Jayex Technology Limited

ABN 12 345 678 901

Annual Report - 31 December 2023

Jayex Technology Limited
Corporate directory
31 December 2023

Directors	Michael Boyd - Non-Executive Chair Brian Renwick - Non-Executive Director Michael Chan - Non-Executive Director
Registered office	Level 4 100 Albert Road South Melbourne VIC 3205
Principal place of business	17B Cribb Street Milton QLD 4064
Share register	Automic Level 5, 126 Phillip Street Sydney NSW 2000 Phone: 1300 288 664 (in Australia); +61 2 9698 5414 (international)
Auditor	William Buck Level 20, 181 William Street Melbourne VIC 3000
Solicitors	Steinepreis Paganin Level 4, 50 Market Street Melbourne VIC 3000
Stock exchange listing	Jayex Technology Limited shares are listed on the Australian Securities Exchange (ASX code: JTL)
Website	www.jayex.com.au

General information

The financial statements cover Jayex Technology Limited as a consolidated entity consisting of Jayex Technology Limited and the entities it controlled at the end of, and during, the year. The financial statements are presented in Australian dollars, which is Jayex Technology Limited's functional and presentation currency.

Jayex Technology Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Level 4
100 Albert Road
South Melbourne VIC 3205

Principal place of business

17B Cribb Street
Milton QLD 4064

The financial statements were authorised for issue, in accordance with a resolution of directors, on 2 May 2024. The directors have the power to amend and reissue the financial statements.

Jayex Technology Limited
Directors' report
31 December 2023

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Jayex Technology Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 31 December 2023.

Directors
The following persons were directors of Jayex Technology Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Michael Boyd - Non-Executive Chair
Brian Renwick - Non-Executive Director
Michael Chan - Non-Executive Director (Appointed 11 March 2024)
Nicholas Harper - Non-Executive Director (Resigned 11 March 2024)

Principal activities
During the financial year the principal continuing activities of the consolidated entity consisted of the development and provision of healthcare industry service technologies.

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

Review of operations
The loss for the consolidated entity after providing for income tax amounted to $3,930,155 (31 December 2022: $7,245,838).

The company reorganised its operations at the start of the financial year and has operated a tight business model throughout the period. Sales volumes were lower than in the previous period due to the discontinuation of loss-making activities in the Australian and New Zealand markets and a change to the method for recognising hardware revenue made during the year. In addition, the company fully impaired the investment in Brainworks Foundry Inc. ('Brainworks').

During the period a new senior leadership team were appointed. The focus of the leadership team throughout the period has been to address serious operational performance issues that were prevalent throughout the Company:

- Significant remedial software development work was completed on the Connect Platform, including refactoring of key integration components. This has delivered a significant improvement in product reliability and performance and has the reduced time and effort required to onboard new customers.
- The support function has been restructured and now has separate first-line and second-line service desk teams. The second-line team also support the commissioning of new customer instances, enabling high utilisations and efficiencies to be achieved.
- Investment has also been made in account management and customer care functions, focused on customer retention and the improvement of ARPU.
- As a result of these changes, open support ticket numbers have reduced by 85% and the Company is consistently achieving high customer satisfaction scores.
- The sales function has also been restructured; a systematic process for prospecting and lead generation is now well established and working very effectively.
- The Business Development team are now incentivised to focus on new business acquisition, using a consultative selling approach. This is delivering very high (90%+) conversion rates of qualified leads.
- A rebranding exercise was completed during the period, that helps underpin the change from the Company being perceived as providing a poor service to one that is perceived as providing an excellent service.

As announced on ASX on 29 January 2024, the company has entered a joint venture with Morph Clinical Services to provide a new clinically focussed package of services to UK-based primary care clinics and pharma industry customers. The joint venture, Symbia Health Limited, will leverage the combined capabilities of the Company and Morph Clinical Services to provide services to:

- UK NHS customers in managing disease prevalence, ensuring patients get access to the appropriate treatments for their conditions.
- Enable UK pharmaceutical and medical device industry customers to achieve their market access strategies.

Symbia is a 50/50 joint venture between the Company and Morph Clinical Services.

Significant changes in the state of affairs
On 2 March 2023, the company raised additional capital of $320,500 through the placement of 32,050,000 shares to sophisticated and professional investors.

Shareholders at its General Meeting on 7 March 2023 approved the issuance of 207,692,307 Options towards the extinguishment of $2.7 million convertible notes and 42,307,693 Options towards the extinguishment of $550,000 loans, to Covenant Holding (WA) Pty Ltd, an entity related to Director, Michael Boyd.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year
On 29 January 2024 the company announced its intention to enter an incorporated joint Venture arrangement with MORPh Clinical Services Limited.

On 31 January 2024 the company confirmed it had finalised a new A$500,000 term loan facility which is now operational in the business.

On 11 March 2024, Michael Chan was appointed as Non-Executive Director.

On 11 March 2024, Nicholas Harper resigned as Non-Executive Director.

Risks
Jayex Technology Ltd.'s operating and financial results and performance are subject to various risks and uncertainties, some of which are beyond Jayex's reasonable control. Set out below are matters which the Group has assessed as having the potential to have a material impact on its operating and/or financial results and performance:

- Events, such as a global/national pandemic, that resulted in prolonged closures of large numbers of general practices in the UK would reduce the usage of our software services, thereby increasing the risk of customers not paying for those services.
- Key customer structure and changes in procurement approach: currently, the majority of our NHS customer contracts are at an individual practice level. The creation of NHS Integrated Care Systems and Integrated Care Boards could at some stage result in a change in procurement approach, for example a greater usage of competitive tendering. Such a change may then lead to increased competition, thereby presenting a risk to market share and achievable pricing levels.
- Competition, innovation and developments; Jayex's growth strategy may be impacted by industry disruption, innovation, the actions of our competitors, the ability to identify future acquisitions or generate returns on developments.
- Failure to attract and retain key employees: a failure to attract and retain key employees may lead to a loss of key knowledge and experience, thereby leading to the risk of a deterioration in the competitiveness of our products and services

Likely developments and expected results of operations
Information on likely developments in the operations of the consolidated entity and the expected results of operations are as follows:

Our ultimate goal remains unchanged. Jayex seeks to create superior healthcare solutions that are user-friendly for patients, reliable and easy to maintain for healthcare professionals, offer good value for purchasers and provide long-term returns for our investors, while creating a Company culture that employees feel valued in and proud of.

We will do this by accelerating our development, as well as looking to partners, collaborators and M&A opportunities to create a comprehensive end-to-end capability healthcare platform.

Jayex currently touches 50 million patients annually across these care markets. We will capitalise and utilise our installed base to deliver further and enhanced capability to these care markets through our comprehensive and growing end-to-end cloud-based platform. Our platform will provide everything from Appointment booking, Patient calling, Patient check-in, through to health messaging, self-care monitoring, script management, remote terminal dispensing of pharmaceutical and/or medical cannabis products and telehealth solutions.

Environmental regulation
The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Name:	Michael Boyd
Title:	Non-Executive Chair
Qualifications:	B. Comm (UWA) Grad. Dip App Fin
Experience and expertise:	Michael Boyd is the Chairman of the Company and has been involved since its inception in 2014. Based in Melbourne, he has led the corporate structuring of the Company and the development of the Group’s strategic vision. On a practical level he has initiated contacts with all stakeholder groups including professional bodies, regulatory boards, wholesale distributors and pharmacy groups and individuals. Mr. Boyd has been involved in the creation of new enterprises, both in the private and public sectors, for over 27 years. Mr. Boyd has been successful in developing and growing new projects in diverse areas including healthcare, telecommunications and finance. Trained as a Chartered Accountant, he was a founding Director and Chairman of Sonic Healthcare Ltd, now an ASX listed top 50 company. After leaving Sonic he started Foundation Healthcare, growing it to over 800 healthcare professionals before it was acquired by Sonic. He was also a founding partner of Iridium Satellite bringing it out from bankruptcy to now a NASDAQ listed company.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	110,883,880 fully paid ordinary shares
Interests in options:	250,000,000 options

Name:	Brian Renwick
Title:	Non-Executive Director
Qualifications:	MBA, FCA, B. Bus. (Accounting) Monash
Experience and expertise:	Mr. Renwick is very broadly experienced across the pharmaceutical and healthcare sector in Australia. His involvement with sector commenced in finance roles that led into commercial analysis, marketing and sales. From this broad commercial experience in the manufacturing end of the supply chain he moved into the wholesaling with various business development roles in retail and hospital pharmacy. Mr Renwick’s roles broadened into commercial and business development including as general manager for a corporate pharmacy business. He has completed two Business Development roles within the CSL Limited group. With his detailed commercial knowledge and broad experience across the healthcare sector, Brian has provided consulting advice to Jayex since 2006 and is an important member of the team.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	1,660,871 fully paid ordinary shares
Interests in options:	Nil

Name:	Michael Chan
Title:	Non- Executive Director (Appointed 11 March 2024)
Experience and expertise:	Mr Chan has extensive experience in broad based financial services for past 30 years with hands on knowledge in both consumer and commercial segments. Mr Chan currently is the founder and Managing Director at AMG Corporate Pty Ltd, a holder of an Australian Credit License which services the SME segment optimising outcomes on analysis, structuring, lead arranging and executing across a broad spectrum of debt markets/products. Prior to establishing AMG Corporate in 1995, he worked in strategic business development and marketing at several companies, in both the private and public sectors.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	3,000,000 fully paid ordinary shares
Interests in options:	Nil

