



**Different technology for a  
different world**

**Annual  
Report  
2023**

<https://optf.ngo/>

2023

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# Executive Summary

This year has been one of consolidation, process, and planning. As co-founder Chris McCabe was appointed as project CEO, it prompted a natural review of the foundation and its underlying projects – which are, to an extent, at a crossroads.

Looking at the future of our project, we must consider the landscape of emerging privacy technology, the shifting regulatory environment in Australia and around the world, and our own role as defenders and educators in the space of digital rights.

As time progresses, it has become clear the part of our project with the greatest demand right now is Session, and that there is immense merit, value, and potential contained within Lokinet. Naturally, these are the elements of the project which now have the most resources devoted to them in order to support their success.

At the beginning of 2023, we shared our future vision for Session, Lokinet, and Oxen through our 'Progress Tree'. This lights the path forward for our project, highlighting key technical plans for the future of our stack.

As we continue trying to further improve our software, adoption of Session is already increasing. During September of 2022, Session experienced the largest and sharpest spike in users in its history; during national protests in Iran, and with other means of communication blocked, Iranians utilised Session for private, secure, and safe communication.

# Development Update

This year contained a major upgrade to our staking system, with the introduction of 'small stakers', with Service Nodes now allowing up to 10 contributors (previously 4) to achieve a full stake. This reduces the barrier to entry for staking, encouraging holders of smaller amounts of OXEN to participate in the network, and stimulating growth in the number of nodes in the network.

During this period, the Oxen Service Node Network received its most challenging practical test yet, when hundreds of thousands of new users joined Session in the space of weeks. The network has consistently had over 1,500 nodes, rising to as many as 1,800 during the year. The network has proven to be capable of supporting large, sudden spikes in users, and performance and access to both Session and other network services remained steady during this high-growth period.

This experience has caused us to revisit how we approach censorship resistance at the network level. In the past, the network has been seen to have the quality of 'censorship resistance' in terms of an inability to take-down or censor specific content on the network. However, the Iranian authorities resorted to blocking access to the network entirely, limiting Iranians ability to use Session in-country without the support of a VPN or similar technology. Authoritarian states' use of this tactic is increasing, we have seen multiple countries around the world abuse internet censorship to quell civil resistance during this period.




Resultantly, we will be completing technical research to explore how the network can be hardened against censorship in the future, and ensure that safe, secure services such as Session remain available during civil conflicts.

We released a number of upgrades for the Session client during this period, including the release of emoji reacts, custom themes, and a UI overhaul of the conversation and settings screens. These were chosen to ensure Session remained competitive in terms of user experience in the private messaging space. While releasing these features, we have also developed a UI/UX component library for Session, which will make the design and creation of new features more consistent and streamlined.

## Introducing: Themes

Find out more at [www.getsession.org](http://www.getsession.org)



 SESSION

# Development Update

Other messaging apps, such as Telegram, have achieved considerable growth in the market by differentiating through superior user experience, and although Session has extremely significant advantages in privacy, security, and anonymity, it remains important to provide users with an enjoyable messaging experience.

In addition to these features, we transitioned the old 'Open Groups' and 'Closed Groups' to 'Communities' and 'Groups' respectively. This change in terminology is part of an ongoing effort to make adoption simple and straightforward for less technical users.

Furthermore, we re-implemented the much-requested ability to direct-message users from shared Communities. To enable this in a safe, privacy preserving way, we developed a mechanism dubbed 'ID-blinding', which allows users in shared Communities to receive message requests without revealing their true Session ID.

Turning our attention to Lokinet, significant progress has been made on refactoring Lokinet's codebase. This is difficult, technical work, however it is of great importance to ensure Lokinet is able to achieve the performance and stability required for wide-scale use.

Recognising the potential applications of Lokinet, we also devised and published plans for a Lokinet 'Exit Marketplace'. This is a design for a decentralised marketplace through which users can pay for and unlock access to exit services within Lokinet.

This is an essential strategy to integrate the functionality of Lokinet with the underlying tokenomic system which incentivises Service Nodes.



As was covered in the technical and executive summaries, the uptake of Session in Iran proved to be the most significant and rewarding event for the marketing team during this period.

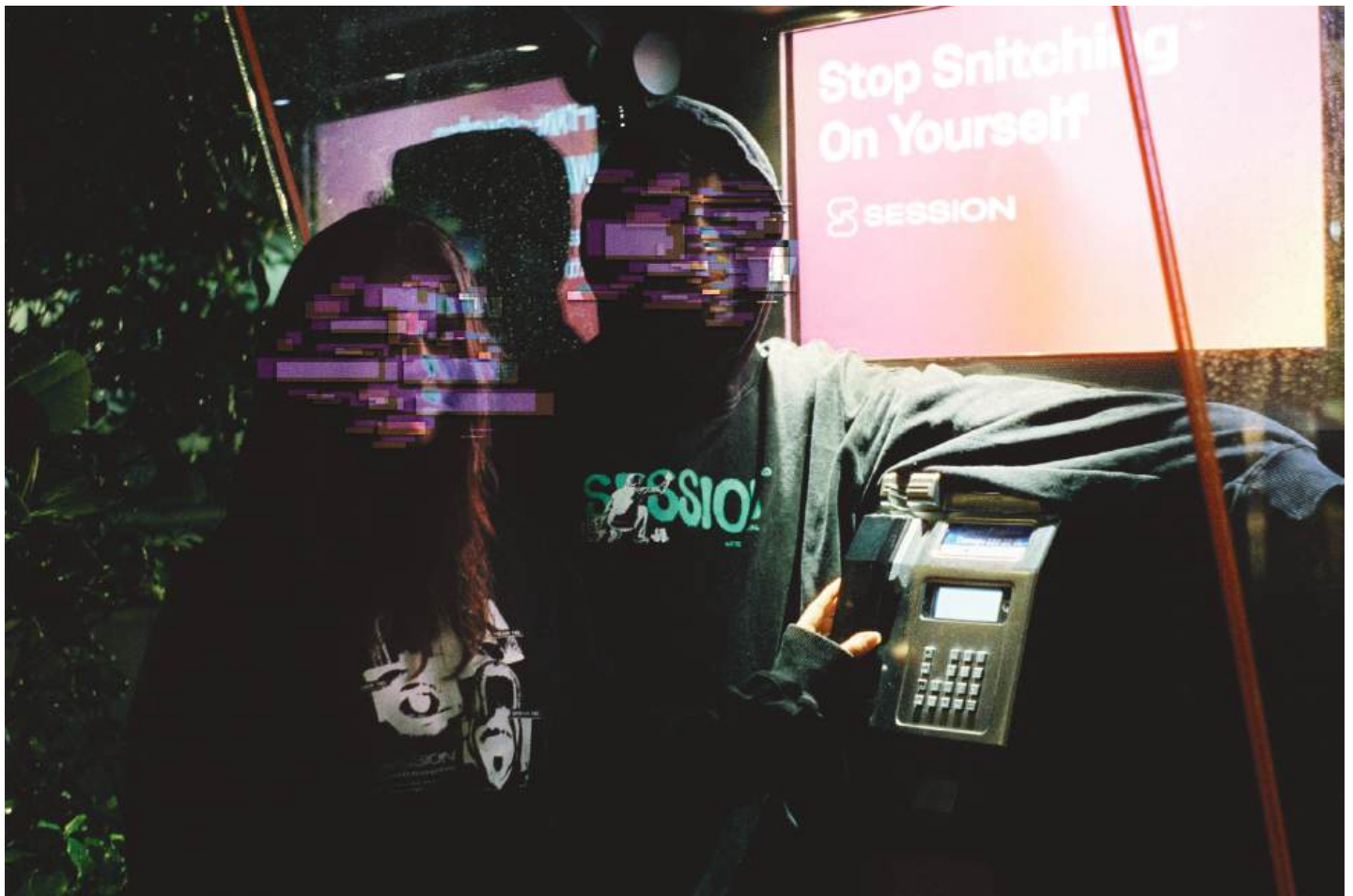
During previous years, significant grassroots work has been completed to ensure that the Iran community was aware of Session, educated about its benefits, and that it was distributed in places which would be available in-country. This involved workshops, conferences and talks, collaborations with partner organisations, Farsi translation of the Session application, Farsi translations of educational material about Session, and developing relationships with trainers and other key figures. Given the high technical capacity and understanding of users in Iran, and the clear use case for software such as Session, Iran had been previously identified as a high-priority region for our efforts.

