

Interim Financial Report

Mobile Business Devices Pty Ltd
For the half year ended 31 December 2021

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Directors' Report

The Directors of Mobile Business Devices Pty Ltd present their report together with the financial statements of the Consolidated Entity, being Mobile Business Devices Pty Ltd for the half year ended 31 December 2021.

Directors' details

The following persons were Directors of Mobile Business Devices Pty Ltd during or since the end of the financial year

Mr. Mark Waller, B. Com FCPA

Managing Director

With experience as a director of public companies and Chief Financial Officer and Company Secretary of Listed companies, Mark's knowledge of the compliance, governance and strategic oversight of companies makes Mark an asset to the Board of the company. His responsibilities include working with the executives of the company to set the strategy on work on operational reporting frameworks to ensure the strategy in executed.

Mr. Nathan Kerr, FdSc

Executive Director and Chief Technology Officer

Nathan is a business growth and technology specialist. With experience in large corporate financial services in addition to growing his own business, his focus is ensuring technology usability and customer growth strategies ensure the company has a long growth tail. His responsibilities include leading the development of the company's short- and long-term strategy; maintaining awareness of the competitive market landscape, expansion opportunities and industry developments.

Company Secretary

Nathan Kerr is company secretary of Mobile Business Devices Pty Ltd.

Principal activities

The principal activities of the Group during the financial half-year were providing online taxation preparation software and services in Australia as well as Wills preparation.

There have been no significant changes in the nature of these activities during the year.

Review of operations

A review of the operations of the Group during the financial year and the results of those operations saw an increase in contract revenue from \$246,460 to \$1,072,175. The increase reflects growth in customer acquisition through marketing strategies that have been tested in the prior periods reflecting the Groups ability to scale its operations rapidly.

The Group was able to expand its product offering during the period with revenue received on its Wills and Insurance products as well as expanding its Business Tax and Individual Tax services. The Group was also able to release its app in the Apple and Android App stores allowing customers to download the app and easily complete a service or interact with the business.

A private capital raising was undertaken during the half year which secured \$500,000 of funds (which \$100,000 still owing) net of costs providing additional operating capital to fund marketing and promotion activities and growth in the technology platform.

The Group's total assets increased compared to the previous year, which was due to the increase in receivables and the Group's investment in expanding its product offering.

Significant Changes in State of Affairs

The following significant events occurred during the period:

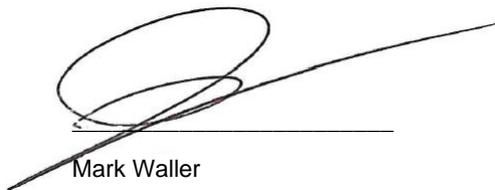
- The company issued 12,250,000 shares in November 2021 via the conversion of convertible notes.
- The company issued 50,000,000 shares via the raise of \$500,000 (which \$100,000 still receivable) to use on marketing and new product development.
- The company increased its registered user numbers since the financial year ended 30 June 2021 from nearly 16k users to more than 41k users.

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 on page 3 and forms part of this Directors' Report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Mark Waller
Director

18th February 2022

Auditor's Independence Declaration

To the Directors of Mobile Business Devices Pty Ltd

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Mobile Business Devices Pty Ltd for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



L A Stella
Partner – Audit & Assurance

Perth, 18 February 2022

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2021

	Notes	Half- year ended	
		31 Dec 2021	31 Dec 2020
		\$	\$
Revenue from contracts with customers	3	1,072,175	246,460
Other income	4	126,405	190,588
Employee expenses	5	(322,530)	(286,723)
Amortisation expense	5	(238,308)	(216,573)
Selling and distribution expenses	5	(1,226,406)	(293,767)
General and administrative expenses		(360,287)	(63,609)
Operating loss		(948,951)	(423,624)
Finance costs		(7,262)	-
Loss for the year		(956,213)	(423,624)
Other comprehensive income		-	-
Total comprehensive loss for the year		(956,213)	(423,624)
Earnings per share:			
Basic loss per share	6	(0.02580)	(0.01721)
Diluted loss per share	6	(0.02319)	(0.01721)

This statement should be read in conjunction with the notes to the financial statements.

