

# Linus Technologies Limited

ABN 84 149 796 332

## Appendix 4E

Preliminary Final Report

30 June 2023

### Reporting period

Report for the current period is for the year ended 30 June 2023.

Prior corresponding period information is for the year ended 30 June 2022.

### Results for announcement to the market

	2023	2022	Increase/(decrease) over previous corresponding period	
	\$	\$	\$	%
Revenue from ordinary activities	228,906	250,749	(21,843)	(8.7%)
Revenue from ordinary activities excluding interest	228,906	250,749	(21,843)	(8.7%)
Profit/(Loss) from ordinary activities after tax attributable to members	(5,237,231)	(8,999,225)	(3,761,993)	41.8%
Net profit/(loss) for the period attributable to members	(5,237,231)	(8,999,225)	(3,761,993)	41.8%

Receipts from customers	496,143	273,276	222,867	81.6%
Net cash used in operating activities	(3,600,520)	(7,857,592)	4,257,072	54.2%

### Dividends

No dividends were paid or declared during the financial period and it is not proposed to pay dividends.

No dividends have previously been declared or paid in prior financial periods and there are no dividend reinvestment plans in place.

### Details of entities over which control has been gained during the period

None.

### Details of entities over which control has been lost during the period

None.

## Financial statements and Explanation of results

The loss for the year ended 30 June 2023 after income tax expense amounted to \$5,237,231. This loss includes non-cash share based payments expense of \$297,947 and non-cash amortisation charges of \$540,000.

The financial results and net cash outflow for Financial Year 2023 reflect the commercialisation activities undertaken by Linus. During the year, the Company continued to execute its strategy to expand commercial deals and launch products primarily in the Sports market segment. The Company made significant progress in new customer acquisition, closing deals with Cricket Australia, the A-Leagues (Australian professional soccer), Inverleigh Media (working with content from SANZAAR – South Africa, Australia, Argentina, New Zealand Rugby and other national rugby federations), and IMG Replay – one of the largest sports archives in the world. The company continued to work with and support current customers including Racing.com, the Australian National Basketball League (NBL), Swanbay.tv (working with teams in the English Premier League and Belgian Pro League), and The University of Newcastle. Across deals under contract, Linus is now working with over 10 end customers with content in 15 sports and across 40+ federations.

The increased commercial activity in FY23 resulted in record financial results including billings of \$484,000, an increase of 133% over FY22 and customer cash receipts of \$496,000, an increase of 82% over FY22. Due to accounting revenue recognition rules and the timing of some new customer contracts project deployments, the Company hasn't been able to recognise revenue associated with these during FY23. The revenue from these and future deals will be recognised in FY24 and beyond.

During the year, the company released significant additions to its product portfolio. The Linus Whizzard product was enhanced to support the search, curation, and publication of sports archives and now forms the core of the Linus solution in the sports market. Additionally, through an extended agreement with partner Swanbay, Linus added the MatchVision fan engagement solution with Linus Video Services (LVS) at its core to its overall sports product portfolio. These standard, repeatable products have been sold and deployed to multiple customers during the year, allowing Linus to increase the rate of new customer acquisition, rate of customer deployment, and speed to revenue.

Significant cost reductions announced in June 2022 took effect in Q1 of this year. The company operated under the reduced cost structure through the remainder of FY23, and when combined with the increase in cash receipts, resulted in a 54% reduction in net cash outflow compared to FY22.

The Company's focused go-to-market strategy and completion of key product development activities have resulted significant momentum through FY23 and going into FY24. Increased customer deployments and positive feedback are providing critical validation of the Company's strategy and products, driving larger commercial pipeline and increased rate of deal progression as the company enters FY24.

The financial statements for the period, further information and brief explanation of the financial results for the period and other information required under Appendix 4E are contained in this document.

