

24th February 2025

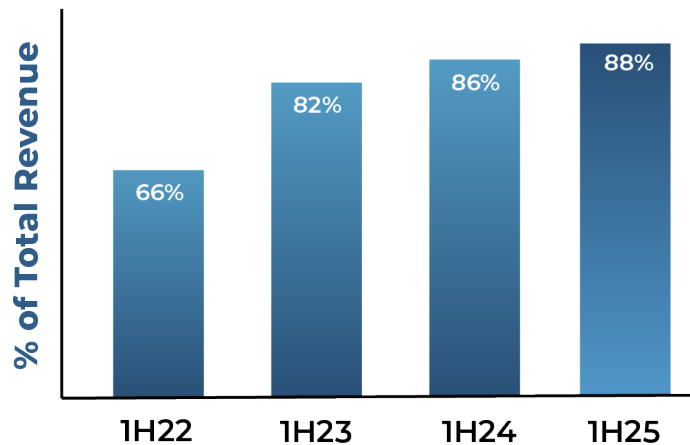
Hubify (ASX:HFY) 1H FY25 Results

Hubify (ASX:HFY, "Hubify", or the "Company") a leading provider of ICT Managed Services and Cyber Security to Australian businesses, today announced its financial results for the half year to December 2024.

Financial Highlights

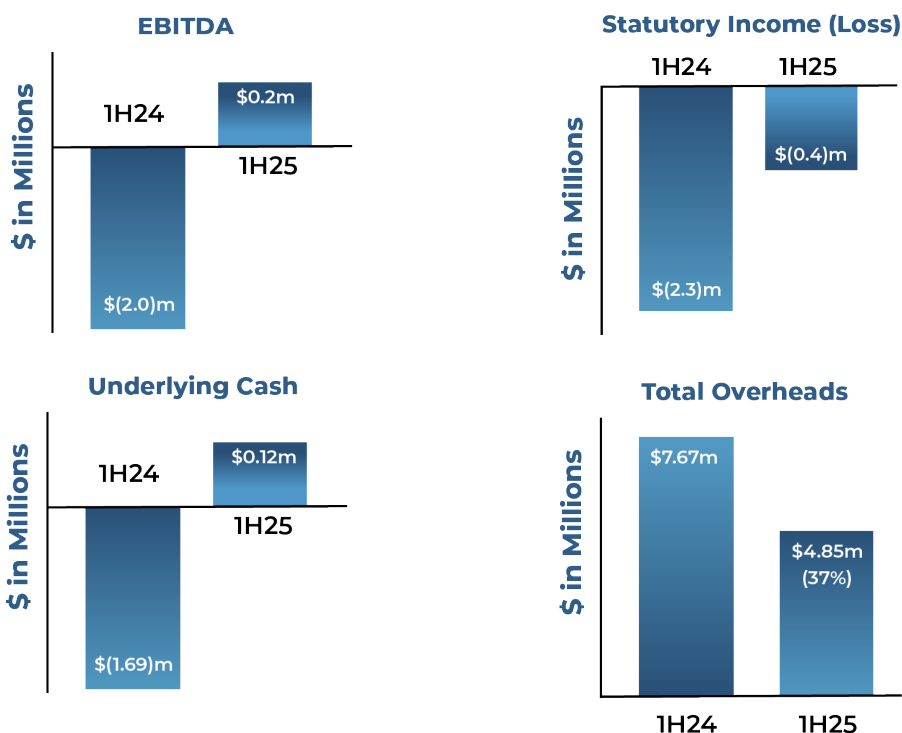
- Return to positive EBITDA of \$0.2m for 1H FY25
- Return to positive Underlying Operating Cashflow of \$0.12m for 1H FY25 and final cash position of \$2.7m
- Total Revenue of \$8.9m with 88% Recurring for 1H FY25
- Cornerstone Client re-contracted for a further 3 years at \$1.15m per annum (Total contract value \$3.45m)

Recurring Revenue



1H FY25 results compared to 1H FY24

- Total Revenue down 12% due to less once-off Hardware sales in FY24 and exit from Call Centre Lead generation
- EBITDA up from (\$2.0m) to \$0.2m
- Total Income (loss) after tax at (\$0.4m) is reduced by 81% from (\$2.3m)
- Underlying operating cashflow up from (\$1.69m) to \$0.12m
- Overheads down 37% to \$4.85m



1H FY25 Summary

The Company is pleased to report a realisation of its strategy to grow contracted managed services revenue with SMEs demonstrated by MSP revenue up 4% on PcP and Professional services up 51% on PcP as enterprise customers take advantage of the Company's increasing expertise within Business Technology Advisory services. Recurring Revenue at 88% of total revenue has continued to build from 82% in 1H FY23 and 86% in 1H FY24.

