

Fast,
Secure,
Simple

NETLINKZ LIMITED

Netlinkz Limited

ACN 141 509 426

Annual Report

For the Year Ended 30 June 2024

For personal use only

CORPORATE DIRECTORY



Directors

James Tsiolis	CEO, Executive Director
Stephen Gibbs	Non-Executive Chairman
Grant Booker	Non-Executive Director

Company secretary

Guy Robertson

Registered office

65 Stanley Street
Darlinghurst NSW 2010

Principal place of business

65 Stanley Street
Darlinghurst NSW 2010

Share register

Computershare Investor Services Pty Ltd
Yarra Falls, 452 Johnson Street
Abbotsford VIC 3067
Australia

Auditor

Hall Chadwick -
Level 40, 2 Park Street
Sydney NSW 2000 Australia

Stock exchange listing

Netlinkz Limited shares are listed on the Australian Securities Exchange
ASX code: NET

Website

www.netlinkz.com

For personal use only

TABLE OF CONTENTS

Chairman's letter	4
Corporate governance statement	5
Directors' report	7
Auditor's independence declaration	19
Consolidated statement of profit or loss and other comprehensive income	20
Consolidated statement of financial position	21
Consolidated statement of changes in equity	22
Consolidated statement of cash flows	23
Notes to the consolidated financial statements	24
Consolidated entity disclosure statement	62
Directors' declaration	63
Independent auditor's report to the members of Netlinkz Limited	64
Shareholder information	66

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 30 September 2024. The Directors have the power to amend and reissue the financial statements.

CHAIRMAN'S LETTER

Dear Shareholders,

The past year has been challenging for the company having faced several headwinds as it looked to expand its operations in several countries by rolling out VSN and Starlink throughout Southeast Asia, Australia, New Zealand and South America. The objective was to bundle VSN with broadband offering enterprises a secure cybersecurity network solution without compromising performance.

Several delays experienced in the VSN development prevented the roll out of the cybersecurity solution with Starlink and HGC with Netlinkz having to postpone official launches in Asia and the USA. Also, the delays prevented sales and the company did not meet its revenue expectations.

The cost of financing and logistics for Starlink blew out as result of the rapid expansion in several countries making the Starlink rollout unviable. Whilst Starlink helped create sales channels for Netlinkz and elevate the Netlinkz brand the costs accelerated quickly wiping out the gross sales margin. Coupled with the VSN development delays the Starlink strategy was compromised significantly.

Additionally, the company had to refinance one of the facilities (\$2m) due to the financier having liquidity issues in October 2023. This placed further financial pressure on the company.

In December 2023 the Board made the decision to reduce costs across the business and narrow the focus of sales to Australia, New Zealand and the Philippines. The development roadmap of the VSN was reduced significantly with the focus on creating a community of enterprise users as phase 1.

Phase 1 is to create revenue for Netlinkz, which is underway through the joint venture in the Philippines with PT&T. The joint venture company is called SecureLink. SecureLink will bundle VSN with broadband services (including satellite broadband) which will be sold to existing PT&T enterprise customers (400,000) in the Philippines.

Netlinkz ceased to be a reseller of Starlink in April 2024 and sold all its inventory prior 30 June 2024 allowing the company to further reduce costs and focus on the immediate sales of VSN.

SSI Pacific, the wholly owned subsidiary of Netlinkz performed well over the period lifting revenue and profit to new record levels which was a pleasing result. Lawful interception and cybersecurity continue to present new revenue opportunities for SSI.

The company's business in China performed well in a weak economy. Further stimulus is expected in China to lift economic expenditure and activity however as part the restructure and due to the continuing geopolitical challenges the board has made the decision to divest out of China. A process is underway to identify a suitable buyer for the business in China.

As part of the restructuring the company has refinanced its short- and medium-term debt facilities.

CHAIRMAN'S LETTER

Post the completion of the refinancing the company will have completed its restructure with a clear focus on generating revenue from the joint venture with the Philippines which will form the basis of launching into Southeast Asia. In combination with SSI selling lawful interception and cybersecurity services, Netlinkz is now in a good position to move forward in the 2024/2025 financial year.

The board would like to acknowledge the patience shareholders have demonstrated and for their loyalty to the company in what was a most challenging year.



Stephen Gibbs
Non-Executive Chairman

CORPORATE GOVERNANCE STATEMENT

Netlinkz, through its Board and executives, recognises the need to establish and maintain corporate governance policies and practices that reflect the requirements of the market regulators and participants, and the expectations of members and others who deal with Netlinkz. These policies and practices remain under constant review as the corporate governance environment and good practices evolve.

ASX Corporate Governance Principles and Recommendations

The fourth edition of ASX Corporate Governance Council Principles and Recommendations (the “Principles”) sets out recommended corporate governance practices for entities listed on the ASX.

The Company has issued a Corporate Governance Statement which discloses the Company’s corporate governance practices and the extent to which the Company has followed the recommendations set out in the Principles. The Corporate Governance Statement was approved by the Board on 30 September 2024 and is available on the Company’s website: <https://www.netlinkz.com/about>

DIRECTORS' REPORT

DIRECTORS

The names of directors who held office during or since the end of the financial year are:

Names	Position	Resigned
Mr Stephen Gibbs	Non-Executive Chairman	
Mr James Tsiolis	CEO, Executive Director	
Mr Grant Booker	Non-Executive Director	
Dr Geoff Raby AO	Non-Executive Director	15 March 2024
Mr James Stickland	Non-Executive Director	15 March 2024
Mr Hakan Eriksson	Non-Executive Director	15 March 2024

Directors were in office for the whole of the financial year unless otherwise indicated.

PRINCIPAL ACTIVITIES

Netlinkz Limited and its controlled entities provide secure and efficient cloud networking solutions. The Group provides a physical and virtual secure 'Network as an Application' (NaaP) for enterprises of all sizes with its patented technology and products. Netlinkz is focused on cloud-first, security, scalability, and simplicity, allowing its customers to concentrate on business growth, team collaboration, and global sharing of critical data. The technology makes security commercially available for organisations of all sizes with the technology being secured by patents.

There were no significant changes in the nature of the Group's principal activities during the financial year.

REVIEW OF OPERATIONS

The Directors of Netlinkz are pleased to present their report on the consolidated entity and the entities it controlled at the end of the financial year ended 30 June 2024.

Revenues for the year were \$19,528,687 (2023:19,933,909) largely in line with the prior year and included a one-off sale of Starlink hardware, as the Company moved to restructure its position as a global reseller. The consolidated loss for the Group for the year 30 June 2024 was \$20.6 million (30 June 2023 \$12.4 million), which included a \$6.9 million cost of borrowings which included substantial costs for defaults.

Whilst the company generated global revenues from bundling satellite broadband services, continued cost overruns, low margin hardware sales and back-office deficiencies led to the decision to cease the service as a global reseller.

The company had several delays in launching its next generation VSN software due to development deficiencies and continued missed milestones. This included missing a global launch with a telecommunications company in Southeast Asia causing a delay in revenue generation for this reporting period.

The company's award winning cyber technology (on which the VSN is based) has been used for the last 4 years by many fortune 500 companies (such as Nike and Deutsche Bank) and NGOs, including the World Bank Water Sanitation Project in Chengdu, to secure their communications and data collection storage and analysis between various locations around the world and their head office operations. During that time there has not been any breach of communications or data whilst those companies have used Netlinkz cyber technology bundled with other IT services provided by iSoftstone.

The company is pleased to announce that VSN+ is now available as a product for purchase by businesses of all sizes.

Netlinkz has undergone a major transformation to position itself for revenue growth in the cyber security space

DIRECTORS' REPORT

with the launch of VSN+ by undertaking significant cost reductions including reduced head count and has internalized the product development function with a focus on adding product features as identified its customers.

The satellite broadband services have allowed the company to establish key relationships and partners in the Southeast Asia region which will form the new sales channels for the company's product and services which have significantly higher margin.

The company is launching the VSN+ product in the Southeast Asia region with three key initiatives to generate VSN revenue through partnerships in the region.

- A joint venture with national telecommunications carrier PT&T, in the Philippines to sell VSN and other services, including lawful interception services, to its existing enterprise and government customers. This is a significant opportunity for the company given PT&T's 60+ years of experience and customer relationships in the Philippines
- PT&T has 29.3 million household and 400,000 enterprise customers
- PT&T has undertaken several VSN proof of concept trials with their customers across several industries including banking and financial services, health care, energy and utilities providers.
- Entering into a reseller agreement to sell VSN through a global VOIP telecommunications service provider in Southeast Asia and Australia.

The PT&T joint venture represents a very significant opportunity for Netlinkz to sell VSN+ and services to PT&T's 400,000 enterprise customers and 29 million household customers. Netlinkz has developed pricing models with PT&T to suit the customers which require secure connectivity that doesn't add latency to their communications network. PT&T as a telecommunications company is focused on providing value added high performance secure network services bundled with its various forms of broadband services to its existing customers,

SSI will continue to develop new revenue sources in lawful interception and cybersecurity with a focus in Southeast Asia which is a developing market with significant regulatory opportunities for their product and value-added services.

The Company is looking to restructure its debt facilities with a single debt provider refinancing the short-term expensive loans. All existing lenders are supporting an extension to their loans with tenure to ensure the company has enough runway to negotiate a single new long-term loan facility. We expect to finalise the terms facility by the end of September 2024.

The company is currently in negotiations to sell its China business as a result of the continuing geopolitical challenges post COVID. Whilst the China business contributed revenue to the company, it was not yet at cashflow breakeven. The sale of the China business will also allow the company to focus on revenue and profitable business in its immediate region.

Board and Management

As part of cost reduction measures the Company accepted the resignations of Mr Eriksson, Mr Stickland and Mr Geoff Raby AO, during the year.

DIRECTORS' REPORT

KEY MATERIAL BUSINESS RISKS

The Group's activities and the industries that it operates in give rise to a number of risks. These are identified by the Board and management and reviewed on a regular basis. Risks are specifically reviewed on a half-yearly basis by the Audit and Risk Committee, as governed by the Company's risk management policy.

Customer acquisition and retention risk

The rate of customer acquisition across NaaS and Starlink is a key driver of overall revenue and profitability improvement for the group. This is dependent to some degree on partners and their support in driving sales opportunities. This risk is mitigated by investing and developing in strong partnerships, and on operational delivery.

Product development risk

There is a risk that products developed become obsolete, have poor functionality, or do not meet the needs of customers in the market. To mitigate this, all software products are managed and reviewed on a regular basis, with clear product development roadmaps. Customer feedback is also included in product development.

Loss of key personnel and inability to attract talent

The Company operates in specialised areas which requires certain key skill sets. There are limited people available with the appropriate skills. To mitigate this the business reviews remuneration in the industry to and designs employment packages to attract and retain staff.

Liquidity and funding risk

The Business continues to pursue appropriate funding options to allow it to deliver on its key growth opportunities. Access to fairly priced funding is a challenge for the group and can limit its ability to execute on opportunities. To mitigate this the business maintains monthly and longer term forecasting.

SIGNIFICANT CHANGE IN THE STATE OF AFFAIRS

It is the opinion of the Directors that there were no significant changes in the state of affairs of the consolidated entity during the financial year ended 30 June 2024, except as otherwise noted in this report.

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE YEAR

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the entity's operations, the results of those operations, or the entity's state of affairs in future financial years.

Information on Directors

Mr Stephen Gibbs – Non-Executive Chairman

Non-Executive Chairman

Mr Gibbs holds a Bachelor of Economics and a Master of Business Administration (MBA).

