

ASX Announcement

Bisalloy Steel Group Limited
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28 February 2025

Market Announcement Office ASX

Results Announcement for the Half-year ended 31 December 2024 ASX:BIS

In accordance with ASX Listing Rule 4.2A, Bisalloy Steel Group Limited (ASX Code: BIS) provides the following documents for the half year ended 31 December 2024:

- Appendix 4D
- Directors' Report; and
- Financial Report

These documents should be read in conjunction with the Bisalloy Steel Group Limited 2024 Annual Report (accessible in the "Investor Centre" section of Bisalloy's website (www.bisalloy.com.au) under the tab "Financial Reports").

Authorised for release by the Board of Bisalloy Steel Group Limited.



Carl Bowdler
Company Secretary

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BISALLOY STEEL GROUP LIMITED
A.C.N. 098 674 545
Appendix 4D – Half Yearly Financial Report
Six months ended 31 December 2024 (“HY25”)
Results for announcement to the market

Key Information		Absolute Change		HY25 \$'000	HY24 \$'000
Total revenue from ordinary activities	Down	7.5%	to	70,936	76,648
Profit from ordinary activities after tax attributable to members	Up	5.2%	to	8,730	8,297
Net profit for the period attributable to members	Up	5.2%	to	8,730	8,297
Profit before income tax from continuing operations ⁽¹⁾	Up	5.9%	to	12,803	12,088
Operating EBITDA (excl Fx) ⁽²⁾	Up	4.6%	to	14,661	14,013

Details relating to dividends	Amount per share	Franking ⁽³⁾	Total Amount \$'000
Final dividend paid on 4 October 2024	11.5c	100%	5,509
Special dividend Declared on 8 November 2024 ⁽⁴⁾	13.0c	100%	6,227
Interim dividend Declared on 26 February 2025 ⁽⁵⁾	8.0c	100%	3,832
Record date for determining entitlements to dividends		14/03/2025	
DRP		Suspended on 22 February 2023	
Other		HY25	HY24
Net tangible asset per share		149.1 cps	144.3 cps
Basic earnings per share		18.3 cps	17.4 cps

(1) For the Consolidated Group

(2) EBITDA for the Consolidated Group is categorised as non-IFRS financial information provided to assist readers to better understand the financial performance of the operating business. Table 1 provides a reconciliation of profit after income tax to EBITDA.

(3) All dividends are fully franked at a 30% tax rate.

(4) The special dividend was paid on 17 January 2025 and is recognised as a liability as at 31 December 2024.

(5) The interim dividend is payable on 28 March 2025 and is not recognised as a liability as at 31 December 2024.

Commentary on Results - Please refer to the commentary in the attached half yearly Directors' and Financial Reports for an explanation of the results. This half yearly report should be read in conjunction with the most recent Annual Financial report.

There were no entities over which control has been gained or lost during the period. Details of Joint Venture entities was disclosed on page 57 of the most recent Annual Financial Statements.

The Dividend Reinvestment Plan (DRP) was suspended on 22 February 2023.

This report is based on accounts which have been reviewed. The review report, which was unqualified, is included within the Financial Report which accompanies this Appendix 4D. Additional Appendix 4D disclosure requirements can be found in the Financial Report.

Table 1: Reconciliation of profit after income tax to EBITDA

	Consolidated	
	For the six months ended	
	31 Dec 2024	31 Dec 2023
Consolidated profit after income tax	9,035	8,528
Income tax expense	3,768	3,560
Net interest expense	129	352
Depreciation and amortisation	1,145	1,077
Foreign exchange loss/ (gain)	82	(28)
CJV share of income tax expense, net interest expense, depreciation and amortisation	502	524
EBITDA	14,661	14,013

Signed in accordance with a resolution of the directors.



Rowan Melrose
CEO and Managing Director
26 February 2025

BISALLOY STEEL GROUP LIMITED

A.B.N 22 098 674 545

CONDENSED CONSOLIDATED FINANCIAL REPORT

SIX MONTHS ENDED 31 December 2024

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Directors' Report

The directors of Bisalloy Steel Group Limited present their report together with the condensed consolidated financial statements for the six months ended 31 December 2024 and the review report thereon.

