

# Linus Technologies Limited

ABN 84 149 796 332

## Appendix 4E

### Preliminary Final Report

30 June 2018

#### Reporting period

Report for the current period is for the year ended 30 June 2018.

Prior corresponding period information is for the year ended 30 June 2017.

#### Results for announcement to the market

		Increase/(decrease) over previous corresponding period	
	\$	\$	%
Revenue from ordinary activities	91,142	49,650	119.7%
Revenue from ordinary activities excluding interest	56,789	56,789	100%
Profit/(Loss) from ordinary activities after tax attributable to members	(10,714,098)	(6,484,046)	(153%)
Net profit/(loss) for the period attributable to members	(10,714,098)	(6,484,046)	(153%)

#### Dividends

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

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

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

None.

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

None.

#### Financial statements and Explanation of results

The loss for the year ended 30 June 2018 after income tax expense amounted to \$10,714,098. This loss includes non-cash share based payments expense of \$1,358,869 and non-cash amortisation charges of \$540,000.

During the year the business moved strongly into its commercialisation phase. The directors, executives, staff and consultants engaged by the Company have been pursuing the Company's business objectives and refining and developing the commercialisation strategies, which are intended to both drive revenue and the long-term goal of increasing the penetration of virtual video within its chosen markets. The Company has been developing its sales pipeline, expanding its marketing activities and has continued to

develop and enhance its patented technology, creating relevant and workable solutions for its relevant market segments.

The Company has earned interest income and received government grant income during the year, it has no other operating revenues for the period. Expenses for the period consist of administrative expenses, software development expenses, director expenses, personnel expenses, consultant expenses, financial and compliance expenses, sales, marketing and promotional expenses, patent expenses, legal expenses, travel and accommodation expenses, share based payments expense and intellectual property amortisation expense.

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

**Net tangible asset backing**

	Current period	Previous corresponding period
Net tangible assets per ordinary security	1.08 cents	0.07 cents

**Events after the reporting period**

None.

**Audit**

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

Signed:



Stephen Kerr  
Company secretary

31 August 2018  
Melbourne



**LINIUS TECHNOLOGIES LIMITED**

**ACN 149 796 332**

**APPENDIX 4E**

**FINANCIAL STATEMENTS**

**2018**

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# LINIUS TECHNOLOGIES LIMITED

APPENDIX 4E 2018

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# LINIUS TECHNOLOGIES LIMITED

## APPENDIX 4E 2018

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	Group 2017 \$
Revenue	2	91,142	41,492
Administrative expenses		(557,157)	(331,850)
Employee benefit expenses		(342,936)	(34,462)
Amortisation expense		(540,000)	(540,000)
Consultant expenses		(3,239,727)	(692,055)
Depreciation expense		(7,021)	(239)
Share-based payments expense		(1,358,869)	(384,570)
Financial and compliance expenses		(310,154)	(142,897)
Software development expenses		(2,991,301)	(895,440)
Marketing and promotional expenses		(713,903)	(761,368)
Patent costs		(60,535)	(73,793)
Legal expenses		(108,701)	(140,561)
Travel and accommodation expenses		(574,936)	(274,309)
Loss before income tax		(10,714,098)	(4,230,052)
Income tax expense	4	-	-
Loss for the year		(10,714,098)	(4,230,052)
Other comprehensive loss			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations		-	-
Total comprehensive loss for the year		(10,714,098)	(4,230,052)
Basic loss per share (cents per share)	7	(1.3)	(0.7)
Diluted loss per share (cents per share)	7	(1.3)	(0.7)

The accompanying notes form part of the financial report

# LINIUS TECHNOLOGIES LIMITED

## APPENDIX 4E 2018

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Note	Group 2018 \$	2017 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	8	10,766,028	959,270
Other receivables	9	265,192	77,475
<b>TOTAL CURRENT ASSETS</b>		<b>11,031,220</b>	<b>1,036,745</b>
<b>NON-CURRENT ASSETS</b>			
Intellectual property	10	4,005,000	4,545,000
Property, plant and equipment		19,713	14,124
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4,024,713</b>	<b>4,559,124</b>
<b>TOTAL ASSETS</b>		<b>15,055,933</b>	<b>5,595,869</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	928,944	550,320
Employee Provisions		25,041	2,105
<b>TOTAL CURRENT LIABILITIES</b>		<b>953,985</b>	<b>552,425</b>
<b>TOTAL LIABILITIES</b>		<b>953,985</b>	<b>552,425</b>
<b>NET ASSETS</b>		<b>14,101,948</b>	<b>5,043,444</b>
<b>EQUITY</b>			
Issued capital	12	30,047,557	12,575,410
Share based payments reserve		4,363,160	2,062,705
Accumulated losses		(20,308,769)	(9,594,671)
<b>TOTAL EQUITY</b>		<b>14,101,948</b>	<b>5,043,444</b>