## Net tangible asset backing

	Current period	Previous corresponding period
Net tangible assets per ordinary security	(0.0) cents	0.1 cents

## Events after the reporting period

### *Capital raising*

On 5 July 2023, the Company issued 23,333,340 shares only to related parties as part of a \$1,075,000 placement of fully paid ordinary shares at \$0.003 per share to professional and sophisticated investors (including directors and management) that was announced to ASX on 20 April 2023. The issue to related parties was approved by shareholders at a general meeting held on 8 June 2023 and \$70,000 was received by the Company in connection with that issue subsequent to year-end.

On 2 August 2023 the Company announced to ASX that it had received firm commitments from professional and sophisticated investors (including directors and management) to raise \$1,225,500 in additional capital, excluding transaction costs, via a placement of 490,200,000 shares at \$0.0025 per share, with the first 423,000,000 shares issued on 15 August 2023 to non-related parties and the balance expected to be issued to related parties by mid-November 2023 following shareholder approval. In addition, placees will receive one unlisted free attaching option for every three shares allocated, with an exercise price of \$0.004 per option expiring on 31 July 2026, subject to shareholder approval.

Other than the matters noted above, there has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of these operations, or the state of affairs of the Group in future financial periods.

## Audit

The results reported are in the process of an independent audit.

Signed:



Giuseppe Rinarelli  
Company Secretary

31 August 2023  
Melbourne



**LINIUS TECHNOLOGIES LIMITED**

**ACN 149 796 332**

**APPENDIX 4E**

**FINANCIAL STATEMENTS**

**FINANCIAL YEAR ENDED 30 JUNE 2023**

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# LINIUS TECHNOLOGIES LIMITED

## APPENDIX 4E 2023

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR YEAR ENDED 30 JUNE 2023

	Note	2023 \$	Group 2022 \$
Revenue	2	228,906	250,749
Other income	2	328,644	481,405
Amortisation expense		(540,000)	(540,000)
Depreciation expense		(8,589)	(28,725)
Consultant expenses		(408,438)	(605,319)
Director remuneration (excluding share-based payment) expenses		(184,576)	(251,869)
Employee benefit expenses		(2,051,113)	(3,482,375)
Redundancy expense		-	(42,308)
Share-based payments expense		(297,947)	(44,038)
Finance expense		(483,058)	(114,349)
Compliance expenses		(303,116)	(270,148)
Software development expenses		(1,172,227)	(3,060,825)
Marketing and promotional expenses		(88,506)	(447,781)
Patent costs		(70,453)	(118,382)
Legal expenses		-	(108,300)
Travel and accommodation expenses		(19,486)	(60,232)
Other expenses		(167,272)	(556,728)
Loss before income tax		(5,237,231)	(8,999,225)
Income tax expense	4	-	-
Loss for the year		(5,237,231)	(8,999,225)
Other comprehensive loss		-	-
Total comprehensive loss for the year		(5,237,231)	(8,999,225)
Basic loss per share (cents per share)	7	(0.19)	(0.52)
Diluted loss per share (cents per share)	7	(0.19)	(0.52)

The accompanying notes form part of the financial report.

# LINIUS TECHNOLOGIES LIMITED

## APPENDIX 4E 2023

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Note	Group 2023 \$	2022 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	8	481,037	963,482
Trade and other receivables	9	256,584	389,585
<b>TOTAL CURRENT ASSETS</b>		<b>737,621</b>	<b>1,353,067</b>
<b>NON-CURRENT ASSETS</b>			
Right of use asset		-	59,028
Intellectual property	10	1,305,000	1,845,000
Property, plant and equipment		-	8,589
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,305,000</b>	<b>1,912,617</b>
<b>TOTAL ASSETS</b>		<b>2,042,621</b>	<b>3,265,684</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	1,167,798	1,062,810
Employee provisions	12	90,969	160,322
Lease liability		-	50,000
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,258,767</b>	<b>1,273,132</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liability		-	12,500
Financial liabilities	13	-	1,243,420
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>-</b>	<b>1,255,920</b>
<b>TOTAL LIABILITIES</b>		<b>1,258,767</b>	<b>2,529,052</b>
<b>NET ASSETS</b>		<b>783,854</b>	<b>736,632</b>
<b>EQUITY</b>			
Issued capital	14	54,855,868	49,869,362
Share based payments reserve		5,978,778	5,680,831
Accumulated losses		(60,050,792)	(54,813,561)
<b>TOTAL EQUITY</b>		<b>783,854</b>	<b>736,632</b>