Directors

The directors of the Company in office during the financial period and until the date of this report are set out below. Directors were in office for the entire period, unless otherwise stated.

Name	Office	Appointment
Mr David Balkin AM	Non-Executive Chairman	from 27/11/2020
Mr Ian Greenyer	Non-Executive Director	from 27/11/2020
Mr Michael Gundy	Non-Executive Director	from 27/11/2020
Mr Bernard Landy	Non-Executive Director	from 01/03/2022
Mr Rowan Melrose	Chief Executive Officer and Managing Director	from 01/03/2022

Principal Activities

The principal activity of the Group during the financial half-year was the manufacture and sale of quenched and tempered, high-tensile, and abrasion resistant steel plates ("Q&T plate").

Significant Changes in the State of Affairs

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

Review of Operations

The operating results are summarised as follows:

In thousands of dollars	For the six months ended	
	31 Dec 2024	31 Dec 2023
Revenue	70,936	76,648
Consolidated Profit after income tax	9,035	8,528
Profit after tax attributable to members	8,730	8,297

Summary

Bisalloy Steel Group comprises Bisalloy Steels Pty Ltd in Australia, the majority owned distribution businesses in Indonesia (PT Bima Bisalloy) and Thailand (Bisalloy (Thailand) Co Limited) and the investment in the Chinese Co-operative Joint Venture (CJV) – Bisalloy Shangang (Shandong) Steel Plate Co, Ltd.

Bisalloy has delivered a strong performance in the first half of FY25, reaffirming its position as a leading supplier of high-performance steel. Our products are engineered for extreme environments, supporting key industries such as mining and defence. In the resources sector, we provide high-wear protection steel, while our protection plates are designed to safeguard personnel.

The first half of FY25 has been marked by a broad decline in steel prices, along with Western Australia experiencing a softening in Q&T steel plate market demand due to lower lithium, nickel, and iron ore

Directors' Report

continued

prices. Despite these challenges, Bisalloy has successfully maintained absolute margins through a more profitable product mix supported by reductions in freight, electricity, and gas costs.

Bisalloy Steels is Australia's only processor of quenched and tempered high strength, abrasion resistant and protection grade alloyed steel plates. Bisalloy distributes wear and structural grade plates through both distributors and directly to select manufacturers and end users in Australia and internationally. For protection grade steels, Bisalloy exclusively deals directly with select companies with relevant export approvals.

Bisalloy's unique stand-alone heat treatment facility at Unanderra, near Wollongong, is a highly automated and efficient operation providing a relatively low-cost base, allowing it to compete with a variety of imported products. During the six months ended 31 December 2024 Bisalloy utilised greenfeed steel supplied mainly by neighbouring BlueScope Steel in Wollongong, complimented with selected supply from international greenfeed suppliers, including Posco and the CJV.

Safety and zero harm remains our number one priority and the company continues to invest and evolve our safety culture. Thailand, Indonesia and China experienced zero harm during the period. Australia unfortunately experienced a lost time injury at the beginning of the financial year, but our overall safety performance in both lagging and leading indicators remains strong.

Business Performance

Domestic Australian Sales and Margins

Australian demand for quenched and tempered steel plate softened in H1 FY25 as a result of reduced mining demand driven by lower lithium, nickel and iron ore prices along with customer de-stocking.

During the period, we benefited from lower gas and electricity costs as a result of the contacts signed in FY24. In addition, we negotiated further reductions in Gas and Electricity contract prices commencing 1 January 2025 which will further support our Australian margins in H2 FY25.

Co-Operative Joint Venture (CJV) in China

Despite the significant challenges of the Chinese domestic market, Sales, and Margin in the CJV increased, leading to another solid performance in H1 FY25.

