



**PRELIMINARY APPENDIX 4E  
UNAUDITED RESULTS FOR ANNOUNCEMENT TO MARKET  
UNDER LISTING RULE 4.3A**

**LIVETILES LIMITED  
ABN 95 066 139 991**

**FINANCIAL YEAR ENDED  
30 JUNE 2023**

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# LiveTiles Limited ABN 95 066 139 991 and Controlled Entities

## Unaudited preliminary financial report for the year ended 30 June 2023

### APPENDIX 4E – UNAUDITED PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

#### Results for Announcement to the Market

Key Information	2023 \$	2022 \$	% Change
Revenue from ordinary activities	30,606,219	52,829,539	(42%)
Net loss after tax from ordinary activities attributable to members	(33,840,563)	(818,407)	(4,035%)
Net loss attributable to members	(33,840,563)	(818,407)	(4,035%)

#### Dividends Paid and Proposed

No dividend was paid or proposed during the financial year ended 30 June 2023 (2022: \$nil).

#### Dividend Reinvestment Plan

There was no dividend reinvestment plan in operation during the financial year.

#### Commentary on the Results for the Year

Refer to the commentary on the results for the year included on pages 2-7 of this report.

#### Net Tangible Assets per Share

Net tangible assets per share (including right-of-use assets, excluding pension actuarial liabilities)	2023 cents/share	2022 cents/share
	(2.16)	(1.62)

#### Control Gained or Lost over Entities in the Year

On 18 October 2022, LiveTiles completed its acquisition of My Net Zero R&D Pty Ltd (MNZ). MNZ has been consolidated into the Group's financial statements from 18 October 2022.

#### Details of Associates and Joint Venture Entities

Associate	Ownership interest		Contribution to net profit/(loss)	
	June 2023	June 2022	June 2023	June 2022
	%	%	\$	\$
BindTuning - Bind Soluções Informáticas, Design Web e Gráfico,	19.99%	19.99%	108,841	24,897

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**LiveTiles Limited ABN 95 066 139 991 and Controlled Entities**

**Unaudited preliminary financial report for the year ended 30 June 2023**

**APPENDIX 4E – UNAUDITED PRELIMINARY FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2023**

**Attachments**

The consolidated unaudited financial statements for LiveTiles Limited for the year ended 30 June 2023 are attached.

**Audit Status**

This report is based on the Financial Statements which are in the process of being audited.

**Signed**



Jesse Todd  
Chairman  
Sydney

Date: 29 August 2023

**Signed**



David Vander  
Chief Executive Officer  
Sydney

Date: 29 August 2023

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**Unaudited consolidated financial statements for the year ended 30 June 2023**

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### Principal activities

The Group's principal continuing activities during the year was being a Software as a Service (SaaS) provider, specialising in the development and sale of Employee Experience software via cloud-based platform offerings. LiveTiles is a global leader in the Employee Experience workplace software market, creating and delivering solutions that drives engaged employee communication and collaboration in the modern workplace. LiveTiles has enterprise customers in a diverse range of sectors across North America, Europe and Asia Pacific.

### Operating and Financial review

Certain financial information in the review of the business operations below referencing Earnings Before Interest, Tax, Impairment, Depreciation and Amortisation (EBITDA) have been derived from the reviewed financial statements. EBITDA and Underlying EBITDA positions are non-IFRS financial information used by Directors and Management to assess the underlying performance of the business and as such have not been reviewed in accordance with Australian Auditing Standards.

During the year ended 30 June 2023, LiveTiles performance was impacted through challenging global market conditions across the SaaS and digital landscape. As part of the Operational Review conducted during FY23 H1, leading to the appointment of new CEO, David Vander, the Company has commenced (and continues to be) committed to executing on the following:

- simplification of the business operationally and strategically, resulting in a leaner cost base and annual operating savings of \$14.1m, principally due to paused R&D partnership activity decreasing product development expenditure (now moved in house in cost effective locations), reduction in headcount due to the operational review, and aggressive brand marketing activities in FY22 not repeated in FY23
- consolidating LiveTiles' go-to-market and product portfolio
- reduction in customer churn to 7% as at FY23 Q4 (compared with median churn rates in SaaS companies of 14%<sup>[1]</sup>)
- three major product releases per year, with first release deployed in June 2023
- Product Development teams now centred in two cost effective locations only
- reinvigorated marketing programs and partnerships, including new website
- refreshed organisational structure to better align with growth plans

Financial results summary for the Group for the year ended 30 June 2023:

- **Operating Revenues decreased -42% to \$30.6m** (FY22: \$52.8m), though underlying operating revenues decreased -20% after excluding annual licence and support fees relating to the R&D partnerships licence agreement.
- Total operating costs improved \$14.1m +36%, driven through operating review and restructure
- **EBTIDA result of \$(3.5)m, a \$(8.6)m decline** compared to FY22: \$5.1m. On an Underlying EBITDA basis, there was a \$(9.5)m decline vs prior comparison period to \$(6.5)m (FY22: \$3.0m).
- **Cash Receipts for the year of \$37.4m** (FY22 \$56.7m), though underlying movement after excluding R&D partnerships is \$35.2m vs prior comparison period \$39.2m, a -10% underlying decrease.
- **Cash balance at 30 June 2023 of \$6.7m** (30 June 2022: \$13.1m).

<sup>[1]</sup> 2022 KeyBank Capital Markets report

[https://www.key.com/content/dam/kco/documents/businesses\\_institutions/2022\\_kbcm\\_saas\\_survey\\_10-20-22\\_vF.pdf](https://www.key.com/content/dam/kco/documents/businesses_institutions/2022_kbcm_saas_survey_10-20-22_vF.pdf)

LiveTiles Limited ABN 95 066 139 991  
**COMMENTARY ON THE RESULTS FOR THE YEAR**

The table below summarises the Group's statement of profit or loss and other comprehensive income for the year, as well as the EBITDA and Underlying EBITDA positions, which are used as key management reporting metrics.