The accompanying notes form part of the financial report

# LINIUS TECHNOLOGIES LIMITED

## APPENDIX 4E 2023

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

Group	Issued Capital \$	Share Based Payments Reserve \$	Accumulated Losses \$	Total \$
Balance 1 July 2021	43,834,296	5,430,793	(45,814,336)	3,450,753
Total comprehensive loss:				
Loss for the year	-	-	(8,999,225)	(8,999,225)
Other comprehensive loss	-	-	-	-
Total comprehensive loss	-	-	(8,999,225)	(8,999,225)
Transactions with owners of the Company:				
Shares and options issued during the year (net of capital raising costs)	6,035,066	-	-	6,035,066
Share-based payments	-	250,038	-	250,038
Total transactions with owners of the Company	6,035,066	250,038	-	6,285,104
Balance at 30 June 2022	49,869,362	5,680,831	(54,813,561)	736,632
Balance 1 July 2022	49,869,362	5,680,831	(54,813,561)	736,632
Total comprehensive loss:				
Loss for the year	-	-	(5,237,231)	(5,237,231)
Other comprehensive loss	-	-	-	-
Total comprehensive loss	-	-	(5,237,231)	(5,237,231)
Transactions with owners of the Company:				
Shares and options issued during the year (net of capital raising costs)	4,986,506	-	-	4,986,506
Share-based payments	-	297,947	-	297,947
Total transactions with owners of the Company	4,986,506	297,947	-	5,284,453
Balance at 30 June 2023	54,855,868	5,978,778	(60,050,792)	783,854

The accompanying notes form part of the financial report

# LINIUS TECHNOLOGIES LIMITED

## APPENDIX 4E 2023

### CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Note	Group 2023 \$	2022 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		496,143	273,276
Receipts from GST refundable		145,110	193,990
Payments to suppliers		(4,670,346)	(8,591,383)
Other income received		428,573	266,525
Net cash used in operating activities	15	(3,600,520)	(7,857,592)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net cash provided by /(used in) investing activities		-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Insurance premium funding payments	11	(142,341)	(124,635)
Principal elements of lease liability		(12,499)	(8,333)
Proceeds from issue of shares and options		3,505,460	5,664,910
Capital raising costs paid		(85,660)	(295,976)
Proceeds from convertible notes	13	352,865	1,991,000
Repayment of convertible notes	13	(499,750)	-
Net cash inflows from financing activities		3,118,075	7,226,966
Net increase/(decrease) in cash held		482,445	(630,626)
Cash at beginning of financial year		963,482	1,594,108
Cash at end of financial year	8	481,037	963,482

The accompanying notes form part of the financial report



# LINIUS TECHNOLOGIES LIMITED

## APPENDIX 4E 2023

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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These preliminary financial statements and notes comprise the information required as Appendix 4E, under ASX listing rule 4.3A for Linius Technologies Limited (“the Company”) and its controlled entities (“the Group”), a listed Australian company incorporated in Australia. This report is based on financial statements that are in the process of being audited.

These general purpose financial statements comprise the financial report and notes of Linius Technologies Limited (the “Company”) and its controlled entities (the “Group”), a listed Australian company incorporated in Australia.

#### Basis of Preparation

The preliminary financial report does not include all of the notes of the type normally included in an annual financial report. Accordingly, it should be read in conjunction with the Annual Report for the period ended 30 June 2022 and the financial report for the six months ended 31 December 2022 and any public announcements made by the Company in accordance with the continual disclosure requirements of the Corporations Act 2001. This preliminary report has been prepared in accordance with the measurement and recognition requirements of the Australian Accounting Standards, Accounting Interpretations and the Corporations Act 2001.