Overseas Distribution

The Group's overseas distribution operations in Indonesia and Thailand continue to be profitable. Sales and Margins in Thailand increased in H1 HY25 compared to prior year. The Indonesian operation continues to see the impacts of the Import License changes. Despite these impacts, the Indonesian operation has increased Sales and Margins compared to prior year.

Protection Steel

Our Protection Steel business continues to be of importance both domestically and internationally. Volumes are down 12.5% from H1 HY24, impacted by Industrial Action at the Ports delaying shipments over December.

Overheads and Costs

Overheads were in line with expectation, but higher in HY25, driven predominately by planned increases in investment in marketing, research and development and projects.

Directors' Report

continued

Inventories

Inventories are 17.9% higher than H1 HY24, reflecting changes in order phasing, a temporary increase in inventory holding in Indonesia as a result of Import restrictions and export shipment delays across period end.

Financial Results

Group Revenues in the period were \$70,936k, down 7.5% from the corresponding period last year, impacted by lower domestic demand and steel prices in Australia and export shipment delays across period end. Profit before tax was \$12,803k, up 5.9% from prior corresponding period reflecting improved margins driven by favourable customer and product mix and reduced energy costs. Profit after tax increased to \$9,035k from \$8,528k in the prior corresponding period.

Net operating cash inflow in the six months was \$1,835k compared to the outflow of \$1,001k in the previous corresponding period.

Net cash as at 31 December 2024 totalled \$3,419m (30 June 2024 - \$5,564m, 31 Dec 2023 – Net Debt \$11,704).

FY25 Outlook

Bisalloy has demonstrated strength and resilience in its business performance in H1 FY25 in the face of softer domestic demand. Our current order book indicates that H2 FY25 will continue the strong profit momentum delivered in H1 FY25.

We anticipate the majority of Australian SSN-AUKUS Hull Steel Qualification contract to be completed in H2 FY25.

We have confirmed two trials of our sensor products with installations to be completed over the next few months. The trials will take approximately 6 months to complete.

Dividend

Bisalloy pays dividends in accordance with the basic policy of making stable and continuous payments based on a medium to long-term business outlook. By taking into account the Company's outlook for business results, its financial position, and other such factors, the Company has decided to pay an interim dividend of 8.0 cents per share in the current fiscal year.

Auditor Independence

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* (Cth) is set out on page 8 and forms part of this report.

Directors' Report

continued

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



Rowan Melrose
CEO and Managing Director
26 February 2025

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Bisalloy Steel Group 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:

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

RSM Australia Partners Digitally signed by RSM Australia Partners
Date: 2025.02.26 13:24:08 +11'00'

RSM AUSTRALIA PARTNERS

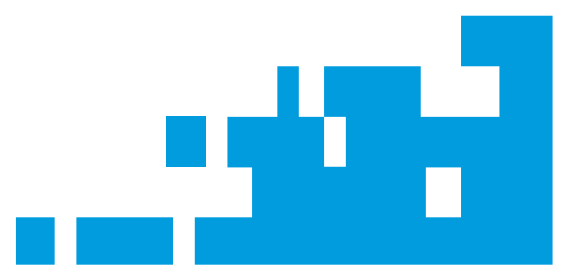
Louis Quintal Digitally signed by Louis Quintal

