PARKWAY CORPORATE LIMITED AND ITS CONTROLLED ENTITIES

ABN 62 147 346 334

Condensed Consolidated Half-Year Financial Report

31 December 2024

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CORPORATE DIRECTORY

Directors

Ayten Saridas
Bahay Ozcakmak
Penelope Creswell
Stephen van der Sluys

Company Secretary

Amanda Wilton-Heald
Michael Hodgkinson

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Stock Exchange Listing

Parkway Corporate Limited shares are listed on the Australian Securities Exchange (ASX: PWN) and the Frankfurt Stock Exchange (FSE: 4IP).

DIRECTORS' REPORT

The Directors present their report on Parkway Corporate Limited (ACN 147 346 334) ("**Parkway**", or the "**Company**"), and its controlled entities (the "**Group**"), for the Group's half-year ended 31 December 2024 ("**HY24**").

Directors

The names and details of Parkway's Directors in office, for some or all of the financial year, and to the date of this report unless otherwise stated, are set out below. During HY24 there were no changes to the Board of Directors.

Name	Tenure During Half-Year
Stephen van der Sluys (Non-executive Chairman)	1 July 2024 to 31 December 2024
Bahay Ozcakmak (Group Managing Director & CEO)	1 July 2024 to 31 December 2024
Penelope Creswell (Non-executive Director)	1 July 2024 to 31 December 2024
Ayten Saridas (Non-executive Director)	1 July 2024 to 31 December 2024

Principal activities

The principal activities of the Group during HY24 include:

- the commercialisation of proprietary water, wastewater and brine processing technologies, with applications in the energy and mining sectors ("**Industrial Technology Division**"); and
- the development of an integrated water treatment project delivery capability ("**Industrial Operations Division**"), to complement and support the Group's Industrial Technology Division.

Review of operations

It has been an exciting half-year for the Group. The Group has transformed into a dynamic organisation focused on providing a range of leading water treatment related products, services, and solutions to a range of major industrial companies.

Our operating business, Parkway Process Solutions ("**PPS**") continued to grow strongly, achieving $7.3 million in sales revenue in HY24 (HY23: $2.0 million), underpinned by the Tankweld Acquisition during the year ended 30 June 2024 and a growing industrial customer base, particularly within the energy and mining industries.

The sustained growth in our operating business is very encouraging, particularly given it enables us to get close to our customers, and work towards our mission of building an advanced industrial water treatment technology company.

Group Financial Performance

	31 Dec 2024 $	**31 Dec 2023** $	**% Increase/ (Decrease)**
Total Sales revenue	7,335,272	1,953,966	275%
Loss before tax	(282,677)	(468,464)	-40%
Loss after income tax expense	(282,677)	(468,464)	-40%
Loss per share (cents)	(0.01)	(0.02)	-49%

As of 31 December 2024, the Group had a net asset balance of $15,285,773 which is a decrease of $207,838 from $15,493,611 as of 30 June 2024. The cash balance decreased from $3,492,197 as of 30 June 2024 to $2,767,338 as of 31 December 2024. For further details, refer to the condensed consolidated Statement of Financial Position.

Review of operations (continued)

Following the acquisition of Tankweld in March 2024, the Group has now assembled a fully integrated inhouse project delivery capability, including for the innovative process technologies being developed and commercialised by the Group. As a result of these integrated water treatment related capabilities, the Group is increasingly capable of delivering a diverse range of industrial water, wastewater treatment and infrastructure related projects on a turnkey (engineering, procurement & construction – EPC and design & construct – D&C) basis.

The Group continues to grow and improve its market penetration, by securing new business from a wide range of clients, for the provision of industrial water and wastewater treatment related products, services, and solutions. The Group continues to grow its client base, which includes large mining and energy companies, a diverse range of industrial companies, as well as engineering services, government, and municipal clients, amongst others. The growing client base, together with the established Tankweld client base, is providing a strong foundation and supporting future sales growth as these commercial relationships continue to grow and mature.

In addition to our project delivery related activities, our ongoing focus on technology development and commercialisation remains an important priority for the Group, as it provides a source of sustained competitive advantage, a key driver of long-term value creation.

During the half-year, the Group also achieved a series of significant technology related milestones, from research and development related breakthroughs, through to the scale-up of our proprietary technologies to demonstrate a range of important process advantages. In September 2024, the Group achieved a significant brine technology breakthrough incorporating an innovative "salt splitting" technology, which was used to process coal seam gas (CSG) derived brines and produce several industrial chemical products.