After the spike began, we effectively mobilised alongside members of the Iranian diaspora to identify immediate, high-priority needs, and continue providing up-to-date, relevant resources to incoming users. This included the development and creation of multiple Farsi-language Communities, as well as a novel Community-type which served as a one-way 'channel'. These were used to share reliable information and news and share safety warnings and emerging actions in real-time.

Ultimately, challenges with both user acquisition and retention emerged when Session was blocked. Although Session is still widely used with the support of VPNs, we are working with the technical team to ensure full access can be restored in-country.

# Marketing Update





## Marketing Update

Although this event is naturally the dominant theme of this period, many other efforts were undertaken during this period. As in-person events were once again being organised, we made significant efforts to attend relevant gatherings and conferences, including the Privacy Enhancing Technology Symposium (where we also completed a series of interviews with researchers for publication), Digital Rights Asia-Pacific Assembly, and Monerotopia.

We have also continued our work in advocacy and education, including advocating for the protection of privacy and encryption around the world.

The United Kingdom's controversial Online Safety Bill dominated regulatory discussions during this period, and the OPTF and Session collaborated with several other significant messaging apps, including Signal and WhatsApp, to write and publish a letter advocating for stronger privacy protections. This letter garnered significant interest on social media and traditional media, and contributes to the recognition and acknowledgement of our project as a privacy defender and advocate.

Shifting to a longstanding marketing effort of our project, we have continued to find success with our unique and subversive social media strategy. Session's official Twitter account grew its followers by 50% in the first half of 2023, and we are continuing to experiment with our communications strategy in new media.

This has been a very successful differentiating factor for Session, and undoubtedly been a key contributor to our user growth over the course of many years.

Interestingly, we have also expanded and increased our use of alternative platforms, such as Mastodon. These platforms have experienced an uptick in interest following Elon Musk's acquisition of Twitter, and the demographics on these platforms tend to align closely with Session's target audience. Although these remain a relatively small part of our strategy, it will be pivotal to monitor their use and growth looking forwards.



# Oxen Update

New leadership, new possibilities



# Chris McCabe CEO



Oxen has always had simple—but ambitious—goals.

Protect people’s privacy. Make the internet a better place. Make the world a better place.

Oxen, technology, and the world has changed a lot since we got started; looking into the future, it’s time for Oxen to embrace new leadership — with a renewed and focused vision for the future. I co-founded this project and have served as COO for 5 years, and will now be taking over the reins as the CEO of Oxen.

Oxen will soon become a technological pillar protecting people’s rights and keeping people safe. We take our mission seriously — for the last five years we’ve kept our heads down and focused on building our tech. Earlier this year, it all came together for the first time. Almost all at once, hundreds of thousands of people turned to Oxen’s technology.

The value and importance of Oxen—and of privacy itself—was obvious to them. The wheels of culture, politics, and technology are turning, and people all around the world are realising they want—no, need—their privacy back.

Privacy tech is complicated, it takes time, determination, and dedication to get it right. Five years, it turns out, can go by in the blink of an eye — but we have plenty to show for it. Forking Monero, building a node network on top of it, and creating some of the world’s most-used decentralised applications — which are now primed to welcome millions of users.

Creating and maintaining these pieces is no easy feat — but the network is thriving and the apps improve every single day. No matter what is going on in the rest of the world: Oxen persists. Session delivers. Lokinet runs.

We are pushing the boundaries of the internet, accomplishing things which weren’t possible before. Web2 is stuck in a holding pattern — and its demise is imminent. Over and over again, web2 platforms fall prey to the same traps. Exploitative monetisation. Walled gardens. Anti-privacy models. Some have tried to do better — but there’s only so much you can achieve when you’re limited by the web2 paradigm.

Nobody else is building technology like ours. Maybe they don’t know how? Maybe they don’t have the perseverance? Or the courage to build what nobody else has? Oxen is leading the way. Our project, our community — there is nothing else quite like us.

**“Oxen has always had simple—but ambitious—goals. Protect people’s privacy.”**



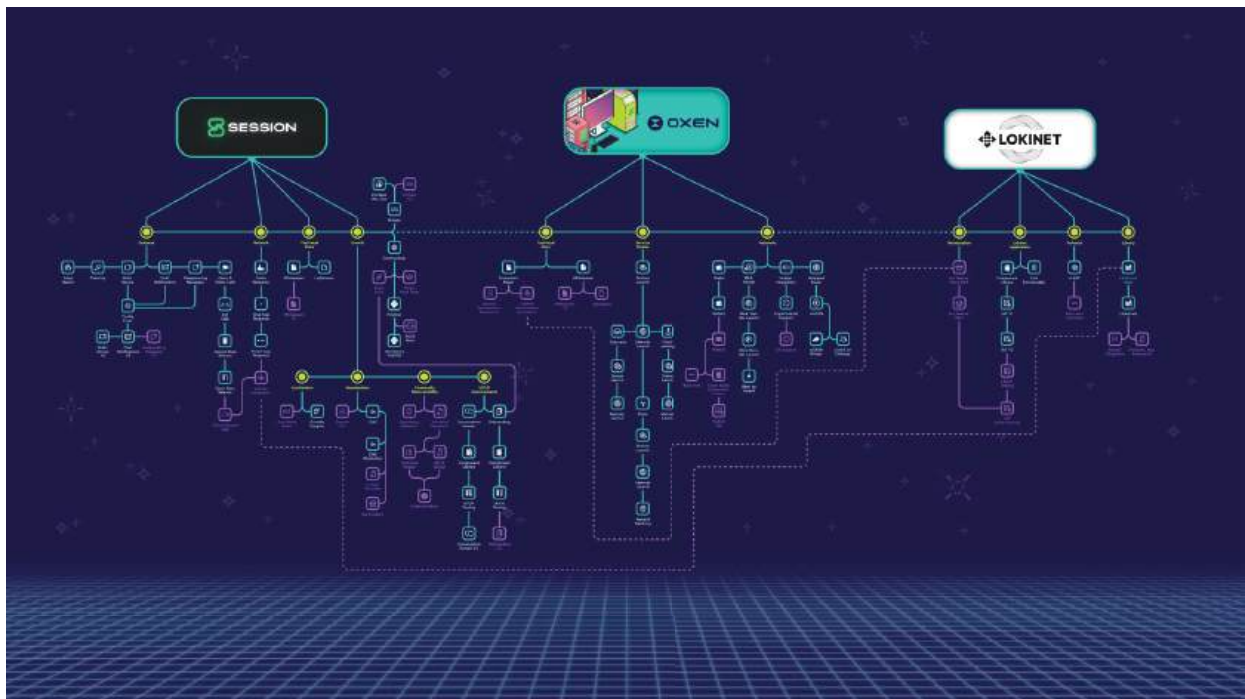
2022 CEO Announcement video; Oxen Youtube Channel

We have gone from promises, to MVPs, to established, robust, and growing products. We're in territory that very few crypto projects ever enter. Web3 has made a lot of promises, people have dreamt of a better, brighter future for the internet. But Oxen is not a dream. It's in your hands. You can touch it, download it, use it. We are real – and we are ready to captivate not only the world of web3, but the world of technology.

We're currently at the stage of focusing on the consumer market, through refinements, adding user-facing features, and user testing and feedback loops. From there, we will look to monetise Session – a milestone which will completely transform the Oxen paradigm. However, Session monetisation at the user level is only one—potentially small—piece of the puzzle. As Session continues to become both more scalable and reliable, it is opened up to enterprise markets.

