

Appendix 4D and Interim Financial Report

Brisbane, 19 February 2025 – COSOL Limited (COSOL, ASX: COS) is pleased to release its Appendix 4D and Interim Financial Report for the six month period ended 31 December 2024.

This announcement was authorised for release by the Board of Directors of COSOL Limited.

For more information, please contact:

E ir@cosol.global

About COSOL

COSOL is a global provider of technology-enabled asset management solutions to optimise operational performance in asset intensive industries such as natural resources, energy and water utilities, public infrastructure and defence.

COSOL provides advice, operational expertise and business optimisation outcomes to help clients achieve economic and sustainable improvements in their business operations and supply chains.

Drawing on our signature solutions and proprietary software, COSOL delivers an Asset Management as a Service capability – a complete outsourced solution for asset management operations that helps optimise asset performance.

Since listing on ASX in 2020, COSOL has delivered profitable growth, strong operating cashflows and successful strategic acquisitions.

<https://cosol.global/>

Appendix 4D

1. Company Details

Name of entity	COSOL Limited
ABN	66 635 371 363
Reporting period	For the half-year ended 31 December 2024
Previous period	For the half-year ended 31 December 2023

2. Results for announcement to the market

Revenues from ordinary activities	up	17.8%	to	\$ 57,782,594
Profit from ordinary activities after tax attributable to the owners of COSOL Limited	up	11.5%	to	4,054,038
Profits for the half-year attributable to the owners of COSOL Limited	up	11.5%	to	4,054,038

Dividends

The Directors have declared a 1 cent interim dividend payable to all ordinary shareholders for the current financial half-year. The dividend will be fully franked. The record date for the entitlements to this dividend will be 11 April 2025 with a payment date of 12 May 2025.

Comments

The profit for the consolidated entity after providing for income tax amounted to \$4,054,038 (31 December 2023: \$3,635,981).

Further details of the results for the financial half-year are in the Directors' Report section of the attached Interim Financial Report of COSOL Limited for the financial half-year ended 31 December 2024.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	(12.07)	(4.65)

4. Control gained over entities

Name of entities (or group of entities)	Toustone Pty Ltd
Date control gained	1 December 2024

Contribution of such entities to the reporting entity's profit from ordinary activities before income tax during the period was (\$324,409).

5. Dividends

Current period

The Directors have declared a 1 cent interim dividend payable to all ordinary shareholders for the current financial half-year. The dividend will be fully franked. The record date for the entitlements to this dividend will be 11 April 2025 with a payment date of 12 May 2025.

A final dividend for the year ended 30 June 2024 of \$0.0139 (2023: \$0.0146) per ordinary share was paid on 4 November 2024 (record date of 18 October 2024).

Previous period

The Directors declared a \$0.01 interim dividend payable to all ordinary shareholders for the previous financial half-year. The dividend was fully franked. The record date for the entitlement to this dividend was 12 April 2024 with a payment date of 13 May 2024.

6. Foreign entities

Details of origin of accounting standards used in compiling the report

The results for COSOL Americas Inc (previously AddOns Inc) are prepared in accordance with Australian Accounting Standards (AAS).

7. Audit qualification or review

Details of audit/review dispute or qualification (if any)

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Financial Report for the financial half-year ended 31 December 2024.

8. Attachments

Details of attachments (if any)

The Interim Financial Report of COSOL Limited for the financial half-year ended 31 December 2024 is attached.

9. Signed

Signed



Geoffrey Lewis
Chairman

Date: 18 February 2025

INTERIM FINANCIAL REPORT

31 December 2024

COSOL Limited
ABN 66 635 371 363



Corporate Directory

Directors

Geoffrey Lewis – Non-Executive Chairman
Scott McGowan – Managing Director and Chief Executive Officer
Stephen Johnston – Non-Executive Director
Gerald Strautins – Non-Executive Director

Key management

Anthony Stokes – Chief Financial Officer
Matt Glasner – Chief Operating Officer

Company secretary

Ben Secrett – Company Secretary

Registered office and principal place of business

Level 3, 490 Adelaide Street
Brisbane QLD 4000

Incorporation

Incorporated in Australia as a public company limited by shares
ACN: 635 371 363
ABN: 66 635 371 363

Stock exchange listing

COSOL Limited shares are listed on the Australian Securities Exchange (ASX code: COS).

www.asx.com.au

Share registry

LINK MARKET SERVICES

Level 12, QV1 Building
250 St George's Terrace
Perth WA 6000

Telephone: +61 1300 554 474

www.linkmarketservices.com.au

Auditor

ELDERTON AUDIT PTY LTD

Level 32
152 St George's Terrace
Perth WA 6000

Website

www.cosol.global

Contents

General information	3
Directors' Report	3
Auditors independence declaration	7
Statement of profit or loss and other comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12
Directors' declaration	27
Independent auditor's review report	28

General information

The financial statements cover COSOL Limited as a consolidated entity consisting of COSOL Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is COSOL Limited's functional and presentation currency.

This Interim Financial Report does not include all of the disclosure normally included in annual consolidated financial statements. Accordingly, this Interim Financial Report should be read in conjunction with the consolidated financial statements for the year ended 30 June 2024.

