

EXCELSIOR CAPITAL LIMITED

Appendix 4D and Interim Financial Report

for 31 December 2023

ABN: 98 050 542 553

ASX CODE: ECL

APPENDIX 4D (rule 4.2A)

PRELIMINARY FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

RESULTS FOR ANNOUNCEMENT TO THE MARKET

(All comparisons to half-year ended 31 December 2022)	31 Dec 23 \$'000	Change	Movement from 31 Dec 22 %
Revenue from continued ordinary activities	460	Up	119%
Revenue from discontinued ordinary activities	52,558	Up	2.2%
Profit from ordinary activities after tax attributable to members	4,806	Flat	-
Net comprehensive income for the period attributable to members	4,934	Flat	-

DIVIDENDS	Amount per share (cents)	Franked amount per security (cents)
Interim FY24 dividend declared	3.50	3.50
Final FY23 dividend paid	3.50	3.50
	7.00	7.00
<i>Previous corresponding period:</i>		
Interim FY23 dividend declared	3.00	3.00
Final FY22 dividend paid	3.00	3.00
	6.00	6.00

Record date for determining entitlements to the dividend
Date the interim dividend is payable

6 March 2024
20 March 2024

APPENDIX 4D (rule 4.2A)

PRELIMINARY FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

1) Previous corresponding period

The previous corresponding period (PCP) is the half-year ended 31 December 2022.

2) Net tangible assets per security

Net tangible assets¹ per security is \$2.20 (31 December 2022: \$1.83).

3) Explanation of results

This information should be read in conjunction with the Excelsior Capital Limited 2023 Annual Report and with any public announcements made in the period by the Group in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX Listing Rules.

The information provided in this report contains all the information required by ASX Listing Rule 4.2A.

4) Details of entities over which control has been gained or lost during the year

Not applicable

5) Details of associates and joint venture entities

Not applicable

6) Set of accounting standards used for foreign entities in compiling this report

Not applicable

7) Audit

This report is based on the interim condensed consolidated half-year financial report which has been subject to a review by our auditors, Hall Chadwick (NSW).

8) Commentary on results for the half-year

Revenue of continuing and discontinued operations for the half-year was \$53,018,000 (2022: \$51,613,000) representing an increase \$1,405,000 or 2.7% on the previous corresponding period.

Consolidated profit after tax for the half year was \$4,806,000 (2022: \$4,802,000), which was flat on the previous corresponding period. The CMI Electrical Business was able to maintain slightly higher sales than the prior year however did incur additional once-off relocation costs as part of the move to its new premises in Lidcombe, NSW.

Danny Herceg
Chairman

Sydney
29 February 2024

¹ ROU assets and contract assets are excluded from the calculation of net tangible assets. Does not include CMI sale proceeds received after end of H1 FY24.

APPENDIX 4D (rule 4.2A)

PRELIMINARY FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

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DIRECTORS' REPORT

Your directors submit their report for the half-year ended 31 December 2023.

Directors

The names of the Company's directors in office during the half-year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

- Ms Leanne Catelan (Executive Director)
- Mr Danny Herceg (Chairman / Non – Executive Director)
- Mr Ryan Mount (Non-Executive Director)

Review and results of operations

The Company experienced an increase in revenue during the half-year compared to the prior corresponding period.

Revenue of continuing and discontinued operations for the half-year was \$53,018,000 (2022: \$51,613,000) representing an increase of 2.7% from the previous corresponding period. This was largely a result of increase of sales volume in both cable and strong sales volumes in Minto from increased customers and growing market from infrastructure, construction, and resources.

Consolidated profit after tax for the half-year was \$4,806,000 (2022: \$4,802,000), flat in comparison to the previous corresponding period. During the HY24 CMI Electrical Business incurred once-off relocation costs which contributed to the flat result. Corporate and administration costs for the Parent Company continue to have been carefully managed during HY24.

Rounding off of amounts

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (unless otherwise stated) under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which the legislative instrument applies.

Auditor's independence declaration

We have obtained an independence declaration from our auditors, Hall Chadwick (NSW), which is included on the following page.

Signed in accordance with a resolution of the directors.


Danny Herceg
Chairman

Sydney, 29 February 2024

**EXCELSIOR CAPITAL LIMITED
ABN 98 050 542 553
AND ITS CONTROLLED ENTITIES**

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF EXCELSIOR CAPITAL LIMITED**

In accordance with Section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Excelsior Capital Limited. As the lead audit partner for the review of the financial report of Excelsior Capital Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. any applicable code of professional conduct in relation to the review.