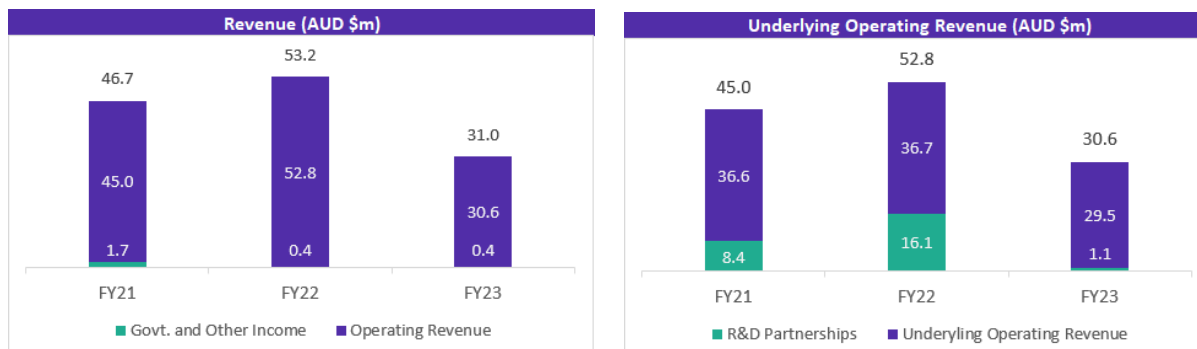
	Notes	Jun-23 (\$000s)	Jun-22 (\$000s)	Movement
Software subscription revenue		23,988	42,575	(44)%
Software related services revenue		4,596	9,349	(51)%
EX services revenue		2,022	906	100 %
<b>Total operating revenue</b>		<b>30,606</b>	<b>52,830</b>	<b>(42)%</b>
Other income		351	400	(12)%
<b>Total Revenue</b>		<b>30,957</b>	<b>53,230</b>	<b>(42)%</b>
Cost of revenues		(10,681)	(12,191)	12 %
<b>Gross Profit</b>	(a)	<b>19,925</b>	<b>40,638</b>	<b>(51)%</b>
<i>Gross Profit Margin</i>		65.1%	76.9%	(118 pp)
Product research and development		(8,514)	(12,486)	32 %
Sales and marketing		(5,681)	(14,031)	60 %
General and administration		(10,687)	(12,470)	14 %
<b>Total operating expenses</b>		<b>(24,882)</b>	<b>(38,987)</b>	<b>36 %</b>
One off costs	(b)	(3,241)	-	-
Depreciation and amortisation		(4,503)	(4,112)	(9)%
Fair value movement through profit and loss	(c)	4,027	3,977	1 %
Human Link acquisition expenses		-	(1,013)	100 %
Other non cash expenses	(d)	(973)	(839)	(16)%
<b>Net Operating Profit / (Loss)</b>		<b>(9,296)</b>	<b>64</b>	<b>(14,667)%</b>
<b>EBITDA</b>	(e)	<b>(3,463)</b>	<b>5,095</b>	<b>(168)%</b>
<i>EBITDA Margin</i>		(11.3)%	9.6 %	(210 pp)
<b>Underlying EBITDA</b>	(f)	<b>(6,516)</b>	<b>2,970</b>	<b>(319)%</b>
<i>Underlying EBITDA Margin</i>		(21.3)%	5.6 %	(269 pp)
Impairment of intangible assets	(g)	(24,069)		-
Tax		(476)	(882)	46 %
<b>Net Profit / (Loss) after tax</b>		<b>(33,841)</b>	<b>(818)</b>	<b>(4,036)%</b>

**Notes**

- (a) Gross Profit excludes Other Income.  
(b) Includes \$1.7m redundancy costs from the operational review, and \$1.5m loan forgiveness to directors (as announced to market).  
(c) Current period relates to \$5.0m change in fair value of CYCL earn out, this movement represents a change in estimated contingent consideration due under the purchase terms. Given earn out conditions were not satisfied, the contingent consideration was reversed and fair value reduced. This is offset by \$(0.6)m in Bind Tuning investment, and \$(0.4)m in value fair remeasurement in minority interest in MyNetZero.  
(d) Non-cash expense items include \$1.5m in share based payments, offset by \$(0.5)m of unrealised foreign currency gains.  
(e) EBITDA excludes depreciation and amortisation of \$4.5m and finance costs of \$1.3m. Finance costs are grouped under general and administration.  
(f) Underlying EBITDA excludes non-cash expenses (d) and one-off non-recurring items (c).  
(g) Impairment of intangible assets to EX platforms CGU (\$21m) and My Net Zero CGU (\$3.1m).

## Financial Year 2023 Highlights

### Revenues

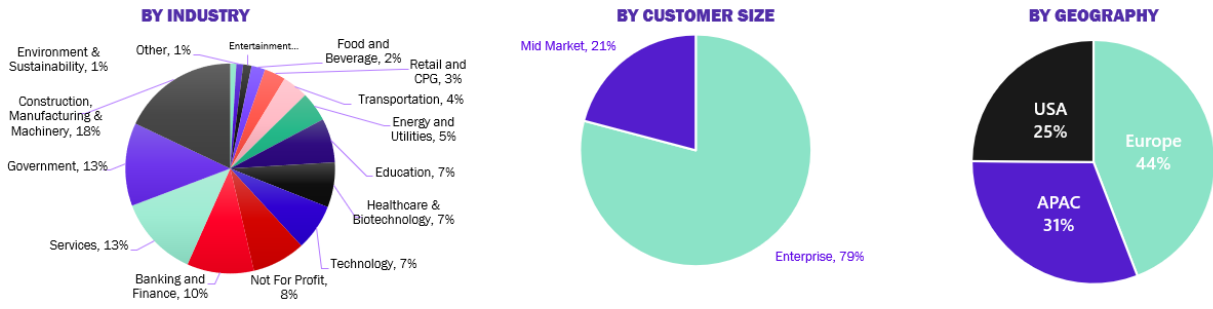


During the financial year, LiveTiles Operating Revenues declined by -42%, or \$(22.2)m vs prior comparison period FY22, though underlying operating revenues decreased -20% after excluding R&D partnerships. Pursuant to the operational review conducted during FY23 H1, LiveTiles paused R&D partnerships in FY23 Q1. LiveTiles have received a benefit from these arrangements, providing channels for the re-sale and use of LiveTiles and R&D partner products to the partner's end-customers, through enhanced development & engineering into our platforms and integrations, however the Board and Executive have decided to put this arrangement on hold as the business refocuses on further growing the core, which also involves investing internally in product development. This product development strategy is being achieved via three major product releases per year (first of which was delivered in June 2023), all of which have and will continue to be publicly released to market.

Excluding R&D partnerships from revenue, underlying movement vs prior comparison period results in an overall operating revenue variance of \$(7.2m).