The accompanying notes form part of the financial report

# LINIUS TECHNOLOGIES LIMITED

## APPENDIX 4E 2018

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

Group	Issued Capital \$	Share Based Payments Reserve \$	Accumulated Losses \$	Total \$
Balance at 1 July 2016	11,809,470	1,708,135	(5,364,619)	8,152,986
Total comprehensive loss				
Loss for the year	-	-	(4,230,052)	(4,230,052)
Other comprehensive loss	-	-	-	-
Total comprehensive loss	-	-	(4,230,052)	(4,230,052)
Transactions with owners of the Company				
Shares and options issued during the year (net of capital raising costs)	765,940	-	-	765,940
Share-based payments	-	354,570	-	354,570
Total transactions with owners of the Company	765,940	354,570	-	1,120,510
Balance at 30 June 2017	12,575,410	2,062,705	(9,594,671)	5,043,444
Balance 1 July 2017	12,575,410	2,062,705	(9,594,671)	5,043,444
Total comprehensive loss				
Loss for the year	-	-	(10,714,098)	(10,714,098)
Other comprehensive loss	-	-	-	-
Total comprehensive loss	-	-	(10,714,098)	(10,714,098)
Transactions with owners of the Company				
Shares and options issued during the year (net of capital raising costs)	17,472,147	-	-	17,472,147
Share-based payments	-	2,300,455	-	2,300,455
Total transactions with owners of the Company	17,472,147	2,300,455	-	19,772,602
Balance at 30 June 2018	30,047,557	4,363,160	(20,308,769)	14,101,948

The accompanying notes form part of the financial report

# LINIUS TECHNOLOGIES LIMITED

## APPENDIX 4E 2018

### CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018	Group 2017
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments to suppliers		(8,620,815)	(3,084,744)
Other income received		56,789	-
Interest received		19,661	47,179
Net cash used in operating activities	13	(8,544,365)	(3,037,565)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant & equipment		(12,610)	(14,363)
Net cash provided by /(used in) investing activities		(12,610)	(14,363)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of convertible notes		-	-
Proceeds from issue of shares		19,343,000	760,940
Capital raising costs paid		(979,267)	(25,000)
Net cash inflows from financing activities		18,363,733	735,940
Net increase/(decrease) in cash held		9,806,758	(2,315,988)
Cash at beginning of financial year		959,270	3,275,258
Cash at end of financial year	8	10,766,028	959,270

The accompanying notes form part of the financial report

# LINIUS TECHNOLOGIES LIMITED

## APPENDIX 4E 2018

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

#### NOTE 1: BASIS OF PREPARATION

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

##### Basis of Preparation

The preliminary financial report does not include all of the notes of the type normally included in an annual financial report. Accordingly, it should be read in conjunction with the Annual Report for the period ended 30 June 2017 and the financial report for the six months ended 31 December 2017 and any public announcements made by the company in accordance with the continual disclosure requirements of the Corporations Act 2001. This preliminary report has been prepared in accordance with the measurement and recognition requirements of the Australian Accounting Standards, Accounting Interpretations and the Corporations Act 2001.

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

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

The financial report was authorised for issue on 31 August 2018.

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

##### Reverse Acquisition Accounting

The acquisition of Linius (Aust) Pty Ltd by the Company, in the year ended 30 June 2016, is considered to be a reverse acquisition under Australian Accounting Standards, notwithstanding Linius Technologies Limited ("the Company") being the legal parent of the Group. Consequently, the financial information presented in this Report is the financial information of Linius (Aust) Pty Ltd.

The legal structure of the Group subsequent to the acquisition of Linius (Aust) Pty Ltd is that the Company will remain as the legal parent entity. However, the principles of reverse acquisition accounting are applicable where the owners of the acquired entity (in this case, Linius (Aust) Pty Ltd) obtain control of the acquiring entity (in this case, the Company) as a result of the businesses' combination.

