Video Virtualization Engine™

LINIUS TECHNOLOGIES LIMITED

ACN 149 796 332

ANNUAL REPORT

2024

LINIUS TECHNOLOGIES LIMITED

ANNUAL REPORT 2024

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LINIUS TECHNOLOGIES LIMITED

ANNUAL REPORT 2024

CORPORATE DIRECTORY

This annual report covers Linius Technologies Limited and its controlled entities (the "Group" or "Group") during the year ended 30 June 2024. The presentation currency of the Group is Australian dollars.

OFFICERS	Gerard Bongiorno	(Non-Executive Chairman)
	James Brennan	Executive Director and CEO
	Stephen McGovern	(Non-Executive Director) resigned 15 July 2023
	John Wallace	(Non-Executive Director)
	Barry McNeill	(Non-Executive Director)
	Giuseppe Rinarelli	(Company Secretary and CFO)
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LINIUS TECHNOLOGIES LIMITED

ANNUAL REPORT 2024

CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Shareholders,

On behalf of your board of directors, I am pleased to enclose the Annual Report of Linius Technologies Limited for the financial year ended 30 June 2024.

2024 saw our strategy of targeting the sports sector gain significant momentum. The company achieved record financial results with revenue rising to $811,120 and customer cash receipts rising to $747,516

Linius achieved significant milestones in FY24, going live with several blue-chip customers, entering target markets and forging important industry partnerships that will enable Linius to scale faster than we could independently.

The Company targeted the US market and we onboarded three new US clients during the year – Hockey Technology Partners (supporting the North American Hockey League & USA Hockey), Lone Star Conference (LSC), and Peach Belt Conference(PBC). The latter two are in US college sports, which is a highly repeatable and scalable segment. The overall US sports and US college sport markets will be significant growth drivers going forward, and we now have the customer validation and case studies demanded by larger US sports federations and broadcasters.

The company's rate of customer deployment increased in FY24, with six customers going live with Whizzard and Whizzard Highlights during the year, including our largest and most complex deployment ever for IMG. Deployment times dropped significantly, with repeat deployments of Whizzard taking as little as two weeks. This translates to faster time to revenue as we continue to sell these repeatable SaaS products. These deployments provide critical validation of our solutions, particularly IMG where Whizzard is publicly visible and being used by our target customers in the leading sports federations, broadcasters, and content producers around the world.

With our success in the market, we attracted attention of several industry leaders, signing partnerships that will generate significant scale for our business with Magnifi, Avid, Genius, and Prime Focus (in Sept 2024). These market leaders have large existing customer bases and sales/channel teams bringing Linius into their customers and new business opportunities. They are highly motivated as Linius Media Solutions provides unique differentiation, making their solutions more competitive, stickier, and higher value.

It should be noted that most of our billing and cash receipts for the year came from annual recurring revenue (ARR). This provides a significant foundation for growth in FY25 as we continue to grow existing clients and add revenues from new clients. With the completion of significant product developments and the partner GTM model in place, we implemented cost reductions in early FY25 to reduce nearly $1 million in annual operating cost.

During FY24 we carefully raised funds where required, successfully backing operations to deliver the growth at each turn. In September 2025, we completed a more significant raise of up to $3 million to give the business the runway to focus on taking us through to break even in early FY26. We thank Linius investors for their continued support and patience as our company laid the foundation of customer validation, products, and partnerships that will enable rapid growth in FY25. Taking the above into account FY24 proved to be a pivotal year on our path to profitability.

I present to you the report on Linius and its controlled entities for the 30 June 2024 financial year.

Gerard Bongiorno
Non-Executive Chairman
30 September 2024

CHIEF EXECUTIVE OFFICER'S REVIEW OF OPERATIONS

Dear Shareholders,

On behalf of your board of directors, I am pleased to enclose the Annual Report of Linius Technologies Limited for the financial year ended 30 June 2024.

<u>Summary</u>

The 2024 financial year was an important validation and expansion year for Linius, and I am pleased with the progress made. We validated our solutions and go-to-market strategy by winning deals in new markets, completing major deployments with leading organizations, and forging key industry partnerships. Linius Media Solutions is now live and providing significant value for some of the world's leading sports federations and rights holders. These deployments prove the value of our solutions to customers whilst providing substantial visibility and credibility to the market. Linius now supports over 100k hours of content across 15 sports from over 40 sports federations.

We gained market acceptance of Whizzard and proved the ability to deploy it repeatably at scale. Whizzard was deployed six times in FY24 for IMG, Inverleigh Media, Lone Star Conference (LSC), Peach Belt Conference (PBC), Racing.com, and a significant upgrade at Cricket Australia (CA). We proved the ability to scale Whizzard to support multiple customers and dozens of federations and sports. In Q3 FY24, we went live with our largest deployment of Whizzard for IMG, the world's leading sports and media company. Whizzard was incorporated within the IMG Video Archive service, providing advanced content search and curation capability to users including the world's leading sports federations, broadcasters, film makers, advertisers, and more. Through IMG, Linius is now working with content from some of the biggest sports federations including Premier League, PGA, Wimbledon, The Open, World Rugby, MotoGP and more. This deployment provides substantial visibility and credibility across Linius' key target markets and is a critical element to acceleration of Linius' growth.

We entered the US market, the largest single sports market globally, with three customer wins and deployments in FY24. Hockey Technology Partners embedded Linius Media Solutions into their deployments for the North American Hockey League (NAHL), USA Hockey, and more. PBC and LSC were added as our first customers in the important US college sports market, a market which contains 150 conferences and 1100 universities in the National Collegiate Athletics Association (NCAA), worth an estimated $70m for Linius. LSC was our first deployment for American football, the highest revenue generating sport in the world and a key driver of the opportunity in the US market.

We entered the automated highlights market, an existing high value segment within the sports video market, with Whizzard Highlights. Automated highlights are a well known, widely deployed and budgeted solution for every major broadcaster and sports federation. This is a high growth segment of the market, with the value of this short-form video expected to overtake the value of long-form live rights within the next 10 years. Whizzard unlocks the value of short form highlights not for only recent matches, but for the entire historical archive. Whizzard Highlights was deployed for three customers, CA, PBC, and LSC. With the entrance into this segment and our proven ability to personalize highlights for every viewer, we gained the attention of and formed a partnership with the number two and fastest growing provider of automated highlights, Magnifi. Together with Magnifi, we are now competing against major incumbent providers in multiple opportunities.

Partnerships were forged with Magnifi and other leading technology companies including Avid and Genius in FY24 and Prime Focus Technologies (PFT) in early FY25. Avid is one of the leading providers of editing technology to broadcasters and federations globally; Genius is a leading provider of sports metadata; PFT is the world's largest independent media services company.

The power of these partnerships cannot be understated. Each partner is a leader in their segment, with large existing installed bases of customers where Linius will add value. They have large direct sales teams and channel partners that provide a level of scale for our go-to-market strategy that we could not achieve independently. Linius solutions, combined with theirs, provide significant differentiation in the market and all of these partners are highly motivated by the potential of our partnership to drive revenue growth. Multiple opportunities are already in development, and I anticipate significant revenue to be generated through these partnerships in FY25.

CHIEF EXECUTIVE OFFICER'S REVIEW OF OPERATIONS Continued

Finally, we delivered on our Linius Media Solutions (LMS) portfolio strategy. Announced in Q1 FY24, LMS is a portfolio of value-add solutions with Whizzard at its core. Each product in LMS adds value to the solution, creates new points of entry for opportunities, and provides long term upsell/cross-sell opportunities. Whizzard Highlights was the first addition to LMS and we have seen strong uptake of this solution. Most recently, in September 2024, we announced the availability of Captivate, an engaging personalized and socially-centred experience for viewers that will enable broadcasters and federations to solve their biggest problem – lost engagement to social applications like YouTube, TikTok, and Instagram. Market data clearly shows that traditional media is experiencing significant decline in viewing, subscribers, and revenue while these social apps are growing exponentially. Captivate combines the best experiences of the social apps with the great content from broadcasters and federations, with a level of personalization that these apps can only dream of. Only Linius, with our virtualized video and data-driven assembly can create the volume of content on the fly to bring this experience to broadcasters and federations. The portfolio now provides multiple layers of value, from archive search to content curation, automated highlights production, and now an innovative solution for fan engagement and content monetization. We are incredibly excited by the opportunities that Captivate and the entire LMS portfolio will create in FY25.

I'm pleased to say that these advances led not only to increased validation and opportunity but record financial results for FY24 – revenue of $811,120, a 254% YoY increase, and customer cash receipts of $747,516, a 51% YoY increase.

FY24 has been an important year of validation and expansion for Linius, and we now enter FY25 with all the components needed for success – a ground-breaking patented technology, a portfolio of high value solutions, a scalable platform with repeatable deployment methodologies, excellent customer validation, industry partnerships for GTM scale, and the capital resources needed to reach profitability. I am excited to enter FY25 with significant momentum from these new products and partnerships and expect rapid growth through FY25 as we strive to reach break-even in early FY26.

<u>Highlights of FY24:</u>

- Company achieved record financial results including:
  - Total yearly revenue was $811,120, a 254% increase over FY23 and yearly cash receipts were $747,516, 51% higher than FY23.
- Company gained significant market validation through several customer contracts & deployments
  - In January 2024, Linius reached pivotal milestone with the live launch of services for IMG
    - IMG, the world's leading sports and media company deployed Whizzard as part of the re-launch of the IMG Video Archive service
    - Provides substantial validation and credibility to Linius with world leading federations, broadcasters, and content producers now using Whizzard
  - During FY24, Linius closed and deployed multiple customers in the important US sport market
    - Hockey Technology Partners (HTP) became Linius' first US customer in July 2023
      - Service for NAHL TV went live in September. The North American Hockey League (NAHL) is the top junior hockey league in the US. The deal saw HTP build a personalized channel service for NAHL in just 3 weeks.
      - Following success of deployment at NAHL, HTP launched similar services for their customer USA Hockey for the US National Development Team Program and the USAH National Championship tournament, plus additional school customers
    - Entered the US college sports market, which contains 150 conferences and 1100 universities in the NCAA, with a total addressable market estimated at >$70m for Linius
      - Signed deal with PBC and went live in under 8 weeks
      - Deployment of Whizzard and Whizzard Highlights allows PBC to curate and publish multiple highlights packages for all men and women's basketball games for the first time ever.
      - PBC deployment was expanded to include men's & women's soccer in July 2024

CHIEF EXECUTIVE OFFICER'S REVIEW OF OPERATIONS Continued

        - Signed second US college customer, LSC, largest conference in NCAA Div 2, with Whizzard & Whizzard Highlights deployed for basketball and American football
        - LSC was the first customer to deploy Linius Media Solutions for American Football, the highest revenue generating sport globally
    - Inverleigh Media embedded Whizzard into their ENGINE media platform with services going live for end customers New Zealand Rugby and South Africa, New Zealand, Australia, Argentina Rugby (SANZAAR)
        - Content produced via this integration is now published and available on the NZR+ service.
        - Inverleigh is actively pursuing multiple additional federations under existing Master Services Agreement which will result in further revenue.
    - Racing.com entered into new multi-year agreement to extend & expands deployment of Linius Media Solutions, providing immediate uplift in monthly recurring fees
- Company gained further market validation through key partnerships with industry leaders
    - In April, signed partnership with Magnifi, leading provider of AI-driven automated highlights
        - After launch and rapid adoption of our auto-highlights product, we gained the attention of and now partnered with the #2 provider in this space. Together, Linius and Magnifi have a highly differentiated solution, well positioned to disrupt the automated highlights market
        - Magnifi will integrate and resell Linius Whizzard as their solution for archives as well as Linius Captivate personalised video product for fan engagement
        - Magnifi will bring these products to its existing installed base of global broadcast and federation customers with several opportunities already in development
        - Linius gains access to advanced AI technology for metadata, curation, & other innovations
        - Joint solution demonstrated at National Assoc of Broadcasters (NAB) Show in Apr '24
        - Captivate presented as Magnifi's monetization product at IBC tradeshow in Sept '24
        - Multiple opportunities in development for existing Magnifi customers & new business opportunities
    - Integration license agreement with Avid
        - With Whizzard disrupting archive search and curation workflows, it makes perfect sense to integrate into professional editing suites provided by industry leaders like Avid
        - Linius is one of the first partners to access the new SDK for Avid Media Composer, which will embed Whizzard into Media Composer UI and workflows, exposing Whizzard to Avid's customer based including most major broadcasters and federations.
        - Integration is scheduled to be complete Oct 2024 and launched to Avid's sales team and channel
    - Partnership agreement signed with Genius Sport, leading provider of data to top leagues and broadcasters and the exclusive provider of metadata to the entire NCAA for college sport
    - In Sept '24, Linius signed a reseller agreement with Prime Focus Technologies
        - PFT delivers AI technology and media services to streaming platforms, studios, and broadcasters, helping them enhance productivity and accelerate revenue growth. PFT customers include Star TV, Channel 4, ITV, Warner Bros. Discovery, Paramount, Disney+ Hotstar, BCCI, Amazon, MGM Studios
        - Linius Media Solutions will be integrated with PFT's CLEAR® and CLEAR® AI solutions
        - PFT will resell the Linius Media Solutions portfolio, including Whizzard, Whizzard Highlights, Captivate, and the Linius Video Services platform and APIs
        - Joint solutions include AI-powered automated highlights and personalised personalized content curation for sports and broadcast customers
        - Joint solutions will be marketed & sold to PFT's existing customers and new business opportunities
- Company delivered on our LMS portfolio strategy with several key product launches
    - Launch of Whizzard v2.0 with advanced search and recommendation capability
        - Deployed at IMG, CA, PBC, LSC, Racing.com, and Inverleigh
    - Launched Whizzard Highlights Oct '24
        - This marks Linius' entry into the existing large market for automated highlights with significant revenue potential. Automated highlights drive substantial utilization from viewers, increasing the potential variable revenues under the Linius commercial model.
        - Deployed at CA, PBC, and LSC with more to follow
    - Launched Captivate Aug '24, Linius' personalized and socially-centred solution for viewer engagement
        - Targeted at broadcasters and large sports federations to combat their #1 issue – loss of engagement to social media applications like YouTube, TikTok, and Instagram
        - Designed, market tested, and developed during FY24

CHIEF EXECUTIVE OFFICER'S REVIEW OF OPERATIONS Continued

Purpose & Strategy
Linius' purpose & strategy remain unchanged from FY23.

Linius' purpose is to unlock the value of the world's video, creating immersive, deeply personalized viewing experiences. For the first time, we make it possible to find, curate, and utilize the valuable moments across vast libraries of video, enabling viewers to create an infinite amount of personalised video compilations on-the-fly, providing the most relevant content to each viewer.

Our patented Video Virtualisation Engine™ (VVE) turns big, bulky video files into lightweight, searchable data that is enriched with AI and ML, making it easy and efficient for users to find and share what matters to them. Creators and owners of video can drive greater viewing, and monetisation of their video assets.