The more Session, Lokinet, and Oxen mature – the more we realise how much potential they truly have. They have a heartbeat, they live and breathe. Eventually they will be an organic, integrated part of the internet itself.

# Oxen Progress Tree: Bringing It All Back Home



Oxen has achieved things that other projects couldn't dream of. So much hard work has already been done – and we are ready to capitalise on the excellent progress we have made over the last several years. There is no limit to what we can achieve, and we are ready to punch through the barriers which have been holding us back. The clarity of our vision and the energy have never been stronger than they are right now – and that strength increases with each step we take down this path.

This roadmap charts the path we've travelled, the things we've achieved along the way, and the goals we're gearing up to smash throughout this year. So strap in – our foot is already floored on the gas pedal and the early stages of the biggest year in our history have already begun.

In the coming years we will look back on 2022 as the year of nearly there. Session is nearly there, its user numbers increased rapidly off a couple of times – but we can still do more. 2023 will be the year we make it. We are doing something exceptional – we're already one of the most-used web3 projects in existence, and there are no limits on what we can achieve in the next 12 months.

# Session Progress Update





## 750 000 Monthly Active Users

This year Session achieved a remarkable milestone of 750,000 monthly active users. Despite facing a turbulent market environment, our community continues to expand, underscoring the promising future of our project. This significant achievement reflects the successful trajectory we are on, and reflects the importance of private communication in peoples lives.

The milestone of 750,000 monthly users is not only an impressive feat for private messaging but also a notable triumph for decentralized applications.

As a decentralized application, Session's reach is exceptional, extending beyond the confines of the Web3 world.

To provide context, excluding cryptocurrency wallets and exchange applications, Session ranks among the top five decentralized applications in terms of monthly active users. Many of these users may be engaging with a decentralized application for the first time, demonstrating the broad appeal and functionality of our decentralized network, the OXEN Service Node network, which underpins Session's robust performance.

We look forward to continued growth and further milestones as we advance our mission in the coming years.

OPEN LETTER

# UK Online Safety Bill

Encrypted messaging apps urge for change

Recently Session, along with other encrypted messaging apps, signed a letter opposing the proposed Online Safety Bill in the UK. We believe this bill represents a clear danger to encryption within the UK and could open the door to indiscriminate surveillance.

We joined hands with other messaging apps around the globe who work tirelessly to protect you and your freedoms and implore Parliament to change to the Online Safety Bill.

Global providers of end-to-end encrypted products and services cannot weaken the security of their products and services to suit individual governments. There cannot be a "British internet," or a version of end-to-end encryption that is specific to the UK.

Read the full letter: <https://getsession.org/blog/open-letter-uk-online-safety-bill>

Signed by those who care about keeping our conversations secure:

Matthew Hodgson, CEO, Element

Alex Linton, Director, OPTF/Session

Meredith Whittaker, President, Signal

Martin Blatter, CEO, Threema

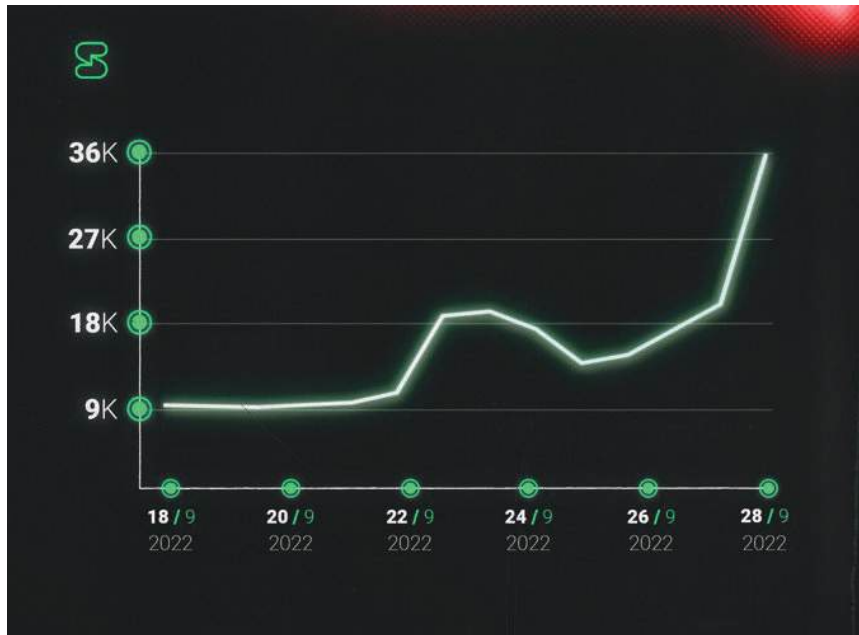
Ofir Eyal, CEO, Viber

Will Cathcart, Head of WhatsApp at Meta

Alan Duric, CTO, Wire



# Iran Civil Protests 2022



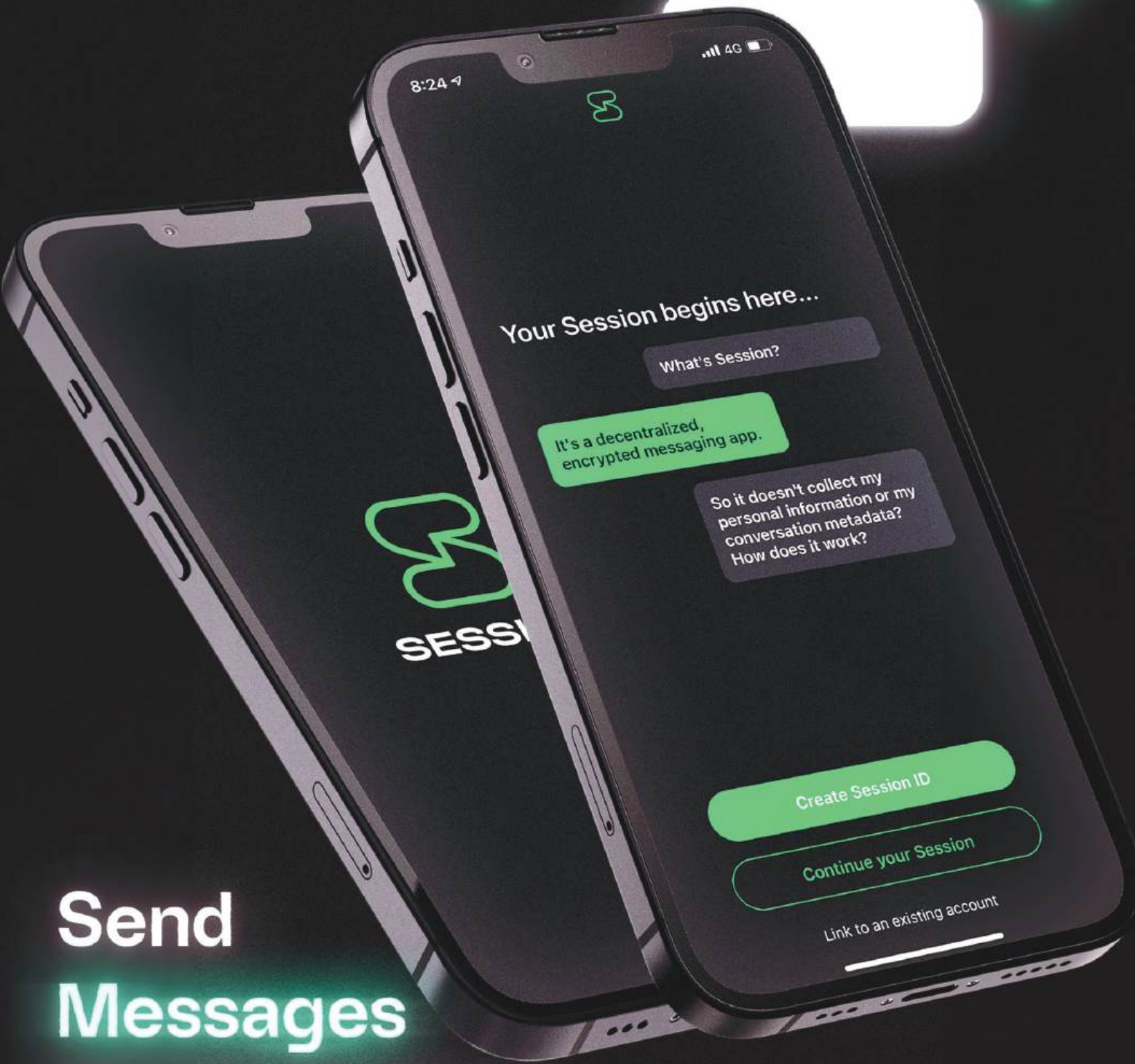
Session DAU Influx September 2022

In September 2022, Iran’s government blocked access to the Internet and shut down server access to many private messaging applications, including WhatsApp and Signal. This harsh measure, an expression of increased state control, aimed to suppress the voices of millions of activists openly protesting the erosion of their civil liberties, a situation exacerbated by the violent response of the authorities to over 200,000 demonstrators.