Condensed Consolidated Statement of Financial Position

As at 31 December 2021

	Notes	31 Dec 2021 \$	30 June 2021 \$
Current assets			
Cash and cash equivalents		33,924	57,526
Trade and other receivables	7	618,770	103,634
Other current assets		126,847	240,420
Total current assets		779,541	401,580
Non-current assets			
Intangible assets	8	1,486,369	1,463,863
Total non-current assets		1,486,369	1,463,863
Total assets		2,265,910	1,865,443
Current liabilities			
Trade and other payables		810,829	301,513
Current tax liabilities		-	28,362
Employee benefits		43,697	34,502
Total current liabilities		854,526	364,377
Non-current liabilities			
Financial liabilities	9	411,012	56,250
Employee benefits		27,425	15,656
Total non-current liabilities		438,437	71,906
Total liabilities		1,292,963	436,283
Net assets		972,947	1,429,160
Equity			
Issued capital	10	3,940,987	3,440,987
Accumulated losses		(2,968,040)	(2,011,827)
Total equity		972,947	1,429,160

This statement should be read in conjunction with the notes to the financial statements.

Condensed Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2021

Notes	Share capital \$	Accumulated losses \$	Total \$
Balance at 1 July 2020	2,199,319	(1,105,544)	1,093,775
Loss for the period	-	(423,624)	(423,624)
Other comprehensive income	-	-	-
Total comprehensive loss for the period	-	(423,624)	(423,624)
<i>Transactions with owners in their capacity as owners:</i>			
Issue of share capital	285,000	-	285,000
Sub-total	285,000	(423,624)	(138,624)
Balance at 31 December 2020	2,484,319	(1,529,168)	955,151
Balance at 1 July 2021	3,440,987	(2,011,827)	1,429,160
Loss for the period	-	(956,213)	(956,213)
Other comprehensive income	-	-	-
Total comprehensive loss for the period	-	(956,213)	(956,213)
<i>Transactions with owners in their capacity as owners:</i>			
Issue of share capital	500,000	-	500,000
Sub-total	500,000	(956,213)	(456,213)
Balance at 31 December 2021	3,940,987	(2,968,040)	972,947

This statement should be read in conjunction with the notes to the financial statements.

Condensed Consolidated Statement of Cash Flows

For half year ended 31 December 2021

Notes	Half-year ended	
	31 Dec 2021	31 Dec 2020
	\$	\$
Operating activities		
Receipts from customers	780,143	307,926
Payments to suppliers and employees	(1,533,397)	(498,609)
Cash receipts from government grants	214,094	108,000
Net cash used in operating activities	(539,160)	(82,683)
Investing activities		
Capitalised development costs	(196,943)	(90,954)
Other cash items from investing activities	1	-
Net cash used in investing activities	(196,942)	(90,954)
Financing activities		
Proceeds from issue of shares	400,000	-
Proceeds from borrowings	447,500	190,000
Repayment of borrowings	(135,000)	(20,000)
Net cash provided by financing activities	712,500	170,000
Net change in cash and cash equivalents held	(23,602)	(3,637)
Cash and cash equivalents at beginning of half-year	57,526	29,705
Cash and cash equivalents at end of half-year	33,924	26,068

This statement should be read in conjunction with the notes to the financial statements.

Notes to the Condensed Consolidated Financial Statements

1 General information

Mobile Business Devices Pty Ltd is a taxation preparation software and service provider in Australia as well as providing will and general insurance services.