The strategy for FY24 was as follows:

1. Repeat sales and drive revenue in chosen markets
    - Close more new customers and enter key new markets
    - Generate near term and repeatable recurring revenues
    - Optimize commercial models to drive near-term and repeat recurring revenues
    - Onboard additional customers using repeatable methodology for greater speed and lower cost
2. Create and commercially validate products and go-to-market strategies through successful customer deployments
    - Launch additional products in selected markets, specifically Sports
    - Onboard new clients for these products, with consistent, simple pricing and packaging models
    - Engage closely with customers and partners to drive adoption, user acceptance, and customer satisfaction
    - Deliver products that are easily replicable, deployable, supportable
    - Gain product insights for continuous refinement of product and go-to-market strategy
    - Gain key insights, feedback, and analytics to use as proof points for new business development

Detailed summary of FY24 Operations:
Linius executed against this strategy in FY24 as follows:

1. Linius achieves record financial results

Increased commercial activity in FY24 resulted in record financial results including revenue of $811,120 and customer cash receipts of $747,516.

During the year, the company also reported record quarterly financial results of:

- Record billings in Q2FY24 of $224,000, 2.3x higher than Q2FY23 and up 34% over Q1FY24
- Record cash receipts in Q3FY24 of $232,000, 15% higher than Q3FY23 (the previous record high quarter) and up 23% over Q2FY24.

The increased billings and cash receipts in FY24 came from a combination of existing customers with ongoing contracts, contract renewals, as well as new customer contracts.

Linius' commercial model includes a combination of setup fees, ongoing monthly license subscription fees, and variable fees. Setup fees are typically billed upon contract signing and/or delivery of the solution. Monthly subscription fees begin upon delivery of the solution to the customer. Variable fees begin after delivery of the solution to the customer and are dependent upon the take-up of the service. Variable fees may include usage based fees (e.g. per play, per minute), additional archive discovery/enrichment fees (per minute), and/or revenue share (percentage of advertising, sponsorship, and/or subscription fees).

In FY24, the majority of revenue came from recurring fees.

CHIEF EXECUTIVE OFFICER'S REVIEW OF OPERATIONS Continued

2. Linius enters key target markets and completes major customer deployments

During the year, the Company continued to execute its strategy to expand commercial deals in the Sports market segment with entry into key target market segments. The Company also completed several major customer deployments, driving more repeatable deployment methodologies and faster time to market. These included:

- Entering the US market, including the US college sports segment
- Entering the automated highlights market
- Winning new business with HTP, LSC, and PBC
- Completing major deployment projects with IMG, Inverleigh, CA, Racing.com, HTP, LSC, and PBC

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, Linius is now working with over 100k hours of content in 15 sports and across 40+ federations.

IMG

In Q4 FY23, Linius announced a new commercial agreement with IMG, the world's leading sports and media company. In FY24, IMG deployed Whizzard into their IMG Video Archive service to make a significant improvement in their users' ability to find and utilize the content from this valuable archive.

This was a significant deployment project covering one of the world's largest sports video archives across multiple sports and federations. This was our most complex deployment of Whizzard to date and included:

- Analysis of content from numerous federations including Premier League, World Rugby, Wimbledon, The R&A (The Masters), The Ryder Cup, PGA America & Europe, International Skating Union (ISU), Frank Warren Boxing, RCS & UCI cycling, Trans World Sport, Worlds Strongest Man, MotoGP, and more
- Virtualization of over 50,000 hours of content
- Creation of over 6 million virtual video segments
- Generation of 10's of millions of data points
- Normalizing dozens of disparate, unstructured data formats into a single, coherent, searchable schema
- Developing and deploying Whizzard v2.0, incorporating advanced search and recommendation algorithms, making it possible to search 10's of millions of data points and 50k hours of content to find highly relevant video segments in seconds.
- Customizing Whizzard and embedding it within the IMG Video Archive website
- Working with several other tech providers to incorporate Whizzard into a single solution for IMG

The deployment was completed in Dec 2023 and launched by IMG in Jan 2024. Following the launch, additional content was added from Bundesliga and WITC.

This deployment is hugely important for Linius as it:

- Puts the industry spotlight on Linius
- Provides global validation and credibility with one of the worlds most respected sports brands
- Key target customers are using Whizzard
- Accelerates opportunities
    - Growth within IMG Video Archive
    - Expansion within IMG
    - Federations within IMG Archive
    - All Broadcasters, federations and technology providers who follow the market leaders
    - Industry tech providers seeing the success for this integration

CHIEF EXECUTIVE OFFICER'S REVIEW OF OPERATIONS Continued

With the initial deployment for the IMG Video Archive now complete, Linius and IMG are exploring opportunities to expand the service to include capabilities including Whizzard Highlights and Captivate. We are working on opportunities with other parts of the larger IMG and Endeavor group (IMG's parent company) as well as several of the federations within the IMG Video Archive. With the technology and capabilities already proven in the IMG Video Archive, the discussions are accelerated to focus on the end user experience and the value created. We anticipate further growth in FY25 from IMG, Endeavor, and their federation clients.

Entering the US Market

In FY24, Linius targeted and entered the US market with three new customers signed and deployed during the year. The North American sports market is the largest geography, with nearly 40% of the global sports market. Entry into this market is key to Linius' future growth.

Within the US market, Linius also penetrated the US college sports segment. The US college sport market is lucrative, generating nearly as much revenue as the NFL, the highest revenue generating league globally. The US college sports market has over 150 conferences and 1100 universities in the NCAA, and an estimated total addressable market for Linius of over $70m.

Hockey Technology Partners (HTP)

In July 2023, Linius secured its entry into the US market with a new contract with HTP to deploy Linius Media Solutions (LMS) to create fan engagement solutions for their customer, the North American Hockey League (NAHL).

- HTP is a leading provider of digital solutions for global ice hockey leagues, teams, and fans. Solutions include websites, mobile applications, OTT streaming subscription services, and data management solutions.
- HTP deployed LMS initially for the NAHL, providing a new personal channel function for their NAHL TV website and app, available under a premium subscription package
- With the success of NAHL TV, HTP expanded the solution to include additional customers USA Hockey and Shattuck St. Mary's. USAH, the national ice hockey organization in the US, with over 500,000 registered players deployed LMS for the US National Team Development program, the premier level of US amateur ice hockey, and for the USA Hockey National Championship tournament, the largest global amateur ice hockey tournament. Shattuck St Mary's is one of the top private school ice hockey programs in the US
- Through FY24, Linius virtualized over 3,000 games and supported HTP in building innovative new fan experiences including a new feature for download of highlight videos, a high value use case and revenue opportunity in amateur sport
- HTP has renewed the contract for FY25 and is looking to expand the deployment with Whizzard, automated highlights and "mini-matches", and Captivate

Peach Belt Conference (PBC)

Linius first entered the US college sport market in Nov 2023 with a new contract with PBC, a 10-school NCAA conference with over 60k students, to deploy Whizzard and Whizzard Highlights for men's and women's basketball.

- The deployment enabled PBC to curate and publish multiple highlights packages for all men and women's basketball games for the first time ever.
- Deployment was completed in just 8 weeks and went live in February 2024, demonstrating accelerated deployment for Whizzard and faster time to revenue
- PBC expanded the deployment to include men's and women's soccer for the fall 2024 season

Lone Star Conference (PBC)

Linius quickly secured its second customer in the US college sports market, announcing in March 2024 a contract with the LSC, the largest conference in the NCAA Division 2.

- Linius deployed Whizzard and Whizzard highlights for basketball as well as American Football.
- LSC was the first customer to use Linius Media Solutions for American Football, which itself is a major scale opportunity as the highest revenue generating sport globally.
- LSC had an existing subscription based streaming service to which Linius added content and services.

CHIEF EXECUTIVE OFFICER'S REVIEW OF OPERATIONS Continued

- Deployment for basketball was and exact replica of the deployment for PBC and was completed in just 2 weeks. Deployment for football was completed in 6 weeks, showing further efficiencies and scalability of deployment for Whizzard Highlights.

These first two deployments have provided significant validation in this market. Word of mouth and customer referrals play a key role in expansion within the NCAA. Both PBC and LSC have introduced Linius to opportunities within other conferences and directly with the NCAA, with further deployments across NCAA Divisions 1, 2, and 3 expected in FY25

Through these two deployments, Linius has also connected deeply within the small but influential ecosystem of technology and solution providers and is working to forge partnerships with them for further scale. These providers see that Linius adds value to their existing solutions, making them stickier and driving additional revenue. One example of this is the partnership with Genius Sport, the exclusive provider of sports metadata for all NCAA conferences and schools. They see Linius generates more use cases and value for their data, allowing them to sell more usage licenses and deeper archive data.

Cost and time to deploy new customers in this market will continue to decline due to the small number of possible integration partners. This will allow the Company to scale with minimal cost, higher margin and reduced time to revenue.

Automated Highlights Market

Linius entered the global market for automated sports highlights with the launch of Whizzard Highlights in October 2023. This is a large existing high value segment with most broadcasters and major sports federations already using services for this use case. Target customers are already spending significant budgets on automated highlights solutions. Linius targets these customers with a vertically integrated solution that not only provides automated highlights more cost efficiently, but also supports their historical archives and enables personalized fan engagement experiences.

Through FY24, Whizzard Highlights was deployed for three customers, CA, PBC, and LSC. CA is publishing automated highlights to the web, apps, and FAST channels. Both PBC and LSC are providing post-game highlights after every match for the first time ever. All customers are seeking to monetize these highlights with advertising and sponsorship.

With the entrance into this segment and our proven ability to personalize highlights for every viewer, we gained the attention of and formed a partnership with the number two and fastest growing provider of automated highlights, Magnifi. Together with Magnifi, we are now competing against major incumbent providers in multiple opportunities.

Cricket Australia (CA)

Throughout FY24, CA continued with significant use of Whizzard to monetise its extensive match archive and create new content experiences for fans.

- Usage indicates an average savings of 8+ hours per video created, as well as the ability to create higher quality content from deep in the CA archive
- CA expanded their deployment in October 2023 to add Whizzard Highlights, creating multiple automated highlights packages for every game in the CA archive. CA was the first customer to deploy Whizzard Highlights

CHIEF EXECUTIVE OFFICER'S REVIEW OF OPERATIONS Continued

- CA have launched their new FAST streaming channel utilizing Whizzard and Whizzard Highlights
- Linius upgrade the deployment at CA to Whizzard v2.0, enhancing the search and recommendation capabilities available in Whizzard
- In September 2024, Linius signed a global distribution agreement with CA, giving Linius the ability to sell and distribute the entire CA video archive together with Linius Media Solutions to broadcasters around the world.

Inverleigh Media

In July 2023, Linius went live with its solution for Inverleigh Media.

- Linius integrated Whizzard as a core feature within Inverleigh Media's archive management software ENGINE used by global sports federations/leagues, teams, and broadcasters around the world.
- The first archive virtualized and made available under this deal is for SANZAAR, South Africa, New Zealand, Australia, and Argentina Rugby, which includes 5,000 hours of All Blacks, Wallabies, and Super Rugby content.
- A second deployment with Inverleigh, closed under the terms of the original master agreement, for New Zealand Rugby was also deployed in July
- With these two deployments live and generating significant value for the federations, Inverleigh is working to expand further to more of their customers' and prospects' sports and entertainment archives,

Racing.com

Racing.com entered into a new multi-year agreement that extends and expands their deployment of Linius solutions including Whizzard and Whizzard Highlights, providing an immediate uplift in monthly recurring fees and a new variable fee structure.

Whizzard was deployed to Racing.com in just 6 weeks and went live in June 2024.

3. Linius prepares for scale through key industry partnerships

With the successful deployment of Linius Media Solutions we now have significant validation of the value of our solutions. Our attention is now focused on how we scale revenue from these solutions more quickly.

While we will continue to drive direct opportunities, we know that we can scale more quickly by working with other industry leaders who are already working with many of our target customers. By incorporating our products with theirs, we can gain faster access to a larger number of more significant customers. Through resell agreements and Master Service Frameworks, we can leverage the large marketing, sales, and channel teams of these partners.

In FY24 and early FY25, the Company has forged several partnerships that will help us achieve significant scale in FY25.

In April 2024, Linius signed a partnership agreement with Magnifi, a leading provider of automated highlights solutions. Magnifi competes in the global automated highlights and clipping market, differentiating their services through completely AI-driven clip identification and curation. Their customers are OTT players, broadcasters, sports clubs and leagues, marketing agencies, and e-gaming platforms including Indian Premier League, Women's Premier League, the Vietnam Basketball Association, and leading sports broadcasters in India and around the world.

CHIEF EXECUTIVE OFFICER'S REVIEW OF OPERATIONS Continued

The collaboration enables Magnifi and Linius to enhance value to customers through bundled offerings, specifically:

- Magnifi will resell Linius Whizzard as their archive product, giving customers the ability to fuse live and archive content for automated highlights.
- Magnifi will resell the Linius Captivate fan engagement solution and utilize Linius' virtualized video to enable personalised automated highlights.
- Linius will have access to include Magnifi AI tools in customer solutions including AI-generated metadata, AI-driven live clip curation and prioritization, ball/player tracking AI for transforming content into multiple mobile-friendly aspect ratios, and automated publishing workflows.
- The companies will work together on deeper integrations such as utilizing the Linius Video Services platform to drive operational efficiencies and substantial cost benefits across the Magnifi portfolio.

The combination of Linius and Magnifi solutions creates a highly differentiated value proposition against leading incumbent providers of automated highlights solutions, positioning both companies to disrupt this large existing market.

The addition of Magnifi's AI generated data and live automated highlights to Linius Media Solutions has enabled Linius to compete for new opportunities, tenders, projects, and budgets that were not previously available. Multiple opportunities are under development with existing and new clients with several proposals already submitted.

Magnifi is introducing Linius Whizzard and Captivate into their existing large installed customer base and new business pipeline. Multiple deals are already in progress.

The joint solution was first demonstrated at the National Association of Broadcasters (NAB) Show in Las Vegas in April 2024 and Magnifi launched Captivate as their monetization solution at the IBC tradeshow in Amsterdam in September 2024. Both companies will continue to target broadcasters, sporting federations, leagues and rights holders globally, combining sales efforts in certain markets to target accelerated growth. Several joint opportunities are already being developed.

In March 2024, Linius signed an agreement with Avid, a leading provider of video editing software and hardware used by most leading broadcasters and federations globally. The agreement gives Linius early access to a new SDK that will allow the integration of Linius Whizzard into the Avid Media Composer UI and workflows. For users, this will create tremendous efficiencies in searching, curating, and editing video for publication. For Linius, it will expose Whizzard to the large installed base of Avid users in our target markets and create new commercial opportunities for Whizzard. Development of this integration is underway and expected launched in October 2024.