The Group also made significant progress in relation to its go-to-market strategy for the CSG industry, by disclosing preliminary details in relation to a brine management complex and associated brine electrolysis complex, as part of an integrated development to provide an end-to-end waste brine management solution.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Except for matters disclosed in this Operating and Financial Review, there were no significant changes in the state of affairs of the Group during the half-year.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

Except for other matters disclosed in this Operating and Financial Review, there were no significant events after the reporting date.

Rounding amount

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the directors' report and in the condensed consolidated financial report have been rounded to the nearest dollar.

Dividends

There were no dividends paid, recommended or declared during the current or previous half-year.

DIRECTORS' REPORT

Risk Management

The Board is responsible for ensuring that risks and opportunities are identified on a timely basis and that the Group's objectives and activities are aligned with these risks and opportunities. The Audit and Risk Committee also plays a role in assisting the Board in fulfilling its responsibility to manage the organisation's risks by closely monitoring the actions taken by Management to ensure they align with Group policy. As part of the Group's annual ISO 9001/14001/45001 internal reviews, Management reviews relevant risks and opportunities as well as the ongoing appropriateness of existing controls and residual risks. Our overarching objective is to embed risk management throughout the Group, maintaining a structured, systematic, and proactive approach. There have been no material changes to the description of the Group's risk management framework as outlined in the annual report as at 30 June 2024.

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 on page 24 of this report.

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

On behalf of the directors

Bahay Ozcakmak
Group Managing Director & CEO
Melbourne
Dated: 27 February 2025

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

	Note	31 Dec 2024 $	31 Dec 2023 $
INCOME FROM CONTINUING ACTIVITIES			
Sales revenue	4	7,335,272	1,953,966
Cost of goods sold		(5,191,548)	(1,516,986)
GROSS PROFIT		**2,143,724**	**436,980**
Interest		55,963	48,667
Government grants	5	3,435	533,580
(Loss) / Profit from the disposal of depreciated assets		(41,357)	44,085
TOTAL OTHER INCOME		**18,041**	**626,332**
EXPENSES			
Employee expenses		(1,130,342)	(816,492)
Depreciation and Amortisation		(471,013)	(160,200)
Interest expense		(328,526)	(63,357)
Other expenses		(266,547)	(165,296)
Corporate and Professional fees		(95,460)	(221,819)
Occupancy		(90,054)	(42,112)
Research		(62,500)	(62,500)
TOTAL EXPENSES		**(2,444,442)**	**(1,531,776)**
LOSS BEFORE INCOME TAX		**(282,677)**	**(468,464)**
Income tax expense		-	-
NET LOSS FOR THE HALF-YEAR		**(282,677)**	**(468,464)**
OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR		-	-
TOTAL COMPREHENSIVE LOSS FOR THE HALF-YEAR		**(282,677)**	**(468,464)**
Basic and diluted loss per share (cents per share)	3	(0.01)	(0.02)

The Condensed Consolidated Statement of Profit or Loss and other Comprehensive Income should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Note	31 Dec 2024 $	30 Jun 2024 $
CURRENT ASSETS			
Cash and cash equivalents		2,767,338	3,492,197
Trade and other receivables	6	2,094,213	3,770,511
Inventories		1,811,798	1,787,434
Other assets		331,894	175,493
Total Current Assets		**7,005,243**	**9,225,635**
NON-CURRENT ASSETS			
Trade and other receivables	6	392,495	344,918
Plant and equipment	7	964,447	999,593
Intangible assets	8	10,285,034	9,575,981
Right of use assets	9	6,341,442	6,661,153
Other assets		79,408	108,314
Total Non-Current Assets		**18,062,826**	**17,689,959**
TOTAL ASSETS		**25,068,069**	**26,915,594**
CURRENT LIABILITIES			
Trade and other payables		1,151,876	2,635,630
Provisions		462,227	318,906
Lease liability	9	459,964	421,655
Short term debt		30,354	116,596
Total Current Liabilities		**2,104,421**	**3,492,787**
NON-CURRENT LIABILITIES			
Lease liability	9	6,131,123	6,374,306
Long term debt		1,000,000	1,000,000
Provisions		546,752	554,890
Total Non-Current Liabilities		**7,677,875**	**7,929,196**
TOTAL LIABILITIES		**9,782,296**	**11,421,983**
NET ASSETS		**15,285,773**	**15,493,611**
EQUITY			
Contributed Equity	10	41,587,275	41,587,275
Reserves		3,356,611	3,281,772
Accumulated losses		(29,658,113)	(29,375,436)
TOTAL EQUITY		**15,285,773**	**15,493,611**