LOUIS QUINTAL
Partner

Sydney, NSW

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

In thousands of dollars	Notes	Consolidated	
		For the six months ended 31 Dec 2024	31 Dec 2023
Continuing operations			
Revenue from contracts with customers		70,936	76,648
Cost of goods sold	3(c)	(49,935)	(57,219)
Gross profit		21,001	19,429
Other (expense) / income	3(a)	(26)	50
Distribution expenses		(1,339)	(1,194)
Marketing expenses		(2,615)	(2,183)
Occupancy expenses		(579)	(445)
Administrative expenses		(4,996)	(4,478)
Operating profit		11,446	11,179
Finance costs	3(b)	(162)	(356)
Finance income	3(b)	33	4
Share of profit of joint venture, net of tax	7	1,486	1,261
Profit before income tax		12,803	12,088
Income tax expense	13	(3,768)	(3,560)
Profit after income tax		9,035	8,528
Attributable to:			
Non-controlling interest		305	231
Equity holders of the parent		8,730	8,297
Profit for the period		9,035	8,528
Other comprehensive income:			
Items that may be subsequently reclassified to net profit			
Fair value revaluation of land and buildings		107	3,666
Fair value (loss) / gain on cash flow hedges		(4)	96
Foreign currency translation gain / (loss)		1,967	(573)
Income tax effect of items in other comprehensive income		(13)	(1,128)
Other comprehensive income for the period, net of tax		2,057	2,061
Total comprehensive income for the period, net of tax		11,092	10,589
Attributable to:			
Non-controlling interests		764	(6)
Equity holders of the parent		10,328	10,595
		11,092	10,589
Earnings per share for profit attributable to ordinary equity holders of the parent			
- Basic earnings per share (cents)	5	18.3	17.4
- Diluted earnings per share (cents)	5	18.0	17.2

Notes on pages 13 to 20 are an integral part of the condensed consolidated financial statements.

Condensed Consolidated Statement of Financial Position

In thousands of dollars	Notes	Consolidated	
		31 Dec 2024	30 Jun 2024
ASSETS			
Current assets			
Cash and cash equivalents	6	6,180	6,300
Trade and other receivables		20,052	21,122
Inventories		60,186	48,836
Other current assets		2,180	2,151
Contract assets		71	15
Derivative assets		-	17
Income tax receivable		71	68
Total current assets		88,740	78,509
Non-current assets			
Investment in joint venture	7	9,793	9,840
Other non-current assets		169	138
Property, plant and equipment		29,516	29,567
Intangible assets		305	444
Deferred tax assets		84	77
Total non-current assets		39,867	40,066
Total assets		128,607	118,575
LIABILITIES			
Current liabilities			
Trade and other payables		26,583	24,766
Loans and borrowings	8	2,761	736
Income tax payable		1,176	1,631
Employee benefit liabilities		2,426	2,392
Lease liabilities		226	236
Dividend payable	2	6,227	-
Contract liabilities		5,099	4,517
Derivative liabilities		78	-
Total current liabilities		44,576	34,278
Non-current liabilities			
Employee benefit liabilities		1,558	1,591
Lease liabilities		78	107
Deferred tax liabilities		5,480	5,334
Total non-current liabilities		7,116	7,032
Total liabilities		51,692	41,310
NET ASSETS		76,915	77,265
EQUITY			
Equity attributable to equity holders of the parent			
Contributed equity	4	15,227	15,227
Accumulated profits		40,316	43,197
Other reserves		16,184	14,417
Parent interests		71,727	72,841
Non-controlling interests		5,188	4,424
TOTAL EQUITY		76,915	77,265

Notes on pages 13 to 20 are an integral part of the condensed consolidated financial statements.

Condensed Consolidated Statement of Cash Flows

In thousands of dollars	Notes	Consolidated	
		For the six months ended	
		31 Dec 2024	31 Dec 2023
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		79,810	82,411
Payments to suppliers and employees (inclusive of GST)		(73,727)	(80,375)
Interest received		33	4
Borrowing costs		(162)	(356)
Income tax paid		(4,119)	(2,685)
Net cash from / (used) in operating activities		1,835	(1,001)
Cash flows from investing activities			
Dividend received from Joint Venture		2,135	2,173
Payments for property, plant and equipment		(559)	(815)
Net cash from in investing activities		1,576	1,358
Cash flows from financing activities			
Drawdown of borrowings		2,025	7,978
Dividend paid to equity holders of the parent	2	(5,509)	(9,537)
Principal lease payments		(116)	(172)
Net cash used in financing activities		(3,600)	(1,731)
Net decrease in cash and cash equivalents		(189)	(1,374)
Net foreign exchange differences		69	(27)
Cash and cash equivalents at the beginning of period		6,300	2,052
Cash and cash equivalents the end of period	6	6,180	651

Notes on pages 13 to 20 are an integral part of the condensed consolidated financial statements.

