LINIUS

Video Virtualization Engine™

LINIUS TECHNOLOGIES LIMITED

ACN 149 796 332

ANNUAL REPORT

2025

LINIUS TECHNOLOGIES LIMITED

ANNUAL REPORT 2025

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LINIUS TECHNOLOGIES LIMITED

ANNUAL REPORT 2025

CORPORATE DIRECTORY

This annual report covers Linius Technologies Limited and its controlled entities (the "Group" or "Group") during the year ended 30 June 2025. The presentation currency of the Group is Australian dollars.

OFFICERS	Gerard Bongiorno	(Non-Executive Chairman)
	James Brennan	Executive Director and CEO resigned 14 January 2025
	John Wallace	(Non-Executive Director) resigned 7 July 2025
	Barry McNeill	(Non-Executive Director) resigned 6 August 2025
	Giuseppe Rinarelli	(Company Secretary and CFO) and appointed Executive Director 14 January 2025 and resigned as Executive Director 16 June 2025
	Brent Jones	(Non-Executive Director) appointed 16 June 2025
	Andrew Demetriou	(Non-Executive Director) appointed 16 June 2025
REGISTERED OFFICE	Level 2, 431 St Kilda Road, MELBOURNE VIC 3004	
AUDITORS	KPMG Tower 2, Collins Square 727 Collins Street MELBOURNE VIC 3000	
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ASX CODE	LNU	

CHAIRMAN'S LETTER

Dear Shareholders,

We are pleased to present the Annual Report of Linius Technologies Limited for the financial year ended 30 June 2025.

During the year, the Company initiated the renewal of its executive management team, through the appointment of Ben Taverner as the new chief executive officer, and its board of directors with the appointment of Andrew Demetriou and Brent Jones as non-executive directors and the retirement of John Wallace and Barry McNeill subsequent to year end. Separately, I have also indicated my intention to step down as chairperson and retire from the board.

The financial results for the year are reflective of the Company's focus on transformation into a sales focused and high-impact commercial SAAS organisation.

The Company's focused go-to-market strategy has resulted in significant momentum through the later part of FY25 going into FY26. The addition of key industry partnerships will be leveraged to speed up profitable customer acquisition in FY26.

Subsequent to year end, Linus has bolstered its sales team through the recruitment of two fulltime sales specialists to take advantage of these opportunities. The Company will also be attending several conferences including 2025 International Broadcasting Convention, Sportel Monaco and Leaders Week in London.

The Company's sales pipeline continues to grow and discussions around renewals with existing clients is progressing in line with expectations and the announced proof of concept engagement with a Top 3 European Professional Soccer League and deployment with HTP are progressing as planned.

Since the year end the Company has intensified its focus on reviewing the cost base across both engineering, product and corporate overhead and administration. The cost reduction program currently being implemented by management is expected to reduce total expenses when compared to FY25 by over $2.5m in FY26, which equates to a significant reduction in excess of 45% .

Finally, we'd like to thank you, our shareholders, for your continued support of the Company. The board and Executive team will continue to work hard to ensure that the potential of the business is achieved.

I present to you the report on Linius and its controlled entities for the 30 June 2025 financial year.

Gerard Bongiorno
Chairman
30 September 2025

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 2025.

Directors

The Directors in office during the year were:

Gerard Bongiorno (Non-Executive Chairman)

James Brennan (Executive Director & CEO) resigned 14 January 2025

John Wallace (Non-Executive Director) resigned 7 July 2025

Barry McNeill (Non-Executive Director) resigned 6 August 2025

Giuseppe Rinarelli (Executive Director & CFO) appointed 14 January 2025 and resigned, as Executive Director 16 June 2025

Andrew Demetriou (Non-Executive Director) appointed 16 June 2025

Brent Jones (Non-Executive Director) appointed 16 June 2025

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 2025 after income tax expense amounted to $5,006,363 (2024 loss: $4,789,129). This loss includes non-cash share based payments expense of $257,896 (2024: $147,204) and non-cash amortisation and impairment charges on non-financial assets of $765,000 (2024: $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 Chairman and CEO's letter on page 3.

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 2025 were ($2,238,205) (2024: net liabilities $203,701).

Going Concern

For the year ended 30 June 2025, the Group had a net loss of $5,006,363 (30 June 2024: $4,789,129), net cash outflows from operating activities of $2,737,881 (30 June 2024: $3,719,123) and had net liabilities $2,238,205 (2024: net liabilities $203,701).

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 16 June 2025 the Company announced to ASX that it had received firm commitments from professional and sophisticated investors (including directors and management) to additional capital, excluding transaction costs, via:

(a) a placement to raise $350,000 via the issue 350,000,000 fully paid ordinary shares at $0.0010 per share on 3 July 2025, and

(b) a convertible note facility for a maximum of $3,000,000, of which $350,000 was issued on 3 July 2025 and $1,185,000 was issued on 12 September 2025 following shareholder approval.

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

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.

DIRECTORS' REPORT CONTINUED

Going Concern

The Company's Annual Report and Accounts for the year ended 30 June 2025 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.

Notwithstanding the 'going concern' material uncertainty 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.

DIRECTORS' REPORT CONTINUED

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.

DIRECTORS' REPORT CONTINUED

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.

