-	(1,500,000)	-
29/11/2019	31/12/2021	\$0.0100	-	33,333,333	-	-	33,333,333
29/11/2019	31/12/2022	\$0.0100	-	33,333,333	-	-	33,333,333
29/11/2019	31/12/2023	\$0.0100	-	33,333,334	-	-	33,333,334
29/11/2019	30/11/2024	\$0.0206	-	15,000,000	-	-	15,000,000
29/11/2019	30/11/2024	\$0.0206	-	15,000,000	-	-	15,000,000
29/11/2019	30/11/2024	\$0.0206	-	15,000,000	-	-	15,000,000
22/01/2020	30/11/2024	\$0.0206	-	2,500,000	-	-	2,500,000
24/02/2020	30/11/2024	\$0.0206	-	20,000,000	-	-	20,000,000
28/02/2020	28/02/2023	\$0.0200	-	3,000,000	-	-	3,000,000
			117,237,653	170,500,000	-	(3,500,000)	284,237,653
Weighted average exercise price			\$0.0054	\$0.0144	\$0.0000	\$0.0700	\$0.0100

2019

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
30/11/2016	08/12/2021	\$0.0100	17,000,000	-	-	(17,000,000)	-
18/06/2019	30/11/2022	\$0.0300	-	10,000,000	-	-	10,000,000
18/06/2019	30/11/2024	\$0.0034	-	8,800,000	-	-	8,800,000
18/06/2019	30/11/2024	\$0.0034	-	8,800,000	-	-	8,800,000
18/06/2019	30/11/2024	\$0.0034	-	7,500,000	-	-	7,500,000
18/06/2019	30/11/2024	\$0.0034	-	8,800,000	-	-	8,800,000
18/06/2019	30/11/2024	\$0.0034	-	8,800,000	-	-	8,800,000
18/06/2019	30/11/2024	\$0.0034	-	4,500,000	-	-	4,500,000
18/06/2019	30/11/2024	\$0.0034	-	7,500,000	-	-	7,500,000
18/06/2019	30/11/2024	\$0.0034	-	7,500,000	-	-	7,500,000
18/06/2019	30/11/2024	\$0.0034	-	15,137,653	-	-	15,137,653
18/06/2019	30/11/2024	\$0.0034	-	8,800,000	-	-	8,800,000
18/06/2019	30/11/2024	\$0.0034	-	8,800,000	-	-	8,800,000
18/06/2019	30/11/2024	\$0.0034	-	8,800,000	-	-	8,800,000
08/03/2017	08/12/2021	\$0.0100	2,000,000	-	-	-	2,000,000
24/10/2017	30/11/2022	\$0.0300	1,500,000	-	-	-	1,500,000
			20,500,000	113,737,653	-	(17,000,000)	117,237,653
Weighted average exercise price			\$0.0202	\$0.0034	\$0.0000	\$0.0100	\$0.0054

Note 33. Options (continued)

Set out below are the options exercisable at the end of the financial year:

Grant date	Expiry date	2020 Number	2019 Number
18/06/2019	30/11/2022	10,000,000	10,000,000
18/06/2019	30/11/2024	8,800,000	8,800,000
18/06/2019	30/11/2024	8,800,000	8,800,000
18/06/2019	30/11/2024	7,500,000	7,500,000
18/06/2019	30/11/2024	8,800,000	8,800,000
18/06/2019	30/11/2024	8,800,000	8,800,000
18/06/2019	30/11/2024	4,500,000	4,500,000
18/06/2019	30/11/2024	7,500,000	7,500,000
18/06/2019	30/11/2024	7,500,000	7,500,000
18/06/2019	30/11/2024	15,137,653	15,137,653
18/06/2019	30/11/2024	8,800,000	8,800,000
18/06/2019	30/11/2024	8,800,000	8,800,000
18/06/2019	30/11/2024	8,800,000	8,800,000
08/07/2017	08/12/2021	-	2,000,000
24/10/2017	30/11/2022	-	1,500,000
29/11/2019	30/11/2024	15,000,000	-
29/11/2019	30/11/2024	15,000,000	-
29/11/2019	30/11/2024	15,000,000	-
		<u>158,737,653</u>	<u>117,237,653</u>

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.47 years (2019: 5.35 years).

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

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
29/11/2019	31/12/2021	\$0.0160	\$0.0100	100.00%	-	0.68%	\$0.0102
29/11/2019	31/12/2022	\$0.0160	\$0.0100	100.00%	-	0.65%	\$0.0113
29/11/2019	31/12/2023	\$0.0100	\$0.0100	100.00%	-	0.63%	\$0.0122
29/11/2019	30/11/2024	\$0.0160	\$0.0206	100.00%	-	0.74%	\$0.0108
29/11/2019	30/11/2024	\$0.0160	\$0.0206	100.00%	-	0.74%	\$0.0108
29/11/2019	30/11/2024	\$0.0160	\$0.0206	100.00%	-	0.74%	\$0.0108
22/01/2020	30/11/2024	\$0.0110	\$0.0206	100.00%	-	0.57%	\$0.0078
24/02/2020	30/11/2024	\$0.0110	\$0.0206	100.00%	-	0.57%	\$0.0078
28/02/2020	28/03/2023	\$0.0110	\$0.0200	100.00%	-	0.51%	\$0.0062

Note 34. Parent entity information

Set out below is the supplementary information about the parent entity.