Name:	Nicholas Harper
Title:	Non- Executive Director (Resigned 11 March 2024)
Qualifications:	MSc Computing Science
Experience and expertise:	Nick has over thirty years' experience working in software development. During that time, he has worked in the public sector (local government), investment banking and the aviation sector in a wide variety of roles and with varied responsibilities. Nick has worked on implementing and maintaining many different types of software systems from batch valuation systems to real-time data processing. Based in the UK, Nick also has extensive project management and software team building experience.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	Nil
Interests in options:	Nil

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary
Ms Melanie Leydin was appointed Company Secretary on 19 August 2015. Ms Leydin graduated from Swinburne University in 1997, became a Chartered Accountant in 1999 and since February 2000 had been the principal of chartered accounting firm, Leydin Freyer. Upon the merger of Leydin Freyer with Vistra in November 2021, Ms Leydin is the country head of Vistra Australia. Ms Leydin has over 25 years' experience in the accounting profession and has extensive experience in relation to public company responsibilities, including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting, reorganisation of Companies and shareholder relations and is a director and company secretary for a number of entities listed on the Australian Securities Exchange.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') held during the year ended 31 December 2023, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Michael Boyd	11	11
Brian Renwick	11	11
Michael Chan*	-	-
Nicholas Harper	9	11

** Michael Chan resigned as Non-Executive Director effective 16 December 2022 and was reappointed effective 11 March 2024.*

Held: represents the number of meetings held during the time the director held office.

Following a restructure at Board level in December 2022 the roles and responsibilities of the Nomination and Remuneration Committee and Audit and Risk Committee were taken over by the Board.

Remuneration report (audited)
The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

In past consultation with external remuneration consultants, the former Remuneration and Nomination Committee structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors' remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration. Non-executive directors do not receive share options or other incentives.

Directors may also be reimbursed for travel and other expenses reasonably incurred in attending to the Company’s affairs.

Non-executive directors may be paid such additional or special remuneration as the directors decide is appropriate where a director performs extra work or services which are not in the capacity as Director of the Company or a subsidiary.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 31 May 2023, where the shareholders approved a maximum annual aggregate remuneration of $220,000.

Director	**Role**	**Annual Fee ($)**	**Current Financial year entitlement** ($)	**Subject to NED Pool**
Mr Michael Boyd	Non-Executive Chair	120,000	120,000	Yes
Mr Brian Renwick	Non-Executive Director	50,000	50,000	Yes
Mr Nicholas Harper	Non-Executive Director	50,000	46,765	Yes
Total Pool used		220,000	216,765	

Executive remuneration
The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework comprises:
- base pay and non-monetary benefits
- other remuneration such as superannuation and long service leave

During the current and previous reporting periods there were no share based payments or short term performance incentives.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

Consolidated entity performance and link to remuneration
The remuneration of the directors and other key management personnel is not linked to the performance, share price or earnings of the consolidated entity.

Refer to the section 'Additional information' below for details of the earnings and total shareholders return for the last five years.

Use of remuneration consultants
During the financial year ended 31 December 2023, the consolidated entity did not engage any remuneration consultants.

Voting and comments made at the company’s Annual General Meeting ('AGM') held on 31 May 2023.
At the 31 May 2023 AGM, 99.86% of the votes received supported the adoption of the remuneration report for the year ended 31 December 2022. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables. Unless otherwise noted, the named persons were key management personnel for the whole of the period ended 31 December 2023.

The key management personnel of the consolidated entity consisted of the following directors of Jayex Technology Limited:
- Michael Boyd (Executive Chair till 26 October 2022 with subsequent appointment as Non-Executive Chair)
- Brian Renwick (Non-Executive Director)
- Nicholas Harper (Executive Director till 1 December 2022 with subsequent appointment as Non-Executive Director until his resignation 11 March 2024)
- Michael Chan (resigned as Non-Executive Director on 16 December 2022 and was reappointed 13 March 2024)

And the following persons:
- Robert Hadley (Chief Executive Officer)
- Nathan Woodard (Chief Financial Officer resigned effective 31 January 2023)

	Short-term benefits		Post-employment benefits	Long-term benefits	Share-based payments	
31 Dec 23	**Cash salary and fees $**	**Cash bonus $**	**Super-annuation $**	**Long service leave $**	**Equity-settled $**	**Total $**
Non-Executive Directors:						
Mr M Boyd (Non- Executive Chair)(i)	120,000	-	12,900	-	-	132,900
Mr B Renwick	50,000	-	5,375	-	-	55,375
Mr N Harper(iii)	46,765	-	4,086	-	-	50,851
Other Key Management Personnel:						
Mr R Hadley(iv)	266,604	-	34,434	-	-	301,038
Mr N Woodard(v)	18,565	-	2,372	-	-	20,937
	501,934	-	59,167	-	-	561,101

	Short-term benefits		Post-employment benefits	Long-term benefits	Share-based payments	
31 Dec 22	**Cash salary and fees $**	**Cash bonus $**	**Super-annuation $**	**Long service leave $**	**Equity-settled $**	**Total $**
Non-Executive Directors:						
Mr M Boyd (Non- Executive Chair)(i)	20,000	-	-	-	-	20,000
Mr B Renwick	50,000	-	-	-	-	50,000
Mr M Chan(ii)	47,917	-	-	-	-	47,917
Mr N Harper(iii)	4,167	-	-	-	-	4,167
Executive Directors:						
Mr M Boyd (Executive Chair)(i)	170,000	-	-	-	-	170,000
Mr N Harper(iii)	131,654	-	-	-	-	131,654
Other Key Management Personnel:						
Mr R Hadley(iv)	53,324	-	-	-	-	53,324
Mr N Woodard(v)	159,971	-	2,348	-	-	162,319
	637,033	-	2,348	-	-	639,381

(i) Mr M Boyd was Executive Chair till 26 October 2022 with subsequent appointment as Non-Executive Chair effective 26 October 2022.
(ii) Mr M Chan resigned as Non-Executive Director effective 16 December 2022. Mr M Chan was re-appointed as Non-Executive Director effective 11 March 2024)
(iii) Mr N Harper was Executive Director till 1 December 2022 with subsequent appointment as Non-Executive Director effective 1 December 2022. Mr N Harper was resigned as Non-Executive Director effective 11 March 2024)
(iv) Mr R Hadley was appointed as Chief Executive Officer effective 3 October 2022. Mr N Woodard resigned as Chief Financial Officer effective 31 January 2023.
(v) Mr N Woodard resigned as Chief Financial Officer effective 31 January 2023.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	31 Dec 23	31 Dec 22	31 Dec 23	31 Dec 22	31 Dec 23	31 Dec 22
Non-Executive Directors:						
Mr M Boyd	100%	100%	-	-	-	-
Mr B Renwick	100%	100%	-	-	-	-
Mr M Chan	100%	100%	-	-	-	-
Mr N Harper	100%	100%	-	-	-	-
Executive Directors:						
Mr M Boyd		100%	-	-	-	-
Mr N Harper		100%	-	-	-	-
Other Key Management Personnel:						
Mr. R Hadley	100%	100%	-	-	-	-
Mr. N Woodard	100%	100%	-	-	-	-

Service agreements
Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Michael Boyd
Title:	Non-Executive Chair
Agreement commenced:	25 July 2020
Term of agreement:	No fixed term. Each party may terminate the agreement by giving one months' notice. The Company may make payment in lieu of part of all of the notice period.
Details:	Base salary of $120,000 per annum (excluding superannuation required by law) with effect from 26 October 2022.

Name:	Brian Renwick
Title:	Non-Executive Director
Agreement commenced:	17 August 2015
Term of agreement:	No fixed term
Details:	Base salary $50,000 per annum (excluding superannuation required by law).

Name:	Nicholas Harper (resigned effective 13 March 2024)
Title:	Non-Executive Director
Agreement commenced:	11 October 2021
Term of agreement:	No fixed term. Each party may terminate the agreement by giving three months' notice. The Company may make payment in lieu of part of all of the notice period.
Details:	Base salary £24,996 per annum (excluding superannuation / pension contributions required by law).

Name:	Robert Hadley
Title:	Chief Executive Officer
Agreement commenced:	3 October 2022
Term of agreement:	No fixed term. Each party may terminate the agreement by giving three months' notice. The Company may make payment in lieu of part of all of the notice period.
Details:	Base salary £150,000 per annum (excluding superannuation / pension contributions required by law) with effect from 1 April 2023. Previously the base salary was £120,000 per annum.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares
There were no shares issued to directors and other key management personnel as part of compensation during the year ended 31 December 2023.

Options
There were no options over ordinary shares issued to directors and other key management personnel as part of compensation during the year ended 31 December 2023.

Additional information
The earnings of the consolidated entity for the five years to 31 December 2023 are summarised below:

	2023 $	2022 $	2021 $	2019 $	2018 $
Sales revenue	3,695,728	4,303,996	4,125,166	6,063,000	7,185,000
EBITDA	(2,417,740)	(1,055,118)	(302,076)	293,000	121,000
EBIT	(3,915,832)	(6,412,949)	(3,518,189)	(561,000)	(663,000)
Loss after income tax	(3,930,155)	(7,245,838)	(3,924,342)	(799,000)	(960,000)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2023	2022	2021	2020	2019
Share price at financial year end (Cents)	0.90	1.10	1.90	3.90	3.00

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Shares acquired	Disposals/ other	Balance at the end of the year
Ordinary shares					
Mr M Boyd **	107,883,880	-	3,000,000	-	110,883,880
Mr B Renwick	1,660,871	-	-	-	1,660,871
Mr M Chan*	-	-	-	-	-
	109,544,751	-	3,000,000	-	112,544,751

* Upon his appointment as director effective 11 March 2024, Mr M Chan held 3,000,000 fully paid ordinary shares.
** Mr M Boyd acquired 3,000,000 fully paid ordinary shares through on market trading.