DIRECTORS' REPORT CONTINUED

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. Director since 21 February 2017.
Interest in Shares and Options at 30 June 2025	—	288,306,293 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) July 2017 to March 2025

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 and 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. 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 served 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, resigned 7 July 2025
Interest in Shares and Options at 30 June 2025	—	86,000,000 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

DIRECTORS' REPORT CONTINUED

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 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. Mr Brennan previously 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. 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, resigned 14 January 2025
Interest in Shares and Options at 30 June 2025	—	Nil
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 and resigned 6 August 2025
Interest in Shares and Options at 30 June 2025		83,660,660 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

DIRECTORS' REPORT CONTINUED

<u>Brent Jones</u>	—	Non-Executive Director
Experience	—	Mr Jones is an experienced financial services professional who has held numerous directorships and managerial positions. Currently Mr Jones acts as Managing Director of Professional Services at Sequoia Financial Group (ASX:SEQ) a national supplier of diversified professional services to the Accounting and Advice industry. As a professional and personal investor, Mr Jones has been exposed to numerous M&As, IPOs, capital raisings, early seed funding and development funding activities. Mr Jones has a degree in Information Technology from Monash University and is a member of the National Tax and Accountants Association and is a Graduate of the Australian Institute of Company Directors (AICD). Director since 16 June 2025
Interest in Shares and Options at 30 June 2025	—	418,031,367 shares 18,666,666 Options expiring 31 July 2026 with an exercise price of $0.004
Directorships held in other listed entities in the last 3 years	—	Latin Resources Limited (ASX: LSR) September 2015 to Feb 2025

<u>Andrew Demetriou</u>	—	Non-Executive Director
Experience	—	Mr Demetriou was Chief Executive Officer of the Australian Football League. He was the Managing Director of the Ruthinium Group, a dental implant business, and he currently remains a board member. Mr Demetriou has also served as Non-Executive Chairman of the Baxter Group, is a former Chairman of the Australian Multicultural Advisory Council and served two years on the Referendum Council on behalf of the Federal Government for Indigenous Recognition in the Constituion. Mr Demetriou was also the Chairman of Board of Managmenet of Cox Architecture and a Director of Crown Resorts Limited. Director since 16 June 2025
Interest in Shares and Options at 30 June 2025		nil
Directorships held in other listed entities in the last 3 years		Capitol Health Limited (ASX: CAJ) August 2018 to December 2024
<u>Giuseppe Rinarelli</u>	—	Chief Financial Officer, Company Secretary and Executive Director
Experience	—	Mr Rinarelli is an experienced finance professional having worked within a chartered environment in excess of 20 years, including at KPMG in the audit and technical advisory practice. Mr Rinarelli is also the Chief Financial Officer of Wingara AG Ltd. Mr Rinarelli has a degree in Business from Victoria University and is a member of the Institute of Chartered Accountants Australia and New Zealand (ICAANZ). Director since 14 January 2025 resigned 16 June 2025
Interest in Shares and Options at 30 June 2025	—	13,019,927 shares 591,867 Options expiring 31 July 2026 with an exercise price of $0.004
Directorships held in other listed entities in the last 3 years	—	Wingara AG Limited (ASX: WNR) from June 2025

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
John Wallace	Non-Executive Director (resigned 7 July 2025)
James Brennan	Executive Director and CEO (resigned 14 January 2025)
Barry McNeill	Non-Executive Director(resigned 6 August 2025)
Brent Jones	Non-Executive Director (appointed 16 June 2025)
Andrew Demetriou	Non-Executive Director (appointed 16 June 2025)
Giuseppe Rinarelli	Director (appointed 14 January 2025 and resigned 16 June 2025); CFO and Company Secretary throughout the financial year.
Ben Taverner	CEO (appointed 1 February 2025)

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 2025. 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.

	2025	2024	2023	2022	2021
(Loss) attributable to owners of the company	($5,006,363)	($4,789,129)	($5,237,231)	($8,999,225)	($6,127,504)
Change in share price	($0.001)	($0.002)	($0.001)	($0.017)	($0.010)
Closing share price	$0.001	$0.002	$0.004	$0.005	$0.022

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

DIRECTORS' REPORT CONTINUED

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

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. The Group has the ability to provide cash based and equity based incentives on a discretionary basis, equity based incentives are subject to shareholder approval where they relate to a director. 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 2025 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:	John Wallace
Title:	Non-Executive Director
Agreement commenced:	14 December 2020
Term of agreement:	No fixed term
Details:	An annual director fee of $75,000. 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:	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.

DIRECTORS' REPORT CONTINUED

Name:	James Brennan
Title:	Director and CEO
Agreement commenced:	25 October 2021
Term of agreement:	No fixed term
Details:	An annual salary of $339,900 plus superannuation. 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. James stepped down as CEO and Executive director effective 14 January 2025.

Name:	Andrew Demetriou
Title:	Non-Executive Director
Agreement commenced:	16 June 2025
Term of agreement:	No fixed term
Details:	An annual director fee of $75,000. The fee paid to Mr Demetriou 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:	Brent Jones
Title:	Non-Executive Director
Agreement commenced:	16 June 2025
Term of agreement:	No fixed term
Details:	An annual director fee of $75,000. The fee paid to Mr Jones 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:	Director (appointed 14 January 2025 and resigned 16 June 2025); CFO and Company Secretary throughout the financial year.
Agreement commenced:	29 May 2019
Term of agreement:	No fixed term
Details:	An annual salary of $150,000 plus superannuation from 1 February 2025 to date, $100,000 plus superannuation from 1 October to 31 January 2025 and $168,000 plus superannuation from 1 July 2023 to 30 September 2024. 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.

