

Appendix 4D

Half Year Report

31 December 2014

Name of entity:

ABN Reference:

HEALTHLINX LIMITED

88 098 640 362

1. Results for announcement to the market

	Current period 2014 \$AUD	Previous corresponding period 2013 \$AUD	% Change		Amount of change	
						\$AUD
Key Information						
Revenues from ordinary activities	-	7,082	Down	100%	Down	7,082
Profit/(Loss) from ordinary activities after tax attributable to members	(195,789)	(208,450)	Up	6.1%	Up	12,661
Net Profit/(Loss) for the period attributable to members	(195,789)	(208,450)	Up	6.1%	Up	12,661

It is not proposed to pay a dividend for the year

2. NTA Backing

	Current period	Previous corresponding period
Net tangible asset (liability) backing per ordinary security	\$(0.0173)	\$(0.3989)

3. Commentary on Financial Results

The group continued the process it is undertaking in order to complete its takeover of Manalto, Inc (Manalto). HealthLinx entered into that binding term sheet with Manalto on 2 October 2014. Manalto is an emerging software as a service (SaaS) business in the rapidly growing social media sector. Manalto has developed, and owns, software which provides an end to end social media management solution turning social media into an enterprise grade distribution channel for sales and marketing.

Growth in social media continues at compelling levels and the Manalto software allows businesses to monitor and manage how they engage in these new markets and audiences. Social media strategies are becoming a critical platform in the way business now promote and market themselves.

In addition to the Manalto transaction the Company has been maintaining its intellectual property (IP) portfolio in accordance with the conditional sale it entered into with Inex Innovations Exchange Pty Ltd (Inex) on 21 November 2014. This maintenance has included ongoing interaction with the various advisers and consultants who have worked on the development, improvement and maintenance of the portfolio as well as interaction with third parties who have licence arrangements with the Company. The Company continues to work through each of the conditions associated with the sale and expects the sale to be concluded by the end of March 2015.

Future developments

The Manalto transaction is progressing well and should complete by mid-March 2015. Full details of the transaction are disclosed in a prospectus issued by the company on 29 January 2015 which is available on the ASX website or at www.htx.net.au.

4. Preliminary Half Year Report – Financial Details

Refer to the attached half year financial report.

A handwritten signature in black ink, consisting of a large, stylized 'Q' followed by a series of loops and a final horizontal stroke.

Michael Quinert
Director

27 February 2015

HealthLinx Limited

ABN: 88 098 640 352

Interim Financial Statements

For the Half Year Ended 31 December 2014

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The interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by HealthLinx Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2011*.

DIRECTOR'S REPORT

Your directors present their report on the consolidated entity consisting of HealthLinx Limited (HealthLinx or the Company) and its controlled entity for the half year ended 31 December 2014.

1. General information

Directors

The following persons were directors in office at any time during the half year and up to the date of this report:

Trent Telford
Richard Revelins
Michael Quinert
Timothy Chapman (appointed 16 September 2014)

Directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

2. Review of Operations

The group continued the process it is undertaking in order to complete its takeover of Manalto, Inc (Manalto). HealthLinx entered into that binding term sheet with Manalto on 2 October 2014. Manalto is an emerging software as a service (SaaS) business in the rapidly growing social media sector. Manalto has developed, and owns, software which provides an end to end social media management solution turning social media into an enterprise grade distribution channel for sales and marketing.

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3. Auditor's Independence Declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 13 for the half year ended 31 December 2014.

Signed in accordance with a resolution of the Board of Directors:



Michael Quinert
Director

Dated this 27 February 2015

Melbourne

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Half Year Ended 31 December 2014

	<u>Note</u>	<u>Consolidated</u>	
		31 Dec 2014	31 Dec 2013
		\$	\$
Revenue		-	7,082
Other income		-	2,700
Total revenue and other income		-	9,782
Employee benefits expense		(18,053)	(46,249)
Consulting and professional fees		(47,107)	(198,613)
Listing Fees & Expenses		(107,059)	-
Other expenses	4	(23,570)	(60,392)
Finance expense		-	(5,973)
Loss before income tax		(195,789)	(301,445)
Income tax benefit		-	92,995
Net loss for the period		(195,789)	(208,450)
Total comprehensive loss for the period		(195,789)	(208,450)
Basic and diluted earnings per share from continuing operation		(0.0071)	(0.0167)

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

STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

		<u>Consolidated</u>	
	<u>Note</u>	31 Dec 2014	30 Jun 2014
		\$	\$
<u>ASSETS</u>			
Current assets			
Cash and cash equivalents		14,377	174,681
Trade and other receivables		45,322	35,193
Total current assets		59,699	209,874
Non-current assets			
Intangible assets		100	100
Total non-current assets		100	100
TOTAL ASSETS		59,799	209,974
<u>LIABILITIES</u>			
Current liabilities			
Trade and other payables		222,506	435,340
Short-term borrowings	7	240,395	57,917
Short-term provisions	6	75,970	-
Total current liabilities		538,871	493,257
TOTAL LIABILITIES		538,871	493,257
NET ASSETS (LIABILITIES)		(479,072)	(283,283)
<u>EQUITY</u>			
Equity attributable to owners of the parent:			
Contributed equity	5	16,360,833	16,360,833
Reserves – Share option reserve		403,204	403,204
Accumulated losses		(17,243,109)	(17,047,320)
TOTAL EQUITY (DEFICIENCY)		(479,072)	(283,283)