Option holding
The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
Mr M Boyd	-	250,000,000	-	-	250,000,000
Mr N Woodard*	250,000	-	-	(250,000)	-
	250,000	250,000,000	-	(250,000)	250,000,000

* *On 31 January 2023, Nathan Woodard resigned as Chief Financial Officer and the above options were forfeited effective 1 March 2023 under the terms of the Options offer letter.*

The following transactions occurred with related parties. All transactions were carried out on arm's length terms on a basis which is no more or less favourable than if the transactions had occurred with non-related entities except for the interest free loans disclosed in the Terms and Conditions section below.

	Consolidated	
	31 Dec 23	**31 Dec 22**
	$	**$**
Interest on convertible notes issued to Covenant Holdings (WA) Pty Ltd (an entity related to Director, Michael Boyd)	25,061	175,260

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	31 Dec 23	**31 Dec 22**
	$	**$**
Current payables:		
Accrued loan interest payable to Covenant Holdings (WA) Pty Ltd (an entity related to Director, Michael Boyd)	-	87,750
Accrued director remuneration - Michael Boyd	245,671	112,771
Accrued director remuneration - Brian Renwick	108,000	52,625
Accrued director remuneration - Michael Chan	50,323	50,323

Loans to/from related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	31 Dec 23	**31 Dec 22**
	$	**$**
Current borrowings:		
Convertible notes issued to Covenant Holdings (WA) Pty Ltd (an entity related to Michael Boyd, Director) *	-	2,700,000
Loans from Covenant Holdings (WA) Pty Ltd (an entity related to Michael Boyd, Director) **	1,102,674	555,000
Loans from Gold Partners PNG Pty Ltd (an entity related to Michael Boyd, Director) **	355,526	-
Other loans from Michael Boyd, Director **	223,787	455,159
	1,681,987	3,710,159

* *The convertible notes (unsecured) were issued on 13 October 2020 at an interest rate of 6.5% per annum. The notes were originally repayable on 13 October 2022 for the balance not converted into shares. During the year the convertible notes were extinguished through the issue of options. (for further detail refer to the "significant changes in the state of affairs" heading in this Directors' Report.*

** *Loans provided by Director, Michael Boyd and related entities are unsecured, interest free and repayable upon demand.*

This concludes the remuneration report, which has been audited.

Shares under option
Unissued ordinary shares of Jayex Technology Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
4 May 2021	7 June 2024	$0.050	250,000
7 March 2023	7 March 2026	$0.015	250,000,000
2 June 2023	31 May 2026	$0.015	16,025,000
2 June 2023	31 May 2026	$0.045	5,000,000
			271,275,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares issued on the exercise of options
There were no ordinary shares of Jayex Technology Limited issued on the exercise of options during the year ended 31 December 2023 and up to the date of this report.

Indemnity and insurance of auditor
The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 20 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 20 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:
- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the company who are former partners of William Buck Audit (Vic) Pty Ltd
There are no officers of the company who are former partners of William Buck Audit (Vic) Pty Ltd.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor
William Buck Audit (Vic) Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

Jayex Technology Limited
Directors' report
31 December 2023

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

____
Michael Boyd
Chairman

2 May 2024

William Buck
ACCOUNTANTS & ADVISORS

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of Jayex Technology Limited

As lead auditor for the audit of Jayex Technology Limited for the year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Jayex Technology Limited and the entities it controlled during the year.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

A. A. Finnis
Director
Melbourne, 2 May 2024

Jayex Technology Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2023

	Note	Consolidated 31 Dec 23 $	31 Dec 22 $
Revenue from continuing operations	4	3,695,728	4,303,996
Other income	5	110,193	202,936
Interest revenue calculated using the effective interest method		5,381	-
Expenses			
Raw materials and consumables used		(1,160,472)	(916,882)
Employee benefits expense		(2,980,848)	(3,107,925)
Depreciation and amortisation expense		-	(373,742)
Impairment of investments		(1,498,092)	-
Impairment of intangible assets		-	(3,748,022)
Administrative, corporate and other expenses		(1,902,185)	(1,488,442)
Marketing expenses		(185,537)	(73,551)
Finance costs	6	(172,323)	(919,068)
Loss before income tax benefit from continuing operations		(4,088,155)	(6,120,700)
Income tax benefit		158,000	86,179
Loss after income tax benefit from continuing operations		(3,930,155)	(6,034,521)
Loss after income tax expense from discontinued operations	7	-	(1,211,317)
Loss after income tax benefit for the year attributable to the owners of Jayex Technology Limited		(3,930,155)	(7,245,838)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Loss on the revaluation of equity instruments at fair value through other comprehensive income, net of tax		-	(106,961)
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(155,266)	(154,927)
Other comprehensive income for the year, net of tax		(155,266)	(261,888)
Total comprehensive income for the year attributable to the owners of Jayex Technology Limited		(4,085,421)	(7,507,726)
Total comprehensive income for the year is attributable to:			
Continuing operations		(4,085,421)	(6,296,409)
Discontinued operations		-	(1,211,317)
		(4,085,421)	(7,507,726)

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

Jayex Technology Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2023

		Cents	Cents
Earnings per share for loss from continuing operations attributable to the owners of Jayex Technology Limited			
Basic earnings per share	28	(1.45)	(2.42)
Diluted earnings per share	28	(1.45)	(2.42)
Earnings per share for loss from discontinued operations attributable to the owners of Jayex Technology Limited			
Basic earnings per share	28	-	(0.49)
Diluted earnings per share	28	-	(0.49)
Earnings per share for loss attributable to the owners of Jayex Technology Limited			
Basic earnings per share	28	(1.45)	(2.91)
Diluted earnings per share	28	(1.45)	(2.91)

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

Jayex Technology Limited
Statement of financial position
As at 31 December 2023

	Note	Consolidated 31 Dec 23 $	Consolidated 31 Dec 22 $
Assets			
Current assets			
Cash and cash equivalents		54,304	239,379
Trade and other receivables	8	221,889	397,659
Inventories		168,692	139,324
Other		52,231	19,063
Total current assets		497,116	795,425
Non-current assets			
Other		6,827	39,363
Financial assets at fair value through profit and loss	9	-	1,414,828
Right-of-use assets		-	50,463
Total non-current assets		6,827	1,504,654
Total assets		503,943	2,300,079
Liabilities			
Current liabilities			
Trade and other payables	11	2,404,174	1,824,437
Contract liabilities	12	1,039,041	1,099,514
Borrowings	13	2,759,937	4,136,825
Lease liabilities		-	51,764
Provision for income tax on capital gains		39,728	39,940
Employee benefits		32,148	27,281
Provisions	14	251,506	236,344
Total current liabilities		6,526,534	7,416,105
Non-current liabilities			
Borrowings	13	819,978	1,208,889
Lease liabilities		-	3,461
Employee benefits		2,455	1,727
Total non-current liabilities		822,433	1,214,077
Total liabilities		7,348,967	8,630,182
Net liabilities		(6,845,024)	(6,330,103)
Equity			
Issued capital	15	28,405,052	28,112,494
Reserves	16	1,255,839	(1,866,837)
Accumulated losses		(36,505,915)	(32,575,760)
Total deficiency in equity		(6,845,024)	(6,330,103)

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

Jayex Technology Limited
Statement of changes in equity
For the year ended 31 December 2023

Consolidated	Issued capital $	Share based payments reserve $	Foreign exchange reserve $	Financial asset reserve $	Accumulated losses $	Total deficiency in equity $
Balance at 1 January 2022	28,112,494	12,187	(1,724,097)	57,091	(25,280,052)	1,177,623
Loss after income tax benefit for the year	-	-	-	-	(7,245,838)	(7,245,838)
Other comprehensive income for the year, net of tax	-	-	(154,927)	(106,961)	-	(261,888)
Total comprehensive income for the year	-	-	(154,927)	(106,961)	(7,245,838)	(7,507,726)
Transactions with owners in their capacity as owners:						
Disposal of financial assets	-	-	-	49,870	(49,870)	-
Balance at 31 December 2022	28,112,494	12,187	(1,879,024)	-	(32,575,760)	(6,330,103)

Consolidated	Issued capital $	Share-based payment reserve $	Foreign exchange reserve $	Financial asset reserve $	Accumulated losses $	Total deficiency in equity $
Balance at 1 January 2023	28,112,494	12,187	(1,879,024)	-	(32,575,760)	(6,330,103)
Loss after income tax benefit for the year	-	-	-	-	(3,930,155)	(3,930,155)
Other comprehensive income for the year, net of tax	-	-	(155,266)	-	-	(155,266)
Total comprehensive income for the year	-	-	(155,266)	-	(3,930,155)	(4,085,421)
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs (note 15)	292,558	27,942	-	-	-	320,500
Options issued to extinguish convertible notes and other borrowings	-	3,250,000	-	-	-	3,250,000
Balance at 31 December 2023	28,405,052	3,290,129	(2,034,290)	-	(36,505,915)	(6,845,024)

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

Jayex Technology Limited
Statement of cash flows
For the year ended 31 December 2023

	Note	Consolidated 31 Dec 23 $	31 Dec 22 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		3,599,607	4,237,280
Payments to suppliers and employees (inclusive of GST)		(5,580,102)	(4,815,541)
		(1,980,495)	(578,261)
Interest received		5,381	-
Other revenue		237,046	133,887
Interest and other finance costs paid		(258,772)	(172,605)
Net operating cash used by discontinued operations	7	-	(39,944)
Income taxes refunded / (paid)		158,000	(199,447)
Net cash used in operating activities	26	(1,838,840)	(856,370)
Cash flows from investing activities			
Proceeds from disposal of investments		-	429,040
Net cash from investing activities		-	429,040
Cash flows from financing activities			
Proceeds from borrowings		1,734,460	266,642
Repayment of borrowings		(397,891)	(391,111)
Repayment of lease liabilities		-	(136,676)
Proceeds from share placement (net of costs)		320,500	-
Net cash used in the financing activities of discontinued operations		-	(20,569)
Net cash from/ (used in) financing activities		1,657,069	(281,714)
Net decrease in cash and cash equivalents		(181,771)	(709,044)
Cash and cash equivalents at the beginning of the financial year		239,379	982,716
Effects of exchange rate changes on cash and cash equivalents		(3,304)	(34,293)
Cash and cash equivalents at the end of the financial year		54,304	239,379

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

Note 1. Material accounting policy information

The accounting policies that are material to the consolidated entity are set out below. The accounting policies adopted are consistent with those of the previous financial year, 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.