Total Revenue of \$8.92m was 12% down on pcp due to less once-off hardware sales and exit of the Call Centre Lead Generation business provided to mobility customers.

The Company had significant improvements in EBITDA performance of \$0.2m in the period which reflects the realisation of the strategic focus to deliver scalable MSP business with recurring revenue and highlights the success of our cost optimization efforts. A 37% reduction in total Overheads has normalised Sales and Operations behind a focused Managed Services division and the efficient delivery of Communications and Mobility revenues.

The Company has been operating conservatively and focusing on developing scalable internal systems to allow for focused and profitable organic growth and selective acquisitions in targeted industry sectors.



Net Operating Cash returned to positive \$0.12m and the Company's cash position at the end of the period was \$2.7m with no bank debt and no contingent consideration outstanding.

Customer Wins & increasing capability

The Company was pleased to execute a further contract term of 3 years with a cornerstone client, effective January 2025. The Total contract Value at \$3.45m is a significant milestone for the company.

Under the new agreement, Hubify will continue to deliver the following services:

1. IT Service Management
2. IT Security and Compliance
3. Cloud Services

Due to governance and internal policies, the client is required to solicit proposals from multiple technology service providers every 3 years. Hubify's successful bid demonstrates the strength of the Company's offering and its long-term partnership with the client.

The Company is also providing Customer Service and Help Desk Support for **Ezee Mobile**, launching in **Chemist Warehouse** stores in February 2025. We are pleased to be in this partnership with Ezee Mobile and Chemist Warehouse as they disrupt the consumer mobile market with their innovative service offering.

The Company has successfully achieved ISO 27001 accreditation, the globally recognised standard for information security management and significantly enhances the Company's cybersecurity capabilities. The Company is working with its customer base to implement rigorous risk assessment and mitigation processes, demonstrated compliance with legal and regulatory requirements and, applying the recognised standard for information security.

Hubify Limited CEO (Chief Executive Officer) Victor Tsaccounis said:

"I am pleased to report the Company has returned to profit after a challenging transformation period in FY24. Building a new IT Services and Cyber Security business can take time and I'm pleased that we are profitable and returning to a growth trajectory. The HFY Management Team has a steely focus to drive quality revenue growth that delivers profit for our shareholders. The contract renewal by our cornerstone client is not just a contract extension; it's a vote of confidence in Hubify's expertise and a testament to our ability to deliver cutting-edge IT and cybersecurity solutions. We are excited about the path ahead as we continue scaling our impact in the SME and enterprise markets. Our closing cash position remains strong and with the realisation of investments in our capability we continue to explore accretive acquisition opportunities in the fragmented markets of Managed Services and Communications."

This announcement has been authorised for release by Chief Executive Officer, Victor Tsaccounis.

For further details please contact:

Victor Tsaccounis CEO

Email: vtsaccounis@hubify.com.au



About Hubify

Hubify Limited (ASX:HFY) ("Hubify", or the "Company"), is a leading provider of Telco, IT Technology & Managed Services to Australian businesses. Our customers are organisations with 10 to 1,000 employees who value personalised service, reliability and forward-thinking solutions that allow them to focus on their core business.

Managed Services

Managing, monitoring and optimizing environments 24/7 - keeping business running. Includes BCDR, Vendor Management, User Support, Infrastructure and Endpoint Management.

Cyber Security

Securing IT assets, Next Generation security solutions (Firewalls, Endpoint Protection, Backup and Ransomware Protection, Vulnerability and Penetration.

Professional Services

Transforming business IT. Includes infrastructure/cloud migrations, Hands & Feet, FTE Resourcing, IT Procurement, Project Management and Consultancy.