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

	Contributed Equity	Accumulated Losses	General Reserve	Share and Option Based Payment Reserve	Total
	$	**$**	**$**	**$**	**$**
Balance at 1 July 2024	**41,587,275**	**(29,375,436)**	**1,950,000**	**1,331,772**	**15,493,611**
Loss for the half-year	-	(282,677)	-	-	(282,677)
Other comprehensive income (net of tax)	-	-	-	-	-
Total comprehensive loss for half-year	**-**	**(282,677)**	**-**	**-**	**(282,677)**
Transactions with owners in their capacity as owners:					
Shares issued (Note 10)	-	-	-	-	-
Share issue transaction costs (Note 10)	-	-	-	-	-
Equity based payments (Note 11)	-	-	-	74,839	74,839
Balance at 31 December 2024	**41,587,275**	**(29,658,113)**	**1,950,000**	**1,406,611**	**15,285,773**

	Contributed Equity	Accumulated Losses	General Reserve	Share and Option Based Payment Reserve	Total
	$	**$**	**$**	**$**	**$**
Balance at 1 July 2023	**35,630,714**	**(28,641,030)**	**-**	**1,178,047**	**8,167,731**
Loss for the half-year	-	(468,464)	-	-	(468,464)
Other comprehensive income (net of tax)	-	-	-	-	-
Total comprehensive loss for half-year	-	(468,464)	-	-	(468,464)
Transactions with owners in their capacity as owners:					
Shares issued	4,000,000	-	-	-	4,000,000
Share issue transaction costs	(187,426)	-	-	-	(187,426)
Equity based payments	-	-	-	38,802	38,802
Balance at 31 December 2023	**39,443,288**	**(29,109,495)**	**-**	**1,216,849**	**11,550,643**

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

	Note	31 Dec 2024 $	31 Dec 2023 $
OPERATING ACTIVITIES			
Receipts from customers		8,191,698	2,226,301
Payments to suppliers and employees		(8,191,637)	(3,351,799)
Government grants received (net)		60,938	-
Net Interest (paid) / received		(244,307)	48,454
NET CASH FLOWS USED IN OPERATING ACTIVITIES		**(183,308)**	**(1,077,044)**
INVESTING ACTIVITIES			
Proceeds from sale of plant and equipment		64,272	50,016
Payment for acquisition of plant and equipment		(221,785)	(156,470)
Payments for capitalised R&D expenditure	8	(709,053)	(521,394)
Proceeds from Government grant for capitalised R&D		616,132	-
NET CASH FLOWS USED IN INVESTING ACTIVITIES		**(250,434)**	**(627,848)**
FINANCING ACTIVITIES			
Proceeds from issue of shares, net of capital raising costs		-	3,812,574
Repayment of borrowings		(86,242)	-
Net repayment of Lease liabilities	9	(204,875)	(209,814)
NET CASH FLOWS FROM FINANCING ACTIVITIES		**(291,117)**	**3,602,760**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(724,859)	1,897,868
Cash and cash equivalents at the beginning of the year		3,492,197	2,003,639
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**2,767,338**	**3,901,507**

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Material accounting policies

Note 1: Basis of preparation of the half-yearly financial report

The condensed consolidated financial report of Parkway Corporate Limited (the "Company" or "Parkway") and its controlled entities (the "Group") for the half-year ended 31 December 2024 was authorised for issue in accordance with a resolution of Directors on 27 February 2025. The Group is a for-profit entity. The Group's condensed consolidated financial statements are presented in Australian dollars, which is also Parkway's functional currency. The condensed consolidated financial report has been prepared in accordance with AASB 134 Interim Financial Reporting ("**AASB 134**") and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 Interim Financial Reporting.

It is recommended that the condensed consolidated financial report be read in conjunction with the consolidated annual financial report for the year ended 30 June 2024 and considered with any public announcements made by Parkway Corporate Limited and its controlled entities during the half-year ended 31 December 2024 in accordance with continuous disclosure obligations of the ASX Listing Rules.

The condensed consolidated financial report does not include all notes of the type normally included within the consolidated annual financial report and therefore cannot be expected to provide as full and understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report which is available at www.parkway-corp.com.