Other accounting pronouncements which have become effective from 1 January 2023 and have therefore been adopted have not had a significant impact on the Group's financial results or position.
New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the year ended 31 December 2023.

Going concern
The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The working capital position as at 31 December 2023 of the consolidated entity, as disclosed in the statement of financial position, is an apparent excess of current liabilities over current assets of $6,029,418 (2022: $6,620,680). However, the current liabilities as at 31 December 2023 include contract liabilities which do not represent amounts currently payable, or expected to become payable, to third parties. Excluding these liability amounts from the calculation of working capital at 31 December 2023, results in adjusted working capital deficit of $4,990,377 (2022: $2,821,166).
The cash balance at 31 December 2023 was $54,304 (2022: $239,379).

The consolidated entity incurred a net loss after tax for the financial year ended 31 December 2023 of $3,930,155 (2022: $7,245,838) and had net cash outflows from operating activities of $1,838,840 (2022: $856,370).
These conditions give rise to a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern.

Notwithstanding these results, the directors believe that the company will be able to continue as a going concern and as a result the financial statements have been prepared on a going concern basis. The accounts have been prepared on the assumption that the company is a going concern for the following reasons:

The following are also relevant:
- The consolidated entity has a large and very stable customer base, with a very low churn rate across the core products;
- an organizational restructure and various efficiency projects have delivered material reductions in operational expenditure. The consolidated entity has further ability to scale down if required;
- financial support has been consistently offered by related parties of the Directors;
- the Board is of the opinion that the consolidated entity has, or shall have access to, sufficient funds to meet the planned corporate activities and working capital requirements; and
- as the Company is an ASX-listed entity, the consolidated entity has the ability to raise additional funds if required.

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

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').

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.

Note 1. Material accounting policy information (continued)

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Jayex Technology Limited ('company' or 'parent entity') as at 31 December 2023 and the results of all subsidiaries for the year then ended. Jayex Technology Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'. Details of subsidiaries are included in note 24.

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.

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'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation
The financial statements are presented in Australian dollars, which is Jayex Technology 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 upon the disposal of a foreign operation or net foreign investment.

Revenue recognition
The consolidated entity predominantly derives revenue from the sale of goods and services. Significant contracts with customers depict various performance obligations, such as:

- Supply and delivery of equipment, along with the software license to run on such equipment. This also include installation services and web portal access;
- Additional services (if contracted and included to that standard services agreement);
- Annual, ongoing software license and support services;
- Software customisation (development) and related support services; and
- Annual and ongoing extended warranty services.

Note 1. Material accounting policy information (continued)

To determine whether to recognise revenue, the consolidated entity follows a 5-step process:
- Identifying the contract with a customer
- Identifying the performance obligations
- Determining the transaction price
- Allocating the transaction price to the performance obligations
- Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is recognised either at a point in time or over time, when (or as) the consolidated entity satisfies performance obligations by transferring the promised goods or services to its customers.

Rendering of services
All deals are done on an annual basis with the option to pay for additional year(s)' warranty and software support at the time of the sale in advance. Revenue is recognised on a straight-line basis over the term of the contract for such services. This method best depicts the transfer of services to the customer as the consolidated entity's historical experience demonstrates no statistically significant variation in the quantum of services provided in each year of a multi-year contract.
Under AASB 15, the consolidated entity concluded that revenue from warranty and software support services will continue to be recognised over time, using an input method to measure progress towards complete satisfaction of the service similar to the previous accounting policy, because the customer simultaneously receives and consumes the benefits provided by the consolidated entity.

The consolidated entity recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the consolidated entity satisfies a performance obligation before it receives the consideration, the consolidated entity recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Equipment (Kiosk) sale and installation
The supply, installation and commissioning of requested equipment by the consolidated entity to the customer in accordance with a contract. Revenue is recognized at the point in time when the equipment has been commissioned and commences operation in accordance with specifications, at which point the performance obligation is satisfied. The equipment can only be installed by the company, as such the customer cannot derive benefits from the equipment until after installation of the software to run it, consequently, the revenue is recognized at a point in time after installation.

Software licences
Provision, over a specified period, of licence permitting and enabling the customer to access and use the software product supplied by the consolidated entity. Revenue is recognized on a straight-line basis over the specified period, i.e. over time.

Extended warranties
Provision, over a specified period, of an extended warranty in favour of the customer to repair or replace equipment previously supplied by the consolidated entity. Revenue is recognized on a straight-line basis over the specified warranty period, i.e. over time.

Software support services
Provision by the consolidated entity, over a specified period, of telephone and online software support services to the customer, whereby client queries and problems are resolved by consolidated entity staff as required. Revenue is recognized on a straight-line basis over the specified period, i.e. over time.

Software development services
The supply, installation and commissioning of specific specialised software enhancements as required by the customer, which are outside of, or in addition to, the standard software product offered by the consolidated entity. Revenue is recognized over time as and when the software development services are delivered, and recognition ceases once the project has been commissioned and commences operation in accordance with customer specifications at which point the performance obligation is satisfied. At this point any further service provided in relation to such development would be covered by Software support services as described above.

Note 1. Material accounting policy information (continued)

Other income

Interest
Interest income 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.

Government grants
Government grants are recognised when there is reasonable assurance that the grant will be received, and all grant conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is expected to compensate.

Discontinued operations
A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale 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.

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, its carrying value is written off.

Financial assets at amortised cost
A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Financial assets at fair value through profit or loss
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

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.

Note 1. Material accounting policy information (continued)

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.

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.

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.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost.

Provisions
Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either: (i) 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; or,

(ii) Barren option pricing model which takes into account largely the same factors as the above model, but also takes into account the relevant predetermined level (the barrier), with the fair value calculated using a trinomial lattice.

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.

Note 1. Material accounting policy information (continued)

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.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

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.

Loss per share

Basic loss per share
Basic loss per share is calculated by dividing the loss attributable to the owners of Jayex Technology 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 loss per share
Diluted loss per share adjusts the figures used in the determination of basic loss 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.

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.

Note 1. Material accounting policy information (continued)

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.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 31 December 2023. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

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.

Warranty provision
In determining the level of provision required for warranties the consolidated entity has made judgements in respect of the expected performance of the products, the number of customers who will actually claim under the warranty and how often, and the costs of fulfilling the conditions of the warranty. The provision is based on estimates made from historical warranty data associated with similar products and services.

Estimates on the churn of customer relationships
Management has estimated that the average customer retention is 10 years. Amortisation of intangible assets related to customer relationship has accordingly been amortised over 10 years. Existing customers pay an annual subscription renewal identifying the existing useful life of their product. Our churn is estimated to be at 3%. The majority of our customers are repeat purchasers.

Note 3. Operating segments

Identification of reportable operating segments
The operating business is primarily in the United Kingdom (UK) with operations in Australia and New Zealand (Australia) having been scaled down to a minimum. The consolidated entity’s monthly Board reports are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. These results are separated by the identified geographic regions being UK and Australia. There is no aggregation of operating segments.

The CODM reviews EBITDA (earnings before interest, tax, impairments, depreciation and amortisation), excluding capital-raising expenses and share-based payments. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

No changes to the policy above have occurred during the financial year.

Note 3. Operating segments (continued)

Types of products and services
The principal products and services of each of these operating segments consisted of the development and provision of healthcare industry service technologies.

Intersegment transactions
Intersegment transactions were made at market rates. Australia may charge the United Kingdom segment a management fee. Intersegment transactions are eliminated on consolidation.

Intersegment receivables, payables and loans
Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Major customers
The consolidated entity does not have a major customer that contributes more than 10% or more to the consolidated entity's revenue.