Condensed Consolidated Statement of Changes of Equity

In thousands of dollars	Issued Capital	Employee Equity Benefits Reserve	Cash Flow Hedge Reserve	Foreign Currency Translation Reserve	Asset Revaluation Reserve	Equity Settlement Reserve	Other Reserves	Retained Earnings	Total	Non-Controlling Interests	Total Equity
At 30 June 2024	15,227	446	1	290	12,867	744	69	43,197	72,841	4,424	77,265
Profit for the period	-	-	-	-	-	-	-	8,730	8,730	305	9,035
Other comprehensive income / (loss)	-	-	(4)	1,541	61	-	-	-	1,598	459	2,057
Depreciation transfer for building revaluation	-	-	-	-	(125)	-	-	125	-	-	-
Total comprehensive income / (loss)	-	-	(4)	1,541	(64)	-	-	8,855	10,328	764	11,092
Transactions with owners in their capacity as owners:											
Ordinary dividends paid/payable to shareholders (note 2)	-	-	-	-	-	-	-	(11,736)	(11,736)	-	(11,736)
Settlement of performance rights	-	(336)	-	-	-	336	-	-	-	-	-
Share based payments	-	294	-	-	-	-	-	-	294	-	294
At 31 December 2024	15,227	404	(3)	1,831	12,803	1,080	69	40,316	71,727	5,188	76,915
At 30 June 2023	15,227	268	(30)	880	10,407	550	(9)	40,674	67,967	4,595	72,562
Profit for the period	-	-	-	-	-	-	-	8,297	8,297	231	8,528
Other comprehensive income / (loss)	-	-	65	(333)	2,566	-	-	-	2,298	(237)	2,061
Depreciation transfer for building revaluation	-	-	-	-	(47)	-	-	47	-	-	-
Total comprehensive income / (loss)	-	-	65	(333)	2,519	-	-	8,344	10,595	(6)	10,589
Transactions with owners in their capacity as owners:											
Ordinary dividends paid to shareholders (note 2)	-	-	-	-	-	-	-	(9,537)	(9,537)	-	(9,537)
Dividend Reinvestment Plan	-	-	-	-	-	-	-	-	-	(348)	(348)
Share based payments	-	33	-	-	-	193	-	-	226	-	226
At 31 December 2023	15,227	301	35	547	12,926	743	(9)	39,481	69,251	4,241	73,492

Notes on pages 13 to 20 are an integral part of the condensed consolidated financial statements.

Notes to the Condensed Consolidated Financial Statements

1. Summary of material accounting policies

a. Basis of preparation

This general purpose condensed consolidated financial report for the six months ended 31 December 2024 has been prepared in accordance with AASB 134 Interim Financial Reporting and the *Corporations Act 2001* (Cth).

The condensed consolidated financial report as at and for the six months ended 31 December 2024 does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the condensed consolidated financial report for the six months ended 31 December 2024 be read in conjunction with the annual report for the year ended 30 June 2024 and considered together with any public announcements made by the Company during the six months ended 31 December 2024 in accordance with the continuous disclosure obligations of the ASX listing rules. Other than as stated in Note 14, the financial report has been prepared using the same accounting policies as used in the most recent financial report.

The condensed consolidated financial report for the six months ended 31 December 2024 is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated under the option available to the Company under ASIC Corporations (Rounding in Financial / Directors' Report) Instrument 2016/191.

b. Basis of consolidation

The condensed consolidated financial statements comprise the financial statements of the Company, being Bisalloy Steel Group Limited, and its subsidiaries ("the Group") as at the balance date.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company. Adjustments are made to bring into line any dissimilar accounting policies that may exist. All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries, not held by the Group and are presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separately from the equity of the owners of the parent.

