

We connect.
Secure. Fast. Simple.



Netlinkz

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NETLINKZ LIMITED

INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

ACN 141 509 426

CORPORATE DIRECTORY

Directors

Stephen Gibbs	Non-Executive Chairman
James Tsiolis	Managing Director and Chief Executive Officer
Grant Booker	Non-Executive Director

Company secretary

Guy Robertson

Registered office

Level 10, 179 Castlereagh Street
Sydney NSW 2000

Principal place of business

Level 10, 179 Castlereagh Street
Sydney NSW 2000

Share register

Computershare Investor Services Pty Ltd
Yarra Falls, 452 Johnston 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

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DIRECTORS' REPORT

DIRECTORS

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

- Stephen Gibbs Non-Executive Chairman
- James Tsiolis Managing Director and Chief Executive Officer
- Grant Booker Non-Executive Director

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.

REVIEW OF OPERATIONS

The Directors of Netlinkz are pleased to present their report on the Company at the end of the half year period ended 31 December 2024.

Revenue for the half year ended 31 December 2024 of \$7,654,343 was 28% down on the prior half year (31 December 2023: \$10,646,439), as China repositioned to target higher margin business, the Company reset its channel with SpaceX no longer selling hardware, and focussed on subscription business. The total comprehensive loss for the half year ended 31 December 2024 was \$1,895,578 (31 December 2023: loss of \$9,326,550), the loss largely attributable to borrowing costs.

The board and management team continue to focus on developing its products (VSN+ and lawful interception) for the cyber market and the significant global opportunity the joint venture Securelink Networks in the Philippines presents. The company has been able to continue to reduce its own costs by use of Securelink Networks resources and salesforce.

SSI, a wholly owned subsidiary of Netlinkz, that provides law interception services continues to perform profitably and in line with expectations.

A strategic review of the China business was undertaken with the decision to divest out of owning a business in China and shift to a reseller arrangement for the VSN+ product into China through Securelink which does not burden Netlinkz with the regulatory and capital requirements.

The decision was made in mid-2024 to cease being a Starlink reseller because of the cost of logistics, small margins and the change by Starlink on appointment of telecommunication businesses as resellers. The cost reductions have led to less head count and the closure of Starlink logistics and warehousing facilities in Asia, New Zealand, South America and the United States. Additionally, all development work associated with the Starlink reselling has also ceased with a further reduction in cash burn.

All Starlink enterprise kit has been sold and the balance of the proceeds received over the past six months. Securelink Networks will continue to work with Starlink resellers and agents to provide satellite broadband as part of its cybersecurity product bundles.

The company's focus over the last six months was the development of its sales channel with its partner PT&T in the Philippines. A joint venture company (Securelink Networks) was formed in the December quarter as part of the go to market. A number of POCs are underway with both corporate and government enterprises in the Philippines.

Securelink Networks will be part of a rebranding strategy for the VSN in preparation for the ASEAN launch. Netlinkz will licensing VSN+ and SSI's Lawful Interception services to Securelink Networks.

In March 2025, Securelink Networks was officially launched in the Philippines with extensive media coverage. The keynote speaker for the launch event was Hon. Secretary Ernesto V. Perez, Director General of the Anti-Red Tape Authority.

The official launch event was attended by distinguished guests from government agencies, enterprise partners, and the media. Key attendees included Assistant Secretary Philip Varilla of the Department of Information and Communications Technology; NTC Commissioner Ella Lopez; Deputy Commissioner Atty. Andres Castellar; Ms. Berniece Vanguardia of the Australian Trade and Investment Commission (Austrade); and Dr. Moya Collett, Deputy Ambassador of the Australian Embassy.

The response from Philippine business leaders and Government officials was extremely positive with several organisations and agencies agreeing to enter Proof of Concepts (POCs) for the VSN+.

Securelink Networks will bundle the VSN+ product into all of its connectivity products sold to customers. VSN will be the security and performance layer for all forms of connectivity.

This well-established customer base covers Enterprise, Government, NGO's and residential users, ensuring a low cost of customer acquisition and a wide distribution of the VSN+ product.