Linius signed a partner agreement with Genius Sport, leading provider of data to top leagues and broadcasters and the exclusive provider of metadata to the entire NCAA for college sport. The partnership gives Linius access to valuable metadata and a large installed base of Genius' data customers. The companies are executing joint go-to-market plans and joint opportunities for expansion.

In September 2024, Linius signed a reseller agreement with Prime Focus Technologies. While Prime Focus may not be a household name, they are widely deployed and highly regarded in the broadcast and sports market with nearly 10k employees around the world. They are the world's largest independent integrated media services company working with many of the world's largest broadcasters & federations including Star TV, Channel 4, ITV, Warner Bros. Discovery, Paramount, Disney+ Hotstar, BCCI, Amazon, MGM Studios, and more. hey are massive

PFT delivers AI technology and media services to streaming platforms, studios, and broadcasters, helping them enhance productivity and accelerate revenue growth. PFT customers. They have cutting edge content management, creation, and distribution solutions and amazing AI capabilities. Their AI is highly focused on the curation of content using generative AI, an exciting use for Linius technology. Linius Media Solutions will be integrated with PFT's CLEAR® and CLEAR® AI solutions.

CHIEF EXECUTIVE OFFICER'S REVIEW OF OPERATIONS Continued

They want to add personalized highlights and viewer engagement at scale and have chosen to partner with Linius rather than build this inhouse. They recognize that our technology is the only one that can provide hyper-personalization at scale.

PFT will resell the Linius Media Solutions portfolio, including Whizzard, Whizzard Highlights, Captivate, and the Linius Video Services platform and APIs. Joint solutions include AI-powered automated highlights and personalised personalized content curation for sports and broadcast customers. Joint solutions will be marketed & sold to PFT's existing customers and new business opportunities

Linius has had long-standing partnership with other leading providers including Stats Perform and AWS. With the success of Linius Media Solutions, and particularly with the significant interest in Captivate, both of these partnerships are advancing rapidly with significant engagement from the sales teams who are actively developing opportunities with Linius.

Several additional partnerships with major technology companies and solution providers are in progress which will give Linius further access to existing customers and new opportunities through these partnerships. Details of these will be shared in upcoming quarters.

4. Linius delivers on its Linius Media Solutions product portfolio strategy

In Q1 FY24, the Company introduced Linius Media Solutions (LMS), a complete portfolio of products and services with Whizzard at the core. Through FY24, Linius positioned this strategy and product set with customers, and delivered a complete portfolio of solutions.

Whizzard still forms the core of all LMS solutions. Based on customer feedback and requirements for new deployments, the Company continued to develop Whizzard, with a significant release of Whizzard v2.0 in January 2024. Whizzard 2.0 added advanced search and recommendation functionality to make it easier than ever for customers to find exactly what you are looking for in their archives. This underlying search and recommendation functionality is explicitly evident in the Whizzard UI, but also increase the capabilities of the core LVS search APIs. With the release of v2.0, Whizzard truly has the best video search capabilities available in the industry.

The first product extension released under the LMS strategy was Whizzard Highlights in October 2024. Whizzard Highlights is an add-on Module for Whizzard that automates the creation of highlights packages for every game. Users no longer need to manually search and assemble highlight packages to create "mini-matches" from every game. Whizzard Highlights allows customers to create any number of highlights packages that are automatically generated for every game, such as home/away highlights, offensive/defensive, 2/5/10-minute game summaries, player highlights, and more. And only Linius can scale these highlight packages to every game in the historical archive through our virtualized video. Future extensions include daily/weekly/season recap highlights, player career highlights, and intelligently prioritized highlights packages.

LMS was fully rounded out with the introduction of Captivate in September 2024. While officially launched in FY25, this product was designed, market tested, and developed in FY24. Captivate is Linius' personalized and community oriented fan engagement solution for broadcasters and federations. It enables broadcasters and federations to solve their biggest problem – lost engagement to social applications like YouTube, TikTok, and Instagram. Market data clearly shows that traditional media is experiencing significant decline in viewing, subscribers, and revenue while these social apps are growing exponentially. Captivate combines the best experiences of these applications with the highest quality sport, news, and entertainment content from broadcasters and federations, with a level of personalization that these apps can only dream of. Only Linius, with our virtualized video and data-driven assembly can create the volume of content on the fly to bring this experience to broadcasters and federations.

CHIEF EXECUTIVE OFFICER'S REVIEW OF OPERATIONS Continued

Captivate is a broadcast grade, highly scalable engine for this content, made available through a series of publicly available APIs and service components. Broadcasters and federations can combine and deploy these into their existing digital sites and apps. It is a pure SaaS solution from Linius with a scalable SaaS deployment methodology and commercial model. Customers can embed it themselves, we can work with their existing providers, or we can build it for them

It includes:

- Instant presentation of video content
- Simple navigation through content
- Likes, views, sharing, and following
- User generated content
- Carousels of the latest, trending, popular and promoted content
- Constant presentation of related content to keep the viewer engaged
- Dynamic assembly of hyper-personalized content – the system learns from my interactions and dynamically creates content to my specific preferences
- Intuitive search and filtering

We are highly encouraged by the response we have received on Captivate from every potential customer and partner we have shared it with. Captivate opens a larger total addressable market and takes Linius solutions directly to the point of monetization – the viewer. Whizzard has proven that we can unlock value of the amazing sports content in video archives. Whizzard Highlights has proven that there is even greater opportunity in the automated curation of content for viewers. Whizzard and Whizzard Highlights are a core foundation of Captivate. Captivate is the final step in unlocking the true potential of this market, taking us directly to the viewer and increasing their engagement and viewing. Increased viewing directly correlates to increased monetization and revenue – for the customer and for Linius. We are confident that Captivate will accelerate our growth in FY25.

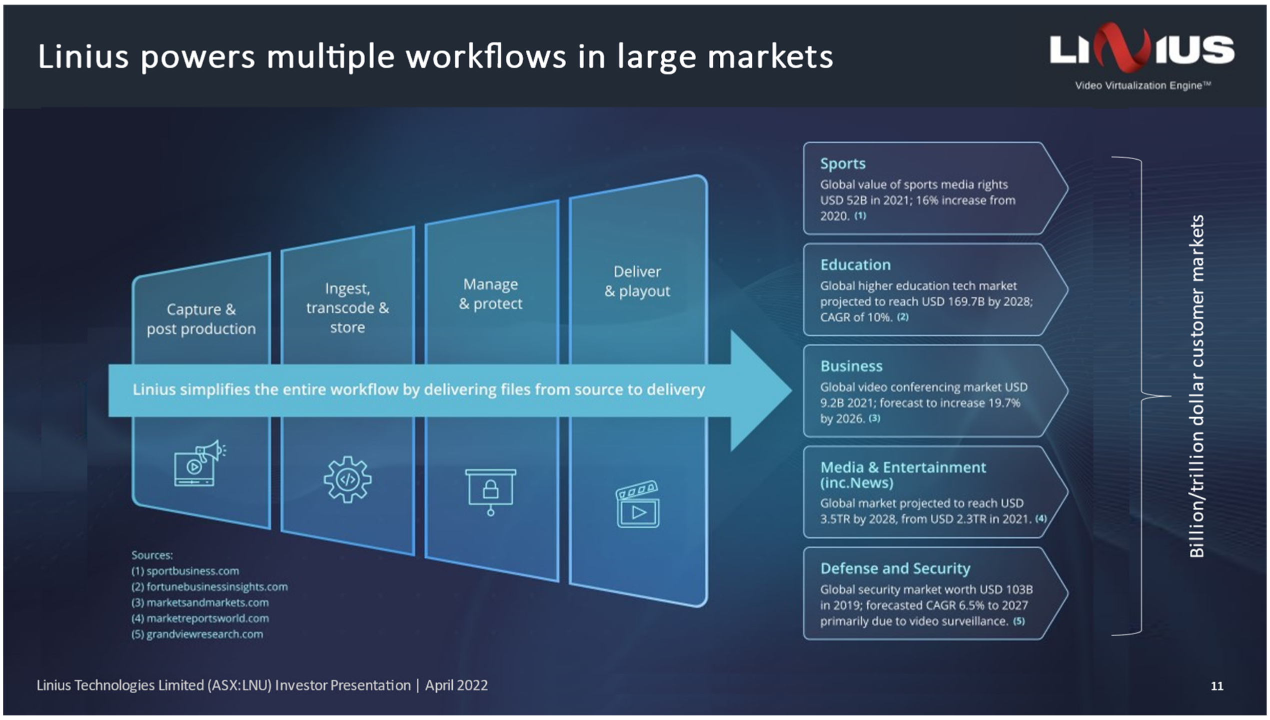
5. Linius Video Services (LVS) provides the platform for future growth strategy

While the near-term focus for Linius is on commercialization of repeatable products, the long term strategy and larger market potential remains in the LVS Platform strategy. The current product and commercial strategies are the means to validate the power of the LVS platform and the potential for it to be used to power unique solutions in multiple other market segments.

All current Linius products, including all of Linius Media Solutions, are built on LVS. Our products use the same Application Programming Interfaces (APIs) that are publicly available and published to any partners or developers. These APIs have been greatly expanded with the release of Captivate. New customer HTP has developed their own application within their OTT streaming service using Linius Media Solutions and the core APIs, and looking to expand with the new Captivate APIs. We have multiple partners now developing on these APIs. As we have developed our products, we continue to enhance LVS with additional capabilities that make it a more robust, feature rich platform for future expansion.

LVS has the power to disrupt various parts of the video ecosystem from Capture through to Playout. The applications span numerous additional market segments including News, Media, Entertainment, Security, and Defence. In the future, Linius will evaluate additional markets for potential direct investment. As we look to enter new markets, we will evaluate whether we do so directly, in conjunction with partners, or through various licensing arrangements. LVS will be actively marketed to application developers, systems integrators, and OEM technology partners to develop and commercialize solutions in chosen markets. The goal is to enable scale by having most development and commercialization costs borne by third parties as they generate new revenues for Linius.

CHIEF EXECUTIVE OFFICER'S REVIEW OF OPERATIONS Continued



6. Leveraging our assets for rapid revenue growth and a path to profitability

With a strong foundation of key customer validation, a complete product portfolio, and significant industry partnerships in place, Linius is well placed to drive rapid revenue growth in FY25.

Linius is actively targeting 4 overlapping and complementary market segments in the global sports markets:

- Broadcasters
- Industry technology providers
- Sports Federations
- NCAA US College Sports

Broadcasters

The broadcast segment holds significant potential to rapidly scale Linius revenue. The global broadcast media technology market size was valued at US$44 billion in 2023 and is expected to reach US$92 billion by 2033, according to a research report published by Spherical Insights & Consulting. Thousands of broadcasters around the world are facing the same challenge – declining viewership and revenues, driven largely by changing viewer patterns and fierce competition for viewer attention. Broadcasters are seeking innovative solutions to help them attract and retain viewers, drive deeper engagement, and increase viewing time. At the same time, with tightening budgets and reduced headcounts, they need solutions that can automate content creation and drive efficiencies in production. Linius Media Solutions meets all of these challenges.

Initial presentations of Captivate have been very promising. Broadcasters now clearly state that they are looking to solve for the problem of lost engagement to social media apps and see how Captivate can help increase viewership, subscriptions, and revenue. The conversations begin with their sports content, but quickly expand to include their news and entertainment content as well. Captivate is a game changer in the broadcast market and we intend to prove this with several broadcasters in FY25. We are confident that once deployed in a broadcast environment, Captivate will drive significant value for initial customers which will enable us to rapidly expand within the broadcast market.

CHIEF EXECUTIVE OFFICER'S REVIEW OF OPERATIONS Continued

Whizzard and Whizzard Highlights create significant cost efficiencies for broadcasters. They help broadcasters create more content, faster, with less resources. Whizzard Highlights is more cost effective than their current solutions. These efficiencies underly the revenue growth from Captivate and help justify the investment with directly attributable cost savings, reducing the sales cycle by securing the budget.

Linius plans to break into the broadcast market in FY25. We have a significant pipeline of opportunities with broadcasters in Australia, UK, Europe, US, India, and the Middle East. We have an active campaign generating additional opportunities. We are now working to identify the opportunities that can move most quickly to bring Captivate to market as soon as possible, proving the value and opening this massive opportunity for Linius. This effort is supported by our recent rights distribution deal with CA, as we bring a complete package to the broadcasters with the experience of Captivate, the efficiencies of Whizzard and Whizzard Highlights, together with a catalogue of some of the most valuable sports content globally.

Industry Partners

Our efforts in the broadcast segment and all target market segments will be greatly enhanced by the partnerships that we now have in place. These partners already have dozens of customers in our target segment and are trusted and contracted technology providers. Our partners are now actively taking Linius Media Solutions into their existing installed base customers, offering LMS as an upgrade/extension to their existing services. This provides a level of access that we cannot replicate independently and significantly reduces the sales cycle.

With Magnifi, we are deeply engaged with their global sales and marketing teams, executing on a joint go to market strategy. We are presenting LMS to their existing customer base of roughly 30 customers, each with an average potential value to Linius of $200,000. Magnifi is the fastest growing provider in their segment, regularly onboarding new customers and they are including LMS in these new business development opportunities. From the recent IBC show, where Magnifi launched Captivate as their monetization solution, over 75 new leads were generated. We anticipate significant revenue from the Magnifi partnership in FY25.

Through our partnership with Avid, Whizzard and Whizzard Highlights will be integrated with their core Media Composer product. Captivate will be offered as a value-add solution. Avid currently works with most major broadcasters and federations around the world.

The integration is scheduled to be delivered in October, and we are currently planning the launch and go to market plan. Their global direct sales team of over 200 people, and over 400 channel partners will have the ability to sell Linius Media Solutions to their existing customers and new business opportunities.

The partnership with Prime Focus Technologies (PFT) was just announced in September 2025, but we have already been included in several bids from PFT to some of the largest sports federations in the world. PFT is actively targeting growth in the sports market and views Linius as a key part of their solution and competitive differentiation.

With the partnership now in place, we are actively developing and executing a joint go to market plan to cover both their existing install base customers and new business opportunities. This partnership holds significant potential for Linius in FY25.

Captivate has increased the sales activity we are seeing from existing partners like StatsPerform, Genius, and AWS. We are now actively engaged with multiple opportunities for broadcasters and sports federations through each of these partners.

Lastly, we will leverage existing Master Framework agreements with customers like HTP and Inverleigh Media to include Linius Media Solutions in their growth plans with existing customers and proposals for new business.

CHIEF EXECUTIVE OFFICER'S REVIEW OF OPERATIONS Continued

Sports Federations

Linius continues to directly develop opportunities with leading sports federations around the world. We have existing pipeline of opportunities with federations in Australia, UK, US, Europe, and the Middle East. The Company is actively working to replicate its success in current sports such as cricket, football, rugby, ice hockey, and now American Football, repeating the same solutions with new customers in these sports. Existing case studies act as proof points to reduce the sales cycle. And repeatable deployment of existing solutions means faster time to revenue and greater margins on each deal.

