

SQID Technologies Limited

ABN 44 121 655 472

**Condensed Interim Financial Report (Unaudited) for the three
month period ended - 31 March 2023**

SQID Technologies Limited
Corporate directory
31 March 2023

| | |
|-----------------------------|---|
| Directors | Athan Lekkas Michael Clarke Andrew Sterling |
| Company secretary | Mark Pryn |
| Registered office | Level 14 440 Collins Street Melbourne VIC 3000 |
| Principal place of business | Level 14 440 Collins Street Melbourne VIC 3000 |
| Auditor | Pitcher Partners Level 38 345 Queen Street Brisbane QLD 4000 |
| Website | sqidtechnologies.com |
| Stock exchange listing: | Canadian Securities Exchange (CSE:SQID) |

SQID Technologies Limited

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31 March 2023

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General information

The consolidated financial statements cover SQID Technologies Limited as a Group consisting of SQID Technologies Limited and the entities it controlled at the end of, or during, the reporting period. The financial statements are presented in Australian dollars, which is SQID Technologies Limited's functional and presentation currency.

SQID Technologies Limited is a public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 14
440 Collins Street
Melbourne VIC 3000

The financial statements were authorised for issue, in accordance with a resolution of Directors. The Directors have the power to amend and reissue the financial statements.

SQID Technologies Limited
Consolidated statement of financial position
As at 31 March 2023

| | Note | Consolidated 31 Mar 2023 \$ | 31 Dec 2022 \$ |
|--------------------------------------|------|-----------------------------------|-------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | | 85,343 | 356,113 |
| Receivables | 6 | 238,470 | 230,699 |
| Other current assets | | 16,507 | 20,758 |
| Total current assets | | <u>340,320</u> | <u>607,570</u> |
| Non-current assets | | | |
| Other financial assets | | 200,220 | 200,220 |
| Total non-current assets | | <u>200,220</u> | <u>200,220</u> |
| Total assets | | <u>540,540</u> | <u>807,790</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | | 328,103 | 346,395 |
| Borrowings | | 7,854 | 13,411 |
| Employee provisions | | 89,265 | 89,265 |
| Merchant liabilities | | 18,374 | 18,374 |
| Contract liabilities | | - | 9,507 |
| Total current liabilities | | <u>443,596</u> | <u>476,952</u> |
| Non-current liabilities | | | |
| Employee provisions | 7 | 17,709 | 17,709 |
| Total non-current liabilities | | <u>17,709</u> | <u>17,709</u> |
| Total liabilities | | <u>461,305</u> | <u>494,661</u> |
| Net assets | | <u>79,235</u> | <u>313,129</u> |
| Equity | | | |
| Issued capital | | 8,824,267 | 8,824,267 |
| Reserves | | (532,105) | (532,105) |
| Accumulated losses | | (8,212,927) | (7,979,033) |
| Total equity | | <u>79,235</u> | <u>313,129</u> |

Approved by:

"Athanasios Lekkas"

Director

Date: 30 May 2023

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

SQID Technologies Limited
Consolidated statement of profit or loss and other comprehensive income
For the period ended 31 March 2023

| | Note | Consolidated 31 Dec 2023 \$ | 31 Mar 2022 \$ |
|---|------|-----------------------------------|-------------------|
| Revenue | | | |
| Revenue from contracts with customers | 4 | 137,197 | 264,802 |
| Direct costs | 5 | (67,606) | (209,020) |
| Gross profit | | <u>69,591</u> | <u>55,782</u> |
| | | | |
| Interest income | | 1 | 4 |
| Expenses | | | |
| Consultancy fees | | (127,500) | (124,793) |
| Employee benefits expense | 5 | (118,971) | (119,075) |
| IT and hosting costs | | (4,623) | (5,454) |
| Listing and registry expenses | | (7,206) | (7,471) |
| Marketing | | (4,171) | (20,318) |
| Non-executive director fees | | (10,000) | (20,000) |
| Professional fees - other | | (20,864) | (39,950) |
| Other expenses | | (9,670) | (37,872) |
| Depreciation and amortisation | | - | (60,000) |
| Finance costs | | (481) | - |
| Total expenses | | <u>(303,486)</u> | <u>(434,933)</u> |
| | | | |
| Loss before income tax expense | | (233,894) | (379,147) |
| | | | |
| Income tax expense | | - | - |
| | | | |
| Loss after income tax expense for the period attributable to the owners of SQID Technologies Limited | | (233,894) | (379,147) |
| | | | |
| Other comprehensive income for the period, net of tax | | - | - |
| | | | |
| Total comprehensive income for the period attributable to the owners of SQID Technologies Limited | | <u>(233,894)</u> | <u>(379,147)</u> |
| | | Cents | Cents |
| | | | |
| Basic earnings per share | 14 | (1.62) | (2.63) |
| Diluted earnings per share | 14 | (1.62) | (2.63) |