Securelink Networks , post launch in March 2025, has started booking revenue and developing sales channels with various agents and resellers. A Securelink Networks product launch is expected in the September quarter.

The demand for cyber secure products in the Philippines and the ASEAN Region is extremely large and expected to continue to grow. IT services spend in the Philippines is expected to be USD3.6bn by 2029 growing at 9.8% per year. In addition to VSN+ Netlinkz will license SSI's Lawful Interception and Telco data monitoring products into the SecureLink Networks business establishing SecureLink Networks as a Philippine owned provider for these sensitive data sovereignty services.

James Velasquez has been appointed the CEO and President of Securelink Networks and will continue as the Chairman of PT&T. In addition, a number of key personnel from PT&T in sales, marketing and customer support have been seconded to Securelink Networks.

Post 31 December 2024, Netlinkz has entered into an agreement to transfer ownership of its China businesses iLinkAll and AOFA to the local management team. The China businesses were not cashflow breakeven and coupled with the continued geopolitical issues necessitated the change in strategy. Securelink Networks will enter into a reselling arrangement with the China team. With the China businesses no longer owned by a foreign entity, the local management will be authorised to apply for cybersecurity licenses to sell VSN+ to customers without a telco partnership.

The company is working on restructuring its debt. A refinancing of the existing facilities is the focus of the management team and the company advisers. The existing lenders remain committed to a restructure of the debt.

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 Company during the half year period ended 31 December 2024, except as otherwise noted in this report.

EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to 31 December 2024, the Company has determined to divest its China business comprising AoFa Software Engineering (Shanghai) Co. Ltd Beijing and iLinkAll Science and Technology Co in a management buy-out. The terms of the divestment have yet to be finalised.

Other than as outlined above, there were no matters or circumstances that have arisen since 31 December 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.

DIVIDENDS

No dividends have been declared for the half-year period ended 31 December 2024 or for the previous corresponding period.

INDEMNIFICATION OF AUDITORS

The Company has not, during or since the end of the half-year period ended 31 December 2024, indemnified, or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor. During the half year period ended 31 December 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.

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



James Tsiolis
Director
Sydney NSW

Dated this 11 day of June 2025.

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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 review of the financial report of Netlinkz Limited and its controlled entities for the half-year ended 31 December 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 review; and
- ii. any applicable code of professional conduct in relation to the review.

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



Anthony Travers
Partner

Date: 11 June 2025

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Continuing operations	Note	Consolidated for the half year ended	
		31 Dec 2024	31 Dec 2023
		\$	\$
Revenue	3	7,654,343	10,646,439
Cost of sales		(2,782,332)	(7,783,449)
Gross profit		4,872,011	2,862,990
Other income	3	-	67,263
Employee, consultant, administrative and corporate expenses		(2,042,152)	(5,703,512)
Research and development expenses		(1,951,715)	(1,188,064)
Business development and marketing expenses		(63,705)	(509,984)
Share based payment expenses		-	(154,260)
Finance costs		(1,475,056)	(3,179,368)
Depreciation and amortisation		(568,055)	(446,426)
Other expenses		(666,905)	(881,289)
Loss before income tax expense	4	(1,895,578)	(9,132,650)
Income tax expense		-	-
Loss after income tax expense for the half year		(1,895,578)	(9,132,650)
Other comprehensive income			
<i>Items that will be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations		232,293	(193,900)
Other comprehensive income for the half year, net of tax		232,293	(193,900)
Total comprehensive loss for the half year		(1,663,285)	(9,326,550)
<i>Loss for the half year is attributable to:</i>			
Members of the parent entity		(1,663,285)	(9,135,896)
Non-controlling interests		-	3,246
		(1,663,285)	(9,132,650)
<i>Total comprehensive loss for the half year is attributable to:</i>			
Members of the parent entity		(1,663,285)	(9,332,466)
Non-controlling interests		-	5,916
		(1,663,285)	(9,326,550)
Loss per share from continuing operations			\$
Basic loss per share	17	(0.0004)	(0.0024)
Diluted loss share	17	(0.0004)	(0.0024)