The condensed consolidated financial report has been prepared on the basis of accrual accounting and historical costs and the same accounting policies and methods of computation were followed as in the most recent annual consolidated financial statements.

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the year in which the estimate is revised if it affects only that year or in the year of the revision and future years if the revision affects both current and future years.

In preparing this condensed consolidated financial report, the significant judgements made by management and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial report for the year ended 30 June 2024.

(a) Changes in Accounting policies and disclosure

New and Revised Accounting Standards that are effective for these financial statements

A number of new and amended accounting standards are effective for the current reporting period, however, the change to the Group's accounting policies arising from these standards has not required the Group to make retrospective adjustments as a result of adopting these standards. The adoption of the new and amended accounting standards has therefore had no material impact on the Group for the half-year ended 31 December 2024.

Other amendments and interpretations relevant to the Group in a future period

A number of new and amended Accounting Standards and Interpretations have been issued that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of these new and amended pronouncements. The Group is currently in the process of assessing the new and amended pronouncements.

Rounding amount

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the directors' report and in the condensed consolidated financial report have been rounded to the nearest dollar.

Note 1: Basis of preparation of the half-year financial report (continued)

(b) Going Concern

The condensed consolidated financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business. The Group has reported a loss for the period of $282,677 (2023: $468,464) and a cash outflow from operating activities of $183,309 (2023: $1,077,044). At the end of the half-year, the Group had $2,767,338 (30 June 2023: $3,492,197) in cash and cash equivalents and a working capital surplus of $4,900,822 (30 June 2024: $5,732,848).

In arriving at this position, the Directors have had regard to the fact that the Group has, or in the Directors' opinion will have access to, sufficient cash to fund administrative and other committed expenditure. The Group's cashflow forecasts indicate that the Group will have access to sufficient cash to fund administrative and other committed expenditure and be able to settle its liabilities as and when they fall due for a period of at least 12 months from the date of signing the condensed consolidated financial report.

Note 2: Segment information

The Group has based its operating segment on the internal reports that are reviewed and used by the executive management team ("Chief Operating Decision Makers") in assessing performance and in determining the allocation of resources.

As no substantial exploration related activities occurred during the half-year, exploration related expenditures were not deemed to be considered a separate segment for reporting purposes as a consequence, activities in the operating segment are identified by management based on the manner in which resources are allocated, the nature of the resources provided and the identity of the manager and country of expenditure. Information is reviewed on a whole of entity basis. At 31 December 2024, all revenues and material assets are considered to be derived and held in one geographical area being Australia.

Based on these criteria the Group has one operating segment providing water treatment related products and services, and the segment operations and results are reported internally based on the accounting policies as described in Note 1 for the computation of the Group's results presented in the condensed consolidated financial report.

Note 3: Loss per share

	31 Dec 2024 **$**	**31 Dec 2023** **$**
Basic loss per share (cents per share)	(0.01)	(0.02)
Diluted loss per share (cents per share)	(0.01)	(0.02)
Net loss	(282,677)	(468,464)
Loss used in calculating basic and diluted loss per share	(282,677)	(468,464)
	Number	**Number**
Weighted average number of ordinary shares used in the calculation of basic and diluted loss per share	2,767,113,885	2,324,118,460

During the half-year there were no listed or key management personnel options exercised.

The options on issue are not considered dilutive for the purpose of the calculation of diluted loss per share as their conversion to ordinary shares would not decrease the loss per share. Consequently, diluted loss per share is the same as basic loss per share.

There have been no transactions involving ordinary shares or potential shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of the condensed consolidated financial report.

Note 4: Sales revenue

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	31 Dec 2024 $	31 Dec 2023 $
Type of goods or service		
Water industry fabrication and installation services	5,750,012	-
Sale of water treatment related products	234,262	233,940
Commercial water treatment solutions	284,966	338,253
Industrial water related solutions	1,066,032	1,381,773
Total revenue from contracts with customers	**7,335,272**	**1,953,966**
Timing of revenue recognition		
Goods and services transferred at a point in time	3,317,943	1,953,966
Goods and services recognised based on percentage project completion	4,017,329	-
Total revenue from contracts with customers	**7,335,272**	**1,953,966**

At 31 December 2024, all revenue from contract with customers is considered to be derived and held in one geographical area being Australia.

