Stemify Limited
Appendix 4E
Preliminary final report

ste1. Company details

Name of entity:	Stemify Limited
ABN:	20 009 256 535
Reporting period:	For the year ended 30 June 2020
Previous period:	For the year ended 30 June 2019

2. Results for announcement to the market

				2020 $	2019 $
Revenue from continuing operations				-	-
Revenue from discontinuing operations				1,224,308	2,211,196
Total revenue	**down**	**44.6%**	**to**	**1,224,308**	**2,211,196**
(Loss)/Profit from continuing operation after tax attributable to owners				(676,407)	77,237
Profit/(Loss) from discontinuing operation after tax attributable to owners				412,275	(4,629,731)
Net loss for the year attributable to the owner	**down**	**94.2%**	**to**	**(264,132)**	**(4,552,494)**

	2020 Cents	2019 Cents
Basic earnings per share	(0.19)	(38.59)
Diluted earnings per share	(0.19)	(38.59)

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

Comments
The loss for the consolidated entity after providing for income tax amounted to $264,132 (30 June 2019: $4,552,494).

On 6 February 2020, the company announced that it had entered into an asset purchase agreement with Boxlight Corporation ('Boxlight') to dispose of the company's 3D printing hardware and the MyStemKits K-12 curriculum business to Boxlight. The sale transaction was completed on 21 April 2020 for a consideration of US$600,000 and consequently, the financial results for MyStemKits have been presented as discontinued operations.

Operating expenses for the financial year (including both continuing operations and discontinued operations) were $1,655,576 (2019: $7,221,254). The major items included in the operating loss for the current financial year included significant expenses relating to general and administrative expenses of $825,868 (2019: $1,317,056) and employee benefit expense of $535,009 (2019; $2,700,898).

Net loss after tax was $264,132 (2019: $4,552,494) comprising net loss after tax of $676,407 (2019: net profit of $77,237) from continuing operations and net profit after tax of $412,275 (2019: net loss of $4,629,731) from discontinued operations.

The consolidated entity is in a net asset position of $1,229,579 as at 30 June 2020 (30 June 2019: net deficit of $1,772,421).

Working capital, being current assets less current liabilities, was in surplus of $1,036,902 as at 30 June 2020 (30 June 2019: deficit of $1,813,959). The consolidated entity had negative cash flows from operating activities for the year of $1,277,843 (30 June 2019: $2,314,710). The cash and cash equivalents as at 30 June 2020 were $1,007,823 (30 June 2019: $11,691).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.78	(0.32)

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4. Control gained over entities

Not applicable.

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5. Loss of control over entities

Not applicable.

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6. Dividends

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

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

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7. Dividend reinvestment plans

Not applicable.

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8. Details of associates and joint venture entities

Not applicable.

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9. Foreign entities

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

MyStemKits, Inc. is a company incorporated in the USA and applied International Financial Reporting Standards (IFRS).

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10. Audit qualification or review

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

The directors' report, and accompanying financial statements are in the process of being audited by the auditor.

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11. Attachments

Details of attachments (if any):

The preliminary final report of Stemify Limited for the year ended 30 June 2020 is attached.

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12. Signed

Date: 31 August 2020

Timothy Grice
Executive Chairman

Stemify Limited
Contents
30 June 2020

Stemify Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2020

	Note	Consolidated 2020 $	Consolidated 2019 $
Revenue			
Other income	4	151,333	689,394
Expenses			
Finance costs		(9,401)	(112,736)
General and administrative		(538,716)	(376,920)
Foreign exchange expense		-	(426)
Employee benefit expense		(114,574)	(253,298)
Depreciation and amortisation expense		(5,276)	(2,455)
Share based payments (expense)/write-back	33	(159,773)	133,678
(Loss)/Profit before income tax expense from continuing operations		(676,407)	77,237
Income tax expense	5	-	-
(Loss)/Profit after income tax expense from continuing operations		(676,407)	77,237
Profit/(Loss) after income tax expense from discontinued operations	6	412,275	(4,629,731)
Loss after income tax expense for the year attributable to the owners of Stemify Limited	21	(264,132)	(4,552,494)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Gain on the revaluation of financial assets at fair value through other comprehensive income, net of tax		32,039	-
Foreign currency translation		(14,633)	(32,331)
Other comprehensive income for the year, net of tax		17,406	(32,331)
Total comprehensive income for the year attributable to the owners of Stemify Limited		(246,726)	(4,584,825)
Total comprehensive income for the year is attributable to:			
Continuing operations		(659,001)	(1,288,794)
Discontinued operations		412,275	(3,296,031)
		(246,726)	(4,584,825)

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

Stemify Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2020

	Note	Consolidated 2020 $	2019 $
		Cents	Cents
Earnings per share for profit/(loss) from continuing operations attributable to the owners of Stemify Limited			
Basic earnings per share	32	(0.49)	0.65
Diluted earnings per share	32	(0.49)	0.65
Earnings per share for profit/(loss) from discontinued operations attributable to the owners of Stemify Limited			
Basic earnings per share	32	0.30	(39.24)
Diluted earnings per share	32	0.30	(39.24)
Earnings per share for loss attributable to the owners of Stemify Limited			
Basic earnings per share	32	(0.19)	(38.59)
Diluted earnings per share	32	(0.19)	(38.59)

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

Stemify Limited
Statement of financial position
As at 30 June 2020

	Note	Consolidated 2020 $	Consolidated 2019 $
Assets			
Current assets			
Cash and cash equivalents	7	1,007,823	11,691
Trade and other receivables	8	498,435	127,678
Inventories	9	-	216,378
Other current assets	10	36,941	69,304
Total current assets		1,543,199	425,051
Non-current assets			
Financial assets at fair value through other comprehensive income	11	191,503	-
Property, plant and equipment	12	1,174	38,374
Intangibles	13	-	3,164
Total non-current assets		192,677	41,538
Total assets		1,735,876	466,589
Liabilities			
Current liabilities			
Trade and other payables	14	391,865	1,251,794
Contract liabilities	15	-	119,297
Borrowings	16	114,432	727,257
Employee benefits	17	-	68,706
Provisions	18	-	16,677
Contingent consideration		-	55,279
Total current liabilities		506,297	2,239,010
Total liabilities		506,297	2,239,010
Net assets/(liabilities)		1,229,579	(1,772,421)
Equity			
Issued capital	19	29,353,296	26,930,183
Reserves	20	1,414,978	1,618,939
Accumulated losses	21	(29,538,695)	(30,321,543)
Total equity/(deficiency)		1,229,579	(1,772,421)