Jayex Technology Limited
Notes to the financial statements
31 December 2023

Note 3. Operating segments (continued)

Operating segment information

Consolidated 2023	**Australia $**	**United Kingdom $**	**Total $**
Sales to external customers	43,992	3,651,736	3,695,728
Total revenue	43,992	3,651,736	3,695,728
Interest revenue	-	5,381	5,381
Other revenue	84,671	25,522	110,193
Segment operating expenses	(614,691)	(5,614,351)	(6,229,042)
EBITDA	(486,028)	(1,931,712)	(2,417,740)
Finance cost			(172,323)
Impairment of investments			(1,498,092)
Loss before income tax benefit			(4,088,155)
Income tax benefit			158,000
Loss after income tax benefit continuing operations			(3,930,155)

Consolidated - 2023	Australia $	United Kingdom $	Total $
Current assets	44,027	453,089	497,116
Non-current assets	6,827	-	6,827
Total assets	50,854	453,089	503,943
Current liabilities	1,029,469	5,497,065	6,526,534
Non-current liabilities	538,830	283,603	822,433
	1,568,299	5,780,668	7,348,967

Consolidated 2022	**Australia $**	**United Kingdom**	**Total**
Sales to external customers	320,142	3,983,854	4,303,996
Total revenue	320,142	3,983,854	4,303,996
Other revenue	82,741	51,146	133,887
Segment operating expenses	(1,215,428)	(4,371,372)	(5,586,800)
EBITDA	(812,545)	(336,372)	(1,148,917)
Finance costs			(919,068)
Depreciation & amortisation expense			(373,742)
Impairment of intangibles - *(United Kingdom segment)*			(3,748,022)
Fair value change in the derivative instrument			69,049
Loss before income tax benefit			(6,120,700)
Income tax benefit			86,179
Loss after income tax benefit continuing operations			(6,034,521)

Note 3. Operating segments (continued)

Consolidated - 2022	Australia $	United Kingdom $	Total $
Current assets	61,971	733,454	795,425
Non-current assets	1,451,203	53,451	1,504,654
Total assets	1,513,174	786,905	2,300,079
Current liabilities	4,199,383	3,216,722	7,416,105
Non-current liabilities	5,189	1,208,888	1,214,077
	4,204,572	4,425,610	8,630,182

Note 4. Revenue

	Consolidated	
	31 Dec 23 **$**	**31 Dec 22** **$**
From continuing operations		
Sales revenue	3,695,728	4,303,996

Sales revenue is revenue generated from the consolidated entity's healthcare industry service provision businesses.

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	31 Dec 23 **$**	**31 Dec 22** **$**
Major product lines		
Supply and installation of hardware (at a point of time)	1,380,560	1,672,713
Software licences and support services (over time)	2,213,163	2,254,609
Extended warranty (over time)	102,005	376,674
	3,695,728	4,303,996

Note 5. Other income

	Consolidated	
	31 Dec 23 **$**	**31 Dec 22** **$**
Net foreign exchange gain	83,264	82,741
Fair value change in the derivative instrument	-	69,049
Other	26,929	51,146
	110,193	202,936

Note 6. Expenses

	Consolidated 31 Dec 23 $	Consolidated 31 Dec 22 $
Loss before income tax from continuing operations includes the following specific expenses:		
Depreciation		
Buildings right-of-use assets	-	119,441
Amortisation		
Software	-	45,146
Customer relationships	-	209,155
Total amortisation	-	254,301
Total depreciation and amortisation	-	373,742
Finance costs		
Interest and finance charges paid/payable on borrowings	172,323	913,015
Interest and finance charges paid/payable on lease liabilities	-	6,053
Finance costs expensed	172,323	919,068
Superannuation expense		
Defined contribution superannuation expense	29,704	41,872
Employee benefits expense excluding superannuation		
Employee benefits expense excluding superannuation	2,951,144	3,066,053

Note 7. Discontinued operations

Description
During the previous year, the Group sold its on-premises Acute hospital queue management business to Canadian based medical technology company Vitalhub Inc. Under the agreement, Vitalhub acquired Jayex's hospital contracts in both the UK and Australia for a consideration of £1.04 million (~$1.9 million AUD) in cash and £0.26 million (~$0.47million AUD) in Vitalhub shares (150,078 shares in total).

Note 7. Discontinued operations (continued)

Financial performance information

	Consolidated 31 Dec 22 $
Professional services expenses	(14,131)
Foreign exchange gains/losses	18,308
Depreciation and amortisation	(98,540)
Other expense	(15,510)
Impairment of intangible asset	(974,388)
Impairment of plant and equipment	(163,139)
Total expenses	(1,247,400)
Loss before income tax expense	(1,247,400)
Income tax expense	-
Loss after income tax expense	(1,247,400)
Gain on disposal before income tax	36,083
Income tax expense	-
Gain on disposal after income tax expense	36,083
Loss after income tax expense from discontinued operations	(1,211,317)

Details of the disposal

	Consolidated 31 Dec 22 $
Consideration from release of Escrow	36,083
Gain on disposal before income tax **	36,083
Gain on disposal after income tax	36,083

** The gain on disposal related to the release of escrowed funds held which was previously recognised as a contingent asset.

Note 7. Discontinued operations (continued)

Closure of Whakaora Hou Limited Operations

During the year ended 31 December 2022, the consolidated entity has closed its operations at Whakaora Hou Limited (WHL). The financial performance of the discontinued operations of WHL during the year as following:

Financial performance information

	Consolidated 31 Dec 22
Revenue	-
Professional services expenses	(14,131)
Foreign exchange gains/losses	18,308
Depreciation and amortisation	(98,540)
Other expense	(15,510)
Impairment of intangible asset	(974,388)
Impairment of plant and equipment	(163,139)
Total expenses	(1,247,400)
Gain on disposal before income tax	
Income tax expense	
Loss on disposal after income tax expense	(1,247,400)
Loss after income tax expense from discontinued operations	(1,247,400)

Note 8. Trade and other receivables

	Consolidated	
	31 Dec 23 $	31 Dec 22 $
Current assets		
Trade receivables, net of expected credit losses	203,941	388,058
Other receivables	17,948	9,601
	221,889	397,659

Allowance for expected credit losses
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	31 Dec 23 %	31 Dec 22 %	31 Dec 23 $	31 Dec 22 $'000	31 Dec 23 $	31 Dec 22 $'000
Not overdue	-	-	81,910	32,670	-	-
0 to 3 months overdue	11%	-	136,945	290,336	(14,914)	-
3 to 6 months overdue	100%	-	26,936	54,390	(26,936)	-
Over 6 months overdue	100%	82%	43,124	61,258	(43,124)	(50,596)
			288,915	438,654	(84,974)	(50,596)

Note 9. Financial assets at fair value through profit and loss

	Consolidated	
	31 Dec 23	**31 Dec 22**
	$	**$**
Non-current assets		
Investment in Brainworks	-	1,414,828

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

Opening fair value	1,414,828	1,368,846
Exchange differences	83,264	45,982
Impairment of investment	(1,498,092)	-
Closing fair value	-	1,414,828

During the 2021 financial year, the Company invested USD 1 million (equivalent to ÄUD 1.36 million) in Brainworks Foundry Inc. ('Brainworks') to subscribe to 1,234,566 Brainworks shares at an issue price of USD 0.81. The investment was held at fair value with subsequent changes carried through the statement of profit or loss. As at 31 December 2023 the investment was fully impaired.

Note 10. Intangibles

	Consolidated	
	31 Dec 23	**31 Dec 22**
	$	**$**
Non-current assets		
Goodwill - at cost	-	9,942,846
Less: Impairment	-	(9,942,846)
	-	-
Product development - at cost	-	1,109,426
Less: Accumulated amortisation	-	(135,038)
Less: Impairment	-	(974,388)
	-	-
Software platform - at cost	-	1,460,674
Less: Accumulated amortisation - Software	-	(1,434,943)
Less: Impairment	-	(25,731)
	-	-
Customer relationships - at cost	-	2,444,810
Less: Accumulated amortisation - Customer relationships	-	(2,200,380)
Less: Impairment	-	(244,430)
	-	-
	-	-

Note 10. 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 $	Patents & trademarks $	Software platform $	Customer relationships $	Development cost $	Total $
Balance at 1 January 2022	3,638,944	-	74,168	474,633	988,984	5,176,729
Additions	-	-	-	-	48,539	48,539
Exchange differences	(161,083)	-	(3,291)	(21,048)	(7,664)	(193,086)
Impairment of assets	(3,477,861)	-	(25,731)	(244,430)	(974,388)	(4,722,410)
Write off of assets	-	-	-	(209,155)	(55,471)	(264,626)
Amortisation expense	-	-	(45,146)	-	-	(45,146)
Balance at 31 December 2022	-	-	-	-	-	-
Balance at 31 December 2023	-	-	-	-	-	-

During the year ended 31 December 2022 the consolidated entity impaired $ 4,772,410 of its intangible assets of which:
* $974,388 related to the discontinued operations of Whakaora Hou Limited. Refer to note 9 for further details; and
** $3,748,022 related to the continuing operations at company's UK subsidiary, Jayex Technology Ltd. It comprised impairment of goodwill and customer relationships recognised at the time of the acquisition of the UK business and software platform developed by the company. The impairment was driven by losses incurred at the UK business and Group's assessment that the carrying amount of these asset exceeds its recoverable amount.

Impairment
During the year ended 31 December 2022 the consolidated entity performed an impairment assessment of its cash generating unit, which was Jayex Technology CGU.

As a result of the assessment, for the year ended 31 December 2022, the consolidated entity recognised a goodwill impairment of $3.47 million in relation to the Jayex Technology CGU.

Note 11. Trade and other payables

	Consolidated	
	31 Dec 23 $	**31 Dec 22 $**
Current liabilities		
Trade payables	1,426,532	447,161
Accrued expenses	517,325	454,158
Interest payable	-	87,750
GST and VAT payable	55,913	196,092
Other payables	404,404	639,276
	2,404,174	1,824,437

Refer to note 17 for further information on financial instruments.

