

## 1. Company details

Name of entity:	Propell Holdings Limited
ACN:	614 837 099
Reporting period:	For the year ended 30 June 2021
Previous period:	For the year ended 30 June 2020

## 2. Results for announcement to the market

			\$
Revenues from ordinary activities	down	32% to	684,754
Loss from ordinary activities after tax attributable to the Owners of Propell Holdings Limited	up	103% to	(4,340,283)
Loss for the year attributable to the Owners of Propell Holdings Limited	up	103% to	(4,340,283)
		<b>2021 Cents</b>	<b>2020 Cents</b>
Basic earnings per share		(6.25)	(4.74)
Diluted earnings per share		(6.25)	(4.74)

### Dividends

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

### Comments

The loss for the Group after providing for income tax amounted to \$4,340,283 (30 June 2020: \$2,135,503).

## 3. Net tangible assets

	<b>Reporting period Cents</b>	<b>Previous period Cents</b>
Net tangible assets per ordinary security	<u>1</u>	<u>(7)</u>

## 4. Control gained over entities

Not applicable.

## 5. Loss of control over entities

Not applicable.

## **6. Dividends**

### *Current period*

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

### *Previous period*

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

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## **7. Dividend reinvestment plans**

Not applicable.

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## **8. Details of associates and joint venture entities**

Not applicable.

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## **9. Foreign entities**

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

Not applicable.

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## **10. Audit qualification or review**

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

The audit of the financial statements has not yet been completed. An unmodified opinion is likely to be issued.

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## **11. Attachments**

*Details of attachments (if any):*

The Preliminary Financial Statements of Propell Holdings Limited for the year ended 30 June 2021 are attached.

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## **12. Signed**

Signed  \_\_\_\_\_

Benjamin William Harrison  
Director  
Brisbane

Date: 31 August 2021

## Propell Holdings Limited 4E Commentary

### Overview

Propell is a digital only, tailored finance platform for the small to medium business segment. Propell's vision is to revolutionise how small to medium businesses manage and optimise cashflow with products including funds for operating and growth (lending) and broad payment acceptance (instant payment receipts).

Propell believes the current trends in the global payments and lending sectors provide tailwinds for alternative financial solutions for small businesses who may have been left underserved by traditional service providers, including banks. Propell expects the ongoing evolution of technology and customer-centric approaches to lead to traditional service providers continuing to have their business models disrupted.

The Company has delivered many significant achievements during FY21. A number of these have been set out below, however the key highlight was the successful launch of Propell's digital, cloud based, open API and data driven Platform – 'The Propell Platform'. This digital finance offering provides customers with an intelligent solution with multiple financial products to help them manage and optimise their cashflow.

### Highlights over the Year

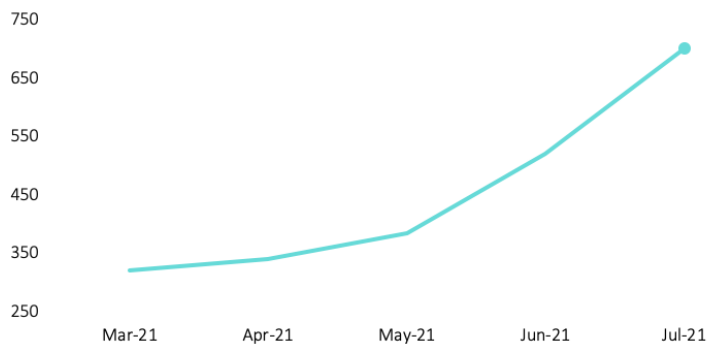
- Successfully raised \$5m capital and completed an IPO. With capital being used for continued growth of the platform and customer acquisition
- Significant progress building platform and launching new features including Business Insights
- Significant growth in customers with 782 as at 30 June 2021
- Improvements across all key metrics, particularly in funds lent with a record month experienced in June of \$380k and \$1,709k for the full year.
- Strengthening of the team with key hires in senior roles, c-suite now established (CEO, CFO and CTO)
- The first of many 3<sup>rd</sup>-party platform integrations with first BNPL offering launched