Internet & Networks

Connectivity for businesses. Includes public and private networks through all major carriers in Australia, SDWAN and network redundancy.

Voice

Communication for business. Cloud and on-premise voice offerings including Microsoft Teams Calling and 3CX for basic and contact centre requirements.

Mobility

Mobility for businesses. Includes Tier 1 coverage for mobile fleets, network mobility, redundancy and Global SIM.



Follow our developments through our website and social media channels



Hubify Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	Hubify Limited
ABN:	60 607 921 246
Reporting period:	For the half-year ended 31 December 2024
Previous period:	For the half-year ended 31 December 2023

2. Results for announcement to the market

	31 Dec 2024	31 Dec 2023	Change	Change
	\$	\$	\$	%
Revenue from ordinary activities	8,918,456	10,169,675	(1,251,219)	(12%)
Earnings Before Interest and Tax (EBIT)	(483,897)	(2,854,528)	2,370,631	(83%)
Loss before income tax	(548,022)	(2,875,563)	2,327,541	(81%)
Loss for the year attributable to the members of Hubify Limited	(422,623)	(2,281,478)	1,858,855	(81%)
Cash and cash equivalents	2,744,077	3,192,091	(448,014)	(14%)
Net Tangible Assets per ordinary security	0.63 cents	0.62 cents	0.01 cents	2%

Comments

The loss for the consolidated entity after providing for income tax amounted to \$422,623 (31 December 2023: \$2,281,478).

HFY incurred a loss before income tax of \$0.55m and a positive EBITDA of \$0.18m for 31 December 2024 half-year. This loss was generated on revenue of \$8.9m, a 12% decrease compared to the prior half-year due to less once-off hardware sales and exit of Call Centre Lead Generation business provided to mobility customers. The final cash position at the end of the half-year was \$2.7m.

	31 Dec 2024	31 Dec 2023
	\$	\$
<i>Reconciliation of loss before income tax to EBITDA (unaudited):</i>		
Loss before income tax	(548,022)	(2,875,563)
Finance costs	85,362	58,163
Interest revenue	(21,237)	(37,128)
Depreciation	177,142	193,200
Amortisation	485,478	650,133
EBITDA	<u>178,723</u>	<u>(2,011,195)</u>

EBITDA is a non-IFRS earnings measure which does not have any standardised meaning prescribed by IFRS and therefore may not be comparable to EBITDA presented by other companies. This measure, which is unaudited, is important to management as an additional way to evaluate the consolidated entity's performance.

3. Net tangible assets

	31 Dec 2024	30 June 2024
	Cents	Cents
Net tangible assets per ordinary security	<u>0.63</u>	<u>0.62</u>

4. Loss of control over entities

Not applicable.

5. Dividends

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

6. Dividend reinvestment plans

Not applicable.

7. Details of associates and joint venture entities

Not applicable.

8. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

9. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

10. Attachments

Details of attachments (if any):

The Interim Report of Hubify Limited for the half-year ended 31 December 2024 is attached.

11. Signed

Signed _____



Date: 24 February 2025

Victor Tsaccounis
Director
Sydney

For personal use only

Hubify Limited

ABN 60 607 921 246

Interim Report - 31 December 2024

**Hubify Limited
Corporate directory
31 December 2024**

Directors	Anthony Ghattas - Chairman Victor Tsaccounis - Chief Executive Officer Charbel Nader
Company secretary	Nick Fitzgerald
Registered office and principal place of business	Suite 1.01, Level 1 65 Epping Road Macquarie Park NSW 2113 Phone:(02) 9003 9573
Share register	Automic Pty Ltd Level 5, 126 Phillip Street Sydney NSW 2001
Auditor	In.Corp Audit & Assurance Pty Ltd Level 1, 6 O'Connell Street Sydney NSW 2000
Solicitors	HWL Ebsworth Lawyers Level 14 – Australia Square 264-278 George Street Sydney NSW 2000
Bankers	National Australia Bank 85-95 Marrickville Rd Marrickville NSW 2204
Stock exchange listing	Hubify Limited shares are listed on the Australian Securities Exchange (ASX code: HFY)
Website	www.hubify.com.au
Corporate Governance Statement	www.hubify.com.au/investor-centre/

Hubify Limited
Directors' report
31 December 2024

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Hubify Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2024.