Mr Gibbs has over 30 years' experience as an Executive, Director and Chairman of many companies in industry and funds management, particularly those with a focus on ethical and responsible investing. From 2000 to 2008 he was CEO of ARIA, the trustee of the CSS, PSS and PSSap superannuation schemes for Commonwealth Government employees. ARIA (now known as CSC) was and remains one of the largest superannuation schemes in Australia. Prior to ARIA, Mr Gibbs was CEO of the industry body Australian Institute of Superannuation Trustees (AIST).

Shares held: 6,369,231 ordinary shares

Directorships

Australian Ethical Investment Limited (since 2012)

Mr James Tsiolis – CEO, Executive Director

Bachelor of Economics, Grad Cert Quantitative Finance

Mr Tsiolis has over 25 years of experience in funds management and capital markets. He is a founder and current Chairman of Strategic Capital Management Limited (SCM), an investment management and advisory firm. Mr Tsiolis was the investment adviser to several large superannuation funds, including Military Superannuation (\$3.9 billion), as well as the funds manager of SCM's retail products (\$1 billion). Mr Tsiolis has been a member of several investment and corporate advisory committees including Macquarie Global Infrastructure Funds, Rosemont Partners, Direct Investment Fund, Deutsche Private Equity, Military Superannuation, Citic China Mezzanine Investment Fund and Energy Investors Group. Mr Tsiolis has overseen a number of investments from start up to IPO in the technology sector.

Prior to SCM, Mr Tsiolis served as the Head of Research at ipac Securities. He was also a Senior Investment Analyst of ASSIRT Investment & Technology and a quantitative analyst of James Capel Australia Ltd. Mr Tsiolis is a Governor of the Archaeological Institute in Athens and former deputy chairman of North Asian Strategic Holdings Limited.

Shares held:

Directorships

None

Mr Grant Booker – Non-Executive Director

Mr Booker is a senior business executive and has a strong track record of success in a number of sectors. He has extensive experience from working in senior roles with brands such as McDonalds, to founding and building a successful transport and logistics business from a one-truck operation to over 50 vehicles.

In 2006, Mr Booker sold Nepean Waste Management to ASX-listed company Transpacific Industries Group Limited (ASX:TPI), since renamed Cleanaway Waste Management Limited (ASX: CWY). Following the acquisition, Mr Booker worked as State Acquisition Manager for the group, and was involved in conducting due diligence on various acquisitions, reporting to the Board. Mr Booker was instrumental in progressing 12 acquisitions, ranging from \$5 million to \$50 million in value.

Since leaving Transpacific Industries Group Limited, Mr Booker has been involved in a number of successful ventures in the property sector. He has led a number of successful capital raisings for these, and other businesses.

Shares held:

DIRECTORS' REPORT

Directorships

None

Company secretary

Mr Guy Robertson, who was appointed Company Secretary on 15 March 2021, has over 30 years' experience as a director, company secretary and CFO of both public and private companies in Australia and Hong Kong. Mr Robertson's previous corporate roles include Finance Director and Managing Director (NSW) of insurance broker, Jardine Lloyd Thompson, CFO and COO of property services company Colliers International, and General Manager Finance for Franklins Limited supermarkets.

Mr Robertson has a Bachelor of Commerce (Honours) and is a Chartered Accountant.

Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2024, and the number of meetings attended by each director were:

Board Meetings

	Number Attended	Number Held While in Office
Mr James Tsiolis	11	11
Mr Grant Booker	11	11
Mr Stephen Gibbs	11	11
Dr Geoff Raby AO	8	9
Mr James Stickland	8	9
Mr Hakan Eriksson	9	9

The number of meetings of the Company's Committees held during the year ended 30 June 2024, and the number of meetings attended by each director were as follows:

Audit and Risk Committee Meetings

	Number Attended	Number Held While in Office
Mr Grant Booker	1	1
Mr Stephen Gibbs	1	1
Mr James Stickland	1	1

After 15 March 2024, following the resignation of Messrs Stickland, Raby and Eriksson, Audit and Risk Committee matters were dealt with by the Board.

Remuneration and Nomination Committee matters were dealt with by the Board.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward and the achievement of strategic objectives for the creation of value for shareholders.

As part of its Corporate Governance Policies and Procedures, the Board has adopted a formal Remuneration Committee Charter. In accordance with best practice corporate governance, the structure of non-executive directors and executive remunerations are separate. Fees for non-executive directors are not linked to the performance of the Company.

Non-executive directors' remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually. The Directors' may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market.

Shareholders approve the maximum aggregate remuneration for non-executive directors. The RNC recommends the actual payments to directors and the Board is responsible for ratifying any recommendations, if appropriate. ASX listing rules require the aggregate non-executive directors remuneration be determined periodically by a general meeting. The aggregate approved remuneration for non-executive directors is \$1,000,000.

Non-executive directors may receive share options or other incentives which would be subject to shareholder approval. However, to align Directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and may be granted options in the future.

During the prior year the non-executive directors agreed to take 50% of their remuneration, in shares, which was subsequently approved at the 2022 Annual General Meeting. This arrangement was discontinued from 2024 with directors foregoing the 50% share component.

Executive Remuneration

The consolidated entity aims to reward executives with a level and mix of remuneration based on their position and responsibility. Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually, based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations. Executives may receive their remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

Remuneration for certain individuals may be directly linked to the performance of the Consolidated Entity. In the future, a portion of cash bonus and incentive payments will be dependent on defined performance targets being

DIRECTORS' REPORT

REMUNERATION REPORT (CONTINUED)

met. Currently, the cash bonus and incentive payments are at the discretion of the Board. Share based payments (equity settled) or options may also be issued as performance linked compensation, subject to any necessary shareholder approval. The Board is of the opinion that the continued improved results can be attributed in part to the adoption of performance-based compensation and is satisfied that this improvement will continue to increase shareholder wealth if maintained over the coming years.

The former executive chairman's fees were determined independently to the fees of other non-executive directors based on comparative roles in the external market. The former executive chairman was not present at any discussions relating to the determination of his own remuneration.

Reliance on external remuneration consultants

The Company did not engage external remuneration consultants during the year.

Voting and comments made at the Company's 2023 Annual General Meeting ('AGM')

At the 2022 AGM, 84.50% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2023. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Company performance

The following table compare's NET's performance in respect to the current financial year and previous four financial years:

	2024	2023	2022	2021	2020
Net loss after tax	20,594,060	12,352,779	8,405,831	23,750,691	23,974,272
Share price at 30 June	0.003	0.008	0.0300	0.0250	0.0565
Loss per share	0.0039	0.0035	0.0026	0.0099	0.0130

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables. From the commencement of the financial year, the Non-Executive Chairman and the Non-Executive director agreed to reduce their Chairman and non-executive director fees to \$60,000 and \$45,000 respectively.

The key management personnel of the consolidated entity consisted of the following personnel for the current and previous financial year:

Mr Stephen Gibbs	Non-Executive Chairman
Mr James Tsiolis	CEO & Executive Director
Mr Grant Booker	Non-Executive Director
Dr Geoff Raby AO	Non-Executive Director (resigned 15 March 2024)
Mr James Stickland	Non-Executive Director (resigned 15 March 2024)
Mr Hakan Eriksson	Non-Executive Director (appointed 20 October 2022, resigned 15 March 2024)
Mr Zhang	Non-Executive Director (resigned 14 November 2022)
Mr Rotem Salomonovitch	Chief Technical Officer (appointed 9 August 2021, resigned 6 August 2023)
Mr Peter Gray	Chief Financial Officer (appointed 23 November 2022, resigned 10 November 2023)

DIRECTORS' REPORT

Remuneration	Cash, salary, and fees	Post-employment benefits Superannuation	Total	Performance related
	\$	\$	\$	%
2024				
<i>Non-executive Directors</i>				
Stephen Gibbs	75,000	1,650	76,650	-
Grant Booker	56,250	1,238	57,488	-
Hakan Eriksson ¹	63,750	-	63,750	-
Geoff Raby AO ¹	43,125	-	43,125	-
James Stickland ¹	33,750	-	33,750	-
<i>Executive Director</i>				
James Tsiolis	625,000	-	625,000	-
<i>Other Executive KMP</i>				
Peter Gray ²	88,636	8,800	97,436	-
Jordi Martin ³	404,344	33,453	437,797	-
	<u>1,389,855</u>	<u>45,141</u>	<u>1,434,996</u>	

¹Resigned effective 15 March 2024.

²Resigned 10 November 2023

³Resigned 15 April 2024

The amounts for non-executive directors represent fees accrued for shares to be issued subject to shareholder approval.

Remuneration	Cash, salary, and fees	Post-employment benefits Superannuation	Short-term benefits Annual leave	Share-based payments Shares	Share-based payments Options / Performance rights	Total	Performance related
	\$	\$	\$	\$	\$	\$	%
2023							
<i>Non-executive Directors</i>							
Stephen Gibbs	60,000	4,725	-	60,000	-	124,725	-
Geoff Raby AO	52,500	4,331	-	45,000	-	101,831	-
James Stickland	45,000	-	-	45,000	-	90,000	-
Grant Booker	45,000	3,544	-	45,000	-	93,544	-
Hakan Eriksson	62,853	-	-	-	34,645	97,498	36
Mr Zhang	11,250	-	-	11,250	-	22,500	-
<i>Executive Director</i>							
James Tsiolis	698,977	-	-	-	400,554	1,099,531	36
<i>Other Executive KMP</i>							
Peter Gray	133,333	14,000	9,030	-	24,297	180,660	13
Rotem Salomonovitch*	400,000	25,112	20,605	-	-	445,717	-
	<u>1,508,913</u>	<u>51,712</u>	<u>29,635</u>	<u>206,250</u>	<u>459,496</u>	<u>2,256,006</u>	<u>20</u>

*Resigned effective 7 August 2023.

The amounts for non-executive directors represent fees accrued for shares to be issued subject to shareholder

DIRECTORS' REPORT

Service agreements

Remuneration and other terms of employment for executive key management personnel are formalised in service agreements. Details of these agreements are as follows:

Executive Directors

Remuneration of the Executive Director is under an engagement agreement.

Name: Mr James Tsiolis

Details: As an Executive Director and Chief Executive Officer, Mr Tsiolis, receives a salary of \$660,000 per annum, a director's fee of \$90,000 per annum, and personal insurance costs.