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

SQID Technologies Limited
Consolidated statement of changes in equity
For the period ended 31 March 2023

| Consolidated | Issued capital \$ | Share-based payments reserve \$ | Common control reserve \$ | Accumulated losses \$ | Non-controlling interest \$ | Total equity \$ |
|---|-----------------------------|---|-------------------------------------|---------------------------------|---------------------------------------|---------------------------|
| Balance at 1 January 2022 | 8,824,267 | - | (532,105) | (6,766,389) | - | 1,525,773 |
| Loss after income tax expense for the period | - | - | - | (379,147) | - | (379,147) |
| Other comprehensive income for the period, net of tax | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | (379,147) | - | (379,147) |
| Balance at 30 March 2022 | <u>8,824,267</u> | <u>-</u> | <u>(532,105)</u> | <u>(7,145,536)</u> | <u>-</u> | <u>1,146,626</u> |
| Consolidated | Issued capital \$ | Share-based payments reserve \$ | Common control reserve \$ | Accumulated losses \$ | Non-controlling interest \$ | Total equity \$ |
| Balance at 1 January 2023 | 8,824,267 | - | (532,105) | (7,979,033) | - | 313,129 |
| Loss after income tax expense for the period | - | - | - | (233,894) | - | (233,894) |
| Other comprehensive income for the period, net of tax | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | (233,894) | - | (233,894) |
| Balance at 31 March 2023 | <u>8,824,267</u> | <u>-</u> | <u>(532,105)</u> | <u>(8,212,927)</u> | <u>-</u> | <u>79,235</u> |

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

SQID Technologies Limited
Consolidated statement of cash flows
For the period ended 31 March 2023

| | Note | Consolidated | Consolidated |
|--|-------------|----------------------|-------------------------|
| | | 31 Dec 2023 | 31 Mar 2022 |
| | | \$ | \$ |
| Cash flows from operating activities | | | |
| Receipts from customers | | 119,919 | 188,608 |
| Payments to suppliers and employees | | <u>(384,652)</u> | <u>(610,168)</u> |
| | | (264,733) | (421,560) |
| Interest received | | 1 | 4 |
| Interest and other finance costs paid | | <u>(481)</u> | <u>-</u> |
| Net cash used in operating activities | | <u>(265,213)</u> | <u>(421,556)</u> |
| Cash flows from investing activities | | | |
| Payments for investments | | - | (200,220) |
| Payments for intangibles | | <u>-</u> | <u>(100,000)</u> |
| Net cash used in investing activities | | <u>-</u> | <u>(300,220)</u> |
| Cash flows from financing activities | | | |
| Repayment of borrowings | | <u>(5,557)</u> | <u>-</u> |
| Net cash used in financing activities | | <u>(5,557)</u> | <u>-</u> |
| Net decrease in cash and cash equivalents | | (270,770) | (721,776) |
| Cash and cash equivalents at the beginning of the financial period | | <u>356,113</u> | <u>1,806,019</u> |
| Cash and cash equivalents at the end of the financial period | | <u><u>85,343</u></u> | <u><u>1,084,243</u></u> |

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

SQID Technologies Limited
Notes to the consolidated financial statements
31 March 2023

Note 1. Nature and continuance of operations

The Parent Entity, SQID Technologies Limited is incorporated under the Laws of Australia, specifically the Corporations Act 2001. The registered office and principal place of business of SQID Technologies Limited is located at Level 14 440 Collins St Melbourne, Victoria, 3000, Australia. The Parent Entity's shares are listed on the Canadian Securities Exchange (CSE:SQID).