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



DREW TOWNSEND

Partner

Dated: 29 February 2024

ADELAIDE	BRISBANE	DARWIN	MELBOURNE	PERTH	SYDNEY
Level 9	Level 4	Level 1	Level 14	Level 11	Level 40
50 Pirie Street	240 Queen Street	48-50 Smith Street	440 Collins Street	77 St Georges Tce	2 Park Street
Adelaide SA 5000	Brisbane QLD 4000	Darwin NT 0800	Melbourne VIC 3000	Perth WA 6000	Sydney NSW 2000
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Liability limited by a scheme approved under Professional Standards Legislation. Hall Chadwick (NSW) Pty Ltd ABN: 32 103 221 352

www.hallchadwick.com.au

FINANCIAL STATEMENTS

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

	Note	2023 \$'000	2022 \$'000
Investment income	2	460	210
Employee benefits expense		(228)	(230)
Occupancy expense		(45)	(39)
Travel and communication expense		(34)	(24)
Depreciation and amortisation expense		(6)	(4)
Investment portfolio management and administration expenses		(42)	(6)
Other expenses		(465)	(317)
Loss before tax		(360)	(410)
Income tax expense		108	123
Loss from continuing operations		(252)	(287)
Profit after tax from discontinued operations²	4	5,058	5,089
PROFIT FOR THE PERIOD		4,806	4,802

² Profit after tax of \$5.1 million reported above from discontinued operations represents the profits by CMI Operations Pty Ltd (CMI), commonly referred to as CMI Electrical. CMI was sold to IPD Group Limited (ASX:IPG) on 31 January 2024 as announced to ASX on 1 February 2024 and therefore is reported as discontinued operations in the Statement of Profit and Loss above.

FINANCIAL STATEMENTS

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 DECEMBER

	Note	2023 \$'000	2022 \$'000
PROFIT FOR THE PERIOD		4,806	4,802
Other comprehensive income			
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):</i>			
Net loss on non-current equity investments designated at fair value, net of tax		128	95
Other comprehensive income, net of tax		128	95
TOTAL COMPREHENSIVE INCOME, NET OF TAX		4,934	4,897
Total comprehensive income / (loss) for the period from			
Continuing operations		(124)	(192)
Discontinued operations		5,058	5,089
		4,934	4,897
		2023 cents per share	2022 cents per share
Earnings per share			
Basic and diluted – continuing operations		(0.87)	(0.99)
Basic and diluted – discontinued operations		17.45	17.55
	6	16.58	16.56

FINANCIAL STATEMENTS

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT

	Note	31 Dec 23 \$'000	30 Jun 23 \$'000
ASSETS			
Current assets			
Cash and cash equivalents		22,298	22,796
Trade and other receivables		215	20,756
Inventories		-	23,316
Assets classified as held for sale	4	55,388	-
		77,901	66,868
Non-current assets			
Other financial assets	7	9,057	4,842
Property, plant and equipment		48	3,051
Deferred tax assets		37	214
Goodwill		-	6,850
Intangible assets		-	1,900
		9,142	16,857
TOTAL ASSETS		87,043	83,725
LIABILITIES and EQUITY			
Current liabilities			
Trade and other payables		35	9,663
Current tax liabilities		1,534	1,694
Lease liabilities		-	1,743
Provisions		-	1,127
Liabilities classified as held for sale	4	13,062	-
		14,631	14,227
Non-current liabilities			
Provisions		-	72
Lease liabilities		-	933
		-	1,005
TOTAL LIABILITIES		14,631	15,232
NET ASSETS		72,412	68,493
EQUITY			
Issued capital		28,270	28,270
Retained earnings		44,365	40,574
Reserves		(223)	(351)
TOTAL EQUITY		72,412	68,493

Note: Assets and liabilities classified as held for sale above represent CMI Operations Pty Ltd's assets and liabilities following the announced sale of the CMI Electrical business to IPD Group Limited completed on 31 January 2024 and announced to ASX on 1 February 2024.