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

STATEMENT OF CHANGES IN EQUITY

For the Half Year Ended 31 December 2014

	<u>Consolidated</u>			
31 December 2013	Contributed Equity \$	Share Option Reserve \$	Accumulated Losses \$	Total \$
Balance at 1 July 2013	15,693,601	403,204	(16,776,638)	(679,833)
Losses for the period	-	-	(208,450)	(208,450)
Total comprehensive income/(loss) for the year	-	-	(208,450)	(208,450)
Contributions of equity, net of transaction costs	3,563	-	-	3,563
Transactions with equity holders in their capacity as equity holders	3,563	-	-	3,563
Balance at 31 December 2013	15,697,164	403,204	(16,985,088)	(884,720)

	<u>Consolidated</u>			
31 December 2014	Contributed Equity \$	Share Option Reserve \$	Accumulated Losses \$	Total \$
Balance at 1 July 2014	16,360,833	403,204	(17,047,320)	(283,283)
Losses for the period	-	-	(195,789)	(195,789)
Total comprehensive income/(loss) for the year	-	-	(195,789)	(195,789)
Contributions of equity, net of transaction costs	-	-	-	-
Transactions with equity holders in their capacity as equity holders	-	-	-	-
Balance at 31 December 2014	16,360,833	403,204	(17,243,109)	(479,072)

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

STATEMENT OF CASH FLOWS

For the Half Year Ended 31 December 2014

	<u>Consolidated</u>	
	31 Dec 2014	31 Dec 2013
	\$	\$
Cash flows from operating activities:		
Receipts from customers including GST	-	4,419
Payments to suppliers and employees including GST	(400,699)	(288,845)
Net cash provided by (used in) operating activities	(400,699)	(284,426)
Cash flows from investing activities:		
Proceeds from sale of plant and equipment	-	2,700
Net cash provided by (used in) investing activities		2,700
Cash flows from financing activities:		
Proceeds from issue of share capital	-	7,000
Proceeds from borrowings	240,395	323,000
Payment of share issue costs	-	(3,438)
Net cash provided by (used in) financing activities	240,395	326,562
Net increase (decreases) in cash held	(160,304)	44,836
Cash at beginning of the half year	174,681	1,643
Cash at end of the half year	14,377	46,479

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

NOTES TO THE FINANCIAL STATEMENT

1. Statement of Significant Accounting Policies

(a) Basis of Preparation

This half year consolidated financial report is a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*.

The interim financial report is intended to provide users with an update on the latest annual financial statements of HealthLinx Limited and controlled entities (the Group). As such it does not contain information that represents relatively insignificant changes occurring during the year within the Group. This half year consolidated financial report does not include all the notes normally included in an annual financial report. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2014, together with any public announcements made by HealthLinx Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*. These public announcements include a Prospectus dated 29 January 2015 which provides details regarding the proposed acquisition of Manalto which is targeting completion for mid-March 2015.

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

(b) Going Concern

As a developing business the Group has experienced operating losses of \$195,789 and net cash outflows from operating activities of \$400,699, and has a deficiency in net assets of \$479,072.

Significant matters considered by the Directors in determining that it is appropriate for the financial report to be prepared on a going concern basis include:

- On 1st October 2014 the Company entered a binding Terms Sheet to acquire all the issued capital of Manalto Inc. Manalto Inc. is an emerging software company operating in the social media sector. The acquisition is subject to regulatory and shareholder approvals. Details of the proposed acquisition of Manalto Inc. were contained in a release to the ASX dated 1 October 2014.
- On 13th November 2014, the Company paid the sum of \$250,000 owing to the Creditor's Trust.
- The Directors agreed not to pursue their claims on outstanding fees payable by the Group until the upcoming deal with Manalto Inc. is finalised.
- Historical attempts by the Group to raise further equity funding or other sources of finance have generally been successful.

2. Events Subsequent to Reporting Date

Please refer to Note 1(b) for significant events subsequent to balance date relating to going concern.

The Group entered into the conditional sale of its intellectual property portfolio to Inex Innovations Exchange Pte Ltd on 21 November 2014. The transaction is expected to be finalised by the end of March 2015.

The Manalto transaction is progressing well and should be complete by mid-March 2015. Full details of the transaction are disclosed in a prospectus issued by the company on 29 January 2015 which is available on the ASX website or at www.htx.net.au.

A general shareholders meeting was held on the 23rd of February, 2015 in order to approve the resolutions around the acquisition of Manalto, Inc. The main approval being the for the issue of 62,500,000 fully paid ordinary shares in the Company (issued on a post share consolidation basis) to the Manalto Vendors and the acquisition by the Manalto Vendors of a relevant interest in up to 75.25% of the Company's ordinary shares.

