



ANNUAL REPORT FY24 | HIGHLIGHTS FROM A YEAR OF RESILIENCE



Over-

Hypha is an Australian mission-critical communications company that delivers smart connectivity for frontline public safety organisations and businesses with operations in remote areas. As a Starlink Authorised Reseller and Integrator, it develops plug-and-play and bespoke communications solutions that are saving lives and transforming businesses around the world.

As we reflect on the past year's achievements, challenges and milestones, we are excited to share our journey to date and give you a glimpse of what's coming next.

Our vision

Save lives with remarkable communications technology.

Our mission

Put high-speed internet and reliable communications into the hands of those who need it most – whenever they need it.

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CEO's report

Dear Shareholders

I am honoured to present our Annual Report for 2023/2024. Your unwavering support has been instrumental in our progress, and I'm proud to report that - despite challenges - we've reached significant milestones and maintained a strong financial standing. We celebrate a year of strong operational performance and remarkable achievements at Hypha.



Throughout the year, we've remained focused on delivering value to our shareholders through strategic initiatives and prudent financial management. Our commitment to innovation, operational excellence and strategic foresight has allowed us to capitalise on opportunities and navigate market dynamics effectively. Across all facets of our business, we've made exceptional progress, achieving key technical milestones and setting the stage for future success.

Looking ahead, we're excited about the opportunities the future holds. With a clear strategic vision and a dedicated team, we're well-positioned for 2025.

I extend my sincere gratitude to each of you for your continued trust and confidence in Hypha. Together, we will continue to pursue excellence and create long-term value for our shareholders.

Warm regards,
Neil Jamieson



“With a clear strategic vision and a dedicated team, we are well-positioned for 2025”.

In memory of Ray Barnes

The passing of Ray has created a profound void within our Hypha community.

His innovative inventive spirit and unmatched expertise have not only enriched our team but have also paved the way for countless advancements within our organisation.



Ray's legacy will forever inspire the innovation and ingenuity he brought to Hypha. His "never say can't" attitude has been central to our success, and without it, Hypha wouldn't be where it is today. Though Ray is no longer with us, his spirit remains a guiding force, and we will always recognize and remember his influence.

As we reflect on his contributions, we're reminded of the lasting impact he had on our company's culture and vision. Ray's presence will be deeply missed, but his memory and technical brilliance will continue to drive Hypha forward, inspiring us to new heights.

Our values



We've got you (and each other)

We're reliable, trustworthy and stand behind our work, because clients depend on us to save lives.



We aren't afraid to tell it like it is

We're transparent and ethical. It's safe to speak up honestly within the team and expected that we're upfront with clients.



We push the boundaries

Our company started because of a lack of progress in the industry. Everything we do must be ambitious and innovative.



We put family first – always

We never put work before family, and our inclusive team respects people for who they are and what they bring to the table.

Our clients



Our strategic plan

By setting up these clear commitments for the year ahead, they serve as a roadmap for continued success and growth – as outlined in our report.

Innovative solutions: We are committed to pioneering groundbreaking technologies tailored to the unique needs of critical communications. By investing in research and development, we strive to stay ahead of industry trends and deliver cutting-edge solutions that address the evolving challenges our clients face.

Customer-centric approach: Our clients are at the heart of everything we do. We prioritise their satisfaction by actively listening to their feedback and customising our offerings to meet their specific requirements. Through personalised support and proactive engagement, we aim to build lasting relationships and foster loyalty among our clients.

Team empowerment: Our greatest asset is our team of talented and dedicated professionals. We empower them to excel through continuous learning and development opportunities, fostering a culture of innovation, collaboration and inclusivity. By investing in our employees' growth and wellbeing, we ensure that they are equipped to drive our company's success forward.

Strategic partnerships: Collaboration is key to our success. We actively seek out partnerships with industry leaders, technology providers and government agencies to leverage their expertise and resources. By forging strategic alliances and exploring co-development opportunities, we strengthen our position in the market and drive innovation.

Financial stability: We maintain strong financial management practices and diversify our revenue streams to ensure stability and resilience in the face of economic uncertainties. Transparency, accountability and prudent decision-making guide our financial strategies, ensuring sustainable growth and value creation for our stakeholders.

A year of firsts

FY2024 marked significant milestones for Hypha, including several key 'firsts' that have driven our growth and evolution. Highlights include:



Hosted our first global team convention in Brisbane, which brought together our employees for a successful and inspiring event.



Developed an operational budget for the FY25 financial year, setting a strong financial foundation for future planning and execution.



Secured a major government project, marking our highest value tender in this space, while incorporating innovative technology.



Expanded to over 30 employees, which is a testament to our growing operations and commitment to scaling up.



Launched our first formal Annual Report, reflecting our achievements and transparent communication with stakeholders.



Engaged a remarkable marketing team that helped rebrand and reinvent Hypha, giving us a fresh new look and a stronger presence in the market.



Celebrated a personal milestone as the Group's CEO turned 50, adding an additional highlight to a year filled with successes.

A year of strong performance

Hypha has set new benchmarks in the communications industry, which demonstrate our ability to rapidly transform potential into production and innovation. The successful completion of the NSW Rural Fire Service tender process in May 2024 was one of these milestones, reflecting our capability to tender successfully and prepare for the delivery of complex projects. Throughout the year, Hypha has consistently shown its operational expertise.

Our operational teams continue to seek further efficiencies and cost reductions in areas that show potential for other first responders who want to leverage what NSW Rural Fire Service has accomplished.

Safety and sustainability

While the year was **injury-free**, we remain focused on continuous improvement in our safety performance. Safety and sustainability are at the heart of our operations, and a relentless focus on health, safety and environmental management will be a hallmark of the year ahead.

Our safety programs and initiatives are guiding us in the right direction, and the well-being of our employees and stakeholders will remain a top priority as we continue to grow. Our commitment to sustainable practices ensures that we minimise our environmental impact while maximising the benefits to the communities in which we operate.

Financial and strategic management

2024 was also a year of **financial prudence and strategic planning**, ensuring that Hypha remains financially strong and poised for growth. The **strategic refinancing of our loan** in 2024 accelerated the development of our asset portfolio, allowing us to invest in critical areas such as infrastructure, technology and software development.

Our **robust financial management** has enabled us to support ongoing and future projects with confidence. The company has also taken steps toward creating a more **tax-efficient consolidated group**, and we are already seeing the benefits of these efforts. Additionally, we have initiated plans to replace stand-alone software systems with a more integrated **ERP solution**, which will support the next phase of our business strategy.

Reinventing ourselves

Hypha engaged a marketing agency to assist with our strategy and brand presence. Little did we know that it would lead to a full-scale rebrand, including a new logo and a reinvigorated global marketing strategy. This rebrand reflects not just a new look, but a bold new direction for the company – one that positions us as a leader in our field who develops innovate products that solve complex communication challenges.

This transformation is just the beginning, and we look forward to continuing to strengthen our brand presence in the market. We hope our stakeholders, partners and customers are as excited as we are about this fresh new chapter in Hypha's journey.



Governance

We made significant strides in corporate governance, enhancing the leadership and oversight that will guide Hypha into the future. The addition of independent director Stephen Copplin to our Board in January 2024 has brought valuable expertise and further strengthened our governance framework. The Board has been instrumental in cultivating key relationships that will support the continued growth of the company.

Looking ahead

As we look to the future, Hypha is poised for continued growth and success. Our strategic focus on developing an integrated business and the NSW Rural Fire Service project position us to capitalise on the growing demand for satellite communications in the global market.

The integration of satellite and mesh technology – coupled with innovative software – is gaining momentum for Hypha, positioning us to play a leading role in this communications revolution. We are excited about the opportunities ahead and remain committed to delivering exceptional value for our shareholders.

Our outstanding operational performance at NSW Rural Fire Services, driven by strategic initiatives, operational excellence and robust financial management, has positioned us as a leader in the global communications industry.

With your continued support, we are confident that Hypha will continue to thrive and contribute significantly to global communications. In conclusion, the past year has been one of remarkable achievement and progress for Hypha. Thank you for your unwavering support and having the confidence in our vision.

