

**TAGG TECHNOLOGIES PTY LTD  
ACN 644 960 341**

**FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**Tagg Technologies Pty Ltd**  
**For the year ended 30 June 2022**

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**Tagg Technologies Pty Ltd**  
**Directors' Report**  
**For the year ended 30 June 2022**

The directors' present this report on Tagg Technologies Pty Ltd (referred to hereafter as "the company") for the year ended 30 June 2022.

**Directors**

The following persons were directors of the company during the period up to the date of this report, unless otherwise stated:

Name: Louis Grist  
Title: Director and Secretary – Appointed 8 October 2020

Name: Stuart Kidd  
Title: Director – Appointed 13 October 2021

**Principal Activities**

During the year ended 30 June 2022, the principal activities of the company consisted of the continual development and extensive testing of the Kredible platform across multiple large enterprise use cases.

No significant changes in the nature of the company's activity occurred during the financial year.

**Review of Operations**

The focus of the company's operations has been marketing research and experimentation with the goal of reducing marketing spend per fully signed up user, allowing a much more effective deployment of growth capital. This period of research and experimentation has resulted in a significant decrease in our cost per user acquisition, falling from \$100 to below \$30, with a view for even further improvement. This experimentation period and subsequent decrease in user acquisition cost has been invaluable to the company and puts us in a fantastic position to increase marketing spend and acquire users much more efficiently. During this period, the platform and underlying technology has been continually tested and improved further. The loss for the company after providing for income tax for the year ended amounted to \$322,146. (30 June 2021: loss of \$24,625).

**Significant changes in the state of affairs**

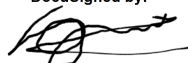
There have been no significant changes in the state of affairs of the company during the financial year.

**Events after the reporting date**

There have been no significant events after the reporting date.

**Dividend**

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

DocuSigned by:  
  
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Louis Grist  
Chairman

Tagg Technologies Pty Ltd  
Suite 11,  
232 Churchill Avenue  
Subiaco WA 6008

Dated this 31 day of October 2022

**Tagg Technologies Pty Ltd**

**Statement of Profit or Loss and Other Comprehensive Income  
for the year ended 30 June 2022**

	Note	30 June 2022 \$	30 June 2021 \$
Revenue		43	-
Advertising and marketing expenses		(169,011)	-
Employee benefits expense	11	(48,620)	(6,515)
Professional fees		(50,848)	(14,469)
Other expenses		(15,220)	(330)
Loss before interest, tax and depreciation		(283,656)	(21,314)
Interest income		66	43
Depreciation and amortisation expense		(38,556)	(3,354)
Loss before income tax		(322,146)	(24,625)
Income tax expense		-	-
Loss after income tax for the year		(322,146)	(24,625)
Other comprehensive income/ (loss)			
Other comprehensive income/ (loss) for the year		-	-
Total comprehensive loss for the year		(322,146)	(24,625)

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

**Tagg Technologies Pty Ltd**  
**Statement of Financial Position**  
**as at 30 June 2022**

	Note	30 June 2022 \$	30 June 2021 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	2	47,632	414,279
Trade and other receivables	3	61,869	7,949
<b>Total current assets</b>		<b>109,501</b>	<b>422,228</b>
<b>Non-current assets</b>			
Intangibles	4	337,865	53,846
<b>Total non-current assets</b>		<b>337,865</b>	<b>53,846</b>
<b>Total assets</b>		<b>447,366</b>	<b>476,074</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	5	54,129	784
Employee benefits		7,092	565
Borrowings	6	7,344	3,850
SAFE Note	7	-	495,000
<b>Total current liabilities</b>		<b>68,565</b>	<b>500,199</b>
<b>Total liabilities</b>		<b>68,565</b>	<b>500,199</b>
<b>Net assets</b>		<b>378,801</b>	<b>(24,125)</b>
<b>Equity</b>			
Issued capital	8	725,572	500
Accumulated losses	9	(346,771)	(24,625)
<b>Total equity</b>		<b>378,801</b>	<b>(24,125)</b>