COSOL Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are detailed in the Corporate Directory.

Directors' Report

For the financial half-year ended 31 December 2024

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of COSOL Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2024.

Directors

The following persons were Directors of COSOL Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

- Geoffrey James Lewis (Chairman)
- Gerald Peter Strautins
- Grant Anthony Pestell – retired on 14 November 2024
- Stephen Edward Oliver Johnston
- Benjamin Thomas Buckley (Managing Director) – resigned on 14 November 2024
- Scott Evatt McGowan (Managing Director) – appointed on 14 November 2024

Principal activities

During the financial half-year the principal continuing activities of the consolidated entity were the provision of information technology services.

The consolidated entity utilises proprietary software and services to deliver solutions for clients operating in asset-intensive industries, with a particular focus on resource and capital-intensive enterprise asset management (EAM) and infrastructure focused systems.

The consolidated entity aims to optimise business processes and reduce business expenditure for its clients by providing digital business solutions, including business process and strategic reviews, implementation of enterprise resource planning ERP/EAM solutions, data migration and ongoing support services.

Operational overview

COSOL's business continues to thrive as a trusted digital solutions partner for asset-centric customers, delivering exceptional value through innovation, efficiency, and operational excellence. We have maintained strong organic revenue growth, driven by our commitment to enhancing customer experience and optimising digital transformation strategies. Financial performance was robust with revenue growing to \$57.8m up 17.8% on the prior corresponding period and underlying EBITDA growing \$8.2 million up 17.6% on the prior corresponding period.

As COSOL transitioned a number of managed service contracts, the business remained strategically focused on investing in gross margin to ensure long-term profitability and sustainability. This transition not only strengthens our market position but also allows us to deliver higher-value solutions, leveraging automation, AI, and data-driven insights.

The first half saw COSOL complete the Toustone acquisition, giving COSOL capability around data analytics, machine learning and new IP in the cloud-based data platform which has resulted in immediate revenue synergy opportunities within the existing COSOL customer base. It also saw growth of 23% in COSOL's asset management professional services business, and an uplift in COSOL being engaged for digital transformation advisory projects which is a lead indicator for larger downstream opportunities for COSOL.

Key highlights for the financial half-year included:

- 11 new customer logos;
- 4 new managed service customers;
- 6 new EAMaaS customers providing a platform for expansion of services;
- COSOL's first AI-Infused customer offerings have been contracted; and
- declaring an interim fully franked dividend totalling of \$0.01 per share maintaining COSOL's track record since listing of generous shareholder distributions.

Financial overview

PROFIT AND LOSS

The following table summarises financial indicators used by management to monitor the Company. Underlying EBITDA is one of the key performance metrics of the Company, as management believes it is a better reflection of actual financial performance.

\$'000	FY25 H1	FY24 H1
Revenue	57,780	49,053
EBITDA	7,655	6,542
NPAT	4,054	3,636
EPS	2.28	2.18
EBITDA (Underlying)	8,153	6,933
NPAT (Underlying)	4,407	3,914
NPATA (Underlying)	4,894	4,276
EPS (Underlying)	2.47	2.35

1. Underlying EBITDA, NPAT, NPATA and EPS are unaudited, non-IFRS financial information.
2. Underlying NPAT excludes the tax adjusted impact of acquisition costs.
3. Underlying NPATA excludes the tax adjusted impact of system development amortisation and acquisition costs.
4. Underlying EPS is underlying NPAT divided by weighted average shares on issue.

COSOL delivered revenue growth of 17.8% to \$57.8m in FY25 H1 on the back of strong organic increases, coupled with the addition of Core Asset Co. and Toustone revenue during the period. Higher revenues drove increased underlying EBITDA of \$8.2m in FY25 H1, \$1.2m (17.6%) higher than the previous period, while maintaining an EBITDA margin of 14.1%. This organic and acquisitive growth translated into higher NPATA for the period of \$4.9m, a 14.5% rise on the prior period.

CASH FLOW

Underlying operating cashflow (excluding interest, tax, and acquisition costs) decreased 2.7% (\$109k) to \$4.0m in FY25 H1, attributable to the timing of receivable payments.

BALANCE SHEET

Net assets increased ~\$11.5m to \$75.0m in FY25 H1 supported by the acquisitions of Core Asset and Toustone. Additional finance facilities were secured during the period with an increase in borrowing capacity to \$38.9m, with \$12.0m available headroom. The Toustone acquisition supported a higher net debt position of \$34.1m.

Dividends

The Directors have declared a 1 cent interim dividend payable to all ordinary shareholders for the current financial year. The dividend will be fully franked. The record date for the entitlements to this dividend will be 11 April 2025 with a payment of 12 May 2025.

Dividends paid during the financial half-year were as follows:

	Consolidated	
	For the half year ended 31 December 2024	For the half year ended 31 December 2023
	\$	\$
Final dividend for the year ended 30 June 2024 of \$0.0139 (2023: \$0.0146) per ordinary share	2,466,664	2,553,816

Review of operations

The profit for the consolidated entity after providing for income tax amounted to \$4,054,038 (31 December 2023: \$3,635,981).