Notes to the Condensed Consolidated Financial Statements

continued

2. Dividends paid

In thousands of dollars	Consolidated	
	For the six months ended 31 Dec 2024	31 Dec 2023
Cash dividends to the equity holders of the parent:		
Dividends on ordinary shares declared and paid during the six-month period:		
Final dividend for year ended 30 June 2024: 11.5 cents (2023: 9.5 cents)	5,509	4,530
Special dividend for the year ended 30 June 2024: 0 cents ^[1] (2023: 10.5 cents)	-	5,007
Total Dividends Paid	5,509	9,537

[1] A Special Dividend was declared on 8 November 2024 of 13.0c with a payment date of 17 January 2025. This Special Dividend of \$6,227,468 is recognised as a liability as at 31 December 2024.

3. Other income and expenses

In thousands of dollars	Consolidated	
	For the six months ended 31 Dec 2024	31 Dec 2023
(a) Other expenses / (income)		
Other income	(56)	(22)
Foreign exchange loss / (gain)	82	(28)
Total Other expenses / (income)	26	(50)
(b) Finance costs		
Bank interest and borrowing costs	162	356
Total finance costs	162	356
Bank interest	(33)	(4)
Total finance income	(33)	(4)
(c) Depreciation and cost of inventories included in the statement of profit or loss and other comprehensive income		
Depreciation and amortisation	1,145	1,077
Cost of inventories	46,655	51,883
Provision for inventory	(30)	(42)
Cost of inventories recognised as an expense	46,625	51,841
Freight	3,310	5,378
Cost of goods sold	49,935	57,219
(d) Employee benefits expense		
Wages and salaries	8,100	7,015
Superannuation costs	679	606
Share based payments	150	242
Total Employee benefits expense	8,929	7,863

Notes to the Condensed Consolidated Financial Statements

continued

4. Issued capital

In thousands of dollars	Consolidated	
	31 Dec 2024	30 June 2024
Ordinary shares Issued and fully paid	15,227	15,227

In thousands	No. of shares	\$
Movement in ordinary shares on issue		
At 1 July 2024	47,686	15,227
Exercise of performance rights	218	-
At 31 Dec 2024	47,904	15,227

5. Earnings per share

In thousands of dollars	Consolidated	
	For the six months ended 31 Dec 2024	31 Dec 2023
Calculation of the following in accordance with AASB 133:		
Profit for the period	9,035	8,528
Profit attributable to non-controlling interests	305	231
Profit attributable to equity holders of the parent	8,730	8,297

	Thousands	Thousands
Weighted average number of ordinary shares for basic earnings per share	47,813	47,588
Potential dilution:		
Performance rights	730	729
Adjusted weighted average number of ordinary shares for diluted earnings per share	48,543	48,317

6. Cash and cash equivalents

In thousands of dollars	31 Dec 2024	30 June 2024
Cash at bank and in hand	6,180	6,300

Non-cash financing activities

Dividend reinvestment plan

The number of shares issued under the dividend reinvestment plan during the six months ending 31 December 2024 was nil (31 December 2023: nil). The Dividend Reinvestment Plan (DRP) was suspended on 24 February 2023 and did not apply to the ordinary or special dividends during the period.

Notes to the Condensed Consolidated Financial Statements

continued

7. Investment in joint venture

The Group has a 50% equity interest held in Bisalloy Shangang (Shandong) Steel Plate Co. Ltd, which has not changed in the reporting period.

The Group's share of the result of the joint venture on an equity accounted basis for the period is \$1,486k (2023: \$1,261k).

Dividends of \$2,135k (2023: \$2,174k) were received from the JV during the six months.

8. Loans and borrowings

On 15 December 2024 Bisalloy Steels Pty Ltd entered a new facility with Westpac Banking Corporation. The facility comprises a bank bill business facility of \$30.0m for 1 year from December 2024. There were no amounts drawn from the facility at 31 December 2024. This facility is secured by a charge over the assets of Bisalloy Steels Pty Ltd.