For the 12 months to 30 June 2023, subscription revenue was \$24.0m (FY22: \$42.6m), though excluding R&D partnerships from subscription revenue, underlying movement vs prior comparison period results in an overall subscription revenue variance of -13% \$(3.5m). In addition, unearned revenue (a balance within the Statement of Financial Position) was \$12.1m (FY22: \$13.2m); a result of invoicing customers their full fees in advance of their subscription period, a feature of Software as a Service (SaaS) business models.

**Customers**



LiveTiles continues the strategic focus of the Company to shift towards a greater mix of its customer base to Enterprise customers, with 79% of total customers now considered Enterprise. Geographic spread has also shifted to a more balanced weighting globally.

**Movements of EBITDA Performance**



**Product Research and Development**

AUD \$000s	Jun-23	Jun-22	Movement
Product research and development	(8,514)	(12,486)	(32)%
% of Total Revenue	27.5%	23.5%	40 pp

R&D spend for the period, including amortisation of capitalised development costs, decreased as a result of the operational review conducted during FY23 H1, where LiveTiles paused R&D partnerships in FY23 Q1. LiveTiles have received a benefit from these arrangements, through enhanced development & engineering into our platforms and integrations, however the Board and Executive have decided to put this arrangement on hold as the business refocuses on further growing the core, which also involves investing internally in product development, albeit in lower cost markets. As at 30 June 2023, \$6.7m of software development costs were capitalised (\$3.9m at 30 June 2022), of which \$2.3m was amortised during the period. Refer to Note 4 of the financial statements for more details.

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**Sales and Marketing**

AUD \$000s		Jun-23	Jun-22	Movement
Sales and Marketing		(5,681)	(14,031)	(60)%
% of Total Revenue		18.6%	26.6%	(80 pp)

Sales & Marketing reduced by +60% with \$8.4m savings. A contributing factor to this improvement was driven from a substantial reduction in marketing initiatives and events, with aggressive brand campaign and advertising activity during FY22 not repeated, plus the reduction in headcount post the operational review conducted during FY23 H1, and R&D partnerships marketing related subscriptions costs incurred in FY22 not repeated in FY23.

**General and Administration**

AUD \$000s		Jun-23	Jun-22	Movement
General and Administration		(10,687)	(12,470)	(14)%
% of Total Revenue		34.5%	23.4%	111 pp

General & administration reduced by 14% and \$1.8m compared to FY22. Savings were realised through a reduction in headcount and contractors from the operational review conducted during FY23 H1, and a reduction in legal costs and settlement fees compared with FY22.

**Other Items**

- **\$3.2m in one-off costs**, relating to \$1.7m in redundancy costs for key management resulting from the operational review conducted during FY23 H1, and \$1.5m loan forgiveness to directors KP/ PNB Standstill deed (as announced to market).
- A **\$5.0m change in fair value of CYCL earn out**, this movement represents a change in estimated contingent consideration due under the purchase terms. Given earn out conditions were not satisfied, the contingent consideration was reversed and fair value reduced. This is offset by \$(0.6)m in Bind Tuning investment, and \$(0.4)m in value fair remeasurement in minority interest in MyNetZero.
- **Other Non-cash expenses** comprise \$1.9m in share based payment items including \$1.5m relating to employee share & incentive plans issued plus \$0.3m in MNZ share based payments, and \$(0.5)m of unrealised foreign currency gains.

**Intangible assets impairment**

A review of indicators of impairment relating to goodwill, software IP and customer contracts and relationships was conducted as at 30 June 2023 with management performing a detailed impairment assessment. Based on the results of the assessment, the carrying value of the EX Platform CGU exceeded their recoverable amount by \$21,000,000. In addition, the carrying value of MyNetZero was impaired by \$3.1m.

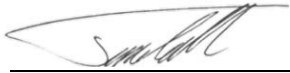
**Debt Facility**

The Company announced on 27 September 2021 a \$10.0m secured loan facility with OneVentures to assist with future investment strategies, deliver on new product developments and support ongoing working capital needs. As at 30 June 2023, the entire facility had been drawn down.

**Significant events since the end of the financial year**

Refer Note 13: events after the reporting period

**Signed**



Jesse Todd  
Chairman  
Sydney

Date: 29 August 2023

**Signed**



David Vander  
Chief Executive Officer  
Sydney

Date: 29 August 2023

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 \$	2022 \$
Revenue	1	30,606,219	52,829,539
Other income	1	351,119	400,481
		30,957,338	53,230,020
<b>Expenses</b>			
Employee benefits expense		(18,696,667)	(19,830,906)
Contractors		(6,797,636)	(13,776,401)
Marketing expense		(604,457)	(4,580,817)
Travel and entertainment expense		(1,480,805)	(1,024,393)
Professional fees		(2,148,680)	(2,369,408)
Rent and other office costs		(1,601,891)	(1,447,475)
Information technology costs		(3,805,882)	(2,671,674)
Other expenses		(795,745)	(5,116,989)
Depreciation expense		(780,890)	(1,087,494)
Amortisation charge of intangibles	4	(3,722,123)	(3,024,904)
Share based payments expense	10	(1,456,494)	(921,680)
Loan forgiveness		(1,542,000)	-
Unrealised currency gain / (loss)		483,552	(372,635)
Finance costs		(1,330,400)	(918,649)
Impairment of intangible assets	4	(24,068,962)	-
Fair value movement in contingent consideration	5	4,026,776	3,976,929
		(64,322,304)	(53,166,496)
<b>Profit / (loss) before income tax</b>		(33,364,966)	63,524
Income tax expense		(475,597)	(881,931)
<b>Net loss for the year</b>		(33,840,563)	(818,407)

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2023 (CONTINUED)**

**Other comprehensive income:****Items that will be reclassified subsequently to profit or loss when specific conditions are met:**

Exchange differences on translating foreign operations, net of tax	7,854,755	(637,469)
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**Items that will not be reclassified subsequently to profit or loss:**

Fair value movements through other comprehensive income	365,044	-
Remeasurement of defined benefit pension schemes	860,745	4,334,109

<b>Other comprehensive income for the year</b>	9,080,544	3,696,640
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<b>Total comprehensive (loss) / income for the year</b>	(24,760,019)	2,878,233
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**Earnings per share for loss attributable to the owners of LiveTiles Limited**

Basic earnings / (loss) per share (cents)	(3.69)	(0.09)
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Diluted earnings / (loss) per share (cents)	(3.69)	(0.09)
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The accompanying notes form part of these financial statements.