Note 5: Government grants

The Group recognised the following government grants during the half-year:

	31 Dec 2024 $	31 Dec 2023 $
Australian Apprentice Incentive System	3,435	-
Research and Development ("R&D") incentive	-	533,580
Total	**3,435**	**533,580**

All expenditure to which the FY23 R&D incentive related was previously expensed. Accordingly R&D incentive received was recognised as income in the condensed consolidated statement of profit or loss and other comprehensive income.

No FY25 R&D incentive has been recognised for expenditure incurred in the half-year ended 31 December 2024 because the Group is of the opinion that as at the reporting date, reasonable assurance that the government grant will be received, and all attached conditions will be complied with did not exist.

Note 6: Trade and other receivables

	31 Dec 2024 $	30 Jun 2024 $
Current		
Trade debtors	1,723,782	2,902,069
Credit loss allowance	(25,726)	(29,826)
R&D Tax incentive Receivable	-	673,635
Other Receivables	396,157	224,633
	2,094,213	3,770,511
Non-Current		
Project retentions	133,764	109,895
Security Bonds	258,731	235,023
	392,495	344,918

Trade debtors are non-interest bearing and are generally on 30 to 90 days terms.

For trade and other receivables, the Group has applied the standard's simplified approach and has calculated Expected Credit Losses (ECLs) based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience for customer groups, adjusted for forward-looking factors specific to the debtors, industry payment profiles and the economic environment. At 31 December 2024, an ECL of $25,726 was recognised (30 June 2024: $29,826). No additional expected credit loss was recognised in the condensed consolidated statement of profit or loss and comprehensive income during the half-year.

Project retentions are a fixed percentage of the total payment due for a contract, withheld for a period after the work is completed, typically 50% upon Practical Completion and 50% until the end of the defect liability period (DLP).

Other than those receivables specifically provided for, trade and other receivables are considered fully recoverable.

Note 7: Plant, Property and equipment

	31 Dec 2024 $	30 Jun 2024 $
Office equipment at cost	101,363	77,538
Less impairment	(4,363)	(4,363)
Less accumulated depreciation	(57,834)	(49,844)
	39,166	23,331
Plant and equipment at cost	207,523	200,132
Less impairment	(14,892)	(14,892)
Less accumulated depreciation	(74,079)	(51,822)
	118,552	133,418
Computers & software at cost	50,044	50,043
Less impairment	(4,859)	(4,859)
Less accumulated depreciation	(37,773)	(31,416)
	7,412	13,768
Furniture fixtures at cost	133,740	133,740
Less accumulated depreciation	(101,563)	(85,726)
	32,177	48,014
Motor vehicles at cost	1,013,345	956,796
Less accumulated depreciation	(257,377)	(183,407)
	755,968	773,389
Low Value Assets at cost	14,502	8,958
Less accumulated depreciation	(3,330)	(1,287)
	11,172	7,672
Total plant, equipment & motor vehicles	**964,447**	**999,593**

Note 7: Plant and equipment (continued)

	Office Equipment $	Plant and Equipment $	Computers and Software $	Furniture Fixtures $	Motor Vehicles $	Low Value Assets $	Total $
Year ended 30 June 2024							
Opening net carrying value	**32,979**	**26,881**	**27,472**	**79,429**	**128,862**	**-**	**295,623**
Assets acquired on acquisition of Tankweld (Note 8B)	5,097	101,571	-	-	625,629	5,625	737,923
Disposal	-	-	-	-	-	-	-
Impairments	(4,363)	(14,892)	(4,859)	-	-	-	(24,114)
Additions	2,786	45,116	3,440	-	118,941	3,333	173,617
Depreciation charge for year	(13,168)	(25,258)	(12,284)	(31,415)	(100,044)	(1,287)	(183,456)
Closing net carrying value	**23,331**	**133,418**	**13,769**	**48,014**	**773,389**	**7,672**	**999,593**

	Office Equipment $	Plant and Equipment $	Computers and Software $	Furniture Fixtures $	Motor Vehicles $	Low Value Assets $	Total $
Half-year ended 31 December 2024							
Opening net carrying value	**23,331**	**133,418**	**13,769**	**48,014**	**773,389**	**7,672**	**999,593**
Disposal	-	-	-	-	(141,048)	-	(141,048)
Additions	23,825	7,391	-	-	220,443	5,544	257,203
Depreciation charge for half-year	(7,990)	(22,257)	(6,357)	(15,837)	(96,817)	(2,043)	(151,301)
Closing net carrying value	**39,166**	**118,552**	**7,412**	**32,177**	**755,967**	**11,173**	**964,447**