Leadership team



Neil Jamieson

Managing Director, CEO & Founder

Neil has 20 years of experience in satellite communications, with leadership roles across Africa, the Middle East and Asia. He's a recognised leader in the industry and is helping shape the future of satellite push-to-talk technology.



Steve Copplin

Non-Executive Director

Stephen is a very experienced and well-respected international business executive and company director. He's played a leading role as a director, mentor, investor and advisor to a portfolio of businesses across a wide variety of sectors.



Scott Geldard

Director and COO

Scott has worked on some of the largest satellite, wireless and fixed network solutions over the last 30 years, and his career spans a range of sectors – including agriculture, finance and technology. His focus on regional communications has seen a long history of successful program delivery.



STARSAAT
by hypha

Equip your team with a fully secure, next-generation satellite connection – engineered by SpaceX – that will

GET STARLINK YOUR WAY.

WHAT MAKES US DIFFERENT?

No other Starlink provider gives you the flexibility and control of STARSAAT. We make satellite internet easy for your business – and deliver it your way.

Range of plans and options with flexible terms

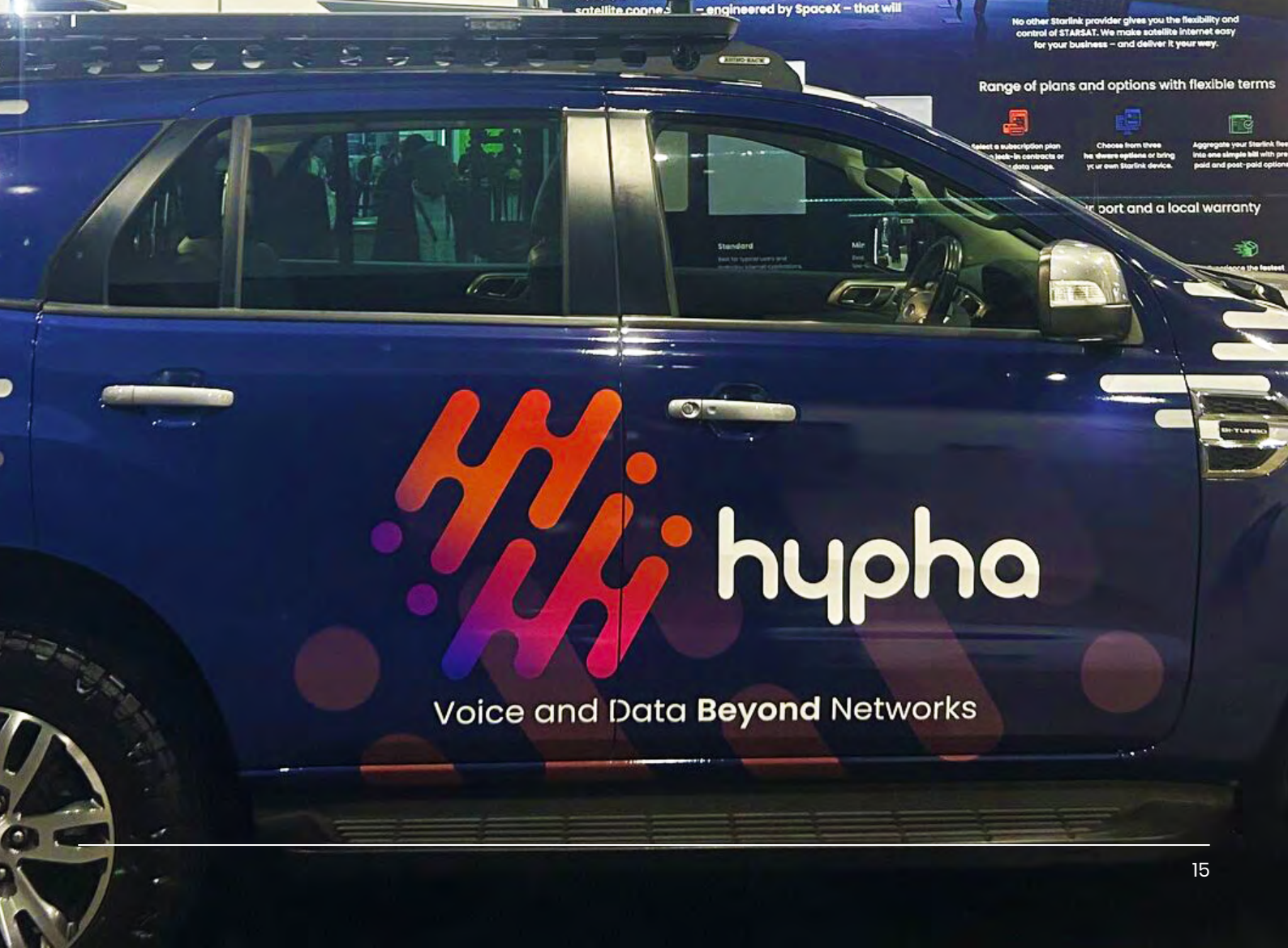
- Select a subscription plan with 12-month contracts or 24-month contracts with no data usage.
- Choose from three hardware options or bring your own Starlink device.
- Aggregate your Starlink fees into one simple bill with pre-paid and post-paid options.

24/7 support and a local warranty

Standard: Best for general use and reliability. Local support.

Mini: Best for smaller vehicles. Local support.

Enterprise: Best for high-demand, mission-critical use. Local support.



Voice and Data Beyond Networks

Financial summary

Hypha Ltd has made substantial financial progress in FY24, supported by strong operational management and strategic initiatives. The year saw an increase in revenue, driven by key government contracts and expanding services – while careful cost management helped position the company for sustainable growth.

Below are the key financial highlights from FY24:



Total revenue:

\$32.0 million, reflecting strong sales in hardware, services and software licensing.



Biggest contract:

A significant \$69 million government project was secured.



Strategic refinancing:

Helped accelerate the development of Hypha’s asset portfolio, supporting future growth.



Inventory:

Reduced significantly due to Hypha securing the first stage of the NSW Rural Fire Service contract.



Employee growth:

Expanded the team to over 30 employees, supporting increased project demand.



0 injuries:

Reflecting the company’s commitment to safety.

Prudent financial strategies have ensured Hypha is well-capitalised to support ongoing and future projects, with efforts in place to further streamline operations through integrated software solutions and a tax-efficient group structure.

Directors' Report 30 June 2024

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated group') consisting of Hypha Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2024.

Directors

The following persons were directors of Hypha Ltd during the whole of the financial year and up to the date of this report, unless otherwise stated:

- Raymond Barnes – held office until death on 6th January 2024
- Neil Jamieson
- Malcolm Andrew (referred to as Mandrew) Smith – resigned on 15th November 2023
- William Scott Geldard – appointed 16th November 2023
- Stephen Mark Copplin – appointed 9th January 2024

Review of operations

The profit for the consolidated group after providing for income tax and non-controlling interest amounted to \$ 2,527,971 (Loss for 30 June 2023: \$5,638,432). The loss for the FY 23 year has been restated as per Note 24 due to reclassification of items.

The decrease in the consolidated entity's loss during the year is due to the improved contribution from larger contracts being won by the Group. It is expected that the consolidated entity will continue to improve and generate positive operating cashflows in future periods with an expanded product portfolio and several large governments planned procurements for Starlink.

New accounting standards implemented

AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates

The Group adopted AASB 2021-2, which amends AASB 7, AASB 101, AASB 108 and AASB 134 to require disclosure of 'material accounting policy information' rather than significant accounting policies' in an entity's financial statements. It also updates AASB Practice Statement 2 to provide guidance on the application of the concept of materiality to accounting policy disclosures.

The adoption of the amendment did not have a material impact on the financial statements.

Significant changes in the state of affairs

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

Principal activities

The consolidated entity operated predominantly in Australia but also has operations in the USA.

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

- Sale and installation of public safety communications equipment; and
- Services including provisioning of SAAS systems for agency integrations and interoperability.

The consolidated entity is involved in public safety communications and provides its technology primarily to emergency services agencies along with other government regulatory and management agencies that require mobile on the move communications.