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## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Note	2023 \$	2022 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		6,694,339	13,177,071
Trade and other receivables		4,704,468	8,139,446
Other current assets		244,387	2,127,579
Asset classified as held for sale	3	7,379,809	-
<b>TOTAL CURRENT ASSETS</b>		<b>19,023,003</b>	<b>23,444,096</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		357,605	780,765
Right-of-use assets		1,735,051	2,083,704
Intangible assets	4	59,307,689	74,741,937
Financial Assets	2	1,765,044	2,135,000
Investments in Associates	3	-	6,567,019
Other non-current assets		200,571	292,283
<b>TOTAL NON-CURRENT ASSETS</b>		<b>63,365,960</b>	<b>86,600,708</b>
<b>TOTAL ASSETS</b>		<b>82,388,963</b>	<b>110,044,804</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		5,179,148	8,088,797
Income tax payable		997,265	657,296
Lease liabilities		638,963	605,254
Employee benefits provision		2,017,725	2,442,300
Provisions for business combinations	5	1,078,000	7,111,201
Borrowings	6	2,100,747	502,393
Liabilities directly associated with asset held for sale	5	6,453,033	-
Other current liabilities		13,250,531	13,996,707
<b>TOTAL CURRENT LIABILITIES</b>		<b>31,715,412</b>	<b>33,403,948</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits provision		55,347	199,608
Income tax payable		1,348,620	871,251
Deferred tax liability		1,270,567	1,984,875
Provisions for business combinations	5	-	5,814,780
Lease Liabilities		1,764,908	2,186,974
Pension liabilities		726,376	1,224,467
Borrowings	6	6,861,502	4,976,300
Other non-current liabilities		162,560	276,633
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>12,189,880</b>	<b>17,534,888</b>
<b>TOTAL LIABILITIES</b>		<b>43,905,292</b>	<b>50,938,836</b>
<b>NET ASSETS</b>		<b>38,483,671</b>	<b>59,105,968</b>

The accompanying notes form part of these financial statements.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023 (CONTINUED)

	Note	2023 \$	2022 \$
<b>EQUITY</b>			
Issued capital	8	209,147,793	206,466,565
Reserves		15,505,270	4,968,232
Accumulated losses		(186,169,392)	(152,328,829)
<b>TOTAL EQUITY</b>		<b>38,483,671</b>	<b>59,105,968</b>

The accompanying notes form part of these financial statements.

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## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	Note	Accumulated			Total equity
		Issued capital	Reserves	losses	
		\$	\$	\$	\$
Balance at 1 July 2021		205,044,070	349,912	(151,510,422)	53,883,560
Loss for the year		-	-	(818,407)	(818,407)
Other comprehensive income for the year, net of tax		-	(637,469)	-	(637,469)
Remeasurements of the defined benefit asset, net of tax		-	4,334,109	-	4,334,109
Total comprehensive loss for the year		-	3,696,640	(818,407)	(2,878,233)
<i>Transactions with owners, in their capacity as owners</i>					
Share based payment expense		-	466,694	-	466,694
Share capital issued		269,309	-	-	269,309
Share capital issued		52,155	-	-	52,155
Share capital issued		378,929	-	-	378,929
Compound equity instrument issued		245,202	-	-	245,202
Share capital issued		467,300	-	-	467,300
Share based payment expense		-	454,986	-	454,986
Share capital issued		9,600	-	-	9,600
Total transactions with owners		1,422,496	921,680	-	2,344,171
Balance at 30 June 2022		206,466,565	4,968,232	(152,328,829)	59,105,968
Balance at 1 July 2022		206,466,565	4,968,232	(152,328,829)	59,105,968
Loss for the year		-	-	(33,840,563)	(33,840,563)
Other comprehensive income for the year, net of tax		-	7,854,755	-	7,854,755
Fair value movements through other comprehensive income		-	365,044	-	365,044
Remeasurements of the defined benefit asset, net of tax		-	860,745	-	860,745
Total comprehensive loss for the year		-	9,080,544	(33,840,563)	(24,760,019)
<i>Transactions with owners, in their capacity as owners</i>					
Share based payment expense	10	-	1,456,494	-	1,456,494
Share capital issued	8	2,500,000	-	-	2,500,000
Compound equity instrument issued	6	181,228	-	-	181,228
Total transactions with owners		2,681,228	1,456,494	-	4,137,722
Balance at 30 June 2023		209,147,793	15,505,270	(186,169,392)	38,483,671

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 \$	2022 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers (inclusive of GST)		37,352,392	56,745,948
Payments to suppliers and employees (inclusive of GST)		(42,117,173)	(55,609,344)
Net cash from / (used in) ordinary operating activities		<u>(4,764,781)</u>	<u>1,136,604</u>
Interest received		55,817	76
Interest and other finance costs paid		(841,046)	(444,554)
Government grants received		-	123,168
Income tax paid		(950,219)	(1,698,504)
Net cash used in operating activities		<u>(6,500,229)</u>	<u>(883,210)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for acquisition of Human Link		(250,000)	(405,286)
Payments for investment in BindTuning		-	(328,842)
Payments for investment in financial assets		-	(2,135,000)
Transaction costs related to investing activities		(121,611)	(464,806)
Payments for development costs		(2,748,318)	(3,902,094)
Payments for plant and equipment		(63,203)	(310,273)
Net cash used in investing activities		<u>(3,183,132)</u>	<u>(7,546,301)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings	6	4,000,000	6,000,000
Transaction costs related to borrowings		-	(578,454)
Repayment of loan principal		(488,609)	-
Repayment of lease liability		(708,030)	(1,083,059)
Net cash from financing activities		<u>2,803,361</u>	<u>4,338,487</u>
Net decrease in cash held		(6,880,000)	(4,091,024)
Cash and cash equivalents at beginning of financial year		13,177,071	16,804,924
Effects of exchange rate changes on cash and cash equivalents		397,268	463,171
Cash and cash equivalents at end of financial year		<u>6,694,339</u>	<u>13,177,071</u>

The accompanying notes form part of these financial statements.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## NOTE 1: REVENUE AND OTHER INCOME

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Revenue:		
– Software subscription revenue	23,988,398	42,574,553
– Software related services revenue	4,596,001	9,349,197
– EX services revenue	2,021,820	905,789
Total revenue	<u>30,606,219</u>	<u>52,829,539</u>
Other income:		
– Interest income	207,970	175,337
– Other grant income	53,421	173,778
– Other income	89,728	51,366
Total other income	<u>351,119</u>	<u>400,481</u>
Total revenue and other income	<u>30,957,338</u>	<u>53,230,020</u>

## NOTE 2: NON-CURRENT ASSETS – FINANCIAL ASSETS

	<b>30 June</b>	<b>30 June</b>
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Investment in BrainPac	-	900,000
Investment in My Net Zero	-	985,000
Investment in Hide and Seek	1,765,044	250,000
	<u>1,765,044</u>	<u>2,135,000</u>

The Directors have determined the Group does not have significant influence over the designated financial assets of BrainPac or Hide and Seek as at 30 June 2023. The Directors' determination is on the basis the Group does not participate in the financial and operating policy decisions of these entities, and the Group holds an ownership interest of less than 20% in the respective companies.