FINANCIAL STATEMENTS

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

	Issued capital	Retained earnings	Reserves relating to Financial Assets at FVOCI	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2022	28,270	32,068	(474)	59,864
Profit for the period		4,802	-	4,802
Other comprehensive income	-	-	95	95
Total comprehensive income	-	4,802	95	4,897
Dividends paid	-	(870)	-	(870)
At 31 December 2022	28,270	36,000	(379)	63,891
As at 1 July 2023	28,270	40,574	(351)	68,493
Profit for the period		4,806	-	4,806
Other comprehensive income	-	-	128	128
Total comprehensive income	-	4,806	128	4,934
Dividends paid	-	(1,015)	-	(1,015)
At 31 December 2023	28,270	44,365	(223)	72,412

FINANCIAL STATEMENTS

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

	Note	2023 \$'000	2022 \$'000
Operating activities			
Receipts from customers		55,259	51,285
Payments to suppliers and employees		(47,338)	(45,412)
Interest received		494	212
Interest and other costs of finance paid		-	(13)
Income tax paid		(2,065)	(1,988)
Net cash from operating activities		6,350	4,084
Investing activities			
Payment for property, plant and equipment		(429)	(18)
Proceeds from sale of equity financial instruments		939	-
Purchase of equity financial instruments		(5,057)	(727)
Development expenditures		(105)	(160)
Net cash used in investing activities		(4,652)	(905)
Financing activities			
Lease payments		(980)	(626)
Dividends paid	5	(1,015)	(870)
Net cash used in financing activities		(1,995)	(1,496)
Net increase in cash and cash equivalents		(297)	1,683
Cash and cash equivalents at 1 July		22,796	17,907
Cash and cash equivalents at 31 December³		22,499	19,590

³ Cash and cash equivalents at 31 December 2023 of \$22.5m shown above in the Cash Flow Statement differs from the amount of \$22.3m shown in the Statement of Financial Position by \$0.2m on the basis that only cash and equivalents for continued operations has been shown in the Statement of Financial Position.

Corporate information

The interim consolidated financial statements of Excelsior Capital Limited and its subsidiaries (collectively, the Group) for the six months ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on 28 February 2024.

Excelsior Capital Limited (the Company) is a limited company, incorporated and domiciled in Australia, whose shares are publicly traded.

The registered office is located at:

Level 29, Chifley Tower
2 Chifley Square,
Sydney,
NSW, Australia.

The Group is principally engaged in the design and distribution of electrical components and cables for resource infrastructure applications and the management of an investment portfolio.

Basis of preparation and changes to the Group's accounting policies

Basis of preparation

The interim consolidated financial statements for the six months ended 31 December 2023 have been prepared in accordance with AASB 134 *Interim Financial Reporting*.

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 30 June 2023.

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2023, except for the adoption of new standards effective as of 1 July 2023. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The interim notes to the financial statements

The notes include information which is required to understand the financial statements which are material and relevant to the operations, financial position and performance of the Group. Information is considered material and relevant if, for example:

- the amount in question is significant because of its size or nature;
- it is important for understanding the results of the Group;
- it helps to explain the impact of significant changes in the Group's business – for example, acquisitions and impairment write-downs; or
- it relates to an aspect of the Group's operations that is important to its future performance.

The notes are organised into the following sections:

Key numbers: provides a breakdown of individual line items in the financial statements that the Directors consider most relevant and where required, summarises the accounting policies, judgements and estimates relevant to understanding these line items;

Capital: provides information about the shareholder returns for the year;

Risk: discusses how the Group determines fair values of various financial assets and liabilities;

Unrecognised items: provides information about items that are not recognised in the financial statements but could potentially have an impact on the Group's financial position and performance; and

Other: provides information on items which require disclosure to comply with Australian Accounting Standards and other regulatory pronouncements, however, are not considered critical in understanding the financial performance or position of the Group.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS SEGMENT INFORMATION

The following table present revenue and profit information for the Group's operating segments for the six months ended 31 December 2023 and 2022, respectively:

	Electrical components		Investment portfolio		Corporate office		Adjustments and eliminations		Consolidated	
	2023	2022	2023	2022	2023	2022	2023	2,022	2023	2,022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue										
External customers and other income	52,558	51,403	460	210	-	-	-	-	53,018	51,613
Total revenue and other income	52,558	51,403	460	210	-	-	-	-	53,018	51,613
Segment profit / (loss) before tax	7,230	7,260	417	201	(777)¹	(611)	-	-	6,870	6,850

The following table presents assets and liabilities information for the Group's operating segments at 31 December 2023 and 30 June 2023, respectively:

	31 Dec 23	30 Jun 23	31 Dec 23	30 Jun 23	31 Dec 23	30 Jun 23	31 Dec 23	30 Jun 23	31 Dec 23	30 Jun 23
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total assets	55,388	61,247	25,339	22,983	6,316	4,641	-	(5,146)	87,043	83,725
Total liabilities	(13,062)	(13,504)	-	-	(1,569)	(6,874)	-	5,146	(14,631)	(15,232)

Corporate and Administration Costs

1. Finance costs, corporate administration, certain employee benefits and operating expenses totalling \$777,000, (FY23, \$611,000) which have not been allocated to other segments of the group are included in the loss before tax for the Corporate Office.

1. Revenue from contracts with customers

Segments:

Electrical Components

31 Dec 23
\$'000

31 Dec 22
\$'000

Type of goods or service

Sale of electrical components and cables

52,452 51,277

Total revenue from contracts with customers

52,452 51,277

Geographical markets

- New South Wales
- Victoria
- Queensland
- Western Australia

13,958 12,755

6,994 7,465

17,260 17,427

14,240 13,630

Total revenue from contracts with customers

52,452 51,277

Timing of revenue recognition

Goods transferred at point in time

52,452 51,277

Total revenue from contracts with customers

52,452 51,277

2. Investment income

31 Dec 23
\$'000

31 Dec 22
\$'000

Realised and unrealised (losses) on current financial assets

(30) -

Dividends received

- -

Interest received

490 210

Total investment income

460 210

3. Impairment testing of goodwill

The Group performed its annual impairment test in June and when circumstances indicated that the carrying value may be impaired.

The Group's impairment test for goodwill is based on value-in-use calculations.

The key assumptions used to determine the recoverable amount for the different cash generating units were disclosed in the annual consolidated financial statements for the year ended 30 June 2023.

The Group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment. As at 31 December 2023, the market capitalisation of the Group was below the book value of its equity, indicating a potential impairment of goodwill.

As a result, management performed an impairment test as at 31 December 2023 for the Electrical Components segment, which is the cash generating unit (CGU) with goodwill. The Investment Portfolio segment did not have any goodwill.

Electrical Components CGU

The Group used fair value less cost of disposal implied from an anticipated sale transaction (refer to Note 4).

The recoverable amount from the sale transaction has exceeded the carrying value of CGU to which goodwill is allocated, no impairment is identified.

4. Assets and liabilities classified as held for sale and statement of profit and loss from discontinued operations

The Company announced on 28 November 2023 that it had entered into a Share Sale and Purchase Agreement ("SSPA") with IPD Group Limited ("IPD", ASX: IPG) in relation to the sale by ECL of 100% of the issued capital of CMI Operations Pty Ltd ("CMI"), a wholly owned subsidiary of ECL ("the Transaction").

Under the terms of the Transaction, IPD acquired CMI for a purchase price of up to \$101.0 million⁴ which implied a multiple of 6.6x CMI's FY23A EBIT⁵. Shareholders voted in favour of the sale in a general meeting which was held on 25 January 2024.

Consequently, assets and liabilities allocable to CMI Operations Pty Ltd (included in the segment reporting) were classified as assets available for disposal. Assets and liabilities, revenue and expenses, relating to the discontinuation of CMI Operations Pty Ltd have been separately disclosed in the consolidated statement of profit and loss and are shown as a single line item in the consolidated statement of profit and loss.

On 1 February 2024, the Company announced it had completed the sale of CMI Operations Pty Ltd to IPD Group. The Company received \$91.7 million by way of upfront cash proceeds, after completion adjustments. The upfront purchase price cash consideration is further subject to minor post-Completion working capital adjustments. As previously announced, the transaction is subject to a deferred cash consideration of up to \$8.9 million⁶.

4.1 Statement of profit and loss for discontinued operations

	2023 \$'000	2022 \$'000
Revenue from contracts with customers	52,452	51,277
Other income	106	126
Changes in inventories of finished goods	-	-
Raw materials and consumables used	(38,059)	(37,334)
Employee benefits expense	(3,931)	(3,927)
Repairs, maintenance and consumables expense	(359)	(182)
Occupancy expense	(477)	(483)
Travel and communication expense	(266)	(213)
Freight and cartage expense	(877)	(760)
Depreciation and amortisation expense	(977)	(764)
Finance costs	(8)	(13)
Other expenses	(374)	(467)
Profit before tax	7,230	7,260
Income tax expense	(2,172)	(2,171)
PROFIT FOR THE PERIOD	5,058	5,089

⁴ Prior to any purchase price adjustments pertaining to net debt and working capital adjustments. In addition, up to \$8.9 million of the purchase price is deferred and is subject to CMI's FY24 results.