	2020 \$	Parent 2019 \$
Loss after income tax	(1,524,905)	(7,308,315)
Total comprehensive loss	(1,524,905)	(7,308,315)

Note 34. Parent entity information (continued)

	Parent	
	2020 \$	2019 \$
Total current assets	4,945,311	39,115
Total assets	5,927,907	39,584
Total current liabilities	273,850	72,786
Total liabilities	273,850	72,786
Equity		
Issued capital	23,394,959	17,104,828
Share-based payments reserve	1,502,791	580,758
Accumulated losses	(19,243,693)	(17,718,788)
Total equity/(deficiency)	<u>5,654,057</u>	<u>(33,202)</u>

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2020 and 30 June 2019.

Contingent liabilities

The parent entity had \$300,000 contingent liabilities as at 30 June 2020 as follows (30 June 2019 \$nil):

On 22 January 2020, the parent entity completed its acquisition of Workconex Holdings Pty Ltd (refer Business combinations note 28). Under the terms of the agreement, the parent entity acquired 100% of the issued capital of Workconex for an initial consideration of \$10 plus earn-out consideration of up to \$300,000 in cash subject to Workconex achieving at least 100 genuine paying subscribers (who have held such status for at least two consecutive months) within 12 months of completion. The earn-out amount is equal to \$857 for each subscriber until capped out and is payable within 14 days of the end of that 12-month period.

At acquisition date management consider these to be stretch targets and as such considered remote in the likelihood of settlement and as such are considered a contingent liability.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2020 and 30 June 2019.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.


In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

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

On behalf of the directors



John Winters
Non-Executive Director

31 August 2020

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
NVOI LIMITED**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Nvoi Limited the Company and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) giving a true and fair view of the Group's financial position as at 30 June 2020 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 (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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the matter was addressed in the audit
<p>Carrying Value of Intangible Assets</p> <p>As at 30 June 2020, Intangible Assets totalled \$780,020 (refer to Note 12 of the financial report).</p> <p>The carrying value of Intangible Assets is a key audit matter due to:</p> <ul style="list-style-type: none"> • The significance of the Intangible Assets representing 15% of total assets; • The necessity to assess management's application of the requirements of the accounting standards, in light of any indicators of impairment that may be present; and • The assessment of significant judgements made by management in relation to the internally generated assets. 	<p>Inter alia, our audit procedures included the following:</p> <ul style="list-style-type: none"> i. We evaluated the Group's accounting policy and compliance with AASB 138 (Intangible Assets); ii. Requested the Group complete an impairment review in line with AASB 138 and Impairment of Assets (AASB 136), reviewed their assumptions for reasonableness and satisfied ourselves that no impairment was necessary; and iii. Reviewed the disclosures included in the annual report.

Key Audit Matters	How the matter was addressed in the audit
<i>Business Combination – Acquisitions of JXT and Workconex</i>	
<p>On 22 January 2020, the company completed its acquisition of 100% of the share capital of Workconex Holdings Pty Ltd.</p> <p>On 1 June 2020, the Company completed the acquisition of the business assets from the administrators of JXT Global Pty Ltd (under deed of company arrangement) and 100% share capital of JXT (Global) UK Limited and JXT (Global) US Inc.</p> <p>The acquisitions have been disclosed in Note 28 to the financial report and was considered a key audit matter due to:</p> <ul style="list-style-type: none"> • The significance of the transactions; • The judgement required in the application of AASB 3 Business Combinations ("AASB 3"). <p>AASB 3 required the Group to determine, if the transaction is an asset acquisition or a business combination and the fair value of considerations transferred and the identifiable assets and liabilities acquired as part of the acquisition.</p>	<p>Inter alia, our audit procedures included the following:</p> <ol style="list-style-type: none"> i. Reviewing the contracts for the acquisitions; ii. Reviewing and assessing the determination made by the Group whether the transactions are an asset acquisition or a business combination; iii. Assessing the fair value of consideration paid for the acquisitions; iv. Auditing the net assets as at the date of acquisition; and v. Considering the adequacy of the financial report disclosures contained in Note 28 in relation to AASB 3.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. 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.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 5 to 12 of the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Nvoi Limited for the year ended 30 June 2020 complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

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

Stantons International Audit & Consulting Pty Ltd



Martin Michalik
Director

West Perth, Western Australia
31 August 2020

The shareholder information set out below was applicable as at 4 August 2020.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares	Number of holders of options over ordinary shares
1 to 1,000	21	-
1,001 to 5,000	8	-
5,001 to 10,000	64	-
10,001 to 100,000	418	-
100,001 and over	656	16
	<u>1,167</u>	<u>16</u>
Holding less than a marketable parcel	<u>269</u>	<u>-</u>