The Group has a IDR 44.5b revolver facility as well as a USD\$0.5m Letter of Credit facility available to its Indonesian based subsidiary. These facilities are drawn to \$2.8m and secured by a charge over the assets of the Indonesian subsidiary and mature in June 2025.

The Group has a THB 3m bank overdraft facility available and unused to its Thailand based subsidiary as at 31 December 2024, secured by a guarantee from Bisalloy Steel Group Limited. The Group also has a trade facility of THB 10 million against a guaranteed deposit of THB 3 million.

Notes to the Condensed Consolidated Financial Statements

continued

9. Assets / liabilities measured at fair value

Fair values

The Group uses various methods in estimating the fair value of assets and liabilities. The methods comprise:

Level 1 – the fair value is calculated using quoted prices in active markets.

Level 2 – the fair value is calculated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The fair value of the assets and liabilities as well as the methods used to estimate the fair value are summarised in the table below. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

31 December 2024	Total	Level 1	Level 2	Level 3
Assets / (Liabilities) measured at fair value	\$'000	\$'000	\$'000	\$'000
Land and buildings	23,433	-	23,433	-
Foreign exchange contracts	(78)	-	(78)	-
	23,355	-	23,355	-
30 June 2024				
Assets measured at fair value				
Land and buildings	23,347	-	23,347	-
Foreign exchange contracts	17	-	17	-
	23,364	-	23,364	-

At 31 December 2024 the fair value of land, buildings and improvements for its Australian land and buildings was determined by reference to valuations performed in November 2023. At 31 December 2024 the fair value of land, buildings and improvements for its Indonesia land and buildings was determined by reference to valuations performed in August 2024.

The fair value of loans and borrowings approximates the carrying value.

Transfer between categories

There were no transfers between levels during the year.

10. Commitments and contingencies

There has been no material change of any commitments, contingent liability or contingent asset since the last annual reporting date.

11. Events after the balance date

There have been no significant events after the balance date.

Notes to the Condensed Consolidated Financial Statements

continued

12. Segment information

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based on country of origin. Discrete financial information about each of these operating businesses is reported to the executive management team on at least a monthly basis.

The reportable segments are based on aggregated operating segments determined by the similarity of economic characteristics.

Geographical areas

Australian operations

The Australian operations comprise of Bisalloy Steels Pty Limited and Bisalloy Steel Group Limited.

Bisalloy Steels Pty Limited manufactures and sells wear-grade and high tensile plate through distributors and directly to original equipment manufacturers in both Australia and Overseas. Bisalloy Steels is located in Unanderra, near Wollongong, NSW.

Bisalloy Steel Group Limited is the corporate entity, also located in Unanderra NSW, which incurs expenses such as head office costs and interest. Corporate charges are allocated across the Australian and Overseas segments.

Overseas operations

The Overseas operations comprise of PT Bima Bisalloy and Bisalloy (Thailand) Co Limited located in Indonesia and Thailand respectively. These businesses distribute Bisalloy Q&T plate as well as other plate products. The Overseas operations also include the co-operative joint venture Bisalloy Shangang (Shandong) Steel Plate Co., Limited in the People's Republic of China for the marketing, sale and distribution of quenched and tempered steel plate.

Inter-segment transactions

Inter-entity sales are recognised based on an internally set transfer price. This price is set monthly and aims to reflect what the business operation could achieve if they sold their output to external parties at arm's length.

Major customers

The Group has several customers to which it sells products. There are three major customers who account for 29% (2023: 30%), 12% (2023: 11%), 4% (2023: 6%) of total external revenue.