Revenue for the consolidated entity for the half-year amounted to \$57,778,349 (31 December 2023: \$49,053,157).

Significant changes in the state of affairs

ACQUISITION OF TOUSTONE PTY LTD

On 1 December 2024, COSOL Limited acquired 100% of the ordinary shares of Toustone Pty Ltd ("Toustone") for the total consideration of up to \$22,821,773 subject to Toustone meeting future profit hurdles. Toustone is a data analytics, predictive analytics and decision intelligence company dedicated to solving complex data problems and providing accurate and reliable reporting. The upfront consideration totals \$12,396,001, comprising \$8,396,773 cash and 4,531,038 COSOL shares (being \$4 million worth at a deemed issue price of \$0.8828 per share). The balance of the consideration comprises up to \$6.5 million in earnout and up to \$3.925 million in outperformance consideration, and is payable subject to the Toustone business achieving profit and margin hurdles in CY25 and CY26.

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

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2024 that has 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.


Round of amounts

The company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' Report and Interim Financial Report. Amounts in the Directors' Report and Interim Financial Report have been rounded off to the nearest thousand dollars in accordance with the instrument.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* (Cth) is set out immediately after this Directors' Report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the *Corporations Act 2001* (Cth). On behalf of the directors.



Geoffrey Lewis
Chairman

18 February 2025

Auditor's independence declaration

To those charged with the governance of COSOL Limited

As lead auditor for the review of the half-year financial report of COSOL Limited for the half-year ended 31 December 2024, I declare to the best of my knowledge and belief, there have been:

- i) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- ii) no contraventions of any applicable code of professional conduct in relation to the review.
- iii) No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of COSOL Limited and the entities it controlled during the period.

Elderton Audit Pty Ltd

Elderton Audit Pty Ltd



Sajjad Cheema

Director

18 February 2025

Statement of profit or loss and other comprehensive income

For the financial half-year ended 31 December 2024

	Note	Consolidated	
		For the half-year ended 31 December 2024	For the half-year ended 31 December 2023
		\$	\$
Revenue	3	57,778,349	49,053,157
Other income	4	1,687	20,984
Interest income		4,245	12,039
Expenses			
Costs of sales		(39,578,528)	(33,009,701)
Depreciation and amortisation expense	5	(1,186,331)	(822,944)
Salaries & Wages		(5,901,462)	(5,867,733)
Share based payments	25	165,484	(141,535)
Operating and General Expenses		(4,810,332)	(3,525,650)
Finance costs		(836,804)	(626,130)
Profit before income tax expense		5,636,308	5,092,487
Income tax expense	6	(1,582,270)	(1,456,506)
Profit after income tax expense for the half-year attributable to the owners of COSOL Limited		4,054,038	3,635,981
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		244,934	(60,409)
Other comprehensive income for the half-year, net of tax		244,934	(60,409)
Total comprehensive income for the half-year, attributable to the owners of COSOL limited		4,298,972	3,575,572
		Cents	Cents
Basic earnings per share	24	2.28	2.18
Diluted earnings per share	24	2.13	2.05

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 2024

		Consolidated	
	Note	31 December 2024 \$	30 June 2024 \$
Assets			
Current assets			
Cash and cash equivalents		3,645,808	6,615,863
Trade and other receivables		19,778,078	13,496,583
Inventories		24,088	24,088
Prepayments and other current assets	7	8,889,426	9,952,234
Total current assets		32,337,400	30,088,768
Non-current assets			
Property, plant and equipment	8	758,690	803,450
Right-of-use assets	9	5,488,695	5,867,093
Intangibles	10	97,255,058	74,423,511
Deferred tax		1,538,212	1,371,013
Total non-current assets		105,040,655	82,465,067
Total assets		137,378,055	112,553,835
Liabilities			
Current liabilities			
Trade payables		2,832,874	3,618,546
Bank loans	11	2,950,000	4,200,000
Lease liability	12	517,174	539,037
Income tax		789,855	489,625
Employee benefits	13	3,415,060	2,692,528
Deferred consideration		350,000	1,350,000
Accrued and other liabilities	14	10,862,470	8,971,655
Total current liabilities		21,717,433	21,861,391
Non-current liabilities			
Bank loans	15	23,665,508	14,450,000
Lease liability		5,248,827	5,477,366
Deferred tax		966,246	1,040,861
Deferred consideration		10,775,000	350,000
Total non-current liabilities		40,655,581	21,318,227
Total liabilities		62,373,014	43,179,618
Net assets		75,005,041	69,374,217
Equity			
Issued capital	16	55,353,486	51,389,486
Reserves		1,068,492	989,042
Retained profits		18,583,063	16,995,689
Total equity		75,005,041	69,374,217