The public safety communications industry can often carry long-lead times with procurement and consider solutions based on longevity and suitability for purpose.

Key risks for the consolidated group are lengthening lead times on project roll-outs with agencies and inventory management.

During the year, key personnel were brought into the business with considerable experience in government contracting and engagement to maintain strong project continuity focus.

In addition, considerable effort was put into enhancing the inventory module of the management information system to provide increased control and information over inventory movements and balances.

The only significant change during the year was the appointment of the Group by SpaceX as a global reseller of Starlink high performance equipment and services.

Events after the end of the financial year

Other than that disclosed in Note 31 of the financial statements, no other matters or circumstances have arisen since 30 June 2024 that have significantly affected, or may significantly affect, the consolidated entity's operations, the results of those operations or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

The Group will continue to pursue its strategic objectives to increase market share and profitability of hardware and airtime sales. The Group plans to continue to explore ways of reducing the Group's assembly and distribution costs to improve and enhance efficiency and maximise shareholder return.

Environmental regulation

The consolidated group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Dividends

No dividends were paid or declared during the financial year.

Options

During the year, 75,000 Employee Share Options were cancelled from the previous issues. The total issued options as at 30 June 2024 is 500,000 (2023: 575,000). No accounting expense for share-based payments has been recognised in relation to these options, as the value is not deemed to be material to the financial statements.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred in their capacities as a directors and executives for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Proceedings on behalf of the company

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.

The Company is presently seeking legal advice on pursuing legal action under the Bad Leaver provision against a former employee. The outcome of that advice is not yet known as the proceedings are at an early stage, but the Company is hopeful of a successful outcome.

Shares

Issued shares at 1 July 2023 were 24,513,379.

During the year, there were no additional convertible notes issued.

Total issued shares at 30 June 2024 were 24,513,379.

Auditor's independence declaration

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

Restatement of Prior Year Comparatives

The FY23 comparatives have been restated due to the material misstatements and reclassification of some of the items. Other than that disclosed in Note 24 of the Financial Statements, there are no other matters that require additional disclosure.

Company secretary

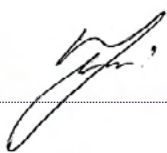
On 15th November 2023, Malcolm Andrew Smith resigned as a director and company secretary. Adam Gallagher has been since appointed as Company Secretary.

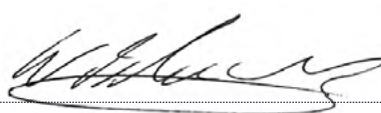
Hypha Limited and consolidated entities

Directors' Report

30 June 2024

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

Director 

Director 

Dated: 26 November 2024

Auditor's Independence Declaration Under Section 307c of the Corporations Act 2001

To the directors of Hypha Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit, and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Hypha Limited and the entities it controlled during the year.



Ann-Maree Robertson
Director

Date: 26 November 2024



Moore Australia Audit (QLD) Pty Ltd
Chartered Accountants

Hypha Limited and consolidated entities

Statement of Profit & loss and other comprehensive income for the year ended 30 June 2024

	NOTE	RESTATED	
		2024	2023
		\$	\$
Revenue	4	32,000,441	7,168,354
Cost of goods sold		(22,215,111)	(7,221,249)
Gross profit		9,785,330	(52,895)
Finance income	5	38,940	20,176
Other income	4	614,606	1,060,927
Research & development costs		(1,695,430)	(1,880,793)
Marketing Expenses		(113,523)	(102,857)
Administrative expenses		(3,024,900)	(2,267,239)
Occupancy expenses		(63,229)	(78,293)
Finance costs	5	(519,560)	(923,388)
Depreciation and amortisation		(509,619)	(497,518)
Other expenses		(1,914,582)	(1,200,368)
Profit/(Loss) before income tax	6	2,598,033	(5,922,248)
Income tax charge/(credit)	7	(70,062)	283,816
Profit/(Loss) from continuing operations		2,527,971	(5,638,432)
Profit/(Loss) for the year		2,527,971	(5,638,432)
Other comprehensive income net of income tax Items that will be reclassified to profit or loss when specific conditions are met			
Exchange differences arising on translation of foreign controlled entities		126,078	2,589
Total comprehensive loss for the year		2,654,049	(5,635,843)
Loss attributable to:			
Members of the parent entity		2,596,562	(5,564,414)
Non-Controlling Interest		(68,591)	(74,018)
		2,527,971	(5,638,432)
Total comprehensive income attributed to:			
Members of the parent entity		2,710,032	(5,562,084)
Non-Controlling Interest		(55,983)	(73,759)
		2,654,049	(5,635,843)

Hypha Limited and consolidated entities

Statement of Financial Position as at 30 June 2024

	NOTE	RESTATED	
		2024	2023
ASSETS		\$	\$
Current assets			
Cash and cash equivalents	8	5,966,408	792,284
Trade and other receivables	9	1,562,372	4,942,666
Inventories	10	9,670,479	10,220,003
Financial assets	11	140,251	137,378
Loans and advances	12	-	426,654
Other assets	13	1,159,420	1,447,502
Total current assets		18,498,930	17,966,487
Non-current assets			
Property, plant & equipment	14	1,018,829	817,237
Deferred Tax Assets	25	-	64,785
Intangibles	15	172,990	198,158
Right of use assets	16	802,186	1,817,915
Other assets		47,076	10,000
Total non-current assets		2,041,081	2,908,095
TOTAL ASSETS		20,540,011	20,874,582
LIABILITIES			
Current liabilities			
Trade & other payables	17	3,802,041	3,078,746
Borrowings	18	638,315	4,589,572
Contract liabilities	19	4,707,988	5,837,018
Lease liabilities	16	149,780	281,831
Employee benefits	20	246,454	308,849
Total current liabilities		9,544,578	14,096,016
Non-current liabilities			
Borrowings	18	2,058,271	172,188
Contract liabilities	19	604,893	-
Deferred tax liabilities	25	39,759	-
Lease liabilities	16	676,859	1,668,590
Employee benefits	20	78,949	55,135
Total non-current liabilities		3,458,731	1,895,913
TOTAL LIABILITIES		13,003,310	15,991,929
NET ASSETS		7,536,702	4,882,653
EQUITY			
Issued capital	21	15,260,661	15,260,661
Reserves	24	(645,631)	(759,101)
Retained earnings		(6,944,692)	(9,541,254)
Total equity attributable to equity holders of the company		7,670,338	4,960,306
Non controlling interest		(133,636)	(77,653)
TOTAL EQUITY		7,536,702	4,882,653

Hypha Limited and consolidated entities

Statement of Changes in Equity at 30 June 2024

	ORDINARY SHARES	RETAINED EARNINGS	FOR CURR TRANS RES	RESTRUCTURE RESERVE	NON- CONTROLLING INTERESTS	TOTAL
Balance at 1 July 2023 (restated)	15,260,661	(9,541,254)	(36,044)	(723,057)	(77,653)	4,882,653
Profit/(loss) attributable to members of the parent entity	-	2,596,562	-	-	-	2,596,562
Profit/(loss) attributable to non-controlling interests	-	-	-	-	(68,591)	(68,591)
Total other comprehensive income for the year	-	-	113,470	-	12,608	126,078
Balance at 30 July 2024	15,260,661	(6,944,692)	77,426	(723,057)	(133,636)	7,536,702
Balance at 1 July 2022	10,000,642	(3,891,756)	(38,374)	(723,057)	-	5,347,455
Prior period adjustments	-	(85,084)	-	-	(3,894)	(88,978)
Balance at 1 July 2022 (restated)	10,000,642	(3,976,840)	(38,374)	(723,057)	(3,894)	5,258,477
Profit/(loss) attributable to members of the parent entity	-	(5,564,414)	-	-	-	(5,564,414)
Profit/(loss) attributable to non-controlling interests	-	-	-	-	(74,018)	(74,018)
Total other comprehensive income for the year	-	-	2,330	-	259	2,589
Transactions with owners in their capacity as owners						
Shares issued during the year, net of transaction costs	5,260,019	-	-	-	-	5,260,019
Balance at 30 July 2023	15,260,661	(9,541,254)	(36,044)	(723,057)	(77,653)	4,882,653