The condensed financial statements were authorised for issue, in accordance with a resolution of directors, on 18 February 2022. The directors have the power to amend and reissue the financial statements. Mobile Business Devices Pty Ltd is a private Company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are Suit 1/57 Forrest Street, Subiaco WA 6008.

2 Basis of accounting

Basis of preparation

The interim condensed financial statements are for the six months ended 31 December 2021 and are presented in Australian Dollars, which is the functional currency of the parent company. They have been prepared in accordance with AASB 134 'Interim Financial Reporting'. They do not include all of the information required in annual financial statements in accordance with AASB, and should be read in conjunction with the consolidated financial statements for the year ended 30 June 2021.

New Standards adopted at 1 July 2021

There are no accounting pronouncements which have become effective from 1 July 2021 that have a significant impact on the Group's interim condensed consolidated financial statements.

Significant accounting policies

The Interim Financial Statements have been prepared in accordance with the accounting policies adopted in the Group's most recent annual financial statements for the year ended 30 June 2021.

Estimates and judgements

When preparing the Interim Financial Statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the Interim Financial Statements, including the key sources of estimation uncertainty, were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2021. The only exceptions are the estimate of income tax liabilities which is determined in the Interim Financial Statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

Significant events and transactions

Management believes that the Group is well positioned to cope with a downturn in the economy. Factors contributing to the Group's strong position are:

- The Company increased its registered user numbers since the financial year ended 30 June 2021 from nearly 16K users to more than 41K users.
- The Company issued 50,000,000 shares via the raise of \$500,000 (which \$100,000 received in January 2022) to use on marketing and new product development.
- The Company issued 12,250,000 shares in November 2021 via the conversion of convertible notes.

Overall, the Group is in a strong position and has sufficient capital and liquidity to service its operating activities and debt. The Group's objectives and policies for managing capital, credit risk and liquidity risk are described in its annual financial statements.

Going concern

This financial report is prepared on the going concern basis and assumes the continuation of normal business activities for at least the next 12 months following the signing of these financial statements.

The Company's result for the period included a loss totaling \$956,213 and the Company also recorded a cash outflow from operating activities totalling \$539,160.

The ability of the Company to continue as going concerns and to pay their debts as and when they fall due is dependent on the following:

- the ability to raise additional funding, including \$500,000 under a pre initial public offering (IPO) funding
- achieving revenue targets in line with management's forecasts;
- managing all costs in line with management's forecasts;
- continued support of the Company's major shareholders and funders; and
- The completion of an anticipated IPO.

Based upon the above, the Board has reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable and the Directors consider the going concern basis of relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

3 Revenue

The Group's revenue for the reporting periods consists of the following:

Note	2021	2020
	\$	\$
Half-year ended 31 December		
Revenue from professional services	1,072,175	246,460
Total revenue	1,072,175	246,460
Revenue recognised at a point in time	1,072,175	246,460
Revenue recognised over time	-	-
Total	1,072,175	246,460

4 Other income

Note	2021	2020
	\$	\$
Half-year ended 31 December		
Research and development grant	126,405	48,521
Cashflow boost grant	-	34,067
Jobkeeper grant	-	108,000
Total other income	126,405	190,588

5 Expenses

Operating expenses for the reporting periods consist of the following:

	Note	2021 \$	2020 \$
Employee expenses			
Employee entitlements		267,858	265,584
Superannuation expense		54,672	21,139
Total operating expenses excl. amortisation		322,530	286,723
Amortisation expenses			
Amortisation of web application		238,308	216,573
Total amortisation expense		238,308	216,573
Selling and distribution expenses			
Advertising		941,275	267,872
Consulting		241,863	4,189
Insurance		22,499	8,572
Selling promotions		20,769	13,132
Total amortisation expense		1,226,406	293,767

6 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares.

Basic EPS is calculated by dividing the net profit/ (loss) attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the net profit/ (loss) attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all potential dilution to ordinary shares, which comprise convertible notes. Instruments are only treated as dilutive when their conversion to ordinary shares would decrease EPS or increase the loss per share.