We have multiple existing opportunities and targeting additional federations in new sports including motorsports, volleyball, baseball, and eSports. Significant focus for direct growth is in the US, which has more sports federations and generates more revenue from sport than any other region.

US College Sports

US college sports presents a total addressable market to Linius of over $70m, with 1,100 universities and 150 conferences. While the market is vast, they are serviced by a relatively small number of providers in the video, data, website, and mobile app space. This means that once the market is penetrated with a high value solution, it is possible to capture significant market share.

Our existing deployments with LSC and PBC provide immediate validation in this market, and both LSC and PBC are actively introducing us to other conferences, and supporting us with references for all active opportunities.

Further, with these deployments, we have engaged and integrated with several of the key technology providers in this segment, including Genius Sports, Learfield/SideArm, FloSports, and Hudl. We have an existing partnership with Genius and are looking to expand our partnerships in this segment to secure further growth.

Closing

The past year has been incredibly active as we deployed Linius Media Solutions with more customers than ever before. I'm pleased to see Whizzard and Whizzard Highlights now live and generating value in so many customer environments. I am proud to see our solutions validated through numerous partnerships with leading companies in our industry. And I am incredibly excited by the launch of Captivate and the early feedback we have received on how it will change the game for broadcasters and federations. I remain highly confident in our chosen strategy and the strength of our solutions and our team.

I want to thank the entire Linius team for the efforts to deploy so many customers and deliver more new products than in any prior period. Thank you to the Board for your support and guidance through this important validation year. Finally, thank you to our shareholders, old and new, for your continued support of the business.

FY24 has laid the foundation for rapid growth in FY25 and I look forward to sharing great news through FY25 as we focus on driving rapid revenue growth towards break even in early FY26.

James Brennan
CHIEF EXECUTIVE OFFICER
30 September 2024

DIRECTORS' REPORT

Your directors present this report on the Linius Technologies Limited (the "Company") and its controlled entities (the "Group" or "Group") for the year ended 30 June 2024.

Directors

The Directors in office during the year were:
Gerard Bongiorno (Non-Executive Chairman)
Stephen McGovern (Non-Executive Director) resigned 15 July 2023
John Wallace (Non-Executive Director)
James Brennan (Executive Director & CEO)
Barry McNeill (Non-Executive Director)

All Directors (other than noted above) have been in office since the start of the financial year to the date of this report.

Company Secretary

Giuseppe Rinarelli B.Acc, CA

Mr Rinarelli is the Group's CFO and company secretary. He is an experienced finance professional having worked within a chartered environment in excess of 10 years. Mr Rinarelli was appointed as company secretary on 3 June 2019.

Principal Activities

The principal activities of the entity are those of a technology business, including development of technology products, software development and the commercialisation and licencing of its computer software, the Linius Video Virtualization Engine™, the world's first video virtualisation engine. The technology transforms large inflexible video files into small highly flexible data structures.

Operating Results and Review of Operations

The loss for the year ended 30 June 2024 after income tax expense amounted to $4,789,129 (2023 loss: $5,237,231). This loss includes non-cash share based payments expense of $147,204 (2023: $297,947) and non-cash amortisation charges of $540,000 (2023: $540,000). During the year the Company proceeded with its commercialisation activities, expanded its management and operational teams to tackle global market opportunities and continued to develop and refine its core technology and product offerings. For more information on the years activities please refer to the above Chief Executive's Review of Operations on pages 4 to 17.

Significant changes in the state of affairs

In the opinion of the directors there were no significant changes in the state of affairs of the Group that occurred during the financial year under review.

Dividends Paid or Recommended

No dividends were paid or declared for payment.

Financial Position

The net liabilities of the Group at 30 June 2024 were ($203,701) (2023: net assets $783,854).

Going Concern

For the year ended 30 June 2024, the Group had an operating net loss of $4,789,129 (30 June 2023: $5,237,231), net cash outflows from operating activities of $3,719,123 (30 June 2023: $3,600,520) and had negative net assets $203,701 (2023: net assets $783,854).

The ability of the Group to continue as a going concern is dependent upon a number of factors, one being the continuation and availability of funds. The financial statements have been prepared on the basis that the Group is a going concern, which contemplates the continuity of its business, realisation of assets and the settlement of liabilities in the normal course of business. Further details on the going concern basis of preparation used to prepare the annual financial statements are set out in note 1 to the annual financial statements.

After Balance Date Events

Capital Raising

On 10 September 2024 the Company announced to ASX that it had received firm commitments from professional and sophisticated investors (including directors and management) to raise $1,525,000 in additional equity capital, excluding transaction costs, via:

(a) a placement of to raise $700,000 via the issue 350,000,000 fully paid ordinary shares at $0.0020 per share, with the first 182,500,000 shares issued on 23 September 2024 to non-related parties amounting to $365,000 and the balance expected to be issued by mid-November 2024 amounting to $335,000 following shareholder approval, and

(b) a convertible note facility for a maximum of $3,000,000, of which $825,000 has been committed with $380,000 having been issued on 23 September 2024 and $445,000 to be issued by 31 October 2024 following shareholder approval.

In addition, the Company entered into a standby equity facility with a non-related party which provides the Company the ability to access up $1,500,000 in equity over the next 18 months (expiring 6 March 2026), at its discretion.

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.

Material business risks

The Company and Group are subject to risks of both a specific and general nature in the context of the Company's business including, but not limited to the following:

Specific risks associated with the Company

Additional Requirements for Capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing to develop its business. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its programs, as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

Going Concern

The Company's Annual Report and Accounts for the year ended 30 June 2024 include a note on the financial condition of the Company and the possible existence of a material uncertainty about the Company's ability to continue as a going concern.

DIRECTORS' REPORT CONTINUED

Notwithstanding the 'going concern' qualification included in this financial report, the Directors believe that the Company will have sufficient funds to adequately meet the Company's current commitments and short term working capital requirements.

Development

The Company's products and services are the subject of continuous development and need to be substantially developed further in order to gain and maintain competitive and technological advantage, and to improve the products' and services' usability, scalability and accuracy. There are no guarantees that the Company will be able to undertake such development successfully. Failure to successfully undertake such research and development, anticipate technical problems, or estimate research and development costs or timeframes accurately will adversely affect the Company's results and viability.

Technology

The Company's market involves rapidly evolving products and technological change. The Company cannot guarantee that it will be able to engage in research and development at the requisite levels. The Company cannot assure investors that it will successfully identify new technological opportunities and continue to have the needed financial resources to develop new products in a timely or cost-effective manner. At the same time, products, services and technologies developed by others may render the Company's products and services obsolete or non-competitive.

Key personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

Privacy and Data Protection

The Company's services may involve the storage, transmission, and processing of data from clients in order to provide services to clients. Personal privacy, information security, and data protection are significant issues. The regulatory framework governing the collection, processing, storage, and use of business information, particularly information that includes personal data, is rapidly evolving and any failure or perceived failure to comply with applicable privacy, security, or data protection laws, regulations or contractual obligations may adversely affect the Company's business.

Competition

The industry in which the Company will be involved is subject to domestic and global competition. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

Industry Specific Risks

Disputes

The activities of the Company may result in disputes with third parties, including, without limitation, the Company's investors, competitors, regulators, partners, distributors, customers, directors, officers and employees, and service providers. The Company may incur substantial costs in connection with such disputes.

Further, a change in strategy may involve material and as yet unanticipated risks, as well as a high degree of risk, including a higher degree of risk than the Company's strategy in place as of the date of this report.

Information Technology

With any technical project there are risks with the chosen technology, vendors and employees and in execution. Whilst the Company has employed and engaged subject-matter experts, employs experienced persons, standard security technologies and approaches there are risks that delivery will fail to meet expectations or deadlines, that technologies become obsolete, natural disasters occur, the Company is the subject of a fraud or malicious attack or platforms are compromised resulting in a negative impact on the Company's performance.

User Experience

The Company's business model is primarily based on recurring service revenue arising from technology users and customers. Notwithstanding efforts placed on the user interface and experience, a poor user experience may occur and may affect growth of customer numbers and repeat purchases.

Reputational

Any negative publicity regarding the Company, or its Board, officers or employees, or the performance of its products, will adversely affect the Company's ability to generate revenue.

Loss of customers

The Company has established important relationships through development of its business to date. The loss of one or more customers through termination or expiry of contracts may adversely affect the operating results of the Company.

Data loss, theft or corruption

Exploitation or hacking of any of the Company's systems or networks could lead to corruption, theft or loss of the data which could have a material adverse effect on the Company's business, financial condition and results. Further, if the Company's systems, networks or technology are subject to any type of 'cyber' crime, its technology may be perceived as unsecure which may lead to a decrease in the number of customers.

The Company has not been hacked, but it is possible that the Company may experience negative publicity if their systems are able to be hacked at some point in the future.

General Risks

General economic climate

General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations.

General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.

Specifically, it should be noted that the current evolving conflict between Ukraine and Russia and unrest in the Middle East is impacting global macroeconomics and markets generally. The nature and extent of the effect of this conflict on the performance of the Company and the value of the Company's Shares remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by these conflicts and overall impacts on global macroeconomics. Given the situation is continually evolving, the outcomes and consequences are inevitably uncertain.

Changes in legislation and government regulation

Government legislation in Australia or any other relevant jurisdiction, including changes to the taxation system, may affect future earnings and relative attractiveness of investing in the Company. Changes in government policy or statutory changes may affect the Company and the attractiveness of an investment in it.

Global credit and investment market

Global credit, commodity and investment markets can and do experience a high degree of uncertainty and volatility. The factors which lead to this situation are outside the control of the Company and may continue for some time resulting in continued volatility and uncertainty in world stock markets (including the ASX). This may impact the price at which the Company's securities trade regardless of operating performance, and affect the Company's ability to raise additional equity and/or debt to achieve its objectives, if required.

Unforeseen risk

There may be other risks which the Directors are unaware of at the time of issuing this report which may impact on the Company, its operation and/or the valuation and performance of its securities.

Combination of risks

The Company may not be subject to a single risk. A combination of risks, including any of the risks outlines in this Section could affect the performance valuation, financial performance and prospects of the Company.

Unforeseen expenditure risk

Expenditure may need to be incurred that has not been taken into account in the preparation of this report. Although the Company is not aware of any additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

Sharemarket conditions

The market price of securities may be subject to varied and unpredictable influences on the market for equities. The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

Environmental Issues

There are no environmental regulations or requirements that the Company is subject to. Based on Director's assessment there is no significant climate related risk identified. As the Company's operations expand in financial year 2025 and beyond, the Company will need to reassess its environmental and sustainability reporting obligations.

Information on Directors

Gerard Bongiorno	—	Non-Executive Chairman
Experience	—	Mr Bongiorno is Principal and Co-CEO of Sapient Capital Partners, a merchant banking operation and has over 30 years of professional experience in capital raisings and corporate advisory. Prior to forming Sapient (formerly Otway Capital), Gerard was Head of Property Funds Management at Challenger Financial Services Group (CFG) and was Group Special Projects Manager at Village Roadshow. Earlier in his career he worked at KPMG in insolvency and corporate finance. Gerard received his Bachelor's Degree in Economics and Accounting from Monash University and completed the Program for Management Development at Harvard Business School PMD75.

DIRECTORS' REPORT CONTINUED

Gerard Bongiorno Continued		Director since 21 February 2017.
Interest in Shares and Options at 30 June 2024	—	188,306,293 Ordinary shares 8,000,000 Options expiring 31 July 2026 with an exercise price of $0.004
Directorships held in other listed entities in the last 3 years	—	In the 3 years immediately before the end of the financial year, Gerard Bongiorno served as a director of the following listed companies: Dubber Corporation Limited (ASX:DUB) since July 2017
John Wallace	—	Non-Executive Director
Experience	—	Mr. Wallace is a media & entertainment executive with over 30 years of experience in the video industry. His career spans across broadcasting to video streaming, having a keen interest in technology. In 2007, Mr. Wallace became the President of NBCUniversal broadcast television stations, which is the company's largest broadcast division. He then served as the President of the company's operations and technology division in 2011. Mr. Wallace was named the President and Chief Operating Officer of Deluxe Entertainment in Los Angeles, California in 2015. The company is a global provider of digital services and technology solutions for content creation and delivery. At the end of 2019, Mr. Wallace retired from corporate management and has been remaining active in the M&E space via consulting engagements, primarily technology. He serves on the board of Avid Technology, Inc., a company that provides world class production technology to the video and audio sectors of the entertainment industry, as an independent director. NASDAQ: AVID. Mr. Wallace holds a Bachelor's Degree from Providence College and Master's Degree from Montclair State University. Director since 14 December 2020.
Interest in Shares and Options at 30 June 2024	—	33,500,000 shares
Directorships held in other listed entities in the last 3 years	—	In the 3 years immediately before the end of the financial year, John Wallace served as a director of the following listed companies: Avid Technology Inc. (NASDAQ:AVID) since May 2017 – November 2023
James Brennan	—	Executive Director and CEO
Experience	—	Mr Brennan is a highly analytical, data driven, process oriented senior executive with over 20 years' experience. He has an impressive track record of leading successful development & commercialisation of software/SaaS products for established and start-up businesses. He has deep expertise in video, unified communications and educational technology with a reputation for growing recurring revenues and unlocking the latent potential of products and businesses. He has a unique blend of sales, marketing, product management, and finance experience and is known for his commitment to building great teams and culture.

DIRECTORS' REPORT CONTINUED

James Brennan Continued	—	Prior to joining Linius, James led teams and regions at Integrated Research (ASX:IRI), Kaltura, BlueJeans Network and Polycom, through transformative growth phases. While at IR, he launched their first SaaS solutions, supporting Microsoft Teams, Zoom, and Webex, which significantly grew its user base and ARR. During his time at Kaltura, he led its first major investment/team in Australasia and helped launch Kaltura's enterprise market entry. In his role as MD, Asia Pacific at cloud-based video conferencing provider BlueJeans Network, James transformed what was a stagnating post-start up business into an award winning, sustainable high-growth market leader. Mr. Brennan holds a Bachelor's of Science Degree in Finance from the Pennsylvania State University and Master's in Business Administration Degree from the University of Southern California. Director since 25 October 2021.
Interest in Shares and Options at 30 June 2024	—	24,666,670 shares 2,666,666 Options expiring 31 July 2026 with an exercise price of $0.004
Directorships held in other listed entities in the last 3 years	—	Nil
Barry McNeill	—	Non-Executive Director
Experience	—	Mr McNeill has over 20 years' experience in Sports Management and Sports Technology. He has led multiple sport-tech companies through rapid growth phases as CEO at Catapult Sports (ASX:CAT) and Prozone, which was acquired by StatsPerform in 2015. Currently, Mr McNeill is Founder & CEO at Bloom Sports Partners, a transformational sports advisory firm, helping sports leagues and growth focused ownership groups find competitive advantage and sustained success. Previously, Mr McNeill was CEO at Sportsology, a leading advisory firm to major sports teams and leagues across MLS, NBA, NFL and European Football. Director since 19 June 2023
Interest in Shares and Options at 30 June 2024		31,166,660 shares 3,333,333 Options expiring 31 July 2026 with an exercise price of $0.004
Directorships held in other listed entities in the last 3 years		Nil
Stephen McGovern	—	Non-Executive Director
Experience	—	Mr McGovern was a director since 18 April 2016 and resigned 15 July 2023.
Directorships held in other listed entities in the last 3 years	—	In the 3 years immediately before the end of the financial year, Stephen McGovern served as a director of the following listed companies: Dubber Corporation Limited (ASX:DUB) since March 2015 – April 2024

DIRECTORS' REPORT CONTINUED

REMUNERATION REPORT - AUDITED

The information provided in the audited remuneration report includes remuneration disclosures that are required under the Corporations Act 2001 and other relevant requirements. These disclosures have been audited.