Note 12. Contract liabilities

	Consolidated	
	31 Dec 23	**31 Dec 22**
	$	**$**
Current liabilities		
Contract liabilities - Deferred service income	1,039,041	1,099,514

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

Opening balance	1,099,514	1,615,450
Payments received in advance	2,287,463	2,788,885
Transfer to revenue	(2,374,090)	(3,345,046)
Exchange rate movements	26,154	40,225
Closing balance	1,039,041	1,099,514

Contract liabilities represents sales invoiced in advance for the provision of contracted services.

Note 13. Borrowings

	Consolidated	
	31 Dec 23	**31 Dec 22**
	$	**$**
Current liabilities		
Bank loans (a)	447,261	426,666
Related party borrowings (refer note 22)	1,681,987	1,010,159
Other unsecured borrowings (b)	630,689	-
Convertible notes payable - related party (refer note 22)	-	2,700,000
	2,759,937	4,136,825
Non-current liabilities		
Bank loans (a)	819,978	1,208,889
	3,579,915	5,345,714

Refer to note 17 for further information on financial instruments.

(a) The bank loans comprise:

(i) GBP 600,000 from National Westminster Bank, United Kingdom with an interest rate of 2.05% per annum. This loan is repayable by June 2026 with repayment started from July 2021. As of 31 December 2023, current and non-current portions of loan are at GBP 120,000 (equivalent to $223,631) and GBP180,000 (equivalent to $335,445) respectively.
(ii) GBP 600,000 from National Westminster Bank, United Kingdom with an interest rate of 2.05% per annum. This loan is repayable by February 2027 with repayment starting from March 2022. As of 31 December 2023, current and non-current portions of loan are at GBP 120,000 (equivalent to $223,630) and GBP 260,000 (equivalent to $484,533) respectively.

(b) Other unsecured borrowings are repayable at call with an interest rate of 15% per annum.

Note 14. Provisions

	Consolidated 31 Dec 23 $	Consolidated 31 Dec 22 $
Current liabilities		
Provision for warranties	251,506	212,571
Provision for credit notes	-	23,773
	251,506	236,344

Warranties
The provision represents the estimated warranty claims in respect of products sold which are still under warranty at the reporting date. The provision is estimated based on historical warranty claim information, sales levels and any recent trends that may suggest future claims could differ from historical amounts.

Credit notes
The provision represents the estimated credit notes which may be granted in future periods in respect of products sold prior to the reporting date. The provision is estimated based on historical credit note information, sales levels and any recent trends that may suggest future issues of credit notes could differ from historical amounts.

Movements in provisions
Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

Consolidated - 31 Dec 23	**Warranties** $	**Credit notes** $
Carrying amount at the start of the year	212,571	23,773
Additional provisions recognised	38,935	-
Reduction in provision required	-	(23,773)
Carrying amount at the end of the year	251,506	-

Note 15. Issued capital

	Consolidated 31 Dec 23 Shares	Consolidated 31 Dec 22 Shares	Consolidated 31 Dec 23 $	Consolidated 31 Dec 22 $
Ordinary shares - fully paid	281,278,539	249,228,539	28,405,052	28,112,494

Movements in ordinary share capital

Details	**Date**	**Shares**	**Issue price**	**$**
Balance	1 January 2022	249,228,539		28,112,494
Balance	31 December 2022	249,228,539		28,112,494
Share placement [(a)]	2 March 2023	32,050,000	$0.010	320,500
Share placement costs - fair value of options issued to lead manager [(b)]	2 March 2023	-	$0.000	(27,942)
Balance	31 December 2023	281,278,539		28,405,052

Note 15. Issued capital (continued)

(a) *On 2 March 2023, the company raised additional capital of $320,500 through the placement of 32,050,000 shares to sophisticated and professional investors together with 16,025,000 free attaching options which expire on 31 May 2026 and have an exercise price of 1.5 cents. A further 5,000,000 options were issued to the lead manager in respect of their fee for assisting with the placement. These options expire on 31 May 2026 and have an exercise price of 4.5 cents. (For further information relating to options refer to note 29).*

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.

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. No external requirements have been imposed on the consolidated entity in regard to capital management.

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.

No changes to what is regarded as capital nor how it is managed have occurred during the financial year

Note 16. Reserves

	Consolidated	
	31 Dec 23	**31 Dec 22**
	$	**$**
Foreign currency reserve	(2,034,290)	(1,879,024)
Share-based payments reserve	3,290,129	12,187
	1,255,839	(1,866,837)

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. It also includes the value of equity benefits provided to extinguish borrowings.

Note 16. Reserves (continued)

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

Consolidated	Foreign currency reserve $	Share-based payments reserve $	Financial asset reserve $	Total $
Balance at 1 January 2022	(1,724,097)	12,187	57,091	(1,654,819)
Foreign currency translation	(154,927)	-	-	(154,927)
Movement in the value of investments	-	-	(106,961)	(106,961)
Disposal of financial assets	-	-	49,870	49,870
Balance at 31 December 2022	(1,879,024)	12,187	-	(1,866,837)
Foreign currency translation	(155,266)	-	-	(155,266)
Options issued to extinguish convertible note liabilities	-	2,700,000	-	2,700,000
Options issued to extinguish unsecured borrowings	-	550,000	-	550,000
Options issued to share placement lead manager	-	27,942	-	27,942
Balance at 31 December 2023	(2,034,290)	3,290,129	-	1,255,839

Note 17. Financial instruments

Financial risk management objectives
The entity's principal financial instruments comprise cash and cash equivalents, trade and other receivables, investments, trade and other payables and borrowings. The main purpose of these financial instruments is to finance the entity's operations. The entity has various other financial assets and liabilities such as receivables and trade payables, which arise directly from its operations. It is, and has been throughout the entire period, the entity's policy that no trading in financial instruments shall be undertaken.

There are no major risks arising from the entity's financial instruments, as no significant term deposits/cash investments are maintained. Minor risks are summarised below. The Board reviews and agrees policies for managing each of these risks.

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.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

This exposure could have a material effect on the results of the consolidated entity in the long term, in particular the exchange differences arising from the translation of the consolidated entity's net investment in Jayex Technology Limited (JUK), and its future revenue and expense streams.

The average exchange rates and reporting date exchange rates applied were as follows:

	Average exchange rates		Reporting date exchange rates	
	31 Dec 23	**31 Dec 22**	**31 Dec 23**	**31 Dec 22**
Australian dollars				
Pound sterling (GBP)	0.5345	0.5626	0.5366	0.5376
New Zealand dollar (NZD)	1.0821	1.0937	1.0768	1.0628
United States dollar (USD)	-	0.6947	-	0.9245
Canadian dollar (CAD)	-	0.9029	-	0.7256

Note 17. Financial instruments (continued)

As noted above, foreign currency risk arises when future commercial transactions and recognised financial assets and liabilities are denominated in a currency that is not the entity's functional currency.

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

Consolidated	Assets 31 Dec 23 $	Assets 31 Dec 22 $	Liabilities 31 Dec 23 $	Liabilities 31 Dec 22 $
US dollars*	-	1,414,828	-	-
Pound Sterling	243,234	681,181	4,462,713	4,269,803
New Zealand dollars	15,469	27,812	210,192	788,517
	258,703	2,123,821	4,672,905	5,058,320

* This relates to investment in the shares of Brainworks Foundry Inc. ('Brainworks'), based in Delaware, United States. The shares were issued with a share price expressed in USD, however effective 31 December 2023, the investment was fully impaired. (Refer to note 9 for further details).

The table below sets out the impact of a 1% strengthening and weaking of the Australian dollar.

Consolidated - 31 Dec 23	AUD strengthened % change	AUD strengthened Effect on profit before tax	AUD strengthened Effect on equity	AUD weakened % change	AUD weakened Effect on profit before tax	AUD weakened Effect on equity
Pound Sterling	1%	(42,194)	(42,194)	-	42,194	42,194
New Zealand dollars	1%	(1,947)	(1,947)	-	1,947	1,947
		(44,141)	(44,141)		44,141	44,141

Consolidated - 31 Dec 22	AUD strengthened % change	AUD strengthened Effect on profit before tax	AUD strengthened Effect on equity	AUD weakened % change	AUD weakened Effect on profit before tax	AUD weakened Effect on equity
Pound Sterling	1%	(3,300)	(3,300)	1%	3,300	3,300
New Zealand dollars	1%	(3,300)	(3,300)	-	3,300	3,300
United States dollars	1%	(14,000)	(14,000)	-	14,000	14,000
		(20,600)	(20,600)		20,600	20,600

Price risk
The consolidated entity is not exposed to any significant price risk.

Interest rate risk
As at reporting date the consolidated entity had cash at bank of $54,304 and borrowings of $3,579,915 Cash at bank as at the reporting date is held in a number of bank accounts, operated by the consolidated entity's parent entity and its subsidiaries. Interest on bank accounts is insignificant. The interest rates on borrowings are at fixed rates of 2.05 percent per annum on a loan of $1,267,239. Other unsecured borrowings totalling $630,689 are repayable at call with an interest rate of 15% per annum. Any feasible change in market rates is not expected to have a material impact on the financial results of the consolidated entity.

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.

Note 17. Financial instruments (continued)

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 has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

The consolidated entity continuously monitors defaults of customers and other counterparties, identified either individually or by group and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Group’s policy is to deal only with creditworthy counterparties.