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

	Note	Consolidated as at	
		31 Dec 2024	30 Jun 2024
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	5	960,463	884,166
Trade and other receivables	6	2,627,559	1,477,847
Inventory	7	-	522,817
Other assets		-	402,108
Total current assets		3,588,022	3,286,938
Non-current assets			
Plant and equipment		82,339	13,434
Investments		-	100,000
Right of use assets		64,095	82,714
Intangible assets	8	10,105,516	10,637,726
Total non-current assets		10,251,950	10,833,874
Total assets		13,839,972	14,120,812
LIABILITIES			
Current liabilities			
Trade and other payables	9	4,886,883	4,619,776
Employee benefits	10	71,792	86,757
Borrowings	11	10,285,018	15,441,908
Other current liabilities	12	3,263,536	2,730,250
Total current liabilities		18,507,229	22,878,691
Non-current liabilities			
Borrowings	11	5,820,000	-
Lease liabilities		-	23,537
Total non-current liabilities		5,820,000	23,537
Total liabilities		30,447,229	22,902,228
Net assets		(10,487,257)	(8,781,416)
Equity			
Issued capital	13	130,725,041	130,725,041
Reserves	15	(691,264)	(923,557)
Accumulated losses	16	(140,521,034)	(138,625,456)
Capital and reserves attributable to members of the parent		(10,487,257)	(8,823,972)
Non-controlling interests		-	42,556
Total equity		(10,487,257)	(8,781,416)

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

	Attributable to owners of Netlinkz Limited						
	Note	Issued capital 13	Reserves 15	Accumulated losses 16	Total equity	Non-controlling interest	Total equity
Consolidated		\$	\$	\$	\$	\$	\$
Balance at 1 July 2024		130,725,041	(923,557)	(138,625,456)	(8,823,972)	42,556	(8,781,416)
Loss for the half year		-	-	(1,895,578)	(1,895,578)	(42,556)	(1,938,134)
Other comprehensive income		-	232,293	-	232,293	-	232,293
Total comprehensive loss for the half year		-	232,293	(1,895,578)	(1,663,285)	(42,556)	(1,705,841)
Transactions with owners in their capacity as owners:							
Other transactions with owners		-	-	-	-	-	-
Balance at 31 December 2024		130,725,041	(691,264)	(140,521,034)	(10,487,257)	-	(10,487,257)

	Attributable to owners of Netlinkz Limited						
	Note	Issued capital 13	Reserves 15	Accumulated losses 16	Total equity	Non-controlling interest	Total equity
Consolidated		\$	\$	\$	\$	\$	\$
Balance at 1 July 2023		130,077,646	14,188,023	(132,027,248)	12,238,421	(45,697)	12,192,724
Loss for the half year		-	-	(9,135,896)	(9,135,896)	3,246	(9,132,650)
Other comprehensive income		-	(158,865)	-	(158,865)	2,670	(156,195)
Total comprehensive loss for the half year		-	(158,865)	(9,135,896)	(9,294,761)	5,916	(9,288,845)
Transactions with owners in their capacity as owners:							
Share issue		2,447,395	-	-	2,447,395	-	2,447,395
Amendment to prior share issue		(1,800,000)	-	-	(1,800,000)	-	(1,800,000)
Transfers		-	(14,507,920)	14,507,920	-	(268,742)	(268,742)
Share based payments		-	154,260	-	154,260	-	154,260
Balance at 31 December 2023		130,725,041	(324,502)	(126,655,224)	3,745,315	(308,523)	3,436,792

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

	Note	Consolidated for the half year ended	
		31-Dec-24	31-Dec-23
		\$	\$
Cash flows from operating activities			
Receipts from customers		7,228,994	11,579,349
Payments to suppliers and employees		(7,154,428)	(16,832,434)
Research and development tax offset		-	349,546
Interest received		(23,284)	-
Interest paid		(414,986)	(963,570)
Net cashflows used in operating activities		(363,704)	(5,867,109)
Cash flows from investing activities			
Purchase of plant and equipment		(86,131)	(51,121)
Net cashflows used in investing activities		(86,131)	(51,121)
Cash flows from financing activities			
Proceeds from borrowings		570,000	8,615,000
Repayments of borrowings		(130,000)	(2,000,000)
Principle lease payments		(23,537)	(57,238)
Net cashflows from financing activities		416,463	6,557,762
Net (decrease)/increase in cash and cash equivalents		(33,372)	639,532
Effect of foreign exchange movements on cash		109,669	114,815
Cash and cash equivalents at the beginning of the half year		884,166	712,852
Cash and cash equivalents at the end of the half year	5	960,463	1,467,199