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

## Tagg Technologies Pty Ltd

Statement of Changes in Equity  
for the year ended 30 June 2022

	Issued capital \$	Accumulated losses \$	Total \$
<b><u>30 June 2022</u></b>			
Balance as at 1 July 2021	500	(24,625)	(24,125)
Shares issued during the year	758,755	-	758,755
Share issue costs	(33,683)	-	(33,683)
Loss for the year	-	(322,146)	(322,146)
Other comprehensive income/ (loss) for the year, net of tax	-	-	-
<b>Total comprehensive loss</b>	<b>-</b>	<b>(322,146)</b>	<b>(322,146)</b>
<b>Balance as at 30 June 2022</b>	<b>725,572</b>	<b>(346,771)</b>	<b>378,801</b>
<b><u>30 June 2021</u></b>			
Balance as at 8 October 2020	-	-	-
Shares issued on incorporation	500	-	500
Loss for the year	-	(24,625)	(24,625)
Other comprehensive income/ (loss) for the year, net of tax	-	-	-
<b>Total comprehensive loss</b>	<b>-</b>	<b>(24,625)</b>	<b>(24,625)</b>
<b>Balance as at 30 June 2021</b>	<b>500</b>	<b>(24,625)</b>	<b>(24,125)</b>

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

**Tagg Technologies Pty Ltd**  
**Statement of Cash Flows**  
**for the year ended 30 June 2022**

	Note	30 June 2022 \$	30 June 2021 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		43	-
Interest received		66	43
Payments to suppliers and employees		(305,852)	(27,154)
<b>Net cash (outflow) from operating activities</b>		<b>(305,743)</b>	<b>(27,111)</b>
<b>Cash flows from investing activities</b>			
Payments for intangible assets		(280,925)	(57,200)
<b>Net cash (outflow) from investing activities</b>		<b>(280,925)</b>	<b>(57,200)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		263,755	500
Proceeds from issue of SAFE note		-	495,000
Payments for share issue costs		(33,683)	-
Payments to related parties		(13,545)	(760)
Proceeds from related parties		3,494	3,850
<b>Net cash inflow from financing activities</b>		<b>220,021</b>	<b>498,590</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>		<b>(366,647)</b>	<b>414,279</b>
Cash and cash equivalents at the beginning of the year		414,279	-
<b>Cash and cash equivalents at the end of the year</b>	<b>2</b>	<b>47,632</b>	<b>414,279</b>

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

## Tagg Technologies Pty Ltd

### Notes to the Financial Statements for the year ended 30 June 2022

#### General information

The financial statements cover Tagg Technologies Pty Ltd as an individual entity at the year ended 30 June 2022. The financial statements are presented in Australian dollars, which is Tagg Technologies Pty Ltd functional and presentation currency.

Tagg Technologies Pty Ltd is an unlisted proprietary company limited by shares, incorporated on the 8 October 2020 and domiciled in Australia. Its registered office and principal place of business are:

#### *Registered Office*

Suite 11, 232 Churchill Avenue, Subiaco, Western Australia 6008

#### *Principal place of business*

68 Fitzroy Street, Surry Hills, New South Wales 2010

The financial statements were authorised for issue, in accordance with a resolution of directors, on 31 October 2022. The directors have the power to amend and reissue the financial statements.

#### 1. Significant accounting policies

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

#### *New or amended Accounting Standards and Interpretations adopted*

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

#### **Basis of preparation**

These general purpose financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for for-profit oriented entities.

#### *Historical cost convention*

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

#### **Income Tax**

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense.

Current tax is the amount of income taxes payable or recoverable in respect of the taxable profit or loss for the year and is measured at the amount expected to be paid to or recovered from the taxation authorities using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities or assets are measured at the amounts expected to be paid to or recovered from the relevant taxation authority.



## Tagg Technologies Pty Ltd

### Notes to the Financial Statements for the year ended 30 June 2022

#### 1. Significant accounting policies (continued)

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

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority.

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

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

##### **Revenue Recognition**

Revenue is recognised when the business is entitled to it.

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

Interest income from a financial asset is recognised on a time proportion basis using the effective interest method.