The Directors' have determined the minority investment in BrainPac Plus Laboratories Pty Ltd (BrainPac) is impaired. In forming this opinion, the Directors' have considered the lack of inputs to reasonably determine the value, the estimated future cash flows the entity expects to derive from the investment, the expectations about possible variations in the amount or timing of those future cash flows, and the lack of liquidity of the investment. After considering these factors, the Directors' formed the opinion there was no reasonable basis to attribute value to the investment, accordingly the investment in its entirety has been impaired.

On 18 October 2022, the Group announced the accelerated acquisition of My Net Zero R&D Pty Ltd (MNZ) after executing an agreement to acquire in tranches, the remaining 80.03% of issued shares in MNZ. The acquisition meets the requirements of AASB 3 Business Combinations, therefore MNZ has been consolidated into the financial statements of the Group from the date control was obtained, being 18 October 2022 (refer to Note 9). Subsequent to 30 June 2023, the Group completed the acquisition of the remaining issued capital of MNZ (refer to Note 13).

On 6 June 2023, the Group exercised their right to a call option to purchase an additional 9.97% of the issued capital of Hide and Seek Group Pty Ltd (Hide and Seek) for a total consideration of \$250,000, pursuant to the Subscription Agreement dated 7 June 2022. The Group has agreed with Hide and Seek to extend the exercise completion date until 8 September 2023, allowing the parties to conduct an internal strategic review process. Unless extended further, the subscription moneys will be due within seven days of the amended date. The extension to the exercise completion date does not affect the enforceability of either parties' rights or obligations under the initial subscription agreement, hence the Group has recognised the investment and respective subscription monies owed at the time the exercise notice was given.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023****NOTE 3: CURRENT ASSET – ASSET HELD FOR SALE / INVESTMENT IN ASSOCIATES**

<i>Reconciliation of consolidated entity's carrying amount</i>	<b>30 June 2023</b>
Opening balance of investment value BindTuning	6,567,019
LiveTiles Limited's aggregate share of associate's profit / (loss)	108,841
Foreign exchange movements	703,949
Closing carrying amount	<u>7,379,809</u>

BindTuning has no contingent liabilities as at 30 June 2023.

The Directors' have assessed the investment in Bind Soluções Informáticas, Design Web e Gráfico, Lda (BindTuning), should be classified as an asset held for sale as it was deemed highly probable at 30 June 2023 that the Group would resell their 19.99% shareholding and their right to acquire the remaining 80.01% of the shares ('call option') back to the Bindtuning shareholders holding the remaining 80.01% of the shares as at 30 June 2023.

On 6 July 2023, the Group announced it had mutually agreed to conclude its arrangement, dated 14 December 2021, with Bindtuning. In exchange for the Group's 19.99% shareholding and the call option, the Group received Bindtuning IP, US\$100,000 in cash, and 2,250,000 LiveTiles shares to be returned subject to LiveTiles's shareholder approval (refer to note 13).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## NOTE 4: NON-CURRENT ASSETS – INTANGIBLE ASSETS

	2023 \$	2022 \$
Capitalised development costs	21,945,308	19,196,990
Less: Accumulated amortisation	(17,640,655)	(15,908,640)
	<u>4,304,653</u>	<u>3,288,350</u>
Software intellectual property	20,847,744	19,048,876
Less: Accumulated amortisation	(8,358,343)	(5,749,395)
	<u>12,489,401</u>	<u>13,299,481</u>
Customer contracts and relationships	8,766,690	8,045,732
Less: Accumulated amortisation	(8,766,690)	(8,045,732)
	<u>-</u>	<u>-</u>
Goodwill	66,582,597	58,154,106
Less: Impairment	(24,068,962)	-
	<u>42,513,635</u>	<u>58,154,106</u>
	<u>59,307,689</u>	<u>74,741,937</u>

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

Consolidated	Capitalised development costs	Software intellectual property	Customer contracts and relationships	Goodwill	Total
Balance at 1 July 2021	-	15,091,683	486,051	56,931,259	72,508,993
Additions	3,902,094	-	-	923,754	4,825,848
Amortisation expense	(613,744)	(1,909,618)	(501,542)	-	(3,024,904)
Foreign exchange	-	117,416	15,491	299,093	432,000
	<u>3,288,350</u>	<u>13,299,481</u>	<u>-</u>	<u>58,154,106</u>	<u>74,741,937</u>
Balance at 30 June 2022	3,288,350	13,299,481	-	58,154,106	74,741,937
Additions	2,748,318	-	-	3,068,962	5,817,280
Amortisation expense	(1,732,015)	(1,990,108)	-	-	(3,722,123)
Foreign exchange	-	1,180,028	-	5,359,529	6,539,557
Impairment	-	-	-	(24,068,962)	(24,068,962)
	<u>4,304,653</u>	<u>12,489,401</u>	<u>-</u>	<u>42,513,635</u>	<u>59,307,689</u>
Balance at 30 June 2023	4,304,653	12,489,401	-	42,513,635	59,307,689

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## NOTE 4: NON-CURRENT ASSETS – INTANGIBLE ASSETS (CONTINUED)

The cash-generating units (CGUs) of the Group as at 30 June 2023 are:

Employee Experience (“EX”) Platform	Represents the revenue and operating expenses attributable to sale of software and software related services.
Employee Experience (“EX”) Programs	Represents the revenue and operating expenses attributable to employee experience related services.
My Net Zero (“MNZ”)	Represents the revenue and operating expenses attributable to employer and employee climate change consultancy services.