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

Stemify Limited
Statement of changes in equity
For the year ended 30 June 2020

Consolidated	Issued capital $	Foreign currency reserve $	Share-based payment reserve $	Other financial assets at fair value through other comprehen-sive income $	Accumulated losses $	Total deficiency in equity $
Balance at 1 July 2018	22,414,733	(6,380)	1,905,703	-	(25,769,049)	(1,454,993)
Loss after income tax expense for the year	-	-	-	-	(4,552,494)	(4,552,494)
Other comprehensive income for the year, net of tax	-	(32,331)	-	-	-	(32,331)
Total comprehensive income for the year	-	(32,331)	-	-	(4,552,494)	(4,584,825)
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs (note 19)	2,989,267	-	-	-	-	2,989,267
Share-based payments (note 33)	114,375	-	(248,053)	-	-	(133,678)
Shares issued for loan repayment and loan extension fees (note 19)	180,555	-	-	-	-	180,555
Shares issued as partial consideration for MSK acquisition (note 19)	1,103,753	-	-	-	-	1,103,753
Shares issued to Directors in lieu of remuneration owing (note 19)	127,500	-	-	-	-	127,500
Balance at 30 June 2019	26,930,183	(38,711)	1,657,650	-	(30,321,543)	(1,772,421)

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

Stemify Limited
Statement of changes in equity
For the year ended 30 June 2020

Consolidated	Issued capital $	Foreign currency reserve $	Share-based payment reserve $	Other financial assets at fair value through other comprehen-sive income $	Accumulated losses $	Total equity $
Balance at 1 July 2019	26,930,183	(38,711)	1,657,650	-	(30,321,543)	(1,772,421)
Loss after income tax expense for the year	-	-	-	-	(264,132)	(264,132)
Other comprehensive income for the year, net of tax	-	(14,633)	-	32,039	-	17,406
Total comprehensive income for the year	-	(14,633)	-	32,039	(264,132)	(246,726)
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs (note 19)	1,781,904	-	300,000	-	-	2,081,904
Share-based payments (note 33)	-	-	158,564	-	-	158,564
Issue of shares to directors in lieu of directors' fees owing (note 19)	1,209	-	-	-	-	1,209
Shares issued for loan repayment and loan extension fees (note 19)	540,000	-	367,049	-	-	907,049
Shares issued to Director as approved by shareholders	100,000	-	-	-	-	100,000
Share options expired during the period	-	-	(1,046,980)	-	1,046,980	-
Balance at 30 June 2020	29,353,296	(53,344)	1,436,283	32,039	(29,538,695)	1,229,579

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

Stemify Limited
Statement of cash flows
For the year ended 30 June 2020

	Note	Consolidated 2020 $	Consolidated 2019 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,353,734	2,907,343
Payments to suppliers and employees (inclusive of GST)		(2,595,443)	(5,188,519)
Interest received		3,525	2,208
Interest and other finance costs paid		(39,659)	(35,742)
Net cash used in operating activities	31	(1,277,843)	(2,314,710)
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired	28	-	(1,238,816)
Payments for investments		(159,464)	-
Payments for property, plant and equipment	12	(490)	(23,257)
Loss of cash on the lost of control of subsidiary		-	(7,244)
Proceeds from sales of subsidiary's assets		144,596	-
Net cash used in investing activities		(15,358)	(1,269,317)
Cash flows from financing activities			
Proceeds from issue of shares	19	2,350,000	3,250,000
Proceeds from borrowings		168,320	315,152
Share issue transaction costs		(168,096)	(260,733)
Repayment of borrowings		(58,299)	(9,373)
Net cash from financing activities		2,291,925	3,295,046
Net increase/(decrease) in cash and cash equivalents		998,724	(288,981)
Cash and cash equivalents at the beginning of the financial year		11,691	351,083
Effects of exchange rate changes on cash and cash equivalents		(2,592)	(50,411)
Cash and cash equivalents at the end of the financial year	7	1,007,823	11,691

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

Note 1. Significant accounting policies

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

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

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

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

Impact on the adoption of AASB 16 Leases ("AASB 16")
The consolidated entity has adopted AASB 16 *Leases* ("AASB 16") using the modified retrospective approach where the cumulative effect of adopting the standard is recognised in accumulated losses at 1 July 2019, with no restatement of prior year comparative information. As a result of adopting AASB 16, the consolidated entity has changed its accounting policy. As the consolidated entity has no leases defined under AASB 16, the adoption of AASB 16 has no impact to the financial statements.

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

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for financial assets at fair value through other comprehensive income.

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

Going concern
The consolidated entity has reported a loss after tax of $264,132 (2019: loss of $4,552,494) and net cash outflows from operating of $1,277,843 (2019: $2,314,710) for the year ended 30 June 2020. In addition on 21 April 2020 the company completed the sale of the consolidated entity’s remaining business of 3D printing hardware and the MyStemkits K-12 curriculum to Boxlight Corporation (“Boxlight”).

Notwithstanding the above the financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity, the realisation of assets, settlement of liabilities through the normal course of business including the presumption that sufficient funds will be available to finance the operations of the consolidated entity. In adopting this position, the directors have had regard to the following:

- Cash and cash equivalent as at 30 June 2020 of $1,007,823;
- Net current assets position as at 30 June 2020 of $1,036,902;
- The remaining consideration of US$321,388 receivable from Boxlight repayable in 4 quarterly instalments;
- The consolidated entity has a successful track record in raising capital and hence the directors believe the consolidated entity has the ability to raise additional capital from existing and new investors should it be required; and
- The directors have prepared forecasts that indicate the consolidated entity will remain a going concern.

The directors plan to continue the consolidated entity's operations on the basis as outlined above, and believe there will be sufficient funds for the consolidated entity to meet its obligations and liabilities for at least twelve months from the date of this report.

Note 1. Significant accounting policies (continued)

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 27.

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

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

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

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

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Foreign currency translation
The financial statements are presented in Australian dollars, which is Stemify Limited's functional and presentation currency.

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

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

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

Note 1. Significant accounting policies (continued)

Revenue recognition
The consolidated entity recognises revenue as follows:

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

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

Sale of goods
The consolidated entity holds contracts with customers for the sale of 3D printers. Revenue from sale of goods is recognised at a point in time when the customer obtains controls of the goods. Amounts disclosed as revenue are net of sales returns and trade discounts.

Software revenue
MSK curriculum software revenue is recognised over the course of the contract on a straight-line basis where the customer has access to the software. Invoice is issued to the customer when the software licenses were effective.