The Consolidated Entity comprises SQID Technologies Limited as the parent and controlled entities. Refer to note 13 'Interests in subsidiaries'.

The Consolidated Entity may also be referred to as the "Group" and the Parent Entity may also be referred to as the "Company".

During the financial period the principal continuing activities of the Group include:

- to provide merchant services and transaction processing to business merchants and ecommerce customers across both Business to Business (B2B) and Business to Consumer (B2C) segments through its leading partner platform; and
- investing and growing esports gaming interests via the wholly owned subsidiary ICON Esports Pty Ltd (ICON).

Note 2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 March 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2022.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group 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. There were no new mandatory Accounting Standards and Interpretations adopted during the reporting period that had a material impact.

There are a number of new accounting standards, interpretations and amendments that have been issued but are not yet effective. None of these new accounting standards, interpretations and amendments are expected to have a material impact on the financial statements of the group in the period of initial application.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Going concern

The financial statements have been prepared on a going concern basis.

For the period ended 31 March 2023, the Group recorded revenue from contracts with customers of \$137,197 (2022: \$264,802) incurred a net loss of \$233,894 (2022: \$379,147) and had operating cash outflows of \$264,733 (2022: \$421,560 inflows). As at 31 March 2023 the Group had a net working capital deficiency of \$103,276 (2022:\$130,618 surplus) and net tangible assets of \$79,235 (31 December 2022: \$313,129).

Based on current operating cash flow projections, the Directors anticipate the need to raise further capital, or realise assets, within the coming 12 month period in order to continue to meet its ongoing commitments as and when they fall due. These factors combined constitute a material uncertainty which may cast doubt about the Group's ability to continue as a going concern. The Directors have concluded that the going concern basis of accounting remains appropriate, noting the following:

- as a listed entity, the Company has access to capital market funding options,
- the Company has engaged Shape Capital Pty Ltd to raise up to \$1.5m working capital funding, and
- the Company continues to assess asset realisation options.

SQID Technologies Limited
Notes to the consolidated financial statements
31 March 2023

Note 2. Material accounting policy information (continued)

Should the group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. No adjustments have been made to the financial report relating to the recoverability and classification of the carrying amounts of assets or the amount and classification of liabilities that might be necessary should the Group be unable to continue as a going concern.

Note 3. Operating segments

The Group comprises three operating segments within the geographical area of Australia: payment solutions, esports and gaming and corporate asset management. The Group segments operate independently, and discrete segmented financial information is reported to the Board. All significant operating decisions are based upon segmented analysis of the Group.

The financial results from these segments are equivalent to the financial statements of the group as a whole.

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of these general purpose financial statements.

Operating segment information

| Consolidated - 31 Mar 2023 | Payment Solutions \$ | Esports and Gaming \$ | Corporate asset management \$ | Total \$ |
|--|----------------------------|-----------------------------|--|-------------|
| Revenue * | | | | |
| Revenue from contracts with customers | 51,520 | 85,677 | - | 137,197 |
| | 51,520 | 85,677 | - | 137,197 |
| Interest revenue | - | - | 1 | 1 |
| Total revenue | 51,520 | 85,677 | 1 | 137,198 |
| EBITDA ** | 36,810 | (137,833) | (132,390) | (233,413) |
| Finance costs | - | (481) | - | (481) |
| Profit/(loss) before income tax expense | 36,810 | (138,314) | (132,390) | (233,894) |
| Income tax expense | | | | - |
| Loss after income tax expense | | | | (233,894) |
| Assets | | | | |
| Segment assets | 2,295 | 303,498 | 234,747 | 540,540 |
| Total assets | | | | 540,540 |
| Liabilities | | | | |
| Segment liabilities | 18,374 | 353,783 | 89,148 | 461,305 |
| Total liabilities | | | | 461,305 |

SQID Technologies Limited
Notes to the consolidated financial statements
31 March 2023