Directors

The following persons were directors of Hubify Limited during the whole of the financial half-year and up to the date of this report:

Anthony Ghattas
Victor Tsaccounis
Charbel Nader

Principal activities

During the financial half-year the principal continuing activities of the consolidated entity consisted of:

- sale, customisation and integration of IT and telecommunications systems
- managing technology products and services for customers
- maintenance of IT and telecommunications systems
- internet based selling of hardware and software products

Dividends

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

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$422,623 (31 December 2023: \$2,281,478).

HFY recorded a statutory net loss before tax of \$0.55 million in the six months to 31 December 2024 (\$2.88 million on the prior corresponding period to 31 December 2023) from revenues from customer contracts of \$8.92 million (down 12% on the prior corresponding period to 31 December 2023) due to less once-off hardware sales and exit of Call Centre Lead Generation business provided to mobility customers. EBITDA was \$0.18 million (up from \$(2.01) million in the prior corresponding period to 31 December 2023) and reflects the realisation of the strategic focus to deliver scalable MSP business with recurring revenue and highlights the success of our cost optimisation efforts. A 37% reduction in total Overheads has normalised Sales and Operations behind a focused Managed Services division and the efficient delivery of Communications and Mobility revenues. The Company has been operating conservatively and focusing on developing scalable internal systems to allow for focused and profitable organic growth and selective acquisitions in targeted industry sectors.

Net Operating Cash returned to positive \$0.12m and the Company's cash position at the end of the period was \$2.7m with no bank debt and no contingent consideration outstanding.

Reconciliation of loss before income tax to adjusted EBITDA (unaudited):

	31 Dec 2024	31 Dec 2023
	\$	\$
Loss before income tax	(548,022)	(2,875,563)
Finance costs	85,362	58,163
Interest revenue	(21,237)	(37,128)
Depreciation and amortisation expense	662,620	843,333
EBITDA	<u>178,723</u>	<u>(2,011,195)</u>

EBITDA is a non-IFRS earnings measure which does not have any standardised meaning prescribed by IFRS and therefore may not be comparable to EBITDA presented by other companies. This measure, which is unaudited, is important to management as an additional way to evaluate the consolidated entity's performance.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Material business risks

Hubify Limited operates within a highly competitive, technology based industry and is exposed to a range of risks that have the potential to impact on the financial, operational, and strategic performance of the business. Members of the Executive are responsible for implementing risk management within their business and operational units and report regularly to the Chief Executive Officer and Board of Directors. It is not possible to identify every risk that could affect the business and the actions taken to mitigate these risks cannot provide absolute assurance that a risk will not materialise. Material business risks that could impact the consolidated entity's performance are described below.

Macroeconomic Risks Hubify's financial performance can be impacted by current and future economic conditions which it cannot control, such as increases in interest rates and inflation. The company stays abreast of these conditions, focuses on its internal debtor controls and diversifies its customer base by industry segment to help manage these risks.

Industry, Market and Customer Demand change Due to the nature of the technology industry and its ever changing environment, there may be external environmental changes which affect the business' core offering. These can be changes in industry standards, competitor offerings, changes to popular technology/software and a shift in customer demands.

Hubify identifies the threats posed to its business through external risks such as changes in the industry, market, and customer demand. A flexible scalable business model has been developed which facilitates changes to current and future products to accommodate changes in technology trends.

Supplier and Vendor Relationship Hubify relies on key supplier relationships in certain parts of its business. The loss or impairment of a key relationship could impact Hubify's business.

A dedicated procurement team together with executive sponsored account management reviews with key suppliers maintains and develops productive partnerships.

Loss of Key Enterprise Partners Hubify generates a substantial portion of its revenue from Key Enterprise Partners and the loss of business would impact Hubify's business and financial results.

Hubify has dedicated relationship managers engaged with key enterprise partners and perform regular reporting against annual objectives to shape these partnerships.

Cyber Threats Hubify relies on the availability of its websites, hosting servers and the websites and systems of various third-party partners to provide services to existing and new clients. Such websites, servers and systems could be subject to data theft, disruption, or denial of service (DoS) attacks and unauthorised access from hackers.