With vital digital communication channels under scrutiny of the police and the state, Iran was compelled to explore alternative private messaging applications that could still access the network.

In a matter of weeks, Session witnessed an unprecedented surge in downloads, reaching a staggering 3,200 percent increase, with the application experiencing a remarkable growth of 200,000 monthly active users. The sudden surge in demand prompted Session to collaborate with local freedom advocates to enhance the Farsi translation and facilitate improved localisation.

Official (private and encrypted) open digital communities, referred to as “Communities” within the Session platform, were established to facilitate encrypted conversations, ensuring anonymous and onion-routed security for users seeking a safe space to communicate without fear of persecution. To date Iranian users make up a significant portion of Session’s active community.



8:24 4

4G



Your Session begins here...

What's Session?

It's a decentralized, encrypted messaging app.

So it doesn't collect my personal information or my conversation metadata? How does it work?

Create Session ID

Continue your Session

Link to an existing account



Send  
Messages  
Not Metadata



# Session Progress

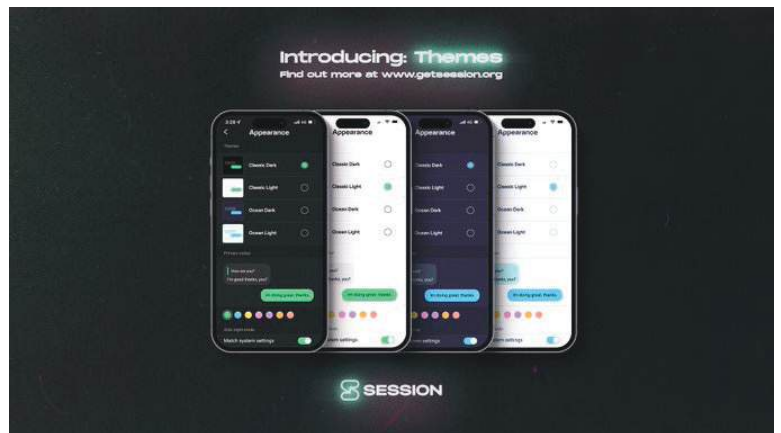
## Introduction of Cross-Platform Emoji Reactions

This year, we introduced the cross-platform feature, Emoji Reactions, to enhance the usability of Session. This feature was developed alongside our themes update, aimed at promoting Session's adoption as a primary communication tool. Recognising that emojis play a crucial role in modern communication and language, we prioritised enabling our community to express themselves effectively with friends and family.



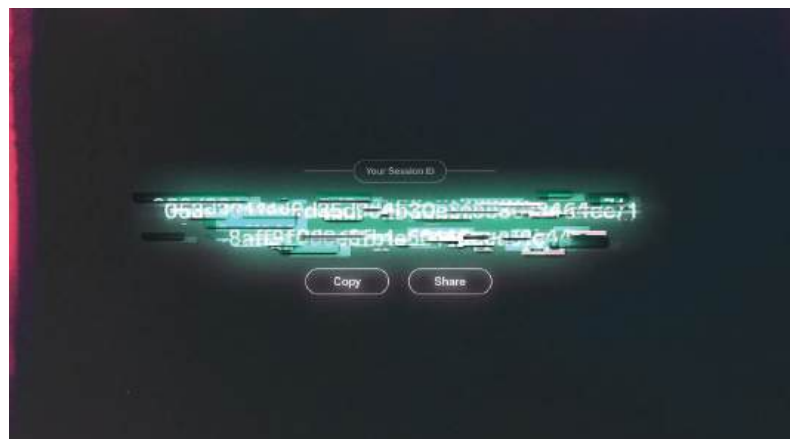
## Session Themes

This year also saw the rollout of a new theming update, allowing users to customise their Session experience to their preferences. This improved user interface, released in tandem with Emoji Reactions, was designed to encourage community adoption of Session as a primary communication tool.



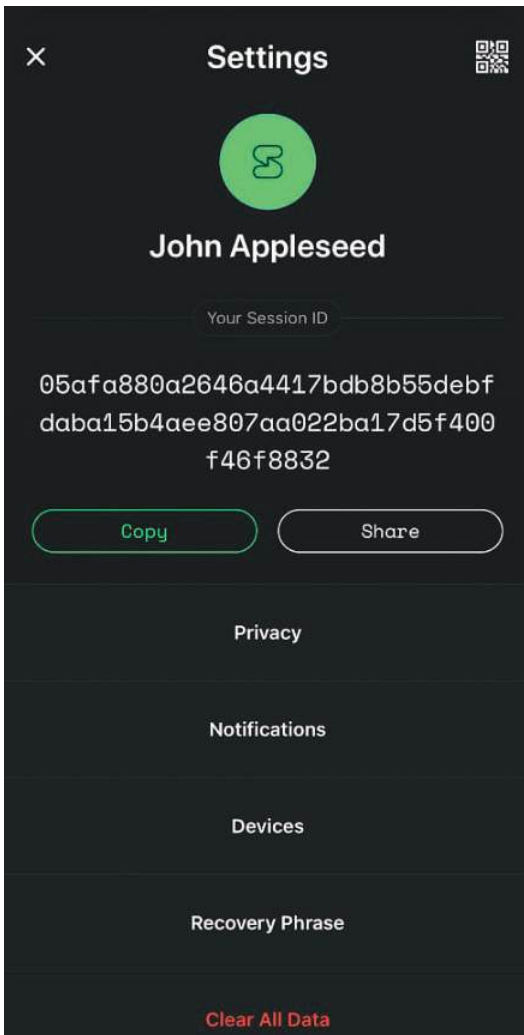
## ID Blinding: Enhancing Connection and Security in Open Groups

In response to rising concerns about spam and impersonation in large open groups, we implemented a feature called 'ID Blinding'. This mechanism allows users to send message requests within open groups without needing the recipient's actual Session ID, thereby significantly reducing the risk of spam.

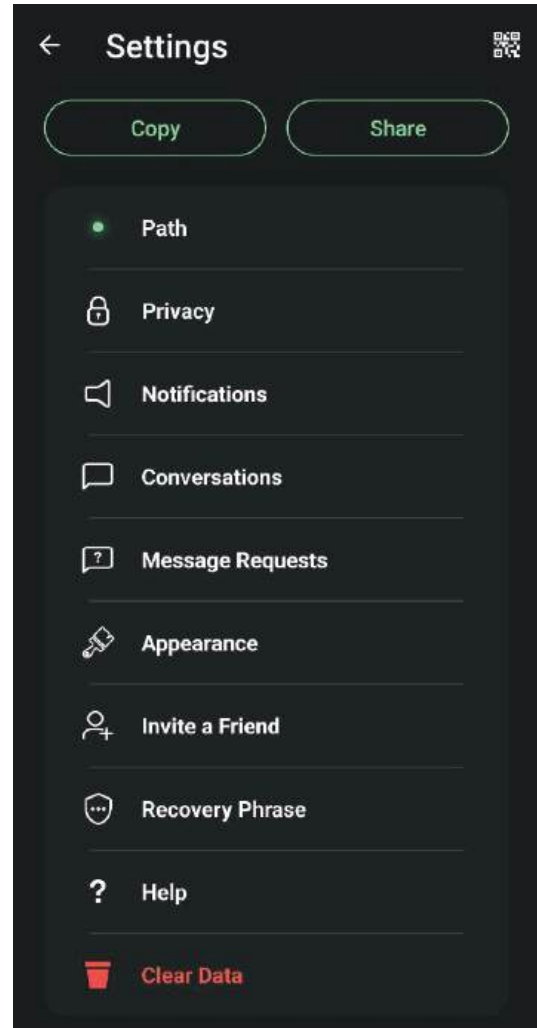


# Session Menu Redesign

## Comprehensive Overhaul of Settings



Session App settings menu pre-update



Session App settings menu post-update

This year, both Session's main settings page and in-conversation settings received a complete overhaul. This update refined the functionality of Session and redesigned the user interface, enhancing the overall user experience. Extensive development and numerous features have been integrated into Session over the past three years, necessitating a redesign to effectively display these functional improvements.



