

# Linus Technologies Limited

ABN 84 149 796 332

## Appendix 4E

Preliminary Final Report

30 June 2022

### Reporting period

Report for the current period is for the year ended 30 June 2022.

Prior corresponding period information is for the year ended 30 June 2021.

### Results for announcement to the market

	2022	2021	Increase/(decrease) over previous corresponding period	
	\$	\$	\$	%
Revenue from ordinary activities	250,749	109,073	141,676	129.9%
Revenue from ordinary activities excluding interest	250,749	108,193	142,556	131.8%
Profit/(Loss) from ordinary activities after tax attributable to members	(8,999,225)	(6,127,504)	2,871,721	(46.9%)
Net profit/(loss) for the period attributable to members	(8,999,225)	(6,127,504)	2,871,721	(46.9%)

### Dividends

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

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

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

None.

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

None.

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## Financial statements and Explanation of results

The loss for the year ended 30 June 2022 after income tax expense amounted to \$8,999,225. This loss includes non-cash share based payments expense of \$44,038 and non-cash amortisation charges of \$540,000.

The financial results and net cash outflow for Financial Year 2022 reflect the commercialisation activities undertaken by Linius. During the year, the Company executed its strategy to expand commercial deals and launch products in its chosen market segments of Sports, Education, and Enterprise. The Company continued to work with and support current customers including Racing.com and the National Basketball League (NBL) and secured new deals and revenue from customer The University of Newcastle and partner Swanbay.tv. Market momentum has been achieved through live product deployments with teams in the English Premier League and Belgian Pro League, pilot deployment with the English Football League, and live users on Whizzard for Education at the University of Newcastle.

Significant investments in Engineering, Marketing, and Sales - including people, technology, and services - were made to support the development, launch, and commercialization of two new products, Whizzard for Education and Whizzard for Business. During the year, the Company also invested in its leadership team with the hiring and appointment of new Chief Executive Officer, James Brennan, and Chief Technology Officer, Clive Malcher, as well as other leadership positions.

During June 2022, Company management executed a significant cost management plan, with reductions of 40% when comparing the June and December quarters. One-time costs of the restructure will be taken in the September quarter, with an expected normalised new run rate cost level to be achieved by mid-September. This lower cost base provides the time and runway needed to secure near-term pipeline deals and revenue, and creates a more sustainable long-term position for the Company.

The Company's focused strategy and completion of key product development activities has facilitated the reductions. All products are now deployed, in market, generating revenue and most importantly are easily repeatable. Management believes its platform strategy and focus on repeatable products means that forecast further growth can be attained with minimal increases to the cost base.

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

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### Net tangible asset backing

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

Net tangible asset backing calculation includes the balance owing under the Convertible note classified as a financial liability as at 30 June 2022 issued to New Technology Capital Group, refer to the financial statements for more information.

### Events after the reporting period

Subsequent to year end on 29 July 2022, the Company received firm commitments from professional and sophisticated investors to raise \$1,155,000 in additional capital, excluding transaction costs, via a placement to:

- directors or their nominees, via the issuance of 31,000,000 fully paid ordinary shares at \$0.005 per share, being \$155,000, subject to shareholder approval; and
- via the additional issuance of 200,000,000 fully paid ordinary shares at \$0.005 per share, being \$1,000,000.

An additional amount of \$350,000 was approved by shareholders on 17 June 2022 and received subsequent to year end.

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

### Audit

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

Signed:



Giuseppe Rinarelli  
Company Secretary

31 August 2022  
Melbourne

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**LINIUS TECHNOLOGIES LIMITED**

**ACN 149 796 332**

**APPENDIX 4E**

**FINANCIAL STATEMENTS**

**FINANCIAL YEAR ENDED 30 JUNE 2022**

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# LINIUS TECHNOLOGIES LIMITED