Hubify has a core capability in providing to customers a full-service Cyber SaaS including Firewalls, intrusion detection & prevention and monitoring of a customer's full technology stack. This includes working with our key partners who are equipped to provide cyber threat intelligence and these measures are employed within the Hubify network to safeguard our systems and ensure we address the security of our customers' data.

**Hubify Limited
Directors' report
31 December 2024**

Reputation

The success of Hubify's business depends on the maintenance of good client relationships and its reputation for providing high quality products and services. Hubify's reputation could be significantly damaged if Hubify does not meet customer expectations; it is involved in litigation claims relating to its product performance or customer service; or it is subject to negative media coverage.

Hubify currently tracks key performance metrics that include Customer analytics and measures on customer satisfaction, which identifies and highlights the ways in which we can improve. Hubify on-boards all staff to ensure they adhere to the code of conduct and conducts regular compliance updates with staff. This includes regular updates to the Corporate Governance statement, customer engagement policies and Privacy law training to ensure that the Hubify business ethics employed are of a standard exceeding customer expectations.

Reliance on Key Personnel

Hubify relies on the experience and knowledge of its management team and the loss of key personnel which Hubify is unable to replace with suitable staff or within a reasonable timeframe could have a materially adverse effect on Hubify's business and its operations.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Victor Tsaccounis
Director

24 February 2025
Sydney

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION
307C OF THE CORPORATIONS ACT 2001**

To the Directors of Hubify Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2024 there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in relation to Hubify Limited and the entities it controlled during the half-year.

In.Corp Audit & Assurance Pty Ltd



Graham Webb
Director

Sydney, 24 February 2025

In.Corp Audit & Assurance Pty Ltd
ABN 14 129 769 151

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Hubify Limited
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31 December 2024

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General information

The financial statements cover Hubify Limited as a consolidated entity consisting of Hubify Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Hubify Limited's functional and presentation currency.

Hubify Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 1.01, Level 1
65 Epping Road
Macquarie Park
NSW 2113

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 24 February 2025.

Hubify Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2024

	Note	31 Dec 2024 \$	31 Dec 2023 \$
Revenue	3	8,918,456	10,169,675
Interest revenue		21,237	37,128
Gain on disposal of plant and equipment		-	6,000
Expenses			
Administration		(4,597,596)	(6,830,352)
Cost of sales		(3,893,745)	(4,515,541)
Impairment of goodwill		-	(421,827)
Marketing		(117,238)	(148,118)
Net fair value loss on financial assets at fair value through profit or loss		(42)	(500)
Occupancy		(88,019)	(145,647)
Other expenses		(705,713)	(968,218)
Finance costs		(85,362)	(58,163)
Total expenses		<u>(9,487,715)</u>	<u>(13,088,366)</u>
Loss before income tax benefit		(548,022)	(2,875,563)
Income tax benefit		<u>125,399</u>	<u>594,085</u>
Loss after income tax benefit for the half-year attributable to the owners of Hubify Limited		(422,623)	(2,281,478)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of Hubify Limited		<u>(422,623)</u>	<u>(2,281,478)</u>
		Cents	Cents
Basic earnings per share	9	(0.1)	(0.5)
Diluted earnings per share	9	(0.1)	(0.5)

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

Hubify Limited
Consolidated statement of financial position
As at 31 December 2024

Note **31 Dec 2024** **30 Jun 2024**
 \$ **\$**

Assets

Current assets

Cash and cash equivalents		2,744,077	2,785,939
Trade and other receivables		1,233,386	1,429,251
Contract assets		388,365	418,950
Inventories		58,369	53,905
Financial assets at fair value through profit or loss		12,183	12,225
Income tax receivable		-	33,949
Other		207,803	107,260
Total current assets		<u>4,644,183</u>	<u>4,841,479</u>

Non-current assets

Trade and other receivables		39,342	39,342
Plant and equipment	4	956,997	1,109,889
Intangibles	5	3,926,194	4,411,672
Deferred tax assets		1,596,971	1,624,926
Other		169,373	210,765
Total non-current assets		<u>6,688,877</u>	<u>7,396,594</u>