Other than trade receivables, the consolidated entity's main counterparties are major, reputable banks and government sales tax authorities. The consolidated entity is satisfied that the risk of default on the part of these counterparties is low.

The consolidated entity’s management considers that all of the financial assets referred to above that are not impaired or past due at the reporting date are of good credit quality.

Liquidity risk
The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

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 - 31 Dec 23	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	-	2,404,174	-	-	-	2,404,174
Borrowings (related party)	-	1,681,987	-	-	-	1,681,987
Interest-bearing - variable						
Bank loans	2.05%	447,261	819,978	-	-	1,267,239
Other borrowings loans	15.00%	630,689	-	-	-	630,689
Total non-derivatives		5,164,111	819,978	-	-	5,984,089

Note 17. Financial instruments (continued)

Consolidated - 31 Dec 22	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	-	1,824,437	-	-	-	1,824,437
Borrowings (related party)	-	1,010,159	-	-	-	1,010,159
Lease liabilities	-	51,764	3,461	-	-	55,225
Interest-bearing - variable						
Bank loans	2.05%	426,666	1,208,889	-	-	1,635,555
Convertible notes	6.50%	2,700,000	-	-	-	2,700,000
Total non-derivatives		6,013,026	1,212,350	-	-	7,225,376

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 18. 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 - 31 Dec 23	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Investment in Brainworks *(now fully impaired)*	-	-	-	-
Total assets	-	-	-	-

Consolidated - 31 Dec 22	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Investment in Brainworks	-	-	1,414,828	1,414,828
Total assets	-	-	1,414,828	1,414,828

There were no transfers between levels during the financial year.

Level 3 assets and liabilities
Level 3 liabilities movements during the current and previous financial year were nil. Movements in level 3 assets during the current and previous financial year are set out in *note 9 'Financial assets at fair value through profit and loss'.*

Note 19. Key management personnel disclosures

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

	Consolidated	
	31 Dec 23	**31 Dec 22**
	$	**$**
Short-term employee benefits	501,934	637,033
Post-employment benefits	59,167	2,348
	561,101	639,381

Note 20. Remuneration of auditors

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

	Consolidated	
	31 Dec 23	**31 Dec 22**
	$	**$**
Audit services - William Buck Audit (Vic) Pty Ltd		
Audit or review of the financial statements	91,900	91,500
Audit services - network firms		
Audit or review of the financial statements	7,192	21,329

Note 21. Contingent liabilities

The Group had no material contingent liabilities as at the date of this report (2022: nil).

Note 22. Related party transactions

Parent entity
Jayex Technology Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 24.

Key management personnel
Disclosures relating to key management personnel are set out in note 19 and the remuneration report included in the directors' report.

Transactions with related parties
The following transactions occurred with related parties. All transactions were carried out on arm's length terms on a basis which is no more or less favourable than if the transactions had occurred with non-related entities except for the interest free loans disclosed in the Terms and Condition section below.

	Consolidated	
	31 Dec 23	**31 Dec 22**
	$	**$**
Payment for other expenses:		
Interest on convertible notes issued to Covenant Holdings (WA) Pty Ltd (an entity related to Director, Michael Boyd)	25,061	175,260

Note 22. Related party transactions (continued)

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated 31 Dec 23 $	Consolidated 31 Dec 22 $
Current payables:		
Accrued interest payable on convertible notes issued to Covenant Holdings (WA) Pty Ltd (an entity related to Director, Michael Boyd)	-	87,750
Accrued director remuneration - Michael Boyd	245,671	112,771
Accrued director remuneration - Brian Renwick	108,000	52,625
Accrued director remuneration - Michael Chan	50,323	50,323
	403,994	303,469

The current payables due to related parties were payable on demand and did not bear interest.

Loans to/from related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated 31 Dec 23 $	Consolidated 31 Dec 22 $
Convertible notes issued to Covenant Holdings (WA) Pty Ltd (an entity related to Michael Boyd, Director) *	-	2,700,000
Loans from Covenant Holdings (WA) Pty Ltd (an entity related to Michael Boyd, Director) **	1,102,674	555,000
Loans from Gold Partners PNG Pty Ltd (an entity related to Michael Boyd, Director) **	355,526	-
Other loans from Michael Boyd, Director **	223,787	455,159
	1,681,987	3,710,159

Terms and conditions
* *The convertible notes (unsecured) were issued on 13 October 2020 at an interest rate of 6.5% per annum. The notes were originally repayable on 13 October 2022 for balance not converted into shares.*

During the year the convertible notes were extinguished through the issue of options (see below for further details of borrowings extinguished through the issue of options).

** *Loans provided by Director, Michael Boyd and related entities are unsecured, interest free and repayable upon demand.*

Convertible notes and other borrowings extinguished through the issue of options

At a general meeting held on 7 March 2023 shareholders resolved to issue 250,000,000 options to extinguish a total of $3,250,000 of related party borrowings owing to Covenant Holdings (WA) Pty Ltd ("Covenant:) an entity controlled by Director, Michael Boyd. The options vested immediately, expire 7 March 2026 and have an exercise price of 1.5 cents. The related party borrowings were extinguished as follows:

- $2,700,000 in convertible notes were converted into 207,692,307 options; and
- $550,000 in unsecured borrowings, which have converted into 42,307,693 options.

As the Director was considered to be acting in his capacity as a shareholder, the transaction is an equity transaction and with no gain or loss recognised on the extinguishment of the (borrowing) liabilities. The carrying value of the liabilities at the date of extinguishment was transferred to equity.

Note 23. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	31 Dec 23	**31 Dec 22**
	$	**$**
Loss after income tax	(2,019,105)	(1,362,052)
Total comprehensive loss	(2,019,105)	(1,362,052)

Statement of financial position

	Parent	
	31 Dec 23	**31 Dec 22**
	$	**$**
Total current assets	10,049	28,852
Total assets	8,115,992	10,625,268
Total current liabilities	2,581,850	6,642,521
Total liabilities	2,581,850	6,642,521
Equity		
- Issued capital	28,405,052	28,112,494
- Share-based payments reserve	3,290,129	12,187
- Accumulated losses	(26,161,039)	(24,141,934)
Total equity	5,534,142	3,982,747

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 31 December 2023 and 31 December 2022.

Contingent liabilities
The parent entity had no contingent liabilities as at 31 December 2023 and 31 December 2022.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 31 December 2023 and 31 December 2022.

Material accounting policy information
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.
- Investments in associates 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 24. 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:

		Ownership interest	
Name	**Principal place of business / Country of incorporation**	**31 Dec 23 %**	**31 Dec 22 %**
Jayex Technology Limited	United Kingdom	100.00%	100.00%
P2U Pty Ltd	Australia	100.00%	100.00%
Jayex Australia Pty Ltd	Australia	100.00%	100.00%
Express RX Pty Ltd	Australia	100.00%	100.00%
Appointuit Pty Ltd	Australia	100.00%	100.00%
Jayex New Zealand Limited	New Zealand	100.00%	100.00%
Whakaora Hou Limited	New Zealand	100.00%	100.00%

Note 25. Events after the reporting period

On 29 January 2024 the company announced its intention to enter an incorporated joint Venture arrangement with MORPh Clinical Services Limited.

On 31 January 2024 the company confirmed it had finalised a new A$500,000 term loan facility which is now operational in the business.

On 11 March 2024, Michael Chan was appointed as Non-Executive Director.

On 11 March 2024, Nicholas Harper resigned as Non-Executive Director.

Note 26. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	31 Dec 23 $	**31 Dec 22 $**
Loss after income tax benefit for the year	(3,930,155)	(7,245,838)
Adjustments for:		
Depreciation and amortisation	-	472,283
Foreign exchange differences	(83,264)	-
Non-cash interest expense	-	730,261
Fair value remeasurement of derivative financial instrument	-	(69,049)
Impairment of assets	1,498,092	4,885,549
Change in operating assets and liabilities:		
Decrease in trade and other receivables	175,770	393,340
Decrease/(increase) in inventories	(29,368)	107,290
Decrease/(increase) in prepayments	(33,168)	35,665
Decrease in in other operating assets	32,536	-
Increase in trade and other payables	570,433	395,058
Decrease in contract liabilities	(60,473)	(515,938)
Decrease in deferred tax liabilities	-	(59,744)
Increase/(decrease) in employee benefits	5,595	(46,744)
Increase in other provisions	15,162	61,497
Net cash used in operating activities	(1,838,840)	(856,370)

Note 27. Non-cash investing and financing activities

	Consolidated	
	31 Dec 23	31 Dec 22
	$	$
Options issued to extinguish related party borrowings (Refer note 22)	3,250,000	-

Note 28. Earnings per share

	Consolidated	
	31 Dec 23	31 Dec 22
	$	$
Earnings per share for loss from continuing operations		
Loss after income tax attributable to the owners of Jayex Technology Limited	(3,930,155)	(6,034,521)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	270,595,206	249,228,539
Weighted average number of ordinary shares used in calculating diluted earnings per share	270,595,206	249,228,539
	Cents	**Cents**
Basic earnings per share	(1.45)	(2.42)
Diluted earnings per share	(1.45)	(2.42)

	Consolidated	
	31 Dec 23	31 Dec 22
	$	$
Earnings per share for loss from discontinued operations		
Loss after income tax attributable to the owners of Jayex Technology Limited	-	(1,211,317)
	Cents	**Cents**
Basic earnings per share	-	(0.49)
Diluted earnings per share	-	(0.49)

Contingently issuable shares related to convertible notes and options are not included in the diluted earnings per share calculation as they are anti-dilutive.