Goodwill acquired through business combinations have been allocated to the following CGUs:

	2023 \$	2022 \$
EX Platform	41,589,880	57,230,351
EX Programs	923,755	923,755
MNZ	-	-
	42,513,635	58,154,106

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

Consolidated	EX Platforms	EX Programs	MNZ	Total
Balance at 1 July 2021	59,743,858	-	-	59,743,858
Additions	-	923,755	-	923,755
Foreign exchange	(2,513,507)	-	-	(2,513,507)
Balance at 30 June 2022	57,230,351	923,755	-	58,154,106
Additions	-	-	3,068,962	3,068,962
Foreign exchange	5,359,529	-	-	5,359,529
Impairment	(21,000,000)	-	(3,068,962)	(24,068,962)
Balance at 30 June 2023	41,589,880	923,755	-	42,513,635

Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

The recoverable amount of the Group’s goodwill has been determined by a value-in-use calculation using a discounted cash flow model, based on a 5-year projection period approved by management, together with a terminal value.

#### Impairment EX Platform CGU

A review of indicators of impairment relating to goodwill, software IP and capitalised development costs was conducted as at 30 June 2023. For the EX Platform CGU an impairment indicator was identified as a result of the ongoing cash burn and the underperformance of the CGU in comparison to budget for the period ended 30 June 2023. As a result, management performed a detailed impairment assessment.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 4: NON-CURRENT ASSETS – INTANGIBLE ASSETS (CONTINUED)**

The following key assumptions were used in the discounted cash flow model for the EX Platform CGU:

- 10% - 20% (2022: 5% - 16%) annual revenue growth rate;
- 13.70% (2022: 11.57%) compound annual revenue growth rate;
- 2.0% (2022: 2.0%) terminal growth rate;
- 16.85% (2022: 14.60%) post-tax discount rate.

Based on the results of the value-in-use model, the carrying value of the EX Platform CGU exceeded the recoverable amount by \$5,000,000, this was in addition to the \$16,000,000 which was already impaired in the half-year ended 31 December 2022.

*My Net Zero CGU*

On 18 October 2022, the Group signed a share purchase agreement to obtain the right to acquire the remaining 80.03% of the shares of My Net Zero R&D Pty Ltd (MNZ) in several tranches, resulting in a shareholding of 54.13% as at 30 June 2023. The acquisition resulted in the Group recognising goodwill of \$3,068,962 and the recognition of a new identifiable MNZ CGU.

For the MNZ CGU an impairment indicator was identified due to the underperformance and related cash burn of the CGU in comparison to management expectations. As a result of the performance and a lack of other inputs to reasonably determine value, the Directors' formed the opinion there was no reasonable basis to attribute value to goodwill, accordingly the goodwill value in relation to the MNZ CGU has been impaired in its entirety.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## NOTE 5: PROVISIONS FOR BUSINESS COMBINATIONS

	2023	2022
	\$	\$
<b>CURRENT</b>		
Provision for contingent consideration – CYCL settlement	1,078,000	6,861,201
Provision for contingent consideration – BindTuning	6,453,033	-
Provision for contingent consideration – Human Link	-	250,000
	<hr/> 7,531,033	<hr/> 7,111,201
<b>NON-CURRENT</b>		
Provision for contingent consideration – BindTuning	-	5,814,780
	<hr/> -	<hr/> 5,814,780

*Provision for contingent consideration – CYCL AG*

On 29 June 2023 a dispute with the original shareholders of CYCL (CYCL Sellers) AG over the earn out calculation was settled for a total payment from the Group to the CYCL Sellers of US\$550k, to be made over 3 payments in the year ending 30 June 2024, and 25 million shares, with half to be vested and free from escrow and the balance to be unvested and in escrow for 12 months following issue date. The 25 million shares were issued on 7 July 2023.

*Provision for contingent consideration – BindTuning*

The provision for contingent consideration owed to BindTuning represents preliminary estimates of amounts payable under the Shareholders Agreement which was in effect on 30 June 2023. Subsequent to 30 June 2023, on 5 July 2023, the Group entered into an agreement to divest their holding in BindTuning which was disclosed to the ASX on 6 July 2023 (see Note 13).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## NOTE 6: BORROWINGS

	2023 \$	2022 \$
<b>CURRENT</b>		
Government program repayable	66,146	63,732
Loans	2,034,601	438,661
	2,100,747	502,393
<b>NON-CURRENT</b>		
Government program repayable	60,090	121,629
Loans	3,315,557	2,813,848
Convertible notes	3,485,855	2,040,823
	6,861,502	4,976,300

*Loan / convertible notes*

In September 2021, the Group entered into a new facility agreement to provide funds to finance growth and strategic activities. The total available amount under the facility is \$10,000,000 of which \$6,000,000 was drawn as on 27 September 2021 and \$4,000,000 was drawn down on 27 September 2022. The facility is interest only for the first 18 months, following each drawdown, principal is then repayable in monthly instalments over a further 24 months. The total term of each drawdown being 42 months. The interest only period for the first drawdown ended on 31 March 2023, with full repayment due by 31 March 2025.

The first drawdown of \$6,000,000 is comprised of two components, a loan, of \$3,600,000 and a convertible note, of \$2,400,000. The convertible note includes a fixed for fixed conversion feature at 20 cents per ordinary share equating to 12m ordinary shares. The terms of the convertible note agreement include a cash settlement requirement which cannot be avoided, therefore the convertible note is accounted for as a compound instrument. \$245,203 was therefore designated as equity (see Note 8).

The second drawdown of \$4,000,000 is comprised of two components, a loan, of \$2,400,000 and a convertible note, of \$1,600,000. The convertible note includes a fixed for fixed conversion feature at 20 cents per ordinary share equating to 8 million ordinary shares. The terms of the convertible note agreement include a cash settlement requirement which cannot be avoided, therefore the convertible note is accounted for as a compound instrument. \$181,228 was therefore designated as equity (see Note 8).

The facility agreement contains an early redemption clause, which is considered to be a derivative asset. However an assessment over the value concluded that this was immaterial and therefore the balance has not been recognised.

The loan is a fixed rate, Australian dollar denominated loan which is carried at amortised cost. It therefore did not have any impact on the entity's exposure to foreign exchange and cash flow interest rate risk.

Arrangement fees of \$150,000 were paid to the lender upon signing the facility agreement. Total transaction costs, including the arrangement fees were \$578,454, which were debited proportionally to the loan and convertible note accounts.

No loan covenants exist.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## NOTE 7: INTERESTS IN SUBSIDIARIES

a. **Information about principal subsidiaries**

The wholly-owned subsidiaries listed below have share capital consisting solely of ordinary shares which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by the Group. Each subsidiary's principal place of business is also its country of incorporation.