Total assets

11,333,060 12,238,073

Liabilities

Current liabilities

Trade and other payables	6	1,692,930	1,888,198
Contract liabilities		45,566	66,725
Borrowings		47,470	45,345
Lease liabilities		252,116	237,024
Income tax		-	3,379
Provisions		835,598	812,849
Total current liabilities		<u>2,873,680</u>	<u>3,053,520</u>

Non-current liabilities

Borrowings		104,084	128,362
Lease liabilities		653,723	783,087
Deferred tax liabilities		659,401	809,377
Provisions		55,391	67,207
Total non-current liabilities		<u>1,472,599</u>	<u>1,788,033</u>

Total liabilities

4,346,279 4,841,553

Net assets

6,986,781 7,396,520

Equity

Issued capital		8,753,280	8,753,280
Reserves		94,800	141,597
Accumulated losses		(1,861,299)	(1,498,357)

Total equity

6,986,781 7,396,520

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

Hubify Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2024

	Issued capital \$	Reserves \$	Retained profits/ accumulated losses \$	Total equity \$
Balance at 1 July 2023	8,303,280	135,970	3,202,156	11,641,406
Loss after income tax benefit for the half-year	-	-	(2,281,478)	(2,281,478)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(2,281,478)	(2,281,478)
Transfer between reserves and retained profits for expired options	-	(20,000)	20,000	-
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	12,883	-	12,883
Balance at 31 December 2023	<u>8,303,280</u>	<u>128,853</u>	<u>940,678</u>	<u>9,372,811</u>
	Issued capital \$	Reserves \$	Retained profits/ accumulated losses \$	Total equity \$
Balance at 1 July 2024	8,753,280	141,597	(1,498,357)	7,396,520
Loss after income tax benefit for the half-year	-	-	(422,623)	(422,623)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(422,623)	(422,623)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 10)	-	12,884	-	12,884
Transfer between reserves and accumulated losses for expired options	-	(59,681)	59,681	-
Balance at 31 December 2024	<u>8,753,280</u>	<u>94,800</u>	<u>(1,861,299)</u>	<u>6,986,781</u>

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

Hubify Limited
Consolidated statement of cash flows
For the half-year ended 31 December 2024

	Note	31 Dec 2024	31 Dec 2023
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		10,006,041	11,114,358
Payments to suppliers and employees (inclusive of GST)		<u>(9,857,051)</u>	<u>(12,743,757)</u>
		148,990	(1,629,399)
Interest received		21,237	37,128
Interest and other finance costs paid		(51,414)	(58,163)
Income taxes paid		<u>-</u>	<u>(40,679)</u>
Net cash from/(used in) operating activities		<u>118,813</u>	<u>(1,691,113)</u>
Cash flows from investing activities			
Payment for purchase of business		-	(753,408)
Payments for plant and equipment	4	(24,250)	(19,909)
Payments for intangibles		-	(9,251)
Proceeds from disposal of plant and equipment		-	6,000
Proceeds from release of security deposits		<u>-</u>	<u>179,266</u>
Net cash used in investing activities		<u>(24,250)</u>	<u>(597,302)</u>
Cash flows from financing activities			
Repayment of borrowings		(22,153)	(20,241)
Repayment of lease liabilities		<u>(114,272)</u>	<u>(111,859)</u>
Net cash used in financing activities		<u>(136,425)</u>	<u>(132,100)</u>
Net decrease in cash and cash equivalents		(41,862)	(2,420,515)
Cash and cash equivalents at the beginning of the financial half-year		<u>2,785,939</u>	<u>5,612,606</u>
Cash and cash equivalents at the end of the financial half-year		<u><u>2,744,077</u></u>	<u><u>3,192,091</u></u>

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

Hubify Limited
Notes to the consolidated financial statements
31 December 2024

Note 1. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the consolidated entity. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 18 Presentation and Disclosure in Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2027 and early adoption is permitted. The standard replaces AASB 101 'Presentation of Financial Statements', with many of the original disclosure requirements retained and there will be no impact on the recognition and measurement of items in the financial statements. However the standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The consolidated entity will adopt this standard from 1 July 2027 and it is expected that there will be a significant change to the layout of the statement of profit or loss and other comprehensive income.