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each director and key management personnel of the consolidated entity, including their personal and related parties holdings, is set out below:

	Balance at the start of the year	Received as part of remuneration	Disposal	Other ¹	Balance at the end of the year
2024 – Ordinary Shares					
<i>Non-executive Directors</i>					
Stephen Gibbs	369,231	6,000,000	-	-	6,369,231
Geoff Raby AO	1,480,769	4,500,000	-	(5,980,769)	-
James Stickland	576,923	4,500,000	-	(5,076,923)	-
Grant Booker	47,903,926	4,500,000	(7,000,000)	-	45,403,926
Hakan Eriksson	-	-	-	-	-
<i>Executive Director</i>					
James Tsiolis	142,931,960	25,000,000	-	-	167,931,960
<i>Other Executive KMP</i>					
Peter Gray	345,000	-	-	(345,000)	-
Rotem Salomonovitch	15,000,000	-	-	(15,000,000)	-
	208,607,809	44,500,000	(7,000,000)	(26,402,692)	219,709,117
¹ Balance on resignation					
	Balance at the start of the year	Received as part of remuneration	Additions	Disposals	Balance at the end of the year
2023 – Ordinary Shares					
<i>Non-executive Directors</i>					
Stephen Gibbs	-	369,231	-	-	369,231
Geoff Raby AO	-	1,480,769	-	-	1,480,769
James Stickland	-	576,923	-	-	576,923
Grant Booker	57,500,000	403,926	-	(10,000,000)	47,903,926
Hakan Eriksson	-	-	-	-	-
Mr Zhang	-	-	-	-	-
<i>Executive Director</i>					
James Tsiolis	130,201,697	-	12,730,263	-	142,931,960
<i>Other Executive KMP</i>					
Peter Gray	-	-	345,000	-	345,000
Rotem Salomonovitch	10,000,000	5,000,000	-	-	15,000,000
	197,701,697	7,830,849	13,075,263	(10,000,000)	208,607,809

DIRECTORS' REPORT

Options held/Performance rights

The number of options and performance rights in the Company held during the financial year by each director and key management personnel of the consolidated entity, including their personal and related parties holdings, is set out below:

	Balance at the start of the year	Received as part of remuneration	Lapsed/Exercised	Balance at the end of the year
2024 – Option / Performance Rights				
<i>Non-executive Directors</i>				
Stephen Gibbs	10,000,000	-	(10,000,000)	-
Geoff Raby AO	10,000,000	-	(10,000,000)	-
James Stickland	10,000,000	-	(10,000,000)	-
Grant Booker	10,000,000	-	(10,000,000)	-
Hakan Eriksson	10,000,000	-	(10,000,000)	-
Mr Zhang	10,000,000	-	(10,000,000)	-
<i>Executive Director</i>				
James Tsiolis	50,000,000	-	(50,000,000)	-
<i>Other Executive KMP</i>				
Peter Gray	6,000,000	-	(6,000,000)	-
Rotem Salomonovitch	-	-	-	-
	<u>116,000,000</u>	<u>-</u>	<u>(116,000,000)</u>	<u>-</u>

All options and performance rights lapsed during the year or on resignation.

	Balance at the start of the year	Received as part of remuneration	Lapsed/Exercised	Balance at the end of the year	Balance vested and exercisable
2023 – Option / Performance Rights					
<i>Non-executive Directors</i>					
Stephen Gibbs	10,000,000	-	-	10,000,000	10,000,000
Geoff Raby AO	10,000,000	-	-	10,000,000	10,000,000
James Stickland	10,000,000	-	-	10,000,000	10,000,000
Grant Booker	10,000,000	-	-	10,000,000	10,000,000
Hakan Eriksson	-	10,000,000	-	10,000,000	10,000,000
Mr Zhang*	10,000,000	-	-	10,000,000	10,000,000
<i>Executive Director</i>					
James Tsiolis	-	50,000,000	-	50,000,000	-
<i>Other Executive KMP</i>					
Peter Gray	-	6,000,000	-	6,000,000	-
Rotem Salomonovitch	40,000,000	-	(40,000,000)	-	-
	<u>90,000,000</u>	<u>66,000,000</u>	<u>(40,000,000)</u>	<u>116,000,000</u>	<u>60,000,000</u>

*Resigned 14 November 2022. Options vested before resignation so are still entitled to Mr Zhang.

Option and performance rights holdings

All options and performance rights lapsed during the year.

DIRECTORS' REPORT

Other transactions with key management personnel and their related parties

A number of directors of the Company, or their director-related entities, held positions in other entities during the financial year that result in them having control or significant influence over the financial or operating policies of those entities.

The terms and conditions of the transactions with directors and their director related entities were no more favourable to the directors and their director related entities than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arm's length basis. Refer to further details below.

There were no amounts recognised (excluding reimbursement of expenses incurred on behalf of the Company) during the year relating to directors or their director-related entities for corporate advisory fees, capital raising or consulting services.

The following balances were outstanding at the reporting date in relation to transactions with related parties:

	Consolidated as at	
	30 Jun 2024	30 Jun 2023
Non-current liabilities		
Borrowings - unsecured - related party	5,250,000	3,250,000

On 9 May 2022 the Company executed an agreement with Booker Super Services Pty Limited, an entity related to a Director of the Company for a \$10.0 million facility.

At 30 June 2024 the Company had drawn \$3,250,000. The facility was provided at an initial interest rate of 6.8% which has been adjusted by the value of the increases to the cash rate by the Reserve Bank of Australia. The facility is unsecured and had a maturity date of 30 June 2025 which has been extended to 30 September 2026. It was mutually agreed with the lender that no further funds would be drawn under the facility. The lender has then provided the Company with a further loan of \$2,000,000 through a Company controlled by the Director. This loan has an interest rate of 18% and was repayable on 31 December 2024, and has now been extended to 30 September 2026.

These facility are unsecured. The facilities have incurred interest of \$456,465 during the year ended 30 June 2023 (2023: \$191,245).

This concludes the remuneration report, which has been audited.

DIRECTORS' REPORT

DIVIDENDS

No dividends have been declared for the financial year ended 30 June 2024 or for the previous corresponding period.

SHARES UNDER OPTION

Number of shares under option were Nil at 30 June 2024 (2023: 116,000,000).

INDEMNIFICATION AND INSURANCE OF OFFICERS

During the financial year the Company paid premiums in respect of a contract insuring Directors, Chief Financial Officer and Company Secretary of Netlinkz and Executive Officers against a liability incurred to the extent permitted by the Corporations Act, 2001. Further disclosure required under section 300(9) of the Corporations Act 2001 is prohibited under the terms of the insurance contract.

INDEMNIFICATION OF AUDITORS

The Company has not, during or since the end of the financial year ended 30 June 2024, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year ended 30 June 2024, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

PROCEEDINGS ON BEHALF OF THE GROUP

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to 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 part of those proceedings.

AUDITOR INDEPENDENCE

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act 2001 is included in this report.

AUDITOR

BDO Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of the Board of Directors.



James Tsiolis
CEO & Executive Director
Sydney NSW

Dated this 30 day of April 2025.

NETLINKZ LIMITED
ABN 55 141 509 426
AND ITS CONTROLLED ENTITIES

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF
NETLINKZ LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Netlinkz Limited and its controlled entities. As the lead audit partner for the audit of the financial report of Netlinkz Limited and its controlled entities for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- i. the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.

Hall Chadwick (NSW)

HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000



Anthony Travers
Partner

Date: 30 April 2025

ADELAIDE	BRISBANE	DARWIN	MELBOURNE	PERTH	SYDNEY
Level 9 50 Pirie Street Adelaide SA 5000 +61 8 7093 8283	Level 4 240 Queen Street Brisbane QLD 4000 +61 7 2111 7000	Level 1 48-50 Smith Street Darwin NT 0800 +61 8 8943 0645	Level 14 440 Collins Street Melbourne VIC 3000 +61 3 9820 6400	Level 11 77 St Georges Tce Perth WA 6000 +61 8 6557 6200	Level 40 2 Park Street Sydney NSW 2000 +61 2 9263 2600

Liability limited by a scheme approved under Professional Standards Legislation. Hall Chadwick (NSW) Pty Ltd ABN: 32 103 221 352

www.hallchadwick.com.au

Netlinkz Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

Continuing operations	Note	Consolidated for the year ended	
		30 Jun 2024	30 Jun 2023 ¹
		\$	\$
Revenue	4	19,528,687	19,933,909
Other income	4	76,529	408,850
Employee benefits expense		(5,320,537)	(7,286,456)
Research and development expenses		(1,681,427)	(1,626,581)
Business development and marketing expenses		(292,342)	(1,216,982)
Professional fees		(4,885,193)	(2,857,408)
Hardware and consumables used		(17,427,473)	(16,240,771)
Other expenses		(2,839,536)	(1,988,034)
Depreciation and amortisation expense		(891,329)	(878,001)
Finance expenses		(6,861,439)	(601,305)
Loss before income tax expense	5	(20,594,060)	(12,352,779)
Income tax expense	6	-	-
Loss after income tax expense for the year		(20,594,060)	(12,352,779)
Other comprehensive income			
<i>Items that will be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations		(515,911)	(266,269)
Other comprehensive loss for the year, net of tax		(515,911)	(266,269)
Total comprehensive loss for the year		(21,109,971)	(12,619,049)
<i>Loss for the year is attributable to:</i>			
Members of the parent entity		(20,439,972)	(12,291,543)
Non-controlling interests		(154,088)	(61,236)
		(20,594,060)	(12,352,779)
<i>Total comprehensive loss for the year attributable to:</i>			
Members of the parent entity		(21,198,224)	(12,463,013)
Non-controlling interests		88,253	(156,035)
		(21,109,971)	(12,619,049)
Loss per share from continuing operations		\$	\$
Basic loss per share	21	(0.0052)	(0.0035)
Diluted loss share	21	(0.0052)	(0.0035)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

Netlinkz Limited
Consolidated statement of financial position
For the year ended 30 June 2023

	Note	Consolidated as at	
		30 Jun 2024	30 Jun 2023 ¹
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	7	884,166	712,852
Trade and other receivables	8	1,477,847	3,114,776
Inventory	9	522,817	6,876,125
Other assets		402,108	584,937
Total current assets		3,286,938	11,288,690
Non-current assets			
Property, plant and equipment		13,434	16,325
Investments		100,000	100,000
Right of use assets		82,714	233,017
Intangible assets	10	10,637,726	11,410,823
Total non-current assets		10,833,874	11,760,165
Total assets		14,120,812	23,048,855
LIABILITIES			
Current liabilities			
Trade and other payables	11	4,619,776	2,530,617
Employee benefits	12	86,757	146,707
Borrowings	13	15,441,908	4,000,000
Other current liabilities	14	2,730,250	1,386,679
Total current liabilities		22,878,691	8,064,003
Non-current liabilities			
Borrowings	13	-	3,250,000
Lease liabilities	14	23,537	53,692
Total non-current liabilities		23,537	3,303,692
Total liabilities		22,902,228	11,367,695
Net assets		(8,781,416)	11,681,160
Equity			
Issued capital	15	130,725,041	130,077,646
Reserves	17	(923,557)	14,188,023
Accumulated losses	18	(138,625,456)	(132,538,812)
Capital and reserves attributable to members of the parent entity		(8,823,972)	11,726,857
Non-controlling interests		42,556	(45,697)
Total equity		(8,781,416)	11,681,160

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Netlinkz Limited
Consolidated statement of changes in equity
For the year ended 30 June 2024

Attributable to owners of Netlinkz Limited

Notes	Issued capital	Reserves	Accumulated losses	Total equity	Non-controlling interest	Total equity
	\$	\$	\$	\$	\$	\$
Consolidated						
Balance at 1 July 2023	130,077,646	14,188,023	(132,538,812)	11,726,857	(45,697)	11,681,160
Loss for the year	-	-	(20,439,972)	(20,439,972)	(154,088)	(20,594,060)
Other comprehensive income	-	(758,252)	-	(758,252)	242,341	(515,911)
Total comprehensive loss for the year	-	(515,911)	(20,594,060)	(21,198,224)	88,253	(21,109,971)
Transactions with owners in their capacity as owners:						
Shares issued	647,395	-	-	647,395	-	647,395
Transfer from reserves to accumulated losses	-	(14,353,328)	14,353,328	-	-	-
Balance at 30 June 2024	130,725,041	(923,557)	(138,625,456)	(8,823,972)	42,556	(8,781,416)