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

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 period. The financial statements are presented in Australian dollars, which is Netlinkz Limited's functional and presentation currency. Netlinkz Limited (ASX:NET) is a listed public company limited by shares, incorporated and domiciled in Australia.

Basis of preparation

The half-year financial report is a general-purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 *Interim Financial Reporting*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report. The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's annual financial report for the year ended 30 June 2024.

Going concern

This financial report has been prepared on the 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 period ended 31 December 2024, the Group incurred a total loss after tax of \$1,895,578 (31 December 2023: \$9,132,650), had net cash outflows from operating activities of \$363,704 (31 December 2023: \$5,867,109) for the half year, and had a net current assets deficit of \$10,487,257 as at 31 December 2024 (30 June 2024: Deficit \$8,781,416).

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 \$960,463;
- The Company has the current support of its lenders and is negotiating to extend repayment dates beyond June 2026 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.

NOTE 2. 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 half year ended 31 December 2024	Australia & New Zealand	China	Unallocated/ Corporate	Netlinkz Group
	\$	\$	\$	\$
Revenue	5,110,850	2,543,493	-	7,654,343
Other income	-	-	-	-
Total revenue	5,110,850	2,543,493	-	7,654,343
Cost of sales	(1,686,998)	(1,095,334)	-	(2,782,332)
Business development and marketing expenses	(63,705)	-	-	(63,705)
Employee, consultant, administrative and corporate expenses	(1,059,085)	(983,067)	-	(2,042,152)
Research and development expenses	(1,620,301)	(331,414)	-	(1,951,715)
Other	(366,906)	-	(300,000)	(666,906)
Total earnings before interest, tax, depreciation and amortisation	313,855	133,678	(300,000)	147,533
Depreciation and amortisation	(568,055)	-	-	(568,055)
Finance costs	(1,475,056)	-	-	(1,475,056)
Loss before income tax from continuing operations	(1,729,256)	133,678	(300,000)	(1,895,578)

Operating segment information - continued

For the half year ended 31 December 2023	Australia & New Zealand	China	Unallocated/ Corporate	Netlinkz Group
	\$	\$	\$	\$
Revenue	3,073,654	7,572,785	-	10,646,439
Other income	36,554	10,323	20,386	67,263
Total revenue	3,110,208	7,583,108	20,386	10,713,702
Cost of sales	(1,359,004)	(6,424,445)	-	(7,783,449)
Share based payment expenses	-	-	(154,260)	(154,260)
Business development and marketing expenses	(509,984)	-	-	(509,984)
Employee, consultant, administrative and corporate expenses	(5,340,172)	(363,340)	-	(5,703,512)
Research and development expenses	(398,416)	(789,648)	-	(1,188,064)
Other	(804,440)	(76,849)	-	(881,289)
Total earnings before interest, tax, depreciation and amortisation	(5,301,808)	(71,174)	(133,874)	(5,506,856)
Depreciation and amortisation	(418,956)	(27,470)	-	(446,426)
Finance costs	(3,178,718)	(650)	-	(3,179,368)
Loss before income tax from continuing operations	(8,899,482)	(99,294)	(133,874)	(9,132,650)

As at 31 December 2024	Australia & New Zealand	China	Unallocated/ Corporate	Netlinkz Group
Summarised balance sheet	\$	\$	\$	\$
Current assets	1,095,794	2,274,978	217,250	3,588,022
Current liabilities	(2,915,582)	(3,806,629)	(11,785,018)	(18,507,229)
Current net assets	(1,819,788)	(1,531,651)	(11,567,768)	(14,919,207)
Non-current assets	119,576	3,018,891	7,113,483	10,251,950
Non-current liabilities	-	-	(5,820,000)	(5,820,000)
Non-current net assets	119,576	3,018,891	1,293,483	4,431,950
Net assets	(1,700,212)	1,487,240	(10,274,285)	(10,487,257)