Note 2. Operating segments

Identification of reportable operating segments

Operating segments are identified based on separate financial information which is regularly reviewed by the Board of Directors, representing the consolidated entity's Chief Operating Decision Makers (CODM), in assessing performance and determining the allocation of resources.

The consolidated entity operates in primarily one geographical segment, namely Australia. The primary business segment is telecommunications namely voice, data and value added services. As the consolidated entity operates in only one segment, the consolidated results are also its segment results.

Hubify Limited
Notes to the consolidated financial statements
31 December 2024

Note 3. Revenue

	31 Dec 2024	31 Dec 2023
	\$	\$
Sale of goods	702,248	1,340,709
Services	8,216,208	8,828,966
Revenue	<u>8,918,456</u>	<u>10,169,675</u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	31 Dec 2024	31 Dec 2023
	\$	\$
<i>Major streams</i>		
Mobility	1,151,153	1,007,225
Voice & Data	2,365,548	2,566,449
Managed services	5,401,755	5,838,242
Other	-	757,759
	<u>8,918,456</u>	<u>10,169,675</u>

Timing of revenue recognition

Goods transferred at a point in time
Services transferred over time
Services transferred at a point in time

Goods transferred at a point in time	547,081	1,340,709
Services transferred over time	7,811,124	7,532,845
Services transferred at a point in time	560,251	1,296,121
	<u>8,918,456</u>	<u>10,169,675</u>

Note 4. Plant and equipment

	31 Dec 2024	30 Jun 2024
	\$	\$
<i>Non-current assets</i>		
Leasehold improvements - at cost	148,294	148,294
Less: Accumulated depreciation	(54,523)	(39,572)
	<u>93,771</u>	<u>108,722</u>
Plant and equipment - at cost	85,013	84,173
Less: Accumulated depreciation	(72,675)	(68,647)
	<u>12,338</u>	<u>15,526</u>
Furniture, fixtures and fittings - at cost	123,041	123,041
Less: Accumulated depreciation	(92,962)	(85,223)
	<u>30,079</u>	<u>37,818</u>
Computer equipment - at cost	478,884	455,474
Less: Accumulated depreciation	(380,732)	(345,243)
	<u>98,152</u>	<u>110,231</u>
Right-of-use assets - property leases	1,149,343	1,149,343
Less: Accumulated depreciation	(426,686)	(311,751)
	<u>722,657</u>	<u>837,592</u>
	<u>956,997</u>	<u>1,109,889</u>

Hubify Limited
Notes to the consolidated financial statements
31 December 2024

Note 4. Plant and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	Leasehold improvements \$	Plant and equipment \$	Furniture, fixtures and fittings \$	Computer equipment \$	Right-of-use assets - property leases \$	Total \$
Balance at 1 July 2024	108,722	15,526	37,818	110,231	837,592	1,109,889
Additions	-	840	-	23,410	-	24,250
Depreciation expense	(14,951)	(4,028)	(7,739)	(35,489)	(114,935)	(177,142)
Balance at 31 December 2024	<u>93,771</u>	<u>12,338</u>	<u>30,079</u>	<u>98,152</u>	<u>722,657</u>	<u>956,997</u>

Note 5. Intangibles

	31 Dec 2024 \$	30 Jun 2024 \$
<i>Non-current assets</i>		
Goodwill - at cost	2,440,691	2,440,691
Less: Accumulated impairment	(421,827)	(421,827)
	<u>2,018,864</u>	<u>2,018,864</u>
Patents, trademarks and other rights - at cost	8,073	8,073
Less: Accumulated impairment	(8,073)	(8,073)
	<u>-</u>	<u>-</u>
Web development - at cost	1,266,980	1,266,980
Less: Accumulated amortisation	(1,198,586)	(1,198,586)
Less: Accumulated impairment	(68,394)	(68,394)
	<u>-</u>	<u>-</u>
Customer lists - at cost	4,958,559	4,958,559
Less: Accumulated amortisation	(1,700,752)	(1,215,274)
Less: Accumulated impairment	(1,350,477)	(1,350,477)
	<u>1,907,330</u>	<u>2,392,808</u>
Software - at cost	2,729,801	2,729,801
Less: Accumulated amortisation	(2,722,678)	(2,722,678)
Less: Accumulated impairment	(7,123)	(7,123)
	<u>-</u>	<u>-</u>
	<u>3,926,194</u>	<u>4,411,672</u>