##### **Cash and Cash Equivalents**

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

##### **Intangible assets**

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

##### *Website*

Significant costs associated with website are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

##### *Trademark*

Significant costs associated with trademarks are reviewed annually for impairment.

##### **Employee benefits**

###### *Short-term employee benefits*

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

###### *Defined contribution superannuation expense*

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

**Tagg Technologies Pty Ltd**

**Notes to the Financial Statements  
for the year ended 30 June 2022**

**1. Significant accounting policies (continued)**

**Borrowings**

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

**SAFE Note**

SAFE note are initially recognised at fair value. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of allocated transaction costs) after deducting the derivative liability component and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

**Issued Capital**

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

## Tagg Technologies Pty Ltd

Notes to the Financial Statements  
for the year ended 30 June 2022

	30 June 2022 \$	30 June 2021 \$
<b>2. Cash and cash equivalent</b>		
Cash at bank	47,632 =====	414,279 =====
<b>3. Trade and other receivables</b>		
GST	47,544	7,189
Associated Loan Receivable – Louis Grist (Director)	14,305	760
TFN Withholding	<u>20</u>	<u>-</u>
	<b>61,869</b> =====	7,949 =====
<b>4. Intangibles</b>		
Website	333,515	53,846
Trademark	<u>4,350</u>	<u>-</u>
	<b>337,865</b> =====	53,846 =====
<i>Movement</i>		
Website		
Balance at beginning of the year	53,846	-
Addition	318,225	57,200
Amortisation expense	<u>(38,556)</u>	<u>(3,354)</u>
Balance at the end of the year	<b>333,515</b> =====	53,846 =====
Trademark		
Balance at beginning of the year	-	-
Addition	4,350	-
Impairment	<u>-</u>	<u>-</u>
Balance at the end of the year	<b>4,350</b> =====	- =====
<b>5. Trade and other payables</b>		
Trade payables	23,941	784
Other creditors and accruals	<u>30,188</u>	<u>-</u>
	<b>54,129</b> =====	784 =====
<b>6. Borrowings</b>		
Associated Loan – Grist Investment Trust	7,344 =====	3,850 =====

**Tagg Technologies Pty Ltd**

**Notes to the Financial Statements  
for the year ended 30 June 2022**

**7. SAFE note**

In April 2021, the company entered into Simple Agreements for Future Equity ("SAFE Note") which raised \$495,000 ("Purchase Amount").

The SAFE Note was unsecured and no interest was charged.

The SAFE Note had a termination date subject to:

- i. Qualifying Finance Event ("QF") – An equity raising event to raise capital for the company; or
- ii. Exit Event ("EE") – The sale of the whole, or substantially the whole of the assets or the issued capital of the company, or an IPO.

Upon a QF the SAFE Notes are converted to shares equal to either, the higher number of ordinary shares which would be issued at 70% of the market price (a discount of 30%) or if the total market value of the company is less than \$3m the discount percentage can increase.

Upon an EE, the SAFE Note investors can elect to be repaid their Purchase Amount in full or convert to shares equal to, either the higher number of ordinary shares which would be issued at 70% of the market price (a discount of 30%) or if the total market value of the company is less than \$3m the discount percentage can increase.

On 21 December 2021, the SAFE Notes were converted to 707,143 shares in the company at the conversion price of \$0.70 per share pursuant to the Note Deed and QF event.

	<b>30 June 2022</b>	30 June 2021	<b>30 June 2022</b>	30 June 2021
	<b>Shares</b>	Shares	<b>\$</b>	\$
<b>8. Issued capital</b>				
Ordinary shares - fully paid	<u><b>5,263,898</b></u>	<u>500</u>	<u><b>725,572</b></u>	<u>500</u>

*Movements in ordinary share capital*

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>Issue price</b>	<b>\$</b>
Opening	8 October 2020	-		-
Issue of shares	8 October 2020	<u>500</u>	\$1.00	<u>500</u>
Balance	30 June 2021	500		500
<b>Share conversion (1:8,586)</b>	<b>1 November 2021</b>	<b>4,292,500</b>		-
<b>Issue of shares</b>	<b>20 November 2021</b>	<b>263,755</b>	<b>\$1.00</b>	<b>263,755</b>
<b>Issue of shares</b>	<b>21 November 2021</b>	<b>707,143</b>	<b>\$0.70</b>	<b>495,000</b>
<b>Less: share issue costs</b>		<u>-</u>		<u>(33,683)</u>
<b>Balance</b>	<b>30 June 2022</b>	<u><b>5,263,898</b></u>		<u><b>725,572</b></u>