As at 30 June 2024	Australia & New Zealand	China	Unallocated/ 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. REVENUE AND OTHER INCOME

Disaggregation of revenue

	Consolidated for the half year ended	
	31 Dec 24	31 Dec 23
	\$	\$
Consulting, design and implementation revenue	2,543,493	8,207,297
Hardware revenue	2,060,638	-
Software, service and licensing revenue	3,050,212	2,439,142
Total revenue	7,654,343	10,646,439
Other Income		
Other income	-	67,263
Total other income	-	67,263

Revenue	Consulting, Implementation revenue	Hardware revenue	Software licensing revenue	Total
	31 Dec 24	31 Dec 24	31 Dec 24	31 Dec 24
	\$	\$	\$	\$
Primary Geographical markets				
Australia	-	2,060,638	2,112,018	4,172,656
New Zealand	-	-	938,194	938,194
China	2,543,493	-	-	2,543,493
	2,543,493	2,060,638	3,050,212	7,654,343

Timing of revenue Recognition

Products transferred at point in time	-	2,060,638	1,048,879	3,109,517
Products and services transferred over time	2,543,493	-	2,001,333	4,544,826
	2,543,493	2,060,638	3,050,212	7,654,343

Revenue	Consulting, design & implementation revenue	Software and licensing revenue	Total
	31 Dec 23	31 Dec 23	31 Dec 23
	\$	\$	\$
Primary Geographical markets			
Australia	634,512	1,574,957	2,209,469
New Zealand	-	864,185	864,185
China	7,572,785	-	7,572,785
	8,207,297	2,439,142	10,646,439

Timing of revenue Recognition

Products transferred at point in time	634,512	1,239,346	1,873,858
Products and services transferred over time	7,572,785	1,199,796	8,772,581
	8,207,297	2,439,142	10,646,439

NOTE 4. EXPENSES

Included in expenses are the following costs:

	Consolidated for the half year ended	
	31 Dec 24	31 Dec 23
	\$	\$
Employee salary and wages expense	2,073,975	2,703,058
Consulting and contractor expense	1,092,525	1,767,318
Foreign exchange loss	20,964	147,962
Amortisation expense	532,210	377,125
Compliance and listing costs	112,641	53,294
Provision for legal settlement	300,000	-
Depreciation expense	35,845	69,301

NOTE 5. CASH AND CASH EQUIVALENTS

	Consolidated as at	
	31 Dec 24	30 Jun 24
	\$	\$
Cash at bank	960,463	884,166

NOTE 6. TRADE AND OTHER RECEIVABLES

Trade receivables	1,148,881	1,016,031
GST/VAT receivable	114,121	-
Security deposits	122,778	-
Prepayments	935,616	461,847
Other debtors	306,163	-
Trade and other receivables	2,627,559	1,477,878

NOTE 7. INVENTORY

Inventory	-	522,817
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Inventory predominantly relates to Starlink satellite equipment.

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	Goodwill	Customer contracts and relationships	Internally generated software	Total
	\$	\$	\$	\$
NOTE 8. INTANGIBLE ASSETS				
For the half year period ended 31 Dec 2024				
Opening net book amount	9,531,080	808,442	298,204	10,637,726
Amortisation charge	(149,264)	(84,742)	(298,204)	(532,210)
Closing net book amount	<u>9,381,816</u>	<u>723,700</u>	<u>-</u>	<u>10,105,516</u>
As at 31 Dec 2024				
Cost	9,531,080	2,196,000	2,399,082	14,126,162
Accumulated amortisation and impairment	(149,264)	(1,472,300)	(2,399,082)	(4,020,646)
Net book amount	<u>9,381,816</u>	<u>723,700</u>	<u>-</u>	<u>10,105,516</u>

NOTE 9. TRADE AND OTHER PAYABLES

	Consolidated as at	
	31 Dec 24	30 Jun 24
	\$	\$
Trade payables and accruals	<u>4,886,883</u>	<u>4,619,776</u>

Trade payables and accruals include an accrual for \$1.8 million in relation to the Equity Placement Facility that was previously in place with Regal Funds Management. The Company has agreed with Regal to return an amount of approximately \$1.8 million instead of issuing further shares to Regal under the Equity Placement Facility.