Name:	Ben Taverner
Title:	Chief Executive Officer
Agreement commenced:	1 February 2025
Term of agreement:	No fixed term
Details:	An annual salary of £175,000 1 February 2025. The agreement can be terminated by either party on three month's written notice. The Company will reimburse Mr Taverner 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:

2025 in $	Directors' fees & consultancy fees	Other short term employee benefits[3]	Superannuation payments	Share-based payments	Total	Share-based %
Non-executive directors:						
Andrew Demetriou	-	-	-	-	-	-
Barry McNeill[1]	75,000	-	-	-	75,000	-
Brent Jones	-	-	-	-	-	-
Gerard Bongiorno[2]	202,243	-	10,302	-	212,545	-
John Wallace	75,000	-	-	-	75,000	-
Executive directors:						
James Brennan	182,987	(3,517)	16,465	-	195,935	-
Executives:						
Ben Taverner	147,912	-	-	-	147,912	-
Giuseppe Rinarelli	137,833	15,225	15,851	-	168,909	-
	820,975	11,708	42,618	-	875,301	-

2024 In $	Directors' fees & consultancy fees	Other short term employee benefits[3]	Superannuation payments	Share-based payments	Total	Share-based %
Non-executive directors:						
Barry McNeill	75,000	-	-	-	75,000	-
Gerard Bongiorno[2]	165,586	-	8,959	-	174,545	-
John Wallace	43,750	-	-	6,111	49,861	12.26
Stephen McGovern[4]	7,449	-	745	-	8,194	-
Executive directors:						
James Brennan	386,600[5]	5,068	27,399	-	419,067	-
Executives:						
Giuseppe Rinarelli	168,000	18,021	18,480	-	204,501	-
	846,387	23,089	55,583	6,111	931,168	0.66

1. Director fees were paid to BPM Performance Ltd, a related party of Barry McNeill.
2. Director and consultancy fees were paid to Otway Capital Consulting, a related party of Gerard Bongiorno.
3. Includes leave accruals calculated in accordance with AASB 119 Employee benefits.
4. Director fees were paid to SMG Nominees Pty Ltd, a related party of Stephen McGovern.
5. Short term cash based performance related benefits have been provided during the period to James Brennan amounting to $50,000, this represents 11.9%. of his income as a proportion of total remuneration.

DIRECTORS' REPORT CONTINUED

Equity instruments granted as compensation

There we no equity instruments granted as compensation during the year and there are currently no equity incentives held by key management personal as at 30 June 2025.

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.

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:

	Held at 30.6.2024	Acquired / Granted/purchased during the year	Disposed[2] / Lapsed / exercised during the year	Held at 30.6.2025 / date of resignation	Vested during the year	Total Vested and Exercisable 30.6.2025
Barry McNeill	3,333,333	-	-	3,333,333	-	3,333,333
Brent Jones[1]		18,666,666	-	18,666,666	-	18,666,666
Gerard Bongiorno	8,000,000	-	-	8,000,000	-	8,000,000
Giuseppe Rinarelli	591,867	-	-	591,867	-	591,867
James Brennan	2,666,666	-	2,666,666	-	-	-
Total	14,591,866	18,666,666	2,666,666	30,591,866	-	30,591,866

1. Represents holding as at date of appointment.
2. Represents holding at last date of employment/directorship.

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 30.6.2024	Received as Compensation	Acquired during the year	Disposals[2]	Balance 30.6.2025
Barry McNeill	31,166,660	-	52,500,000	-	83,666,660
Brent Jones[1]	-	-	418,031,367	-	418,031,367
Gerard Bongiorno	188,306,293	-	100,000,000	-	288,306,293
Giuseppe Rinarelli	9,577,657	-	-	-	9,577,657
James Brennan	24,666,670	-	2,500,000	(27,166,670)	-
John Wallace	33,500,000	-	52,500,000	-	86,000,000
Total	287,217,280	-	628,973,637	(27,166,670)	889,024,247

1. Represents holding as at date of appointment.
2. Represents holding at last date of employment/directorship.

Key management personnel transactions	Group 2025 $	2024 $
Transactions with related parties:		
Advisory fees paid to Bloom Sport Partners a recruitment firm in which Barry McNeill has an interest;	48,387	-
Amounts owing from related parties (included in trade and other receivables)		
Barry McNeill	5,000	-
John Wallace	1,250	-
Amounts owing to related parties (included in trade and other payables)		
Entity related to Barry McNeil	48,387	-

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	7	7
John Wallace	7	7
James Brennan	4	4
Barry McNeill	7	7
Giuseppe Rinarelli	3	3
Andrew Demetriou	-	-
Brent Jones	-	-

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
04/10/2025	unlisted	2.93 cents	2,200,000
30/06/2026	unlisted	0.4 cents	6,000,000
30/06/2026	unlisted	0.7 cents	17,000,000
30/06/2027	unlisted	0.4 cents	26,000,000
31/07/2026	unlisted	0.4 cents	166,599,992
30/06/2027	unlisted	0.2 cents	113,700,000
30/09/2028	unlisted	0.0 cents	450,000,000
30/06/2028	unlisted	1.5 cents	24,000,000
31/01/2028	unlisted	0.0 cents	15,000,000
31/01/2029	unlisted	0.0 cents	15,000,000
31/01/2030	unlisted	0.0 cents	15,000,000
			850,499,992

During the year ended 30 June 2025, 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.

DIRECTORS' REPORT CONTINUED

Auditor's Independence Declaration

The Lead auditor's independence declaration is set out on page 20 and forms part of the directors' report for the financial year ended 30 June 2025.

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	**2025**
	$
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.