Note 8: Intangible assets

	31 Dec 2024	30 Jun 2024
	$	$
Intellectual property	3,323,299	3,323,299
Goodwill – Mawpump	1,301,127	1,301,127
Goodwill – Tankweld	4,212,077	4,212,077
Capitalised R&D	1,448,531	739,478
	10,285,034	**9,575,981**

	Intellectual Property	Capitalised R&D	Goodwill - Mawpump	Goodwill - Tankweld	Total
	$	$	$	$	$
Balance 1 July 2023	**3,323,299**	-	**1,301,127**	-	**4,624,426**
Additions	-	1,355,610	-	4,212,077	5,567,687
R&D offset	-	(616,132)	-	-	(616,132)
Impairment	-	-	-	-	-
Balance 30 June 2024	**3,323,299**	**739,478**	**1,301,127**	**4,212,077**	**9,575,981**
Balance 1 July 2024	**3,323,299**	**739,478**	**1,301,127**	**4,212,077**	**9,575,981**
Additions	-	709,053	-	-	709,053
R&D offset	-	-	-	-	-
Impairment	-	-	-	-	-
Balance 31 December 2024	**3,323,299**	**1,448,531**	**1,301,127**	**4,212,077**	**10,285,034**

The Group's intellectual property portfolio consists of trade secrets, know-how, trademarks, and patents. At 31 December 2024, the Group is still in the process of developing the technology associated with the intellectual property; hence, the corresponding asset is not yet available for use, however is the subject of various technoeconomic evaluations.

8A Impairment testing

At 31 December 2024, management performed an impairment test on the Intellectual Property, the Capitalised R&D, the Mawpump Goodwill and the Tankweld Goodwill and in accordance with the Group's accounting policy assessed the recoverable amount of the Cash Generating Units (CGU) to which the Intellectual Property and the goodwill are allocated by reference to 'value in use'. In assessing value in use, the estimated future cash flows of the CGUs to which the Intellectual Property and the goodwill are allocated were discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The recoverable amount of the CGUs to which the Intellectual Property and the goodwill are allocated was in excess of the carrying value and hence no impairment was recognised. The following key assumptions were used in the discounted cash flow model:

- 14.9% (2024: 14.9%) pre-tax discount rate
- 3% (2023: 3%) per annum projected EBITDA growth rate

Management believes the projected EBITDA growth is prudent and justified, based on the general market conditions for these businesses.

Note 8: Intangible assets (continued)

In performing the impairment tests, management applied a number of assumptions and judgments such as future forecasted revenue, future revenue growth, allocation of costs and discount rates. The assumptions and judgments used by management were determined to be reasonable based on the present and anticipated market conditions applicable to Group. No reasonable fluctuation in assumptions or judgments would cause the carrying amount of the CGUs to which the intangible assets were allocated to exceed the recoverable amount to require an adjustment for impairment.

8B Business combination

On 13 March 2024, the Group, through its wholly owned subsidiary, Parkway Process solutions Pty Ltd, entered into a Share Purchase Agreement to acquire the business of Tankweld Group (comprised of Tankweld Engineering Pty Ltd and Tankweld Installations Pty Ltd) for total consideration of $2,350,260. Tankweld Group Goodwill was measured at cost less the fair market value of the tangible assets, liabilities, and intangible assets able to be identified. As management was still completing the acquisition accounting as at 30 June 2024, the identification and announced valuation of the assets and liabilities acquired was provisional as allowable per AASB3 *Business Combinations* ("AASB3") paragraph 45. At 31 December 2024 the acquisition accounting has been finalised, and no differences are noted to the provisional accounting.

The fair values of the identifiable assets as at the date of acquisition were:

	$
Cash and cash equivalents	777
Trade receivables	1,180,315
Work in Progress	391,870
Plant and equipment	737,923
Trade payables	(1,619,965)
Employee benefits	(553,512)
Loans	(1,999,225)
Total identifiable net assets at fair value	**(1,861,817)**
Goodwill arising on acquisition	4,212,077
Purchase Price	**2,350,260**

Purchase Consideration	
Cash consideration	650,000
Liabilities acquired (net)	1,700,260
Total purchase consideration	**2,350,260**
Less: Cash and cash equivalents balances acquired	(777)
Net cash flow on acquisition	**2,349,483**

Note 9: Leases

The Group leases land and buildings for its office and factory facilities under agreements of between 2 to 5 years with options to extend. On renewal, the terms of the leases are renegotiated.