Hubify Limited
Notes to the consolidated financial statements
31 December 2024

Note 5. Intangibles (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	Goodwill \$	Customer lists \$	Total \$
Balance at 1 July 2024	2,018,864	2,392,808	4,411,672
Amortisation expense	-	(485,478)	(485,478)
	<u>2,018,864</u>	<u>1,907,330</u>	<u>3,926,194</u>

Note 6. Trade and other payables

	31 Dec 2024 \$	30 Jun 2024 \$
<i>Current liabilities</i>		
Trade payables	974,842	957,619
Accruals	168,104	323,963
GST payable	176,124	196,204
Other payables	373,860	410,412
	<u>1,692,930</u>	<u>1,888,198</u>

Note 7. Fair value measurement

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
31 Dec 2024				
<i>Assets</i>				
Equity securities	2,183	-	10,000	12,183
Total assets	<u>2,183</u>	<u>-</u>	<u>10,000</u>	<u>12,183</u>
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
30 Jun 2024				
<i>Assets</i>				
Equity securities	2,225	-	10,000	12,225
Total assets	<u>2,225</u>	<u>-</u>	<u>10,000</u>	<u>12,225</u>

There were no transfers between levels during the financial half-year.

Hubify Limited
Notes to the consolidated financial statements
31 December 2024

Note 8. Events after the reporting period

No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 9. Earnings per share

	31 Dec 2024	31 Dec 2023
	\$	\$
Loss after income tax attributable to the owners of Hubify Limited	<u>(422,623)</u>	<u>(2,281,478)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>511,136,295</u>	<u>496,136,295</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>511,136,295</u>	<u>496,136,295</u>
	Cents	Cents
Basic earnings per share	(0.1)	(0.5)
Diluted earnings per share	(0.1)	(0.5)

Performance rights are considered to be potential ordinary shares but were anti-dilutive in nature and were not included in the calculation of diluted earnings per share. These performance rights could potentially dilute basic earnings per share in the future.

Note 10. Share-based payments

Performance rights

On 31 October 2023, 13,012,500 of the performance rights previously granted to the company's Directors and the Chief Financial Officer were cancelled and re-issued under new terms with each of the holders due to changes in the company strategy and the subsequent exit from the Optus mobility small business market.

Victor Tsaccountis (Chief Executive Officer) was granted a limited recourse interest-free loan for \$46,875 to purchase 4,687,500 performance rights on 31 October 2023. The loan will only become repayable once the performance rights have vested, and the underlying shares have been sold. If the performance rights do not vest, the loan amount will be forgiven. The loan receivable will only be recognised when it is considered probable that the loan will be repaid, and as a result, no loan receivable has been recognised and the re-issued performance rights have been accounted for as an option to acquire shares in the company.

Set out below are summaries of performance rights granted under the plan:

31 Dec 2024

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
31/10/2023	30/06/2026	\$0.050	13,012,500	-	-	-	13,012,500
			<u>13,012,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,012,500</u>

Share-based payments expense

The total share based payments expense for the half-year was \$12,884 (2023: \$12,883).

Hubify Limited
Directors' declaration
31 December 2024

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Victor Tsaccounis
Director

24 February 2025
Sydney

HUBIFY LIMITED
INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Hubify Limited

Conclusion

We have reviewed the accompanying half-year financial report of Hubify Limited, which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes to the financial statements including a summary of material accounting policy information, other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Hubify Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report.

We are independent of the company in accordance with the auditor independence requirements of 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 also fulfilled our other ethical requirements in accordance with the Code.

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HUBIFY LIMITED

INDEPENDENT AUDITOR'S REVIEW REPORT (continued)

Responsibility of the Directors for the Financial Report

The directors of Hubify Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the company's financial position as at 31 December 2024 and its performance for the half year ended on that date, and complying with AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

In.Corp Audit & Assurance Pty Ltd



Graham Webb
Director

Sydney, 24 February 2025