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

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

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

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

Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Note 1. Significant accounting policies (continued)

Financial assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets
The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Impairment of non-financial assets
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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

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

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

Note 2. Critical accounting judgements, estimates and assumptions

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

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

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

Note 3. Operating segments

Identification of reportable operating segments
A segment is a component of the consolidated entity that engages in business activities to provide products or services within a particular economic environment. During the financial year, the consolidated entity operated in one business segment from 1 July 2019 to 21 April 2020 (the date the MyStemKits, Inc. ceased operations) In the prior year, the consolidated entity operated in two business segments for the period from 24 August 2018 (the date MyStemKits, Inc. was established) to 3 June 2019 (the date the control was lost on Robo 3D Inc.).

- MyStemKits, Inc.: develops and markets the world’s largest library of Science, Technology, Engineering and Math (“STEM”) curriculum incorporating 3D printed project kits for K-12 schools, all aligned to USA national science and mathematics standards.

- Robo 3D, Inc.: the conduct of design and distribution of 3D printers and associated products for the desktop segment of the 3D printing industry.

Corporate costs are not considered a reportable segment, therefore, remain unallocated.

MyStemKits, Inc. and Robo 3D, Inc. are US based entities, corporate costs are incurred in Australian-based entities.

The Board of Directors assess the operating performance of the group based on Management reports that are prepared on this basis.

Note 3. Operating segments (continued)

Operating segment information

Consolidated - 2020	MyStemKits, Inc. (Discontinued) $	Robo 3D Inc (Discontinued) $	Unallocated $	Intersegment eliminations $	Total $
Revenue					
Sales to external customers	1,224,308	-	-	-	1,224,308
Total revenue	1,224,308	-	-	-	1,224,308
EBITDA	463,570	-	(661,730)	-	(198,160)
Depreciation and amortisation	(12,866)	-	(5,276)	-	(18,142)
Finance costs	(38,429)	-	(9,401)	-	(47,830)
(Loss)/Profit before income tax expense	412,275	-	(676,407)	-	(264,132)
Income tax expense					-
Loss after income tax expense					(264,132)
Assets					
Segment assets	547,041	-	20,131,837	(18,943,002)	1,735,876
Total assets					1,735,876
Liabilities					
Segment liabilities	327,273	-	4,395,735	(4,216,711)	506,297
Total liabilities					506,297

Consolidated - 2019	MyStemKits, Inc. (Discontinued) $	Robo 3D Inc (Discontinued) $	Unallocated $	Intersegment eliminations $	Total $
Revenue					
Sales to external customers	50,553	2,160,643	-	-	2,211,196
Intersegment sales	262,596	-	-	(262,596)	-
Total revenue	313,149	2,160,643	-	(262,596)	2,211,196
EBITDA	(2,946,407)	(1,109,465)	804	191,623	(3,863,445)
Depreciation and amortisation	(12,139)	(525,977)	(2,455)	-	(540,571)
Finance costs	-	(35,742)	(112,736)	-	(148,478)
(Loss)/Profit before income tax expense	(2,958,546)	(1,671,184)	(114,387)	191,623	(4,552,494)
Income tax expense					-
Loss after income tax expense					(4,552,494)
Assets					
Segment assets	408,900	-	18,915,069	(18,857,380)	466,589
Total assets					466,589
Liabilities					
Segment liabilities	672,397	-	5,783,325	(4,216,712)	2,239,010
Total liabilities					2,239,010

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

Note 4. Other income

	Consolidated 2020 $	Consolidated 2019 $
Net gain on modification of financial liabilities*	140,304	687,186
Other income	7,504	-
Interest income	3,525	2,208
Other income	151,333	689,394

* On 4 November 2019, the company entered into an agreement with Ryan Legudi, a director of the company, to settle the amount owing to both Ryan and his associated entities. This settlement resulted in a gain of $114,632 on modification of liabilities. The remaining gain on modification of financial liability of $25,672 resulted from the conversion of debt owing to Denlin Nominees Pty Ltd and its related parties as disclosed in note 16.

Accounting policy on other income

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

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

Note 5. Income tax expense

	Consolidated 2020 $	Consolidated 2019 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
(Loss)/Profit before income tax expense from continuing operations	(676,407)	77,237
Profit/(Loss) before income tax expense from discontinued operations	412,275	(4,629,731)
	(264,132)	(4,552,494)
Tax at the statutory tax rate of 27.5%	(72,636)	(1,251,936)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	43,938	(36,761)
Amounts not brought to account as a DTA in the current year	-	61,566
Temporary difference	(83,688)	1,379,117
Difference in tax rates	25,013	320,768
	(87,373)	472,754
Current year tax losses not recognised	87,373	-
Prior year tax losses not recognised now recouped	-	(472,754)
Income tax expense	-	-

Note 5. Income tax expense (continued)

	Consolidated	
	2020 $	2019 $
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	22,978,220	22,374,990
Potential tax benefit @ 27.5%	6,319,011	6,153,122

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

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

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
● When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
● When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

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

Note 6. Discontinued operations

Discontinued operations in the current financial year comprise of the sales of MyStemKits assets ('MSK'). In the prior year, discontinued operations comprise of the sales of Robo 3D Inc, assets as well as sales of MSK assets.

(a) Sales of Robo 3D Inc. assets

Due to the slowing adoption of 3D printers by consumers, the negative impact on margins from highly competitive pricing from Chinese manufacturers, and challenges in maintaining quality control and technical support for the C2 and R2 printers, the US based former manufacturing subsidiary Robo 3D Inc. appointed Robo 3D (ABC), LLC as Assignee for the Benefit of Creditors (ABC) on 3 June 2019. The ABC is a process by which all of the assets of Robo 3D Inc. will be sold and the proceeds distributed to the creditors of Robo 3D, Inc. following which Robo 3D Inc would be dissolved and cease to exist. As a result, the consolidated entity recognised a net gain on lost of control of Robo 3D ,Inc. of $1,551,671 in the prior year.

Financial information of the discontinued operations of Robo 3D, Inc. is presented below:

Note 6. Discontinued operations (continued)

	2020 $	2019 $
Revenue	-	2,160,643
Cost of sales	-	(1,756,124)
Gross Profit	-	404,519
Net gain on lost of control of subsidiary, through administration	-	1,551,671
Total other income	-	1,551,671
Marketing and advertising	-	(282,048)
Research and development	-	(2,603)
Finance costs	-	(35,742)
General and administrative	-	(657,511)
Foreign exchange gain/(loss)	-	20
Employee benefit expense	-	(2,123,513)
Depreciation and amortisation expense	-	(525,977)
Total expenses	-	(3,627,374)
Loss before income tax expense	-	(1,671,184)
Income tax expense	-	-
Loss after income tax expense from discontinued operations	-	(1,671,184)

Cash flow information	2020 $	2019 $
Net cash used in operating activities	-	(1,250,410)
Net cash used in investing activities	-	(38,266)
Net cash from financing activities	-	1,036,782
	-	(251,894)

(b) ***Sales of MyStemKits ("MSK") assets***

On 6 February 2020, the company announced that it had entered into an asset purchase agreement with Boxlight Corporation ('Boxlight') to dispose of the company's 3D printing hardware and the MyStemKits ("MSK") K-12 curriculum business to Boxlight for a total consideration of US$600,000, equivalent to AU$893,656 converted at an exchange rate of $0.6714. Details of the transaction proceeds is presented in the table below:

	USD $	AUD $
Transaction proceeds		
Sales consideration	600,000	893,656
Less: working capital adjustments	(178,612)	(266,029)
	421,388	627,627

The sale transaction was completed on 21 April 2020. As a result, the current year financial results of MSK have been presented as discontinued operations. Prior year financial results of MSK have been presented for comparative purposes.