⁵ CMI FY23A EBIT was \$15.4 million, per ECL's FY23 annual report.

⁶ Under the terms of the Transaction the Earn-out amount equals \$6 for every \$1 of FY24 EBIT CMI achieves over \$15.4 million (being CMI's FY23 EBIT) and is capped at a maximum of \$8.9 million.

4.2 Assets and liabilities classified as held for sale and discontinued operations

The Company announced it had sold the assets and liabilities of CMI Electrical to IPD Group 31 January 2024. The assets and liabilities held for as available for sale at 31 December 2023 are set out below.

The carrying amounts of assets and liabilities in this disposal group are summarised as follows:

	31 Dec 23 \$'000
ASSETS	
Cash and cash equivalents	201
Trade and other receivables	18,659
Inventories	24,473
Property, plant and equipment	3,132
Deferred tax assets	279
Goodwill	6,850
Intangible assets	1,794
TOTAL ASSETS	55,388
LIABILITIES	
Trade and other payables	9,155
Lease liabilities	2,675
Provisions	1,232
TOTAL LIABILITIES	13,062
NET ASSETS	42,326

4.3 Cash flows generated by CMI Electrical for the reporting periods until its disposal

	31 Dec 23 \$'000
Operating activities	6,544
Investing activities	(195)
Cash flows from discontinued operations	6,349

5. Dividends

During the half-year, Excelsior Capital Limited made the following dividend payments:

	31 Dec 23 \$'000	31 Dec 22 \$'000
Fully paid ordinary shares		
Final FY23 dividend: 3.5 cents per share (FY22: 3.0 cents per share)	1,015	870

On 28 February 2024, the directors declared a fully franked interim dividend of 3.5 cents per share to the holders of fully paid ordinary shares in respect of the half-year ended 31 December 2023, to be paid to shareholders on 18 March 2023. This dividend has not been included as a liability in this financial report. The total estimated dividend to be paid is \$1,014,790.00.

6. Earnings per share

	31 Dec 23	31 Dec 22
Profit / (loss) attributable to ordinary equity holders of the parent (\$'000)		
Continuing operations	(252)	(287)
Discontinued operations	5,058	5,089
	4,806	4,802
WANOS ¹ used in the calculation of basic and diluted EPS (shares, thousands) ²	28,994	28,994
Earnings per share (cents per share)		
Basic and diluted – continuing operations	(0.87)	(0.99)
Basic and diluted – discontinued operations	17.45	17.55
	16.58	16.56

1. Weighted average number of shares

2. There were no options or performance rights granted during the half-year.

6.1 Calculation of WANOS**Basic EPS****Six months to 31 December 2023**

The number of Excelsior shares issued:

- **From 1 July 2023 to 31 December 2023**

The number of Excelsior ordinary shares on issue of 28,994,469 multiplied by the ratio of days outstanding (184/184).

7. Fair value of financial instruments

This note provides information about how the Group determines the fair value of various financial assets.

7.1 Fair value of financial assets that are measured at fair value on a recurring basis

All of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of those financial assets are determined (in particular, the valuation technique(s) and inputs used).

The following table provides the fair value measurement hierarchy of the Group's financial assets as at 31 December 2023 and 30 June 2023:

	Fair value hierarchy	Fair value measurement using	31 Dec 23 \$'000	30 Jun 23 \$'000
Financial assets at fair value through OCI				
Non-current				
Unquoted equity shares and unit trusts	Level 2	Significant observable inputs	9,057	4,819
Quoted equity shares	Level 1	Quoted prices in active markets	-	23
Totals			9,057	4,842

7.2 Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The directors consider that the carrying amounts of financial assets and liabilities recognised in the consolidated financial statements approximate their fair values.