The financial statements comprise the consolidated financial statements for the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with AIFRS ensures that the financial report and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The Appendix 4E was authorised for issue on 31 August 2023.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

#### *Going Concern*

The financial statements have been prepared under the historical cost convention, applying the going concern basis of accounting. The directors are confident in the continuing support from the existing shareholders and the ability to attract new investors to fund the Group’s future finance requirements. Further details of the going concern basis of accounting will be provided in the Group’s annual report for the year ended 30 June 2023.

# LINIUS TECHNOLOGIES LIMITED

## APPENDIX 4E 2023

### NOTE 2: REVENUE

	Group	
	2023	2022
	\$	\$
Revenue for services rendered*	228,906	250,749
Other revenue:		
Government grant**	328,644	481,405
Total revenue	557,550	732,154

\* Income in advance amounting to \$282,059 (2022: \$23,472) is included in trade and other payables.

\*\*Government grants related to research and development claim remain amounting to \$98,933 remain outstanding as at 30 June 2023 (2022: \$198,861) and form part of trade and other receivables.

### NOTE 3: LOSS FOR THE YEAR

	Group	
	2023	2022
	\$	\$
Other expenses:		
Occupancy costs	15,386	73,212
Recruitment	1,843	250,572
Insurance	134,430	120,034
Others	15,613	112,910
Other expenses	167,272	556,728

# LINIUS TECHNOLOGIES LIMITED

## APPENDIX 4E 2023

### NOTE 4: INCOME TAX EXPENSE

	Group	
	2023	2022
	\$	\$
a) Income tax expense		
Current tax benefit	(1,256,167)	(2,441,461)
Deferred tax – origination and reversal of temporary differences	21,346	(21,216)
Deferred tax assets for tax losses not recognised	1,234,821	2,462,677
	-	-
b) Reconciliation of income tax expense to prima facie tax payable		
The prima facie tax payable on profit/loss from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Prima facie tax on operating loss at 25% (2022: 27.5%)	(1,309,308)	(2,474,787)
Add / (Less)		
Tax effect of:		
Share based payments	74,487	12,110
Unused tax losses and other balances not recognised as deferred tax assets	1,234,821	2,462,677
Income tax attributable to operating loss	-	-
c) Unrecognised deferred tax assets		
Unused Australian tax losses for which no deferred tax asset has been recognised	12,541,413	12,418,178
Temporary differences not recognised	22,742	44,089
Total	12,564,155	12,462,267

Potential deferred tax assets attributable to tax losses carried forward have not been brought to account at 30 June 2023 because the Directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this current point in time. These benefits will only be obtained if:

- The Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss to be realised;
- The Group continues to comply with conditions for deductibility imposed by law; and
- No changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the losses.

# LINIUS TECHNOLOGIES LIMITED

## APPENDIX 4E 2023

### NOTE 5: KEY MANAGEMENT PERSONNEL

The total of remuneration paid to KMP of the Group during the period are as follows:

	Group	
	2023	2022
	\$	\$
Short-term employee benefits	827,256	740,970
Share-based payments	23,833	30,556
	851,089	771,526

### NOTE 6: AUDITOR'S REMUNERATION

	Group	
	2023	2022
	\$	\$
Remuneration of the auditor for services provide to the Group and the Parent during the year:		
<i>Audit and review services</i>	97,000	87,900
KPMG: auditing and reviewing of financial statements		
	97,000	87,900

### NOTE 7: EARNINGS/LOSS PER SHARE

	Group	
	2023	2022
	\$	\$
a. Reconciliation of earnings to profit or loss		
Loss used to calculate basic and diluted EPS	(5,237,231)	(8,999,225)
	No.	No.
b. Weighted average number of ordinary shares outstanding during the period used in calculating basic and diluted EPS	2,807,608,120	1,731,553,977

Potential ordinary shares comprising 69,139,653 options (2021: 63,577,153) were excluded in the calculation of diluted EPS given they are antidilutive.

### NOTE 8: CASH AND CASH EQUIVALENTS

	Group	
	2023	2022
	\$	\$
Cash at bank	481,037	963,482

The effective interest rate on short-term bank deposits was varying between 0.1% to 3%.