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

Statement of changes in equity

For the financial half-year ended 31 December 2024

	Issued capital \$	Share based payment reserve \$	Foreign exchange reserve \$	Retained profits \$	Total equity \$
Consolidated					
Balance at 1 July 2023	29,094,381	520,712	264,453	12,779,287	42,658,833
Profit after income tax expense for the half-year	-	-	-	3,635,981	3,635,981
Other comprehensive income for the half-year, net of tax	-	-	(60,409)	-	(60,409)
Total comprehensive income for the half-year	-	-	(60,409)	3,635,981	3,575,572
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs	18,388,968	-	-	-	18,388,968
Share-based payments (note 25)	1,299,976	55,590	-	-	1,355,566
Adjustment to tax on listing fees for equity issue	106,161	-	-	-	106,161
Dividends paid (note 17)	-	-	-	(2,553,816)	(2,553,816)
Balance at 31 December 2023	<u>48,889,486</u>	<u>576,302</u>	<u>204,044</u>	<u>13,861,452</u>	<u>63,531,284</u>

	Issued capital \$	Share based payment reserve \$	Foreign exchange reserve \$	Retained profits \$	Total equity \$
Consolidated					
Balance at 1 July 2024	51,389,486	760,068	228,974	16,995,689	69,374,217
Profit after income tax expense for the half-year	-	-	-	4,054,038	4,054,038
Other comprehensive income for the half-year, net of tax	-	-	244,934	-	244,934
Total comprehensive income for the half-year	-	-	244,934	4,054,038	4,298,972
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 16)	4,000,000	-	-	-	40,000,000
Share-based payments (note 25)	-	(165,484)	-	-	(165,484)
Adjustment to tax on listing fees for equity issue	(36,000)	-	-	-	(36,000)
Dividends paid (note 17)	-	-	-	(2,466,664)	(2,466,664)
Balance at 31 December 2024	<u>55,353,486</u>	<u>594,584</u>	<u>473,908</u>	<u>18,583,063</u>	<u>75,005,041</u>

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

Statement of cash flows

For the financial half-year ended 31 December 2024

		Consolidated	
		For the half year ended 31 December 2024	For the half year ended 31 December 2023
	Note	\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		62,649,638	54,221,716
Payments to suppliers and employees (inclusive of GST)		(58,671,755)	(50,134,723)
		3,977,883	4,086,993
Interest received		4,245	12,039
Other revenue		1,687	20,984
Interest and other finance costs paid		(836,804)	(626,130)
Income taxes paid		(1,504,867)	(1,169,354)
Net cash from operating activities	23	1,642,144	2,324,532
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired	21	(7,608,886)	(16,229,155)
Payments for prior period's business acquisition		(1,000,000)	(1,875,000)
Payments for property, plant and equipment	8	(65,084)	(190,142)
Payments for intangibles	10	(1,171,000)	(351,999)
Net cash used in investing activities		(9,844,970)	(18,646,296)
Cash flows from financing activities			
Proceeds from issue of shares	16	(36,000)	16,320,192
Proceeds from bank loan		9,015,508	6,467,292
Repayment of bank loan		(1,050,000)	(800,000)
Share issue transaction costs		-	(600,000)
Dividends paid	17	(2,466,664)	(2,553,816)
Repayment of lease liabilities		(250,402)	(353,442)
Net cash from financing activities		5,212,442	18,480,226
Net increase/(decrease) in cash and cash equivalents		(2,990,384)	2,158,462
Cash and cash equivalents at the beginning of the financial half-year		6,615,863	4,564,847
Effects of exchange rate changes on cash and cash equivalents		20,329	(11,017)
Cash and cash equivalents at the end of the financial half-year		3,645,808	6,712,292

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

Notes to the financial statements

For the financial half-year ended 31 December 2024

NOTE 1. MATERIAL ACCOUNTING POLICY INFORMATION

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

New or amended Accounting Standards and interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

NOTE 2. OPERATING SEGMENTS

Identification of reportable operating segments

The consolidated entity is organised into two operating segments: COSOL Asia Pacific and COSOL North America. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis

Intersegment transactions

Intersegment transactions were made at market rates. These transactions consist of consultancy services. Intersegment transactions are eliminated on consolidation.

Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

NOTE 2. OPERATING SEGMENTS (CONTINUED)
Operating segment information

Consolidated – For the half year ended 31 December 2024	COSOL Asia Pacific \$	COSOL North America \$	Total \$
Revenue			
Sales to external customers	52,214,452	5,563,897	57,778,349
Intersegment sales	106,955	-	106,955
Total sales revenue	52,321,407	5,563,897	57,885,304
Other revenue	4,234	11	4,245
Total segment revenue	52,325,641	5,563,908	57,889,549
Intersegment eliminations			(106,955)
Total Revenue			57,782,594
EBITDA			
EBITDA	5,955,423	1,699,775	7,655,198
Depreciation and amortisation	(1,121,452)	(64,879)	(1,186,331)
Interest revenue	4,234	11	4,245
Finance cost	(835,883)	(921)	(836,804)
Profit before income tax expense	4,002,322	1,633,986	5,636,308
Income tax expense			(1,582,270)
Profit after income tax expense			4,054,038
Consolidated – For the half year ended 31 December 2023			
	COSOL Asia Pacific \$	COSOL North America \$	Total \$
Revenue			
Sales to external customers	41,875,721	7,177,436	49,053,157
Intersegment sales	686,960	-	686,960
Total sales revenue	42,562,681	7,177,436	49,740,117
Other revenue	12,028	11	12,039
Total segment revenue	42,574,709	7,177,447	49,752,156
Intersegment eliminations			(686,960)
Total Revenue			49,065,196
EBITDA			
EBITDA	4,855,693	1,673,829	6,529,522
Depreciation and amortisation	(758,840)	(64,104)	(822,944)
Interest revenue	12,028	11	12,039
Finance cost	(620,961)	(5,167)	(626,130)
Profit before income tax expense	3,487,920	1,604,567	5,092,487
Income tax expense			(1,456,506)
Profit after income tax expense			3,635,981