# Fully anonymous: No phone numbers



**SESSION**



# **OPTF on the Road and Beyond**





## Oxen in person: events in 2023 and beyond

The two conferences we attended, Monerotopia and DRAPAC23, were unique, rewarding, and vibrant events.

Monerotopia was attended by some of the most passionate and energetic privacy advocates in the world. We got the chance to meet some Monero legends, including Justin Berman, Artic Mine, koe, and Andrey Sabelnikov (among many, many more), hear about the latest research in the space, and share the latest information about what we're up to at the Oxen Labs.

DRAPAC23 was a very different event, with a bigger focus on digital rights and civil society. At DRAPAC, we got to meet some of the folks we have been working with over the last few years to get feedback on our products, spread awareness about what we are doing, and help connect us with some of the users who need Session the most.

At the conference, we learnt a lot about the current needs, challenges, and threats of people living and working in South Asia and Southeast Asia – including in countries like Myanmar and Cambodia.

While we were at DRAPAC, we started a new group for people and organisations in the APAC region who are working on secure and open technology – which will be a great network to help pool resources, gather ideas, and work collaboratively in the future.



## Behind the headlines.

Privacy is always in play. From our smartphones to our classrooms, from our laptops to our lounge rooms: the ways we watch, shop, read, and relax are balancing on a tightrope between privacy and convenience.

Read all our latest opinion pieces, current affairs reports, and press releases.

## Guest Articles



### **Censorship, privacy, and social media in Peru**

September 30, 2022 / By Lucía León Pacheco

### **Development in Digital Laws in Russia: State Control of the Internet**

October 12, 2022 / By Baurzhan Rakhmetov

### **Recognition and Protection: India's Data Privacy Journey**

October 17, 2022 / By Amber Sinha

### **The Next Chapter for Hong Kong's digital repression: Total judicial cooperation**

October 20, 2022 / By Charles Mok

### **A brief analysis of the Brazil's data protection law**

October 26, 2022 / By Adriana Meireles

### **Kazakhstan needs tougher laws to address the impacts of spyware**

November 15, 2022 / By Dana Mukhamejanova

### **The long and winding road : Striving for data protection in Indonesia**

November 17, 2022 / By Juliana Harsianti



**2023**

**Financial**

**Report**

**OPTF Ltd**

**ABN 32 624 664 204**

**Review Report - 30 June 2023**



**OPTF Ltd**  
**Directors' report**  
**30 June 2023**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Foundation') consisting of OPTF Ltd (referred to hereafter as the 'Foundation' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2023.

**Directors**

The following persons were directors of OPTF Ltd during the whole of the financial year and up to the date of this report, unless otherwise stated:

Simon Albert Harman  
Christopher Scott McCabe  
Jason Gregory Rhinelanders  
Alexander Burnett Linton

**Review of operations**

The loss for the Foundation after providing for income tax amounted to \$5,334,714 (30 June 2022: profit of \$868,362).

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the Foundation during the financial year.

**Matters subsequent to the end of the financial year**

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Foundation's operations, the results of those operations, or the Foundation's state of affairs in future financial years.

**Likely developments and expected results of operations**

Information on likely developments in the operations of the Foundation and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Foundation.

**Environmental regulation**

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

**Shares issued on the exercise of options**

There were no ordinary shares of OPTF Ltd issued on the exercise of options during the year ended 30 June 2023 and up to the date of this report.

**Indemnity and insurance of officers**

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been an officer of the company.

**Indemnity and insurance of auditor**

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been an auditor of the company.

**Proceedings on behalf of the Foundation**

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

**Auditor's independence declaration**

A copy of the auditor's independence declaration in relation to the review for the financial year is provided with this report.

**OPTF Ltd**  
**Directors' report**  
**30 June 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



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Christopher Scott McCabe

29 May 2024



**OPTF LTD  
ABN 32 624 664 204**

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER ACNC ACT SECTION 60-40  
TO THE DIRECTORS OF OPTF LTD**

In accordance with Subdivision 60-C of the Australian Charities and Not-for-profits Commission Act 2012, I am pleased to provide the following declaration of independence to the directors of OPTF Ltd. As the lead audit partner for the review of the financial report of OPTF Ltd for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023 there have been no contraventions of:

- a. the auditor independence requirements as set out in the Australian Charities and Not for Profits Commission Act 2012 in relation to the review; and
- b. no contraventions of any applicable code of professional conduct in relation to the review.

**Hall Chadwick Melbourne Audit  
Chartered Accountants  
Level 14, 440 Collins Street  
MELBOURNE VIC 3000**



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**Director: Steven (Anh) Nguyen**

**Date: 29 May 2024**

**OPTF Ltd**  
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**30 June 2023**

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**General information**

The financial statements cover OPTF Ltd as a Foundation consisting of OPTF Ltd and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is OPTF Ltd's functional and presentation currency.

OPTF Ltd is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 1/452 Flinders St  
Melbourne VIC 3000  
Australia

A description of the nature of the Foundation's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

**OPTF Ltd**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2023**

|   | <b>Note</b> | <b>Consolidated<br/>2023<br/>\$</b> | <b>2022<br/>\$</b> |
|---|-------------|-------------------------------------|--------------------|
| <b>Revenue</b>  | 4           | 644,869                             | 4,041,466          |
| Other income  | 5           | 34,965                              | 18,228             |
| <b>Expenses</b>   |             |                                     |                    |
| Realised gain/(loss) of cryptocurrency  |             | 80,519                              | (69,080)           |
| Decreased in intangible assets fair value   |             | (2,000,241)                         | -                  |
| Employee benefits expense   | 6           | (2,989,898)                         | (2,414,392)        |
| Other expenses  | 7           | (213,901)                           | (269,987)          |
| Consulting expenses   | 8           | (131,599)                           | (112,368)          |
| Correction of errors in historical asset balance  |             | (571,943)                           | -                  |
| Liquidity provision   |             | (46,038)                            | (69,236)           |
| Depreciation and amortisation expense   |             | (123,941)                           | (110,562)          |
| Tokens written off  |             | -                                   | (141,811)          |
| Interest expense  |             | (17,506)                            | (3,896)            |
| <b>Profit/(loss) before income tax expense</b>  |             | (5,334,714)                         | 868,362            |
| Income tax expense  |             | -                                   | -                  |
| <b>Profit/(loss) after income tax expense for the year attributable to the owners of OPTF Ltd</b> | 17          | (5,334,714)                         | 868,362            |
| Other comprehensive income for the year, net of tax   |             | -                                   | -                  |
| <b>Total comprehensive income for the year attributable to the owners of OPTF Ltd</b>             |             | <u>(5,334,714)</u>                  | <u>868,362</u>     |