Notes to the Condensed Consolidated Financial Statements

continued

12. Segment information (*continued*)

Information about reportable segments

For the six months ended 31 December 2024	Australia \$'000	Overseas \$'000	Total \$'000
Sales to external customers	58,152	12,784	70,936
Inter-segment sales	(71)	-	(71)
Total segment revenue	58,081	12,784	70,865
Inter-segment elimination	71	-	71
Total consolidated revenue	58,152	12,784	70,936
Segment profit after income tax	9,256	1,858	11,114

For the six months ended 31 December 2023

Sales to external customers	65,219	11,429	76,648
Inter-segment sales	1,399	-	1,399
Total segment revenue	66,618	11,429	78,047
Inter-segment elimination	(1,399)	-	(1,399)
Total consolidated revenue	65,219	11,429	76,648
Segment profit after income tax	9,135	1,525	10,661

Consolidated For the six months ended

a) Segment profit after income tax reconciliation to the statement of profit or loss and other comprehensive income	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Segment profit after income tax	11,114	10,661
Intercompany eliminations (net of tax)	(2,079)	(2,132)
Income tax expense	3,768	3,560
Profit before tax per the statement of profit or loss and other comprehensive income	12,803	12,088

The following table presents the disaggregation of the Group's revenue from contracts with customers for the six months ended 31 December 2024:

For the six months ended 31 December 2024	Australia \$'000	Overseas \$'000	Total \$'000
Performance obligation			
Sale of steel plates	55,128	12,598	67,726
Shipping and handling	3,024	186	3,210
Total revenue from contracts with customers	58,152	12,784	70,936
Timing of revenue recognition			
Goods transferred at a point in time	55,128	12,598	67,726
Services transferred over time	3,024	186	3,210
Total revenue from contracts with customers	58,152	12,784	70,936

Notes to the Condensed Consolidated Financial Statements

continued

12. Segment information (*continued*)

For the six months ended 31 December 2023	Australia \$'000	Overseas \$'000	Total \$'000
Performance obligation			
Sale of steel plates	59,777	11,247	71,024
Shipping and handling	5,441	182	5,624
Total revenue from contracts with customers	65,219	11,429	76,648
Timing of revenue recognition			
Goods transferred at a point in time	59,777	11,247	71,024
Services transferred over time	5,441	182	5,624
Total revenue from contracts with customers	65,219	11,429	76,648

13. Income Tax

The income tax expense of \$3,768k for the six months ended 31 December 2024 differs from what it would have been under the Group's statutory income tax rate of 30% (\$3,841k) primarily due to share of profit of equity accounted investees reported net of tax and the controlled foreign company (CFC) attributed income.

14. Changes in accounting policies

The accounting policies adopted in the preparation of the interim condensed 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 2024, except for the adoption of new standards effective as of 1 July 2024. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Directors' Declaration

In accordance with a resolution of the directors of Bisalloy Steel Group Limited, I state that:

In the opinion of the directors:

(a) The financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001* (Cth), including:

(i) Giving a true and fair view of the financial position as at 31 December 2024 and of its performance for the six months ended on that date of the consolidated entity; and

(ii) Complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*;

(b) 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, pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Rowan Melrose
CEO and Managing Director
26 February 2025

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Westpac Banking Corporation

Share Registry

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Bisalloy Steel Group Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Bisalloy Steel Group Limited which comprises the statement of financial position as at 31 December 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of material accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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

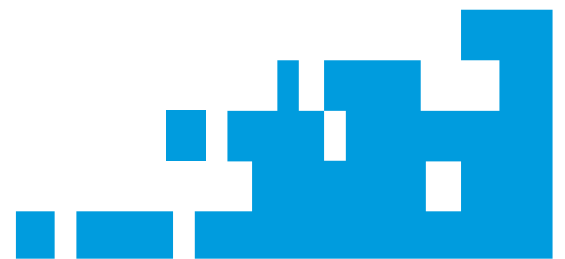
- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

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 Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual 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 Bisalloy Steel Group, would be in the same terms if given to the directors as at the time of this auditor's report.

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Directors' Responsibility for the Half-Year Financial Report

The directors of the Bisalloy Steel Group 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 those charged with governance determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity'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.

**RSM Australia
Partners** Digitally signed by RSM
Australia Partners
Date: 2025.02.26
13:23:30 +11'00'

RSM Australia Partners

Louis Quintal Digitally signed
by Louis Quintal

Louis Quintal

Sydney, NSW