NOTE 3. REVENUE

	Consolidated	
	For the half year ended 31 December 2024	For the half year ended 31 December 2023
	\$	\$
Rendering of services	52,055,837	44,991,042
Product sales	5,722,512	4,062,115
Revenue	<u>57,778,349</u>	<u>49,053,157</u>

NOTE 4. OTHER INCOME

	Consolidated	
	For the half year ended 31 December 2024	For the half year ended 31 December 2023
	\$	\$
Reimbursement of expenses	<u>1,687</u>	<u>20,984</u>

NOTE 5. DEPRECIATION AND AMORTISATION EXPENSE

	Consolidated	
	For the half year ended 31 December 2024	For the half year ended 31 December 2023
	\$	\$
Depreciation on property, plant and equipment	121,104	61,839
Amortisation of right-of-use assets	379,847	251,579
Amortisation of website	19,750	19,750
Amortisation of system development	665,630	489,776
	<u>1,186,331</u>	<u>822,944</u>

NOTE 6. INCOME TAX EXPENSE

	Consolidated	
	For the half year ended 31 December 2024	For the half year ended 31 December 2023
	\$	\$
Income tax expense		
Current tax	1,789,777	876,058
Deferred tax – origination and reversal of temporary differences	(128,482)	524,657
Under/(over) provision for prior year	(79,025)	55,791
Aggregate income tax expense	1,582,270	1,456,506
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	5,636,308	5,092,487
Tax at the statutory tax rate of 30%	1,690,892	1,527,746
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	70,269	108,560
Share-based payments	(49,645)	-
Acquisition costs	149,240	-
Deductible equity raising costs	(36,000)	(73,839)
	1,824,756	1,562,467
Under/(over) provision for prior year	(79,025)	55,791
Difference in overseas tax rates	(163,461)	(158,861)
Effect of differences in foreign exchange translation rate	-	(2,891)
Income tax expense	1,582,270	1,456,506

	Consolidated	
	31 December 2024	31 December 2023
	\$	\$
<i>Amount charged/(credited) directly to equity</i>		
Deferred tax assets	(36,000)	73,839

NOTE 7. CURRENT ASSETS – PREPAYMENTS AND OTHER CURRENT ASSETS

	Consolidated	
	31 December 2024	30 June 2024
	\$	\$
Accrued revenue	6,488,221	7,479,122
Prepayments	2,041,587	1,906,849
Other current assets	359,618	566,263
	8,889,426	9,952,234

NOTE 8. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	31 December 2024	30 June 2024
	\$	\$
Leasehold improvements – at cost	56,989	48,912
Less: Accumulated depreciation	(27,766)	(22,828)
	<u>29,223</u>	<u>26,084</u>
Fixtures and fittings – at cost	49,370	49,390
Less: Accumulated depreciation	(21,789)	(17,896)
	<u>27,581</u>	<u>31,494</u>
Computer equipment – at cost	1,103,503	926,135
Less: Accumulated depreciation	(538,628)	(332,264)
	<u>564,875</u>	<u>593,871</u>
Office equipment – at cost	420,958	402,254
Less: Accumulated depreciation	(283,948)	(250,299)
	<u>136,974</u>	<u>151,955</u>
Low value asset pool – at cost	2,379	2,379
Less: Accumulated depreciation	(2,342)	(2,333)
	<u>37</u>	<u>46</u>
Computer software – at cost	3,227	3,073
Less: Accumulated depreciation	(3,227)	(3,073)
	<u>-</u>	<u>-</u>
	<u>758,690</u>	<u>803,450</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Buildings and improvements	Computers	Furniture and fixtures	Low value asset pool	Office equipment	Computer software	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2024	26,084	593,871	31,494	46	151,955	-	803,450
Additions	7,653	57,431	-	-	-	-	65,084
Additions through business combinations (note 21)	-	-	-	-	7,426	-	7,426
Exchange differences	-	3,834	-	-	-	-	3,834
Depreciation expense	(4,514)	(90,261)	(3,913)	(9)	(22,407)	-	(121,104)
Balance at 31 December 2024	<u>29,223</u>	<u>564,875</u>	<u>27,581</u>	<u>37</u>	<u>136,974</u>	<u>-</u>	<u>758,690</u>

NOTE 9. NON-CURRENT ASSETS – RIGHT-OF-USE ASSETS

	Consolidated	
	31 December 2024	30 June 2024
	\$	\$
Land and buildings – right-of-use	6,428,684	6,480,516
Less: Accumulated depreciation	(939,989)	(613,423)
	5,488,695	5,867,093

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	\$	Total \$
Balance at 1 July 2024	5,867,093	5,867,093
Exchange differences	1,449	1,449
Depreciation expense	(379,847)	(379,847)
Balance at 31 December 2024	5,488,695	5,488,695