Note 3. Operating segments (continued)

| | Payment Solutions \$ | Esports and Gaming \$ | Corporate asset management \$ | Total \$ |
|--|----------------------------|-----------------------------|--|------------------|
| Consolidated - 31 Mar 2022 | | | | |
| Revenue * | | | | |
| Revenue from contracts with customers | 31,627 | 233,175 | - | 264,802 |
| Total sales revenue | 31,627 | 233,175 | - | 264,802 |
| Interest revenue | - | - | 4 | 4 |
| Total revenue | 31,627 | 233,175 | 4 | 264,806 |
| EBITDA ** | | | | |
| Depreciation and amortisation | - | (60,000) | - | (60,000) |
| Profit/(loss) before income tax expense | 13,801 | (232,510) | (160,438) | (379,147) |
| Income tax expense | | | | - |
| Loss after income tax expense | | | | (379,147) |
| Consolidated - 31 Dec 2022 | | | | |
| Assets | | | | |
| Segment assets | 2,325 | 557,647 | 247,818 | 807,790 |
| Total assets | | | | 807,790 |
| Liabilities | | | | |
| Segment liabilities | 18,374 | 396,436 | 79,851 | 494,661 |
| Total liabilities | | | | 494,661 |

Note 4. Revenue from contracts with customers

| | Consolidated | |
|---|---------------------|--------------------|
| | 31 Dec 2023 | 31 Mar 2022 |
| | \$ | \$ |
| Commission (<i>recognised at a point in time</i>) | 51,520 | 31,627 |
| Sponsorship and partnerships (<i>transferred over time</i>) | 85,615 | 206,028 |
| Merchandise and IP branding (<i>recognised at a point in time</i>) | 62 | (222) |
| Prize money and other competition earnings (<i>recognised at a point in time</i>) | - | 15,400 |
| Other (<i>recognised at a point in time</i>) | - | 11,969 |
| Total esports and gaming revenue | 85,677 | 233,175 |
| | 137,197 | 264,802 |

Note 5. Expenses

| | Consolidated | |
|--|---------------------|--------------------|
| | 31 Dec 2023 | 31 Mar 2022 |
| | \$ | \$ |
| Loss before income tax includes the following specific expenses: | | |
| <i>Direct costs against contracts with customers comprise:</i> | | |
| Purchases and other direct costs | 67,606 | 209,020 |
| Employee benefits expense excluding superannuation | 118,971 | 119,075 |

SQID Technologies Limited
Notes to the consolidated financial statements
31 March 2023

Note 6. Receivables

| | Consolidated | |
|---|---------------------|--------------------|
| | 31 Mar 2023 | 31 Dec 2022 |
| | \$ | \$ |
| <i>Current assets</i> | | |
| Receivables from contracts with customers | 184,257 | 58,118 |
| Other receivables | 54,213 | 172,581 |
| | <u>238,470</u> | <u>230,699</u> |

Receivables from contracts with customers represent the Group's unconditional right to consideration arising from the transfer of goods or services to the customer. In the vast majority of instances, transactions fees are paid for during the process of settling funds to merchants.

Allowance for expected credit losses

During the year the amounts written off were:

* contracts receivable from customers \$nil. (31 December 2021: \$nil).

* other receivables \$nil (31 December 2021: \$nil).

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

| Consolidated | Expected credit loss rate | | Carrying amount | | Allowance for expected credit losses | |
|-----------------------|----------------------------------|--------------------|------------------------|--------------------|---|--------------------|
| | 31 Mar 2023 | 31 Dec 2022 | 31 Mar 2023 | 31 Dec 2022 | 31 Mar 2023 | 31 Dec 2022 |
| | % | % | \$ | \$ | \$ | \$ |
| Not overdue | - | - | 235,912 | 228,141 | - | - |
| 3 to 6 months overdue | - | - | - | 2,200 | - | - |
| Over 6 months overdue | - | - | 2,558 | 358 | - | - |
| | | | <u>238,470</u> | <u>230,699</u> | <u>-</u> | <u>-</u> |

Note 7. Employee provisions

| | Consolidated | |
|--------------------------------|---------------------|--------------------|
| | 31 Mar 2023 | 31 Dec 2022 |
| | \$ | \$ |
| <i>Current liabilities</i> | | |
| Annual leave | 89,265 | 89,265 |
| <i>Non-current liabilities</i> | | |
| Long service leave | 17,709 | 17,709 |
| | <u>106,974</u> | <u>106,974</u> |

Note 8. Merchant liabilities

| | Consolidated | |
|----------------------------|---------------------|--------------------|
| | 31 Mar 2023 | 31 Dec 2022 |
| | \$ | \$ |
| <i>Current liabilities</i> | | |
| Merchant bonds | 18,374 | 18,374 |
| | <u>18,374</u> | <u>18,374</u> |

Merchant bonds are held as security against possible chargebacks against merchant payments processed.