### Growth Strategies

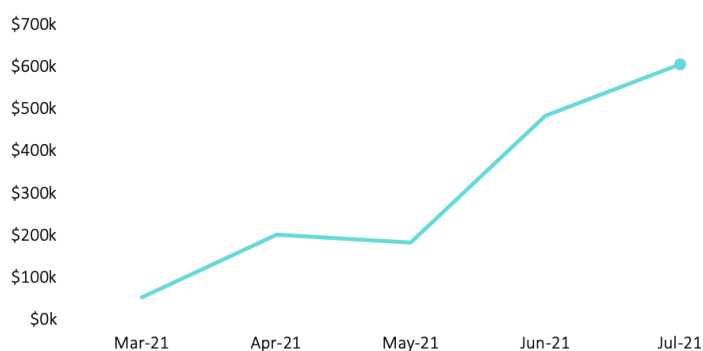
- The Company is pursuing the following growth initiatives:
- Engaging in targeted marketing activities with the aim of growing its customer base;
- Undertaking additional technology development to increase the number of finance (loans and payments) features on the Platform;
- Enhanced development of the finance insight tools to provide SMEs the ability to generate automated suggested actions to assist the customer in managing and optimising the cashflow of their business; and
- Growth in international expansion through potential strategic partnerships.

### Company Metrics

During the year there was strong growth in total customers. At 30 June 2021, there were 782 Propell customers, which compares to 470 at the start of FY2021. The Company has continued to invest in marketing and customer acquisition strategies, with the strong growth reflecting the positive customer response.



Growth in new lending by month continued during the year with a record quarter experienced since launch of the Platform (\$813,000 at the end of Q4 FY21). This represents an 80.5% increase on Q3 FY21. The company also saw the average loan size, a key indicator of customer quality, continue to increase during the year.



## Outlook

- Well-defined growth strategy and a vision to create a Platform that delivers an experience and service not currently available to small businesses
- Strong customer and product growth continuing into FY22
- Continued development of SME financial health theme across the platform with rapid development of Business Insights & Guidance
- Continued development of product features on platform with development of payments and lending capability available to customers
- Strong pipeline of initiatives for FY22 with many scheduled for launch in Q1 and Q2 FY22

## Financial Result

Propell is in a strong financial position heading into FY22 with cash on hand of approximately \$3.8m at 30 June 2021 as a result of the Company's successful capital raising as part of the IPO in April.

The loss in FY2021 was \$4.34m, this compared to a total loss of \$2.14m in the previous period (FY2020). The larger loss was a result of increases in marketing costs as well as ongoing product development costs for the build out of the Platform. The Company also incurred material costs associated with the IPO.

## About Propell

Propell Holdings Limited (ASX:PHL) is an Australian fintech company providing intelligent finance solutions to small-medium enterprises (SMEs).

Propell's digital platform is aimed at improving SME cashflow by aggregating a range of finance products and services including lending, payments and cashflow forecasting tools. The company leverages its extensive customer data with an artificial intelligence (AI) based engine to deliver its products in an entirely digital manner.

Propell launched the platform in mid-2020 and is focused on further customer growth and development of its product suite.

For more information see <https://propellme.com.au/> and the investor website <https://propellholdings.com/>

## For more information, please contact

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# **Propell Holdings Limited**