Key management personnel

Names and positions held of Group key management personnel (KMP) in office at any time during the year are:

Key Management Person	Position
Gerard Bongiorno	Non-Executive Chairman
Stephen McGovern	Non-Executive Director (resigned 15 July 2023)
John Wallace	Non-Executive Director
James Brennan	Executive Director and CEO
Barry McNeill	Non-Executive Director
Giuseppe Rinarelli	CFO and Company Secretary

Principles used to determine the nature and amount of remuneration

The Board determines the appropriate nature and amount of remuneration. The board may receive advice from independent remuneration consultants to ensure remuneration levels are appropriate and in line with the market. No such advice was sought for the year ended 30 June 2024. The Board ensures that the executive reward satisfies the following criteria for good reward governance practice:

- competitiveness and reasonableness;
- acceptability to shareholders;
- alignment of executive remuneration to performance;
- transparency; and
- capital management.

The framework provides for a mix of fixed and variable remuneration. There was no target mix of fixed or variable remuneration set in the current year. The variable remuneration comprises share-based payment compensation and any discretionary performance bonus payment benefits.

Consequences of performance on shareholder wealth

In considering the Group's performance and benefits for shareholder wealth, the directors have regard to the following indices in respect of the current financial year and prior financial period.

	2024	2023
(Loss) attributable to owners of the company	($4,789,129)	($5,237,231)
Change in share price	($0.002)	($0.001)
Closing share price	$0.002	$0.004

Loss amounts have been calculated in accordance with the Australian Accounting Standards (AASBs).

The operating loss includes significant expenditures incurred on the continued development of the Group's proprietary software technology.

DIRECTORS' REPORT CONTINUED

Non-executive Directors and executive Director

Fees and payments to non-executive Directors and the executive Directors reflect the demands, which are made on, and the responsibilities of, the Directors. Non-executive Directors' fees and payments are reviewed annually by the Board.

Directors' fees

Non-executive directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum pool limit currently stands at $300,000 per annum.

Key Management Personnel Remuneration Policy

The Board's policy for determining the nature and amount of remuneration of key management for the Group is as follows:

The remuneration structure for key management personnel is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the Group. There is currently no remuneration related to Group performance. The contracts for service between the Group and key management personnel are on a continuing basis, the terms of which are detailed below and are not expected to change in the immediate future.

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in letters of appointment and/or service agreements. Details as at 30 June 2024 are as follows:

Name:	Gerard Bongiorno
Title:	Non-Executive Chairman
Agreement commenced:	21 February 2017
Term of agreement:	No fixed term
Details:	An annual director fee of $90,000 plus superannuation. The fee paid to Mr Bongiorno is subject to annual review by the Board. The Company will reimburse Mr Bongiorno for all reasonable expenses incurred in performing his duties and will pay Mr Bongiorno additional fees where he is required to perform additional consulting tasks related to the commercialisation of the Linius technology. The agreement includes a non-competition clause.

Name:	Stephen McGovern
Title:	Non-Executive Director
Agreement commenced:	18 April 2016
Term of agreement:	No fixed term
Details:	An annual director fee of $90,000 plus superannuation. The fee paid to Mr McGovern is subject to annual review by the Board. The Company will reimburse Mr McGovern for all reasonable expenses incurred in performing his duties. The agreement includes a non-competition clause. Mr McGovern resigned as a director of the Company on 15 July 2023

DIRECTORS' REPORT CONTINUED

Name:	John Wallace
Title:	Non-Executive Director
Agreement commenced:	14 December 2020
Term of agreement:	No fixed term
Details:	As per the employment contract, the company proposes to issue 6,000,000 fully paid ordinary shares in the company, vesting over a three year period in instalments of 2,000,000 shares, of which 2,000,000 have been issued during the period. Upon the issuance of the last tranche of shares the Company agreed to update Mr Wallace's director fee to an annual director fee of $75,000, effective December 2023. The fee paid to Mr Wallace is subject to annual review by the Board. The Company will reimburse Mr Wallace for all reasonable expenses incurred in performing his duties. The agreement includes a non-competition clause.

Name:	James Brennan
Title:	Director and CEO
Agreement commenced:	25 October 2021
Term of agreement:	No fixed term
Details:	An annual salary of $330,000 plus superannuation, updated to $339,900 in November 2023. The agreement can be terminated by either party on six month's written notice. The Company will reimburse Mr Brennan for all reasonable expenses incurred in performing his duties. The agreement includes a non-competition clause.

Name:	Barry McNeill
Title:	Non-Executive Director
Agreement commenced:	15 June 2023
Term of agreement:	No fixed term
Details:	An annual director fee of $75,000. The fee paid to Mr Neill is subject to annual review by the Board. The Company will reimburse Mr Neill for all reasonable expenses incurred in performing his duties. The agreement includes a non-competition clause.

Name:	Giuseppe Rinarelli
Title:	Chief Financial Officer and Company Secretary
Agreement commenced:	29 May 2019
Term of agreement:	No fixed term
Details:	An annual salary of $168,000 plus superannuation effective 1 July 2023. The agreement can be terminated by either party on one month's written notice. The Company will reimburse Mr Rinarelli for all reasonable expenses incurred in performing his duties. The agreement includes a non-competition clause.

DIRECTORS' REPORT CONTINUED

Key Management Personnel Remuneration

Details of the nature and amounts of each major element of remuneration of each director of the Company and other key management personnel of the Group are:

2024

	Directors' fees & consultancy fees[3]	Superannuation payments	Share-based payments	Total	Share-based
	$	$	$	$	%
Non-executive directors:					
Stephen McGovern[2]	7,449	745	-	8,194	-
John Wallace	43,750	-	6,111	49,861	12.26
Gerard Bongiorno[1]	165,586	8,959	-	174,545	-
Barry McNeill	75,000	-	-	75,000	-
Executive directors:					
James Brennan	391,668	27,399	-	419,067	-
Executives:					
Giuseppe Rinarelli	186,021	18,480	-	204,501	-
	869,474	55,583	6,111	931,168	0.66

2023

	Directors' fees & consultancy fees[3]	Superannuation payments	Share-based payments	Total	Share-based
	$	$	$	$	%
Non-executive directors:					
Stephen McGovern	85,665[2]	8,566	-	94,231	-
John Wallace	-	-	23,833	23,833	100
Gerard Bongiorno	156,132	8,213	-	164,345	-
Barry McNeill	-	-	-	-	-
Executive directors:					
James Brennan	336,347	25,292	-	361,639	-
Executives:					
Giuseppe Rinarelli	187,966	19,075	-	207,041	-
	766,110	61,146	23,833	851,089	2.8

1. Director and consultancy fees were paid to Otway Capital Consulting, a related party of Gerard Bongiorno.

2. Director fees were paid to SMG Nominees Pty Ltd, a related party of Stephen McGovern.

3. Includes leave accruals calculated in accordance with AASB 119 Employee benefits.

DIRECTORS' REPORT CONTINUED

4. The fair value of the share based payments is calculated at the date of grant of the option or loan share options using the binomial pricing model (for employees) and Black-Scholes option valuation model (for consultants) and allocated to each reporting period based on forecast estimated vesting dates. The fair value of ordinary shares granted is the share price at grant date. The amount included disclosed is the portion of the fair value recognised as an expense in each reporting period.

5. Short term cash based performance related benefits have been provided during the period to James Brennan amounting to $50,000, this represents 12.9%. of his income as a proportion of total remuneration.

Equity instruments granted as compensation

Details on equity instruments that were granted as compensation to each key management person during the year and details on equity instruments vested during the year are as follows:

The following shares were approved by shareholders in prior financial years.

2024	Number of shares granted	Grant date	Fair value per share at grant date $	Exercise price $	Expiry date	Total number of shares vested at 30 June 2024
John Wallace	6,000,000	30 Nov 2021	0.022	0.00	n/a	6,000,000

The grant date for the shares provided to align to the date shareholders approved the issue of remuneration shares to Mr Wallace.

Details of equity incentives affecting current and future remuneration

Details of the vesting profiles of the equity incentives held by each key management person of the Group are detailed below.

	Instrument	Number of shares or options	Grant date	% vested during the year	% forfeited in year	Financial years in which grant vests
Giuseppe Rinarelli	Options	949,000	31 March 2020	-	100%	2021
John Wallace	Shares	6,000,000	30 Nov 2021	33%	-	2021-2024
James Brennan	Shares	10,000,000	30 Nov 2021	-	100%	2022-2023
James Brennan	Shares	20,000,000	30 Nov 2021	-	-	2023-2024

Analysis of movements in equity instruments

The value of options and loan share options in the Company granted to and exercised by each key management person during the year is nil.

DIRECTORS' REPORT CONTINUED

Options over equity instruments

The movement during the reporting period, by number of options over ordinary shares in Linius Technologies Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	Balance 1.7.2023	Granted/purchased during the year	Lapsed or exercised during the year	Held at 30.6.2024	Vested during the year	Total Vested and Exercisable 30.6.2024
Gerard Bongiorno	-	8,000,000	-	8,000,000	-	8,000,000
Barry McNeill	-	3,333,333	-	3,333,333	-	3,333,333
James Brennan	-	2,666,666	-	2,666,666	-	2,666,666
Giuseppe Rinarelli	949,000	591,867	(949,000)	591,867	-	591,867
Total	949,000	14,591,866	(949,000)	14,591,866	-	14,591,866

All options expire on the earlier of their expiry date or termination of the individual's employment.

Exercise of options granted as compensation

During the period, no options were exercised.

Movements in shares

The movement during the reporting period in the number of ordinary shares in Linius Technology Limited, held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	Balance 30.6.2023	Received as Compensation	Acquired during the year	Disposals[1]	Balance 30.6.2024
Gerard Bongiorno	122,639,623	-	65,666,670	-	188,306,293
Stephen McGovern	45,714,284	-	-	45,714,284	-
John Wallace	24,000,000	2,000,000	7,500,000	-	33,500,000
James Brennan	10,000,000		14,666,670	-	24,666,670
Barry McNeill	8,666,660	-	22,500,000	-	31,166,660
Giuseppe Rinarelli	6,135,387	-	3,442,270	-	9,577,657
Total	217,155,954	2,000,000	113,775,610	45,714,284	287,217,280

1. Represents holdings at last date of employment/directorship.

DIRECTORS' REPORT CONTINUED

Key management personnel transactions	Group 2024 $	2023 $
Transactions with related parties:		
Advisory fees paid to Otway Capital Consulting a consulting firm in which Gerard Bongiorno has an interest; disclosed as remuneration	76,000	74,000
Amounts owing to related parties (included in trade and other payables)		
Entity related to Gerard Bongiorno	41,699	24,433
Entity related to Stephen McGovern	-	49,548
Barry McNeill	25,000	-
John Wallace	28,750	-
James Brennan	-	260

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

END OF REMUNERATION REPORT

DIRECTORS' REPORT CONTINUED

Meetings of Directors

During the financial year, ten meetings of Directors were held. Attendance by each director was as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Gerard Bongiorno	10	10
Stephen McGovern	-	-
John Wallace	10	10
James Brennan	10	10
Barry McNeill	10	7

Indemnification and insurance of Directors and Officers

The Company has agreed to indemnify all the directors of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as directors of the Company, and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

The Company has paid premiums to insure each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Company, other than conduct involving a wilful breach of duty in relation to the Group. The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of directors' and officers' liability and legal expenses' insurance contracts, as such disclosure is prohibited under the terms of the contract.

The Company has not indemnified their auditor.

Options

At the date of this report, the unissued ordinary shares of Linius Technologies Limited under option are as follows:

Date of Expiry		Exercise Price	Number Under Option
23/11/2024	unlisted	2.89 cents	500,000
09/05/2025	unlisted	1.5 cents	3,000,000
30/06/2025	unlisted	2.5 cents	500,000
4/10/2025	unlisted	2.93 cents	2,200,000
30/06/2026	unlisted	0.7 cents	17,000,000
30/06/2026	unlisted	0.4 cents	6,000,000
31/07/2026	unlisted	0.4 cents	166,599,992
30/06/2027	unlisted	0.4 cents	26,000,000
			221,799,992

DIRECTORS' REPORT CONTINUED

During the year ended 30 June 2024, no ordinary shares of Linius Technologies Limited were issued on the exercise of options granted.

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

Auditor's Independence Declaration

The Lead auditor's independence declaration is set out on page 35 and forms part of the directors' report for the financial year ended 30 June 2024.

Non-Audit Services

During the year, KPMG, the Group's auditor, has not performed any other services in addition to the audit and review of the financial statements.
Details of the amounts paid to the auditors of the Group, KPMG, and its network firms for audit service provided during the year is set out below

In dollars	2024
	$
Audit and review of financial statements	100,000
Services other than audit and review of financial statements	Nil
Total paid to KPMG	100,000

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the period.

DIRECTORS' REPORT CONTINUED

Future Developments

Other than as referred to in this report, further information as to likely developments in the operations of the Group and expected results of those operations would, in the opinion of the Directors, be speculative and prejudicial to the interests of the Group and its shareholders.

Corporate Governance statement

The Company's Corporate Governance Statement has been lodged with ASX and is available from Company's website at www.linius.com/corporate-governance/.

Signed in accordance with a resolution of the Board of Directors.