Hypha Limited and consolidated entities

Statement of Cashflows for the year ended 30 June 2024

CASHFLOW FROM OPERATING ACTIVITIES	2024	RESTATED 2023
	\$	\$
Receipts from customers	39,884,850	6,861,382
Payments to suppliers and employees	(32,745,347)	(14,041,046)
Other income	-	-
Interest received	38,940	20,176
Income tax refunded	846,918	206,962
Interest and other finance costs	(382,662)	(923,388)
Net cash generated by operating activities	7,642,699	(7,875,914)
CASHFLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	6,473	-
Purchase of intangible assets	(10,318)	(5,990)
Purchase of property, plant and equipment	(503,771)	(221,098)
Net cash used in investing activities	(507,616)	(227,088)
CASHFLOW FROM FINANCE ACTIVITIES		
Proceeds from issue of shares	-	5,260,019
Proceeds/(repayment) of related party loan	426,654	(426,654)
Proceeds from borrowings	2,000,000	3,587,189
Repayment of borrowings	(4,103,257)	-
Repayment of lease liabilities	(284,356)	(174,142)
Net cash generated by/(used in) financing activities	(1,960,959)	8,246,412
Net increase in cash and cash equivalents held	5,174,124	143,410
Cash and cash equivalents at beginnings of financial year	792,284	648,874
Cash and cash equivalents at end of financial year	5,966,408	792,284

Notes to the consolidated financial statements for the year ended 30 June 2024

The financial report covers Hypha Limited and its controlled entities ('the Group'). Hypha Limited is a for-profit Company limited by shares, incorporated and domiciled in Australia.

The principal activities of the Company for the year ended 30 June 2024 were to provide public safety communications equipment and services, including the provisioning of SAAS systems for agency integrations and interoperability.

The Group is involved in public safety communications and provides its technology, primarily to emergency services agencies along with other government regulatory and management agencies that require mobile on the move communications. The public safety communications industry can often carry long lead times with procurement and considers solutions based on longevity and suitability for purpose.

During the year, additional key personnel were brought into the business with strong experience in government contracting and engagement to ensure strong project continuity focus. The Group's appointment by SpaceX as a global reseller of Starlink high-performance equipment and services has led to a significant new contract having been secured with the NSW Rural Fire Service. The directors believe that the solution offered under this contract could have the potential for significant growth of the Group, not only in Australia, but globally.

The Group operates predominantly in Australia, but have growing operations in the United States of America (USA).

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

The financial report was authorised for issue by the Directors on 26th November 2024 .

Comparatives are consistent with prior years, unless otherwise stated.

Note 1: Summary of Material Accounting Policy Information

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1. Basis of preparation

The financial statements are general purpose financial statements have been prepared on an accruals basis in accordance with the Australian Accounting Standards – Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events, and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets, and financial liabilities.

Note 2: Material Accounting Policy Information

(a) Principles of consolidation

The consolidated financial statements incorporate all the assets and liabilities of the parent (Hypha Limited) and of all subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Group entities are fully eliminated on consolidation. All controlled entities have the same financial year end as the parent entity. Subsidiary details are provided in Note 28.

Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

(b) Revenue and other income

Revenue from contracts with customers

Revenue is recognised on a basis that reflects the transfer of control of promised goods or services to customers at an amount that reflects the consideration the Group expects to receive in exchange for those goods or services.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Group have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

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

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery. Revenue from these sales is based on the price stipulated in the contract, net of any discounts or rebates. Revenue is only recognised to the extent that there is a high probability of no significant revenue reversal occurring.

After-sale maintenance support services

The Group provides after-sale maintenance support services to customers. After-sale maintenance support services are recognised as a distinct performance obligation in contracts that provide both sale of equipment and after-sale maintenance support services. Customers can benefit from the after-sale maintenance support services separately from the purchase of electronic equipment.

For a contract that includes both the sale of equipment and the sale after-sale maintenance support services, the transaction price is allocated between the two distinct performance obligations based on their relative stand-alone selling prices. During the contract term the Group stands ready to provide the after-sale maintenance support services to customers, with revenue recognised on a straight-line basis over the duration of the agreement.

Rendering of services

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

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

(c) Income tax

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised, unless the deferred tax asset relating to temporary differences arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

(d) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate proportion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned based on weighted average costs.

Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

(e) Property, plant, and equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(i) for details of impairment).

The cost of fixed assets constructed within the Consolidated Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

(f) Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Consolidated Group commencing from the time the asset is held ready for use.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Depreciation is recognised in profit or loss.

The depreciation rates used for each class of depreciable assets are:

Asset	Years
Demonstration and test equipment	5
Office equipment and furniture	1,5 – 7,5
Fitting and fixtures	1,5 – 40
Motor vehicles	4
Warehouse machine & equipment	5
US POP (Point of presence)	20
Server equipment	5
Demonstration and test equipment	5

The assets' residual values, useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(g) Leases

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred. The Group has chosen not to apply AASB 16 to leases of intangible assets.

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

(h) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in A ASB 15: Revenue from Contracts with Customers.

Research and development

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

Patents and trademarks

Significant costs associated with patents and trademarks are deferred and amortised on a straight-line basis over the period of their expected benefit.

(i) Impairment of non-financial assets

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

(j) Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

(k) Employee benefits

Short-term employee benefits

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

Other long-term employee benefits

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

(l) Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(m) Going concern

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will be able to meet all its commitments, and the Group will be cash flow positive for at least the next 12 months from the date of this report.

The consolidated group recorded a profit of \$2,527,971 before income tax and recorded net operating cash inflows of \$7,642,699 for the year ended 30 June 2024.

The Directors' assessment is supported by the consolidated group recording a net current asset position of \$7,536,702 (2023: \$4,882,653) at balance date.

The Directors have prepared a cashflow forecast for a period of not less than 12 months from the date of the Directors' Declaration, and note the following:

- The Directors are confident in continuing to grow sales for the FY25 period based upon the roadmap to develop and commercialise the core Hypha products, and growing the opportunity pipeline;
- The Directors are working actively with their external debt funding providers and are confident that the requirements in place for the continuity of funding are in the process of being achieved, and any outstanding requirements are achievable;
- The Group has the ability to liquidate stock balances in the short-term if funding is required;
- Shareholder financial support has been committed if short-term funding is required.

The Directors and the finance team are currently monitoring cashflows on a fortnightly basis and communicating actively with their external debt providers.

On this basis, the Directors are of the opinion that the financial statements can be prepared on a going concern basis and the Group will be able to pay its debts as and when they fall due and payable.

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances. These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates

Note 3: Critical accounting estimates and Judgments

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The Group assesses impairment at the end of each reporting period by evaluating conditions specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in use calculations which incorporate various key assumptions.

Key estimates - revenue recognition - long term contracts

The Group undertakes long term contracts which span a number of reporting periods. Recognition of revenue in relation to these contracts involves estimation of future costs of completing the contract and the expected outcome of the contract. The assumptions are based on the information available to management at the reporting date, however future changes or additional information may mean the expected revenue recognition pattern has to be amended.