# LINIUS TECHNOLOGIES LIMITED

## APPENDIX 4E 2023

### NOTE 8: CASH AND CASH EQUIVALENTS (CONTINUED)

#### Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

	Group	
	2023	2022
	\$	\$
Cash and cash equivalents	481,037	963,482

### NOTE 9: TRADE AND OTHER RECEIVABLES

	Group	
	2023	2022
	\$	\$
CURRENT		
Accounts receivable	162,913	233,071
Prepaid expenses and other receivables	93,671	156,514
	256,584	389,585

Accounts receivables are shown net of impairment losses of \$nil (2022: \$nil)

### NOTE 10: INTELLECTUAL PROPERTY

The Group acquired the intellectual property associated with the Linius technology from an unrelated party in the financial period ended 30 June 2016. The intellectual property includes patents, copyright, confidential information and trademarks. In accordance with accounting standards and the Group accounting policies this asset is treated as having a finite life and is being amortised over 10 years.

	Group	
	2023	2022
	\$	\$
Intellectual property at cost	5,400,000	5,400,000
Accumulated amortisation	(4,095,000)	(3,555,000)
	1,305,000	1,845,000

The directors have assessed the value and useful life of the intellectual property at balance date.

The cost of the intellectual property was established upon the purchase of the intellectual property through a third party transaction during the financial period ended 30 June 2016. The value of the intellectual property was further validated through the reverse takeover process and capital raising undertaken by Linius Technologies Limited (Linius) in April/May 2016. During this process an independent report was commissioned, which gave the directors comfort that the intellectual property purchased was covered by valid patents, trademarks and copyright.

# LINIUS TECHNOLOGIES LIMITED

## APPENDIX 4E 2023

### NOTE 10: INTELLECTUAL PROPERTY (CONTINUED)

The directors note that the intellectual property is at an early stage in its commercial life, with the associated technology recently commencing commercialisation. The value and lifespan of the owned intellectual property continues to be enhanced by further patent registrations in new jurisdictions across the world and through continued development of the technology associated with the intellectual property.

The directors have currently assessed the useful life of the intellectual property as being 10 years. The directors consider that a 10 year useful life is reasonable and appropriate and have amortised the value of intellectual property at balance date on that basis.

Further details regarding impairment testing will be provided in the Group's annual report for the year ended 30 June 2023.

### NOTE 11: TRADE AND OTHER PAYABLES

	Group	
	2023	2022
	\$	\$
Trade payables	621,021	668,039
Income in advance	282,058	23,472
Insurance premium funding*	-	136,895
Sundry payables and accrued expenses	264,719	234,404
	1,167,798	1,062,810

*Reconciliation of movements of liabilities to cash flows arising from financing activities.*

\* Initial loan balance of \$150,482 was non cash as the insurance premium was paid directly by financier. During the year, \$142,341 was repaid. Nominal interest rate is 7.87% and this loan was repaid by March 2023.

### NOTE 12: EMPLOYEE PROVISIONS

	Group	
	2023	2022
	\$	\$
CURRENT		
Provision for leave	90,969	118,014
Provision for redundancy	-	42,308
	90,969	160,322

# LINIUS TECHNOLOGIES LIMITED

## APPENDIX 4E 2023

### NOTE 13: FINANCIAL LIABILITIES

	Group	
	2023	2022
	\$	\$
Convertible note facility	-	1,243,420
	-	1,243,420

#### **2022 convertible Note**

In January 2022, the Company secured up to \$3 million of funding by way of a convertible note issued to New Technology Capital Group, LLC (NTCG), a New York based investment fund.

Under the terms of the agreement, Linius issue an initial 18,800,000 Shares to NTCG, which will be allocated towards the ultimate number of Subscription Shares to be issued. Alternatively, in lieu of applying these Shares towards the aggregate number of the Subscription Shares to be issued, NTCG may make a further payment to Linius equal to the value of these Shares determined using the issue price at the time of the payment. In addition, Linius will issue 8,000,000 Shares in satisfaction of a fee payable to NTCG.