Attributable to owners of Netlinkz Limited

	Issued capital	Reserves	Accumulated losses	Total equity	Non-controlling interest	Total equity
	\$	\$	\$	\$	\$	\$
Consolidated						
Balance at 1 July 2022	122,528,735	13,372,400	(120,200,785)	15,700,350	110,338	15,810,688
Loss for the year ¹	-	-	(12,338,027)	(12,338,027)	(61,236)	(12,399,263)
Other comprehensive income	-	(124,986)	-	(124,986)	(94,799)	(219,785)
Total comprehensive loss for the year	-	(124,986)	(12,338,027)	(12,463,013)	(156,035)	(12,619,048)
Transactions with owners in their capacity as owners:						
Shares issued	7,854,611	-	-	7,854,611	-	7,854,611
Share based payments	-	1,134,909	-	1,134,909	-	1,134,909
Shares issued on vesting of performance rights	194,300	(194,300)	-	-	-	-
Capital raising costs	(500,000)	-	-	(500,000)	-	(500,000)
Balance at 30 June 2023	130,077,646	14,188,023	(132,538,812)	11,726,857	(45,697)	11,681,160

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes

	Note	Consolidated	
		30 Jun 2024	30 Jun 2023
		\$	\$
Cash flows from operating activities			
Receipts from customers		21,276,898	22,650,703
Payments to suppliers and employees		(26,125,680)	(37,710,058)
Tax refund received		371,612	249,808
Interest received		-	6,523
Interest and finance charges paid		(1,828,018)	(601,305)
Net cashflows used in operating activities	20	<u>(6,305,188)</u>	<u>(15,404,329)</u>
Cash flows from investing activities			
Purchase of plant and equipment		(51,121)	-
Net cashflows used in investing activities		<u>(51,121)</u>	<u>-</u>
Cash flows from financing activities			
Proceeds from issue of shares		-	7,000,000
Capital raising expenses		-	(500,000)
Proceeds from borrowings		8,615,000	8,250,000
Repayments of borrowings		(2,000,000)	(1,000,000)
Principle lease payments		(80,950)	(196,071)
Net cashflows from/(used in) financing activities		<u>6,534,050</u>	<u>13,553,929</u>
Net decrease in cash and cash equivalents		177,741	(2,050,400)
Effect of foreign exchange movements on cash		(6,427)	74,228
Cash and cash equivalents at the beginning of the year		712,852	2,689,024
Cash and cash equivalents at the end of the year	7	<u>884,166</u>	<u>712,852</u>

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

General information

The financial statements cover Netlinkz Limited as a consolidated entity consisting of Netlinkz Limited and the entities it controlled at the end of, or during, the year and the comparative year.

Netlinkz Limited (ASX:NET) is a listed public company limited by shares, incorporated and domiciled in Australia.

Basis of preparation

These financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost basis, except for certain financial assets and liabilities measured at fair value.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

Presentation

For the year ended 30 June 2024, the presentation of the consolidated statement of profit or loss and other comprehensive income was changed to improve the usefulness for end users of the financial statements. The result for the year ended 30 June 2023 has been reclassified on the same basis to enable appropriate comparison.

Restatement of prior year accounts

The group has recognised an error in its income recognition policy during the year. The impact on the prior year financial statements is as follows:

Balance sheet (extract)	30 June 2023	Increase/(decrease)	30 June 2023 Restated
	\$	\$	\$
Trade and other receivables	3,573,903	(459,127)	3,114,776
Inventory	6,604,126	272,000	6,876,125
Other current liabilities	1,062,244	324,435	1,386,679
Net assets		(511,564)	
Total equity	12,192,724	(511,564)	11,681,160
Profit and loss (extract)			
Revenue	20,670,998	(737,089)	19,933,909
Cost of sales	(16,512,771)	272,000	(16,240,771)
Other expenses (various)	(16,454,776)	9	(16,454,767)
Other income	408,850	-	408,850
Loss before income tax expense	(11,887,699)	(465,080)	(12,352,779)

NOTE 1. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Going concern

These financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

For the year ended 30 June 2024, the Group recorded a loss of \$20,594,060 (2023: Loss of \$12,352,779) and had net cash outflows from operating activities of \$6,305,188 (2023: \$15,404,329) and has a net working capital deficit of \$19,591,753 as at 30 June 2024 (2023: Surplus \$3,224,687).

The Directors believe that it is reasonably foreseeable that the Company and Group will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- The Group had cash at bank of \$884,166;
- The Company has the current support of its lenders and has negotiating to extend repayment dates beyond September 2025 and or convert portion of the debt to equity;
- The Company is working on having the suspension of the Company's shares lifted, which includes the preparation of a prospectus to allow it to raise new capital;
- The Company has undergone a significant reduction in its cost base, and has a strategic plan and cash flow forecast to enable it to be cash flow positive in FY 2026; and
- The Company has the ability to dispose of non-core assets to raise additional funds if required.

These factors give rise to a material uncertainty which may cast significant doubt as to whether the Company and Group will continue as a going concern and therefore whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Netlinkz Limited ('company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. Netlinkz Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

NOTE 1. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Foreign currency translation

The financial statements are presented in Australian dollars, which is Netlinkz Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the year. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

Income tax

The income tax expense or benefit for the year is calculated on that year's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior years, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Netlinkz Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

NOTE 1. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Income tax (Continued)

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting year; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting year. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting year; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting year. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Trade and other receivables

The Group makes use of the simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. The Group uses its historical experience, external indicators and forward looking information to calculate the expected credit losses using a provision matrix.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Inventory

Inventory is initially recorded at cost and is subsequently assessed in order to record at the lower of cost and net realizable value. Inventory is also assessed for any indicator of obsolescence at each reporting date.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Depreciation is calculated on a diminishing value basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	2-7 years
---------------------	-----------

NOTE 1. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Revenue recognition

The consolidated entity recognises revenue as follows:

Software, service and licensing revenue

The Group generates revenue from the sale, licensing and support of network security solutions. Software and support is sold both directly to large customers and via partners/resellers. Customers enter either monthly, quarterly or annual licensing arrangements and revenue is recognised over the corresponding license/support year. The Group recognises revenue from resellers at the point where it is highly probable that a significant reversal in the amount of revenue recognised will not occur. Some customer sites are deployed on network appliances that are invoiced up-front. Resellers are typically responsible for level 1 and 2 technical support of the solution, in addition to updates and maintenance as per the licensing.

Consulting, design and implementation services

The Group provides secure networking consulting, design and implementation services to its resellers, partners and customers. Revenue from providing these services and associated hardware is recognised in the accounting year in which the services are rendered.

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or time-based rate.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant year using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Grant revenue

Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with.

Contract assets and liabilities

Contract assets and contract liabilities refer to what is commonly known as 'unbilled or accrued revenue' and 'deferred revenue'. Contract assets represent receivables in respect of the Group's right to consideration when that right is condition on something other than the passage of time (for example, the entity's future performance). Contract liabilities

Note 1. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

arise where payment is received prior to work being performed. Contract assets and contract liabilities are recognised and measured in accordance with this accounting policy.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting year as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

NOTE 1. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired lease period or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

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. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. 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 amortisation 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 year.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Research and development

Research costs are expensed in the year in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated entity is able to use or sell the asset; the consolidated entity has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the year of their expected benefit, being their finite life of 5 years. Development costs related to a product that has already reached commercial viability are expensed in the year in which they are incurred.

Patents and trademarks

Significant costs associated with patents and trademarks are deferred and amortised on a straight-line basis over the year of their expected benefit, being their finite life of 10 years.

Customer contracts

Customer contracts acquired in a business combination are amortised on a straight-line basis over the year of their expected benefit, being their finite life of 7.5 years.

NOTE 1. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the year in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Borrowing costs

Borrowing costs attributable to qualifying assets are capitalised as part of the asset. All other borrowing costs are expensed in the year in which they are incurred.

Provisions and contingencies

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

NOTE 1. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Contingent assets and contingent liabilities are not recognised unless the contingent liability is acquired as part of a business combination.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and years of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Superannuation expense and other post-employment benefits

Australian employees may nominate their own superannuation fund into which the Company pays superannuation contributions. The Company contributed the appropriate percentage of employee's salary to each employee's nominated fund or where a fund is not nominated by an employee, to a superannuation fund chosen by the Company. In addition, the Company pays pension contributions to foreign employees hired in their respective countries.

Share-based payments

Equity-settled share-based compensation benefits are provided to employees, key management personnel and consultants. Equity-settled transactions are awards of shares, options over shares, or performance rights that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting year. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting year. The amount recognised in profit or loss for the year is the cumulative amount calculated at each reporting date less amounts already recognised in previous years.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting year, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not

NOTE 1. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Share-based payments (continued)

satisfied during the vesting year, any remaining expense for the award is recognised over the remaining vesting year, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

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.

Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

Fair Value Measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one year to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Netlinkz Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 1. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Goods and Services Tax (GST) and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Adoption of new and revised accounting standards

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 year. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Standards issued but not yet effective:

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting year ended 30 June 2023. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

NOTE 2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, and forward-looking information that is available.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

NOTE 2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Share Based Payments

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of options with non-market conditions is determined by an internal valuation using a Black-Scholes option pricing model taking into account the terms and conditions upon which the instruments were granted. The fair value of shares is determined by the market price of the Company's shares at the date of grant. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting year but may impact profit or loss and equity.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs of disposal. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and intangible assets.

In assessing value-in-use, the estimated future cash flows are discounted to their present value using a discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset or CGU. In determining fair value less costs of disposal, a discounted cash flow model is used based on a methodology consistent with that applied by the Group in determining the value of potential acquisition targets, maximising the use of market observed inputs. These calculations, classified as Level 3 on the fair value hierarchy, are compared to valuation multiples, or other fair value indicators where available, to ensure reasonableness.

The value-in-use calculation uses cash flow projections based on operating budgets and strategic business plans, after which a terminal value is applied, based on management's view of the expected long-term growth profile of the business. The determination of cash flows over the life of an asset requires management judgement in assessing the future number of customers, the number of branches and active devices, data usage, potential price changes as well as any changes to the costs of the product and other operating costs incurred by the Group. The implied pre-tax discount rate is calculated with reference to long-term government bond rates, external analyst views and the Group's pre-tax cost of debt.

In determining fair value less costs of disposal, the valuation model incorporates the cash flows projected over the balance of the current corporate plan year. Cash flows beyond this year are extrapolated using estimated growth rates, which are based on Group estimates, taking into consideration historical performance as well as expected long-term operating conditions. These projections are discounted using a risk-adjusted discount rate commensurate with a typical market participant's assessment of the risk associated with the projected cash flows.

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill and indefinite life intangible assets are tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use and fair value less costs of disposal of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of economic factors.

Allocation of goodwill to cash-generating units

Management allocates goodwill acquired in a business combination to cash-generating units (CGUs) or a group of cash-generating units in a non-arbitrary way which is expected to benefit from the synergies of the combination.

Fair value of convertible notes at fair value through profit and loss (FVTPL)

The fair value is estimated using a net present valuation calculation using a discount rate derived from instruments with similar maturity and credit rating.

NOTE 3. OPERATING SEGMENTS

Identification of reportable operating segments

The consolidated entity is organised into two operating segments based on differences in geography: Australia & New Zealand and International of which China is the first material country starting operations to develop and sell products and services. Each region has a management team to oversee the local operations and undertakes local research and development, including source code specific to that country and/or region. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews monthly management and financial reports, including EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

Types of products and services

The principal products and services of each of these operating segments are as follows:

Consulting, design & implementation services the design and implementation of secure network migration and deployment services and hardware.

Software & licensing revenue the sale, licensing and support of software.