Under reverse acquisition accounting, the consolidated financial statements are issued under the name of the legal parent (the Company) but are a continuation of the financial statements of the legal subsidiary (Linius (Aust) Pty Ltd, with the assets and liabilities of the legal subsidiary being recognised and measured at their pre-combination carrying amounts rather than their fair values.

##### *Going Concern*

The financial statements have been prepared under the historical cost convention, applying the going concern basis of accounting. The directors are confident in the continuing support from the existing shareholders and the ability to attract new investors to fund the Group's future finance requirements. Further details of the going concern basis of accounting will be provided in the Group's annual report for the year ended 30 June 2018.

# LINIUS TECHNOLOGIES LIMITED

## APPENDIX 4E 2018

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

#### NOTE 2: REVENUE

	Group	
	2018	2017
	\$	\$
Other revenue:		
Government grants	56,789	-
Interest received	34,353	41,492
Total revenue	91,142	41,492

#### NOTE 3: LOSS FOR THE YEAR

	Group	
	2018	2017
	\$	\$
Other expenses:		
Occupancy costs	98,570	31,741

#### NOTE 4: INCOME TAX EXPENSE

	Group	
	2018	2017
	\$	\$
(a) Income tax expense		
Current tax benefit	(2,556,599)	(1,050,515)
Deferred tax – origination and reversal of temporary differences	(6,307)	-
Deferred tax assets not recognised	2,562,906	1,050,515
	-	-
(b) Reconciliation of income tax expense to prima facie tax payable		
The prima facie tax payable on profit/loss from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Prima facie tax on operating loss at 27.5%	(2,946,377)	(1,163,264)
Add / (Less)		
Tax effect of:		
Share based payments	373,689	97,507
Other non-allowable items	9,782	15,242
Unused tax losses not recognised as deferred assets	2,562,906	1,050,515
Income tax attributable to operating loss	-	-

# LINIUS TECHNOLOGIES LIMITED

## APPENDIX 4E 2018

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

#### NOTE 4: INCOME TAX EXPENSE (CONTINUED)

	Group	
(c) Unrecognised deferred tax assets	2018	2017
	\$	\$
Unused Australian tax losses for which no deferred tax asset has been recognised	3,786,579	1,223,673
Temporary differences not recognised	6,886	579
Total	3,793,465	1,224,252

Potential deferred tax assets attributable to tax losses carried forward have not been brought to account at 30 June 2018 because the Directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this current point in time. These benefits will only be obtained if:

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

#### NOTE 5 : KEY MANAGEMENT PERSONNEL

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

	Group	
	2018	2017
	\$	\$
Short-term employee benefits	541,669	365,175
Share-based payments	461,235	354,570
	1,002,904	719,745

# LINIUS TECHNOLOGIES LIMITED

## APPENDIX 4E 2018

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

#### NOTE 6: AUDITOR'S REMUNERATION

	Group	
	2018	2017
	\$	\$
Remuneration of the auditor for services provided to the Group and the Parent during the year:		
— audit and review of the financial report		
KPMG	82,000	69,000
— taxation advisory		
KPMG	4,410	-
	86,410	69,000

#### NOTE 7: EARNINGS/LOSS PER SHARE

	Group	
	2018	2017
	\$	\$
a. Reconciliation of earnings to profit or loss		
Loss used to calculate basic EPS and diluted EPS	(10,714,098)	(4,230,052)
	No.	No.
b. Weighted average number of ordinary shares outstanding during the period used in calculating basic and diluted EPS	811,545,392	632,821,305

Potential ordinary shares comprising 229,093,350 options (2017: 73,000,000) were excluded in the calculation of diluted EPS given they are antidilutive.

#### NOTE 8: CASH AND CASH EQUIVALENTS

	Group	
	2018	2017
	\$	\$
Cash at bank and in hand	10,766,028	959,270

The effective interest rate on short-term bank deposits was varying between 2.15% to 2.57%.