Note 6. Discontinued operations (continued)

	2020 $	2019 $
Revenue	1,224,308	50,553
Cost of sales	(602,990)	(27,377)
Gross Profit	621,318	23,176
Net gain on sales of assets	604,315	-
Gain on modification of financial liability	21,992	-
Other income	26,220	-
Total other income	652,527	-
Marketing and advertising	(58,953)	(8,031)
Research and development	(10,000)	(17,262)
Finance costs	(38,429)	-
General and administrative	(287,152)	(282,625)
Employee benefit expense	(420,436)	(324,087)
Depreciation and amortisation expense	(12,866)	(12,139)
Impairment of assets	(33,734)	(2,331,861)
Fair value of contingent consideration	-	(5,718)
Total expenses	(861,570)	(2,981,723)
Profit/(Loss) before income tax	412,275	(2,958,547)
Income tax expense	-	-
Profit/(Loss) after income tax expense from discontinued operations	412,275	(2,958,547)

Cash flow information

	Consolidated **2020** **$**	 **2019** **$**
Net cash used in operating activities	(262,347)	(36,713)
Net cash from investing activities	144,596	-
Net cash from financing activities	178,896	-
Net increase/(decrease) in cash and cash equivalents from discontinued operations	61,145	(36,713)

Carrying amounts of assets and liabilities disposed

	Consolidated **2020** **$**	 **2019** **$**
Cash and cash equivalents	1,113	-
Trade and other receivables	128,001	-
Total assets	129,114	-
Trade and other payables	14,273	-
Deferred revenue	48,914	-
Employee benefits	42,615	-
Total liabilities	105,802	-
Net assets	23,312	-

Note 6. Discontinued operations (continued)

Details of the disposal

	Consolidated 2020 $	2019 $
Total sale consideration	627,627	-
Carrying amount of net assets disposed	(23,312)	-
Gain on disposal before income tax	604,315	-
Gain on disposal after income tax	604,315	-

Accounting policy for discontinued operations
A discontinued operation is a component of the consolidated entity that has been disposed of, is classified as held for sale or where the reporting entity ceases control through placing a subsidiary in administration and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

Note 7. Current assets - cash and cash equivalents

	Consolidated 2020 $	2019 $
Cash on hand	-	100
Cash at bank	1,007,823	11,591
	1,007,823	11,691

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

Note 8. Current assets - trade and other receivables

	Consolidated 2020 $	2019 $
Trade receivables	45,278	120,331
Less: Allowance for expected credit losses	(19,719)	(1,203)
	25,559	119,128
GST receivable	-	3,300
Other receivables	472,876	5,250
	472,876	8,550
	498,435	127,678

Other receivables represents the deferred proceeds from the sale of the MSK assets to Boxlight being US$350,000 payable in 4 equal quarterly cash payments, accruing interest at 7% per annum.

Note 8. Current assets - trade and other receivables (continued)

Allowance for expected credit losses
During the financial year, allowance for expected credit losses of $19,719 has been recognised in the profit or loss in respect of the expected credit losses (2019: $1,203).

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

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
Consolidated	**2020 %**	**2019**	**2020 $**	**2019 $**	**2020 $**	**2019 $**
0 to 3 months overdue	-	1%	25,219	105,449	-	1,054
3 to 6 months overdue	-	1%	340	-	-	-
Over 6 months overdue	100%	1%	19,719	14,882	19,719	149
			45,278	120,331	19,719	1,203

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

	Consolidated 2019 $
Opening balance	1,203
Additional provisions recognised	19,719
Unused amounts written off during the year due to discontinued operation	(1,203)
	19,719

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

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

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

Note 9. Current assets - inventories

	Consolidated 2020 $	Consolidated 2019 $
Stock on hand	-	216,378

All inventory is used on a first in first out basis. The consolidated entity has accounted for obsolete stock during the period. Inventory written off during the year amounted to $nil (2019: $216,378).

Accounting policy for inventories
Stock on hand is stated at the lower of cost and net realisable value. Cost comprises purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Note 10. Current assets - Other current assets

	Consolidated 2020 $	Consolidated 2019 $
Prepayments	36,941	47,635
Deposits	-	21,669
	36,941	69,304

Accounting policy for prepayments
Prepayments are recognised initially at fair value and subsequently at amortised cost using the effective interest method, less any impairment losses.

Note 11. Non-current assets - financial assets at fair value through other comprehensive income

	Consolidated 2020 $	Consolidated 2019 $
Ordinary shares	191,503	-

Refer to note 23 for further information on fair value measurement.

Financial assets at fair value through other comprehensive income represents the equity investment of US$100,000 made by Stemify in Boxlight Corporation (BOXL), a NASDAQ-listed company. On disposal of these equity investments, any related balance within the FVOCI reserve will be reclassified to retained earnings.

Note 12. Non-current assets - property, plant and equipment

	Consolidated 2020 $	Consolidated 2019 $
Furniture and equipment	8,204	17,107
Less: Accumulated depreciation	(7,030)	(6,483)
	1,174	10,624
Molds - at cost	-	38,424
Less: Accumulated depreciation	-	(10,674)
	-	27,750
	1,174	38,374

Note 12. Non-current assets - property, plant and equipment (continued)

Consolidated	Furniture and equipment $	Molds $	Total $
Balance at 1 July 2018	22,365	135,637	158,002
Additions	23,257	-	23,257
Additions through business combinations (note 28)	7,476	38,424	45,900
Disposal of assets, through administration	(27,232)	(61,944)	(89,176)
Exchange differences	1,183	24,631	25,814
Depreciation expense	(16,425)	(108,998)	(125,423)
Balance at 30 June 2019	10,624	27,750	38,374
Additions	490	-	490
Exchange differences	400	1,423	1,823
Write off of assets through discontinued operations	(6,583)	(17,953)	(24,536)
Depreciation expense	(3,757)	(11,220)	(14,977)
Balance at 30 June 2020	1,174	-	1,174

Refer to note 23 for further information on fair value measurement.