**ACN 614 837 099**

## **Preliminary Financial Statements 30 June 2021**

**Propell Holdings Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2021**



	Note	Consolidated 2021 \$	2020 \$
<b>Revenue</b>			
Interest income		133,358	260,920
Payments revenue		15,835	87,086
Lending fees		22,588	8,193
Rent sublease		34,668	154,829
		<u>206,449</u>	<u>511,028</u>
Other income	1	478,305	495,889
Total revenue		<u>684,754</u>	<u>1,006,917</u>
<b>Expenses</b>			
Professional fees		(253,253)	(131,441)
Employee benefits expense		(1,274,013)	(839,301)
Occupancy		(49,245)	(126,675)
Depreciation and amortisation expense		(535,873)	(1,015,071)
Loan impairment expense		(252,117)	(179,871)
Impairment of assets		(250,000)	-
Marketing		(759,599)	(88,845)
Technology and platform costs		(161,637)	(253,626)
Loan assessment and processing		(29,418)	(10,729)
Payments processing		(1,025)	(56,049)
Initial public offering costs		(469,971)	-
Other expenses		(176,473)	(95,402)
Finance costs		(812,413)	(345,410)
Total expenses		<u>(5,025,037)</u>	<u>(3,142,420)</u>
<b>Loss before income tax expense</b>		(4,340,283)	(2,135,503)
Income tax expense		-	-
<b>Loss after income tax expense for the year attributable to the Owners of Propell Holdings Limited</b>	11	(4,340,283)	(2,135,503)
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year attributable to the Owners of Propell Holdings Limited</b>		<u>(4,340,283)</u>	<u>(2,135,503)</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	14	(6.25)	(4.74)
Diluted earnings per share	14	(6.25)	(4.74)

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

**Propell Holdings Limited**  
**Statement of financial position**  
**As at 30 June 2021**



	<b>Note</b>	<b>Consolidated 2021 \$</b>	<b>2020 \$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	2	3,769,202	519,510
Loans receivable	3	793,139	230,245
Other receivables		5,300	109,413
Other assets		19,203	119,079
<b>Total current assets</b>		<b>4,586,844</b>	<b>978,247</b>
<b>Non-current assets</b>			
Property, plant and equipment		11,508	2,163
Right-of-use assets		-	26,102
Intangibles	4	1,013,120	1,144,430
<b>Total non-current assets</b>		<b>1,024,628</b>	<b>1,172,695</b>
<b>Total assets</b>		<b>5,611,472</b>	<b>2,150,942</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	5	939,222	942,323
Borrowings	6	537,751	1,458,448
Lease liabilities		-	36,576
Derivative financial instruments	7	-	453,429
Provisions	8	201,638	156,897
Other liabilities		42,245	42,245
<b>Total current liabilities</b>		<b>1,720,856</b>	<b>3,089,918</b>
<b>Non-current liabilities</b>			
Borrowings	6	1,572,600	1,072,600
Provisions	8	41,042	22,062
Other liabilities		28,164	70,408
<b>Total non-current liabilities</b>		<b>1,641,806</b>	<b>1,165,070</b>
<b>Total liabilities</b>		<b>3,362,662</b>	<b>4,254,988</b>
<b>Net assets/(liabilities)</b>		<b>2,248,810</b>	<b>(2,104,046)</b>
<b>Equity</b>			
Issued capital	9	23,142,910	15,218,211
Reserves	10	(2,122,427)	(2,890,867)
Accumulated losses	11	(18,771,673)	(14,431,390)
<b>Total equity/(deficiency)</b>		<b>2,248,810</b>	<b>(2,104,046)</b>

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

**Propell Holdings Limited**  
**Statement of changes in equity**  
**For the year ended 30 June 2021**



	Issued capital \$	Reserves \$	Retained profits \$	Total deficiency in equity \$
<b>Consolidated</b>				
Balance at 1 July 2019	15,218,211	(2,890,867)	(12,295,887)	31,457
Loss after income tax expense for the year	-	-	(2,135,503)	(2,135,503)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(2,135,503)	(2,135,503)
Balance at 30 June 2020	15,218,211	(2,890,867)	(14,431,390)	(2,104,046)
	Issued capital \$	Reserves \$	Retained profits \$	Total equity \$
<b>Consolidated</b>				
Balance at 1 July 2020	15,218,211	(2,890,867)	(14,431,390)	(2,104,046)
Loss after income tax expense for the year	-	-	(4,340,283)	(4,340,283)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(4,340,283)	(4,340,283)
<i>Transactions with Owners in their capacity as Owners:</i>				
Contributions of equity, net of transaction costs (note 9)	5,645,056	-	-	5,645,056
Share-based payments	52,500	768,440	-	820,940
Conversion of notes	2,227,143	-	-	2,227,143
Balance at 30 June 2021	23,142,910	(2,122,427)	(18,771,673)	2,248,810