NOTES TO THE FINANCIAL STATEMENT

3. Operating Segments

Under AASB 8 *Operating Segments*, segment information is presented using a 'management approach'; that is, segment information is provided on the same basis as information used for internal reporting purposes by the chief operating decision maker (executive management committee that makes strategic decisions).

The Group is actively assessing opportunities available by which to restore shareholder value. Currently, there are no identifiable business segment.

4. Other Expenses

	Consolidated	
	For the 6 Months ended 31 Dec 2014 \$	For the 6 Months ended 31 Dec 2013 \$
Auditors remuneration - parent entity	10,000	12,103
Computer expenses	588	1,700
Permits, licenses and fees	-	17,598
Insurance	-	2,633
Lease rentals on operating lease	-	10,750
Travel - domestic	-	-
Travel - overseas	-	-
Other operating expenses	12,982	15,608
Total	23,570	60,392

NOTES TO THE FINANCIAL STATEMENT

5. Equity Securities Issued

(a) Contributed equity

	Consolidated	
	For the 6 Months ended 31 Dec 2014	For the 6 Months ended 31 Dec 2013
	\$	\$
Contributed equity at beginning of the period	16,360,833	15,693,601
Shares issued	-	7,000
Share issue expenses	-	(3,437)
Contributed equity at the end of the period	16,360,833	15,697,164

	Ordinary Shares	
	For the 6 Months ended 31 Dec 2014	For the 6 Months ended 31 Dec 2013
	Number	Number
Contributed equity at beginning of the period	27,771,475	1,938,138
Shares issued	-	280,000
Contributed equity at the end of the period	27,771,475	2,218,138

(b) Unlisted options

	For the 6 Months ended 31 Dec 2014	For the 6 Months ended 31 Dec 2013
	Number	Number
Options at the beginning of the period	78,068	89,614
Options issued during the period	-	-
Options lapsed / forfeited during the period	(6,763)	(9,538)
Options exercised during the period	-	-
Total unlisted options at the end of the period	71,305	80,076

(c) Listed options

	For the 6 Months ended 31 Dec 2014	For the 6 Months ended 31 Dec 2013
	Number	Number
Options at the beginning of the period	-	29,500
Options issued during the period	-	-
Options lapsed / forfeited during the period	-	(29,500)
Options exercised during the period	-	-
Total listed options at the end of the period	-	-

NOTES TO THE FINANCIAL STATEMENT

6. Provisions

The current Directors agreed to defer their claims to accrued and unpaid fees payable by the Group until the upcoming deals with Manalto Inc. is finalised. Upon completion of the transaction the current Directors have agreed to accept the aggregate sum of \$100,000 in full and final satisfaction of their claims to accrued and unpaid directors' fees.

A short term provision for the accrued amount was recognised in the statement of Financial Position.

7. Short-term Borrowings

Short-term borrowings of \$240,395 are owed to Manalto, Inc as part of their proposed acquisition. Under the transaction entered into with Manalto, Inc, it agreed to advance money to settle the Creditors Trust established under the Deed of Company Arrangement which concluded on 30 January 2014. It is expected that these borrowings will be repaid by the end of March 2015, from the proceeds of the capital raising being undertaken by the Company as part of the proposed acquisition of Manalto, Inc.

8. Contingent liabilities and Contingent Assets

No contingent liabilities or contingent assets require disclosure in the interim financial report.

DIRECTORS' DECLARATION

The Directors of HealthLinx Limited declare that:

1. The consolidated financial statements and notes, as set out on Pages 4 to 11, are in accordance with the Corporations Act 2001 and;
 - (a) Comply with Accounting Standard AASB 134 *Interim Financial Reporting*; and,
 - (b) Give a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date;
2. In the Directors' opinion, there are reasonable grounds to believe that HealthLinx Limited 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 and is signed for and on behalf of the directors by:



Michael Quinert
Director

Dated: 27 February 2015

Melbourne

The Rialto, Level 30
525 Collins St
Melbourne Victoria 3000

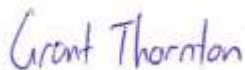
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Auditor's Independence Declaration To The Directors of HealthLinx Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of HealthLinx Limited for the half-year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

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



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



Matthew Hingeley
Partner - Audit & Assurance

Melbourne, 27 February 2015

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Independent Auditor's Review Report To the Members of HealthLinx Limited

We have reviewed the accompanying half-year financial report of HealthLinx Limited ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2014, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, 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 HealthLinx Limited consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of HealthLinx Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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Liability limited by a scheme approved under Professional Standards Legislation. Liability is limited in those States where a current scheme applies.

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

Independence

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

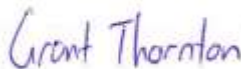
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of HealthLinx Limited is not 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 2014 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Material uncertainty regarding continuation as a going concern

Without qualifying our opinion, we draw attention to Note 1 to the half-year financial report which indicates uncertainties regarding the going concern assumption, including successful negotiations to obtain additional financing. The uncertainty around the consolidated entity's ability to obtain sufficient financing indicates the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



Matthew Hingeley
Partner - Audit & Assurance

Melbourne, 27 February 2015