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

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

Furniture and equipment	2-3 years
Molds	2 years

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

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

Note 13. Non-current assets - intangibles

	Consolidated	
	2020 **$**	**2019** **$**
Software - at cost	1,224,512	1,224,512
Less: Accumulated amortisation	(1,224,512)	(1,221,348)
	-	3,164

Note 13. Non-current assets - intangibles (continued)

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

Consolidated	Goodwill $	Software $	Total $
Balance at 1 July 2018	-	363,284	363,284
Additions through business combinations (note 28)	2,335,991	-	2,335,991
Exchange differences	(4,130)	55,028	50,898
Impairment	(2,331,861)	-	(2,331,861)
Amortisation expense	-	(415,148)	(415,148)
Balance at 30 June 2019	-	3,164	3,164
Amortisation expense	-	(3,164)	(3,164)
Balance at 30 June 2020	-	-	-

Goodwill in the previous financial year was recognised as part of the MyStemKits, Inc. (MSK) acquisition and fully impaired in the same financial year. Upon the discontinued operation of MSK, goodwill has been fully written off.

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

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

Software
Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the consolidated entity are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software so that it will be available for use
- Management intends to complete the software and use or sell it
- There is an ability to use or sell the software
- It can be demonstrated how the software will generate probable future economic benefits
- Adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- The expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use. The consolidated entity amortises these intangible assets with a limited useful life using the straight-line method over 2 years.

Note 14. Current liabilities - trade and other payables

	Consolidated 2020 $	2019 $
Trade payables	317,065	744,239
Accrued expenses	72,603	507,555
Sales tax payable	2,197	-
	391,865	1,251,794

Refer to note 22 for further information on financial instruments.

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

Note 15. Current liabilities - contract liabilities

	Consolidated 2020 $	2019 $
Contract liabilities	-	119,297

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

	2020 $	2019 $
Opening balance	119,297	55,840
Payments received in advance	206,375	122,655
Recognised as revenue during the year	(283,547)	(3,358)
Disposals related to discontinued operations	(48,914)	(55,840)
Exchange rate differences	6,789	-
Closing balance	-	119,297

Unsatisfied performance obligations
The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was $nil as at 30 June 2020 ($119,297 as at 30 June 2019) and is expected to be recognised as revenue in future periods as follows:

	Consolidated 2020 $	2019 $
Within 6 months	-	53,798
6 to 12 months	-	65,499
	-	119,297

Accounting policy for contract liabilities
Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

Note 16. Current liabilities - borrowings

	Consolidated 2020 $	Consolidated 2019 $
Trade finance loan*	-	479,047
Bridging loan*	-	226,300
Insurance premium funding	24,218	21,910
Other loans **	90,214	-
	114,432	727,257

Movement of borrowings	Consolidated 2020 $
Opening balance	727,257
Proceeds from borrowings	168,320
Shares issued for loan repayment	(731,018)
Interest accrued	8,172
Repayment of borrowings	(58,299)
Closing balance	114,432

Refer to note 22 for further information on financial instruments.

* Both the trade finance loan and bridging loan at 30 June 2019 represent loan provided to the consolidated entity by Denlin Nominees Pty Ltd (Denlin), an entity associated with ex-Chairman, Mr Anthony Grist. On 16 August 2019, the company converted total debt of $1,401,997 owing to Denlin and its related parties via the issuance of 25,000,000 shares at 2 cents and 37,500,000 unlisted shares with a fair value of $367,049, resulted in a gain of modification of liabilities of $534,948, of which $509,276 was recognised at 30 June 2019. The remaining gain of $25,672 represents additional loan drawndown between 1 July 2019 and 16 August 2019 which has been recognised as gain on modification liabilities during the financial period.

** Other loans represent the Paycheck Protection Program loan designed to provide a direct incentive for small businesses to keep their workers on the payroll. The loan is forgivable if all employee retention criteria are met and the funds are used for eligible expenses.

Accounting policy for 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.

Note 17. Current liabilities - employee benefits

	Consolidated 2020 $	Consolidated 2019 $
Annual leave	-	68,706

Accounting policy for employee benefits

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

Note 18. Current liabilities - provisions

	Consolidated 2020 $	Consolidated 2019 $
Warranties and returns	-	16,677

Accounting policy for warranty provisions
Warranty provision is calculated by taking a rolling net 12-month total cost of sales as a percentage of monthly expenses relating to spare parts and supplies. This percentage is calculated and applied to payroll expense to capture the cost of labour required to process the warranty.

Note 19. Equity - issued capital

	Consolidated 2020 Shares	Consolidated 2019 Shares	Consolidated 2020 $	Consolidated 2019 $
Ordinary shares - fully paid	156,972,435	558,868,914	29,353,296	26,930,183

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2018	370,352,055		22,414,733
Issue of shares - Share Placement	24 August 2018	130,000,000	$0.025	3,250,000
Shares issued for loan repayment and loan extension fees	24 August 2018	7,222,223	$0.025	180,555
Shares issued as partial consideration for MSK acquisition	24 August 2018	41,619,636	$0.027	1,103,753
Shares issued to Directors in lieu of remuneration owing	28 August 2018	5,100,000	$0.025	127,500
Shares issued to Directors as approved by shareholders	28 August 2018	500,000	$0.025	12,500
Shares issued to Robo 3D Inc. employees on immediate vesting of performance rights	28 August 2018	4,075,000	$0.025	101,875
Cost of capital raising		-		(260,733)
Balance	30 June 2019	558,868,914		26,930,183
Capital consolidation*	12 August 2019	(546,447,954)	$0.000	-
Issue of shares	16 August 2019	112,500,000	$0.020	2,250,000
Conversion of trade liability into share capital	16 August 2019	27,000,000	$0.020	540,000
Issue of shares to directors in lieu of directors' fees owing	13 September 2019	51,475	$0.020	1,209
Shares issued to Director as approved by shareholders	27 December 2019	5,000,000	$0.020	100,000
Cost of capital raising		-		(468,096)
Balance	30 June 2020	156,972,435		29,353,296

** On 12 August 2019, the company completed the consolidation of its issued capital on a forty-five (45) for one (1) basis.*

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

Note 19. Equity - issued capital (continued)

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

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

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

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

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

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment.

Accounting policy for 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.

Note 20. Equity - reserves

	Consolidated	
	2020	**2019**
	$	**$**
Financial assets at fair value through other comprehensive income reserve	32,039	-
Foreign currency reserve	(53,344)	(38,711)
Share-based payments reserve	1,436,283	1,657,650
	1,414,978	1,618,939

Accounting policy for reserves

Financial assets at fair value through other comprehensive income reserve
The reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income.