	31 Dec 2024	30 Jun 2024
Amounts recognised in the balance sheet relating to leases:	**$**	**$**
Right of use assets		
Buildings	**6,341,442**	**6,661,153**
Opening net book amount	6,661,153	2,713,670
Additions	-	4,108,657
Adjustment for surrender of Warehouse 20 lease	-	242,718
Depreciation expense	(319,711)	(403,892)
Closing net book amount	**6,341,442**	**6,661,153**
Cost	7,345,531	7,345,531
Adjustment for surrender of Warehouse 20 lease	-	242,718
Accumulated depreciation	(1,004,089)	(927,096)
Net book amount	**6,341,442**	**6,661,153**
Lease Liabilities		
Current	459,964	421,655
Non-current	6,131,123	6,374,306
	6,591,087	**6,795,961**

Lease liabilities

	31 Dec 2024	30 Jun 2024
	$	**$**
At beginning of half-year / year	6,795,961	2,797,057
Additions	-	4,330,213
Accretion of interest	194,749	204,313
Payment	(399,623)	(535,622)
At end of the half-year / year	**6,591,087**	**6,795,961**

In relation to the right-of-use assets and lease liabilities the following amounts were recognised in the condensed financial statements:

	31 Dec 2024	30 Jun 2024
	$	**$**
Depreciation expense for half-year / year	(319,712)	(403,892)
Interest expense for half-year / year	(194,749)	(220,260)
Expense relating to short-term and low value leases (included in General and Administration expenses)	-	-
The total cash outflow for leases in the half-year / year was:	(399,623)	(535,622)

Note 10: Contributed equity

Movements in fully paid ordinary shares on issue of the legal parent are:

	Half-year to 31 Dec 2024 Number	Year to 30 Jun 2024 Number	Half-year to 31 Dec 2024 $	Year to 30 Jun 2024 $
Beginning balance	2,767,113,885	2,226,818,847	41,587,275	35,630,714
Issue of shares for cash	-	535,714,286	-	6,250,000
Cost of issuing shares for cash	-	-	-	(293,439)
Issue of shares as share-based payments	-	4,580,722	-	-
Issue of shares for exercised options	-	-	-	-
Ending balance	**2,767,113,885**	**2,767,113,855**	**41,587,275**	**41,587,275**

Note 11: Equity based payments

Expenses arising from share-based payment and option-based payment transactions

Total expenses arising from share-based payment transactions recognised during the year were as follows:

	Note	31 Dec 2024 $	31 Dec 2023 $
Performance rights issued to KMP	11.1	-	30,500
Performance rights to be issued to KMP, subject to approval	11.1	74,839	20,721
Total KMP		**74,839**	**51,221**
Shares issued to employees	11.2	-	8,302
Shares to be issued to employees, subject to approval	11.2	-	2,500
Total other employees		**-**	**10,802**
Total equity-based payments expense		**74,839**	**62,023**

11.1 A performance rights plan has been established by the Group and approved by shareholders at a general meeting, whereby the Group may, at the discretion of the Remuneration Committee, grant performance rights over ordinary shares in the Company to certain employees. The rights are issued for nil consideration and are granted in accordance with performance guidelines established by the Remuneration Committee.

11.2 During the half-year nil shares were issued to employees as part of their remuneration (December 2023: 691,833 shares issued), at the share price on the date of issue.

For the equity-based payments expense recognised in the condensed consolidated Statement of Profit or Loss and Comprehensive Income, the fair value of Options, Performance Rights and Shares issued have been recognised in the Share and Option Based Payment reserve and Shares to be issued to employees of $0 (December 2023: $2,500) have been recognised as accrued expenses.