Name of subsidiary	Principal place of business	Ownership interest	
		2023	2022
		%	%
LiveTiles Holdings Pty Ltd	Australia	100%	100%
LiveTiles APAC Pty Ltd	Australia	100%	100%
LiveTiles R and D Pty Ltd	Australia	100%	100%
LiveTiles Corporation	USA	100%	100%
Modun Resources Pte Ltd	Singapore	100%	100%
LiveTiles Ireland Limited	Ireland	100%	100%
Hyperfish, Inc	USA	100%	100%
LiveTiles Europe A/S (formerly Wizdom A/S)	Denmark	100%	100%
LiveTiles Switzerland (formerly CYCL AG)	Switzerland	100%	100%
LiveTiles Portugal, Unipessoal LDA	Portugal	100%	100%
Human Link Consulting Pty Ltd	Australia	100%	100%
Human Link Programs Pty Ltd	Australia	100%	100%
Cordis Digital Pty Ltd	Australia	100%	100%
My Net Zero R&D Pty Ltd	Australia	54.13%	19.97%

b. **Significant restrictions**

There are no restrictions over the Group's ability to access or use assets, and settle liabilities, of the Group.

c. **Acquisition of controlled entities**

During the year, on 18 October 2022, the Group signed a share purchase agreement to obtain the right to acquire the remaining 80.03% of the shares of My Net Zero R&D Pty Ltd (MNZ) in several tranches, resulting in a shareholding of 54.13% as at 30 June 2023 (see Note 9).

d. **Disposal of controlled entities**

There were no disposals of controlled entities.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## NOTE 8: EQUITY – ISSUED CAPITAL

	Consolidated Group			
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	Shares	Shares	\$	\$
Ordinary shares - fully paid	930,691,305	890,691,305	209,397,793	206,466,565
<hr/>				
Movements in ordinary share capital	Date	Shares No.	Issue Price \$	Total \$
Balance	30-Jun-2021	879,859,403		205,044,070
Share capital issued	22-Nov-2021	2,564,847	\$0.105	269,309
Share capital issued	1-Dec-2021	508,834	\$0.1025	52,155
Share capital issued	16-Dec-2021	3,157,740	\$0.12	378,929
Compound equity instrument issued	24-Dec-2021	-	-	245,202
Share capital issued	7-Apr-2022	4,450,481	\$0.105	467,300
Share capital issued	18-April-2022	150,000	\$0.064	9,600
Balance	30-Jun-2022	890,691,305		206,466,565
Share capital issued	25-Oct-2022	40,000,000	\$0.06	2,500,000
Compound equity instrument issued	30-Sep-2022	-	-	181,222
Balance	30-Jun-2023	930,691,305		209,147,793
Restricted shares on issue MITP	30-Jun-2022	63,380,001	-	-
Restricted shares Chief Executive Officer	24-Nov-2022	25,000,000	-	-
Restricted shares MNZ	24-Nov-2022	28,294,390	-	-
Total issued capital	30-Jun-2023	1,047,365,696		209,147,793

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 9: ACQUISITION OF MY NET ZERO**

On 18 October 2022, the Group signed a share purchase agreement to obtain the right to acquire the remaining 80.03% of the shares of My Net Zero R&D Pty Ltd (MNZ) in several tranches, resulting in a shareholding of 54.13% as at 30 June 2023.

MNZ is a climate advisory, tech company and marketplace enabling employees to involve and activate their people in positive climate action manner. With the climate crisis in the top three concerns of employees across all demographics, MNZ provides a framework of communication and support to respond to employee concerns and support their desired actions.

MNZ offers employers both the behavioural-change advice and practical tech platform to translate, connect and implement tangible action on climate change not only from employees but also other stakeholders (consumers, students, members).

The acquisition of MNZ will enable the Group to achieve its strategic vision more quickly, and allow the Group to deliver new capabilities to market.

Under the Share Purchase Agreement, the total amount payable for the acquisition of the remaining 80.03% of the remaining shares, comprises the following components:

- Base consideration of \$2,500,000 payable in either cash or shares using a fixed share price, as included in the Share Sale agreement, of \$0.062 per share or 40 million shares.
- Earn-out payments of \$7,500,000 contingent upon revenue performance hurdles being met and the continued employment of the CEO of MNZ. The earn-out is payable in either cash or shares using a fixed share price of \$0.062 per share capped at 120 million shares. The amount of cash or shares that will ultimately vest is subject to the achievement of the revenue performance targets with LiveTiles sole discretion in terms of settlement in either cash or shares.

The acquisition meets the requirements of AASB 3 Business Combinations therefore MNZ has been consolidated into the financial statements of the Group from the date of the acquisition, being 18 October 2022. As at 30 June 2023 the Group has a shareholding of 54.13% in MNZ. Given the immaterial nature of the MNZ net assets acquired no Non-Controlling Interest (NCI) split has been recorded in the statement of changes in equity.

On 25 October 2022, 68,294,390 shares were issued representing 40,000,000 shares that vested immediately relating to the \$2,500,000 base consideration and 28,294,390 shares that remained restricted (refer to note 8).

Goodwill has been measured as the excess of consideration over the identifiable net assets of MNZ and the fair value of the 19.97% minority stake acquired on 13 December 2021 accounted for as a financial asset with a fair value of \$985,000 as at 30 June 2022.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## NOTE 9: ACQUISITION OF MY NET ZERO (CONTINUED)

*Fair value assessment upon acquisition:*

	Note	Fair value at acquisition date \$
Net identifiable assets acquired		54,867
Representing:		
Base consideration		2,500,000
Fair value 19.97% minority stake as at 30 June 2022		985,000
Fair value movement through profit and loss for 19.97% stake upon acquisition		(361,171)
Fair value of consideration		3,123,829
Goodwill recognised on acquisition of MNZ	(a)	3,068,962

*Expenses related to the acquisition of MNZ*

		2023 \$
Share based payment expense for post combination services	(b)	334,576
Transaction costs	(c)	121,611

- (a) Goodwill of \$3,068,962 has been subsequently impaired due to underperformance of the CGU in comparison to budget for the period ended 30 June 2023 (refer to Note 4).
- (b) Part of the total amount payable to MNZ is contingent on the continued employment of the CEO of MNZ and is therefore deemed to be a share-based payment for post combination services. The fair value of the share-based payment has been determined using the market price of the Group's shares at the date of the acquisition and considering the probability of the revenue performance and service conditions being met the number of equity instruments to vest have been reassessed as at 30 June 2023 (refer to Note 10).
- (c) The Group incurred costs of \$121,611 in relation to the acquisition of MNZ which have been expenses in the Statement of Profit or Loss and Other Comprehensive Income as professional fees. The transactional costs have been paid in the period.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## NOTE 10: SHARE-BASED PAYMENTS EXPENSE

