

# **SQID Technologies Limited**

**ABN 44 121 655 472**

**Unaudited Condensed Interim Financial Report - 30 September  
2023**

**SQID Technologies Limited**  
**Corporate directory**  
**30 September 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	<a href="http://sqidtechnologies.com">sqidtechnologies.com</a>
Stock exchange listing:	Canadian Securities Exchange (CSE:SQID)

## **SQID Technologies Limited**

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**30 September 2023**

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### **General information**

The condensed interim 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 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

A description of the nature of the Group's operations and its principal activities are included in the financial statements.

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 30 September 2023**

	<b>Consolidated</b>	
	<b>30</b>	<b>31 December</b>
<b>Note</b>	<b>September</b>	<b>2022</b>
	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	34,425	356,113
Receivables	27,169	230,699
Other current assets	-	20,758
<b>Total current assets</b>	<u>61,594</u>	<u>607,570</u>
<b>Non-current assets</b>		
Other financial assets	200,220	200,220
<b>Total non-current assets</b>	<u>200,220</u>	<u>200,220</u>
<b>Total assets</b>	<u>261,814</u>	<u>807,790</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	33,135	346,395
Borrowings	-	13,411
Employee provisions	-	89,265
Merchant liabilities	18,374	18,374
Contract liabilities	-	9,507
<b>Total current liabilities</b>	<u>51,509</u>	<u>476,952</u>
<b>Non-current liabilities</b>		
Employee provisions	-	17,709
<b>Total non-current liabilities</b>	<u>-</u>	<u>17,709</u>
<b>Total liabilities</b>	<u>51,509</u>	<u>494,661</u>
<b>Net assets</b>	<u>210,305</u>	<u>313,129</u>
<b>Equity</b>		
Issued capital	5 8,824,267	8,824,267
Reserves	-	(532,105)
Accumulated losses	(8,613,962)	(7,979,033)
<b>Total equity</b>	<u>210,305</u>	<u>313,129</u>

**Approved by:**

"Athanasios Lekkas"

Director  
24 October 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 30 September 2023**

		<b>Consolidated</b>	
	<b>Note</b>	<b>9 months ended 30 Sep 2023 \$</b>	<b>9 months ended 30 Sep 2022 \$</b>
<b>Revenue from contracts with customers from continuing operations</b>	3	185,555	121,665
R&D tax incentive		-	129,208
Interest income		3	9
<b>Expenses</b>			
Professional fees		(41,060)	(71,682)
Non-executive director fees (parent entity)		(16,000)	(50,000)
Other expenses		(10,944)	(17,545)
Consultancy fees		(114,095)	(337,187)
Listing expenses		(18,255)	(26,210)
Total expenses		<u>(200,354)</u>	<u>(502,624)</u>
<b>Loss before income tax expense from continuing operations</b>		(14,796)	(251,742)
Income tax expense		<u>-</u>	<u>-</u>
Loss after income tax expense from continuing operations		(14,796)	(251,742)
Loss after income tax expense from discontinued operations	4	<u>(88,028)</u>	<u>(673,554)</u>
<b>Loss after income tax expense for the period attributable to the owners of SQID Technologies Limited</b>		(102,824)	(925,296)
Other comprehensive income for the period, net of tax		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the period attributable to the owners of SQID Technologies Limited</b>		<u>(102,824)</u>	<u>(925,296)</u>
Total comprehensive income for the period is attributable to:			
Continuing operations		(102,824)	(925,296)
Discontinued operations		<u>-</u>	<u>-</u>
		<u>(102,824)</u>	<u>(925,296)</u>
		<b>Cents</b>	<b>Cents</b>
<b>Earnings per share for loss from continuing operations attributable to the owners of SQID Technologies Limited</b>			
Basic earnings per share	8	(0.10)	(1.75)
Diluted earnings per share	8	(0.10)	(1.75)
<b>Earnings per share for loss from discontinued operations attributable to the owners of SQID Technologies Limited</b>			
Basic earnings per share	8	(0.61)	(4.67)
Diluted earnings per share	8	(0.61)	(4.67)
<b>Earnings per share for loss attributable to the owners of SQID Technologies Limited</b>			
Basic earnings per share	8	(0.71)	(6.42)
Diluted earnings per share	8	(0.71)	(6.42)

*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 30 September 2023**

<b>Consolidated</b>	<b>Issued capital</b> \$	<b>Share-based payments reserve</b> \$	<b>Common control reserve</b> \$	<b>Accumulated losses</b> \$	<b>Non-controlling interest</b> \$	<b>Total equity</b> \$
Balance at 1 January 2022	8,824,267	-	(532,105)	(3,644,527)	-	4,647,635
Loss after income tax expense for the period	-	-	-	(925,296)	-	(925,296)
Other comprehensive income for the period, net of tax	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(925,296)	-	(925,296)
Balance at 30 September 2022	<u>8,824,267</u>	<u>-</u>	<u>(532,105)</u>	<u>(4,569,823)</u>	<u>-</u>	<u>3,722,339</u>
<b>Consolidated</b>	<b>Issued capital</b> \$	<b>Share-based payments reserve</b> \$	<b>Common control reserve</b> \$	<b>Accumulated losses</b> \$	<b>Non-controlling interest</b> \$	<b>Total equity</b> \$
Balance at 1 January 2023	8,824,267	-	(532,105)	(7,979,033)	-	313,129
Loss after income tax expense for the period	-	-	-	(102,824)	-	(102,824)
Other comprehensive income for the period, net of tax	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(102,824)	-	(102,824)
Transfer common control reserve on disposal of subsidiary	-	-	532,105	(532,105)	-	-
Balance at 30 September 2023	<u>8,824,267</u>	<u>-</u>	<u>-</u>	<u>(8,613,962)</u>	<u>-</u>	<u>210,305</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 30 September 2023**