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	Note	2021 \$	2020 \$
Half-year ended 31 December			
Net loss attributable to ordinary equity holders of the Company			
Loss attributable to ordinary equity holders of the parent for basic earnings		(956,213)	(423,624)
Weighted average number of ordinary shares for basic EPS		37,065,537	24,619,095
Weighted average number of ordinary shares for diluted EPS		41,232,204	24,619,095

Half year ended 31 December 2021

Period	No of shares outstanding	Diluted	Basic
July 2021 - November 2021	74,131,074	30,887,948	30,887,947
December 2021	124,131,074	10,344,256	6,177,590
Total weighted average number of shares outstanding		41,232,204	37,065,537

Half year ended 31 December 2020

Period	No of shares outstanding	Diluted	Basic
July 2020 - December 2020	49,238,189	24,619,095	24,619,095
Total weighted average number of shares outstanding		24,619,095	24,619,095

7 Trade and other receivables

	Note	31 Dec 2021	30 Jun 2021
		\$	\$
Trade receivables		452,238	51,216
Provision of doubtful debts		(44,633)	-
Other debtors		48,500	3,773
Equity receivable		100,000	-
Goods and services tax recoverable		62,665	48,645
Total trade and other receivables		618,770	103,634

The provision of doubtful debt associated with the ageing of trade receivables at reporting date is detailed below.

	Total	31 Dec 2021	Total	30 Jun 2021
	\$	Allowance	\$	Allowance
	\$	\$	\$	\$
Not past due	98,364	-	43,834	-
Past due 0 - 30 days	20,764	976	1,854	-
Past due 31 - 60 days	129,650	11,854	2,295	-
Past due 61 - 90 days	119,884	23,446	220	-
Past due > 90 days	83,576	8,357	3,014	-
Total	452,238	44,633	51,216	-

8 Intangible assets

	Note	Software	Total
		\$	\$
For the half-year ended 31 December 2021			
Cost			
Balance at 1 July 2021		2,598,880	2,598,880
Addition		260,814	260,814
Balance at 31 December 2021		2,859,694	2,859,694
Depreciation and impairment			
Balance at 1 July 2021		(1,135,017)	(1,135,017)
Amortisation		(238,308)	(238,308)
Balance at 31 December 2021		(1,373,325)	(1,373,325)
Carrying amount 31 December 2021		1,486,369	1,486,369
For the financial year ended 30 June 2021			
Cost			
Balance at 1 July 2020		2,258,693	2,258,693
Addition		376,333	376,333
Adjustment		(36,146)	(36,146)
Balance at 30 June 2021		2,598,880	2,598,880
Depreciation and impairment			
Balance at 1 July 2020		(701,870)	(701,870)
Amortisation		(433,147)	(433,147)
Balance at 30 June 2021		(1,135,017)	(1,135,017)
Carrying amount 30 June 2021		1,463,863	1,463,863

8 Intangible assets (Cont.)

(A) Software assets

The Group developed the OneClick Platform that provides taxation preparation software and services in Australia. Costs capitalised include costs directly attributable to the development of the asset. The Platform delivered to market has begun generating revenues.

(B) Amortisation

Amortisation is charged to the Statement of Profit or Loss using the straight-line basis over the estimated useful life of the intangible asset.