Note 29. Share-based payments

(a) Share-based compensation

During the year no ordinary shares were issued to directors and employees as part of compensation.

(b) Employee options

A share option plan (Plan) has been established by the consolidated entity and approved by shareholders at a general meeting, whereby the consolidated entity may, at the discretion of the Board, grant options over ordinary shares in the Company to certain employees of the consolidated entity.

During the year no options were issued to directors and employees as part of compensation.

Note 29. Share-based payments (continued)

(c) Details of options on issue under the Share Option Plan

Set out below is summary of options granted under the plan:

	Number of options 31 Dec 23	Weighted average exercise price 31 Dec 23	Number of options 31 Dec 22	Weighted average exercise price 31 Dec 22
Outstanding at the beginning of the financial year	500,000	$0.050	500,000	$0.050
Forfeited	(250,000)	$0.050	-	$0.000
Outstanding at the end of the financial year	250,000	$0.050	500,000	$0.050
Exercisable at the end of the financial year	250,000	$0.050	500,000	$0.050

(d) Options issued as part of the share placement (refer note 15 'Issued capital')

As a result of the capital raise completed during the half year ended 30 June 2023 16,025,000 options were issued as free attaching options to participants in the capital raise. These options have an exercise price of 1.5 cents and expire on 31 May 2026.

In addition, 5,000,000 options were issued to the lead manager in respect of their fee for assisting with the capital raise. These options had an exercise price of 4.5 cents and expire on 31 May 2026. The options were valued using the Black Scholes option pricing model based on the following assumptions.

- Spot price 1 cent
- Exercise price 4.5 cents
- Grant date 2 June 2023
- Expiry date 31 May 2026
- Risk free rate 3.43%
- Volatility 134.92%
- Dividend yield 0%

The options vest immediately and have no performance conditions attached. As the cost of these options is directly attributable to the issue of equity there has been no expense recognised in the statement of profit or loss and other comprehensive income.

(e) Options issued to extinguish related party borrowings (refer note 22)

On 7 March 2023, shareholders resolved to issue 250,000,000 options which vested immediately, expire 7 March 2026 and have an exercise price of 1.5 cents.

Note 29. Share-based payments (continued)

(f) Summary of options on issue

All options on issue have vested.

31 Dec 23

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
30/03/2021	29/03/2024	$0.050	250,000	-	-	(250,000)	-
04/05/2021	07/06/2024	$0.050	250,000	-	-	-	250,000
02/03/2023	31/05/2026	$0.015	-	16,025,000	-	-	16,025,000
07/03/2023	07/03/2026	$0.015	-	250,000,000	-	-	250,000,000
02/06/2023	31/05/2026	$0.045	-	5,000,000	-	-	5,000,000
			500,000	271,025,000	-	(250,000)	271,275,000
Weighted average exercise price			$0.050	$0.016	$0.000	$0.050	$0.016

31 Dec 22

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
30/03/2021	29/03/2024	$0.050	250,000	-	-	-	250,000
04/05/2021	03/05/2024	$0.050	250,000	-	-	-	250,000
04/05/2021	03/05/2024	$0.050	250,000	-	-	(250,000)	-
			750,000	-	-	(250,000)	500,000
Weighted average exercise price			$0.050	$0.000	$0.000	$0.050	$0.050

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.74 years (2022: 1.84 years).

Jayex Technology Limited
Directors' declaration
31 December 2023

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Michael Boyd
Chairman

2 May 2024

Independent auditor's report to the members of Jayex Technology Limited

Report on the audit of the financial report

Our opinion on the financial report

In our opinion, the accompanying financial report of Jayex Technology Limited (the Company) and its subsidiaries (the Group) is in accordance with the *Corporations Act 2001*, including:

— giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the year then ended; and

— complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What was audited?

We have audited the financial report of the Group, which comprises:

— the consolidated statement of financial position as at 31 December 2023,

— the consolidated statement of statement of profit or loss and other comprehensive income for the year then ended,

— the consolidated statement of changes in equity for the year then ended,

— the consolidated statement of cash flows for the year then ended;

— notes to the financial statements, including material accounting policy information, and

— the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial report, which indicates that the Group incurred a net loss of $3,930,155 and cash outflows from operations were $1,838,840 during the year ended 31 December 2023 and, as of that date, the Group's current liabilities exceeded its current assets by $6,029,418. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Revenue Recognition (refer also to notes 1 and 4)	How our audit addressed the key audit matter
The Group has multiple lines of revenue which include the following; — Software licences, warranty and software support services (recognised over time); and — Supply and installation of Kiosks (recognised at a point in time). With regards to revenue recognised over time, management has developed a model to recognise revenue when the performance obligation is satisfied over the life of each software licence. For revenue recognised at a point in time this is recognised when the kiosk is fully operation at the customer site. There is judgement in determining the period to which the revenue should be attributed. In applying its revenue model management has considered: — Compliance with AASB 15 – Revenue from contracts with customers; — When the performance obligation is identified and satisfied in respect to each component of each contract; and — The potential for any post-contract servicing work to be performed at the conclusion of the contract and whether an additional performance obligation exists. This area was considered a Key Audit Matter due to judgements involved and the significance of the revenue amount.	Our audit procedures included: — Examining management's revenue recognition model to assess if in compliance with AASB 15; — Examining and verifying a sample of customer contracts for the achievement of performance milestones relevant to key customer contracts; — Examining a sample of customer contracts to support the existence and completeness of revenue recognised in the period by agreeing to contract, invoices and subsequent receipts from their customers; and — Performing detailed cut-off testing to assess if revenue transactions at the year-end had been recorded in the correct financial period. We also assessed the appropriateness of disclosures included in the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Our opinion on the Remuneration Report

In our opinion, the Remuneration Report of Jayex Technology Limited, for the year ended 31 December 2023, complies with section 300A of the *Corporations Act 2001*.

What was audited?

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2023.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

A. A. Finnis
Director
Melbourne, 2 May 2024

Jayex Technology Limited
Shareholder information
31 December 2023

The shareholder information set out below was applicable as at 1 May 2024.

Equity securities comprise ordinary shares and options over ordinary shares.

There is no current on-market buy-back.

Distribution of equitable securities
Analysis of number of equitable security holders by size of holding:

	Options over ordinary shares Number of holders	Ordinary shares Number of holders
1 to 1,000	-	27
1,001 to 5,000	-	29
5,001 to 10,000	-	76
10,001 to 100,000	1	194
100,001 and over	3	145
	4	471
Holding less than a marketable parcel	-	284

Jayex Technology Limited
Shareholder information
31 December 2023

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	**% of total shares issued**
LIRHO PTY LTD < BOYD#4 A/C >	103,883,880	36.93
VECTOR LONDON LTD	19,003,378	6.76
MARY KATHLEEN SIMCOX	17,500,000	6.22
DONOVAN PRODUCTS PTY LTD < FAMILY ACCOUNT >	12,035,943	4.28
TURBINE CAPITAL LIMITED	8,800,000	3.13
Covenant Holding (WA) Pty Ltd	7,000,000	2.49
CITICORP NOMINEES PTY LIMITED	6,455,163	2.29
BNP PARIBAS NOMINEES PTY LTD < IB AU NOMS RETAILCLIENT >	5,990,327	2.13
MR JOEL DAVID WEBB	5,500,000	1.96
MRS VANESSA FAYE CONNOR	5,174,808	1.84
MR DEAN HENRY CLEARY < THE CLEARWAY INVESTMENT A/C >	4,140,000	1.47
AMG CORPORATE PTY LTD < THE AMG SUPER FUND A/C >	3,000,000	1.07
MR DAVID ARITI	2,839,777	1.01
MR MICHAEL RAEBURN CONNOR	2,445,079	0.87
MR JEREMY RUBEN & MRS VANESSA RUBEN < JVR SUPER FUND A/C >	2,008,067	0.71
SUPER MSJ PTY LTD < MSJ SUPER FUND A/C >	2,000,000	0.71
MR STEPHEN JOHN HART	2,000,000	0.71
MR YULIANG FAN	2,000,000	0.71
MS CHUNYAN NIU	2,000,000	0.71
MR SAMUEL GERSHON JACOBS & MRS SARITA DEVI JACOBS & MISS MANEKHA BRIDGETTE JACOBS < THE PHOENIX SUPERFUND A/C >	1,977,083	0.70
	215,753,505	76.70

Unquoted equity securities

	Number on issue	**Number of holders**
Employee options with an exercise price of $0.05 expiring 7 June 2024	250,000	1
Options with an exercise price of $0.015 expiring 7 March 2026	250,000,000	1
Options with an exercise price of $0.015 expiring 31 May 2026	16,025,000	1
Options with an exercise price of $0.045 expiring 31 May 2026	5,000,000	1

Jayex Technology Limited
Shareholder information
31 December 2023

Substantial holders
Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Entities under common control of Director M Boyd		
* COVENANT HOLDINGS(WA)PTY LTD and LIHRO PTY LTD	110,883,880	39.42

The information set out above regarding the names and number of shares held by substantial holders is as disclosed in substantial holding notices given to the Company.

Voting rights
The voting rights attached to ordinary shares are set out below:

Upon a poll each share shall have one vote, and only where applicable, on a show of hands every member present at a meeting in person or by proxy shall have one vote.

Corporate Governance Statement
The Company's 2024 Corporate Governance Statement has been released to ASX and is available on the Company's website at: https://www.jayex.com/en-au/investor/corporate-governance/