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

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

Note 21. Equity - accumulated losses

	Consolidated 2020 $	Consolidated 2019 $
Accumulated losses at the beginning of the financial year	(30,321,543)	(25,769,049)
Loss after income tax expense for the year	(264,132)	(4,552,494)
Transfer from options reserve	1,046,980	-
Accumulated losses at the end of the financial year	(29,538,695)	(30,321,543)

Note 22. Financial instruments

Financial risk management objectives

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

	Consolidated 2020 $	Consolidated 2019 $
Financial assets at amortised cost		
Cash and cash equivalents	1,007,823	11,691
Trade and other receivables	498,435	127,678
Total financial assets	1,506,258	139,369
Financial liabilities at amortised cost		
Trade and other payables	391,865	1,251,794
Borrowings - current portion	114,432	727,257
Total financial liabilities	506,297	1,979,051
Financial liabilities at fair value through profit or loss		
Contingent consideration	-	55,279

Market risk

Foreign currency risk

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows (holdings are shown in AUD equivalent):

	Assets		Liabilities	
Consolidated	**2020 $**	**2019 $**	**2020 $**	**2019 $**
AUD equivalent	239,125	113,670	325,077	549,559

Note 22. Financial instruments (continued)

Consolidated - 2020	**% change**	**AUD strengthened effect on profit after tax**	**Effect on equity**	**% change**	**AUD weakened effect on profit after tax**	**Effect on equity**
AUD/USD	5%	(4,298)	(4,298)	5%	4,298	4,298

Consolidated - 2019	**% change**	**AUD strengthened effect on profit after tax**	**Effect on equity**	**% change**	**AUD weakened effect on profit after tax**	**Effect on equity**
AUD/USD	5%	21,794	21,794	5%	(217,949)	(21,794)

Price risk
The consolidated entity exposure to equity securities price risk arises from investment held by the consolidated entity and classified in the balance sheet as fair value through other comprehensive income (FVOCI).

The equity investment is publicly traded in the NASDAQ. With all other variables held constant, an increase or decrease of 5% of NASDAQ index would result in an increase or decrease of other comprehensive income and equity of $6,571 respectively.

Interest rate risk
The consolidated entity has no significant exposure with interest rate risk as all its borrowings are either at a fixed interest rate or interest free.

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

The consolidated entity does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the economic entity.

Liquidity risk
Liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable. The consolidated entity manages this risk by preparing forward looking cash flow analysis in relation to its operational, investing and financing activities and monitoring its cash assets and assets readily convertible to cash in the context of its forecast future cash flows.

Note 22. Financial instruments (continued)

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

Consolidated - 2020	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	391,865	-	-	-	391,865
Other loans	-	90,214	-	-	-	90,214
Interest-bearing - fixed rate						
Insurance premium funding	4.46%	24,218	-	-	-	24,218
Total non-derivatives		506,297	-	-	-	506,297

Consolidated - 2019	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	1,251,794	-	-	-	1,251,794
Bridging loan	-	226,300	-	-	-	226,300
Contingent consideration	-	27,389	10,788	17,102	-	55,279
Interest-bearing - fixed rate						
Trade finance loan	10.00%	479,047	-	-	-	479,047
Insurance premium funding	4.45%	21,910	-	-	-	21,910
Total non-derivatives		2,006,440	10,788	17,102	-	2,034,330

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

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

Note 23. Fair value measurement

Fair value hierarchy
The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

Consolidated - 2020	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Ordinary shares	191,503	-	-	191,503
Total assets	191,503	-	-	191,503

There were no transfers between levels during the financial year.

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

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Note 24. Remuneration of auditors

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

	Consolidated	
	2020 $	**2019 $**
*Audit services - BDO Audit Pty Ltd**		
Audit or review of the financial statements	100,000	112,500
Other services - BDO East Coast Partnership		
Preparation of the tax return	16,500	-
	116,500	112,500
Audit services - BDO US		
Audit or review of the financial statements	-	46,879

Note 24. Remuneration of auditors (continued)

* The BDO entity performing the audit of the Group transitioned from BDO East Coast Partnership to BDO Audit Pty Ltd on 1 August 2020. The disclosures include amounts received or due and receivable by BDO East Coast Partnership, BDO Audit Pty Ltd and there are no other related BDO entities involved.

Note 25. Contingent liabilities

The consolidated entity had no contingent liabilities as at 30 June 2020 and 30 June 2019.

Note 26. Commitments

	Consolidated	
	2020	**2019**
	$	**$**
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	-	102,352
One to five years	-	59,705
	-	162,057

Operating lease commitments in the prior year includes contracted amounts for the MSK office premise under non-cancellable operating leases expiring within 2 years. The lease was subsequently terminated in February 2020. The consolidated entity had no other commitments as at 30 June 2020.

Note 27. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2020	**2019**
	$	**$**
Loss after income tax	(673,242)	(4,197,887)
Total comprehensive income	(673,242)	(4,197,887)

Note 27. Parent entity information (continued)

Statement of financial position

	Parent 2020 $	Parent 2019 $
Total current assets	978,095	48,237
Total assets	1,270,964	51,034
Total current liabilities	136,191	1,523,781
Total liabilities	136,191	1,523,781
Equity		
Issued capital	39,395,136	36,972,023
Share-based payments reserve	1,451,639	1,640,967
Accumulated losses	(39,712,002)	(40,085,737)
Total equity/(deficiency)	1,134,773	(1,472,747)

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

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2020 and 30 June 2019.

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

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 28. Business combinations

On 15 June 2018, the consolidated entity announced that it has entered into an agreement to acquire the MyStemKits assets from MyStemKits, LLC. Completion of the acquisition was subject to shareholders approval which was received on 13 August 2018. On 24 August 2018, the consolidated entity completed the acquisition. The acquisition has been assessed to be a Business Combination under AASB 3. MyStemKits is a USA education software and content business, owner of the world's largest library of Science, Technology, Engineering and Maths ("STEM") curriculums incorporating 3D printable kits for K-12 schools. The acquisition has brought together two leaders in the provision of 3D design and 3D printing in the STEM education space, and significantly strengthens the consolidated entity's strategic positioning and operational platform.

Note 28. Business combinations (continued)

On 6 February 2020, the company announced that it had entered into an asset purchase agreement with Boxlight Corporation ('Boxlight') to dispose of the company's 3D printing hardware and the MyStemKits business to Boxlight. The sale transaction was completed on 21 April 2020. As a result, the current year financial results of MSK have been presented as discontinued operations. Refer to note 6 for details of discontinued operations.