NOTE 10. NON-CURRENT ASSETS – INTANGIBLES

	Consolidated	
	31 December 2024	30 June 2024
	\$	\$
Goodwill – at cost	86,588,032	69,249,254
Software and systems – at cost	10,129,953	5,985,960
Less: Accumulated amortisation	(1,500,270)	(868,796)
	8,629,683	5,117,164
Website – at cost	178,885	178,885
Less: Accumulated amortisation	(141,542)	(121,792)
	37,343	57,093
Customer relations – at cost	2,000,000	-
	97,255,058	74,423,511

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Goodwill \$	System Development \$	Website \$	Customer relations \$	Total \$
Balance at 1 July 2024	69,249,254	5,117,164	57,093	-	74,423,511
Additions	-	1,171,000	-	-	1,171,000
Additions through business combinations (note 21)	17,338,778	3,007,149	-	2,000,000	22,345,927
Amortisation expense	-	(665,630)	(19,750)	-	(685,380)
Balance at 31 December 2024	86,588,032	8,629,683	37,343	2,000,000	97,255,058

NOTE 11. CURRENT LIABILITIES – BANK LOANS

	Consolidated	
	31 December 2024	30 June 2024
	\$	\$
Bank loans	2,950,000	4,200,000

Refer to note 18 for further information on financial instruments.

NOTE 12. CURRENT LIABILITIES – LEASE LIABILITY

	Consolidated	
	31 December 2024	30 June 2024
	\$	\$
Lease liability – rent right-of-use	395,678	423,596
Lease liability - equipment	121,496	115,441
	<u>517,174</u>	<u>539,037</u>

Refer to note 18 for further information on financial instruments.

NOTE 13. CURRENT LIABILITIES – EMPLOYEE BENEFITS

	Consolidated	
	31 December 2024	30 June 2024
	\$	\$
Annual leave	1,849,328	1,437,215
Long service leave	1,081,103	768,059
Employee benefits	484,629	487,254
	<u>3,415,060</u>	<u>2,692,528</u>

NOTE 14. CURRENT LIABILITIES – ACCRUED AND OTHER LIABILITIES

	Consolidated	
	31 December 2024	30 June 2024
	\$	\$
Payroll tax payable	357,388	267,270
Superannuation payable	619,039	763,221
GST payable	864,171	847,338
Accrued expenses	1,072,710	122,733
Deferred revenue	4,432,115	1,758,152
Other current liabilities	3,517,047	5,212,941
	<u>10,862,470</u>	<u>8,971,655</u>

NOTE 15. NON-CURRENT LIABILITIES – BANK LOANS

The consolidated entity has secured additional finance facilities with Westpac Banking Corporation during the financial year, with the overall facility now totalling \$38.9 million. This comprises a term debt facility of \$35 million made up of \$25 million (interest only) and \$10 million (principal plus interest over the term), a multi option facility for \$3.65 million and a corporate credit card facility for \$250,000, with \$26,843,008 drawn as at the balance date. The term of these facilities is 3 years and have been provided on a secured basis and are subject to the Group continuing to meet several performance covenants. As at 31 December 2024, the Group was in compliance with all these covenants.

	Consolidated	
	31 December 2024	30 June 2024
	\$	\$
Bank loans	23,665,508	14,450,000

Refer to note 18 for further information on financial instruments.

NOTE 16. EQUITY – ISSUED CAPITAL

	Consolidated			
	31 December 2024	30 June 2024	31 December 2024	30 June 2024
	Shares	Shares	\$	\$
Ordinary shares – fully paid	181,988,796	177,457,758	55,353,486	51,389,486

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2024	177,457,758		51,389,486
Issue of shares in business acquisition of Toustone Pty Ltd	6 December 2024	4,531,038	\$0.88	4,000,000
Adjustment to tax effect of listing fees		-	\$0.00	(36,000)
Balance	31 December 2024	181,988,796		55,353,486

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

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

Share buy-back

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

NOTE 17. EQUITY - DIVIDENDS

Dividends paid during the financial half-year were as follows:

	Consolidated	
	For the half year ended 31 December 2024	For the half year ended 31 December 2023
	\$	\$
Final dividend for the year ended 30 June 2024 of \$0.0139 (2023: \$0.146) per ordinary share	2,466,664	2,553,816

NOTE 18. FINANCIAL INSTRUMENTS

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

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

Market risk

Foreign currency risk

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

Price risk

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

Interest rate risk

The consolidated entity's main interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the consolidated entity to interest rate risk. Borrowings obtained at fixed rates expose the consolidated entity to fair value interest rate risk.

NOTE 18. FINANCIAL INSTRUMENTS (CONTINUED)

As at the reporting date, the consolidated entity had the following variable rate borrowings outstanding:

Consolidated	For the half year ended 31 December 2024		For the half year ended 31 December 2023	
	Weighted average interest rate %	Balance \$	Weighted average interest rate %	Balance \$
Bank loans	6.17%	26,615,508	4.80%	18,300,000
Net exposure to cash flow interest rate risk		26,615,508		18,300,000

For the consolidated entity the bank loans outstanding, totalling \$26,615,508 (2023: \$18,300,000), are principal and interest payment loans. Monthly cash outlays of approximately \$136,000 (2023: \$110,000) are required to service the interest payments. Minimum principal repayments of \$2,525,000 (2023: \$3,200,000) are due during the financial year ending 30 June 2025.