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

**OPTF Ltd**  
**Statement of financial position**  
**As at 30 June 2023**

|                                | Note | Consolidated<br>2023<br>\$ | 2022<br>\$       |
|--------------------------------|------|----------------------------|------------------|
| <b>Assets</b>                  |      |                            |                  |
| <b>Current assets</b>          |      |                            |                  |
| Cash and cash equivalents      | 9    | 758,115                    | 768,974          |
| Other assets                   | 10   | 61,156                     | 378,136          |
| Total current assets           |      | <u>819,271</u>             | <u>1,147,110</u> |
| <b>Non-current assets</b>      |      |                            |                  |
| Right-of-use assets            | 11   | 256,124                    | 38,567           |
| Intangibles                    | 12   | 2,724,128                  | 7,511,533        |
| Total non-current assets       |      | <u>2,980,252</u>           | <u>7,550,100</u> |
| <b>Total assets</b>            |      | <u>3,799,523</u>           | <u>8,697,210</u> |
| <b>Liabilities</b>             |      |                            |                  |
| <b>Current liabilities</b>     |      |                            |                  |
| Trade and other payables       | 13   | 71,139                     | 72,368           |
| Lease liabilities              | 14   | 110,656                    | 43,979           |
| Employee benefits              | 15   | 145,167                    | -                |
| Accrued liabilities            | 16   | 28,000                     | 28,000           |
| Total current liabilities      |      | <u>354,962</u>             | <u>144,347</u>   |
| <b>Non-current liabilities</b> |      |                            |                  |
| Lease liabilities              | 14   | 165,540                    | -                |
| Employee benefits              | 15   | 60,872                     | -                |
| Total non-current liabilities  |      | <u>226,412</u>             | <u>-</u>         |
| <b>Total liabilities</b>       |      | <u>581,374</u>             | <u>144,347</u>   |
| <b>Net assets</b>              |      | <u>3,218,149</u>           | <u>8,552,863</u> |
| <b>Equity</b>                  |      |                            |                  |
| Retained profits               | 17   | 3,218,149                  | 8,552,863        |
| <b>Total equity</b>            |      | <u>3,218,149</u>           | <u>8,552,863</u> |

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

**OPTF Ltd**  
**Statement of changes in equity**  
**For the year ended 30 June 2023**

| <b>Consolidated</b>                                 | <b>Retained profits</b><br><b>\$</b> | <b>Total equity</b><br><b>\$</b> |
|---|--------------------------------------|----------------------------------|
| Balance at 1 July 2021                              | 7,684,501                            | 7,684,501                        |
| Profit after income tax expense for the year        | 868,362                              | 868,362                          |
| Other comprehensive income for the year, net of tax | -                                    | -                                |
| Total comprehensive income for the year             | <u>868,362</u>                       | <u>868,362</u>                   |
| Balance at 30 June 2022                             | <u>8,552,863</u>                     | <u>8,552,863</u>                 |

| <b>Consolidated</b>                                 | <b>Retained profits</b><br><b>\$</b> | <b>Total equity</b><br><b>\$</b> |
|---|--------------------------------------|----------------------------------|
| Balance at 1 July 2022                              | 8,552,863                            | 8,552,863                        |
| Loss after income tax expense for the year          | (5,334,714)                          | (5,334,714)                      |
| Other comprehensive income for the year, net of tax | -                                    | -                                |
| Total comprehensive income for the year             | <u>(5,334,714)</u>                   | <u>(5,334,714)</u>               |
| Balance at 30 June 2023                             | <u>3,218,149</u>                     | <u>3,218,149</u>                 |

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



**OPTF Ltd**  
**Statement of cash flows**  
**For the year ended 30 June 2023**

|  | <b>Note</b> | <b>Consolidated</b>   |                       |
|--|-------------|-----------------------|-----------------------|
|  |             | <b>2023</b>           | <b>2022</b>           |
|  |             | <b>\$</b>             | <b>\$</b>             |
| <b>Cash flows from operating activities</b>                      |             |                       |                       |
| Receipts from customers  |             | 747,817               | 6,071,175             |
| Payments to suppliers  |             | <u>(3,187,803)</u>    | <u>(5,247,571)</u>    |
|  |             | (2,439,986)           | 823,604               |
| Foreign currency gains/(loss)                                    |             | 80,519                | (69,040)              |
| Interest received  |             | <u>-</u>              | <u>528</u>            |
| Net cash from/(used in) operating activities                     |             | <u>(2,359,467)</u>    | <u>755,092</u>        |
| <b>Cash flows from investing activities</b>                      |             |                       |                       |
| Movement in Investments - Sales / (Purchases)                    |             | <u>2,215,221</u>      | <u>(1,218,676)</u>    |
| Net cash from/(used in) investing activities                     |             | <u>2,215,221</u>      | <u>(1,218,676)</u>    |
| <b>Cash flows from financing activities</b>                      |             |                       |                       |
| Repayment of lease liabilities                                   |             | <u>133,387</u>        | <u>-</u>              |
| Net cash from financing activities                               |             | <u>133,387</u>        | <u>-</u>              |
| Net decrease in cash and cash equivalents                        |             | (10,859)              | (463,584)             |
| Cash and cash equivalents at the beginning of the financial year |             | <u>768,974</u>        | <u>1,232,558</u>      |
| Cash and cash equivalents at the end of the financial year       | 9           | <u><u>758,115</u></u> | <u><u>768,974</u></u> |

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

## **Note 1. Corporate Information**

The financial statements include OPTF Ltd as a consolidated entity (the "Foundation") consisting of OPTF Ltd and the entities it controlled at the end of, or during the year. The financial statements are presented in Australian dollars, which is OPTF's functional and presentation currency.

The Foundation has been established to be a charity for purposes beneficial to the community generally and for the advancement of education. It will achieve these purposes through the following activities:

- facilitating the development of an open source, highly secure, decentralised data transmission network that allows individual, business and government to freely transact and communicate without the threat of malicious third-party interference;
- ensuring the continuing development of the secure network by funding independent development projects;
- providing education and support to developers seeking to build apps utilising the secure network;
- ensuring the open source network is developed as a genuinely decentralised system absent any external control or influence to ensure the independence, security and longevity of the network;
- raising moneys to fund the activities and charitable objectives of the Foundation, including through the offering of the Oxen cryptocurrency; and
- all other such activities as are ancillary or incidental to the above purposes

The Foundation has developed Oxen, which provides users with tools to interact online in an anonymous, decentralised, secure, and private manner. By combining a private transaction network, the \$OXEN cryptocurrency, and economically incentivised Service Nodes, Oxen has created a trustless, quorum-based onion router called Lokinet. Built into Lokinet is Session — a decentralised, anonymous, and private messaging service. Front end applications, known as Service Node Apps (SNApps), operate on Lokinet, and will allow browser integration and contribution from our open-source community.

### **The Foundation's ability to continue as a going concern**

The Foundation is of the opinion that it is appropriate for the financials to be prepared using the going concern assumption as its basis, despite the existence of conditions which cast uncertainty on the assumption. The conditions being:

- The Foundation historically conducted its token which has been the primary source of funds for the project. The provision for the Initial Coin Offering (ICO) has been fully released to revenue and the project continues without a significant source of revenue.
- The cash outflow for the development of the project is significant relative to the cash funds available.
- The current market and depth of volume is unlikely to support the consistent sale of the Oxen tokens received from the block reward.

The Foundation has implemented the following plans to mitigate the uncertainties caused by the above conditions:

- The Foundation has initiated a future token sale exercise that has secured USD2.4m in sale proceeds as at the time of publication of these financial statements. These proceeds are anticipated to sufficiently fund operational expenses for the development of future revenue-raising activities.

The Foundation has also made the following significant judgment in their going concern assessment:

- The current AUD value of the Foundation's Stablecoin holdings will support the Foundations operations until a time at which the market can support the ongoing sale of tokens received from the block reward.

## **Note 2. Significant accounting policies**

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

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

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

**Note 2. Significant accounting policies (continued)**

**Basis of preparation**

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ("AASB"), the Australian Charities and Not-for-profits Commission Act 2012 and Victorian legislation the Fundraising Act 1998 and associated regulations and the Corporation Act 2001, as appropriate not-for-profit oriented entities.