Operating segment information

For the year ended 30 June 2024	Australia & New Zealand	China	Corporate	Netlinkz Group
	\$	\$	\$	\$
Revenue	8,874,356	10,654,331	-	19,528,687
Cost of sales	(8,728,035)	(8,699,438)	-	(17,427,473)
Gross profit	146,321	1,954,893	-	2,101,214
Other income	43,508	33,021	-	76,529
Business development and marketing expenses	(292,342)	-	-	(292,342)
Employee and consultant expenses	(8,504,216)	(1,547,253)	-	(10,051,469)
Admin, office and corporate expenses	(1,563,429)	(141,593)	-	(1,705,022)
Research and development expenses	(1,065,705)	(615,722)	-	(1,681,427)
Employee share-based payment expenses	-	-	(154,261)	(154,261)
Other expenses	(1,027,695)	(106,819)	-	(1,134,514)
Total earnings before interest, tax, depreciation and amortisation	(12,263,558)	(423,473)	(154,261)	(12,841,292)
Depreciation and amortisation	(862,533)	(28,796)	-	(891,329)
Finance costs	(6,860,256)	(1,183)	-	(6,861,439)
Loss before income tax from continuing operations	(19,986,347)	(453,452)	(154,261)	(20,594,060)

NOTE 3. OPERATING SEGMENTS (CONTINUED)

For the year ended 30 June 2023	Australia & New Zealand	China	Corporate	Netlinkz Group
	\$	\$	\$	\$
Revenue	5,069,316	14,864,513	-	19,933,909
Cost of sales	(2,537,641)	(13,703,130)	-	(16,240,771)
Gross profit	2,531,675	1,161,383	-	3,693,138
Other income	51,614	3,449	353,787	408,850
Business development and marketing expenses	(1,216,982)	-	-	(1,216,982)
Employee and consultant expenses	(5,170,053)	(1,387,419)	-	(6,557,472)
Admin, office and corporate expenses	(2,374,148)	(81,631)	-	(2,455,779)
Research and development expenses	(342,264)	(1,284,317)	-	(1,626,581)
Employee share-based payment expenses	-	-	(1,378,240)	(1,378,240)
Other share-based payment expenses	-	-	(465,890)	(465,890)
Other expenses	(1,154,936)	(119,501)	-	(1,274,437)
Total earnings before interest, tax, depreciation and amortisation	(7,675,094)	(1,708,036)	(1,490,343)	(10,873,473)
Depreciation and amortisation	(817,898)	(60,103)	-	(878,001)
Finance costs	(599,170)	(2,135)	-	(601,305)
Loss before income tax from continuing operations	(9,092,162)	(1,770,274)	(1,490,343)	(12,352,779)
as at 30 June 2024	Australia & New Zealand	China	Corporate	Netlinkz Group
	\$	\$	\$	\$
Summarised balance sheet				
Current assets	1,480,779	1,609,966	196,193	3,286,938
Current liabilities	(3,007,450)	(3,229,333)	(16,641,908)	(22,878,691)
Current net assets	(1,526,671)	(1,619,367)	(16,445,715)	(19,591,753)
Non-current assets	292,265	3,018,890	7,522,719	10,833,874
Non-current liabilities	(23,537)	-	-	(23,537)
Non-current net assets	268,728	3,018,890	7,522,719	10,810,337
Net assets	(1,257,943)	1,399,523	(8,922,996)	(8,781,416)

NOTE 3. OPERATING SEGMENTS (CONTINUED)

as at 30 June 2023	Australia & New Zealand	China	Corporate	Netlinkz Group
Summarised balance sheet	\$	\$	\$	\$
Current assets	7,968,518	2,825,405	494,767	11,288,690
Current liabilities	(5,963,451)	(262,241)	(1,838,311)	(8,064,003)
Current net assets	2,005,067	2,563,164	(1,343,544)	3,224,687
Non-current assets	7,563,451	2,939,486	1,257,230	11,760,167
Non-current liabilities	(3,303,692)	-	-	(3,303,692)
Non-current net assets	4,259,759	2,939,486	1,257,230	8,456,475
Net assets	6,264,826	5,502,650	(86,316)	11,681,160

NOTE 4. REVENUE AND OTHER INCOME

Disaggregation of revenue

	Consolidated for the year ended	
	30 Jun 2024	30 Jun 2023
	\$	\$
Consulting, design and implementation revenue	10,654,331	14,864,513
Hardware sales	4,436,031	525,809
Software, service and licensing revenue	4,438,325	4,543,587
Total revenue	19,528,687	19,933,909

Other income

	Consolidated for the year ended	
	30 Jun 2024	30 Jun 2023
	\$	\$
Interest income	790	6,523
Grants and research and development tax offset	2,282	347,264
Other income	73,457	55,063
Total other income	76,529	408,850

NOTE 4. REVENUE AND OTHER INCOME (CONTINUED)

	Consulting, design & implementation revenue	Software and licensing revenue	Hardware sales	Total
Revenue	30 Jun 2024	30 Jun 2024	30 Jun 2024	30 Jun 2024
	\$	\$	\$	\$
Primary geographical markets				
Australia	-	2,709,955	4,436,031	7,145,986
New Zealand	-	1,728,370	-	1,728,370
China	10,654,331	-	-	10,654,331
	10,654,331	4,438,325	4,436,031	19,528,687
Timing of revenue recognition				
Products transferred at point in time	-	-	4,436,031	4,436,031
Products and services transferred over time	10,654,331	4,438,325	-	15,092,656
	10,654,331	4,438,325	4,436,031	19,528,687
Revenue	30 Jun 2023	30 Jun 2023	30 Jun 2023	30 Jun 2023
	\$	\$	\$	\$
Primary geographical markets				
Australia	-	3,057,592	525,809	3,583,401
New Zealand	-	1,485,995	-	1,485,995
China	14,864,513	-	-	14,864,513
	14,864,513	4,543,587	525,809	19,933,909
Timing of revenue recognition				
Products transferred at point in time	-	-	525,809	525,809
Products and services transferred over time	14,864,513	4,543,587	-	19,408,100
	14,864,513	4,543,587	525,809	19,933,909

NOTE 5. EXPENSES

Included in expenses are the following costs:

	Consolidated for the year ended	
	30 Jun 2024	30 Jun 2023
	\$	\$
Foreign exchange loss	82,467	23,175
Amortisation expense	751,800	751,410
Interest expense	1,154,974	566,504
Compliance and listing costs	139,400	158,608
Rental expense	314,591	126,591
Depreciation expense	139,529	123,543

NOTE 6. INCOME TAX

Consolidated for the year ended

30 Jun 2024 **30 Jun 2023**

\$ **\$**

Income tax expense		
Current income tax expense	-	-
Deferred income tax expense	-	-
Total income tax expense	-	-

The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:

Consolidated for the year ended

30 Jun 2024 **30 Jun 2023**

\$ **\$**

Accounting loss before income tax	(20,594,060)	(12,352,779)
Prima facie tax payable on loss from ordinary activities before income tax at 25% (2023 25%).	(5,148,515)	(3,088,195)

Add/(less) tax effect of:

Non-deductible expenses	44,701	23,952
Non-deductible share and options expenses	344,047	702,692
Non-assessable government grants	(571)	(87,061)
Foreign operations	132,860	41,492
Tax losses not recognised	(4,627,477)	(2,407,120)

Effect of temporary differences arising in the period for which no DTA is recognised - Australia	(44,301)	(32,534)
Effect of tax losses arising in the period for which no DTA is recognised - Australia	3,339,696	1,589,904
Effect of tax losses arising in the period for which no DTA is recognised at local tax rates - Foreign	79,673	733,480
Income tax expense	-	-

Unused tax losses on which no deferred tax has been recognised - Income (Australia)	70,639,677	56,144,734
Unused tax losses on which no deferred tax has been recognised - Income (Foreign)	6,394,668	6,075,975
Unused tax losses on which no deferred tax has been recognised - Capital (Australia)	9,596,682	9,596,682

Revenue losses Australia

Tax losses brought forward on which no DTA has been recognised	56,028,484	50,553,189
Reduction in tax losses arising during the year on lodgement of the income tax return	-	(884,322)
Gross tax losses arising in the year for which no DTA has been recognised	14,611,193	6,475,887

70,639,657 **56,144,754**

NOTE 6. INCOME TAX (CONTINUED)

	Consolidated as at	
	30 Jun 2024	30 Jun 2023
	\$	\$
<i>Revenue losses Foreign</i>		
Tax losses brought forward on which no DTA has been recognised	6,075,975	3,142,057
Gross tax losses arising in the current period for which no DTA is recognised	318,693	2,933,918
	6,394,668	6,075,975
Deferred Tax Asset balance comprises:		
Internally generated software	458,575	458,575
Deferred consideration on SSI Pacific Pty Ltd acquisition	510,000	510,000
Accruals	26,569	118,549
Provision for annual leave	17,839	36,677
Lease liability	24,369	25,535
Borrowing costs	-	68,160
Capital raising costs	314,579	299,133
Tax and capital losses	20,889,926	16,406,291
DTA not recognised	(22,241,857)	(17,922,920)
	-	-
Deferred Tax Liability balance comprises:		
Customer contracts and relationships acquired	(220,220)	(295,923)
Right of use asset	(23,273)	(24,357)
Unrealised FX	(4,832)	(7,633)
Offset against DTA/not recognised	248,325	327,912
	-	-
Net deferred tax expense	-	-

The availability of the Australian tax losses are subject to the Company's ability to satisfy the requirement for utilisation.

NOTE 7. CASH AND CASH EQUIVALENTS

	Consolidated as at	
	30 Jun 2024	30 Jun 2023
	\$	\$
Cash at bank	884,166	712,852
	884,166	712,852

NOTE 8. TRADE AND OTHER RECEIVABLES

	Consolidated as at	
	30 Jun 2024	30 Jun 2023
	\$	\$
Trade receivables	1,016,031	1,927,717
GST/VAT receivable	-	57,939
Security deposits	-	3,577
Prepayments	461,816	1,125,543
Trade and other receivables	<u>1,477,847</u>	<u>3,114,776</u>

NOTE 9. INVENTORY

	Consolidated as at	
	30 Jun 2024	30 Jun 2023
	\$	\$
Inventory	<u>522,817</u>	<u>6,876,125</u>

Inventory predominantly relates to Starlink satellite equipment which is recorded at cost.

NOTE 10. INTANGIBLE ASSETS

	Goodwill	Customer contracts and relationships	Internally generated software	Total
For the year ended 30 June 2024				
Opening net book amount	9,531,080	1,130,690	749,053	11,410,823
Additions	-	9,247	-	9,247
Disposals	-	-	(30,594)	(30,594)
Amortisation charge	-	(331,545)	(420,205)	(751,750)
Closing net book amount	<u>9,531,080</u>	<u>808,442</u>	<u>298,204</u>	<u>10,637,726</u>
As at 30 June 2024				
Cost	9,531,080	2,205,297	2,399,083	14,135,460
Accumulated amortisation and impairment	-	(1,396,855)	(2,100,879)	(3,497,734)
Net book amount	<u>9,531,080</u>	<u>808,442</u>	<u>298,204</u>	<u>10,637,726</u>

NOTE 10. INTANGIBLE ASSETS (CONTINUED)

	Goodwill	Customer contracts and relationships	Internally generated software	Total
	\$	\$	\$	\$
For the year ended 30 June 2023				
Opening net book amount	9,531,080	1,432,473	1,178,611	12,142,164
Additions	-	1,027	19,042	20,069
Amortisation charge	-	(302,810)	(448,600)	(751,410)
Closing net book amount	9,531,080	1,130,690	749,053	11,410,823
As at 30 June 2023				
Cost	9,531,080	2,196,000	2,399,082	14,126,162
Accumulated amortisation and impairment	-	(1,065,310)	(1,650,029)	(2,715,339)
Net book amount	9,531,080	1,130,690	749,053	11,410,823

When reviewing for indicators of impairment, the Company initially considers the relationship between its market capitalisation and its book value, among other factors specific to each cash generating unit (CGU).