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 2025
Melbourne

KPMG

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 for the financial year ended 30 June 2025 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

KPMG

Dana Bentley

Partner Melbourne

30 September 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR YEAR ENDED 30 JUNE 2025

	Note	Group 2025 $	Group 2024 $
Revenue	2	785,423	811,120
Other income	2	102,155	262,030
Amortisation expense	7	(540,000)	(540,000)
Impairment of non-financial asset	7	(225,000)	-
Consultant expenses		(1,264,133)	(612,158)
Director remuneration (excluding share-based payment) expenses		(248,545)	(225,488)
Employee benefit expenses		(1,566,018)	(1,995,075)
Impairment loss on trade receivables		(134,620)	(4,750)
Share-based payments expense		(257,896)	(147,204)
Finance expense		(31,685)	(8,257)
Compliance expenses		(244,322)	(268,924)
Software development expenses		(1,046,527)	(1,682,849)
Marketing and promotional expenses		(47,821)	(96,473)
Patent costs		(80,653)	(33,768)
Travel and accommodation expenses		(32,959)	(84,398)
Other expenses	3	(173,762)	(162,935)
Loss before income tax		(5,006,363)	(4,789,129)
Income tax expense	15	-	-
Loss for the year		(5,006,363)	(4,789,129)
Other comprehensive loss			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences		(11,970)	-
Other comprehensive loss for the year		(11,970)	-
Total comprehensive loss for the year		(5,018,333)	(4,789,129)
Basic loss per share (cents per share)	4	(0.08)	(0.10)
Diluted loss per share (cents per share)	4	(0.08)	(0.10)

The accompanying notes form part of the financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	Note	Group 2025 $	Group 2024 $
CURRENT ASSETS			
Cash and cash equivalents	5	227,410	201,011
Trade and other receivables	6	345,795	342,378
TOTAL CURRENT ASSETS		573,205	543,389
NON-CURRENT ASSETS			
Intellectual property	7	-	765,000
TOTAL NON-CURRENT ASSETS		-	765,000
TOTAL ASSETS		573,205	1,308,389
CURRENT LIABILITIES			
Trade and other payables	8	2,214,444	1,172,931
Contract liabilities	9	96,936	233,970
Employee provisions	10	70,651	87,061
Financial liabilities	11	350,000	-
TOTAL CURRENT LIABILITIES		2,732,031	1,493,962
NON-CURRENT LIABILITIES			
Trade and other payables	8	64,549	-
Employee provisions	10	14,830	18,128
TOTAL NON-CURRENT LIABILITIES		79,379	18,128
TOTAL LIABILITIES		2,811,410	1,512,090
NET LIABILITIES		(2,238,205)	(203,701)
EQUITY			
Issued capital	12	59,428,522	58,504,539
Reserves		8,179,557	6,131,681
Accumulated losses		(69,846,284)	(64,839,921)
TOTAL EQUITY		(2,238,205)	(203,701)

The accompanying notes form part of the financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2025

Group	Issued Capital	Equity reserve on Convertible Notes	Equity settled benefits reserve	Translation Reserves	Accumulated Losses	Total
	$	$	$	$	$	$
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)	3,648,671	-	-	-	-	3,648,671
Share-based payments	-	-	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)
Balance 1 July 2024	58,504,539	-	6,131,681	-	(64,839,921)	(203,701)
Total comprehensive loss:						
Loss for the year	-	-	-	-	(5,006,363)	(5,006,363)
Other comprehensive loss	-	-	-	(11,970)	-	(11,970)
Total comprehensive loss	-	-	-	(11,970)	(5,006,363)	(5,018,333)
Transactions with owners of the Company:						
Shares issued during the year (net of capital raising costs)	923,983	-	-	-	-	923,983
Issue of convertible notes during the year	-	1,775,000	-	-	-	1,775,000
Share-based payments	-	-	284,846	-	-	284,846
Total transactions with owners of the Company	923,983	1,775,000	284,846	-	-	2,983,829
Balance at 30 June 2025	59,428,522	1,775,000	6,416,527	(11,970)	(69,846,284)	(2,238,205)

The accompanying notes form part of the financial report.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025

		Group	
	Note	2025	2024
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		596,965	747,516
Receipts from GST refundable		118,819	106,189
Payments to suppliers and employees		(3,421,980)	(4,815,593)
Interest paid		(31,685)	(8,257)
Other income received		-	251,022
Net cash used in operating activities	13	(2,737,881)	(3,719,123)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash provided by /(used in) investing activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Insurance premium funding payments	8	(111,653)	(124,113)
Proceeds from issue of shares		460,000	3,552,000
Capital raising costs paid		(9,067)	(78,790)
Proceeds from shares to be issued		350,000	90,000
Proceeds from convertible notes to be issued		350,000	-
Proceeds from issue of convertible notes		1,725,000	-
Net cash inflows from financing activities		2,764,280	3,439,097
Net decrease in cash held		26,399	(280,026)
Cash at beginning of financial year		201,011	481,037
Cash at end of financial year	5	227,410	201,011

The accompanying notes form part of the financial report

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2025

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 report 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 2025.

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 2025, the Group incurred an operating net loss of $5,006,363 (2024: $4,789,129), net cash outflows from operating activities of $2,737,881 (2024: $3,719,123) and had net liabilities $2,238,205 (2024: $203,701). The Group had net current liabilities of $2,158,826 (2024: $950,573)

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.

The Directors have prepared cash flow projections for the period from 1 July 2025 until 30 September 2026 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.

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 note that on 16 June 2025, the Group had received firm commitments from professional and sophisticated investors (including directors and management) to additional capital, excluding transaction costs, via:

(a) a placement to raise $350,000 via the issue of 350,000,000 fully paid ordinary shares at $0.0010 per share on 3 July 2025, and
(b) a convertible note facility for a maximum of $3,000,000, of which $350,000 was issued on 3 July 2025 and $1,185,000 was issued on 12 September 2025 following shareholder approval.

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 and does not give rise to equal taxable and deductible temporary differences.

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(e)

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Financial Instruments

(i) Recognition and Initial Measurement

Trade receivables 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.

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.

(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.

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(c) Impairment testing of tangible and intangible assets (continued)

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) 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.

(e) 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.

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.

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

Other income - Government grants

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.

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) 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.

(g) 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.

(h) 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.

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.

(i) 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.

(j) 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(u) below.

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(j) Trade and other receivables (continued)

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.

(k) 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(c). Finite life intangible assets are subsequently measured at cost less amortisation and any impairment in accordance with note 1(c). 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.