The estimated useful life of intangible assets are as follows:

Software: 6 years

The residual value, the useful life and the depreciation method applied to an asset are reviewed at each financial year end and adjusted if required

9 Financial liabilities

	Note	31 Dec 2021 \$	30 Jun 2021 \$
Non-Current			
Loans from directors	(a)	372,500	25,000
Convertible notes	(c)	25,000	25,000
Embedded derivative	(d)	13,512	6,250
Total non-current		411,012	56,250
Total financial liabilities		411,012	56,250

- (a) The following loan has been provided by Mark Waller and Nathan Kerr (company directors). The loan has been provided on interest rate of 8% per annum with a maturity date of greater than 12 months.
- (b) The following loan has been provided by I am Super Trust (shareholder). The face value is payable by the Company on the maturity date of greater than 12 months. It is convertible into ordinary shares in the capital of the Company with 20% discount rate on either the lessor of the last raised price or any prospective capital raise.
- (c) The interest expense on the loan has been accrued and captured under "Embedded Derivate"

10 Issued capital

Fully paid ordinary shares

	2021 Shares	2020 Shares	2021 \$	2020 \$
Beginning of the year	73,238,217	44,513,189	3,440,987	2,199,319
Issue of share capital	50,000,000	28,725,028	500,000	1,241,668
Total contributed equity at 30 June	123,238,217	73,238,217	3,940,987	3,440,987

11 Contingent liabilities

The Company had no contingent liabilities or assets as at 31 December 2021.

12 Related parties

The Group's related parties include its key management personnel, related parties of its key management personnel, and others as described below.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

Transactions with key management personnel

Key management of the Group are the Executive members of the Group's Board of Directors and the Group's Chief Executive Officer. Key management personnel remuneration includes the following expenses:

	31 Dec 2021 \$	31 Dec 2020 \$
Short-term employee benefits:		
Salaries including bonuses	80,769	14,923
Total short-term employee benefits	80,769	14,923
Long service leave	13,301	5,912
Total other long-term benefits	13,301	5,912
Post-employment benefits:		
Superannuation	8,077	833
Total post-employment benefits	8,077	833
Total remuneration	102,147	21,668

The Company's related parties include its key management personnel, related parties of its key management personnel, and others as described below. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

Transactions with related parties

The following transactions occurred with related parties:

	Note	31 Dec 2021 \$	30 Jun 2021 \$
Payment for goods and services:			
Payment for services from associate		-	87,500
		-	87,500

Loans to/from related parties

	Note	31 Dec 2021 \$	30 June 2021 \$
Current			
Loan from related parties		-	25,000
Non-Current			
Loan from related parties		372,500	-
Convertible notes		25,000	25,000
		397,500	50,000

Terms and conditions

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

13 Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

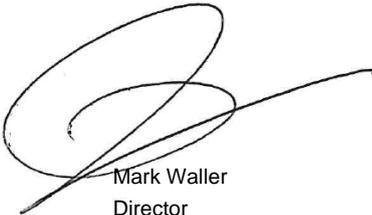
Directors' Declaration

In the opinion of the Directors of Mobile Business Devices Pty Ltd:

- a. The consolidated financial statements and notes of Mobile Business Devices Pty Ltd are in accordance with the Corporations Act 2001, including;
 - i. Giving a true and fair view of its financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
 - ii. Complying with Accounting Standard AASB 134 Interim Financial Reporting; and
- b. There are reasonable grounds to believe that Mobile Business Devices Pty Ltd will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.

On behalf of the Directors



Mark Waller
Director

Dated the 18th day of February 2022

Independent Auditor's Review Report

To the Members of Mobile Business Devices Pty Ltd

Report on the review of the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Mobile Business Devices Pty Ltd (the Company) and its subsidiaries (the Group), which comprises the condensed consolidated statement of financial position as at 31 December 2021, and the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Mobile Business Devices Pty Ltd does not comply with the *Corporations Act 2001* including:

- a) giving a true and fair view of the [name of group's] financial position as at 31 December 2021 and of its performance for the half year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial report, which indicates that the Group incurred a net loss of \$956,213 during the half year ended 31 December 2021 and, as of that date, the Group incurred operating cash outflows of \$539,160. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

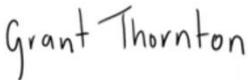
Directors' responsibility for the half-year financial report

The Directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



L A Stella
Partner – Audit & Assurance

Perth, 18 February 2022