As the Company acquires operations and reorganises the way operations are managed, reporting structures may change, giving rise to the reassessment of CGUs and/or the allocation of goodwill to those CGUs.

The Company performed a detailed impairment review of goodwill and concluded that notwithstanding the significant loss for the year, that the two CGU's for which the Company carries goodwill, SSI and China continued to be profitable pre research and development. In additional substantial costs were incurred on enhancing the VSN product. Consequently, the directors are of the view that no impairment of intangible assets is required for the financial year ended 30 June 2024.

For the purposes of the impairment testing, goodwill is allocated to CGUs. The carrying amount of each CGU is compared to its recoverable amount. In assessing for impairment, the Company's assets are grouped at the lowest level of separately identifiable cash inflows, which are largely independent of the cash flows from other assets or CGUs. Assets, apart from goodwill that has previously recognised impairment, are reviewed for possible reversal at the end of each reporting period.

The Company has allocated the goodwill from the acquisition of AOFA to the AOFA CGU which is included within the China segment. The Company has allocated the goodwill from the acquisition of SSI Pacific to the SSI Pacific CGU which is the operating segment expected to benefit from the acquisition. The Company has allocated the goodwill from the acquisition of Southcloud Holdings Pty Limited to the Southcloud CGU which is the cash generating unit expected to benefit from the acquisition.

The following table sets out a summary of the goodwill allocation and impairment testing assumptions:

	China	Southcloud	SSI	Total
Goodwill allocation	2,992,032	149,265	6,389,783	9,531,080
Pre-tax discount rate	13%	13%	13%	N/A
Revenue growth rate	7%	7%	5%	N/A
Revenue multiple	>1x	N/A	2	N/A

Discount rates reflect specific risks relating to the relevant segments. Revenue growth rate over the two to five years forecast period based on conservative management estimates and Budgets.

Revenue multiple is the cash flow multiple used to extrapolate cash flows beyond the budget period of 5 years.

NOTE 10. INTANGIBLE ASSETS (CONTINUED)

Recoverable amounts for CGU's

The recoverable amounts for China, Southcloud and SSI CGU's have been determined based on a value-in-use calculation using five-year post-tax cash flow projections with a terminal value.

Sensitivity

As disclosed in Note 2, the directors have made judgements and estimates in respect of impairment testing of goodwill. Should these judgements and estimates not occur the resulting goodwill carrying amount may decrease. The sensitivities are as follows:

Forecast revenue would need to decrease by more than 20% for China, 100% for Southcloud and 30% for SSI before goodwill would need to be impaired, with all other assumptions remaining constant.

The discount rate would be required to increase to 30% for China, 100% for Southcloud and 30% for SSI before goodwill would need to be impaired, with all other assumptions remaining constant.

Management believes that other reasonable changes in the key assumptions on which the recoverable amount of goodwill is based would not cause the CGU's carrying amount to exceed its recoverable amount.

If there are any negative changes in the key assumptions on which the recoverable amount of goodwill is based, this would result in an impairment charge to goodwill.

NOTE 11. TRADE AND OTHER PAYABLES

	Consolidated as at	
	30 Jun 2024	30 Jun 2023
	\$	\$
Trade payables and other payables	2,067,045	2,156,303
Accruals	1,917,149	374,314
Interest payable accrued	635,582	-
	4,619,776	2,530,617

Accruals include an accrual for \$1.8 million in relation to the Equity Placement Facility that was previously in place with Regal Funds Management (Regal). The Company is negotiating with Regal to return an amount of approximately \$1.8 million instead of issuing further shares to Regal under the Equity Placement Facility.

NOTE 12. EMPLOYEE BENEFITS

	Consolidated as at	
	30 Jun 2024	30 Jun 2023
	\$	\$
Employee benefits	86,757	146,707

Amounts not expected to be settled within the next 12 months

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required year of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the consolidated entity does not have an unconditional right to defer settlement. However, based on past experience, the consolidated entity does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The above amounts reflect annual leave that has accrued as at the reporting date.

NOTE 13. BORROWINGS

	Consolidated as at	
	30 Jun 2024	30 Jun 2023
	\$	\$
Current		
Borrowings – related party ¹	5,250,000	-
Borrowings - unsecured	1,000,000	2,000,000
Borrowings – secured	6,765,000	2,000,000
	13,015,000	4,000,000
Convertible note ²		
Host liability	1,837,769	-
Derivative liability	207,100	-
Interest and fees accrued	382,039	-
	2,426,908	-
Non-current ¹		
Borrowings – unsecured – related party	-	3,250,000
	-	3,250,000
	15,441,908	7,250,000

Current

¹Related party

The facility is provided by a Director at an initial interest rate of 6.8% which has been adjusted by the value of the increases to the cash rate by the Reserve Bank of Australia to 11.3% as at 30 June 2024. The facility is unsecured and had a maturity date of 30 June 2025 which has been extended to 30 September 2026. The Director has also provided the Company with a further loan of \$2,000,000. This loan has an interest rate of 18% and was repayable on 31 December 2024, and has now been extended to 30 September 2026.

Following the extension of term on these facilities, they would be classified as non-current liabilities at the date of this report. The Company will need the consent of the lender to dispose of any part of its business.

Other

All debt is classified as current as at 30 June 2024. Subsequent to reporting date the Company has renegotiated an extension on the repayment date of its debt facilities as outlined hereunder.

Unsecured

Lender	Secured/unsecured	Principal	Maturity date	Interest rate
Akuna Finance	Unsecured	1,000,000	15 August 2026	18%

Secured

Lender	Secured/unsecured	Principal	Penalty interest & default fees to 30 June 2024 capitalised	Maturity date	Interest rate
Syndicate	Secured	2,055,000		2 January 2026	42%
LA & MDP Pty Ltd	Secured	2,000,000	1,400,000	15 August 2026	20%
Others	Secured	1,000,000		31 January 2026	36%

NOTE 13. BORROWINGS (CONTINUED)

² *Convertible note*

During the year, the Company entered into a Convertible Note for up to \$10 million. The first tranche of the note, for \$2.25 million, was drawn on 12 October 2023. The Convertible note was transferred to AFSG Capital Pty Limited on 28 March 2024. The facility has a maturity date which has now been extended to 15 August 2026, with an agreement that there will be no conversion prior to 31 March 2025. Interest of \$280,000 was recorded during the period using the effective interest rate method. The derivative liability represents the value of the conversion option included in the agreement. It is revalued each reporting period. 57,000,000 commitment shares were also issued as part of the arrangement at the issue price of \$0.008, with a total value of \$456,000 – see note 11.

The Company has agreed to issue AFSG Capital Pty Ltd with 150 million ordinary shares to compensate for the extension of the no conversion period.

NOTE 14. OTHER LIABILITIES

(a) Other current liabilities

	Consolidated as at	
	30 Jun 2024	30 Jun 2023
	\$	\$
Other current liabilities		
Unearned income	1,059,361	762,724
Payroll tax and other statutory liabilities	367,212	370,910
AASB 16 lease liability	67,846	92,893
Share/option base payables	-	195,000
Fee payable on conversion of convertible note ¹	1,200,000	-
Other current liabilities	35,831	(34,848)
	<u>2,730,250</u>	<u>1,386,679</u>

¹The Company has an agreement with the party who have assumed the obligations under the convertible note, AFSG Capital Pty Ltd (AFSG) to pay a fee of \$1.2 million in cash or shares (at AFSG election) in the event of conversion of the convertible note to equity or repayment of the note.

(b) Other non-current liabilities

	Consolidated as at	
	30 Jun 2024	30 Jun 2023
	\$	\$
AASB 16 lease liability	53,692	53,692

NOTE 15. EQUITY – ISSUED CAPITAL

	Consolidated		Consolidated	
	30 Jun 2024	30 Jun 2024	30 Jun 2023	30 Jun 2023
	Shares	\$	Shares	\$
Ordinary shares - fully paid	4,139,886,194	130,725,041	3,791,966,295	130,077,646
Total issued capital	4,139,886,194	130,725,041	3,791,966,295	130,077,646

Movements in ordinary share capital – Year ended 30 June 2023

	Notes	Number of shares	\$
Opening balance 1 July 2022		3,265,909,706	122,528,735
Issue of shares – placement		457,516,340	7,000,000
Issue of shares – services performed		54,555,554	709,218
Issue of shares – performance rights		10,000,000	194,300
Issue of shares – director’s fees		3,984,695	145,393
		3,791,966,295	130,577,646
Less: Capital raising costs arising on share issues			(500,000)
Closing balance 30 June 2023		3,791,966,295	130,077,646

Movements in ordinary share capital – Year ended 30 June 2024

	Note	Number of shares	\$
Opening balance 1 July 2023		3,791,966,295	130,077,646
Issue of shares - convertible note fee	a)	57,000,000	456,000
Issue of shares - borrowing fee	b)	1,124,928	12,917
Issue of shares - borrowing fee	c)	176,375,000	1,396,000
Issue of shares - CEO incentive	d)	25,000,000	175,000
Issue of shares - services performed	e)	29,285,714	212,478
Issue of shares - directors fees	f)	19,500,000	195,000
Amendment to prior share issue	g)	-	(1,800,000)
Issue of shares - commitment fee for facility amended	h)	14,285,714	100,000
Issue of shares	i)	25,348,543	139,417
Less: Capital raising costs arising on share issues		-	(239,417)
		4,139,886,194	130,725,041

- a) On October 6, 2023, 57,000,000 shares were issued at \$0.008 per share to Obsidian Global LLC as a commitment fee for the Convertible Note, as announced to the ASX.
- b) On September 22, 2023, 1,124,928 shares at \$0.0115 per share were issued to loan note holders as part of a debt and share offer disclosed to the ASX.
- c) 176,375,000 shares were issued AT \$0.008 per share to a broker as fees for securing debt facilities.
- d) On 30 November 2023, at the Company Annual General Meeting, 25,000,000 shares were approved to be issued to the Managing Director, James Tsiolis, in relation to services performed. The shares were issued at a deemed price of \$0.007 per share.

NOTE 15. EQUITY – ISSUED CAPITAL (CONTINUED)

- e) 29,285,714 shares at \$0.007 per share to employees/contractors, for services performed.
- f) 30 November 2023, at the Company Annual General Meeting, it was resolved to issue 19,500,000 shares to Directors as part of their remuneration for prior services performed, in lieu of making cash payments. The shares were issued at a deemed price of \$0.01 per share.
- g) On 22 February 2023 the Company issued 261,437,909 shares at a price of \$0.0153 per share to Regal Funds Management Pty Ltd on behalf of certain of its investment funds under the \$20.5 million Equity Placement Facility. The final number of shares to be issued, and the related issue price for these shares are pending finalisation. The Company has accrued an amount of approximately \$1.8 million pending the issue of further shares to Regal under the Equity Placement Facility.
- h) On 15 January 2024 the company issued 14,285,714 shares at \$0.007 per share to Obsidian Global LLC as an additional commitment fee for amending the convertible note terms.
- i) On 29 January 2024 the Company issued 25,348,543 shares at \$0.0055 per share to Obsidian Global LLC on conversion of 80,000 convertible notes for a face value of \$139,417.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital. On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the consolidated entity may adjust the number of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

NOTE 16. SHARE BASED PAYMENTS

Options

		30 Jun 2024	30 Jun 2023
Options		-	75,500,000
Unissued ordinary shares under option:			
Details	Grant date	Number of options	Average exercise price \$
Opening balance 1 July 2022		80,500,000	
Options granted	20-Oct-22	10,000,000	0.125
Options expired		(15,000,000)	
Closing balance 30 June 2023		75,500,000	
Options expired or lapsed on resignation		(75,500,000)	
		-	

NOTE 16. SHARE BASED PAYMENTS (CONTINUED)

Performance rights

	30 Jun 2024	30 Jun 2023
Performance rights	-	168,666,667
Details		Number of performance rights
Opening balance 1 July 2023		168,666,667
Performance rights lapsed		(168,666,667)
Closing balance 30 June 2024		-

NOTE 17. EQUITY – RESERVES

	Consolidated as at	
	30 Jun 2024	30 Jun 2023
Share based payment and option reserve	\$	\$
Opening balance	14,353,328	13,412,719
Transfers to accumulated losses	(14,353,328)	-
Other movements	-	940,609
	-	14,353,328
Foreign currency translation reserve		
Opening balance	(165,305)	(40,319)
Movements	(758,252)	(124,986)
Closing balance	(923,557)	(165,305)

Share based payments and options reserve

This reserve is used to record the value of equity benefits provided for the issue of equity instruments. All performance rights and options were lapsed during the year and the reserve transferred to accumulated losses.