(l) 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.

(m) 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.

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(n) 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.

(o) 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.

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(p) Share-based payments

The Company has issued options and shares employees and consultants 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.

(q) Parent entity financial information

The financial information for the parent entity, Linius Technologies Limited, disclosed in Note 25 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 estimating future cash flows expected from the subsidiary and discounting them using an appropriate rate 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.

(r) 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.

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(s) 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.

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.

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.

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(u) Impairment (continued)

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.

(t) Convertible Notes

The Group's preference shares are classified as equity due to following reasons:

- The issuer has a present and unconditional right to settle the obligation by issuing a fixed number of equity instruments.
- The conversion feature meets the 'fixed-for-fixed' criterion, whereby a fixed amount of debt is exchanged for a fixed number of shares.
- The noteholder cannot demand cash settlement once the issuer's conversion right becomes exercisable.

(u) 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 2024 and earlier application is permitted. However, the Group has not early adopted these new or amended accounting standards in preparing these consolidated financial statements.

NOTE 1: STATEMENT OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(u) Adoption of new and revised standards

IFRS 18 Presentation and Disclosure in Financial Statements

AASB 18 will replace AASB 101 Presentation of Financial Statements and applied for annual reporting periods beginning on or after 1 July 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing and financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cashflows when presenting operating cashflows under the indirect method.

The Group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cashflows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

Other accounting standards

The following new and amended accounting standards are not expected to have a significant impact on the Group's consolidated financial statements.

- Lack of Exchangeability (Amendment to AASB 121)
- Classification and measurement of Financial Instruments (Amendments to AASB 9 and AASB 7)
- Classification of liabilities as Current or Non-current (Amendments to AASB 101

NOTE 2: REVENUE AND OTHER INCOME

	Group	
	2024	2024
	$	$
Revenue for services rendered*	785,423	811,120
Other income:		
Government grant**	85,440	259,103
Foreign exchange gain	15,255	573
Interest income	1,460	2,354
Total other revenue	102,155	262,030

* Income in advance amounting to $96,936 (2024: $233,970) is included in contract liabilities (note 9).
Revenue for services rendered includes revenue recognised point in time of $- (2024: $32,720).

**Government grants related to research and development claim amounting to $202,781 remain outstanding as at 30 June 2025 (2024: $107,015) and form part of trade and other receivables.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2025

NOTE 3: OTHER EXPENSES

	Group	
	2025	2024
	$	$
Other expenses:		
Occupancy costs	2,800	4,144
Recruitment	60,928	40,183
Insurance	100,143	102,587
Others	9,891	16,021
Other expenses	173,762	162,935

NOTE 4: EARNINGS/LOSS PER SHARE

		Group	
		2025	2024
		$	$
a.	Reconciliation of earnings to profit or loss		
	Loss used to calculate basic and diluted EPS	(5,006,363)	(4,789,129)
		No.	No.
b.	Weighted average number of ordinary shares outstanding during the period used in calculating basic and diluted EPS		
	Issued ordinary shares at 1 July	5,546,740,714	3,765,457,374
	Effect of shares issued during the period	433,934,110	992,205,699
	Weighted average number of ordinary shares outstanding as at 30 June used in calculating basic and diluted EPS	5,980,674,824	4,757,663,073

Potential ordinary shares comprising 217,799,992 options (2024: 201,799,992) were excluded in the calculation of diluted EPS given they are antidilutive.

NOTE 5: CASH AND CASH EQUIVALENTS

	Group	
	2025	2024
	$	$
Cash	207,410	151,011
Term deposit (cash equivalent)	20,000	50,000
Cash and cash equivalents in the statement of financial position	227,410	201,011

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

NOTE 6: TRADE AND OTHER RECEIVABLES

	Group	
	2025	2024
	$	$
CURRENT		
Accounts receivable	278,339	209,885
Prepaid expenses and other receivables	67,456	132,493
	345,795	342,378

Accounts receivable are shown net of impairment losses of $134,620 (2024:$4,750) and include R&D receivables of $202,781 (2024: $107,015).

The movement in the allowance for impairment in respect of trade receivables and contract assets during the year was as follows.

Balance at 1 July	4,750	-
Amounts written off	(4,750)	-
Net recognition of impairment of financial assets	134,620	4,750
Balance 30 June	134,620	4,750

Expected credit loss assessment for individual customers

The following table provides information about the exposure to credit risk and the provision for trade receivables and contract assets from individual customers as at

	2025		2024	
	$		$	
	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance
Current (not past due)	89,437	17,220	58,450	2,643
1-30 days past due	17,220	17,220	16,558	-
31-60 days past due	17,220	17,220	17,160	-
61-90 days past due	17,220	17,220	6,512	-
More than 90 days past due	68,940	65,740	8,940	2,107
Balance 30 June	210,178	134,620	107,620	4,750

NOTE 7: 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	
	2025	2024
	$	$
Intellectual property at cost	5,400,000	5,400,000
Accumulated amortisation and impairment losses	(5,400,000)	(4,635,000)
	-	765,000
Amortisation expense	540,000	540,000
Impairment loss	225,000	-
	765,000	540,000

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

The directors have assessed the value and useful life of the intellectual property at balance date and have impaired the intellectual property by $225,000.

NOTE 8: TRADE AND OTHER PAYABLES

	Group	
	2025	2024
	$	$
CURRENT		
Trade payables	1,527,070	809,745
Other liabilities	350,000	90,000
Sundry payables and accrued expenses	337,374	273,186
	2,214,444	1,172,931

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2025

NOTE 8: TRADE AND OTHER PAYABLES

	Group	
	2025	2024
	$	$
NON CURRENT		
Trade payables	64,549	-
	64,549	-

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

Initial supplier finance balance of $107,809 (2024: $116,018) is a non cash financing activity as the insurance premium was paid directly by financier. During the year, $111,653 (2024: $124,113) was paid, including interest of $3,843 (2024: $8,095). Nominal interest rate is 33.3% (2024: 6.97%) and this loan was repaid by February 2025.