Key estimates - revenue recognition

When determining the nature, timing and amount of revenue to be recognised, the following critical estimates and judgements were applied and are considered to be those that have the most significant effect on revenue

Key estimates - provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

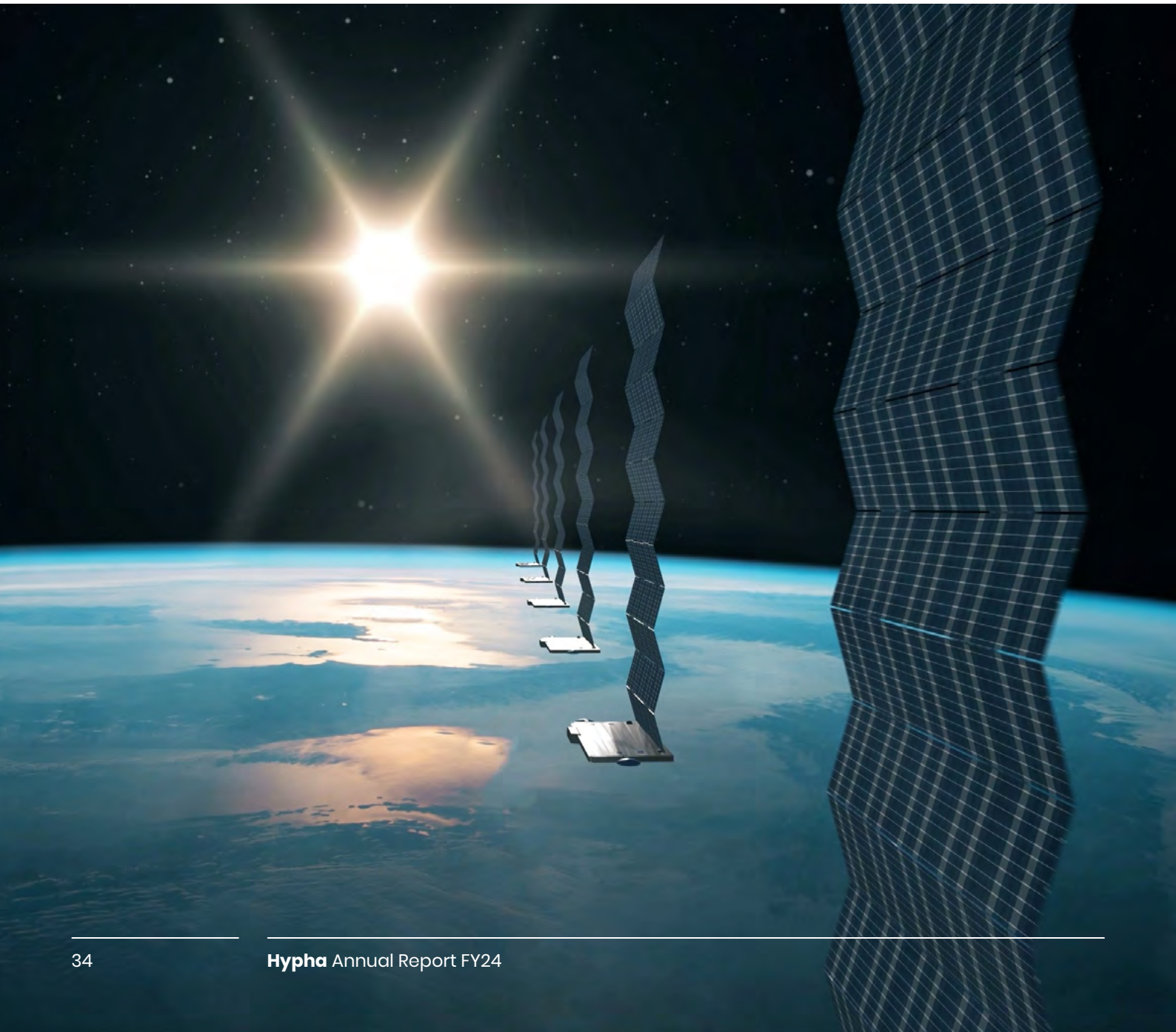
Key judgments – taxes

Deferred tax assets

Determining income tax provisions involves judgment on the tax treatment of certain transactions. Deferred tax is recognised on tax losses not yet used and on temporary differences where it is probable that there will be taxable revenue against which these can be offset. Management has made judgments as to the probability of future taxable revenues being generated against which tax losses will be available for offset based on budgets, current and future expected economic conditions.

Different jurisdictions

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.



Note 4: Other revenue and income

REVENUE FROM CONTINUING OPERATIONS	2024	RESTATED 2023
	\$	\$
Revenue from contracts with customers		
Sale of goods	23,624,249	4,060,058
Provision of services	7,736,271	2,720,060
	31,360,520	6,780,118
Revenue from other sources		
- Other revenues	639,921	388,286
	639,921	388,236
Total revenue	32,000,441	7,168,354
REVENUE FROM OTHER SOURCES		
Other income		
Rental income	25,959	51,918
Government grants – other income	-	32,574
R&D service fee income	452,759	818,145
Foreign Currency gain on financial assets and liabilities	415	158,290
Gain on derecognition of lease	135,473	-
Total other income	614,606	1,060,927
DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS		
Revenue from contracts with customers has been disaggregated into sale of goods and rendering of services, and the following table shows this breakdown:		
Sale of goods		
- Hardware sales	23,624,249	4,060,058
Revenue from sale of goods	23,624,249	4,060,058
Rendering of services		
- Airtime sales	5,859,188	2,230,844
- Software licencing fees	844,005	215,100
- Professional engineering & labour	863,029	203,122
- Hardware rentals	170,049	70,994
Revenue from rendering of services	7,736,271	2,720,060
Other revenue		
- Other revenue	290,943	151,339
- Recoveries	106,251	49,120
- Support Services	242,727	187,777
Other sources of revenue	639,921	388,236

Note 5: Finance income and Expenses

FINANCE INCOME	2024	2023
	\$	\$
Interest Income – Bank	38,940	20,176
Total finance income	38,940	20,176
FINANCE EXPENSES		
Interest on bank overdrafts and loans	-	346
Borrowings	377,855	167,866
Interest in trade finance	81,830	139,814
Trade and other payables	-	317,814
Interest expense and lease liability	59,875	84,190
Interest on convertible notes	-	210,977
Late payment of tax	-	2,381
Total finance expenses	519,560	923,388

Note 6: Result for the Year

RESULT FOR THE YEAR	2024	2023
	\$	\$
Salaries	2,264,157	1,614,390
Superannuation contributions	249,209	199,718
Total employee benefits expenses included in administrative costs	2,513,366	1,814,108
Employee costs included in research and development costs	625,164	725,331
Total employment benefit costs	3,138,530	2,539,439
Depreciation expense – property, plant and equipment	222,231	182,246
Depreciation expense – Right of use assets	251,902	238,513
Amortisation	32,673	76,759
Loss on disposal of assets	273,844	-

Note 7: Income tax expense

INCOME TAX EXPENSE	2024	2023
(a) The components of tax expense income comprise:	\$	\$
Current tax expense		
Local income tax – current period	-	-
Local income tax – recognized in current tax for prior periods	(34,482)	(206,962)
Deferred tax expense		
Origination and reversal of temporary differences	104,544	(76,854)
Income Tax Expense for continuing operations	70,062	(283,816)
(b) Reconciliation of income tax to accounting profit:		
Profit	2,598,033	(5,922,248)
Tax @ statutory rate of 25%	649,508	(1,480,562)
Add tax effect of:		
Other non-allowable items	14,259	13,764
R&D expenditure	267,567	470,198
Impact of tax consolidated group formation	-	62,119
Tax losses not recognized	172,594	1,071,239
	1,103,928	136,758
Less tax effect of:		
Other items	-	9,076
R&D income	113,190	204,536
Overprovision in respect of prior years	34,482	206,962
Recoupment of prior year tax losses not previously brought to accounts	886,194	-
Income Tax attributed to the parent	70,062	(283,816)
Income tax expense	70,062	(283,816)

Note 8: Cash & cash equivalents

CURRENT	2024	2023
	\$	\$
Cash on Hand	1,450	1,460
Cash at Bank	5,964,958	790,834
	<u>5,966,408</u>	<u>792,284</u>

A floating charge over cash and cash equivalents has been provided for certain debt. Refer to Note 23 for further details.

The company presently holds cash-backed bank guarantees relating to rental bonds, refer to Note 11.

Note 9: Trade & other receivables

TRADE & OTHER RECEIVABLES	2024	2023
	\$	\$
Trade receivables	1,501,911	4,942,666
Other receivables	60,461	-
Total Current trade and other receivables	1,562,372	4,942,666

Note 10: Inventories

CURRENT	2024	2023
	\$	\$
At Cost:		
Finished Goods	4,467,455	9,151,326
Stock in Transit	5,203,024	1,068,677
Total inventories	9,670,479	10,220,003

Write downs of inventories to net realizable value during the year were \$nil (2023: \$nil).