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

**Propell Holdings Limited**  
**Statement of cash flows**  
**For the year ended 30 June 2021**



	Note	Consolidated 2021 \$	2020 \$
<b>Cash flows from operating activities</b>			
Loan principal advanced to customers net of payments		(785,033)	97,518
Payments to suppliers and employees		(2,848,475)	(1,402,436)
Interest received		103,380	256,074
Receipts from customers		59,104	390,288
Finance costs		(187,304)	(125,369)
Operating grant receipts		516,061	312,865
Receipts from sub-lessee		44,097	36,190
Net cash used in operating activities		(3,098,170)	(434,870)
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(12,619)	-
Payments for intangibles	4	(625,228)	(420,025)
Net cash used in investing activities		(637,847)	(420,025)
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	9	6,577,745	-
Capital raising costs		(500,089)	-
Proceeds from borrowings		537,941	593,418
Proceeds from borrowings - convertible notes		410,000	558,000
Repayment of borrowings		(3,312)	(153,057)
Repayment of lease liabilities		(36,576)	(140,125)
Net cash from financing activities		6,985,709	858,236
Net increase in cash and cash equivalents		3,249,692	3,341
Cash and cash equivalents at the beginning of the financial year		519,510	516,169
Cash and cash equivalents at the end of the financial year	2	3,769,202	519,510

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

**Note 1. Other income**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Government grants	478,305	435,110
Gain on interest forgiven	-	60,779
	<hr/>	<hr/>
Other income	<u>478,305</u>	<u>495,889</u>

**Note 2. Cash and cash equivalents**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<i>Current assets</i>		
Cash at bank	3,769,202	403,932
Cash on deposit	-	115,578
	<hr/>	<hr/>
	<u>3,769,202</u>	<u>519,510</u>

**Note 3. Loans receivable**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<i>Current assets</i>		
Loans receivable	996,203	353,001
Less: Allowance for expected credit losses	(203,064)	(122,756)
	<hr/>	<hr/>
	<u>793,139</u>	<u>230,245</u>

*Allowance for expected credit losses*

Loan receivable balances and portfolio performance are monitored on an ongoing basis. The Group establishes an allowance for loan impairment that represents its estimate of expected future losses in respect of loan receivables.

The continuance of the COVID pandemic through the current financial year, particularly the recent emergence of the Delta variant in Australia, has had a significant economic impact as restrictions have been imposed on both individuals and businesses, most notably in New South Wales and Victoria, to limit the spread of the virus. The ongoing pandemic has also increased the level of estimation uncertainty in the preparation of these financial statements.

The estimation uncertainty is associated with:

- (i) the extent and duration of the disruption to businesses arising from the actions by Governments, businesses and consumers to contain the spread of the virus;
- (ii) the extent and duration of any economic downturn. This includes the disruption to capital markets, deteriorating availability of credit, liquidity concerns, increasing unemployment, declines in consumer discretionary spending, reductions in production because of decreased demand, and other restructuring activities; and
- (iii) the effectiveness of Government and central bank measures that have been, and will be, put in place to support businesses and consumers through this disruption and any economic downturn.

The combination of these factors has had an impact on the Group, such as on the recoverability of the loans and receivables,

**Note 3. Loans receivable (continued)**

and new lending volumes as the Group tightened its credit lending criteria.

When determining an appropriate allowance for expected credit losses at 30 June 2021, the company undertook a detailed review of all outstanding loans receivables including consideration of the industry and region in which each customer operates, customer credit quality and requests for deferred repayment periods due to recent COVID lockdowns. When setting the expected credit loss amount, the Group has analysed and given higher weighting to COVID impacted credit loss rates from the preceding 12 months.