	<b>Consolidated</b>	
	<b>9 months ended 30 Sep 2023</b>	<b>9 months ended 30 Sep 2022</b>
<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	648,300	579,669
Payments to suppliers and employees	<u>(905,316)</u>	<u>(1,737,934)</u>
	(257,016)	(1,158,265)
Interest received	3	9
R&D tax incentive	-	129,208
Interest and other finance costs paid	<u>(677)</u>	<u>-</u>
Net cash used in operating activities	<u>(257,690)</u>	<u>(1,029,048)</u>
<b>Cash flows from investing activities</b>		
Payments for intangibles	-	(100,000)
Payments for financial assets	<u>-</u>	<u>(200,220)</u>
Net cash used in investing activities	<u>-</u>	<u>(300,220)</u>
<b>Cash flows from financing activities</b>		
Repayment of borrowings.	(13,411)	-
Proceeds on disposal of discontinued operations	<u>1</u>	<u>-</u>
Net cash used in financing activities	<u>(13,410)</u>	<u>-</u>
Net decrease in cash and cash equivalents	(271,100)	(1,329,268)
Cash and cash equivalents at the beginning of the financial period	356,113	1,806,019
Cash disposed with sale of subsidiary	4 <u>(50,588)</u>	<u>-</u>
Cash and cash equivalents at the end of the financial period	<u><u>34,425</u></u>	<u><u>476,751</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**  
**30 September 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 7 '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 included:

- 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).

On 10 August 2023, the Company announced that it had completed a share sale agreement (at arm's length) with BLSS Holdings Pty Ltd. ("BLSS") whereby BLSS acquired 100% of ICON Esports Pty Ltd share capital. SQID is entitled to a share of EBITDA generated by ICON for the ensuing three calendar years. The EBITDA share is 10% in the first and second calendar years and 8% in the third calendar year.

**Note 2. Material accounting policy information**

These general purpose financial statements for the interim half-year reporting period ended 30 September 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.

**Discontinued operations (*initial application of accounting policy*)**

A discontinued operation is a component of the Group 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.

Assets and liabilities held for sale are measured at the lower of fair value or carrying value on a non-recurring basis.

**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 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.



**SQID Technologies Limited**  
**Notes to the consolidated financial statements**  
**30 September 2023**

**Note 2. Material accounting policy information (continued)**

**Going concern**

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

For the period ended 30 September 2023, the Group incurred a net loss of \$102,824 (2022: \$925,296) comprising losses from continuing operations of \$14,796 (2022: \$251,742) and from discontinued operations of \$88,028 (2022: \$673,554). The losses from discontinued operations comprised a profit on disposal of \$230,974 (2022: \$nil) and operating losses of \$319,002 (2022: \$673,554).

Total net cash used in operating activities (continuing and discontinued) was \$257,690 (31 December 2022: \$1,029,048).

As at 30 September 2023 the Group had positive working capital of \$10,085 (31 December 2022 :\$130,618) and net assets of \$210,305 ( 31 December 2022 : \$313,129 ).

The ICON divestment (completed 10 August 2023) has unencumbered the Group's statement of financial position and ability to focus strategically on its payment solution business and investment portfolio.

The current trading losses 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 that:

- \* as a listed entity, has access to capital market funding options, and
- \*\* the Directors and other KMP have previously forgiven and revised their remuneration arrangements in line with cash flow forecasts.

On this basis no adjustments have been made to the financial report relating to the recoverability and classification of the carrying amount of assets or the amount and classification of liabilities that might be necessary should the Group not continue as a going concern. Accordingly, the financial report has been prepared on a going concern basis.

**Note 3. Revenue from contracts with customers**

	<b>Consolidated</b>	
	<b>9 months ended 30 Sep 2023</b>	<b>9 months ended 30 Sep 2022</b>
	<b>\$</b>	<b>\$</b>
<b>From continuing operations</b>		
<i>Commission (recognised at a point in time)</i>	<u>185,555</u>	<u>121,665</u>