Note 11: Other Financial assets

(a) Held to Maturity investments

CURRENT	2024	2023
	\$	\$
Term Deposits	140,251	137,378
Total Other Financial Assets	140,251	137,378

Note 12: Loans and Advances

CURRENT	2024	2023
	\$	\$
Related Party Loan – Exceed Laser Pty Ltd	-	58,610
Related party loan – N Jamieson	-	367,854
Related party loan – R Barnes	-	190
Total Other Financial Assets	-	426,654

Note 13: Other assets

CURRENT	2024	2023
	\$	\$
Prepayments	706,661	627,887
R&D Tax offsets	452,759	819,615
	1,159,420	1,447,502

In relation to prepayments, the Company buys airtime plans annually in advance. As such, the majority of the airtime contract is treated as a prepayment which is amortised over the period of the contract. The company does not recognise the cost of the airtime plans as a cost of sales until the airtime is utilised by the customer. The customer does not have the ability to terminate the contract early, however, from the customer may suspend the use of the airtime contract.

Note 14: Property, plant & equipment

PROPERTY, PLANT & EQUIPMENT	2024	RESTATED 2023
	\$	\$
Demonstration and Test Equipment – at cost	334,595	82,700
Less: Accumulated depreciation	(41,456)	(18,540)
	293,139	64,160
Office Equipment and Furniture – at cost	313,507	283,787
Less: Accumulated depreciation	(158,904)	(119,015)
	154,603	164,772
Fitting and Fixtures – at cost	253,693	256,310
Less: Accumulated depreciation	(49,118)	(10,084)
	204,575	246,226
Motor Vehicles – at cost	328,630	250,120
Less: Accumulated depreciation	(114,128)	(65,980)
	214,502	184,140
Warehouse Machine & Equipment – at cost	207,118	180,685
Less: Accumulated depreciation	(69,665)	(38,343)
	137,453	142,342
US POP (Point of presence) – at cost	17,464	17,464
Less: Accumulated depreciation	(2,907)	(1,867)
	14,557	15,597
Total Property, plant and equipment	1,018,829	817,237

(a) Movement in carrying amounts

Movements in the carrying amounts for each class of property, plant & equipment between the beginning and the end of the financial year.

	DEMON- STRATION AND TEST EQUIPMENT	OFFICE EQUIPMENT AND FURNITURE	FITTING AND FIXTURES	MOTOR VEHICLES	WAREHOUSE MACHINE & EQUIPMENT	US POP (POINT OF PRESENCE)	SERVER EQUIPMENT	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$
Carrying amount at 1 July 2023	64,160	164,772	246,226	184,140	142,342	15,597	-	817,237
Additions	52,967	96,129	246,433	78,510	29,733	-	-	503,772
Disposals	-	(33,709)	(243,312)	-	(3,296)	-	-	(280,317)
Depreciation expense	(24,344)	(72,602)	(44,772)	(48,148)	(31,326)	(1,040)	-	(222,232)
Foreign exchange movements	(316)	13	-	-	-	-	-	(303)
Transfer from inventories	200,672	-	-	-	-	-	-	200,672
Carrying amount at 30 June 2024	293,139	154,603	204,575	214,502	137,453	14,557	-	1,018,829

Note 15: Intangible Assets

INTANGIBLE ASSETS	2024	RESTATED 2023
	\$	\$
Patents and trademarks – at cost	82,379	82,129
Less: Accumulated amortisation and impairment	(9,547)	-
Net carrying value	72,832	82,129
Software – at cost	181,561	174,306
Less: Accumulated amortisation and impairment	(81,403)	(58,277)
Net carrying value	100,158	116,029
Total intangible assets	172,990	198,158

Note 15: Intangible Assets (cont'd)

RECONCILIATIONS	PATENTS AND TRADEMARKS	SOFTWARE	TOTAL
Reconciliations of the written down values at the beginning and end of the current financial year are set out below:			
	\$	\$	\$
Balance at 1 July 2023	82,129	116,029	198,158
Additions	250	7,255	7,505
Amortisation expense	(9,547)	(23,126)	(32,673)
Balance at 30 June 2024	72,832	100,158	172,990

Note 16: Leases

RIGHT-OF-USE ASSETS	BUILDINGS	TOTAL
	\$	\$
Balance at beginning of year	1,067,476	1,067,476
Depreciation Charge	(265,290)	(265,290)
Balance as at end of year	802,186	802,186

There is a new lease for a warehouse during the year, located at Unit 2B, 8/36 Archerfield Road, Darra Qld 4076. The lease term is 3 years with a 2 x 3-year option to extend. Management has assessed that it is reasonably certain at balance date that Hypha will exercise the option period, therefore the option period is accounted for in the lease workings. During the year, the Group exited the lease at 43 Bernoulli Street, which resulted in a gain on the derecognition of the lease.

LEASE LIABILITIES	< 1 YEAR	< 1 - 5 YEARS	< 5 YEARS	TOTAL UNDISCOUNTED LEASE LIABILITIES	LEASE LIABILITIES INCLUDED IN THIS STATEMENT OF FINANCIAL POSITION
	\$	\$	\$	\$	\$
2024 Lease liabilities	202,961	766,957	-	969,918	826,639
2023 Lease liabilities	373,486	1,070,577	897,962	2,342,025	1,950,421

Extension options

The Group includes options in the leases to provide flexibility and certainty to the Group operations and reduce costs of moving premises and the extension options are at the Group's discretion.

At commencement date and each subsequent reporting date, the Group assesses where it is reasonably certain that the extension options will be exercised.

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to interest expense on lease liabilities and short-term leases or leases of low value assets are shown below:

	2024	RESTATED 2023
	\$	\$
Interest expense on lease liabilities	59,875	84,190
Short term lease expenses	30,921	-
	90,796	84,190

Note 17: Trade and other payables

CURRENT	2024	2023
	\$	\$
Trade payables	1,938,468	2,151,349
Sundry payables and accrued expenses	127,233	462,408
GST payable	1,703,526	427,748
Employee benefit accruals	32,815	37,241
	3,802,041	3,078,746

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

Note 18: Borrowings

CURRENT	2024	RESTATE 2023
	\$	\$
Unsecured liabilities		
Bank trade finance	521,245	2,461,820
	521,245	2,461,820
Secured liabilities		
Equipment loan facility	117,070	127,752
Loan – Altor Capital	-	2,000,000
	117,070	2,127,752
Total current borrowings	638,315	4,589,572
NON-CURRENT		
Unsecured liabilities		
Business market loan	2,003,153	-
	2,003,153	-
Secured liabilities		
Equipment loan facility	55,118	172,188
Total non-current borrowings	2,058,271	172,188
Total borrowings	2,696,586	4,761,760

During the period, the secured bank loan with Altor Capital Management was refinanced with group's banker - NAB. The bank debt is secured by general security over assets owned by the Group.

The trade finance facility from NAB includes a limit of \$3.5 million and expires on 30 May 2025. The terms of the drawings are 180 days. The facility attracts an interest rate which is the aggregate of the Australian Trade Refinance Rate (ATR) which was 6.4% p.a., plus margin of 4% p.a.

The bank loan represents the business markets loan with NAB. The facility limit is \$2 million and expires on 31 May 2027. The loan attracts interest at 8.76% p.a.

The equipment loan facility is provided by NAB and has a credit limit of \$0.5 million.

The loan owing to Altor Capital was repair and settled in the current year. This facility is no longer available.

Note 18: Borrowings (cont'd)

Defaults and breaches

During the current and prior year, there were no defaults or breaches on any of the loans.

The maturity profile of Bank Loans on issues is as follows:

BORROWING FACILITY	MATURITY DATES	INTEREST RATES	2024	2023
			\$	\$
Bank trade finance	30 May 2025	10.4%	521,245	2,461,820
Equipment loan facility	30 May 2025	6.88%	172,188	299,940
NAB bank loan	31 May 2027	8.76%	2,000,000	-
Altor Capital Management		BBSW + Margin		2,000,000

During the period, the Altor Capital Management loan secured against the Starlink inventory was refinanced with Altor being repaid in total. The NAB Bank loan has been secured by a general security arrangement over all assets.