**Note 4. Intangibles**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<i>Non-current assets</i>		
Intellectual property - at cost	50,000	50,000
Less: Accumulated amortisation	(16,667)	-
	<u>33,333</u>	<u>50,000</u>
Customer list - at cost	741,400	741,400
Less: Accumulated amortisation	(618,003)	(432,653)
	<u>123,397</u>	<u>308,747</u>
Technology platform - at cost	1,766,441	1,766,441
Less: Accumulated amortisation	(1,766,441)	(1,766,441)
	<u>-</u>	<u>-</u>
Loan management system - at cost	2,053,548	1,467,397
Less: Accumulated amortisation	(986,235)	(681,714)
Less: Impairment	(250,000)	-
	<u>817,313</u>	<u>785,683</u>
Intangibles work in progress - at cost	39,077	-
	<u>1,013,120</u>	<u>1,144,430</u>

*Reconciliations*

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

	Customer list	Loan management system	Technology platform	Intellectual property	Work in progress	Total
<b>Consolidated</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 July 2019	494,605	1,081,242	-	50,000	-	1,625,847
Additions	-	-	420,025	-	-	420,025
Amortisation expense	(185,858)	(295,559)	(420,025)	-	-	(901,442)
Balance at 30 June 2020	308,747	785,683	-	50,000	-	1,144,430
Additions	-	586,151	-	-	39,077	625,228
Impairment of assets	-	(250,000)	-	-	-	(250,000)
Amortisation expense	(185,350)	(304,521)	-	(16,667)	-	(506,538)
Balance at 30 June 2021	<u>123,397</u>	<u>817,313</u>	<u>-</u>	<u>33,333</u>	<u>39,077</u>	<u>1,013,120</u>

**Note 5. Trade and other payables**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Trade payables	471,661	327,656
Accrued expenses	282,541	387,686
Interest payable	136,774	105,193
BAS payable	48,246	121,788
	<u>939,222</u>	<u>942,323</u>

**Note 6. Borrowings**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Loans – Altor Capital	534,000	501,000
Loan - Premium funding	3,751	2,122
Convertible notes payable	-	955,326
	<u>537,751</u>	<u>1,458,448</u>
<i>Non-current liabilities</i>		
Loans – Altor Capital	<u>1,572,600</u>	<u>1,072,600</u>

*Convertible notes*

During the year an additional 410,000 unsecured convertible notes were issued to raise \$410,000. Additionally a further 50,000 unsecured convertible notes were issued in lieu of a cash payment of \$50,000 to a contractor and 41,000 were issued to employees and directors as part of remuneration. The conversion feature relating to these notes was valued at \$214,714. Fund raising costs of \$24,600 were offset against the liability.

On 18 October 2020, the convertible notes outstanding were converted to ordinary shares at a conversion price of 10.5 cents, being a 30% discount to the fair value. Included in the value recognised in equity is the principle outstanding of \$1,559,000 and the fair value of the convertible note derivative of \$668,143. During the year an additional \$21,000 of funding raising costs were offset against the liability and \$41,847 deferred borrowing costs were amortised up to conversion.

*Altor Capital - Loan facilities*

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Loan book facility (secured)	1,572,600	1,072,600
2020 R&D loan (secured)	274,000	241,000
2019 R&D loan (secured)	150,000	150,000
2017 R&D loan (unsecured)	110,000	110,000
	<u>2,106,600</u>	<u>1,573,600</u>

**Note 6. Borrowings (continued)**

**Altor Loan book facility (secured)**

This \$2,000,000 facility is provided for the sole purpose of providing funding for the Group's lending activities. The loan is secured over all present and future property of the Group's loan issuing special purpose entity BC Fund 2 Pty Ltd and its immediate parent Business & Capital Pty Ltd. The loan has a maturity date of 23 March 2023 and has an interest rate of 13% per annum, accruing daily and payable monthly in arrears.

**Note 7. Derivative financial instruments**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Conversion feature of convertible notes	-	453,429
	<u>-</u>	<u>453,429</u>
	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>Conversion feature of convertible notes</b>		
2020 tranche	-	239,143
2019 tranche	-	214,286
	<u>-</u>	<u>453,429</u>

The conversion feature derivative liability of the convertible notes represents an embedded derivative financial instrument in the host debt contract. The conversion feature represented the company's obligation to issue ordinary shares upon exercise of the conversion feature at a discount to the fair value of the equity instrument. The embedded conversion derivative is carried in the Statement of Financial Position at their estimated fair value at the end of each reporting period, with any unrealised gains or losses reflected in the Statement of Profit or Loss and Other Comprehensive Income.