Gerard Bongiorno
Non-Executive Chairman

30 September 2024
Melbourne

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

To the Directors of Linius Technologies Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Linius Technologies Limited for the financial year ended 30 June 2024 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Dana Bentley
Partner

Melbourne

30 September 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR YEAR ENDED 30 JUNE 2024

	Note	Group	
		2024	2023
		$	$
Revenue	2	811,120	228,906
Other income	2	261,457	328,644
Amortisation expense	10	(540,000)	(540,000)
Depreciation expense		-	(8,589)
Consultant expenses		(612,158)	(408,438)
Director remuneration (excluding share-based payment) expenses		(225,488)	(184,576)
Employee benefit expenses		(1,995,075)	(2,051,113)
Impairment loss on trade receivables		(4,750)	-
Share-based payments expense		(147,204)	(297,947)
Finance expense	3	(8,257)	(483,058)
Compliance expenses		(268,924)	(303,116)
Software development expenses		(1,682,849)	(1,172,227)
Marketing and promotional expenses		(96,473)	(88,506)
Patent costs		(33,768)	(70,453)
Travel and accommodation expenses		(84,398)	(19,486)
Other expenses	3	(162,362)	(167,272)
Loss before income tax		(4,789,129)	(5,237,231)
Income tax expense	4	-	-
Loss for the year		(4,789,129)	(5,237,231)
Other comprehensive loss		-	-
Total comprehensive loss for the year		(4,789,129)	(5,237,231)
Basic loss per share (cents per share)	7	(0.10)	(0.19)
Diluted loss per share (cents per share)	7	(0.10)	(0.19)

The accompanying notes form part of the financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	Group	
		2024	2023
		$	$
CURRENT ASSETS			
Cash and cash equivalents	8	201,011	481,037
Trade and other receivables	9	342,378	256,584
TOTAL CURRENT ASSETS		543,389	737,621
NON-CURRENT ASSETS			
Intellectual property	10	765,000	1,305,000
TOTAL NON-CURRENT ASSETS		765,000	1,305,000
TOTAL ASSETS		1,308,389	2,042,621
CURRENT LIABILITIES			
Trade and other payables	11	1,172,931	885,740
Contract liabilities	12	233,970	282,058
Employee provisions	13	87,061	90,969
TOTAL CURRENT LIABILITIES		1,493,962	1,258,767
NON-CURRENT LIABILITIES			
Employee provisions	13	18,128	-
TOTAL NON-CURRENT LIABILITIES		18,128	-
TOTAL LIABILITIES		1,512,090	1,258,767
NET (LIABILITIES) / ASSETS		(203,701)	783,854
EQUITY			
Issued capital	14	58,504,539	54,855,868
Share based payments reserve		6,131,681	5,978,778
Accumulated losses		(64,839,921)	(60,050,792)
TOTAL EQUITY		(203,701)	783,854

The accompanying notes form part of the financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2024

Group	Note	Issued Capital	Share Based Payments Reserve	Accumulated Losses	Total
		$	$	$	$
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)	14	4,986,506	-	-	4,986,506
Share-based payments	21	-	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
Balance 1 July 2023		54,855,868	5,978,778	(60,050,792)	783,854
Total comprehensive loss:					
Loss for the year		-	-	(4,789,129)	(4,789,129)
Other comprehensive loss		-	-	-	-
Total comprehensive loss		-	-	(4,789,129)	(4,789,129)
Transactions with owners of the Company:					
Shares and options issued during the year (net of capital raising costs)	14	3,648,671	-	-	3,648,671
Share-based payments	21	-	152,903	-	152,903
Total transactions with owners of the Company		3,648,671	152,903	-	3,801,574
Balance at 30 June 2024		58,504,539	6,131,681	(64,839,921)	(203,701)

The accompanying notes form part of the financial report.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024

	Note	Group 2024 $	Group 2023 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		747,516	496,143
Receipts from GST refundable		106,189	145,110
Payments to suppliers		(4,815,593)	(4,663,618)
Interest paid		(8,257)	(6,728)
Other income received		251,022	428,573
Net cash used in operating activities	15	(3,719,123)	(3,600,520)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash provided by /(used in) investing activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Insurance premium funding payments		(124,113)	(142,341)
Principal elements of lease liability		-	(12,499)
Proceeds from other payables		90,000	-
Proceeds from issue of shares and options		3,552,000	3,505,460
Capital raising costs paid		(78,790)	(85,660)
Proceeds from convertible notes		-	352,865
Repayment of convertible notes		-	(499,750)
Net cash inflows from financing activities		3,439,097	3,118,075
Net decrease in cash held		(280,026)	(482,445)
Cash at beginning of financial year		481,037	963,482
Cash at end of financial year	8	201,011	481,037

The accompanying notes form part of the financial report

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES

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 financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board 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, involved in the development of technology products, software development and the commercialisation and licencing of software.

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. The financial report and notes also comply with International Financial Reporting Standards adopted by the International Accounting Standards Board. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report was authorised for issue by the Board of Directors on 30 September 2024.

Reverse Acquisition Accounting

The acquisition of Linius (Aust) Pty Ltd by the Company, in the period ended 30 June 2016, is considered to be a reverse acquisition under Australian Accounting Standards, notwithstanding Linius Technologies Limited ("the Company") being the legal parent of the Group. Consequently, the financial information presented in this Report is the financial information of Linius (Aust) Pty Ltd.

The legal structure of the Group subsequent to the acquisition of Linius (Aust) Pty Ltd is that the Company will remain as the legal parent entity. However, the principles of reverse acquisition accounting are applicable where the owners of the acquired entity (in this case, Linius (Aust) Pty Ltd) obtain control of the acquiring entity (in this case, the Company) as a result of the businesses' combination.

Under reverse acquisition accounting, the consolidated financial statements are issued under the name of the legal parent (the Company) but are a continuation of the financial statements of the legal subsidiary (Linius (Aust) Pty Ltd), with the assets and liabilities of the legal subsidiary being recognised and measured at their pre-combination carrying amounts rather than their fair values.

Historical cost convention

The financial statements have been prepared under the historical cost convention, unless otherwise stated.

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Going Concern

For the year ended 30 June 2023, the Group incurred an operating net loss of $4,789,129 (2023: $5,237,231), net cash outflows from operating activities of $3,719,123 (2023: $3,600,520) and had negative net assets $203,701 (2023: net assets $783,854). The Group had negative net current assets of $950,573 (2023: $521,146)

The ability of the Group to continue as a going concern is dependent upon a number of factors, one being the continuation and availability of funds. The financial statements have been prepared on the basis that the Group is a going concern, which contemplates the continuity of its business, realisation of assets and the settlement of liabilities in the normal course of business for a period of at least twelve months from the date of approval of these annual financial statements.

In determining that the going concern assumption is appropriate, the directors have had regard to:

- projected cash outflows, which are expected to continue for a period of at least twelve months from the date of approval of these financial statements;
- confidence in achieving expected sales through the Group's commercialisation activities;
- prudent management of costs as required including the ability to control expenditures in line with cash resources available;
- being able to raise additional capital funds through conducting a capital raising to enable the continuation of the development and commercialisation activities as planned; and
- the Directors have prepared cash flow projections for the period from 1 July 2024 until 30 September 2025 that support the Group's ability to continue as a going concern. These cashflow projections assume the Group's ability to control expenditures to the level of funding available in addition to raising additional capital in order to maintain positive cash flows.

The Directors note that subsequent to balance date, the Group received firm commitments from professional and sophisticated investors (including directors and management) to raise $1,525,000 in additional equity capital, excluding transaction costs, via:

(a) a placement of to raise $700,000 via the issue 350,000,000 fully paid ordinary shares at $0.0020 per share, with the first 182,500,000 shares issued on 23 September 2024 to non-related parties amounting to $365,000 and the balance expected to be issued by mid-November 2024 amounting to $335,000 following shareholder approval, and
(b) a convertible note facility for a maximum of $3,000,000, of which $825,000 has been committed with $380,000 having been issued on 23 September 2024 and $445,000 to be issued by 31 October 2024 following shareholder approval.

In addition, the Company entered into a standby equity facility with a non-related party which provides the Company the ability to access up $1,500,000 in equity over the next 18 months (expiring 6 March 2026), at its discretion.

Further to the above the Group has the capacity, subject to shareholder approval, to raise additional capital and such capital would provide the Group with sufficient funding to meet its planned development and commercialisation activities for the period of the cashflow projections.

The Group's ability to continue to operate as a going concern is dependent upon the items listed above, the achievement of which is uncertain at the date of approval of these financial statements. These conditions give rise to a material uncertainty as to whether the Group will be able to continue as a going concern and, should the Group be unable to continue as a going concern it may be required to realise assets at an amount different to that recorded in the statement of financial position, settle liabilities other than in the ordinary course of business and make provisions for other costs which may arise.

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(a) Income Tax

The income tax expense/(benefit) for the year comprises current income tax expense/(benefit) and deferred tax expense/(benefit).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities/(assets) are therefore measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period as well as unused tax losses.

Current and deferred income tax expense/(benefit) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial report. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

The Group receives refundable R&D tax incentives administered through the UK taxation system. These incentives, as refundable, have been accounted for as a government grant within the scope of AASB 120 - refer to the accounting policy disclosed in note 1(f)

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Financial Instruments

(i) Recognition and Initial Measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and Subsequent Measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss. There were no financial assets at FVTPL during or at year end.

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Financial Instruments (continued)

(ii) Classification and Subsequent Measurement (continued)

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses are recognized in profit or loss any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(c) Impairment testing of tangible and intangible assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets of CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds it recoverable amount.

Impairment loss is recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rate basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only when to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(d) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities in the statement of financial position.

(f) Revenue and Other Income

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

The below provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Revenue and Other Income (continued)

Services rendered

Nature and timing of satisfaction of performance obligations, including significant payment terms

The Group derives its revenue primarily from 'software-as-a-service' subscriptions, where customers subscribe to access the platform and associated support services. Invoices for providing software-as-a-service and related support revenue are issued on a monthly basis and are usually payable within 30 days.

Revenue recognition under AASB 15

Services are both distinct and capable of being distinct in the context of the contract, representing a series of recurring services that the Group stands ready to perform over the contract term. Revenue is typically recognised on services over time as a series of services performed over the contract term.

Government grants that compensate the Group for expenses incurred are recognised in profit or loss as income on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

All revenue is stated net of the amount of goods and services tax (GST).

(g) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period, which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

(h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(i) Comparative Figures

Where required by Accounting standards, comparative figures have been adjusted to conform to changes in the presentation for the current financial year.

(j) Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(j) Critical Accounting Estimates and Judgments (continued)

Impairment

The Directors assess impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amount of the Group's intangible assets incorporate a number of key estimates.

Share based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is typically determined using a binomial option pricing model.

(k) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Linius Technologies Limited.

(l) Trade and other receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms. Expected credit loss is calculated in accounting policy as outlined in note 1(v) below.

Factors considered by the Group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Group.

The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the statement of profit or loss and other comprehensive income. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of profit or loss and other comprehensive income.

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(l) Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment in accordance with note 1(v). Finite life intangible assets are subsequently measured at cost less amortisation and any impairment in accordance with note 1(v). The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

(m) Employee leave benefits

Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the balance date are recognised in other payables in respect of employees' services up to the balance date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the balance date. Consideration is given to expected future wage and salary levels, experience of employee departures, and period of service. Expected future payments are discounted using market yields at the balance date on high quality national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(n) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

(o) Earnings per share

Basic earnings per share is calculated as net profit/loss attributable to members of the Company, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit/loss attributable to members of the Company, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses;
- and other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;
- divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(q) Foreign currency translation

Both the functional and presentation currency of Linius Technologies Limited is Australian dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.

All exchange differences in the consolidated financial report are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

As at the balance date the assets and liabilities of any foreign subsidiary is translated into the presentation currency of Linius Technologies Limited at the rate of exchange ruling at the balance date and income and expense items are translated at the average exchange rate for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used.

The exchange differences arising on the translation are taken directly to a separate component of equity, being recognised in the foreign currency translation reserve. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss.

In addition, in relation to the partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

(r) Share-based payments

The Company has issued options and shares to directors and employees as part of their remuneration arrangements and has issued options and shares to third parties in consideration for acquisitions, settlement of loans, acquisition fees and for consultancy services received. The cost of these equity-settled transactions has been measured by reference to the fair value of the equity instruments granted, namely the market value of the Company's shares on the dates when agreements were reached to issue those shares. The grant-date fair value of equity settled share-based payments arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(s) Parent entity financial information

The financial information for the parent entity, Linius Technologies Limited, disclosed in Note 24 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(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) Share-based payments

The grant by the company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

(iii) Receivables from subsidiaries

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

(t) Plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of property, plant and equipment have different useful lives, then they are accounted for as separate items of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(ii) Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lovers unless it is reasonably certain that the group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful loves of the property, plant and equipment for current and comparative periods are as follows:

- IT equipment 3 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(u) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has ability to affect those returns through its power over the entity. The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(ii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(v) Impairment

Non-derivative financial assets

Financial instruments and contract assets

The Group recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI. The Group did not have any debt investment of FVOCI during and as at 30 June 2024; and
- contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

Non-derivative financial assets (continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 180 days past due.

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(v) Impairment (continued)

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(w) Compound financial instruments

Compound financial instruments issued by the Group comprise convertible notes denominated in Australian dollars that can be converted to ordinary shares at the option of the holder.

The liability component of compound financial instruments is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognised in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

(x) Adoption of new and revised standards

Standards issued but not yet effective

A number of new accounting standards are effective for annual periods beginning after 1 July 2023 and earlier application is permitted. However, the Group has not early adopted these new or amended accounting standards in preparing these consolidated financial statements. The Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group's consolidated financial statements.

(y) Changes in material accounting polices

Material accounting policy information

The group adopted Disclosure of Accounting policies (Amendments to AASB 1 and IFRS Practice statement 2) from 1 July 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed above in Note 1 Statement of material accounting policies (2023: Statement of significant accounting policies) in certain instances in line with the amendments.

Global Minimum top-up tax

Directors have considered BEPS 2.0 and have assessed the impact to be immaterial given the Group has historical tax losses.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2024

NOTE 2: REVENUE

	Group	
	2024	2023
	$	$
Revenue for services rendered*	811,120	228,906
Other revenue:		
Government grant**	259,103	328,644
Interest income	2,354	-
Total other revenue	261,457	328,644

* Income in advance amounting to $233,970 (2023: $282,058) is included in contract liabilities (note 12). Revenue for services rendered includes revenue recognised point in time of $32,720 (2023: $2,700).

**Government grants related to research and development claim amounting to $107,015 remain outstanding as at 30 June 2024 (2023: $98,933) and form part of trade and other receivables.

NOTE 3: OTHER EXPENSES

	Group	
	2024	2023
	$	$
Other expenses:		
Occupancy costs	4,144	15,386
Recruitment	40,183	1,843
Insurance	102,587	134,430
Others	15,448	15,613
Other expenses	162,362	167,272
Finance expense:		
Interest expense	8,257	6,728
Interest expense – convertible note facility	-	476,330
Finance expense	8,257	483,058

NOTE 4: INCOME TAX EXPENSE

	Group	
	2024 $	2023 $
(a) Income tax expense		
Current tax benefit	(1,156,926)	(1,256,167)
Deferred tax - origination and reversal of temporary differences	(3,555)	21,346
Deferred tax assets not recognised	1,160,481	1,234,821
	-	-

(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 benefit on operating loss at 25%	(1,197,282)	(1,309,308)
Add / (Less)		
Tax effect of:		
Share based payments	36,801	74,487
Current year losses for which no deferred tax assets are recognised	1,160,481	1,234,821
Income tax attributable to operating loss	-	-

(c) Unrecognised deferred tax assets		
Unused Australian tax losses for which no deferred tax asset has been recognised	13,701,893	12,541,413
Temporary differences not recognised	26,297	22,742
Total	13,728,190	12,564,155

Potential deferred tax assets attributable to tax losses carried forward have not been brought to account at 30 June 2024 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:

i. 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;

ii. The Group continues to comply with conditions for deductibility imposed by law; and

iii. No changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the losses.