NOTE 10. EMPLOYEE BENEFITS

	Consolidated as at	
	31 Dec 24	30 Jun 24
	\$	\$
Employee benefits	<u>71,792</u>	<u>86,757</u>

Amounts are 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 period 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 11. BORROWINGS

	Consolidated as at	
	31 Dec 2024	30 Jun 2024
Current	\$	\$
Borrowings – related party ¹	-	5,250,000
Borrowings - unsecured	4,325,149	1,000,000
Borrowings – secured	3,365,000	6,765,000
	<u>7,690,149</u>	<u>13,015,000</u>
Convertible note ²		
Host liability	1,837,769	1,837,769
Derivative liability	179,140	207,100
Interest and fees accrued	577,960	382,039
	<u>2,594,869</u>	<u>2,426,908</u>
	<u>10,285,018</u>	<u>15,441,908</u>
Non-Current	\$	\$
Borrowings – related party ¹	5,820,000	-

Current

¹Related party

A facility of \$3,250,000 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 31 December 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 further loans of \$2,000,000 and \$570,000. These loans have an interest rate of 18% and are repayable on 30 September 2026.

Other

All other debt is classified as current as at 31 December 2024. The Company is renegotiating extensions 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 31 December 2024 capitalised	Maturity date	Interest rate
Syndicate	Secured	2,055,000		2 January 2026	42%
LA & MDP Pty Ltd	Unsecured	2,000,000	1,225,149	15 August 2026	20%
Others	Secured	1,000,000		31 January 2026	36%
Others	Unsecured	410,000		31 January 2026	18%

²Convertible note

During the previous 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 \$195,921 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 12. OTHER LIABILITIES

	Consolidated as at	
	31 Dec 24	30 Jun 24
	\$	\$
(a) Other current liabilities		
Unearned income	1,214,539	1,059,361
Payroll tax and other statutory liabilities	401,302	367,212
AASB 16 lease liability	67,846	67,846
Fee payable on conversion of convertible note ¹	1,200,000	1,200,000
Other current liabilities	379,848	35,831
	<u>3,263,535</u>	<u>2,730,250</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

AASB 16 lease liability	-	53,692
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NOTE 13. EQUITY – ISSUED CAPITAL

	Consolidated		Consolidated	
	31 Dec 24	31 Dec 24	30 Jun 24	30 Jun 24
	Shares	\$	Shares	\$
Total ordinary shares - fully paid	4,139,886,194	130,725,041	4,139,886,194	130,725,041

Movements in ordinary share capital – Period ended 31 December 2024

	Number of shares	\$
Opening balance 1 July 2023	3,791,966,295	130,077,646
Issue of shares - convertible note fee	57,000,000	456,000
Issue of shares - borrowing fee	1,124,928	12,917
Issue of shares - borrowing fee	176,375,000	1,396,000
Issue of shares - CEO incentive	25,000,000	175,000
Issue of shares - services performed	29,285,714	212,478
Issue of shares - directors fees	19,500,000	195,000
Amendment to prior share issue	-	(1,800,000)
Issue of shares - commitment fee for facility amended	14,285,714	100,000
Issue of shares	25,348,543	139,417
Less: Capital raising costs	-	(239,417)
Closing balance 30 June 2024 and 31 December 2024	4,139,886,194	130,725,041

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. 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 14. SHARE BASED PAYMENTS

No options or performance rights were issued during the period.

NOTE 15. EQUITY – RESERVES

Foreign currency translation reserve

	Consolidated as at	
	31 Dec 2024	30 Jun 2024
	\$	\$
Opening balance	(923,557)	(165,305)
Movements	232,293	(758,252)
Closing balance	(691,264)	(923,557)

NOTE 16. EQUITY – ACCUMULATED LOSSES

	Consolidated as at	
	31 Dec 2024	30 Jun 2024
	\$	\$
Accumulated losses at the beginning of the period/year	(138,625,456)	(132,538,812)
Loss after income tax expense for the period/year	(1,895,578)	(20,439,972)
Transfer from reserves	-	14,353,328
Accumulated losses at the end of the period/year	<u>(140,521,034)</u>	<u>(138,625,456)</u>

The transfer from reserves related to historical options and performance rights that had vested.