NOTE 18. EQUITY – ACCUMULATED LOSSES

	Consolidated as at	
	30 Jun 2024	30 Jun 2023
	\$	\$
Accumulated losses at the beginning of the year	(132,538,812)	(120,200,785)
Loss after income tax expense for the year	(20,439,972)	(12,338,027)
Transferred from share based payment reserve	14,353,328	-
Accumulated losses at the end of the year	(138,625,456)	(132,538,812)

NOTE 19. NON-CONTROLLING INTERESTS

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Beijing iLinkAll Science and Technology Co

Summarised balance sheet

	30 Jun 2024	30 Jun 2023
	\$	\$
Current assets	216,297	444,547
Current liabilities	(30,377)	(198,705)
Current net assets	<u>185,920</u>	<u>245,842</u>
Non-current assets	26,858	186,794
Non-current liabilities	-	-
Non-current net assets	<u>26,858</u>	<u>186,794</u>
Net assets	<u>159,062</u>	<u>432,636</u>
Accumulated non-controlling interests	42,556	(45,697)

Summarised statement of comprehensive income

	2024	2023
	\$	\$
Revenue	335,803	372,404
Profit/(loss) for the year	(41,058)	(288,505)
Other comprehensive income	-	-
Total comprehensive income	<u>(41,058)</u>	<u>(288,505)</u>
Loss allocated to non-controlling interests	(8,212)	(61,237)

Summarised cash flows

	2024	2023
	\$	\$
Cash flows from operating activities	57,103	(129,055)
Cash flows from investing activities	-	-
Cash flows from financing activities	-	(34,162)
Effect of movement in exchange rates on cash held	-	(28,082)
Net (decrease)/increase in cash and cash equivalents	<u>57,103</u>	<u>(191,299)</u>

The Company acquired the remaining 20% interest in this entity in September 2024.

NOTE 20. RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH FROM OPERATING ACTIVITIES

	Consolidated for the year ended	
	30 Jun 2024	30 Jun 2023
	\$	\$
Loss after income tax benefit for the year	(20,594,060)	(12,352,779)
Adjustment for non-cash transactions:		
Depreciation and amortisation	891,329	878,001
Foreign exchange differences	-	23,175
Operating expenses paid in shares and options	445,000	465,890
Share based payments	1,376,189	1,378,240
Others	(23,134)	72,116
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	1,636,929	(656,966)
Decrease/(Increase) in inventory	6,353,308	(6,797,543)
Increase in trade and other payables	3,372,564	1,147,836
Increase in unearned income	296,637	199,020
Increase in employee benefits	(59,950)	38,681
Net cash flows used in operating activities	(6,305,188)	(15,604,329)

NOTE 21. LOSS PER SHARE

	Consolidated for the year ended	
	30 Jun 2024	30 Jun 2023
	\$	\$
Loss per share for loss from continuing operations		
Loss after income tax attributable to the owners of Netlinkz Limited	(20,594,060)	(12,352,779)
Weighted average number of ordinary shares used in calculating basic diluted loss per share		
	3,985,558,336	3,510,411,634
	\$	\$
Basic loss per share	(0.0052)	(0.0035)
Diluted loss per share	(0.0052)	(0.0035)
	Number	Number
Number of shares under options or rights	Nil	243,166,667

NOTE 22. INTERESTS IN MATERIAL SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1:

Name	Principal place of business/ Country of incorporation	Ownership interest	
		30 Jun 2024	30 Jun 2023
		%	%
Netlinkz Global Services (Aust & NZ) Pty Limited	Australia	100%	100%
Netlinkz Technology Pty Ltd	Australia	100%	100%
ISC (Australia) Pty Ltd	Ireland	100%	100%
SSI Pacific Pty Ltd	Australia	100%	100%
AoFa Software Engineering (Shanghai) Co. Ltd	China	100%	100%
Beijing iLinkAll Science and Technology Co	China	80%*	80%
Netlinkz Technology Hong Kong Limited	Hong Kong	100%	100%
Netlinkz Japan K.K.	Japan	100%	100%
Netlinkz (Private) Limited	Pakistan	100%	0%
Southcloud Holdings Pty Ltd	Australia	100%	100%
Southcloud Pty Ltd	Australia	100%	100%
Netlinkz International Technology Limited	Ireland	100%	100%

*Acquisition of remaining 20% pending completion of legal transfer only.

NOTE 23. REMUNERATION OF AUDITORS

During the financial year the following fees were paid or payable for services provided by BDO Audit Pty Ltd, the auditor of the Company, its network firms and unrelated firms:

	Consolidated for the year ended	
	30 Jun 2024	30 Jun 2023
	\$	\$
Auditors of the Group – BDO Audit Pty Ltd		
Audit and review of financial statements		
Group	135,000	148,000
Controlled entities and joint operations	14,384	48,536
Total audit and review of financial statements	149,384	196,536
Auditors of the Group – Hall Chadwick Pty Ltd		
Audit and review of financial statements		
Group	50,000	-
Controlled entities and joint operations	-	-
Total audit and review of financial statements	50,000	-
Other services	-	-
Total services provided by Auditors	199,384	196,536

NOTE 24. COMMITMENTS

There were no commitments as at 30 June 2024 (30 June 2023: Nil).

NOTE 25. RELATED PARTY TRANSACTIONS

A number of directors of the Company, or their director-related entities, held positions in other entities during the financial year that result in them having control or significant influence over the financial or operating policies of those entities.

The terms and conditions of the transactions with directors and their director-related entities were no more favourable to the directors and their director-related entities than those available, or which might reasonably be expected to be available, on similar transactions to non-director-related entities on an arm's length basis.

The aggregate amounts recognised during the year (excluding reimbursement of expenses incurred on behalf of the Company) relating to directors and their director-related entities were as follows:

Issuance of shares, options and performance rights

Mr James Tsiolis was awarded 25,000,000 ordinary shares at the 2023 AGM as part of his remuneration.

Parent entity

Netlinkz Limited is the parent entity.

Subsidiaries

Interests in material subsidiaries are set out in Note 22.

Key management personnel

Disclosures relating to key management personnel are set out in the remuneration report in the directors' report to this audited Annual Report.

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated for the year ended	
	30 Jun 2024	30 Jun 2023
	\$	\$
Short-term employee benefits	1,389,855	1,501,414
Post-employment benefits	45,141	51,712
Short-term benefits	-	29,635
Share-based payments	-	665,746
	1,434,996	2,248,507

Transactions with related parties

The following balances were outstanding at the reporting date in relation to transactions with related parties:

	Consolidated as at	
	30 Jun 2024	30 Jun 2023
Non-current liabilities		
Borrowings - unsecured - related party	5,250,000	3,250,000
	5,250,000	3,250,000

NOTE 25. RELATED PARTY TRANSACTIONS (CONTINUED)

On 9 May 2022 the Company executed an agreement with Booker Super Services Pty Limited, an entity related to a Director of the Company for a \$10.0 million facility.

At 30 June 2024 the Company had drawn \$3,250,000. The facility was provided at an initial interest rate of 6.8% which has been adjusted by the value of the increases to the cash rate by the Reserve Bank of Australia. The facility is unsecured and had a maturity date of 30 June 2025 which has been extended to 30 September 2026. It was mutually agreed with the lender that no further funds would be drawn under the facility. The lender has then provided the Company with a further loan of \$2,000,000 through a Company controlled by the Director. This loan has an interest rate of 18% and was repayable on 31 December 2024, and has now been extended to 30 September 2026.

These facilities are unsecured. The facilities have incurred interest of \$456,465 during the year ended 30 June 2023 (2023: \$191,245).

NOTE 26. PARENT ENTITY INFORMATION

Set out below is the supplementary information about the parent entity:

	Consolidated for the year ended	
	30 Jun 2024	30 Jun 2023
	\$	\$
Loss after income tax	20,594,060	10,649,649
Total current assets	213,908	3,001,466
Total non-current assets	11,026,670	21,336,741
Total assets	11,240,578	24,338,207
Total current liabilities	20,111,994	5,994,867
Total non-current liabilities	-	3,250,000
Total liabilities	20,111,994	9,244,867
Issued capital	130,725,041	127,305,087
Reserves	-	14,353,328
Accumulated losses	(139,596,457)	(126,565,073)
Total equity	(8,871,416)	15,093,341

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2024 and 30 June 2023.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for plant, property and equipment as at 30 June 2024 and 30 June 2023.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in Note 1, except for Investments in subsidiaries which are accounted for at cost, less any impairment, in the parent entity.

NOTE 28. FINANCIAL RISK MANAGEMENT

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity does not use derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures but may do so as and when required. The consolidated entity uses different methods to measure different types of risk to which it is exposed.

Risk management is carried out by senior executives ('Finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and mitigates financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting. The risk is not currently considered material.

Price risk

The consolidated entity is not exposed to any significant price risk.

Interest rate risk

The consolidated entity's main interest rate risk arises from borrowings. Borrowings issued at variable rates expose the consolidated entity to interest rate risk. Borrowings issued at fixed rates expose the consolidated entity to fair value risk. At 30 June 2024 the consolidated entity's current borrowings outstanding of \$4m incurred interest according to fixed interest rates. The consolidated entity's non-current borrowings outstanding of \$3.25m incurred interest according to variable interest rates at the Reserve Bank of Australia cash rate +6.45%. Interest expense is therefore at risk of fluctuations in this cash rate. A 1% increase in the Reserve Bank of Australia cash rate would result in a \$32,500 increase in interest expense on the loan balance at 30 June 2024.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

Trade receivables and contract assets

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 12 months before 30 June 2022 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

As at 30 June 2024, the Group has \$1,016,031 (2023: \$1,927,717) in trade receivables. An expected credit loss provision of \$Nil (2023: \$Nil) has been recognised.

Credit risk exposure

The Group considers the probability of default upon initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower
- significant increases in credit risk on other financial instruments of the same borrower
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behavior of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

The Group has considered the credit rating of the financial institutions with which it is engaged and determined an acceptable level of credit risk exposure.

Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable. The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Due to regulatory requirements and geopolitical factors, it is sometimes necessary to maintain higher levels of liquid assets in the foreign countries in which the Company has operations. In such cases, funds surplus to short term requirements are deposited in low-risk at-call financial products offered by trusted banking institutions. Often, these products do not meet the technical definition of Cash and cash equivalents under AASB107 Statement of Cash Flows and are instead disclosed as Financial assets at fair value through profit or loss (FVTPL).