NOTE 9: CONTRACT LIABILITIES

	Group	
	2025	2024
	$	$
Contract Liabilities	96,936	233,970
	96,936	233,970

The contract liabilities primarily relate to funds received from customers for set up and initialisation services. The fees are amortised across the contract life once the customer is able to utilise the service in line with the agreement between the Group and the customer.

NOTE 10: EMPLOYEE PROVISIONS

	Group	
	2025	2024
	$	$
CURRENT		
Provision for leave	70,651	87,061
	70,651	87,061
NON CURRENT		
Provision for long service leave	14,830	18,128
	14,830	18,128

Employee expenses of $1,566,018 (2024: $1,995,075) includes employer superannuation contributions of $53,263 (2024: $96,832)

NOTE 11: FINANCIAL LIABILITIES

	2025	2024
	$	$
CURRENT		
Other financial liabilities	350,000	-
	350,000	-

In June 2025, the Company entered into a convertible note deed poll enabling the Company to issue up to $3 million of funding. This related to the amount received from interested parties in advance and the settled convertible notes were issued on 3 July 2025 (see note 24(b)).

Under the terms of the deed, the company is able to issue Convertible Notes over two tranches:

Tranche 1: Up to $350,000 in Convertible Notes can be issued. These were issued 3 July 2025.

Tranche 2: Up to $2,650,000 in Convertible Notes can be issued within 3 months following the Issuer's shareholders approving the issue of the Notes for Tranche 2.

NOTE 12: ISSUED CAPITAL AND RESERVES

	$ Group	Number (Legal parent)
Issued Capital		
2025		
Opening balance 1 July 2024	58,504,539	5,546,740,714
Issue of shares through private placement (net of costs)*	923,983	492,500,000
Issue of shares as share based payments**	-	111,975,000
At reporting date	59,428,522	6,151,215,714

The Company has issued share capital amounting to 6,151,215,714 ordinary shares of no par value.

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
Opening balance 1 July 2024	58,504,539	5,546,740,714

*Net of $26,950 (2024: $5,699) of share based payment transaction costs and $9,067 (2024: $72,630) of other transaction costs.

**Net of $222,000 (2024: $115,123) of share based payments expense recorded in the profit and loss and share based payments reserve.

NOTE 12: ISSUED CAPITAL AND RESERVES (CONTINUED)

	Legal parent entity	
Ordinary shares	2025 No.	2024 No.
Opening balance	5,546,740,714	3,765,457,374
Fully paid shares issued during the year		
— 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
— 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
— September 2024 (issue of shares by private placement)	220,000,000	-
— September 2024 (issue of shares as part of share based payment)	98,500,000	-
— October 2024 (issue of shares by private placement to directors)	220,000,000	-
— October 2024 (issue of shares by private placement)	52,500,000	-
— October 2024 (issue of shares as part of share based payment)	13,475,000	-
At reporting date	6,151,215,714	5,546,740,714

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.

Convertible Note Reserve

In September 2024, the Company entered into a convertible note deed poll enabling the Company to issue up to $3 million of funding. Under the terms of the deed, the company is able to issue Convertible Notes over four tranches. During the period the Company issued the following:

Tranche 1: $380,000 in September 2024, maturing 23 September 2026;
Tranche 2: $445,000 in October 2024, maturing 23 September 2026;
Tranche 3: $250,000 in December 2024, maturing 3 December 2026; and
Tranche 4: $350,000 in February 2025, maturing 26 February 2027.

NOTE 12: ISSUED CAPITAL AND RESERVES (CONTINUED)

Convertible Note Reserve (continued)

In February 2025, the Company entered into a convertible note deed poll enabling the Company to issue up to $750,000 of funding. Under the terms of the deed, the company is able to issue Convertible Notes. During the period the Company issued the following $350,000 in March 2025, maturing 25 March 2027.

For the above convertible notes issued, the principal amount outstanding and accrued interest (20% per annum) are convertible at the Note holders election into ordinary shares at a fixed share price of $0.002. The Group also has the ability to convert the notes into ordinary shares on the same terms as the Note holder prior to the maturity date of the notes.

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 2025 is as follows:

	Group	
	2025	2024
	$	$
Cash and cash equivalents	227,410	201,011
Trade and other receivables	345,795	342,378
Trade and other payables and other liabilities	(2,278,993)	(1,172,931)
Contract liabilities	(96,936)	(233,970)
Employee provisions	(85,481)	(105,189)
Working capital deficiency	(1,888,205)	(968,701)

NOTE 13: CASH FLOW INFORMATION

	Group	
	2025	2024
	$	$
Cash flows excluded from loss attributable to operating activities:		
Loss after income tax	(5,006,363)	(4,789,129)
Non cash items		
- Amortisation	540,000	540,000
- Impairment of non financial assets	225,000	-
- Share-based payments expense	257,896	147,204
- Foreign currency expense – non cash	(11,970)	-
- Expenses settled through issuing shares and convertible notes	460,000	175,000
Changes in assets and liabilities		
- (Increase)/decrease in trade receivables and prepayments	(3,417)	89,206
- Increase/(decrease) in trade payables and accruals	957,715	152,465
- Increase/(decrease) in contract liabilities	(137,034)	(48,089)
- Increase/(decrease) in provisions	(19,708)	14,220
Cash flows used in operating activities	(2,737,881)	(3,719,123)

NOTE 14: 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 and sale of software solutions.