7.2.1 Fair value measurement hierarchy for assets as at 31 December 2023

	Date of valuation	Fair value measurement using			
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		Total \$'000	\$'000	\$'000	\$'000
Assets measured at fair value					
Quoted equity shares	31 Dec 2023	-	-	-	-
Unquoted equity shares	31 Dec 2023	280	-	280	-
Unlisted investment unit trusts	31 Dec 2023	8,777	-	8,777	-
Totals		9,057	-	9,057	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. Fair value of financial instruments (Continued)

7.2.1 Fair value measurement hierarchy for assets as at 31 December 2023

Specific valuation techniques and inputs used to determine Level 2 financial instruments include:

- Investment in unlisted unit trusts comprised of open-ended and close-ended funds. The unit price of these funds is determined based on the exit price or Net Tangible Asset (NTA) value as reported by the fund managers and it varies depending on the nature and performance of the underlying asset.
- Unquoted equity shares relate to investment in Agentfinder Limited and the fair value is determined based on the last capital raising completed by the investee.

There was no transfer between Level 1, Level 2 or from Level 3 during the half-year ended 31 December 2023.

7.2.2 Carrying and fair values of financial assets as at 31 December 2023

	Date of valuation	Carrying Values and Fair Values of Investments			
		Cost Base	Fair Value	31 Dec 23 Unrealised gain/(loss) to OCI	30 June 23 Unrealised gain/(loss) to OCI
		\$'000	\$'000	\$'000	\$'000
Financial Investment Assets					
Invigor Group Limited	31 Dec 2023	250	-	(250)	(227)
Catalyst Global Opportunity Fund	31 Dec 2023	950	960	10	(24)
CIAS Millennium International Commitment Fund	31 Dec 2023	1,119	1,158	39	118
Regal Resources Long Short Fund	31 Dec 2023	950	1,042	92	62
Blackrock Global Alternatives Fund	31 Dec 2023	1,500	1,516	16	-
Bennelong Funds Management Notes	31 Dec 2023	250	280	30	34
Fortlake Real Income Fund	31 Dec 2023	1,000	980	(20)	-
Coolabah Smarter Money Long Short Credit Fund	31 Dec 2023	1,500	1,503	3	-
New Holland Tactical Fund	31 Dec 2023	1,000	1,019	19	-
Dexus Real Estate Partnership 1 Fund	31 Dec 2023	186	179	(7)	(1)
LocalAgentFinder Limited	31 Dec 2023	575	420	(155)	(295)
Totals		9,280	9,057	(223)	(333)

Note. The company incurred \$12,000 in funds management fees and nil commissions during the half-year to 31 December 2023.

8. Subsequent events

On 1 February 2024, the Company announced that it had completed the sale of CMI Operations Pty Ltd, a wholly owned subsidiary of ECL, to IPD Group Limited ("IPD, ASX:IPG) at close of business on 31 January 2024.

The Company received \$91.7 million by way of upfront cash proceeds, after completion adjustments. The upfront purchase price cash consideration is further subject to minor post - Completion working capital adjustments. The final sale price includes a deferred cash consideration of up to \$8.9 million.

9. Financial interim dividend declared

The Board of Excelsior Capital Limited declared a fully-franked interim dividend of 3.5 cents per share. The Record Date is 6 March 2024. The payment date will be 20 March 2024. The dividend has not been provided for in this financial report.

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SIGNED REPORTS

DIRECTORS' DECLARATION

EXCELSIOR CAPITAL LIMITED AND ITS CONTROLLED ENTITIES

The directors declare that:

- (a) in the directors' opinion there are reasonable grounds to believe that the Company and its subsidiaries (collectively the Group) will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standard AASB 134 Interim Financial Reporting and giving a true and fair view of the financial position as at 31 December 2023 and performance of the consolidated entity for the half-year ended on that date.

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

On behalf of the Directors



Danny Herceg
Chairman



Leanne Catelan
Executive Director

Sydney, 29 February 2024

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EXCELSIOR CAPITAL LIMITED
ABN 98 050 542 553
AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF EXCELSIOR CAPITAL LIMITED

Conclusion

We have reviewed the half-year financial report of Excelsior Capital Limited (the company) and its controlled entities (the group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit and loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year then ended, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (a) giving a true and fair view of the group's financial position as at 31 December 2023 and of its 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 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the Directors for the Financial Report

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

Auditor's Responsibility for the Review of the Financial Report

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 group's financial position as at 31 December 2022 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*.

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EXCELSIOR CAPITAL LIMITED
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AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF EXCELSIOR CAPITAL LIMITED

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.



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



DREW TOWNSEND

Partner

Dated: 29 February 2024