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares Number held	% of total shares issued
OAKTEL INVESTMENTS PTY LTD	94,553,845	5.26
ROCSTAR NOMINEES PTY LTD [BELLAGIO INVESTMENT A/C]	81,085,831	4.51
MR PHILIP DAVID CRUTCHFIELD	79,200,000	4.41
BNP PARIBAS NOMINEES PTY LTD [IB AU NOMS RETAILCLIENT DRP]	79,014,699	4.40
DOMAIN INVESTMENT HOLDINGS PTY LTD [PETER LOS FAMILY A/C]	72,000,000	4.01
STONE PONEYS NOMINEES PTY LTD [CHAPMAN SUPER FUND A/C]	70,066,666	3.90
DIAMOND VENTURE HOLDINGS PTY LTD [DIAMOND FAMILY A/C]	57,240,000	3.18
RANGE VENTURES PTY LTD	46,777,865	2.60
MR GAREN AZOYAN [GAAM SUPER FUND A/C]	35,453,333	1.97
ROMANCE PACIFIC PTY LIMITED	34,686,484	1.93
NALEY PTY LTD	34,200,000	1.90
DELITE HOLDINGS PTY LTD [JLK SUPERANNUATION FUND A/C]	31,000,000	1.72
ACTIVE BLUE PTY LTD [J&E WINTERS A/C]	28,375,966	1.58
PARLIN INVESTMENTS PTY LTD [PARLIN DISCRETIONARY A/C]	26,899,999	1.50
INVIA CUSTODIAN PTY LIMITED [RIDA SUPER FUND A/C]	25,166,666	1.40
TEN GOALS PTY LTD [HAMISH MCLACHLAN FAMILY A/C]	23,400,000	1.30
MR GAREN AZOYAN SUTISY	22,639,972	1.26
READS IT PTY LTD [THE WINTER FAMILY A/C]	20,500,000	1.14
VERANI ARGO INVESTMENTS PTY LTD [VERANI ARGO S/F A/C]	19,470,000	1.08
ROMANCE PRIVATE PTY LTD [ROMANCE SUPER FUND A/C]	17,846,952	0.99
	<u>899,578,278</u>	<u>50.04</u>

Unquoted Equity Securities

	Options over ordinary shares	
	Number held	% of total options issued
CAREERONE PTY LTD	100,000,000	35.18
ROCSTAR NOMINEES PTY LTD [BELLAGIO INVESTMENT A/C]	40,137,653	14.12
MR PHILIP DAVID CRUTCHFIELD	23,800,000	8.37
PARLIN INVESTMENTS PTY LTD [PARLIN DISCRETIONARY A/C]	22,500,000	7.92
RAIFE WATSON	20,000,000	7.04
MR GAREN AZOYAN [GAAM SUPER FUND A/C]	8,800,000	3.10
ZELTNER PTY LTD [JL + MV WINTER FAMILY A/C]	8,800,000	3.10
DIAMOND VENTURE HOLDINGS PTY LTD [DIAMOND FAMILY A/C]	8,800,000	3.10
DOMAIN INVESTMENT HOLDINGS PTY LTD [PETER LOS FAMILY A/C]	8,800,000	3.10
MR JOHN DAVID WINTERS	8,800,000	3.10
STONEPONEYS NOMINEES PTY LTD [CHAPMAN SUPER FUND A/C]	8,800,000	3.10
NALEY PTY LTD	7,500,000	2.64
DELITE HOLDINGS PTY LTD [JLK SUPER FUND A/C]	7,500,000	2.64
	274,237,653	96.51

Unquoted equity securities

	Number on issue	Number of holders
Unlisted Options at \$0.003 Exp 30/11/22	10,000,000	1
Unlisted Options at \$0.0034 Exp 30/11/24	103,737,653	12
Unlisted Options at \$0.01 Exp 31/12/21	33,333,333	1
Unlisted Options at \$0.01 Exp 31/12/22	33,333,333	1
Unlisted Options at \$0.01 Exp 31/12/23	33,333,334	1
Unlisted Options at \$0.0206 Exp 30/11/24	4,500,000	3
Unlisted Employee Options at \$0.0206 Exp 30/11/24	20,000,000	1
Unlisted Employee Options at \$0.0206 Exp 30/11/24	2,500,000	1
Unlisted Employee Options at \$0.0200 Exp 28/02/23	3,000,000	1

Substantial holders

Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
OAKTEL INVESTMENTS PTY LTD	94,553,845	5.26

	Options over ordinary shares	
	Number held	% of total options issued
CAREERONE PTY LTD	100,000,000	35.18
ROCSTAR NOMINEES PTY LTD [BELLAGIO INVESTMENT A/C]	40,137,653	14.12
MR PHILIP DAVID CRUTCHFIELD	23,800,000	8.37
PARLIN INVESTMENTS PTY LTD [PARLIN DISCRETIONARY A/C]	22,500,000	7.92
RAIFE WATSON	20,000,000	7.04

Voting rights

Voting rights are set out below:

Ordinary shares

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.

Options

All quoted and unquoted options do not carry any voting rights.

There are no other classes of equity securities.