## APPENDIX 4E 2022

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR YEAR ENDED 30 JUNE 2022

	Note	2022	Group
		2022	2021
		\$	\$
Revenue	2	250,749	109,073
Other income	2	481,405	-
Administrative expenses		(556,728)	(441,465)
Amortisation expense		(540,000)	(540,000)
Depreciation expense		(28,725)	(23,102)
Consultant expenses		(605,319)	(394,079)
Director remuneration (excluding share-based payment) expenses		(465,884)	(333,646)
Employee benefit expenses		(3,268,360)	(2,025,395)
Redundancy expense		(42,308)	-
Impairment loss on trade receivables		-	(14,534)
Share-based payments expense		(44,038)	(203,932)
Finance expense		(114,349)	(5,366)
Compliance expenses		(270,148)	(200,136)
Software development expenses		(3,060,825)	(1,717,995)
Marketing and promotional expenses		(447,781)	(208,233)
Patent costs		(118,382)	(75,295)
Legal expenses		(108,300)	(48,160)
Travel and accommodation expenses		(60,232)	(5,239)
Loss before income tax		(8,999,225)	(6,127,504)
Income tax expense	4	-	-
Loss for the year		(8,999,225)	(6,127,504)
Other comprehensive loss		-	-
Total comprehensive loss for the year		(8,999,225)	(6,127,504)
Basic loss per share (cents per share)	7	(0.52)	(0.42)
Diluted loss per share (cents per share)	7	(0.52)	(0.42)

The accompanying notes form part of the financial report.

# LINIUS TECHNOLOGIES LIMITED

## APPENDIX 4E 2022

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Note	Group 2022 \$	2021 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	8	963,482	1,594,108
Trade and other receivables	9	389,585	120,933
<b>TOTAL CURRENT ASSETS</b>		<b>1,353,067</b>	<b>1,715,041</b>
<b>NON-CURRENT ASSETS</b>			
Right of use asset		59,028	-
Intellectual property	10	1,845,000	2,385,000
Property, plant and equipment		8,589	25,509
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,912,617</b>	<b>2,410,509</b>
<b>TOTAL ASSETS</b>		<b>3,265,684</b>	<b>4,125,550</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	1,062,810	591,624
Employee provisions	12	160,322	83,173
Lease liability		50,000	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,273,132</b>	<b>674,797</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liability		12,500	-
Financial liabilities	13	1,243,420	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,255,920</b>	<b>674,797</b>
<b>TOTAL LIABILITIES</b>		<b>2,529,052</b>	<b>674,797</b>
<b>NET ASSETS</b>		<b>736,632</b>	<b>3,450,753</b>
<b>EQUITY</b>			
Issued capital	14	49,797,112	43,834,296
Share based payments reserve		5,753,081	5,430,793
Accumulated losses		(54,813,561)	(45,814,336)
<b>TOTAL EQUITY</b>		<b>736,632</b>	<b>3,450,753</b>

The accompanying notes form part of the financial report

# LINIUS TECHNOLOGIES LIMITED

## APPENDIX 4E 2022

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

Group	Issued Capital \$	Share Based Payments Reserve \$	Accumulated Losses \$	Total \$
Balance 1 July 2020	38,908,990	5,161,861	(39,686,832)	4,384,019
Total comprehensive loss:				
Loss for the year	-	-	(6,127,504)	(6,127,504)
Other comprehensive loss	-	-	-	-
Total comprehensive loss	-	-	(6,127,504)	(6,127,504)
Transactions with owners of the Company:				
Shares and options issued during the year (net of capital raising costs)	4,925,306	-	-	4,925,306
Share-based payments	-	268,932	-	268,932
Total transactions with owners of the Company	4,925,306	268,932	-	5,194,238
Balance at 30 June 2021	43,834,296	5,430,793	(45,814,336)	3,450,753
Balance 1 July 2021	43,834,296	5,430,793	(45,814,336)	3,450,753
Total comprehensive loss:				
Loss for the year	-	-	(8,999,225)	(8,999,225)
Other comprehensive loss	-	-	-	-
Total comprehensive loss	-	-	(8,999,225)	(8,999,225)
Transactions with owners of the Company:				
Shares and options issued during the year (net of capital raising costs)	5,962,816	-	-	5,962,816
Share-based payments	-	322,288	-	322,288
Total transactions with owners of the Company	5,962,816	322,288	-	6,285,104
Balance at 30 June 2022	49,797,112	5,753,081	(54,813,561)	736,632