**Tagg Technologies Pty Ltd**

**Notes to the Financial Statements  
for the year ended 30 June 2022**

	<b>30 June 2022 \$</b>	<b>30 June 2021 \$</b>
<b>9. Accumulated losses</b>		
Balance at beginning of the year	(24,625)	-
Loss after income tax for the year	<u>(322,146)</u>	<u>(24,625)</u>
Balance at the end of the year	<u>(346,771)</u> =====	<u>(24,625)</u> =====

**10. Events subsequent to reporting date**

There have been no significant events after the reporting date.

**11. Key management personnel disclosures**

Compensation

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

	<b>30 June 2022 \$</b>	<b>30 June 2021 \$</b>
Short-term employee benefits	44,200	5,950
Post-employment benefits	<u>4,420</u>	<u>565</u>
	<u>48,620</u> =====	<u>6,515</u> =====

**12. Related Party Transactions**

Transactions between related parties are on normal commercial terms and conditions. These terms and conditions are no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	<b>30 June 2022 \$</b>	<b>30 June 2021 \$</b>
Payments for software & web development and consultancy to Apps People Pty Ltd (director related entity of Stuart Kidd)	327,112	72,930
<i>Payables to related parties</i>		
Trade and other payables for software & web development to Apps People Pty Ltd (director related entity of Stuart Kidd)	45,815	-

*Loans to / from related parties*

The following amounts were owed to / from related parties as at the reporting date:

Oaktone Nominees Pty Ltd ATF The Grist Investment Trust (director related entity of Louis Grist)	7,344	3,850
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The following amounts were owed to the company by related parties as at the reporting date:

Louis Grist (director)	14,305	760
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These amounts owing by Louis were repaid in full on 5 September 2022.

**Tagg Technologies Pty Ltd**


**Directors Declaration  
for the year ended 30 June 2022**

The Directors of the company declare that:

1. The financial statements and notes, as set out in pages 4 to 13, for the year ended 30 June 2022 are in accordance with the Corporations Act 2001, and:
  - a. Comply with Accounting Standards which, as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with Australian Accounting Standards and Interpretations as determined by the Australian Accounting Standards Board ('AASB')
  - b. Give a true and fair view of the financial position and performance of the company.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

Signed on behalf of the Directors

DocuSigned by:  
  
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Mr Louis Grist  
Chairman

Tagg Technologies Pty Ltd  
Suite 11  
232 Churchill Avenue  
Subiaco WA 6008

Dated this \_\_\_31\_\_\_ day of October 2022

**Tagg Technologies Pty Ltd**

**Compilation Report**

We have compiled the accompanying general purpose financial statements of Tagg Technologies Pty Ltd which comprise the statement of financial position as at 30 June 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity for the year then ended, a summary of significant accounting policies and other explanatory notes.

These have been prepared in accordance with the financial reporting framework described in Note 1 to the financial statements.

**The responsibility of the directors**

The directors are solely responsible for the information contained in the general purpose financial statements and have determined that the financial reporting framework used is appropriate to meet their needs and for the purpose for which the financial statements were prepared.

**Our responsibility**

On the basis of the information provided by the directors, we have compiled the accompanying general purpose financial statements in accordance with the financial reporting framework and APES 315: Compilation of Financial Information.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the director provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The general purpose financial statements were compiled for the benefit of the directors. We do not accept responsibility to any other person for the contents of the general purpose financial statements.

**Name of Firm:** Equiti Partners Pty Ltd  
Certified Practising Accountants

**Name of Director:** \_\_\_\_\_



Grant Kidner

**Address:** Suite 11, 232 Churchill Avenue, Subiaco WA 6008

**Dated this 31 day of October 2022**