The Foundation is in the business of digital currencies and is required to make judgments as to the application of AAS and the selection of its accounting policies. The Foundation has disclosed its presentation, recognition and derecognition, and measurement of digital currencies, and the recognition of income as well as significant assumptions and judgments, however, if specific guidance is enacted by the AASB in the future, the impact may result in changes to the Foundation's earnings and financial position as presented.

The consolidated financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these consolidated financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the consolidated financial statements have been rounded to the nearest dollar.

**Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of OPTF Ltd ('company' or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. OPTF Ltd and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

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

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

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

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

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

**Income**

*Revenue from contracts with customers*

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

**Note 2. Significant accounting policies (continued)**

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

*Ongoing Token Sales*

Following the ICO, the Foundation has since sold a portion of the Oxen tokens held to interested parties. These amounts have also been included as income and are reported at market value in AUD at the date of sale.

*Income from Governance and Staking Rewards*

The Foundation recognises income from the governance reward built into the Oxen blockchain as consideration for the Foundations services towards the maintenance of the blockchain. In addition the Foundation receives staking rewards for managing service nodes on the Oxen network. The Foundation receives digital currency from the blockchain for both of these services which is recorded as income based on the fair value of the coins received. The fair value is determined using the spot price of the coin on the date of receipt.

There is no specific definitive guidance in the accounting standards for the accounting of staking, governance fees and strategic selling of digital currencies and the Foundation has exercised significant judgement in determining appropriate accounting treatment for the recognition of income from digital currency governance fees and staking rewards.

*Interest Income*

Interest income and other income are recognised when received or receivable.

*Grants*

Grant revenue is recognised in profit or loss when the Foundation satisfies the performance obligations stated within the funding agreements. If conditions are attached to the grant which must be satisfied before the Foundation is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

**Income tax**

As the Foundation is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

**Current and non-current classification**

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

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

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

**Cash and cash equivalents**

Cash and cash equivalents includes cash on hand and deposits held at call with banks.

**Property, plant and equipment**

The useful lives of major depreciable asset categories are as follows:

Leasehold improvements

Unexpired lease term

## **Note 2. Significant accounting policies (continued)**

Leases are entered into to meet the business needs of entities in the Group. Leases are primarily over commercial and retail premises. Where the Group is a lessee, all leases will be recognised on the Balance Sheet as a lease liability and right-of-use asset, unless the underlying asset is of low value or the lease has a term of 12 months or less. Rentals of leases with low value underlying assets or where the lease term is 12 months or less are recognised over the lease term as Operating expenses in the Income Statement.

### **Right-of-use assets**

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Foundation expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

### **Intangible assets**

Digital assets consist of Bitcoin, Ethereum, Oxen, USDT and USDC. Digital assets meet the definition of intangible assets in *AASB 138 - Intangible Assets* as they are identifiable non-monetary assets without physical substance. The entity measures digital assets at its fair value less costs to sell in accordance with the revaluation model (provided there is an active market), with increase in fair value being recognised in other comprehensive income and credited to a revaluation reserve, unless it reserves a revaluation deficit of the same asset previously recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the revaluation reserve.

The Foundation considers digital assets to be intangible assets with indefinite useful lives. Intangible assets with indefinite useful lives are not amortised but are tested for impairment annually.

The Foundation's determination to classify its holding of digital assets as non-current assets is based on management's assessment that it is not the intention to sell the holding in the short term.

### **Trade and other payables**

Accounts payable and other payables represent liabilities outstanding at the end of the reporting period for goods and services received by the foundation during the reporting period which remain unpaid. The balance is recognised as a current liability with the amount normally paid within 30 days of recognition of the liability.

### **Lease liabilities**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Foundation's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

### **Employee benefits**

#### *Short-term employee benefits*

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



**Note 2. Significant accounting policies (continued)**

*Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

*Defined contribution superannuation expense*

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

**Fair value measurement**

The Foundation measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Foundation would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques.

These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also considers a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (Excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the consolidated financial statements.

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

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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

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

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

**Note 3. 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.

*Employee benefits provision*

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

**Note 4. Revenue**

|                            | <b>Consolidated</b> |                  |
|----------------------------|---------------------|------------------|
|                            | <b>2023</b>         | <b>2022</b>      |
|                            | <b>\$</b>           | <b>\$</b>        |
| Income from sale of tokens | -                   | 2,219,810        |
| Oxen governance reward     | 125,714             | 556,409          |
| Oxen - staking rewards     | 109,701             | 330,858          |
| Consulting income          | 409,454             | 934,389          |
|                            | <u>644,869</u>      | <u>4,041,466</u> |
| Revenue                    | <u>644,869</u>      | <u>4,041,466</u> |

**Note 5. Other income**

|                   | <b>Consolidated</b> |               |
|-------------------|---------------------|---------------|
|                   | <b>2023</b>         | <b>2022</b>   |
|                   | <b>\$</b>           | <b>\$</b>     |
| Government grants | 14,000              | 7,200         |
| Other Revenue     | 3,387               | 10,000        |
| Interest Received | 14,465              | 1,028         |
| Donations         | 429                 | -             |
| Merchandise Sales | 2,684               | -             |
|                   | <u>34,965</u>       | <u>18,228</u> |
| Other income      | <u>34,965</u>       | <u>18,228</u> |

**Note 6. Employee benefits expense**

|                                 | <b>Consolidated</b> |                  |
|---------------------------------|---------------------|------------------|
|                                 | <b>2023</b>         | <b>2022</b>      |
|                                 | <b>\$</b>           | <b>\$</b>        |
| Wages and salaries              | 1,996,930           | 1,722,551        |
| Superannuation expense          | 206,890             | 169,131          |
| Contractors and bounty rewards  | 450,835             | 423,915          |
| Other employee benefits expense | 335,243             | 98,795           |
|                                 | <u>2,989,898</u>    | <u>2,414,392</u> |
|                                 | <u>2,989,898</u>    | <u>2,414,392</u> |

**OPTF Ltd**  
**Notes to the financial statements**  
**30 June 2023**

**Note 7. Other expenses**

|                            | <b>Consolidated</b> |                |
|----------------------------|---------------------|----------------|
|                            | <b>2023</b>         | <b>2022</b>    |
|                            | <b>\$</b>           | <b>\$</b>      |
| Advertising                | 53,128              | 169,869        |
| Computer and tech expenses | 67,212              | 72,838         |
| Travel                     | 47,231              | 848            |
| Other expenses             | 46,330              | 26,432         |
|                            | <u>213,901</u>      | <u>269,987</u> |

**Note 8. Consulting expenses**

|                           | <b>Consolidated</b> |                |
|---------------------------|---------------------|----------------|
|                           | <b>2023</b>         | <b>2022</b>    |
|                           | <b>\$</b>           | <b>\$</b>      |
| Consulting and accounting | 46,915              | 109,397        |
| Legal expenses            | 84,684              | 2,971          |
|                           | <u>131,599</u>      | <u>112,368</u> |

**Note 9. Cash and cash equivalents**

|                       | <b>Consolidated</b> |                |
|-----------------------|---------------------|----------------|
|                       | <b>2023</b>         | <b>2022</b>    |
|                       | <b>\$</b>           | <b>\$</b>      |
| <i>Current assets</i> |                     |                |
| Cash on hand          | 73                  | 63             |
| Cash at bank          | 680,171             | 728,578        |
| Cash on deposit       | 77,871              | 40,333         |
|                       | <u>758,115</u>      | <u>768,974</u> |

**Note 10. Other assets**

|   | <b>Consolidated</b> |                |
|---|---------------------|----------------|
|   | <b>2023</b>         | <b>2022</b>    |
|   | <b>\$</b>           | <b>\$</b>      |
| <i>Current assets</i>                       |                     |                |
| Accrued revenue                             | -                   | 300,437        |
| Office bond                                 | -                   | 9,167          |
| Other receivables                           | 7,888               | 15,264         |
| Advance payment for future Chainflip tokens | 53,268              | 53,268         |
|   | <u>61,156</u>       | <u>378,136</u> |