		2023 \$	2022 \$
	<b>Non-cash share-based payment expense</b>		
	<b>Note</b>		
-	Management Incentive Plan shares	38,119	122,083
-	Long Term Incentive Plan shares	270,571	344,611
-	Executive Incentive Plan shares	220,833	-
-	Contingent payment on acquisition of Human Link	-	454,986
-	My Net Zero shares	334,576	-
-	Non-recourse loan on MIP shares immediately vested	1,047,381	-
-	Reversal of unvested performance-based shares	(454,986)	-
	Total share-based payments expense	<u>1,456,494</u>	<u>921,680</u>

## NOTE 11: OPERATING SEGMENTS

The Group has identified three operating segments based on the internal reports that are reviewed and used by the Board of Directors & Chief Executive Officer (who are identified as the Chief Operating Decision Makers ('CODM')). The CODM are responsible for the allocation of resources to operating segments and assessing their performance.

The operating results of the Group are currently reviewed by the CODM and decisions are based on three operating segments, which also represent the three reporting segments, as follows:

## 2023 Operating Segments

Employee Experience ("EX") Platform	Represents the revenue and operating expenses attributable to sale of software and software related services.
Employee Experience ("EX") Programs	Represents the revenue and operating expenses attributable to employee experience related services.
My Net Zero ("MNZ")	Represents the revenue and operating expenses attributable to employer and Employee climate change consultancy services

This represents a change in the operating segments from prior period, the change between the periods was attributable to the following changes in the business during the 2023 financial year:

- Successful product integration of various legacy software solutions and the launch of a new product portfolio go-to-market.
- Sales/operations and product organisation restructure of previously geographically structured teams, supporting aggregation of legacy operating segments.
- Acquisition of Human Link and establishment of the EX Programs offering, representing a new operating segment.
- Commensurate change in basis of which discrete financial information is reported.
- Acquisition of MNZ in the current period per Note 9.

## 2022 Operating Segments

Employee Experience ("EX") Platform	Represents the revenue and operating expenses attributable to sale of software and software related services.
Employee Experience ("EX") Programs	Represents the revenue and operating expenses attributable to employee experience related services.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## NOTE 11: OPERATING SEGMENTS (CONTINUED)

The table below shows the segment information provided to the CODM for the reportable segments for the financial years ending 30 June 2022 and 30 June 2023:

<b>Consolidated - 30 June 2022</b>	<b>EX Platforms</b>	<b>EX Programs</b>	<b>Unallocated /Head Office</b>	<b>Total</b>
Subscription revenue	51,923,750	905,789	-	52,829,539
Other revenue	224,749	471	175,261	400,481
Revenue	52,148,499	906,260	175,261	53,230,020
EBITDA	6,998,857	270,299	(2,174,586)	5,094,570
Depreciation & amortisation	(1,566,430)	(152)	(2,545,815)	(4,112,397)
Finance costs	(357,737)	(1,448)	(559,464)	(918,649)
Profit / (loss) before income tax expenses	5,074,690	268,699	(5,279,865)	63,524
Income tax expense	(904,661)	-	22,730	(881,931)
Profit / (loss) after income tax expenses	4,170,029	268,699	(5,257,135)	(818,407)
<b>Consolidated – 30 June 2022</b>				
<i>Assets</i>				
Segment assets	103,473,001	2,051,889	4,519,914	110,044,804
<i>Liabilities</i>				
Segment liabilities	(26,125,548)	(535,296)	(24,277,992)	(50,938,836)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

## NOTE 11: OPERATING SEGMENTS (CONTINUED)

<b>Consolidated - 30 June 2023</b>	<b>EX Platforms</b>	<b>EX Programs</b>	<b>My Net Zero</b>	<b>Unallocated /Head Office</b>	<b>Total</b>
Subscription revenue	28,853,748	1,618,485	133,986	-	30,606,219
Other revenue	143,964	360	-	206,795	351,119
<b>Revenue</b>	<b>28,997,712</b>	<b>1,618,845</b>	<b>133,986</b>	<b>206,795</b>	<b>30,957,338</b>
EBITDA	29,774	(1,109,917)	(333,476)	(2,048,973)	(3,462,592)
Depreciation & amortisation	(4,503,012)	-	-	-	(4,503,012)
Finance costs	(337,544)	(3,182)	(223)	(989,451)	(1,330,400)
Impairment	(21,000,000)	-	(3,068,962)	-	(24,068,962)
<b>Profit / (loss) before income tax expenses</b>	<b>(25,810,782)</b>	<b>(1,113,099)</b>	<b>(3,402,661)</b>	<b>(3,038,424)</b>	<b>(33,364,966)</b>
Income tax expense	(475,597)	-	-	-	(475,597)
<b>Profit / (loss) after income tax expenses</b>	<b>(26,286,379)</b>	<b>(1,113,099)</b>	<b>(3,402,661)</b>	<b>(3,038,424)</b>	<b>(33,840,563)</b>
<b>Consolidated – 30 June 2023</b>					
<i>Assets</i>					
Segment assets	78,379,728	1,441,236	74,032	2,493,967	82,388,963
<i>Liabilities</i>					
Segment liabilities	(28,651,552)	(479,638)	(100,836)	(14,673,266)	(43,905,292)

The CODM uses underlying EBITDA as a measure to assess the performance of the segments. This excludes the effects of significant items of income and expenditure which may have an impact on the quality of earnings such as acquisition costs, legal expenses and impairments when the impairment is the result of an isolated, non-recurring event. It also excludes the effects of equity-settled share-based payments, unrealised gains/losses on financial instruments and amortisation of intangibles.

Interest income and expenditure are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 12: CONTINGENT LIABILITIES**

There are no material contingent liabilities.

**NOTE 13: EVENTS AFTER THE REPORTING PERIOD**

On 6 July 2023, LiveTiles announced that it had completed its acquisition of My Net Zero by issuing the second and final tranche of 91,705,611 shares of the total consideration of 160,000,000 shares and given LiveTiles 100% ownership of My Net Zero.

On 6 July 2023, the Group announced it had mutually agreed to conclude its arrangement, dated 14 December 2021, with Bindtuning. In exchange for the Group's 19.99% shareholding and the call option, the Group received Bindtuning IP, US\$100,000 in cash, and 2,250,000 LiveTiles shares to be returned subject to LiveTiles's shareholder approval.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

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