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 15: INCOME TAX EXPENSE

	Group	
	2025 $	2024 $
(a) Income tax expense		
Current tax benefit	(1,192,044)	(1,156,926)
Deferred tax - origination and reversal of temporary differences	4,926	(3,555)
Deferred tax assets not recognised	1,187,118	1,160,481
	-	-
(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%	(1,251,591)	(1,197,282)
Add / (Less)		
Tax effect of:		
Share based payments	64,474	36,801
Current year losses for which no deferred tax assets are recognised	1,187,117	1,160,481
Income tax attributable to operating loss	-	-
(c) Unrecognised deferred tax assets		
Unused Australian tax losses for which no deferred tax asset has been recognised	14,889,010	13,701,893
Temporary differences not recognised	21,370	26,297
Total	14,910,380	13,728,190

Potential deferred tax assets attributable to tax losses carried forward have not been brought to account at 30 June 2025 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 16: KEY MANAGEMENT PERSONNEL

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

	Note	Group 2025 $	Group 2024 $
Short-term employee benefits		875,301	925,057
Share-based payments	22	-	6,111
		875,301	931,168

NOTE 17: AUDITOR'S REMUNERATION

	Group 2025 $	Group 2024 $
Remuneration of the auditor for services provide to the Group and the Parent during the year:		
Audit and review services	100,000	100,000
KPMG: auditing and reviewing of financial statements		
	100,000	100,000

NOTE 18: RELATED PARTY TRANSACTIONS

	Group 2025 $	Group 2024 $
(i) Transactions with key management personnel:		
Advisory fees paid to Bloom Sport Partners a recruitment firm in which Barry McNeill has an interest;	48,387	-
(ii) Amounts owing from key management personnel (included in trade and other receivables):		
Barry McNeill	5,000	-
John Wallace	1,250	-

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2025

NOTE 18: RELATED PARTY TRANSACTIONS

	Group 2025 $	2024 $
(iii) Amounts owing to key management personnel (included in trade and other payables):		
Entity related to Gerard Bongiorno	75,498	41,699
Entity related to Barry McNeill	48,387	-
Barry McNeill	-	25,000
John Wallace	-	28,750
Giuseppe Rinarelli	13,938	-

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

NOTE 19: INTERESTS IN CONTROLLED ENTITIES

The parent company had the following controlled entities:

Name of the subsidiary	Place of incorporation	Class of shares	% Held 2025	2024
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 Solutions Pty Ltd	Australia	Ordinary	100%	100%
Linius Blockchain Solutions Inc.	USA	Ordinary	100%	100%

NOTE 20: COMMITMENTS

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

NOTE 21: CONTINGENCIES

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

NOTE 22: 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.

NOTE 22: SHARE-BASED PAYMENTS (CONTINUED)

Share options (equity settled)

The key terms and conditions of 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 consultants:				
On 20 September 2024	20,000,000	0.4 cents	Vested on issue	2.8 years

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

	2025 $	2024 $
Options		
Options issued under the ESOP	35,896	32,081
Cost of options issued to consultants for capital raising services, applied against equity	-	5,699
	35,896	37,780
Shares		
Shares issued under the ESOP	222,000	109,012
Shares issued to KMPs:		
- John Wallace – right to acquire shares	-	6,111
Shares issued to consultants for capital raising services, applied against equity:	26,950	-
	284,846	152,903

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 2025*	*Weighted average exercise price 2025*	*Number of options 2024*	*Weighted average exercise price 2024*
Outstanding at 1 July	201,799,992	0.5 cents	69,139,653	2.0 cents
Options expired during the year	(4,000,000)	1.8 cents	(45,939,653)	2.5 cents
Options exercised during the year	-	-	-	-
ESOP Options granted during the year	20,000,000	0.4 cents	6,000,000	0.4 cents
ESOP Options granted during the year	-	-	6,000,000	0.4 cents
Options issued during the year	-	-	166,599,992	0.4 cents
Outstanding at 30 June	217,799,992	0.4 cents	201,799,992	0.5 cents
Exercisable at 30 June	217,799,992	0.4 cents	201,066,659	0.5 cents

NOTE 22: 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 2025	20,000,000 Unlisted ESOP options
Dividend yield (%)	Nil
Expected volatility (%)	197.2%
Risk-free interest rate (%)	4.35%
Expected life of option (years)	2.833
Exercise price (cents)	$0.004
Grant date share price	$0.002
Grant date fair value	$0.00175
Grant date	20 September 2024

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 23: 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.

ii. Financial Risk Exposures and Management

<u>Interest rate risk</u>

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 2025 (2024: 0.1%). All other assets and liabilities are non-interest bearing.

NOTE 23: FINANCIAL RISK MANAGEMENT (CONTINUED)

a. Financial Risk Management Policies (continued)

ii. Financial Risk Exposures and Management

Interest rate risk

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 $227 (2024: $201).

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 23: 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 2025	Note	Carrying amount $	1-12 months $	13-24 months $
Non-derivative financial liabilities				
Trade and other payables	8	2,278,993	2,214,444	64,549
Financial Liabilities	11	350,000	350,000	-
Total Financial Liabilities		2,628,993	2,564,444	64,549

30 June 2024		Carrying amount $	1-12 months $	13-24 months $
Non-derivative financial liabilities				
Trade and other payables	8	1,172,931	1,172,931	-
Total Financial Liabilities		1,172,931	1,172,931	-

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 24: EVENTS AFTER THE REPORTING PERIOD

Capital raising

On 16 June 2025 the Company announced to ASX that it had received firm commitments from professional and sophisticated investors (including directors and management) to additional capital, excluding transaction costs, via:

(a) a placement of to raise $350,000 via the issuance of 350,000,000 fully paid ordinary shares at $0.0010 per share on 3 July 2025, and

(b) a convertible note facility for a maximum of $3,000,000, of which $350,000 was issued on 3 July 2025 and $1,185,000 was issued on 12 September 2025 following shareholder approval.