In February 2022, following receipt of the first tranche of \$2,000,000, a note with a face value of \$2,120,000 maturing January 2024 was issued.

The note is convertible at NTCG's election into ordinary shares on the following terms: the issue price of the Subscription Shares will initially be equal to A\$0.034 each, being a premium of 100% to the closing price of Linius shares on ASX on the last trading date prior to this announcement. Subject to a floor price of A\$0.011 (Floor Price), the issue price will reset after 60 days to the average of the five daily volume-weighted average prices (VWAPs) selected by NTCG during the 20 consecutive trading days immediately prior to the date of NTCG's notice to issue Shares, less a 5% discount (if the shares are issued in the first 12 months after the date of execution of the agreement) or a 7% discount (if the shares are issued after 12 months), rounded down to the nearest one tenth of a cent.

If the issue price formula results in a price that is less than the Floor Price, Linius may forego issuing Shares and instead opt to repay the applicable subscription amount in cash (with a 5% premium), subject to the NTCG's right to receive Subscription Shares at the Floor Price in lieu of such cash repayment.

Linius will also have the right (but not the obligation) to forego issuing Shares following NTCG's request for issue and instead opt to repay the subscription amount by making a payment to NTCG equal to the market value of the Shares that would have otherwise been issued.

In April 2022, the Company announced that by mutual agreement the Company and NTCG will not proceed with the \$1,000,000 second tranche of the agreement.

By 30 June 2022, \$400,000 of the tranche 1 notes had been converted into ordinary shares. (see note 14).

On 12 March 2023, the Company settled the remaining balance outstanding for \$499,750.

As at 30 June 2023 there is no balance outstanding.

As the convertible note contains conversion feature AASB 9 Financial Instruments requires the disaggregation of the equity and financial liability components. The full amount of A\$2,120,000 is discounted back to present value using prevailing market interest rates for an equivalent loan, which is estimated at 12%. The fair value of the loan at 27 January 2022 is estimated at A\$1,536,093. The difference is the amount that is recognised as equity. A total of \$476,330 (2022: \$106,516) represents the unwinding of the present value discount up to 30 June 2023 and is recognised in the statement of profit or loss and other comprehensive income under finance expense.

# LINIUS TECHNOLOGIES LIMITED

## APPENDIX 4E 2023

### NOTE 13: FINANCIAL LIABILITIES (CONTINUED)

#### 2023 convertible Note

In March 2023, the Company secured \$352,865 by way of a convertible note issued to professional and sophisticated investors.

Under the terms of the agreement, Linius issue an initial 352,865 convertible notes which shall convert into fully paid ordinary shares in the Company at a price of \$0.002 per share, subject to the Company obtaining shareholder approval for the purposes of Listing Rule 7.1 for the issue of those shares. The conversion shall occur within seven days of such approval being obtained. On 8 June 2023 shareholder approval was received, resulting in the notes being converted into 176,432,500 shares on 15 June 2023.

### NOTE 14: ISSUED CAPITAL AND RESERVES

	Note	\$ Group	Number (Legal parent)
Issued Capital			
2023			
Opening balance 1 July 2022		49,869,362	1,959,516,312
Issue of shares through private placement (net of costs)*		3,345,670	877,569,997
Issue of shares as share based payments**		-	72,771,898
Issue of shares on conversion of convertible note^		1,640,836	855,599,167
At reporting date		54,855,868	3,765,457,374
The Company has issued share capital amounting to 3,765,457,374 ordinary shares of no par value.			
2022			
Opening balance 1 July 2021		43,834,296	1,511,628,068
Issue of shares through private placement (net of costs)*		5,148,024	365,000,000
Issue of shares on conversion of options		32,946	3,294,592
Issue of shares as share based payments**		-	2,000,000
Issue of equity as part of subscription agreement^		454,096	26,800,000
Issue of shares on conversion of convertible note^		400,000	50,793,652
At reporting date		49,869,362	1,959,516,312

\*Net of \$- (2022: \$206,000) of share based payment transaction costs and \$91,819 (2022: \$295,976) of other transaction costs.