Note 19: Contract Balances

CURRENT	2024	RESTATED 2023
	\$	\$
Income received in advance of delivery for sale of goods	4,707,988	5,837,018
Total current contract liabilities	4,707,988	5,837,018

Revenue is recognised for sales of components and airtime services when control of the goods passes to the customer. This occurs when the items are delivered/provided to the customer. The amount received at the time of the online transaction is recognised as a contract liability until delivery takes place and control passes.

NON-CURRENT		
Amounts received in advance	604,893	-
Total non-current contract liabilities	604,893	-

Note 20: Employee benefits

CURRENT	2024	2023
	\$	\$
Provision for employee benefits	246,454	308,849
NON-CURRENT		
Long Service Leave	78,949	55,135
Analysis of provisions		
	\$	\$
Opening balance at 1 July 2023	363,984	363,984
Additional provisions raised during the year	208,116	208,116
Amounts used	(246,697)	(246,697)
Balance as at 30 June 2024	325,403	325,403

Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave. The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Group does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1 n).

Note 21: Issued Capital

	2024	RESTATED 2023
	\$	\$
15,260,661 fully paid ordinary shares	15,260,661	15,260,661

During the year, 75,000 Employee Share Options were cancelled from the previous issues. The total issued options as at 30 June 2024 is 500,000 (2023: 575,000). No accounting expense for share-based payments has been recognised in relation to these options as the value is not deemed to be material to the financial statements.

(a) Ordinary shares

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

Note 22: Reserves

a) Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income - foreign currency translation reserve. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

b) Common control reserve

The common control reserve was recognised in FY2022 due to a common control acquisition. The entity acquired, had common shareholders and directors and accordingly, the transaction was deemed to be a 'common control' transaction.

	2024	RESTATED 2023
	\$	\$
Foreign Currency Reserve	(77,425)	36,045
Common Control Reserve	723,056	723,056
	645,631	759,101

Note 23: Financial risk management

	2024	RESTATED 2023
	\$	\$
Financial assets		
Held at amortised cost		
Cash and cash equivalents	5,966,408	792,284
Trade and trade receivables	1,562,372	5,369,320
Total financial assets	7,528,780	6,161,604
Financial liabilities		
Financial liabilities measured at amortised cost	6,498,628	7,840,506
Total financial liabilities	6,498,628	7,840,506

Note 24: Retrospective Restatement

a) In revisiting the opening balances and comparatives, several errors were identified and retrospectively corrected. The aggregate effect of the error and/or reclassifications on the annual financial statements for the year ended 30 June 2024 is as follows:

	PREVIOUSLY STATED 2023	ADJUSTMENTS	RESTATED 2023
	\$	\$	\$
Statement of Profit or Loss and Other Comprehensive Income			
Revenue	9,995,525	(2,827,171)	7,168,354
Cost of sales	(6,067,397)	(1,153,852)	(7,221,249)
Interest income	1,923	(1,923)	0
Finance income	-	20,176	20,176
Other income	1,493,683	(432,756)	1,060,927
Employee benefits expense	(2,537,237)	2,537,237	-
Depreciation and amortisation expense	(467,519)	(29,999)	(497,518)
Research and development	(1,446,135)	(434,658)	(1,880,793)
Finance costs	(925,643)	2,255	(923,388)
Other expenses	(1,873,714)	673,346	(1,200,368)
Marketing expenses	-	(102,857)	(102,857)
Administrative expenses	-	(2,267,239)	(2,267,239)
Occupancy expenses	-	(78,293)	(78,293)
Loss before tax	(1,826,514)	(4,095,734)	(5,922,248)
Income tax benefit	199,784	84,032	283,816
Loss after tax	(1,626,730)	(4,011,702)	(5,638,432)
Exchange differences in translation of foreign operations	(67,485)	70,074	2,589
Total comprehensive loss for the year	(1,694,215)	(3,941,628)	(5,635,843)
Loss attributable to members of the parent entity	-	(5,564,414)	(5,564,414)
Loss attributed to non-controlling interest	-	(74,018)	(74,018)
Total comprehensive income attributable to members of parent entity	-	(5,562,084)	(5,562,084)
Total comprehensive income attributable to non-controlling interest	-	(73,759)	(73,759)
Statement of Financial Position			
Financial assets	426,654	(289,276)	137,378
Inventories	11,352,276	(1,132,273)	10,220,003
Loans and Advances	-	426,654	426,654
Other assets	1,003,154	444,348	1,447,502
Property, plant, and equipment	833,031	(15,794)	817,237
Intangibles	240,083	(41,925)	198,158
Deferred Tax Assets	-	64,785	64,785
Other assets	-	10,000	10,000
Trade and other payables	5,428,952	(2,350,205)	3,078,747
Financial liabilities	4,461,820	(4,461,820)	-

Note 24: Retrospective Restatement (cont'd)

	PREVIOUSLY STATED 2023	ADJUSTMENTS	RESTATED 2023
	\$	\$	\$
Provisions	353,676	(353,676)	-
Lease liabilities	409,584	(127,753)	281,831
Borrowings	-	4,589,572	4,589,572
Contract liabilities	-	5,837,018	5,837,018
Employee benefits	-	308,849	308,849
Lease liabilities	1,840,778	(172,188)	1,668,590
Borrowings	-	172,188	172,188
Employee benefits	-	55,135	55,135
Retained earnings	(5,518,486)	(4,022,768)	(9,541,254)
Reserves	(828,916)	69,815	(759,101)
Total attributable to holders of the Company	8,913,259	3,952,953	4,960,306
Non controlling interest	-	(77,653)	(77,653)

- b) Management have been unable to satisfy ourselves that the inventories are free from material misstatement in FY2023 due to the inability to source prior year inventory records to demonstrate the completeness and accuracy of the valuation of inventories as at 30 June 2023. Several adjustments to inventories were identified in the year ended 30 June 2024 that were related to previous financial years and were processed through cost of sales assessment for the year ended 30 June 2023.
- c) We have been unable to determine with material certainty if these corrections related to the financial year ended 30 June 2023 or to earlier financial years. As a result, we cannot certify the inventories valuation (balance) as at 30 June 2023 or to determine with certainty the impact on the cost of sales assessment for the 2023 financial year.
- d) The impact of these adjustments for the FY 2023 have no material impact on the valuation of inventories and on the cost of sales assessments for the FY 2024 financial year.

Note 25: Tax assets and liabilities

	OPENING BALANCE	CHARGED TO INCOME	CLOSING BALANCE
	\$	\$	\$
Deferred tax assets and liabilities			
Property, Plant & equipment	(517,069)	(82,699)	(599,768)
Prepayments	-	(4,974)	(4,974)
Other	7,222	1,570	8,792
Accruals	13,216	68,917	82,133
Provisions	79,707	11,289	90,996
AASB 16 leases	398,496	89,110	487,606
Future Income tax benefits attributable to tax losses	6,360	(6,360)	-
Balance at 30 June 2023	(12,068)	76,853	64,785
Property, Plant & equipment	(599,768)	299,397	(300,371)
Prepayments	(4,974)	(155,213)	(160,187)
Other	8,792	(9,629)	(837)
Accruals	82,133	(82,133)	-
Provisions	90,966	(9,646)	81,350
AASB 16 leases	487,606	(280,946)	206,660
Future Income tax benefits attributable to tax losses	-	133,626	133,626
Balance at 30 June 2024	64,785	(104,544)	(39,759)

Note 26: Dividends

FRANKING CREDITS ACCOUNT	2024	RESTATED 2023
	\$	\$
The franking credits available for subsequent financial years at a tax rate of 25%	151,953	151,953

The above available balance is based on the dividend franking account at year-end adjusted for:

- (a) Franking credits that will arise from the payment of the current tax liabilities
- (b) Franking debits that will arise from the payment of dividends recognised as a liability at the year-end
- (c) Franking credits that arise from the receipt of dividends recognised as receivables at the end of the year

The ability to use the franking credits is dependent upon the Company's future ability to declare dividends.

Note 27: Key management personnel compensation

	2024	RESTATED 2023
	\$	\$
Key management personnel compensation	983,813	716,170

No remuneration was paid by the parent entity to KMP.