The accompanying notes form part of the financial report

# LINIUS TECHNOLOGIES LIMITED

## APPENDIX 4E 2022

### CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	Group 2021 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		273,276	130,375
Payments to suppliers		(8,397,393)	(5,013,594)
Other income received		266,525	-
Interest received		-	880
Net cash used in operating activities	15	(7,857,592)	(4,882,339)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant & equipment		-	(3,453)
Net cash provided by / (used in) investing activities		-	(3,453)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Insurance premium funding payments	11	(124,635)	(107,435)
Principal elements of lease liability		(8,333)	-
Proceeds from issue of shares and options		5,664,910	5,250,000
Capital raising costs paid		(295,976)	(259,694)
Proceeds from external borrowings or convertible notes	13	1,991,000	-
Net cash inflows from financing activities		7,226,966	4,882,871
Net increase/(decrease) in cash held		(630,626)	(2,921)
Cash at beginning of financial year		1,594,108	1,597,029
Cash at end of financial year	8	963,482	1,594,108

The accompanying notes form part of the financial report



# LINIUS TECHNOLOGIES LIMITED

## APPENDIX 4E 2022

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

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

#### Basis of Preparation

The preliminary financial report does not include all of the notes of the type normally included in an annual financial report. Accordingly, it should be read in conjunction with the Annual Report for the period ended 30 June 2021 and the financial report for the six months ended 31 December 2021 and any public announcements made by the Company in accordance with the continual disclosure requirements of the Corporations Act 2001. This preliminary report has been prepared in accordance with the measurement and recognition requirements of the Australian Accounting Standards, Accounting Interpretations and the Corporations Act 2001.

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

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

The Appendix 4E was authorised for issue on 31 August 2022.

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

#### *Going Concern*

The financial statements have been prepared under the historical cost convention, applying the going concern basis of accounting. The directors are confident in the continuing support from the existing shareholders and the ability to attract new investors to fund the Group’s future finance requirements. Further details of the going concern basis of accounting will be provided in the Group’s annual report for the year ended 30 June 2022.

# LINIUS TECHNOLOGIES LIMITED

## APPENDIX 4E 2022

### NOTE 2: REVENUE

	Group	
	2022	2021
	\$	\$
Revenue for services rendered*	250,749	108,193
Other revenue:		
Government grant**	481,405	-
Interest received	-	880
Total revenue	732,154	109,073

\* Income in advance amounting to \$23,472 is included in trade and other payables.

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

During 2021, \$100,000 was received in government grants as part of Covid-19 assistance. This amount has been recorded as a reduction in employee expenses.

### NOTE 3: LOSS FOR THE YEAR

	Group	
	2022	2021
	\$	\$
Other expenses:		
Occupancy costs	73,212	21,849

# LINIUS TECHNOLOGIES LIMITED

## APPENDIX 4E 2022

### NOTE 4: INCOME TAX EXPENSE

	Group	
	2022	2021
	\$	\$
a) Income tax expense		
Current tax benefit	(2,441,461)	(1,620,907)
Deferred tax – origination and reversal of temporary differences	(21,216)	(8,076)
Deferred tax assets for tax losses not recognised	2,462,677	1,628,983
	-	-
b) Reconciliation of income tax expense to prima facie tax payable		
The prima facie tax payable on profit/loss from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Prima facie tax on operating loss at 27.5%	(2,474,787)	(1,685,064)
Add / (Less)		
Tax effect of:		
Share based payments	12,110	56,081
Other non-allowable items	-	-
Unused tax losses and other balances not recognised as deferred tax assets	2,462,677	1,628,983
Income tax attributable to operating loss	-	-
c) Unrecognised deferred tax assets		
Unused Australian tax losses for which no deferred tax asset has been recognised	12,418,178	9,976,717
Temporary differences not recognised	44,089	22,873
Total	12,462,267	9,999,590

Potential deferred tax assets attributable to tax losses carried forward have not been brought to account at 30 June 2022 because the Directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this current point in time. These benefits will only be obtained if:

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

# LINIUS TECHNOLOGIES LIMITED

## APPENDIX 4E 2022

### NOTE 5: KEY MANAGEMENT PERSONNEL

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

	Group	
	2022	2021
	\$	\$
Short-term employee benefits	756,443	548,810
Share-based payments	26,889	153,056
	783,332	701,866

### NOTE 6: AUDITOR'S REMUNERATION

	Group	
	2022	2021
	\$	\$
Remuneration of the auditor for services provide to the Group and the Parent during the year:		
<i>Audit and review services</i>	87,900	88,886
KPMG: auditing and reviewing of financial statements		
	87,900	88,886

### NOTE 7: EARNINGS/LOSS PER SHARE

	Group	
	2022	2021
	\$	\$
a. Reconciliation of earnings to profit or loss		
Loss used to calculate basic and diluted EPS	(8,999,225)	(6,127,504)
	No.	No.
b. Weighted average number of ordinary shares outstanding during the period used in calculating basic and diluted EPS	1,731,553,977	1,460,313,973

Potential ordinary shares comprising 66,671,745 options (2021: 43,571,745) were excluded in the calculation of diluted EPS given they are antidilutive.