\*\*Net of \$238,699 (2022: \$26,889) of share based payments expense recorded in the profit and loss and share based payments reserve.

^ Refer to note 13 for details regarding the subscription agreement.



# LINIUS TECHNOLOGIES LIMITED

## APPENDIX 4E 2023

### NOTE 14: ISSUED CAPITAL AND RESERVES (CONTINUED)

Ordinary shares	Legal parent entity	
	2023 No.	2022 No.
Opening balance	1,959,516,311	1,511,628,068
Fully paid shares issued during the year		
– July 2021 (issue of shares on conversion of options)	-	1,241,000
– August 2021 (issue of shares by private placement)	-	180,000,000
– August 2021 (issue of shares on conversion of options)	-	1,095,000
– November 2021 (issue of shares on conversion of options)	-	958,592
– December 2021 (issue of shares by private placement to directors)	-	20,000,000
– December 2021 (issue of shares as part of share based payment)	-	2,000,000
– February 2022 (issue of shares as part of subscription agreement)	-	26,800,000
– April 2022 (issue of shares as part of subscription agreement)	-	22,222,223
– May 2022 (issue of shares as part of subscription agreement)	-	28,571,428
– May 2022 (issue of shares by private placement)	-	165,000,000
– July 2022 (issue of shares by private placement to directors)	35,000,000	-
– July 2022 (issue of shares as part of share based payment)	3,000,000	-
– July 2022 (issue of shares as part of share based payment)	3,850,000	-
– August 2022 (issue of shares as part of subscription agreement)	50,000,000	-
– August 2022 (issue of shares by private placement)	200,000,000	-
– August 2022 (issue of shares as part of subscription agreement)	62,500,000	-
– September 2022 (issue of shares as part of subscription agreement)	66,666,667	-
– October 2022 (issue of shares by private placement to directors)	31,000,000	-
– December 2022 (issue of shares as part of share based payment)	28,590,006	-
– December 2022 (issue of shares by private placement)	228,236,630	-
– December 2022 (issue of shares as part of subscription agreement)	140,000,000	-
– December 2022 (issue of shares by private placement)	15,000,000	-
– December 2022 (issue of shares as part of share based payment)	8,053,280	-
– January 2023 (issue of shares as part of subscription agreement)	148,000,000	-
– February 2023 (issue of shares as part of subscription agreement)	155,000,000	-
– February 2023 (issue of shares as part of share based payment)	5,000,000	-
– February 2023 (issue of shares by private placement to directors)	33,333,340	-
– March 2023 (issue of shares as part of subscription agreement)	57,000,000	-

# LINIUS TECHNOLOGIES LIMITED

## APPENDIX 4E 2023

### NOTE 14: ISSUED CAPITAL AND RESERVES (CONTINUED)

	Legal parent entity	
Ordinary shares	2023 No.	2022 No.
– May 2023 (issue of shares by private placement)	335,000,027	-
– May 2023 (issue of shares as part of share based payment)	24,278,612	-
– June 2023 (issue of shares on conversion of convertible note)	176,432,500	-
At reporting date	3,765,457,374	1,959,516,311

At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. All ordinary shares rank equally with regard to the Company's residual assets.

### NATURE AND PURPOSE OF RESERVES

#### Share-Based Payments Reserve

This reserve is used to record the equity value of share based payment expenses incurred as consideration for employee and consultant services.

#### Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Group's activities, being an early stage technology company, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet research and development of software, early stage business commercialisation initiatives and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Group at 30 June 2023 is as follows:

	Group	
	2023 \$	2022 \$
Cash and cash equivalents	481,037	963,482
Trade and other receivables	256,584	389,585
Trade and other payables and other liabilities	(1,258,767)	(1,273,132)
Working capital position	(521,146)	79,935

# LINIUS TECHNOLOGIES LIMITED

## APPENDIX 4E 2023

### NOTE 15: CASH FLOW INFORMATION

	Group	
	2023	2022
	\$	\$
Cash flows excluded from loss attributable to operating activities:		
Loss after income tax	(5,237,231)	(8,999,225)
Non cash items		
- Depreciation	8,589	28,725
- Amortisation	540,000	540,000
- Write down of right of use assets on disposal	9,028	-
- Payment of exercise price of options	-	18,036
- Share-based payments expense	297,947	44,038
- Interest expense	476,330	106,516
Changes in assets and liabilities		
- Increase/(decrease) in provisions	(69,353)	77,149
- Increase/(decrease) in trade payables and accruals	241,169	595,821
- (Increase)/decrease in trade receivables and prepayments	133,001	(268,652)
Cash flows used in operating activities	(3,600,520)	(7,857,592)

### NOTE 16: OPERATING SEGMENTS

#### Segment Information

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Group's operating segments have been determined with reference to the monthly management accounts used by the Chief Operating Decision Maker to make decisions regarding the Group's operations and allocation of working capital. Due to the size and nature of the Group, the Board as a whole has been determined as the Chief Operating Decision Maker.

There is only one reportable segment, being the development of computer software.

The revenues and results of this segment are those of the Group as a whole and are set out in the consolidated statement of profit or loss and other comprehensive income. The segment assets and liabilities of this segment are those of the Group and are set out in the consolidated statement of financial position.

# LINIUS TECHNOLOGIES LIMITED

## APPENDIX 4E 2023

### NOTE 17: PARENT ENTITY DISCLOSURES

The following information is related to the legal parent entity Linius Technologies Limited as at 30 June 2023:

Financial position	2023	2022
	\$	\$
<b>Assets</b>		
Current assets	369,744	994,841
Non-current assets	13,600,318	10,325,692
<b>Total assets</b>	<b>13,970,062</b>	<b>11,320,533</b>
<b>Liabilities</b>		
Current liabilities	300,856	262,030
Non current liabilities	-	1,260,920
<b>Total liabilities</b>	<b>300,856</b>	<b>1,522,950</b>
<b>Equity</b>		
Issued capital	70,481,823	65,510,317
Option premium reserve	36,462	36,462
Share based payments reserve	5,978,778	5,680,831
Accumulated losses	(62,827,857)	(61,425,027)
<b>Total equity</b>	<b>13,669,206</b>	<b>9,797,583</b>
<b>Financial performance</b>		
Loss for the year	1,402,830	16,308,805
<b>Total comprehensive loss</b>	<b>1,402,830</b>	<b>16,308,805</b>

#### (i) Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the parent entity's financial statements. The investment amounts are assessed for recoverability and an impairment is recorded where the recoverable amount is lower than cost. The recoverable amount is determined by taking into account the market capitalisation of the Group at balance date.

Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

#### (ii) Receivables from subsidiaries

These receivables are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses.

# LINIUS TECHNOLOGIES LIMITED

## APPENDIX 4E 2023

### NOTE 18: SUBSEQUENT EVENTS

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#### *Capital raising*

On 5 July 2023, the Company issued 23,333,340 shares only to related parties as part of a \$1,075,000 placement of fully paid ordinary shares at \$0.003 per share to professional and sophisticated investors (including directors and management) that was announced to ASX on 20 April 2023. The issue to related parties was approved by shareholders at a general meeting held on 8 June 2023 and \$70,000 was received by the Company in connection with that issue subsequent to year-end.

On 2 August 2023 the Company announced to ASX that it had received firm commitments from professional and sophisticated investors (including directors and management) to raise \$1,225,500 in additional capital, excluding transaction costs, via a placement of 490,200,000 shares at \$0.0025 per share, with the first 423,000,000 shares issued on 15 August 2023 to non-related parties and the balance expected to be issued to related parties by mid-November 2023 following shareholder approval. In addition, placees will receive one unlisted free attaching option for every three shares allocated, with an exercise price of \$0.004 per option expiring on 31 July 2026, subject to shareholder approval.

Other than the matters noted above, there has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of these operations, or the state of affairs of the Group in future financial periods.