NOTE 28. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financing arrangements

Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 30 June 2024	Interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows
	%	\$	\$	\$	\$	\$
Non-derivatives						
Non-interest bearing						
Trade payables and accruals	-	4,619,776	-	-	-	4,619,776
Interest bearing – fixed rate						
Borrowings	18% to 42%	12,191,908	-	-	-	12,191,908
Lease liability	12% to 17%	67,845	23,537	-	-	91,382
Interest bearing – variable						
Borrowings	Cash Rate +6.8%	3,250,000	-	-	-	3,250,000
Total non-derivatives		15,509,753	23,537	-	-	15,533,290
Convertible note	20%	2,426,908	-	-	-	2,426,908

Subsequent to balance date the Company reached agreement with its lenders to extend payment terms on interest bearing debt with contractual maturities as follows:

Consolidated – 30 June 2024	Interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows
	%	\$	\$	\$	\$	\$
Interest bearing – fixed rate						
Borrowings	18% to 42%	310,000	2,055,000	9,826,908	-	12,191,908
Lease liability	12% to 17%	67,845	23,537	-	-	91,382
Interest bearing – variable						
Borrowings	Cash Rate +6.8%	-	-	3,250,000	-	3,250,000
Total non-derivatives		377,845	2,078,537	13,076,908	-	15,533,290
Convertible note	20%	-	-	2,426,908	-	2,426,908

NOTE 28. FINANCIAL RISK MANAGEMENT (CONTINUED)

Consolidated - 30 June 2023	Interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows
	%	\$	\$	\$	\$	\$
Non-derivatives						
Non-interest bearing						
Trade payables and accruals		2,530,617	-	-	-	2,530,617
Interest bearing – fixed rate						
Borrowings	20-30%	4,828,800				4,828,800
Lease liability	12-17%	92,893	53,692	-	-	146,585
Interest bearing – variable rate						
Borrowings	Cash rate +6.45%	-	3,946,000	-	-	3,946,000
Total non-derivatives		7,452,310	3,999,692	-	-	11,452,002

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Fair value measurement

Fair value hierarchy

Recurring fair value measurements at 30 June 2023 and 30 June 2024	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets				
Financial assets at FVPL				
Investment in private company	-	-	100,000	100,000
Total financial assets	-	-	100,000	100,000
Financial liabilities				
Other	-	-	-	-
Total financial liabilities	-	-	-	-

NOTE 28. FINANCIAL RISK MANAGEMENT (CONTINUED)

There are no other assets or liabilities carried at fair value in the accounts as at 30 June 2024.

Recognised fair value measurements

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

The level 3 financial asset is an investment in a private company which was initially recorded as cost and is considered for revaluation by management on an annual basis, based on financial and non-financial factors specific to the company in question. Based on this assessment, no material change in valuation was identified.

For other borrowings (other loans) the fair value is not materially different to their carrying value, since the interest payable on these borrowings is close to current market rates and the borrowings are short term in nature.

NOTE 29. CONTINGENT LIABILITIES

There were no contingent liabilities as at 30 June 2024 (30 June 2023: Nil).

NOTE 30. EVENTS SUBSEQUENT TO REPORTING DATE

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the entity's operations, the results of those operations, or the entity's state of affairs in future financial years.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Basis of preparation

The consolidated entity disclosure statement has been prepared in accordance with the s295(3A)(a) of the Corporations Act 2001 and includes the required information for Netlinkz Limited and the entities it controls in accordance with AASB 10 Consolidated Financial Statements.

Tax Residency

S295(3A)(vi) of the Corporations Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency may involve judgement as there are different interpretation that could be adopted, and which could give rise to different conclusions regarding residency.

In determining tax residency, the Group has applied the following interpretations:

Australian Tax Residency

Current legislation and judicial precedent has been applied, including having regard to the Tax Commissioner’s public guidance.

Foreign tax residency

Where appropriate, independent tax advisers have been engaged to assist in the determination of tax residence to ensure applicable foreign tax legislation has been complied with.

Name	Principal place of business/ Country of incorporation	Ownership Interest 2024 %	Income tax jurisdiction
Netlinkz Global Services (Aust & NZ) Pty Limited	Australia	100%	Australia
Netlinkz Technology Pty Ltd	Australia	100%	Australia
ISC (Australia) Pty Ltd	Ireland	100%	Ireland
SSI Pacific Pty Ltd	Australia	100%	Australia
AoFa Software Engineering (Shanghai) Co. Ltd	China	100%	China
Beijing iLinkAll Science and Technology Co	China	80%	China
Netlinkz Technology Hong Kong Limited	Hong Kong	100%	Hong Kong
Netlinkz Japan K.K.	Japan	100%	Japan
Netlinkz (Private) Limited	Pakistan	100%	Pakistan
Southcloud Holdings Pty Ltd	Australia	100%	Australia
Southcloud Pty Ltd	Australia	100%	Australia
Netlinkz International Technology Limited	Ireland	100%	Ireland

DIRECTORS DECLARATION

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, 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 at 30 June 2024 and of its performance for the financial year ended on that date;
- The consolidated entity disclosure statement required by subsection 295(3A) of the Corporations Act 2001 is true and correct
- there are reasonable grounds to believe that the Company will able to pay its debts as and when they become due and payable; and
- The Directors have been given the declarations required by section 295(a) of the Corporation act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(a) of the Corporations Act 2001.



James Tsiolis

CEO & Managing Director

Sydney NSW

Dated this 30th day of April 2025

NETLINKZ LIMITED
 ABN 55 141 509 426
 AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT
 TO THE MEMBERS OF NETLINKZ LIMITED

Opinion

We have audited the financial report, being a general purpose financial report, of Netlinkz Limited (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis of Opinion

We conducted our audit in accordance with Australian Auditing Standards. 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 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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty related to Going Concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is note modified in respect of this matter.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, 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.

<p>ADELAIDE Level 9 50 Pirie Street Adelaide SA 5000 T: +61 8 7093 8283</p>	<p>BRISBANE Level 19 240 Queen Street Brisbane QLD 4000 T: +61 7 2111 7000</p>	<p>DARWIN Level 1 48-50 Smith Street Darwin NT 0800 T: +61 8 8943 0645</p>	<p>MELBOURNE Level 14 440 Collins Street Melbourne VIC 3000 T: +61 3 9820 6400</p>	<p>PERTH Level 11 77 St Georges Tce Perth WA 6000 T: +61 8 6557 6200</p>	<p>SYDNEY Level 40 2 Park Street Sydney NSW 2000 T: +61 2 9263 2800</p>
--	---	---	---	---	--

www.hallchadwick.com.au

Liability limited by a scheme approved under Professional Standards Legislation. Hall Chadwick (NSW) Pty Ltd ABN: 32 103 221 352

For personal use only

NETLINKZ LIMITED
 ABN 55 141 509 426
 AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT
 TO THE MEMBERS OF NETLINKZ LIMITED

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the 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 objectives are 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at The Australia Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors/responsibilities/ar4.pdf. This description forms part of our auditor's report.

Hall Chadwick (NSW)
 HALL CHADWICK (NSW)
 Level 40, 2 Park Street
 Sydney NSW 2000



ANTHONY TRAVERS
 Partner
 Dated: 30 April 2025

ADELAIDE Level 9 50 Pirie Street Adelaide SA 5000 T: +61 8 7093 8283	BRISBANE Level 19 240 Queen Street Brisbane QLD 4000 T: +61 7 2111 7000	DARWIN Level 1 48-50 Smith Street Darwin NT 0800 T: +61 8 8943 0645	MELBOURNE Level 14 440 Collins Street Melbourne VIC 3000 T: +61 3 9820 6400	PERTH Level 11 77 St Georges Tce Perth WA 6000 T: +61 8 6557 6200	SYDNEY Level 40 2 Park Street Sydney NSW 2000 T: +61 2 9263 2800
---	--	--	--	--	---

www.hallchadwick.com.au

Liability limited by a scheme approved under Professional Standards Legislation. Hall Chadwick (NSW) Pty Ltd ABN: 32 103 221 352

For personal use only

SHAREHOLDER INFORMATION

Additional Information for Listed Public Companies

30 June 2024

ASX Additional Information

Additional information required by the ASX Listing Rules and not disclosed elsewhere in this report is set out below. This information is effective as at 20 September 2024.

Substantial shareholders

There were no shareholders holding more than 5% of shares on issue as at 20 September 2024.

Voting rights

Ordinary Shares

On a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Distribution of equity security holders

There were 3,331 holders of less than a marketable parcel of ordinary shares.

Twenty largest shareholders

Computershare			
NETLINKZ LIMITED		ORDINARY FULLY PAID SHARES (Total)	
Top Holders (Grouped) As Of 9/20/2024		Composition : Ordinary Shares	
Rank	Name	Units	% Units
1	BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	155,615,384	3.76
2	ALPHA FIRST PTY LTD	151,698,922	3.66
3	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	92,664,233	2.24
4	DAWN MOWER'S (SURREY HILLS) PTY LTD	76,000,000	1.84
5	AKUNA FINANCE PTY LTD	75,983,012	1.84
6	REEF INVESTMENTS PTY LTD <T D NAIRN SUPER FUND A/C>	65,783,936	1.59
7	THEOFAM NOMINEES PTY LTD <THEOFAM A/C>	60,000,000	1.45
8	GLUG GLUG PTY LTD	56,500,000	1.36
9	SUTHERLAND FAMILY COMPANY PTY LTD <THE SWAN A/C>	54,832,335	1.32
10	SINGARA PTY LTD <GARGETT FAMILY A/C>	51,356,593	1.24
11	MR PAUL JAMES MENARY	50,145,214	1.21
12	MR TREVOR DOUGLAS NAIRN <T D NAIRN FUND ACCOUNT>	47,864,342	1.16
13	PHILLIP STREET HOLDINGS PTY LTD <PHILLIP STREET A/C>	45,000,000	1.09
14	MR ANDREW SUTHERLAND + MS SALLY CAPP <SUTHERLAND S/F A/C>	44,900,000	1.08
15	THE CALABRIAN PTY LTD <CAPPIELLO INVESTMENT A/C>	44,451,032	1.07
16	ALZAMAY HOLDINGS PTY LTD <ALZAMAY SUPER FUND A/C>	43,526,412	1.05
17	GLUG GLUG PTY LTD	41,000,000	0.99
18	ICE COLD INVESTMENTS PTY LTD <G & J BROWN SUPER FUND A/C>	39,950,000	0.97
19	BUTTONWOOD NOMINEES PTY LTD	38,881,114	0.94
20	TRANS-FORMING INVESTMENTS PTY LTD <TRANS-FORMING INVESTMEN A/C>	37,500,000	0.91
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)		1,273,652,529	30.77
Total Remaining Holders Balance		2,866,233,736	69.23

Range of units



NETLINKZ LIMITED

ORDINARY FULLY PAID SHARES (Total)

Range of Units As Of 9/20/2024

Composition : ORD,E11,ES8,ES9

Range	Total holders	Units	% Units
1 - 1,000	440	141,207	0.00
1,001 - 5,000	351	1,058,855	0.03
5,001 - 10,000	347	2,793,980	0.07
10,001 - 100,000	1,867	81,194,779	1.96
100,001 Over	1,710	4,054,697,444	97.94
Rounding			0.00
Total	4,715	4,139,886,265	100.00

Unmarketable Parcels

	Minimum Parcel Size	Holders	Units
Minimum \$ 500.00 parcel at \$ 0.0030 per unit	166,667	3,331	127,673,429

Unissued equity securities

Nil.

Securities exchange

The Company is listed on the Australian Securities Exchange.