**OPTF Ltd**  
**Notes to the financial statements**  
**30 June 2023**

**Note 11. Right-of-use assets**

|                                | <b>Consolidated</b> | <b>Consolidated</b> |
|--------------------------------|---------------------|---------------------|
|                                | <b>2023</b>         | <b>2022</b>         |
|                                | <b>\$</b>           | <b>\$</b>           |
| <i>Non-current assets</i>      |                     |                     |
| Office - right-of-use          | 341,498             | 256,195             |
| Less: Accumulated depreciation | <u>(85,374)</u>     | <u>(217,628)</u>    |
|                                | <u>256,124</u>      | <u>38,567</u>       |

**Note 12. Intangibles**

|                           | <b>Consolidated</b> | <b>Consolidated</b> |
|---------------------------|---------------------|---------------------|
|                           | <b>2023</b>         | <b>2022</b>         |
|                           | <b>\$</b>           | <b>\$</b>           |
| <i>Non-current assets</i> |                     |                     |
| Bitcoin holdings          | <u>115,842</u>      | <u>145,779</u>      |
| Ethereum holdings         | <u>201,323</u>      | <u>184,626</u>      |
| Oxen holdings             | <u>958,455</u>      | <u>2,762,123</u>    |
| Stablecoin holdings       | <u>1,448,508</u>    | <u>4,419,005</u>    |
|                           | <u>2,724,128</u>    | <u>7,511,533</u>    |

**Note 13. Trade and other payables**

|                            | <b>Consolidated</b> | <b>Consolidated</b> |
|----------------------------|---------------------|---------------------|
|                            | <b>2023</b>         | <b>2022</b>         |
|                            | <b>\$</b>           | <b>\$</b>           |
| <i>Current liabilities</i> |                     |                     |
| Other Accounts payables    | 4,250               | 148                 |
| PAYG Withholdings Payable  | 48,357              | 57,528              |
| Superannuation Payable     | 17,446              | 14,173              |
| GST payables               | <u>1,086</u>        | <u>519</u>          |
|                            | <u>71,139</u>       | <u>72,368</u>       |

**Note 14. Lease liabilities**

|                                | <b>Consolidated</b> | <b>Consolidated</b> |
|--------------------------------|---------------------|---------------------|
|                                | <b>2023</b>         | <b>2022</b>         |
|                                | <b>\$</b>           | <b>\$</b>           |
| <i>Current liabilities</i>     |                     |                     |
| Lease liability                | <u>110,656</u>      | <u>43,979</u>       |
| <i>Non-current liabilities</i> |                     |                     |
| Lease liability                | <u>165,540</u>      | <u>-</u>            |

**OPTF Ltd**  
**Notes to the financial statements**  
**30 June 2023**

**Note 15. Employee benefits**

|                                | <b>Consolidated</b> | <b>Consolidated</b> |
|--------------------------------|---------------------|---------------------|
|                                | <b>2023</b>         | <b>2022</b>         |
|                                | \$                  | \$                  |
| <i>Current liabilities</i>     |                     |                     |
| Annual leave                   | 145,167             | -                   |
|                                | <u>145,167</u>      | <u>-</u>            |
| <i>Non-current liabilities</i> |                     |                     |
| Long service leave             | 60,872              | -                   |
|                                | <u>60,872</u>       | <u>-</u>            |

**Note 16. Accrued liabilities**

|                            | <b>Consolidated</b> | <b>Consolidated</b> |
|----------------------------|---------------------|---------------------|
|                            | <b>2023</b>         | <b>2022</b>         |
|                            | \$                  | \$                  |
| <i>Current liabilities</i> |                     |                     |
| Accrued liabilities        | 28,000              | 28,000              |
|                            | <u>28,000</u>       | <u>28,000</u>       |

**Note 17. Retained profits**

|   | <b>Consolidated</b> | <b>Consolidated</b> |
|---|---------------------|---------------------|
|   | <b>2023</b>         | <b>2022</b>         |
|   | \$                  | \$                  |
| Retained profits at the beginning of the financial year | 8,552,863           | 7,684,501           |
| Profit/(loss) after income tax expense for the year     | (5,334,714)         | 868,362             |
|   | <u>3,218,149</u>    | <u>8,552,863</u>    |

**Note 18. Dividends**

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

**Note 19. Key management personnel disclosures**

*Compensation*

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

|                              | <b>Consolidated</b> | <b>Consolidated</b> |
|------------------------------|---------------------|---------------------|
|                              | <b>2023</b>         | <b>2022</b>         |
|                              | \$                  | \$                  |
| Short-term employee benefits | 662,950             | 444,230             |
|                              | <u>662,950</u>      | <u>444,230</u>      |

**Note 20. Members' Guarantee**

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$10 towards meeting any outstanding obligations of the entity. At 30 June 2023, the number of members was 14.

**Note 21. Related party transactions**

*Parent entity*

OPTF Ltd is the parent entity.

**Note 21. Related party transactions (continued)**

*Subsidiaries*

Interests in subsidiaries are set out in note 22.

*Key management personnel*

Disclosures relating to key management personnel are set out in note 19.

*Transactions with related parties*

There were no transactions with related parties during the current and previous financial year.

*Receivable from and payable to related parties*

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

*Loans to/from related parties*

There were no loans to or from related parties at the current and previous reporting date.

**Note 22. Interests in subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 2:

| Name               | Principal place of business /<br>Country of incorporation | Ownership interest |           |
|--------------------|---|--------------------|-----------|
|                    |   | 2023<br>%          | 2022<br>% |
| Rangeproof Pty Ltd | Australia   | 100.00%            | 100.00%   |

**Note 23. Events after the reporting period**

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Foundation's operations, the results of those operations, or the Foundation's state of affairs in future financial years.



**OPTF Ltd**  
**Directors' declaration**  
**30 June 2023**

In the directors' opinion:

- the attached financial statements and notes comply with the Australian Charities and Not-for-profits Commission Act 2012, the Australian Charities and Not-for-profits Commission Regulations 2022, the Accounting Standards 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 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Foundation's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable.

The declaration is signed in accordance with subs 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.

On behalf of the directors



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Christopher Scott McCabe

29 May 2024

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## INDEPENDENT AUDITOR'S REVIEW REPORT

### TO THE MEMBERS OF OPTF LTD

#### Report on the Financial Report

We have reviewed the accompanying financial report of OPTF Ltd (the Company) and its subsidiary (the Group), which comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies—and other explanatory information, and the directors' declaration.

#### *Responsible Entities' Responsibility for the Financial Report*

The responsible entities of the registered entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and for such internal control as the responsible entities 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.

#### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2415 *Review of a Financial Report: Company Limited by Guarantee or an Entity Reporting under the ACNC Act or Other Applicable Legislation or Regulation*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report does not satisfy the requirements of Division 60 of the ACNC Act including: giving a true and fair view of the registered entity's financial position as at 30 June 2023 and its performance for the year 2023 ended on that date; and complying with the Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Regulations 2022* (ACNC Regulations). ASRE 2415 requires that we comply with the ethical requirements relevant to the review of the financial report.

A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### *Independence*

In conducting our review, we have complied with the independence requirement of the ACNC Act. We confirm that the independence declaration required by the ACNC Act, which has been given to the responsible entities of OPTF Ltd, would be in the same terms if given to the responsible entities as at the time of this auditor's report.

#### **Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us to believe that the financial report of OPTF Ltd does not satisfy the requirements of Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* including:

- (a) giving a true and fair view of the registered entity's financial position as at 30 June 2023 and of its financial performance for the year 2023 ended on that date; and
- (b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2022*.

## Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 60-50(3)(b) of the ACNC Act, we are required to describe any deficiency, failure or shortcoming in respect of the matters referred to in paragraph 60-30(4)(b), (c) or (d) of the ACNC Act.

We have not identified any deficiencies, failures or shortcomings in relation to paragraph 60-30(4)(b), (c) or (d) of the ACNC Act.



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Anh (Steven) Nguyen

Director

Date: 29 May 2024

Hall Chadwick Melbourne Audit

Level 14 440 Collins Street

Melbourne VIC 3000