##### *Reconciliation of cash*

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

Cash and cash equivalents	10,766,028	959,270
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# LINIUS TECHNOLOGIES LIMITED

## APPENDIX 4E 2018

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

#### NOTE 9: OTHER RECEIVABLES

	Group	
	2018	2017
	\$	\$
CURRENT		
GST receivable	84,861	39,033
Prepaid expenses and other receivables	180,331	38,442
	265,192	77,475

#### NOTE 10: INTELLECTUAL PROPERTY

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

	Group	
	2018	2017
	\$	\$
Intellectual property at cost	5,400,000	5,400,000
Accumulated amortisation	(1,395,000)	(855,000)
	4,005,000	4,545,000

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

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

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

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

# LINIUS TECHNOLOGIES LIMITED

## APPENDIX 4E 2018

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

#### NOTE 10: INTELLECTUAL PROPERTY (CONTINUED)

##### *Impairment testing*

As a result of the operating loss incurred, impairment analysis of the intellectual property has been performed using the following alternative methods:

##### (i) Market capitalisation approach

Since listing on ASX, the shares of Linius have traded in a ready market, supporting the value of the intellectual property asset. The assets of the Group at 30 June 2018 consist principally of cash of \$10,766,028 and intellectual property, after amortisation, of \$4,005,000. Net assets are \$14,101,948.

Linius shares closed at a price of 7.6 cents per share on 30 June 2018. Total fully paid ordinary shares on issue at 30 June 2018 are 935,597,548. This gives a market capitalisation of Linius of \$71,105,413. Given the development nature of the Group's operations, the directors believe that the recoverable amount of the intellectual property on the balance sheet at 30 June 2018 is supported by the market value of Linius.

##### (ii) Discounted cashflow approach

The recoverable amount of the CGU (being the Group as a whole at this stage of the Group's lifecycle) was estimated based on the value in use of the Group, determined by discounting the future cash flows to be generated from the continuing use of the Group's intellectual property. The following were key assumptions in the value in use analysis:

- Cash flows were forecast for a five year period. The terminal value of the Group was based on the fifth year cash flow and a long-term growth rate of 3%, which is consistent with market assumptions of the long term growth target for Australia of between 2% and 3%.
- Revenue was based on a staged pipeline of licence income being earned, which is anticipated to grow in FY19 and FY20 based on the number of customer take-on of the Linius technology. From 2021 to 2023 it is based on a compounded growth. Expenses are set based on the 2019 budget, increasing by anticipated growth required to the support the increase in revenue forecast.
- An after tax discount rate of 15% was applied in determining the recoverable amount of the Group. The discount rate was estimated based on an industry average weighted-average cost of capital and applying a premium to the industry average due to the Group being in its growth phase and the risks inherent in the cash flow forecast.

The recoverable amount of the CGU was determined to be higher than its carrying amount, indicating that no impairment was necessary. In addition, reasonably possible changes in key assumptions were considered, such as changes in revenue and expenses; sufficient headroom exists.

#### NOTE 11: TRADE AND OTHER PAYABLES

	Group	
	2018	2017
	\$	\$
Trade payables*	702,224	280,455
Sundry payables and accrued expenses	226,720	269,865
	928,944	550,320

\*Terms of trade are in line with normal commercial terms (usually 30 to 60 days)

# LINIUS TECHNOLOGIES LIMITED

## APPENDIX 4E 2018

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

#### NOTE 12: ISSUED CAPITAL AND RESERVES

	Group	
	\$ (Legal subsidiary)	Number (Legal parent)
Issued Capital		
2018		
Opening balance 1 July 2017	12,575,410	679,190,880
Issue of shares through private placement (net of costs)*	16,579,147	224,166,668
Issue of shares as share based payment to consultant	50,000	1,000,000
Issue of loan funded shares	-	20,000,000
Issue of shares on conversion of unlisted options	843,000	11,240,000
At reporting date	30,047,557	935,597,548
The Company has issued share capital amounting to 935,597,548 ordinary shares of no par value.		
2017		
Opening balance 1 July 2016	11,809,470	562,238,580
Issue of shares through private placement (net of costs)	475,000	10,000,000
Issue of shares as share based payment to corporate advisor	30,000	428,794
Conversion of performance shares	-	100,000,000
Issue of shares on conversion of listed options	260,940	6,523,506
At 30 June 2017	12,575,410	679,190,880

\*Net of \$941,586 of share based payment transaction costs.