SQID Technologies Limited
Notes to the consolidated financial statements
31 March 2023

Note 9. Contract liabilities

| | Consolidated | |
|--|---------------------|--------------------|
| | 31 Mar 2023 | 31 Dec 2022 |
| | \$ | \$ |
| <i>Current liabilities</i> | | |
| Esports and gaming revenue received in advance | - | 9,507 |

Note 10. Issued capital

| | Consolidated | | | |
|------------------------------|---------------------|--------------------|--------------------|--------------------|
| | 31 Mar 2023 | 31 Dec 2022 | 31 Mar 2023 | 31 Dec 2022 |
| | Shares | Shares | \$ | \$ |
| Ordinary shares - fully paid | 14,416,827 | 14,416,827 | 8,824,267 | 8,824,267 |

Ordinary share rights

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.

Generally, every member present at a meeting in person or by proxy shall have one vote for each share held.

Capital management

Management controls the capital of the Group in order to ensure that the Group can fund its operations and continue as a going concern. There are no externally imposed capital requirements. Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market.

Note 11. Financial instruments

Financial risk management objectives

The Group's operations are exposed the following financial risks:

- Interest rate risk,
- Credit risk,
- Liquidity risk,
- Price risk, and
- Foreign currency risk.

The board of directors has overall responsibility for identifying and managing operational and financial risks.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of financial instruments would fluctuate due to changes in foreign exchange rates. The Group is not exposed to any significant foreign currency risk.

Price risk

The Group's exposure to equity securities price relates to investments held and classified in the statement of financial position as listed and unlisted equities at fair value through profit or loss. The impact of 10% increase or decrease in security prices on the Group's loss before tax and net assets is set out below.

| Consolidated - 31 Mar 2023 | % change | Average price increase | | Average price decrease | | |
|-----------------------------------|-----------------|--|-----------------------------|-------------------------------|--|-----------------------------|
| | | Effect on profit before tax | Effect on equity | % change | Effect on profit before tax | Effect on equity |
| Unlisted securities | 10% | 20,022 | 20,022 | 10% | (20,022) | (20,022) |

SQID Technologies Limited
Notes to the consolidated financial statements
31 March 2023

Note 11. Financial instruments (continued)

| Consolidated - 31 Dec 2022 | % change | Average price increase | | % change | Average price decrease | |
|----------------------------|----------|-----------------------------|------------------|----------|-----------------------------|------------------|
| | | Effect on profit before tax | Effect on equity | | Effect on profit before tax | Effect on equity |
| Unlisted securities | 10% | <u>20,022</u> | <u>20,022</u> | 10% | <u>(20,022)</u> | <u>(20,022)</u> |

Interest rate risk

The Group does not have a significant exposure to interest rate risk. The exposure includes cash and cash equivalent balances and incidental fixed interest rate borrowings.

Credit risk

Credit risk arises from cash and cash equivalents held with banks and financial institutions, as well as customer contract credit exposures to customers.

(i) Risk management

Credit risk is managed through the maintenance of procedures ensuring to the extent possible that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment.

The Group's customer base includes of public sectors, listed companies and large and reputable private entities. Management maintains a close relationship with their customers to ensure that contract deliverables are met in a timely manner.

Risk is also minimised through holding cash and cash equivalent balances with financial institutions that maintain a high credit rating.

(iii) Trade receivables and contract assets

Aged receivable balances are closely monitored by management to ensure customers adhere to payment terms.

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.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Allowance for expected credit losses

The Group has recognised a loss of \$nil (30 March 2022: \$nil) in profit or loss in respect of the expected credit losses from receivables from contracts with customers.

Liquidity risk

Liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by endeavouring to maintaining adequate cash reserves through continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

SQID Technologies Limited
Notes to the consolidated financial statements
31 March 2023

Note 11. Financial instruments (continued)

Financing arrangements

As at 31 March 2023 there were no unused borrowing facilities available.