Note 28: Related party disclosures

(a) The Group's main related parties are as follows:

Key management personnel - refer to Note 27.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Transactions with related parties

	PURCHASE	OTHER	BALANCE OUTSTANDING OWED BY THE COMPANY
	\$	\$	\$
Exceed Laser	67,683	-	(898)
Senior Management	-	292,300	-

Entities subject to significant influence by the Group:

Exceed Laser is an entity that has a common directorship with Hypha Limited. During the period, Hypha utilized Exceed Laser for the engineering of various components used by Hypha. Exceed Laser operates on a fully commercial basis. J Jamieson and G Jamieson are related parties.

(c) Loans to/from related parties

	OPENING BALANCE	CLOSING BALANCE
	\$	\$
Loans from related parties		
2024	426,654	-
2023	-	426,654

Unsecured loans were made to related parties. These were all settled during the year. Any remaining balances with related parties are on a normal commercial basis and terms.

c) Refer Note 12 for details of loans to related parties.

Note 29: Auditors' remuneration

	2024	2023
	\$	\$
Remuneration of the auditor		
- Auditing or reviewing the financial statements	34,500	42,852
- Auditing reviewing and restating prior year financial results	35,000	-
- Preparation of financial statements and accounting assistance	-	14,000
	69,500	56,852

Note 30: Interests in subsidiaries

NAME OF SUBSIDIARY	PLACE OF INCORPORATION	INTEREST HELD BY THE GROUP	
		2024	2023
		\$	\$
		%	%
Hypha Networks Pty Ltd	Australia	100	100
Hypha Solutions Pty Ltd **	Australia	100	100
Hypha Link Pty Ltd	Australia	100	100
Hypha Starsat Pty Ltd ***	Australia	100	-
WI Licensing Pty Ltd	Australia	100	100
WI Licensing Int Pty Ltd	Australia	100	100
Hypha NZ Ltd ****	New Zealand	100	-
Wireless Innovation Inc	USA	90	90

* The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

** Previously Wireless Innovation Pty Ltd.

*** Newly incorporated on 28 March 2024.

**** Newly incorporated on 14 February 2024.

Note 31: Events occurring after the reporting date

The financial report was authorised for issue on 25th November 2024 by the board of directors.

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

There is a pending action against a former employee in relation to the "Bad Leaver" provisions of the shareholder agreement. No recovery of costs have been taken up in the other comprehensive income.

Note 32: Parent Entity

The financial information for the parent entity, Hypha Limited has been prepared on the same basis as the financial statements except as disclosed below.

Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of the parent entity. Dividends received from associates are recognised in the parent entity profit or loss, rather than being deducted from the carrying amount of these investments.

Tax consolidation legislation

Hypha Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group. Each entity in the tax consolidated group accounts for their own current and deferred tax amounts. These tax amounts are measured using the 'stand-alone taxpayer' approach to allocation. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the parent entity.

The tax consolidated group has entered into a tax funding agreement whereby each entity within the group contributes to the income tax payable by the Group in proportion to their contribution to the Group's taxable income. Differences between the amounts of net tax assets and liabilities derecognised and the net amounts recognised pursuant to the funding agreement are recognised as either a contribution by, or distribution to the head entity.

STATEMENT OF FINANCIAL POSITION	2024	2023
	\$	\$
Assets		
Current assets	13,939,747	13,940,334
Non-current assets	1,272,686	1,274,978
Total Assets	15,112,433	15,215,312
Liabilities		
Current liabilities	23,612	1,958
Total Liabilities	23,612	1,958
Equity		
Issued capital	15,260,661	15,260,661
Retained earnings	(171,840)	(47,307)
Total Equity	15,088,821	15,213,354
Statement of Profit or Loss and Other Comprehensive Income		
Total profit or loss for the year	(124,533)	(63,458)
Total comprehensive income	(124,533)	(63,458)

Contingent liabilities

The parent entity did not have any contingent liabilities as at 30 June 2024 or 30 June 2023.

Contractual commitments

The parent entity did not have any commitments as at 30 June 2024 or 30 June 2023.

Note 33: Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2024 (30 June 2023: None).

Note 34: Statutory Information

The registered office of Hypha Limited and consolidated entities is:
Level 1 606 Sherwood Road Sherwood Qld 4068

The principal place of business of the Hypha Limited and consolidated entities is:
8/36 Archerfield Road
Darra Qld 4076



Consolidated Entity Disclosure Statement as at 30 June 2024

The following table sets out the disclosure requirements of subsection 295(3A) of the Corporations Act 2001 in respect of Hypha Limited and its controlled entities as at 30 June 2024:

ENTITY NAME	BODY CORPORATE, PARTNERSHIP OR TRUST	COUNTRY OF INCORPORATION OR FORMATION	PERCENTAGE OF SHARE CAPITAL HELD	AUSTRALIAN OR FOREIGN	FOREIGN JURISDICTION
Hypha Limited*	Body corporate	Australia	N/A	Australian	N/A
Hypha Networks Pty Ltd*	Body corporate	Australia	100%	Australian	N/A
Hypha Solutions Pty Ltd*	Body corporate	Australia	100%	Australian	N/A
Hypha Link Pty Ltd*	Body corporate	Australia	100%	Australian	N/A
Hypha Starsat Pty Ltd*	Body corporate	Australia	100%	Australian	N/A
WI Licensing Pty Ltd*	Body corporate	Australia	100%	Australian	N/A
WI Licensing Int Pty Ltd*	Body corporate	Australia	100%	Australian	N/A
Hypha NZ Ltd	Body corporate	New Zealand	100%	Foreign	New Zealand
Wireless Innovation Inc	Body corporate	United States of America	90%	Foreign	United States of America

* Hypha Limited and its wholly owned Australian resident subsidiaries formed a tax consolidation group with effect from 1 July 2023 and is therefore taxed as a single entity from that date. Hypha Limited is the head entity of the tax consolidated group.

Hypha Limited and consolidated entities

Directors' Declaration

ABN 70 621 449 527

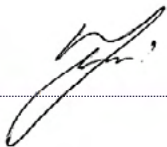
Directors' Declaration

The directors of the Company declare that:

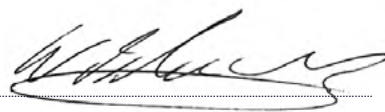
1. The financial statements and notes, as set out on pages 24 to 54, are in accordance with the Corporations Act 2001 and:
 - a. Comply with Australian Accounting Standards – Simplified Disclosure Standard; and
 - b. Give a true and fair view of the financial position as at 30 June 2024 and of the performance for the year ended on that date of the Company and consolidated group.
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.
3. In the directors' opinion, the consolidated entity disclosure statement is true and correct.

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

Director



Director



Dated: 26 November 2024

Independent Audit Report To the members of Hypha Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Hypha Limited (the Company) and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies, the consolidated entity disclosure statement and the directors' declaration.

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

- i. giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Emphasis of Matter

We draw attention to Note 24 of the financial report, which details that management were unable to satisfy themselves as to the inventory valuation as at 30 June 2023. Several adjustments to inventories were identified in the year ended 30 June 2024 that were related to previous financial years and processed through cost of sales for the year ended 30 June 2023. Management have been unable to determine whether these corrections all relate to the year ended 30 June 2023, or earlier financial years and therefore are unable to determine if the cost of sales reported for the year ended 30 June 2023 is materially correct.

We have satisfied ourselves that the above has no material impact on the financial position as at 30 June 2024 or on the financial performance for the year then ended. Our opinion is not modified in respect of this matter.

Other Information

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

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the *Corporations Act 2001*;
- b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2002*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our auditor's report.



Ann-Maree Robertson
Director

Brisbane

Date: 26 November 2024



Moore Australia Audit (QLD) Pty Ltd
Chartered Accountants



UNBOUND COMMUNICATIONS. ANYTIME, ANYWHERE CONNECTIVITY.



Hypha is creating a world where every firefighter, paramedic, police officer or search and rescue team is always connected to high-speed internet – no matter where they are or what situation they're in.



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