On 16 October 2020 all convertible notes outstanding (2019, 2020 & 2021 tranches) were converted to ordinary shares at a conversion price of 10.5 cents, representing a 30% discount to the pre-IPO capital raise of 15 cents per share. As a result, 14,847,611 ordinary shares were issued.

**Note 8. Provisions**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Annual leave	201,638	139,714
Lease make good	-	17,183
	<u>201,638</u>	<u>156,897</u>
<i>Non-current liabilities</i>		
Long service leave	<u>41,042</u>	<u>22,062</u>

**Note 9. Issued capital**

		<b>2021 Shares</b>	<b>Consolidated 2020 Shares</b>	<b>2021 \$</b>	<b>2020 \$</b>
Ordinary shares - fully paid		<u>95,790,160</u>	<u>45,075,883</u>	<u>23,142,910</u>	<u>15,218,211</u>
<i>Movements in ordinary share capital</i>					
<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>Issue price</b>	<b>\$</b>	
Balance	1 July 2019	90,151,671		15,218,211	
Share consolidation (2:1)	29 November 2019	(45,075,788)		-	
Balance	30 June 2020	45,075,883		15,218,211	
Conversion of notes	18 November 2020	14,847,611	\$0.10	2,227,143	
Share issue	30 November 2020	10,516,666	\$0.15	1,577,745	
Share-based payment	30 November 2020	150,000	\$0.15	22,500	
Share-based payment	30 November 2020	200,000	\$0.15	30,000	
Share issue	10 March 2021	25,000,000	\$0.20	5,000,000	
Share issue costs incurred in the year		-		(932,689)	
Balance	30 June 2021	<u>95,790,160</u>		<u>23,142,910</u>	

On 18 November 2020, the convertible notes outstanding were converted to ordinary shares at a conversion price of 10.5c per share.

On 30 November 2020, the company undertook a 15 cent placement to sophisticated investors. The placement also had an attaching one for two option. A total of \$1,577,745 cash was raised and 10,516,666 ordinary shares and 5,433,333 options were issued. Refer below for option details.

On 30 November 2020, the company issued 150,000 ordinary shares to a lender in lieu of cash settlement for extending a facility and 200,000 ordinary share to the Group's Chief Executive officer in lieu of a bonus payment.

On 10 March 2021, the company undertook an initial public offering, placing 25,000,000 ordinary shares at 20 cent each.

*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.

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

*Capital risk management*

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

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The Group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

**Note 10. Reserves**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Share-based payment reserve	1,397,106	628,666
Subsidiary interest reserve	(3,519,533)	(3,519,533)
	<u>(2,122,427)</u>	<u>(2,890,867)</u>

*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.

*Subsidiary interest reserve*

This reserve is used to record transactions with non-controlling interests that result in a change in the Group's interest in a subsidiary that do not result in a loss of control.

*Movements in reserves*

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

	Share option reserve	Subsidiary interest reserve	Total
	\$	\$	\$
Balance at 1 July 2019	628,666	(3,519,533)	(2,890,867)
Balance at 30 June 2020	628,666	(3,519,533)	(2,890,867)
Share based payments	768,440	-	768,440
Balance at 30 June 2021	<u>1,397,106</u>	<u>(3,519,533)</u>	<u>(2,122,427)</u>

**Note 11. Accumulated losses**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Accumulated losses at the beginning of the financial year	(14,431,390)	(12,295,887)
Loss after income tax expense for the year	(4,340,283)	(2,135,503)
Accumulated losses at the end of the financial year	<u>(18,771,673)</u>	<u>(14,431,390)</u>

**Note 12. Dividends**

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

**Note 13. Events after the reporting period**

No matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

**Note 14. Earnings per share**

	<b>Consolidated</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Loss after income tax attributable to the Owners of Propell Holdings Limited	<u>(4,340,283)</u>	<u>(2,135,503)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>69,431,702</u>	<u>45,075,883</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>69,431,702</u>	<u>45,075,883</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(6.25)	(4.74)
Diluted earnings per share	(6.25)	(4.74)