### NOTE 8: CASH AND CASH EQUIVALENTS

	Group	
	2022	2021
	\$	\$
Cash at bank	963,482	1,594,108

The effective interest rate on short-term bank deposits was varying between 0.1% to 0.7%.

# LINIUS TECHNOLOGIES LIMITED

## APPENDIX 4E 2022

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

#### Reconciliation of cash

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

	Group	
	2022	2021
	\$	\$
Cash and cash equivalents	963,482	1,594,108

### NOTE 9: TRADE AND OTHER RECEIVABLES

	Group	
	2022	2021
	\$	\$
<b>CURRENT</b>		
Accounts receivable	233,071	7,090
Prepaid expenses and other receivables	156,514	113,843
	389,585	120,933

Accounts receivables are shown net of impairment losses of \$nil (2021: 14,534)

### NOTE 10: INTELLECTUAL PROPERTY

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

	Group	
	2022	2021
	\$	\$
Intellectual property at cost	5,400,000	5,400,000
Accumulated amortisation	(3,555,000)	(3,015,000)
	1,845,000	2,385,000

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

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

# LINIUS TECHNOLOGIES LIMITED

## APPENDIX 4E 2022

### NOTE 10: INTELLECTUAL PROPERTY (CONTINUED)

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

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

Further details regarding impairment testing will be provided in the Group's annual report for the year ended 30 June 2022.

### NOTE 11: TRADE AND OTHER PAYABLES

	Group	
	2022	2021
	\$	\$
Trade payables	691,511	394,165
Insurance premium funding*	136,895	104,281
Sundry payables and accrued expenses	234,404	93,178
	1,062,810	591,624

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

\* Initial loan balance of \$150,482 (2021: \$129,322) was non cash as the insurance premium was paid directly by financier. During the year, \$124,635 (2021: \$107,435) was repaid. Nominal interest rate is 7.87% (2021: 8.79%) and this loan is repayable by March 2023.

### NOTE 12: EMPLOYEE PROVISIONS

	Group	
	2022	2021
	\$	\$
CURRENT		
Provision for leave	118,014	83,173
Provision for redundancy	42,308	-
	160,322	83,173

# LINIUS TECHNOLOGIES LIMITED

## APPENDIX 4E 2022

### NOTE 13: FINANCIAL LIABILITIES

	Group	
	2022	2021
	\$	\$
Convertible note facility	1,243,420	-
	1,243,420	-

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

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

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

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

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

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

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

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

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

# LINIUS TECHNOLOGIES LIMITED

## APPENDIX 4E 2022

### NOTE 14: ISSUED CAPITAL AND RESERVES

	Note	\$ Group	Number (Legal parent)
Issued Capital			
2022			
Opening balance 1 July 2021		43,834,296	1,511,628,068
Issue of shares through private placement (net of costs)*		5,075,774	365,000,000
Issue of shares on conversion of options		32,946	3,294,592
Issue of shares as share based payments**		-	2,000,000
Issue of equity as part of subscription agreement^		454,096	26,800,000
Issue of shares on conversion of convertible note^		400,000	50,793,651
At reporting date		49,797,112	1,959,516,311

The Company has issued share capital amounting to 1,959,516,311 ordinary shares of no par value.

#### 2021

Opening balance 1 July 2020		38,908,990	1,310,329,369
Issue of shares through private placement (net of costs)*		4,925,306	201,298,699
At reporting date		43,834,296	1,511,628,068

\*Net of \$278,250 (2021: \$65,000) of share based payment transaction costs and \$295,976 (2021: \$259,694) of other transaction costs.

\*\*Net of \$26,889 (2021: nil) of share based payments expense recorded in the profit and loss and share based payments reserve.