NOTE 17. LOSS PER SHARE

	Consolidated for the half year ended	
	31 Dec 24	31 Dec 23
	\$	\$
<i>Earnings per share for loss from continuing operations</i>		
Loss after income tax attributable to the owners of Netlinkz Limited	(1,895,578)	(9,135,896)
Weighted average number of ordinary shares used in calculating basic diluted loss per share	4,139,886,194	3,839,051,110
Basic loss per share	(0.0004)	(0.0024)
Diluted loss per share	(0.0004)	(0.0024)

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NOTE 18. INTERESTS IN 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	
		31 Dec 24	31 Dec 23
		%	%
Netlinkz Global Services (Aust & NZ) Pty Limited	Australia	100%	100%
Netlinkz Technology Pty Ltd	Australia	100%	100%
ISC (Australia) Pty Ltd	Australia	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	100%	80%
Netlinkz Technology Hong Kong Limited	Hong Kong	100%	100%
Netlinkz Japan K.K.	Japan	Nil	100%
Netlinkz (Private) Limited	Pakistan	100%	100%
Netlinkz International Technology Limited	Ireland	100%	100%
Southcloud Holdings Pty Ltd	Australia	100%	100%
Southcloud Pty Ltd	Australia	100%	100%
Southcloud Malaysia Sdn. Bhd.	Malaysia	100%	100%
Netlinkz NZ Limited	New Zealand	100%	100%

NOTE 19. RELATED PARTY TRANSACTIONS

Since the end of the previous reporting period, 31 December 2024, the following related party transactions occurred:

Borrowings

Up to 31 December 2024, \$3.25 million was provided by Booker Super Services Pty Ltd and \$2,570,000 by Philbook Pty Ltd, entities related to a Director of the Company, Mr Grant Booker. These facilities are outlined in note 11. Interest incurred in relation to these facilities for the half year ended 31 December 2024 amounted to \$410,863.

NOTE 20. CONTINGENT LIABILITIES

As consideration for extending the term of the Convertible Note the Company has undertaken to issue AFSG Pty Ltd (the Noteholder) 250 million shares on lifting of the current suspension of trading on the ASX. There have been no changes in contingent liabilities since the end of the previous annual reporting period, 31 December 2024.

NOTE 21. EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to 31 December 2024, the Company has determined to divest to China business comprising AoFa Software Engineering (Shanghai) Co. Ltd Beijing and iLinkAll Science and Technology Co in a management buy-out. The terms of the divestment have yet to be finalised.

Other than as outlined above, there were no matters or circumstances that have arisen since 31 December 2024, that have 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.

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The Financial Statements and Notes, as set out on pages 7 to 22 are in accordance with the *Corporations Act 2001*, including:
 - a. giving a true and fair view of the Consolidated entity's financial position as at 31 December 2024 and of its performance for the half year ended on that date; and
 - b. complying with Accounting Standard AASB 134 "Interim Financial Reporting".
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

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James Tsiolis
Director
Sydney NSW

Dated this 11 day of June 2025

NETLINKZ LIMITED
 ABN 55 141 509 426
 AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REVIEW REPORT
 TO THE MEMBERS OF NETLINKZ LIMITED

Opinion

We have reviewed the accompanying half-year financial report of Netlinkz Limited (the Company and its controlled entities (the Group)), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the 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.

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

- (a) giving a true and fair view of the Company's financial position as at 31 December 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 review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our review 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* has been provided to the directors of the Company.

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 not modified in respect of this matter.

Responsibilities of the Directors for the Financial Report

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

In preparing the half-year 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.

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NETLINKZ LIMITED
ABN 55 141 509 426
AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF NETLINKZ LIMITED

Auditor's Responsibilities for the Review of the Financial Report

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

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

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



ANTHONY TRAVERS
Partner
Dated: 11 June 2025

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