Credit risk

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

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Fair value of financial instruments

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

NOTE 19. CONTINGENT LIABILITIES

The parent entity had no contingent liabilities as at 31 December 2024.

NOTE 20. RELATED PARTY TRANSACTIONS

Parent entity

COSOL Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 22.

NOTE 20. RELATED PARTY TRANSACTIONS (CONTINUED)

Transactions with related parties

The following transactions occurred with related parties:

Mr Pestell, a non-executive Director until his retirement on 14 November 2024, is Managing Director and part owner of, and has significant influence over, Murcia Pestell Hillard Lawyers, the consolidated entity's Australian legal adviser. Murcia Pestell Hillard Lawyers is not a material services supplier to the consolidated entity and the consolidated entity is not a material client of Murcia Pestell Hillard Lawyers. During the financial period, the consolidated entity paid fees as below in connection with the provision of legal services. These transactions occurred within a normal customer-supplier relationship and on terms and conditions no more favourable than those available to other parties on an arms-length basis.

During the previous financial half-year, fees were paid for accounting services by the consolidated entity to a party related to a Director and key management personnel employee. These transactions were on a normal commercial basis.

	Consolidated	
	For the half year ended 31 December 2024	For the half year ended 31 December 2023
	\$	\$
Payment for goods and services:		
Payment for services from other related party – legal services	129,102	152,578
Payment for services from other related party – accounting services	-	56,363

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

NOTE 21. BUSINESS COMBINATIONS

On 1 December 2024, COSOL Limited acquired 100% of the ordinary shares of Toustone Pty Ltd ("Toustone") for the total consideration of up to \$22,821,773 subject to Toustone meeting future profit hurdles. Toustone is a data analytics, predictive analytics and decision intelligence company dedicated to solving complex data problems and providing accurate and reliable reporting. The upfront consideration totals \$12,396,001, comprising \$8,396,773 cash and 4,531,038 COSOL shares (being \$4 million worth at a deemed issue price of \$0.8828 per share). The balance of the consideration comprises up to \$6.5 million in earnout and up to \$3.925 million in outperformance consideration and is payable subject to the Toustone business achieving profit and margin hurdles in CY25 and CY26. The acquisition resulted in goodwill of \$17,338,778 to be recognised in the consolidated financial statements. The acquired business contributed revenues of \$730,097 and loss before tax of \$324,409 to the consolidated entity for the period from 1 December 2024 to 31 December 2024.

Details of the acquisition are as follows:

	Fair value
	\$
Cash and cash equivalents	787,887
Trade receivables	1,339,352
Accrued revenue	359,929
Property, plant and equipment	7,440
Deferred tax asset	124,441
Intangibles	5,007,149
Trade payables	(290,599)
Provision for income tax	(105,454)
Employee benefits	(540,618)
Other current liabilities	(1,206,532)
	<hr/>
Net assets acquired	5,482,995
Goodwill	17,338,778
	<hr/>
Acquisition-date fair value of the total consideration transferred	22,821,773
	<hr/> <hr/>
Representing	
Cash paid or payable to vendor	8,396,773
COSOL Limited shares issued to vendor	4,000,000
Contingent consideration	6,500,000
Outperformance consideration	3,925,000
	<hr/>
	22,821,773
	<hr/> <hr/>
Acquisition costs expensed to profit or loss	497,466
	<hr/> <hr/>
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	22,821,773
Less: cash and cash equivalents	(787,887)
Less: contingent consideration	(6,500,000)
Less: outperformance consideration	(3,925,000)
Less: shares issued by company as part of consideration	(4,000,000)
	<hr/>
Net cash used	7,608,886
	<hr/> <hr/>

NOTE 22. INTERESTS IN SUBSIDIARIES

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

Name	Principal place of business / Country of incorporation	Ownership interest	
		31 December 2024 %	30 June 2024 %
COSOL Australia Pty Limited	Australia	100.00%	100.00%
COSOL Americas Inc (previously AddOns Inc)	USA	100.00%	100.00%
Clarita Solutions Pty Ltd	Australia	100.00%	100.00%
Work Management Solutions Pty Ltd	Australia	100.00%	100.00%
Asset Management Learning Academy Pty Ltd	Australia	100.00%	100.00%
AssetOn Group Pty Ltd	Australia	100.00%	100.00%
OnPlan Technologies Pty Ltd	Australia	100.00%	100.00%
Core Asset Co Pty Ltd	Australia	100.00%	100.00%
Toustone Pty Ltd	Australia	100.00%	-

NOTE 23. RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH FROM OPERATING ACTIVITIES