# LINIUS TECHNOLOGIES LIMITED

## APPENDIX 4E 2018

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

#### NOTE 12: ISSUED CAPITAL AND RESERVES (CONTINUED)

Ordinary shares	Legal parent entity	
	2018 No.	2017 No.
Opening balance	679,190,880	562,238,580
Fully paid shares issued during the period		
– September 2016 (issue of shares via private placement)		10,000,000
– September 2016 (share based payment of consulting fees)		197,511
– November 2016 (share based payment of consulting fees)		231,283
– November 2016 (conversion of performance shares)		50,000,000
– December 2016 (conversion of performance shares)		50,000,000
– December 2016 (issue of shares on exercise of unlisted options)		6,523,506
– July 2017 (issue of shares by private placement)	30,000,000	
– October 2017 (issue of shares by private placement)	85,000,000	
– December 2017 (issue of shares by private placement)	5,000,000	
– December 2017 (share based payment to director)	20,000,000	
– December 2017 (issue of shares on exercise of unlisted options)	3,500,000	
– January 2018 (issue of shares on exercise of unlisted options)	6,340,000	
– February 2018 (issue of shares on exercise of unlisted options)	500,000	
– March 2018 (issue of shares by private placement)	81,250,000	
– March 2018 (issue of shares on exercise of unlisted options)	900,000	
– March 2018 (share based payment of consulting fees)	1,000,000	
– May 2018 (issue of shares by private placement)	2,083,334	
– June 2018 issue of shares by private placement)	20,833,334	
At reporting date	935,597,548	679,190,880

At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. All ordinary shares rank equally with regard to the Company's residual assets

# LINIUS TECHNOLOGIES LIMITED

## APPENDIX 4E 2018

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

#### NOTE 12: ISSUED CAPITAL AND RESERVES (CONTINUED)

Performance shares on issue	Parent Entity	
	2018 No.	2017 No.
Opening balance	-	100,000,000
Performance shares issued during the year	-	-
Number converted to ordinary shares during the year/period	-	(100,000,000)
At reporting date	-	-

#### NATURE AND PURPOSE OF RESERVES

##### Share-Based Payments Reserve

This reserve is used to record the equity value of share based payment expenses incurred as consideration for employee and consultant services.

##### Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Group's activities, being an early stage technology company, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet research and development of software, early stage business commercialisation initiatives and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Group at 30 June 2018 is as follows:

	Group	
	2018 \$	2017 \$
Cash and cash equivalents	10,766,028	959,270
Trade and other receivables	265,192	77,475
Trade and other payables and other liabilities	(953,985)	(552,425)
Working capital position	10,077,235	484,320

# LINIUS TECHNOLOGIES LIMITED

## APPENDIX 4E 2018

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

#### NOTE 13: CASH FLOW INFORMATION

	Group	
	2018	2017
	\$	\$
Loss after income tax	(10,714,098)	(4,230,052)
Cash flows excluded from loss attributable to operating activities:		
Non cash items		
- Depreciation	7,021	239
- Amortisation	540,000	540,000
- Share-based payments expense	1,358,869	384,570
- Shares issued for payment of trade payable	50,000	-
Changes in assets and liabilities:		
- Increase/(decrease) in provisions	22,936	2,105
- Increase/(decrease) in trade payables and accruals	378,624	267,542
- (Increase)/decrease in trade receivables and prepayments	(187,717)	(1,969)
Cash flows used in operating activities	(8,544,365)	(3,037,565)

#### NOTE 14: OPERATING SEGMENTS

##### Segment Information

AASB 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

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

Based on the quantitative thresholds included in AASB 8, there is only one reportable segment, being the development and commercialisation of computer software in the Australasian region.

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

# LINIUS TECHNOLOGIES LIMITED

## APPENDIX 4E 2018

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

#### NOTE 15: PARENT ENTITY DISCLOSURES

The following detailed information is related to the legal parent entity Linius Technologies Limited as at 30 June 2018.

Financial position	2018	2017
	\$	\$
Assets		
Current assets	10,522,465	806,996
Non-current assets	28,081,250	20,972,465
Total assets	38,603,715	21,779,461
Liabilities		
Current liabilities	144,223	294,244
Total liabilities	144,223	294,244
Equity		
Issued capital	45,688,511	28,216,364
Option premium reserve	36,462	36,462
Share based payments reserve	4,363,160	2,062,705
Accumulated losses	(11,628,641)	(8,830,314)
Total equity	38,459,492	21,485,217
Financial performance	2018	2017
	\$	\$
Loss for the year	2,798,327	1,523,264
Total comprehensive loss	2,798,327	1,523,264