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



# LINIUS TECHNOLOGIES LIMITED

## APPENDIX 4E 2022

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

Ordinary shares	Legal parent entity	
	2022 No.	2021 No.
Opening balance	1,511,628,068	1,310,329,369
Fully paid shares issued during the year		
– July 2020 (issue of shares by private placement to directors)	-	22,727,270
– October 2020 (issue of shares by private placement)	-	171,071,429
– December 2020 (issue of shares by private placement to directors)	-	7,500,000
– July 2021 (issue of shares on conversion of options)	1,241,000	-
– August 2021 (issue of shares by private placement)	180,000,000	-
– August 2021 (issue of shares on conversion of options)	1,095,000	-
– November 2021 (issue of shares on conversion of options)	958,592	-
– December 2021 (issue of shares by private placement to directors)	20,000,000	-
– December 2021 (issue of shares as part of share based payment)	2,000,000	-
– February 2022 (issue of shares as part of subscription agreement)	26,800,000	-
– April 2022 (issue of shares as part of subscription agreement)	22,222,223	-
– May 2022 (issue of shares as part of subscription agreement)	28,571,428	-
– May 2022 (issue of shares by private placement)	165,000,000	-
At reporting date	1,959,516,311	1,511,628,068

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.

# LINIUS TECHNOLOGIES LIMITED

## APPENDIX 4E 2022

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

#### 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 2022 is as follows:

	Group	
	2022	2021
	\$	\$
Cash and cash equivalents	963,482	1,594,108
Trade and other receivables	389,585	120,933
Trade and other payables and other liabilities	(1,273,132)	(674,797)
Working capital position	79,935	1,040,244

### NOTE 15: CASH FLOW INFORMATION

	Group	
	2022	2021
	\$	\$
Cash flows excluded from loss attributable to operating activities:		
Loss after income tax	(8,999,225)	(6,127,504)
Non cash items		
- Depreciation	28,725	23,102
- Amortisation	540,000	540,000
- Payment of exercise price of options	18,036	-
- Share-based payments expense	44,038	203,932
- Interest expense	106,516	-
Changes in assets and liabilities		
- Increase/(decrease) in provisions	77,149	29,366
- Increase/(decrease) in trade payables and accruals	595,821	444,287
- (Increase)/decrease in trade receivables and prepayments	(268,652)	4,478
Cash flows used in operating activities	(7,857,592)	(4,882,339)

# LINIUS TECHNOLOGIES LIMITED

## APPENDIX 4E 2022

### NOTE 16: OPERATING SEGMENTS

#### Segment Information

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

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

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

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

### NOTE 17: PARENT ENTITY DISCLOSURES

The following information is related to the legal parent entity Linius Technologies Limited as at 30 June 2022:

Financial position	2022 \$	2021 \$
<b>Assets</b>		
Current assets	994,841	1,624,728
Non-current assets	10,325,692	18,396,065
<b>Total assets</b>	<b>11,320,533</b>	<b>20,020,793</b>
<b>Liabilities</b>		
Current liabilities	262,030	194,510
Non current liabilities	1,260,920	-
<b>Total liabilities</b>	<b>1,522,950</b>	<b>194,510</b>
<b>Equity</b>		
Issued capital	65,433,067	59,475,250
Option premium reserve	36,462	36,462
Share based payments reserve	5,753,081	5,430,793
Accumulated losses	(61,425,027)	(45,116,222)
<b>Total equity</b>	<b>9,797,583</b>	<b>19,826,283</b>

# LINIUS TECHNOLOGIES LIMITED

## APPENDIX 4E 2022

### NOTE 17: PARENT ENTITY DISCLOSURES (CONTINUED)

Financial performance	2022	2021
	\$	\$
Loss for the year	16,308,805	1,091,906
Total comprehensive loss	16,308,805	1,091,906

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

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

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

#### (ii) Receivables from subsidiaries

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

### NOTE 18: SUBSEQUENT EVENTS

#### Capital raising

Subsequent to year end on 29 July 2022, the Company received firm commitments from professional and sophisticated investors to raise \$1,155,000 in additional capital, excluding transaction costs, via a placement to:

- directors or their nominees, via the issuance of 31,000,000 fully paid ordinary shares at \$0.005 per share, being \$155,000, subject to shareholder approval; and
- via the additional issuance of 200,000,000 fully paid ordinary shares at \$0.005 per share, being \$1,000,000.

An additional amount of \$350,000 was approved by shareholders on 17 June 2022 and received subsequent to year end.

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.