	Consolidated	
	For the half year ended 31 December 2024 \$	For the half year ended 31 December 2023 \$
Profit after income tax expense for the half-year	4,054,038	3,635,981
Adjustments for:		
Depreciation and amortisation	1,186,331	822,944
Share-based payments	(165,484)	141,535
Revaluation adjustments	-	159,052
Foreign currency differences	219,322	(48,234)
Change in operating assets and liabilities		
Decrease/(increase) in trade and other receivables	(4,942,143)	4,316,665
Decrease in inventories	-	38,085
Increase in deferred tax assets	(42,758)	(343,177)
Decrease/(increase) in accrued revenue	1,350,830	(1,823,787)
Increase in prepayments	(134,738)	(269,239)
Decrease/(increase) in other operating assets	(190,127)	1,968,715
Decrease in trade payables	(1,113,488)	(1,360,417)
Increase in provision for income tax	194,776	-
Increase/(decrease) in deferred tax liabilities	(74,615)	630,329
Increase in employee benefits	181,914	104,375
Increase in other provisions	9,425,000	4,125,000
Decrease in other operating liabilities	(8,306,714)	(9,773,295)
Net Cash from operating activities	1,642,144	2,324,532

NOTE 24. EARNINGS PER SHARE

	For the half year ended 31 December 2024	For the half year ended 31 December 2023
	\$	\$
Profit after income tax attributable to the owners of COSOL Limited	4,054,038	3,635,981
	Cents	Cents
Basic earnings per share	2.28	2.18
Diluted earnings per share	2.13	2.05
	Number	Number
Weighted average number of ordinary shares in calculating basic earnings per share	178,098,013	166,537,150
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	12,225,538	10,525,449
Weighted average number of ordinary shares in calculating diluted earnings per share	190,323,551	177,062,599

NOTE 25. SHARE-BASED PAYMENTS

A share option plan has been established by the consolidated entity and approved by shareholders at a general meeting, whereby the consolidated entity may, at the discretion of the Nomination and Remuneration Committee, grant options over ordinary shares in the company to certain key management personnel of the consolidated entity. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Nomination and Remuneration Committee.

The options granted as part of the COSOL Limited employee share option plan are as laid out below:

	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	31 December 2024	31 December 2024	31 December 2023	31 December 2023
Outstanding at the beginning of the financial half-year	14,483,323	\$1.03	11,502,448	\$0.77
Granted	-	\$0.00	3,000,000	\$1.22
Exercised	-	\$0.00	(2,925,375)	\$0.42
Expired	(2,983,323)	\$0.95	(93,750)	\$0.70
Outstanding at the end of the financial half-year	11,500,000	\$1.05	11,483,323	\$0.98

NOTE 25. SHARE-BASED PAYMENTS (CONTINUED)

Tranche	Grant date	Exercise price	Balance at the start of the period	Granted	Exercised	Expired/ other	Balance at the end of the period
Tranche 5 Mr Buckley	17/11/2020	\$0.900	1,500,000	-	-	(1,500,000)	-
Tranche 4 Mr Buckley	17/11/2020	\$1.000	1,483,323	-	-	(1,483,323)	-
Tranche Senior Leadership Team	02/12/2021	\$0.950	750,000	-	-	-	750,000
Tranche Senior Leadership Team	13/07/2022	\$0.810	750,000	-	-	-	750,000
Tranche Mr Stokes	30/06/2023	\$0.830	800,000	-	-	-	800,000
Tranche Mr Stokes	30/06/2023	\$0.830	600,000	-	-	-	600,000
Tranche Mr Stokes	30/06/2023	\$0.830	600,000	-	-	-	600,000
Tranche Mr Glasner	30/06/2023	\$0.890	800,000	-	-	-	800,000
Tranche Mr Glasner	30/06/2023	\$0.890	600,000	-	-	-	600,000
Tranche Mr Glasner	30/06/2023	\$0.890	600,000	-	-	-	600,000
Tranche Mr Buckley	15/12/2023	\$1.220	3,000,000	-	-	-	3,000,000
Tranche Mr McGowan	29/01/2024	\$1.220	3,000,000	-	-	-	3,000,000
			14,483,323	-	-	(2,983,323)	11,500,000

These options were valued using a Monte Carlo option model as they can only be exercised at the end of the applicable service period and have a relatively short life. They were valued based on a 53% volatility, 0.09% (Tranche 1) and 0.42% (Tranche 2) risk free rate and a share price at grant date of \$0.71.

The weighted average remaining contractual life of options outstanding at the end of the financial half-year was 2.03 years (2023: 1.75 years).

Directors' declaration

In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001* (Cth), Australian Accounting Standard AASB 134 'Interim Financial Reporting', the *Corporations Regulations 2001* (Cth) and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the *Corporations Act 2001* (Cth).

On behalf of the Directors



Geoffrey Lewis
Chairman

18 February 2025

Independent auditor's review report

To the members of COSOL Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of COSOL Limited (the 'Company') and its subsidiaries (collectively referred to as 'the Group'), which comprises the condensed consolidated statement of financial position as at 31 December 2024, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the director's declaration.

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

- a) giving a true and fair view of the consolidated financial position as at 31 December 2024 and of its consolidated financial performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with 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 review report.

Director's Responsibilities for the Half-Year Financial Report

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

Auditor's Responsibilities for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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.

Elderton Audit Pty Ltd

Elderton Audit Pty Ltd



Sajjad Cheema

Director

18 February 2025

Perth