**SQID Technologies Limited**  
**Notes to the consolidated financial statements**  
**30 September 2023**

**Note 4. Discontinued operations**

*Financial performance information*

	<b>Consolidated</b>	
	<b>9 months ended 30 Sep 2023</b>	<b>9 months ended 30 Sep 2022</b>
	<b>\$</b>	<b>\$</b>
Revenue from contracts with customers	269,812	644,781
Cost of sales	(246,800)	(582,151)
Gross profit	<u>23,012</u>	<u>62,630</u>
Employee benefits	(246,740)	(382,478)
Professional fees	(13,285)	(32,892)
Marketing	(26,875)	(112,480)
Consultancy	(15,000)	(25,000)
IT and hosting cost	(9,447)	(14,924)
Depreciation and amortisation expense	-	(60,000)
Other expenses	(29,990)	(108,410)
Finance costs	(677)	-
Total expenses	<u>(342,014)</u>	<u>(736,184)</u>
Loss before income tax expense	(319,002)	(673,554)
Income tax expense	-	-
Loss after income tax expense	<u>(319,002)</u>	<u>(673,554)</u>
Gain on disposal before income tax	230,974	-
Income tax expense	-	-
Gain on disposal after income tax expense	<u>230,974</u>	<u>-</u>
Loss after income tax expense from discontinued operations	<u><u>(88,028)</u></u>	<u><u>(673,554)</u></u>

*Cash flow information*

	<b>Consolidated</b>	
	<b>9 months ended 30 Sep 2023</b>	<b>9 months ended 30 Sep 2022</b>
	<b>\$</b>	<b>\$</b>
Net cash used in operating activities	(262,042)	(891,758)
Net cash used in financing activities	(13,411)	-
Net decrease in cash and cash equivalents from discontinued operations	<u><u>(275,453)</u></u>	<u><u>(891,758)</u></u>

**SQID Technologies Limited**  
**Notes to the consolidated financial statements**  
**30 September 2023**

**Note 4. Discontinued operations (continued)**

*Carrying amounts of assets and liabilities disposed*

	<b>Consolidated</b>	
	<b>9 months ended 30 Sep 2023</b>	<b>9 months ended 30 Sep 2022</b>
	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	50,588	-
Trade and other receivables	49,848	-
Other current assets	242	-
Other non-current assets	12,209	-
Total assets	<u>112,887</u>	<u>-</u>
Trade and other payables	220,737	-
Revenue in advance	49,000	-
Provisions	74,123	-
Total liabilities	<u>343,860</u>	<u>-</u>
Net liabilities	<u>(230,973)</u>	<u>-</u>

*Details of the disposal*

	<b>Consolidated</b>	
	<b>9 months ended 30 Sep 2023</b>	<b>9 months ended 30 Sep 2022</b>
	<b>\$</b>	<b>\$</b>
Total sale consideration	1	-
Carrying amount of net liabilities disposed	<u>230,973</u>	<u>-</u>
Gain on disposal before income tax	<u>230,974</u>	<u>-</u>
Gain on disposal after income tax	<u>230,974</u>	<u>-</u>

**Note 5. Issued capital**

	<b>Consolidated</b>			
	<b>30 September 2023</b>	<b>31 December 2022</b>	<b>30 September 2023</b>	<b>31 December 2022</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$</b>	<b>\$</b>
Ordinary shares - fully paid	<u>14,416,827</u>	<u>14,416,827</u>	<u>8,824,267</u>	<u>8,824,267</u>

*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.

**SQID Technologies Limited**  
**Notes to the consolidated financial statements**  
**30 September 2023**

**Note 5. Issued capital (continued)**

*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 6. 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

<b>Consolidated - 30 September 2023</b>	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

<b>Consolidated - 31 December 2022</b>	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*

Unquoted investments fair value is based on recent capital raisings proposed and completed 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.

**SQID Technologies Limited**  
**Notes to the consolidated financial statements**  
**30 September 2023**

**Note 6. Fair value measurement (continued)**

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.

**Note 7. 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 :

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

**Note 8. Earnings per share**

	Consolidated	
	9 months ended 30 Sep 2023 \$	9 months ended 30 Sep 2022 \$
<i>Earnings per share for loss from continuing operations</i>		
Loss after income tax attributable to the owners of SQID Technologies Limited	<u>(14,796)</u>	<u>(251,742)</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(0.10)	(1.75)
Diluted earnings per share	(0.10)	(1.75)
<i>Earnings per share for loss from discontinued operations</i>		
Loss after income tax attributable to the owners of SQID Technologies Limited	<u>(88,028)</u>	<u>(673,554)</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(0.61)	(4.67)
Diluted earnings per share	(0.61)	(4.67)

**SQID Technologies Limited**  
**Notes to the consolidated financial statements**  
**30 September 2023**

**Note 8. Earnings per share (continued)**

	<b>Consolidated</b>	
	<b>9 months</b>	<b>9 months</b>
	<b>ended 30</b>	<b>ended 30</b>
	<b>Sep 2023</b>	<b>Sep 2022</b>
	<b>\$</b>	<b>\$</b>
<i>Earnings per share for loss</i>		
Loss after income tax attributable to the owners of SQID Technologies Limited	<u>(102,824)</u>	<u>(925,296)</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(0.71)	(6.42)
Diluted earnings per share	(0.71)	(6.42)
	<b>Number</b>	<b>Number</b>
<i>Weighted average number of ordinary shares</i>		
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 9. Events after the reporting period**

No matter or circumstance has arisen since 30 September 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.