Details of the acquisition are as follows:

	Fair value $
Trade receivables	422,280
Plant and equipment	45,900
Net assets acquired	468,180
Goodwill	2,335,991
Acquisition-date fair value of the total consideration transferred	2,804,171
Representing:	
Acquisition-date fair value of equity transferred	1,103,753
Cash paid to vendor	1,238,816
Consideration deemed paid by netting off against a specific receivable acquired	412,088
Contingent consideration**	49,514
	2,804,171

* Goodwill of $2,335,991 was primarily related to the company's growth expectations through leveraging MSK's STEM curriculum. Goodwill fully impaired in June 2019 and fully written off as a result of discontinued operations. Refer to note 13 for more details.

** Contingent consideration is related to an amount payable in cash that is equal to 5% of the revenue recognised by MyStemKits, Inc. from the sale or licence of software for 3D printable manipulatives to align with STEM curriculum acquired in connection with the business during the 5 year period following the acquisition. The management has revalued the contingent consideration as at 30 June 2019 based on MyStemKits, Inc.'s revenue forecast for next 4 years, discounted to present value at a pre-tax discount rate of 17%. The fair value of the contingent consideration is assessed to be $49,514 at the date of acquisition and $55,279 as at 30 June 2019. The remaining amount on disposal date of $26,220 was written off as other income as disclosed in note 6.

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

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

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

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

Note 28. Business combinations (continued)

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

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

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

Note 29. Interests in subsidiaries

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

Name	Principal place of business / Country of incorporation	Ownership interest 2020 %	Ownership interest 2019 %
STEM Education Holdings Pty Ltd	Australia	100.00%	100.00%
MyStemKits, Inc.	United States	100.00%	100.00%

Note 30. Events after the reporting period

On 16 June 2020, the Company announced that it had entered into a Royalty Sale and Purchase Agreement with Vox Royalty Australia Pty Ltd (Vox) for a net smelter royalty interest in the Saxby gold project (Royalty Interest). The sale was subject to consent being obtained to the change of ownership from Strategic Energy Resources Ltd (ASX: SER).

On 25 August 2020, the Company announced that consent was not received from SER and consequently both parties agreed to extinguish the Royalty Interest by SER paying the Company $110,000 in cash.

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

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

	Consolidated 2020 $	2019 $
Loss after income tax expense for the year	(264,132)	(4,552,494)
Adjustments for:		
Depreciation and amortisation	18,142	540,571
Impairment of goodwill	-	2,331,861
Share-based payments	159,773	(133,678)
Foreign exchange differences	-	406
Gain on disposal of subsidiary's assets	(604,315)	-
Provision for doubtful debts	19,719	1,203
Net gain on lost of control of subsidiary, through administration	-	(1,551,671)
Net gain on modification of financial liabilities	(25,672)	(687,186)
Fair value of contingent consideration	-	5,718
Finance costs	8,172	112,736
Impairment of assets	33,734	-
Change in operating assets and liabilities:		
Decrease in trade and other receivables	93,626	242,831
Decrease in inventories	95,495	726,604
Decrease in other current assets	-	8,986
(Decrease)/Increase in trade and other payables	(699,234)	808,198
(Decrease)/Increase in contract liabilities	(70,383)	225,653
Decrease in employee benefits	(26,091)	(216,713)
Decrease in other provisions	(16,677)	(177,735)
Net cash used in operating activities	(1,277,843)	(2,314,710)

Note 32. Earnings per share

In accordance with the principles of reverse acquisition accounting, the weighted average number of ordinary shares outstanding during the period ended 30 June 2020 has been calculated as the weighted average number of ordinary shares of Stemify Limited, outstanding during the period before acquisition multiplied by the exchange ratio established in the acquisition accounting.

On 12 August 2019, the company completed the consolidation of its issued capital on a forty-five (45) for one (1) basis. As a result, prior year numbers have been restated as required by the accounting standard.

	Consolidated 2020 $	2019 $
Earnings per share for profit/(loss) from continuing operations		
(Loss)/Profit after income tax attributable to the owners of Stemify Limited	(676,407)	77,237
	Cents	**Cents**
Basic earnings per share	(0.49)	0.65
Diluted earnings per share	(0.49)	0.65

Note 32. Earnings per share (continued)

	Consolidated 2020 $	Consolidated 2019 $
Earnings per share for profit/(loss) from discontinued operations		
(Loss)/Profit after income tax attributable to the owners of Stemify Limited	412,275	(4,629,731)
	Cents	**Cents**
Basic earnings per share	0.30	(39.24)
Diluted earnings per share	0.30	(39.24)

	Consolidated 2020 $	Consolidated 2019 $
Earnings per share for loss		
Loss after income tax attributable to the owners of Stemify Limited	(264,132)	(4,552,494)
	Cents	**Cents**
Basic earnings per share	(0.19)	(38.59)
Diluted earnings per share	(0.19)	(38.59)
	Number	**Number**
Weighted average number of ordinary shares		
Weighted average number of ordinary shares used in calculating basic earnings per share	136,983,885	11,798,560
Weighted average number of ordinary shares used in calculating diluted earnings per share	136,983,885	11,798,560

Accounting policy for earnings per share

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

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

Note 33. Share-based payments

During the financial year, the consolidated entity has issued a number of unlisted options to its directors, financial advisors and creditors. The issue of the unlisted options are detailed as follows:

Note 33. Share-based payments (continued)

- 30,000,000 unlisted options exercisable at 2.5 cents per option to the lead manager of the Placement, Forrest Capital Limited on 16 August 2019. Based on the Black Scholes valuation model, these options are valued at $0.01 and a total of $300,000 has been recognised in the equity as capital raising costs.
- 37,500,000 unlisted options to Denlin for the repayment of loan owing to Denlin on 16 August 2019. Based on the Black Scholes valuation model, these options are valued between $0.009 and $0.010, giving rise to a total share-based payment of $367,049.
- 7,500,000 unlisted options to Mr. Jonathan Pearce and Mr. Tim Grice on 19 November 2019 as approved by Shareholders pursuant to Resolution 6 and Resolution 7 respectively of the company's Notice of Meeting dated 30 October 2019. Based on the Black Scholes valuation model, these options are valued at $0.011, giving rise to a share-based payments of $81,492 recognised in the statement of profit or loss and other comprehensive income.