NOTE 5: KEY MANAGEMENT PERSONNEL

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

		Group	
	Note	2024	2023
		$	$
Short-term employee benefits		925,027	827,256
Share-based payments	21	6,111	23,833
		931,168	851,089

NOTE 6: AUDITOR'S REMUNERATION

	Group	
	2024	2023
	$	$
Remuneration of the auditor for services provide to the Group and the Parent during the year:		
Audit and review services	100,000	97,000
KPMG: auditing and reviewing of financial statements		
	100,000	97,000

NOTE 7: EARNINGS/LOSS PER SHARE

		Group	
		2024	2023
		$	$
a.	Reconciliation of earnings to profit or loss		
	Loss used to calculate basic and diluted EPS	(4,789,129)	(5,237,231)
		No.	No.
b.	Weighted average number of ordinary shares outstanding during the period used in calculating basic and diluted EPS	4,757,663,073	2,807,608,120

Potential ordinary shares comprising 201,799,992 options (2023 69,139,653) were excluded in the calculation of diluted EPS given they are antidilutive.

NOTE 8: CASH AND CASH EQUIVALENTS

	Group	
	2024	2023
	$	$
Cash	151,011	428,854
Term deposit (cash equivalent)	50,000	52,183
Cash and cash equivalents in the statement of financial position	201,011	481,037

The effective interest rate on short-term bank deposits was varying between 0.01% to 3.5%.

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:

Cash and cash equivalents	201,011	481,037

NOTE 9: TRADE AND OTHER RECEIVABLES

	Group	
	2024	2023
	$	$
CURRENT		
Accounts receivable	209,885	162,913
Prepaid expenses and other receivables	132,493	93,671
	342,378	256,584

Accounts receivable are shown net of impairment losses of $4,750 (2023: $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	
	2024	2023
	$	$
Intellectual property at cost	5,400,000	5,400,000
Accumulated amortisation	(4,635,000)	(4,095,000)
	765,000	1,305,000
Amortisation expense	540,000	540,000
	540,000	540,000

NOTE 10: INTELLECTUAL PROPERTY (CONTINUED)

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 evidence that the intellectual property purchased was covered by valid patents, trademarks and copyright.

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.

Recoverability of the intellectual property

Notwithstanding the losses incurred by the Group, based on alternate positive factors such as the Group's market capitalisation, progress of its commercialisation activities and the technical capability of the underlying technology, there is sufficient evidence of recoverability.

Whilst the intellectual property is accounted for as a definite life asset, the directors have assessed that the recoverable value of the intellectual property exceeds its carrying value at 30 June 2024 due to the following:

Discounted cashflow approach

Management has also performed an analysis to determine the recoverable amount of the CGU (being the Group as a whole at this stage of the Group's lifecycle), which was estimated based on the value in use of the Group, determined by discounting the future cash flows to be generated from the continuing use of the Group's intellectual property.

- Cash flows were forecast for a five year period. The terminal value of the Group was based on the fifth year cash flow and a long-term growth rate of 2.5%, which is consistent with market assumptions of the long term growth target for Australia.
- Revenue was based on a staged pipeline of income being earned, which is anticipated to grow in FY24 based on the number of customer take-on of the Linius technology. From 2026 to 2029 it is based on a compounded growth rate of 75%. Expenses are set based on the 2024 budget, increasing by anticipated growth required to the support the increase in revenue forecast.
- An pre tax discount rate of 17.64% was applied in determining the recoverable amount of the Group. The discount rate was estimated based on an industry average weighted-average cost of capital and applying a premium to the industry average due to the Group being in its growth phase and the risks inherent in the cash flow forecast.

Market capitalisation approach

Since listing on ASX, the shares of Linius have traded in a ready market, supporting the value of the intellectual property asset. The assets of the Group at 30 June 2024 consist principally of cash of $201,011 and intellectual property, after amortisation, of $765,000. The net assets deficiency is $203,701 (2023: Net assets $783,854).

NOTE 10: INTELLECTUAL PROPERTY (CONTINUED)

Market capitalisation approach (Continued)

Linius shares closed at a price of 0.2 cents per share on 30 June 2024. Total fully paid ordinary shares on issue at 30 June 2024 are 5,546,740,714. This gives a market capitalisation of Linius of $11,093,481. Given the development nature of the Group's operations, the directors believe that the recoverable amount of the intellectual property on the balance sheet at 30 June 2024 is supported by the market value of Linius.

Subsequent to year end the Group has raised additional share capital at $0.002 per share. Applying this price to the total number of shares after the capital raise of 5,896,740,714 implies a market capitalisation of $11,793,481 which is above the net asset deficiency of $203,701 at 30 June 2024.

NOTE 11: TRADE AND OTHER PAYABLES

	Group	
	2024	2023
	$	$
Trade payables	809,745	621,021
Other liabilities	90,000	-
Sundry payables and accrued expenses	273,186	264,719
	1,172,931	885,740

NOTE 12: CONTRACT LIABILITIES

	Group	
	2024	2023
	$	$
Contract liabilities	233,970	282,058
	233,970	282,058

NOTE 13: EMPLOYEE PROVISIONS

	Group	
	2024	2023
	$	$
CURRENT		
Provision for annual leave	87,061	90,969
	87,061	90,969
NON CURRENT		
Provision for long service leave	18,128	-
	18,128	-

Employee expenses of $1,995,075 (2023: $2,051,113) includes employer superannuation contributions of $96,832 (2023: $94,232)

NOTE 14: ISSUED CAPITAL AND RESERVES

	$ Group	Number (Legal parent)
Issued Capital		
2024		
Opening balance 1 July 2023	54,855,868	3,765,457,374
Issue of shares through private placement (net of costs)*	3,648,671	1,729,283,340
Issue of shares as share based payments**	-	52,000,000
At reporting date	58,504,539	5,546,740,714

The Company has issued share capital amounting to 5,591,740,714 ordinary shares of no par value.

	$ Group	Number (Legal parent)
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

*Net of $5,699 (2023: $-) of share based payment transaction costs and $72,630 (2023: $91,819) of other transaction costs.

**Net of $115,123 (2023: $238,699) of share based payments expense recorded in the profit and loss and share based payments reserve.

NOTE 14: ISSUED CAPITAL AND RESERVES (CONTINUED)

	Legal parent entity	
Ordinary shares	2024 No.	2023 No.
Opening balance	3,765,457,374	1,959,516,312
Fully paid shares issued during the year		
— 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
— 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
— July 2023 (issue of shares on private placement to directors)	23,333,340	-
— August 2023 (issue of shares as part of share based payment)	18,000,000	-
— August 2023 (issue of shares by private placement)	423,000,000	-
— October 2023 (issue of shares by private placement)	292,500,000	-
— December 2023 (issue of shares by share purchase plan)	160,500,000	-
— December 2023 (issue of shares as part of share based payment)	29,000,000	-
— December 2023 (issue of shares on private placement to directors)	117,200,000	-
— December 2023 (issue of shares by private placement)	110,250,000	-

NOTE 14: ISSUED CAPITAL AND RESERVES (CONTINUED)

	Legal parent entity	
Ordinary shares	2024 No.	2023 No.
— February 2024 (issue of shares by private placement)	257,500,000	-
— April 2024 (issue of shares as part of share based payment)	5,000,000	-
— April 2024 (issue of shares by private placement)	345,000,000	-
At reporting date	5,546,740,714	3,765,457,374

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 2024 is as follows:

	Group	
	2024 $	2023 $
Cash and cash equivalents	201,011	481,037
Trade and other receivables	342,378	256,584
Trade and other payables and other liabilities	(1,512,089)	(1,258,767)
Working capital deficiency	(968,700)	(521,146)

NOTE 15: CASH FLOW INFORMATION

	Group	
	2024	2023
	$	$
Cash flows excluded from loss attributable to operating activities:		
Loss after income tax	(4,789,129)	(5,237,231)
Non cash items		
- Depreciation	-	8,589
- Amortisation	540,000	540,000
- Write down of right of use assets on disposal	-	9,028
- Share-based payments expense	147,204	297,947
- Interest expense	-	476,330
- Expenses settled through issuing shares	175,000	-
Changes in assets and liabilities		
- Decrease in trade receivables and prepayments	89,206	133,001
- Increase / (Decrease) in trade payables and accruals	152,465	(17,417)
- (Decrease) / Increase in contract liabilities	(48,089)	258,586
- Increase / (Decrease) in provisions	14,220	(69,353)
Cash flows used in operating activities	(3,719,123)	(3,600,520)

NOTE 16: RELATED PARTY TRANSACTIONS

	Group 2024 $	Group 2023 $
(i) Transactions with key management personnel:		
Advisory fees paid to Otway Capital Consulting, a consulting firm in which Gerard Bongiorno has an interest; disclosed as remuneration	76,000	74,000
(ii) Amounts owing to key management personnel (included in trade and other payables):		
Entity related to Gerard Bongiorno	41,699	24,433
Entity related to Stephen McGovern	-	49,548
Barry McNeill	25,000	-
John Wallace	28,750	-
James Brennan	-	260

Refer to Note 21 for share based payment transactions.

Transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

NOTE 17: INTERESTS IN CONTROLLED ENTITIES

The parent company had the following controlled entities:

Name of the subsidiary	Place of incorporation	Class of shares	% Held 2024	% Held 2023
Linius (Aust) Pty Ltd	Australia	Ordinary	100%	100%
Linius Solutions Pty Ltd	Australia	Ordinary	100%	100%
Linius UK Ltd	UK	Ordinary	100%	100%
Linius Inc.	USA	Ordinary	100%	100%
Linius Blockchain Pty Ltd	Australia	Ordinary	100%	100%
Linius Blockchain Inc.	USA	Ordinary	100%	100%

NOTE 18: 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 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. The Group's primary geographical market is Australia.

NOTE 19: COMMITMENTS

There are no material lease or other commitments as at balance date.

NOTE 20: CONTINGENCIES

There are no contingent assets or liabilities as at balance date.

NOTE 21: SHARE-BASED PAYMENTS

Share option schemes

Employee share option plan

An employee share option plan (ESOP) has been established by the Group, whereby the Group may, at the discretion of the Board, grant options over ordinary shares in the Company to personnel of the Group. The options are issued for nil consideration and are granted in accordance with time based and/or performance targets established by the Board.

Share options (equity settled)

The key terms and conditions of share options and loan share options on issue are as follows; all options are to be settled by the physical delivery of shares.

Grant date	Number of instruments	Exercise price	Vesting conditions	Contractual life of options
Options granted to Employees:				
On 9 October 2020	500,000	2.89 cents	33% vesting on each of 1st, 2nd and 3rd anniversary of employment date	4 years
On 2 July 2021	2,200,000	2.93 cents	33% vesting on each of 1st, 2nd and 3rd anniversary of employment date	4 years
On 18 February 2022	500,000	2.5 cents	100% vesting on 1 July 2022	3.4 years
On 10 August 2022	7,000,000	0.7 cents	Vested on issue	3.9 years
On 17 February 2023	10,000,000	0.7 cents	Vested on issue	3.4 years

NOTE 21: SHARE-BASED PAYMENTS (CONTINUED)

Grant date	Number of instruments	Exercise price	Vesting conditions	Contractual life of options
On 15 August 2023	6,000,000	0.4 cents	Vested on issue	2.9 years
On 22 December 2023	6,000,000	0.4 cents	Vested on issue	3.6 years
	32,200,000			
Options granted to consultants:				
On 17 June 2022	3,000,000	1.5 cents	Vested on issue	3 years
On 22 December 2023	3,200,000	0.4 cents	Vested on issue	2.7 years
	6,200,000			

Share based payments (equity settled) expense recognised in profit or loss

	2024 $	2023 $
Options		
Options issued under the ESOP	32,081	59,248
Cost of options issued to consultants for capital raising services, applied against equity	5,699	-
	37,780	59,248
Shares		
Shares issued under the ESOP	109,012	214,866
Shares issued to KMPs:		
- John Wallace – right to acquire shares	6,111	23,833
	152,903	297,947

Reconciliation of outstanding share options – equity settled

The number and weighted-average exercise prices of share options under the share option programmes were as follows:

Options on issue	*Number of options 2024*	*Weighted average exercise price 2024*	*Number of options 2023*	*Weighted average exercise price 2023*
Outstanding at 1 July	69,139,653	2.8 cents	63,577,153	2.8 cents
Options expired during the year	(45,939,653)	2.5 cents	(11,437,500)	4.21 cents
Options exercised during the year	-	-	-	-
ESOP Options granted during the year	6,000,000	0.4 cents	7,000,000	0.7 cents
ESOP Options granted during the year	6,000,000	0.4 cents	10,000,000	0.7 cents
Options issued during the year	166,599,992	0.4 cents	-	-
Outstanding at 30 June	201,799,992	0.5 cents	69,139,653	2.0 cents
Exercisable at 30 June	201,066,659	0.5 cents	67,477,986	1.8 cents

NOTE 21: SHARE-BASED PAYMENTS (CONTINUED)

The fair value of the equity-settled share options granted in the current year is estimated as at the date of grant using an independent valuation, which is based on the binomial model (for employees) and Black-Scholes option valuation model (for consultants), which considers the terms and conditions upon which the options were granted:

30 June 2024	6,000,000 Unlisted ESOP options	6,000,000 Unlisted ESOP options	3,200,000 Unlisted options
Dividend yield (%)	Nil	Nil	Nil
Expected volatility (%)	220%	212%	212%
Risk-free interest rate (%)	4.1%	4.35%	4.35%
Expected life of option (years)	2.9	3.5	2.7
Exercise price (cents)	$0.004	$0.004	$0.004
Grant date share price	$0.003	$0.002	$0.002
Grant date fair value	$0.00282	$0.00188	$0.000178
Grant date	15 August 2023	22 December 2023	8 December 2023

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour.

NOTE 22: FINANCIAL RISK MANAGEMENT

a. Financial Risk Management Policies

The Group's financial instruments consist mainly of deposits with banks. The main purpose of non-derivative financial instruments is to raise finance for Group operations. The Group does not speculate in the trading of derivative instruments.

i. Treasury Risk Management

The Board meets on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The Board's overall risk management strategy seeks to assist the Group in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the Board on a regular basis.