Note 11: Equity based payments (continued)

Options, Shares and Performance Rights	31 Dec 2024	30 Jun 2024	31 Dec 2024	30 Jun 2024
	Number	Number	$	$
At the beginning of reporting period	413,462,785	260,912,785	1,331,772	1,178,047
Performance rights issued	16,800,940	27,550,000	74,839	95,423
Performance rights lapsed	(3,937,500)	-	-	-
Shares issued	-	-	-	58,302
Options issued	-	125,000,000	-	-
Options exercised	-	-	-	-
Options expired	(260,912,785)	-	-	-
At reporting date	**165,413,440**	**413,462,785**	**1,406,611**	**1,331,772**

Performance Rights were measured at fair value on grant date. Fair value was determined using monte carlo simulations on a Binomial option pricing model accounting for the term, share price at grant date, nil exercise price, and performance criteria, utilising the expected price volatility of the underlying share and the ASX small ordinaries index (based on three-year daily data) and risk-free interest rate. The valuation of performance rights granted as share-based compensation during the reporting period were as follows:

Measurement date	Expiry date	Number issued	Exercise price	Fair value per right at grant date	No. vested at 31 Dec 2024	No. lapsed at 31 Dec 2024	Total Fair Value	Fair Value recognised as expense in HY24
7/12/2023	7/12/2033	3,500,000	n/a	0.00600	2,187,500	1,312,500	21,010	-
7/12/2023	7/12/2033	7,000,000	n/a	0.00600	4,375,000	2,625,000	42,020	7,003
7/12/2023	7/12/2033	7,000,000	n/a	0.00627	-	-	43,888	7,315
7/12/2023	7/12/2033	7,000,000	n/a	0.00655	-	-	45,832	7,639
7/12/2024	7/12/2033	4,487,179	n/a	0.00523	-	-	23,486	11,743
7/12/2024	7/12/2033	4,487,179	n/a	0.00790	-	-	35,449	17,724
7/12/2024	7/12/2033	7,826,582	n/a	0.00790	-	-	61,830	23,415
						3,937,500		**74,839**

All performance rights issued as equity-based payments were issued for nil cash consideration and were valued at market fair value which was considered to approximate the fair value of the services provided.

Note 12: Contingent liabilities and Contingent assets

The Group does not have any contingent assets or liabilities outstanding at 31 December 2024 (30 June 2024: Nil).

Note 13: Related party transactions

Other than payments to Key Management Personnel there were no related party transactions for the half-year (30 June 2024: Nil) and no balance outstanding as at 31 December 2024 (30 June 2023: Nil).

Note 14: Subsequent events

There have not been any matters that have arisen after the reporting date that have significantly affected, or may significantly affect, the operations and activities of the Group, the result of those operations, or the state of affairs of the Group in future financial years other than disclosed elsewhere in this condensed consolidated financial report.

DIRECTORS' DECLARATION

In the opinion of the Directors of Parkway Corporate Limited:

- the attached condensed consolidated financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the *Corporations Regulations 2001* and other mandatory professional reporting requirements;

- the attached condensed consolidated financial statements and notes give a true and fair view of the Group's financial position 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*.

On behalf of the directors

Bahay Ozcakmak
Group Managing Director & CEO
Melbourne
Dated: 27 February 2025

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To the Board of Directors of Parkway Corporate Limited

Auditor's Independence Declaration under section 307C of the *Corporations Act 2001*

As lead auditor for the review of the financial statements of Parkway Corporate Limited for the half-year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(b) any applicable code of professional conduct in relation to the review.

NPAS

Nexia Perth Audit Services Pty Ltd

Michael Fay

Michael Fay
Director

Perth, Western Australia
27 February 2025

Advisory. Tax. Audit.

Nexia Australia

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Independent Auditor's Review Report

To the members of Parkway Corporate Limited

Report on the Condensed Consolidated Half-Year Financial Report for the Half-Year Ended 31 December 2024

Conclusion

We have reviewed the accompanying Condensed Consolidated Half-Year Financial Report of Parkway Corporate Limited (the "Company") and its controlled entities (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, Condensed Consolidated Statement of Changes in Equity and Condensed Consolidated Statement of Cash Flows for the half-year ended on that date, notes comprising material accounting policy information 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 Condensed Consolidated Half-Year Financial Report of the Group does not comply with the *Corporations Act 2001* including:

i) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and

ii) 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* ("ASRE 2410"). Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Condensed Consolidated Half-Year 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 & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our review of the Condensed Consolidated Half-Year 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 Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibilities of the Directors for the Condensed Consolidated Half-Year Financial Report

The directors of the Group are responsible for the preparation of the Condensed Consolidated 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 Condensed Consolidated 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 Condensed Consolidated Half-Year Financial Report

Our responsibility is to express a conclusion on the Condensed Consolidated 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 Condensed Consolidated 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 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.

NPAS

Nexia Perth Audit Services Pty Ltd

Michael Fay

Michael Fay
Director

Perth, Western Australia
27 February 2025