Set out below are summaries of options on issue as at 30 June 2020:

2020

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
14/12/2016	22/12/2019	$0.150	311,109	-	-	(311,109)	-
27/06/2017	27/06/2021	$0.100	11,112	-	-	-	11,112
08/08/2017	08/08/2021	$0.100	11,112	-	-	-	11,112
24/08/2017	23/08/2021	$0.100	11,112	-	-	-	11,112
27/10/2017	27/10/2019	$0.060	44,445	-	-	-	44,445
20/11/2017	20/11/2019	$0.060	148,150	-	-	-	148,150
20/11/2017	20/11/2020	$0.090	35,556	-	-	-	35,556
30/11/2017	30/06/2021	$0.075	111,112	-	-	-	111,112
13/08/2018	13/08/2021	$0.060	133,334	-	-	-	133,334
16/08/2019	30/06/2023	$0.050	-	37,500,000	-	-	37,500,000
16/08/2019	31/12/2022	$0.050	-	30,000,000	-	-	30,000,000
29/11/2019	30/06/2023	$0.025	-	7,500,000	-	-	7,500,000
			817,042	75,000,000	-	(311,109)	75,505,933
Weighted average exercise price			$0.099	$0.040	$0.000	$0.120	$0.040

** Balance at the start of the year has been restated for the consolidation of shares on a forty-five (45) for one (1) basis completed on 12 August 2019*

2019

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
14/12/2016	22/12/2019	$0.150	13,999,720	-	-	-	13,999,720
27/06/2017	27/06/2021	$0.100	500,000	-	-	-	500,000
08/08/2017	08/08/2021	$0.100	500,000	-	-	-	500,000
24/08/2017	23/08/2021	$0.100	500,000	-	-	-	500,000
27/10/2017	27/10/2019	$0.060	2,000,000	-	-	-	2,000,000
20/11/2017	20/11/2019	$0.060	6,666,667	-	-	-	6,666,667
20/11/2017	20/11/2020	$0.090	1,600,000	-	-	-	1,600,000
30/11/2017	30/06/2021	$0.075	5,000,000	-	-	-	5,000,000
13/08/2018	13/08/2021	$0.060	-	6,000,000	-	-	6,000,000
			30,766,387	6,000,000	-	-	36,766,387
Weighted average exercise price			$0.107	$0.060	$0.000	$0.000	$0.099

Note 33. Share-based payments (continued)

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

Grant date	Expiry date	2020 Number	2019 Number
14/12/2016	22/12/2019	-	13,999,720
27/06/2017	27/06/2021	11,112	500,000
08/08/2017	08/08/2021	11,112	500,000
24/08/2017	23/08/2021	11,112	500,000
27/10/2017	27/10/2019	-	2,000,000
20/11/2017	20/11/2019	-	6,666,667
20/11/2017	20/11/2020	35,556	1,600,000
30/11/2017	30/06/2021	111,112	5,000,000
28/08/2018	28/08/2021	133,334	6,000,000
16/08/2019	30/06/2023	37,500,000	-
16/08/2019	31/12/2022	30,000,000	-
29/11/2019	30/06/2023	7,500,000	-
		75,313,338	36,766,387

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.79 years (2019: 1.04 years).

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

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
16/08/2019	30/06/2023	$0.020	$0.050	80.00%	-	0.70%	$0.011
16/08/2019	31/12/2022	$0.020	$0.025	80.00%	-	0.70%	$0.010
29/11/2019	30/06/2023	$0.026	$0.050	80.00%	-	0.70%	$0.011

Set out below are summaries of performance rights on issue as at 30 June 2019:

2020 Grant date	Expiry date	Exercise price	Balance at the start of the year*	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
14/12/2016	22/12/2020	$0.000	38,890	-	-	-	38,890
14/12/2016	22/12/2020	$0.000	38,890	-	-	-	38,890
14/12/2016	22/12/2020	$0.000	11,668	-	-	-	11,668
14/12/2016	22/12/2020	$0.000	42,779	-	-	-	42,779
14/12/2016	22/12/2020	$0.000	38,889	-	-	-	38,889
30/08/2018	30/08/2021	$0.000	11,112	-	-	-	11,112
30/08/2018	30/08/2021	$0.000	344,445	-	-	-	344,445
30/08/2018	N/A	$0.000	41,116	-	-	-	41,116
30/08/2018	N/A	$0.000	6,112	-	-	-	6,112
			573,901	-	-	-	573,901

** Balance at the start of the year has been restated for the consolidation of shares on a forty-five (45) for one (1) basis completed on 12 August 2019*

Note 33. Share-based payments (continued)

2019 Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
14/12/2016	22/12/2020	$0.000	1,749,966	-	-	-	1,749,966
14/12/2016	22/12/2020	$0.000	1,749,966	-	-	-	1,749,966
14/12/2016	22/12/2020	$0.000	524,988	-	-	-	524,988
14/12/2016	22/12/2020	$0.000	4,287,414	-	-	(2,363,453)	1,923,961
14/12/2016	22/12/2020	$0.000	5,687,386	-	-	(3,937,421)	1,749,965
30/08/2018	30/08/2021	$0.000	-	500,000	-	-	500,000
30/08/2018	30/08/2021	$0.000	-	15,500,000	-	-	15,500,000
30/08/2018	N/A	$0.000	-	4,175,000	-	(2,325,000)	1,850,000
30/08/2018	N/A	$0.000	-	1,075,000	-	(800,000)	275,000
28/08/2018	N/A	$0.000	-	500,000	(500,000)	-	-
28/08/2018	N/A	$0.000	-	4,075,000	(4,075,000)	-	-
			13,999,720	25,825,000	(4,575,000)	(9,425,874)	25,823,846

Set out below are the performance rights vested at the end of the financial year.

Grant date	Expiry date	2020 Number	2019 Number
30/08/2018	30/08/2021	-	500,000
30/08/2018	N/A	-	1,850,000
30/08/2018	N/A	-	275,000
		-	2,625,000

Reconciliation of share based payments (write-back)/expense for the year:

	Consolidated 2020 $	Consolidated 2019 $
Performance rights payment	-	(317,829)
Advisor options payment	-	69,776
Share based payment expenses	158,564	-
Issue of shares to directors in lieu of directors' fees owing	1,209	-
Shares issued to Directors as approved by shareholders	-	12,500
Shares issued to Robo 3D Inc. employees on immediate vesting of performance rights	-	101,875
	159,773	(133,678)

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

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

Note 33. Share-based payments (continued)

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

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

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

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

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

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

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

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

Note 34. Impact of COVID-19

On 11 March 2020, the World Health Organisation (“WHO”) declared the Coronavirus disease 2019 (“COVID-19”) a pandemic. The pandemic has adversely affected the global economy, including an increase in unemployment, decrease in consumer demand, interruptions in supply chains, and tight liquidity and credit conditions. Consequently, governments around the world have announced monetary and fiscal stimulus packages to minimise the adverse economic impact.

At present, the economic impact of the pandemic has not resulted in a material impact to the consolidated entity as the consolidated entity is actively looking for a new business to invest in. With the global pandemic still occurring after this date, its impact is considered an event that is indicative of conditions that arose after the reporting period and accordingly, no adjustments have been made to these financial statements as at 30 June 2020 for the impacts of COVID-19.

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