NOTE 22: FINANCIAL RISK MANAGEMENT (CONTINUED)

a. Financial Risk Management Policies (continued)

ii. Financial Risk Exposures and Management

Interest rate risk

At the reporting date, the Group's fixed rate instruments comprise financial liabilities. The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss. The Group's exposure to financial risk is limited to interest rate risk arising from assets and liabilities bearing variable interest rates. The weighted average interest rate on cash holdings is 0.1% at 30 June 2024 (2023: 0.1%). All other assets and liabilities are non-interest bearing.

Interest rate sensitivity

Had the interest rate moved by 10 basis points with all other variables held constant, the post tax loss and equity would have decreased / increased by $201 (2023: $481).

Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and ensuring sufficient cash and marketable securities are available to meet the current and future commitments of the Group. Due to the nature of the Group's activities, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. The Board of Directors constantly monitors the state of equity markets in conjunction with the Group's current and future funding requirements, with a view to initiating appropriate capital raisings as required. The financial liabilities of the Group are confined to trade and other payables, financial liabilities, and the lease liability which have a contractual due date of less than two months. The Board manages liquidity risk by monitoring forecast cash flows against actual liquidity level on a regular basis.

There are no unused borrowing facilities from any financial institution.

Credit risk

There are no material amounts of collateral held as security at balance date. Credit risk is reviewed regularly by the Board. It arises through deposits with financial institutions. The Board monitors credit risk by actively assessing the rating quality and liquidity of counter parties. Only banks and financial institutions with an 'A' rating are utilised.

The Group only invests in listed available-for-sale financial assets that have a minimum 'A' credit rating. Unlisted available-for-sale financial assets are not rated by external credit agencies. These are reviewed regularly by the Group to ensure that credit exposure is minimised.

The credit risk for counterparties included in trade and other receivables at balance date is low.

The Group holds cash deposits with Australian banking financial institutions, namely the National Australia Bank (NAB). The NAB has an AA rating with Standard & Poors.

Price risk

The Group is not exposed to commodity price risk.

Foreign currency risk

The Group makes payments in GBP in respect of employees and consultants based in the UK. Funds transferred from Australia are at spot rates and there are no hedges in place.

NOTE 22: FINANCIAL RISK MANAGEMENT (CONTINUED)

b. Financial Instruments

i. Derivative Financial Instruments

Derivative financial instruments are not used by the Group.

ii. Financial instrument composition and liquidity risk:

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and excluded contractual interest payments.

30 June 2024	Note	Carrying amount $	1-12 months $	13-24 months $
Non-derivative financial liabilities				
Trade and other payables	11	1,406,901	1,406,901	-
Total Financial Liabilities	11	1,406,901	1,406,901	-

30 June 2023		Carrying amount $	1-12 months $	13-24 months $
Non-derivative financial liabilities				
Trade and other payables	11	1,167,798	1,167,798	-
Total Financial Liabilities	11	1,167,798	1,167,798	-

iii. Net Fair Values

Financial assets (cash and other receivables) and financial liabilities (trade and other payables, lease liability and financial liabilities are carried at amortised cost which approximates their fair values.

NOTE 23: EVENTS AFTER THE REPORTING PERIOD

Capital raising

On 10 September 2024 the Company announced to ASX that it had received firm commitments from professional and sophisticated investors (including directors and management) to raise $1,525,000 in additional equity capital, excluding transaction costs, via:

(a) a placement of to raise $700,000 via the issue 350,000,000 fully paid ordinary shares at $0.0020 per share, with the first 182,500,000 shares issued on 23 September 2024 to non-related parties amounting to $365,000 and the balance expected to be issued by mid-November 2024 amounting to $365,000 following shareholder approval, and

(b) a convertible note facility for a maximum of $3,000,000, of which $825,000 has been committed with $380,000 having been issued on 23 September 2024 and $445,000 to be issued by 31 October 2024 following shareholder approval.

In addition, the Company entered into a standby equity facility with a non-related party which provides the Company the ability to access up $1,500,000 in equity over the next 18 months, at its discretion.

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.

NOTE 24: PARENT ENTITY DISCLOSURES

The following information is related to the legal parent entity Linius Technologies Limited as at 30 June 2024:

Financial position	2024 $	2023 $
Assets		
Current assets	168,056	369,744
Non-current assets	11,360,001	13,600,318
Total assets	11,528,057	13,970,062
Liabilities		
Current liabilities	434,577	300,856
Non current liabilities	-	-
Total liabilities	434,577	300,856
Equity		
Issued capital	74,145,494	70,496,823
Option premium reserve	36,462	36,462
Share based payments reserve	6,131,681	5,978,778
Accumulated losses	(69,220,157)	(62,842,857)
Total equity	11,093,480	13,669,206
Financial performance		
Loss for the year	6,377,300	1,402,830
Total comprehensive loss	6,377,300	1,402,830

(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.

For details on commitments, see Note 19.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Entity Name	Body corporate, partnership or trust	Place incorporation / formed	% of share capital held directly or indirectly by the Company in the Body corporate	Australian or Foreign tax resident	Jurisdiction for Foreign tax resident
Linius Technologies Ltd	Body Corporate	Australia	Parent	Australian	N/A
Linius (Aust) Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Linius Solutions Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Linius Blockchain Solutions Pty Ltd	Body Corporate	Australia	100%	Australian	N/A
Linius UK Ltd	Body Corporate	UK	100%	Australian	N/A
Linius Inc.	Body Corporate	US	100%	Australian	N/A
Linius Blockchain Solutions Inc.	Body Corporate	US	100%	Australian	N/A

Key assumptions and judgements

Determination of Tax Residency

Section 295 (3A) of the Corporation Acts 2001 requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. In the context of an entity which was an Australian resident, "Australian resident" has the meaning provided in the Income Tax Assessment Act 1997. The determination of tax residency involves judgment as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

- Australian tax residency: The consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in Tax Ruling TR 2018/5.
- Foreign tax residency: The consolidated entity has applied current legislation and where available judicial precedent in the determination of foreign tax residency. Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.

DIRECTORS' DECLARATION

1. In the opinion of the directors of Linius Technologies Limited ("the Company"):

   (a) the consolidated financial statements and notes that are set out on pages 36 to 71 and the Remuneration report on pages 25 to 31 in the Directors' report, are in accordance with the Corporations Act 2001, including:

      (i) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance, for the financial year ended on that date; and

      (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

   (b) the consolidated entity disclosure statement as at 30 June 2024 set out in page 71 is true and correct;

   (c) there are reasonable grounds to believe that the Company and the Group will be able to pay their debts as and when they become due and payable.

2. The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer for the financial year ended 30 June 2024.

3. The directors draw attention to Note 1 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of directors.

Gerard Bongiorno
Non-Executive Chairman and Director
Dated at Melbourne 30th day of September 2024

Independent Auditor's Report

To the shareholders of Linius Technologies Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Linius Technologies Limited (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the ***Group***'s financial position as at 30 June 2024 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 30 June 2024
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 June 2024
- Notes, including material accounting policies
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

KPMG

Material uncertainty related to going concern

We draw attention to Note 1, "Going Concern" in the financial report. The conditions disclosed in Note 1, indicate a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report. Our opinion is not modified in respect of this matter.

In concluding there is a material uncertainty related to going concern we evaluated the extent of uncertainty regarding events or conditions casting significant doubt in the Group's assessment of going concern. This included:

- Analysing the cash flow projections by:
  - Evaluating the underlying data used to generate the projections for consistency with other information tested by us, our understanding of the Group's intentions, and past results and practices;
  - Assessing the planned levels of operating and capital expenditures for consistency of relationships and trends to the Group's historical results, results since year end, and our understanding of the business, industry and economic conditions of the Group;
- Assessing significant non-routine forecast cash inflows and outflows for feasibility, quantum and timing. We used our knowledge of the Group, its industry and financial position to assess the level of associated uncertainty.
- Reading Directors' minutes and other underlying documentation for recent capital raisings completed to understand the Group's ability to raise additional shareholder funds, including assessing the level of associated uncertainty.
- Evaluating the Group's going concern disclosures in the financial report by comparing them to our understanding of the matter, the events or conditions incorporated into the cash flow projection assessment, the Group's plans to address those events or conditions, and accounting standard requirements. We specifically focused on the principal matters giving rise to the material uncertainty.

Key Audit Matters

Impairment indicators for intellectual property ($765,000)

Refer to Note 10 to the Financial Report

The key audit matter	How the matter was addressed in our audit
Impairment indicators for Intellectual property is a key audit matter due to: • the significance of the balance (being 58% of total assets); and • the greater level of audit effort to evaluate the Group's assessment of	Our procedures included: • We assessed the appropriateness of the Group's accounting policies for the recoverability of intellectual property against the requirements of the accounting standard and our understanding of the business and industry practice. • We assessed the Group's estimate of the remaining

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impairment indicators in accordance with AASB 136 *Impairment of Assets*. The presence of impairment indicators would necessitate a detailed analysis by the Group of the value of the intellectual property. Given the criticality of this to the scope and depth of our work, we involved senior team members to challenge the Group's determination that no such indicators existed. In assessing the presence of impairment indicators, we focused on those that may draw into question the commercial continuation of the Group's activities. In addition to the assessment above, given the financial performance and position of the Group, we paid particular attention to: • The progress of the intellectual property in terms of software development and its target industry sectors. • The ability of the Group to fund the continuation of commercialization activities. • Progress of its customer contract negotiation activities with current clients and potential target clients. • Current market capitalisation and implied market capitalisation value from recent capital raisings compared to the net assets at balance date. We further considered the Group's discounted cashflow approach and business plan.	useful life of the intellectual property considering the Group's impairment indicators and progress of commercialization of intellectual property. • We assessed the Group's intellectual property impairment indicators which includes the Group's market capitalization approach and progress of its commercialisation activities. Our procedures included: o We evaluated Group documents, such as minutes of Board meetings, the business plan and proposals to customers, for consistency with the Group's stated intentions to commercialise the intellectual property in terms of software development and plans for new commercialisation activities for target industry sectors. We checked this through enquiries with key operational and finance personnel. o We recalculated the Group's market capitalisation based on the recent quoted share price on the ASX and the share price for capital raised during the year and subsequent to balance date, multiplied by the shares on issue and compared this to the Group's net assets at balance date. o We obtained the Group's new customer contracts entered into during the financial year and compared to the Group's plans for new commercialisation activities. • We further analysed the Group's determination of recoverable amount of the intellectual property through successful continued development and commercialisation, by evaluating the Group's assessment of forecast revenues and expenses in their discounted cashflow approach. This included: o comparing the Group's forecast cashflows to fund its commercialisation activities to the cashflow projections used in the Group's assessment of going concern, and tested by KPMG, as outlined in the Material Uncertainty Related to Going Concern; and o we considered the sensitivity of the Group's discounted cashflow model by

	varying key assumptions, such as forecast EBIT and discount rate. We did this to identify inconsistencies with the Group's market capitalisation approach. • Assessed the adequacy of financial report disclosures in respect of the carrying value of intellectual property using our understanding obtained from our testing and against the requirements of the accounting standards.

Other Information

Other Information is financial and non-financial information in Linius Technologies Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error
- assessing the Group's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at:
https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf
This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Linius Technologies Limited for the year ended 30 June 2024, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 25 to 31 of the Directors' report for the year ended 30 June 2024.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

Dana Bentley
Partner

Melbourne

30 September 2024

ADDITIONAL INFORMATION FOR LISTED COMPANIES

1. Shareholdings as at 25 September 2023

1a. Distribution of Shareholders

Category (size of holding)	Number of Holders	Number of Ordinary Shares
1 – 1,000	56	8,984
1,001 – 5,000	84	310,720
5,001 – 10,000	182	1,542,753
10,001 – 100,000	1,400	58,611,953
Above 100,001	1,513	5,804,766,304
	3,235	5,865,240,714

Unquoted Securities

As at 25 September 2023, there are 221,799,992 options over unissued shares of Linius Technologies. These options are held by 34 holders, all with holdings 100,000 or more.

1b. The number of shareholdings held in less than marketable parcels is 2,220.

1c. There are the following substantial shareholders listed in the holding Group's register as at 25 September 2024

Substantial shareholder	%	Number of Ordinary Shares
OXBO Holdings 2 Pty Ltd	6.18	362,500,069
Unrandom Pty Ltd	6.08	356,500,000
Marcus Investments Pty Ltd	5.57	326,454,555

1d. Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares

—Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Options

- There are no voting rights attached to options.

ADDITIONAL INFORMATION FOR LISTED COMPANIES (CONTINUED)

1e. 20 Largest Shareholders — Ordinary Shares

	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1	Oxbo Holdings 2 Pty Ltd <JB Family 2 A/C>	316,403,569	5.39%
2	Mrs Rachel Markus & Mr David Markus <Markus Family S/F A/C>	258,878,794	4.41%
3	Unrandom Pty Ltd <Unrandom A/C>	230,000,000	3.92%
4	One Managed Investment Funds Ltd <TI Growth A/C>	217,106,773	3.70%
5	Anbaume Pty Ltd <The GF Family A/C>	164,222,959	2.80%
6	Parlin Investments Pty Ltd <Parlin Discretionary A/C>	163,500,000	2.79%
7	Vonetta Pty Ltd <TRBC S/F A/C>	126,500,000	2.16%
8	Sha Wise Investments <Sha Wise Family A/C>	100,000,000	1.70%
9	Earthrise Holdings Pty Ltd <Campion Investment A/C>	94,000,000	1.60%
10	Mr Dejan Markovic	88,700,000	1.51%
11	Andasal Pty Ltd <Graham Family A/C>	87,512,639	1.49%
12	Citicorp Nominees Pty Ltd	81,898,709	1.40%
13	Mr Rodney Stuart Pearce	70,642,772	1.20%
14	Markus Investments Pty Ltd <Siegmund Markus Family A/C>	66,666,670	1.14%
15	Majas Blue Pty Ltd <Raymond Family A/C>	64,109,954	1.09%
16	Mr Paolo D'Angelo	63,764,443	1.09%
17	Mr David John Willis	63,000,000	1.07%
18	Gordo's Pty Ltd <Trading A/C>	62,500,000	1.07%
19	Mr Thomas Erick Snowball & Mrs Mary Elizabeth Snowball <Snowball Fam SF A/C >	58,200,000	0.99%
20	Gordo's Pty Ltd <Gordo's Staff Super Fund A/C>	57,500,000	0.98%
		2,435,107,282	41.52%
	Total number of ordinary fully paid shares held	5,865,240,714	

The name of the Company Secretary is Mr Giuseppe Rinarelli.

3. The address of the principal registered office in Australia is:

   Level 2,

   431 St Kilda Road,

   MELBOURNE VIC 3004

4. Registers of securities are held at the following addresses:

   Automic

   Level 5, 126 Phillip Street

   Sydney NSW 2000

5. Securities Exchange Listing

   Linius Technologies Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.

   Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange Limited.