Remaining contractual maturities

The following tables detail the Group'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 remaining contractual liabilities shown in the tables below match the respective carrying amount in the statement of financial position.

| Consolidated - 31 Mar 2023 | 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 | | | | | | |
| <i>Non-interest bearing</i> | | | | | | |
| Trade and other payables | - | 328,103 | - | - | - | 328,103 |
| Merchant liabilities | - | 18,374 | - | - | - | 18,374 |
| <i>Interest-bearing - variable</i> | | | | | | |
| Borrowings | 9.00% | 7,854 | - | - | - | 7,854 |
| Total non-derivatives | | <u>354,331</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>354,331</u> |

| Consolidated - 31 Dec 2022 | 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 | | | | | | |
| <i>Non-interest bearing</i> | | | | | | |
| Trade and other payables | - | 346,395 | - | - | - | 346,395 |
| Merchant liabilities | - | 18,374 | - | - | - | 18,374 |
| <i>Interest-bearing - fixed rate</i> | | | | | | |
| Borrowings | 9.00% | 13,411 | - | - | - | 13,411 |
| Total non-derivatives | | <u>378,180</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>378,180</u> |

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.

SQID Technologies Limited
Notes to the consolidated financial statements
31 March 2023

Note 12. Fair value measurement

Fair value hierarchy

The following tables detail the Group'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 Mar 2023 | Level 1 \$ | Level 2 \$ | Level 3 \$ | Total \$ |
|--|---------------|---------------|---------------|-------------|
| <i>Financial assets at fair value through profit or loss</i> | | | | |
| Unlisted securities * | - | 200,220 | - | 200,220 |
| Total assets | - | 200,220 | - | 200,220 |

There were no transfers between levels during the financial period.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

Valuation techniques for fair value measurements categorised within level 2 and level 3

Unquoted investments fair value is based on recent capital raisings by the investee company.

Accounting policy for 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 will be 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.

The Group policy is to reassess the fair value hierarchy level for each investment at the end of each reporting period. Where applicable investments will be transferred between fair value hierarchy levels at the most recent fair value determination prior to the transfer. There were no transfers between fair value hierarchy levels during the reporting period.

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31 March 2023

Note 13. 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 2:

| Name | Principal place of business / Country of incorporation | Ownership interest | |
|--|---|--------------------|------------------|
| | | 31 Mar 2023 % | 31 Dec 2022 % |
| SQID Payments Pty Ltd | Australia | - | 100% |
| EFT Managed Services Pty Ltd (<i>deregistered 30 January 2022</i>) | Australia | - | - |
| ICON Esports Pty Ltd (<i>and wholly owned subsidiaries</i> <i>**</i>) | Australia | - | 100% |
| **Tainted Minds E-Sports Pty Ltd | Australia | | |
| **The Chiefs Esports Pty Ltd | Australia | | |
| ** Team Icon Pty Ltd | Australia | | |

Note 14. Earnings per share

| | Consolidated | |
|---|-------------------|-------------------|
| | 31 Dec 2023 \$ | 31 Mar 2022 \$ |
| <i>Earnings per share for loss from continuing operations</i> | | |
| Loss after income tax attributable to the owners of SQID Technologies Limited | <u>(233,894)</u> | <u>(379,147)</u> |
| | Cents | Cents |
| Basic earnings per share | (1.62) | (2.63) |
| Diluted earnings per share | (1.62) | (2.63) |
| | | |
| | Consolidated | |
| | 31 Dec 2023 \$ | 31 Mar 2022 \$ |
| Loss after income tax attributable to the owners of SQID Technologies Limited | <u>(233,894)</u> | <u>(379,147)</u> |
| | Cents | Cents |
| Basic earnings per share | (1.62) | (2.63) |
| Diluted earnings per share | (1.62) | (2.63) |
| | | |
| | Number | |
| | 31 Dec 2023 | 31 Mar 2022 |
| Weighted average number of ordinary shares used in calculating basic earnings per share | <u>14,416,827</u> | <u>14,416,827</u> |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | <u>14,416,827</u> | <u>14,416,827</u> |

Note 15. Events after the reporting period

No matter or circumstance has arisen since 31 March 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.