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

NOTE 25: PARENT ENTITY DISCLOSURES

The following information is related to the legal parent entity Linius Technologies Limited as at 30 June 2025:

Financial position	2025 $	2024 $
Assets		
Current assets	245,743	168,056
Non-current assets	-	11,360,001
Total assets	245,743	11,528,057
Liabilities		
Current liabilities	1,620,254	434,577
Non current liabilities	-	-
Total liabilities	1,620,254	434,577
Equity		
Issued capital	75,121,427	74,145,494
Convertible note reserve	1,775,000	-
Option premium reserve	36,462	36,462
Share based payments reserve	6,359,353	6,131,681
Accumulated losses	(84,666,753)	(69,220,157)
Total equity	(1,374,511)	11,093,480
Financial performance		
Loss for the year	15,446,596	6,377,300
Total comprehensive loss	15,446,596	6,377,300

For details on commitments, see Note 20.

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 21 to 53 and the Remuneration report on pages 12 to 17 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 2025 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 2025 set out in page 54 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 2025.

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 30 day of September 2025

KPMG

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 2025 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 2025
- 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 2025
- 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

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matter described below to be the Key Audit Matter.

KPMG

Equity reserve on convertible notes ($1,775,000)	
Refer to Note 12 to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**
During the year, the Group issued convertible notes for cash consideration of $1,775,000. The recognition of convertible notes is a key audit matter due to: • Significant audit effort we applied in assessing the Group's recognition of convertible notes; • The complexity arising from the Group's convertible note agreements and the risk of inappropriate recognition in accordance with accounting standards. Convertible notes may be recognised as equity, debt, or a combination of both, based on the terms and conditions of the convertible note agreements and the conversion features of the convertible notes. We involved our senior audit team members in assessing this key audit matter.	Our procedures included: • We assessed the appropriateness of the Group's accounting policies for convertible notes against the requirements of the accounting standards; • We read the underlying convertible note agreements to understand the terms and conditions, including the conversion features of the convertible notes; • We checked the recognition amount of the convertible notes to the face value of the convertible notes issued; • Inspecting board meeting minutes and examining ASIC announcements to check the completeness of the convertible notes issued and recognised during the year; • We checked the receipt of convertible note proceeds to the Group's bank statements and • We evaluated the adequacy of disclosures in the financial report using our understanding obtained from our audit procedures against the requirements of 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.

KPMG

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 and Company'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 and Company 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/media/bwvjcgre/ar1_2024.pdf. This description forms part of our Auditor's Report.

KPMG

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Linius Technologies Limited for the year ended 30 June 2025, 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 12 to 17 of the Directors' report for the year ended 30 June 2025.

Our responsibility is to express an opinion as to whether the Remuneration Report complies in all material respects with *Section 300A* of the *Corporations Act 2001*, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

Dana Bentley

Partner

Melbourne

30 September 2025

ADDITIONAL INFORMATION FOR LISTED COMPANIES

1. Shareholdings as at 26 September 2025

1a. Distribution of Shareholders

Category (size of holding)	Number of Holders	Number of Ordinary Shares
1 – 1,000	55	8,867
1,001 – 5,000	82	302,720
5,001 – 10,000	178	1,514,468
10,001 – 100,000	1,323	54,882,544
Above 100,001	1,488	6,532,805,705
	3,126	6,589,514,304

Unquoted Securities

As at 26 September 2025, there are 850,499,992 options over unissued shares of Linius Technologies. These options are held by 36 holders, all with holdings 100,000 or more.

1b. The number of shareholdings held in less than marketable parcels is 2,284.

1c. There are the following substantial shareholders listed in the holding Group's register as at 26 September 2025

Substantial shareholder	%	Number of Ordinary Shares
Bucket 23 Pty Ltd	6.34	418,031,367

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	Anbaume Pty Ltd <The GF Family A/C>	264,222,959	4.01%
2	Bucket 23 Pty Ltd	261,531,367	3.97%
3	Mrs Rachel Markus & Mr David Markus <Markus Family S/F A/C>	258,878,794	3.93%
4	Sandhurst Trustees Ltd <Cyan C3G Fund A/C>	250,000,000	3.79%
5	Parlin Investments Pty Ltd <Parlin Discretionary A/C>	236,000,000	3.58%
6	One Managed Investment Funds Ltd <TI Growth A/C>	217,106,773	3.29%
7	Mr Joshua Baker	180,497,791	2.74%
8	Vonetta Pty Ltd <TRBC S/F A/C>	156,500,000	2.38%
9	Oxbo Holdings Superannuation Pty Ltd <JB Fam Investments SF A/C>	146,306,850	2.22%
10	Oxbo Holdings 2 Pty Ltd <JB Family 2 A/C>	122,882,242	1.86%
11	Citicorp Nominees Pty Ltd	103,600,301	1.57%
12	Sha Wise Investments Pty Ltd <Sha Wise Family A/C>	100,000,000	1.52%
13	Earthrise Holdings Pty Ltd <Campion Investment A/C>	94,000,000	1.43%
14	Mr Dejan Markovic	92,000,000	1.40%
15	Andasal Pty Ltd <Graham Family A/C>	87,512,639	1.33%
16	Pressplay Capital Pty Ltd <Oblique Opportunities SF A/C>	85,000,000	1.29%
17	Mr Barry McNeill	83,666,660	1.27%
18	Mr Rodney Stuart Pearce	80,642,772	1.22%
19	Mr Anthony Julian Bongiorno	80,000,000	1.21%
20	Mr Alcino Eloi Belinha De Sa	70,000,000	1.06%
		2,970,349,148	45.08%
	Total number of ordinary fully paid shares held	6,589,514,304	

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.