

Lycopodium

# Financial Report

30 JUNE 2023



FY23



Bomboré Gold Project, Burkina Faso



Séguéla Gold Project, Côte d'Ivoire

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Front cover image - Séguéla Gold Project, Côte d'Ivoire



# FY23 Directors' Report

The Directors present their Annual Report to the members, together with the audited Consolidated Financial Statements of Lycopodium Limited (the 'Company' or 'parent entity') and its subsidiaries (the 'Group' or 'consolidated entity'), for the financial year ended 30 June 2023 and the Statement of Financial Position of the consolidated entity as at 30 June 2023.

## Directors

The following persons were Directors of Lycopodium Limited during the whole of the financial year and up to the date of this report:

Michael John Caratti  
Peter De Leo  
Bruno Ruggiero  
Karl Anthony Cicanese  
Rodney Lloyd Leonard  
Steven John Micheil Chadwick  
Louise Bower (appointed 15 August 2022)

## Dividends

Dividends paid to members during the financial year were as follows:

|   | 2023<br>\$ | 2022<br>\$ |
|---|------------|------------|
| Final dividends for year ended 30 June 2022 of 36.0 cents (2021: 15.0 cents) per fully paid share paid on 7 October 2022 (2021: 8 October 2021) Fully franked based on tax paid at 30% (2021: 30%)  | 14,306,481 | 5,961,034  |
| Interim dividend for the year ended 30 June 2023 of 36.0 cents (2022: 18.0 cents) per fully paid share paid on 6 April 2023 (2021: 7 April 2022) Fully franked based on tax paid at 30% (2022: 30%) | 14,306,481 | 7,153,240  |
|   | 28,612,962 | 13,114,274 |

In addition to the above dividends, since the end of the financial year the Directors have recommended the payment of a final fully franked dividend of \$17,883,102 (45.0 cents per fully paid share) to be paid on 6 October 2023 out of retained earnings at 30 June 2023 (2022: \$14,306,481). This brings the total dividend declared for the year ended 30 June 2023 to 81.0 cents (2022: 54.0 cents).

## Principal activities

The principal activities of the consolidated entity during the financial year consisted of the provision of engineering and project delivery services in the resources, infrastructure and industrial processes sectors. There were no significant changes in the nature of the consolidated entity's principal activities during the financial year.

## Directors' Report

## Review of Operations

### Full Year Results

For the financial year ended 30 June 2023, Lycopodium generated revenue of \$327.6 million and net profit after tax of \$46.8 million. These results represent record highs for the Company. The Directors have resolved to pay a final dividend of 45 cents per share. The total dividend for the year is 81 cents fully franked.

### Activities for the Past Year

With a number of substantial projects underway, we have continued to welcome new people to the business, with more than 1,100 personnel working with us in our offices and on our project sites across the globe.

Investment in our people is critical to attracting and maintaining a high-performing workforce, and therefore throughout FY2023, we have continued to roll out initiatives focused on providing the support and tools required to enable our people to perform at their best.

This includes the introduction of our global HR Information System (HRIS), providing a standardised platform across all operating entities to facilitate workplace efficiencies. Implementation of this system is the first step in the roll out of a broader enterprise resource planning (ERP) system that will tie together a multitude of business processes and enable the flow of data between them, eliminating duplication and supporting data integrity. Development of the ERP has been ongoing throughout 2023, with the platform due to be launched across the business later this year.

We also introduced our new Engagement and Performance Management platform, with our first global employee engagement survey undertaken in late 2022. This platform facilitates an approach of continual performance feedback in managing performance and career pathways, enabling us to listen to our people, reflect on their feedback, and use this information to develop initiatives and strategies for continuous improvement.

In support of our commitment to fostering a culture of learning and empowering our people to drive their own development, we embarked on the next phase of e-learning at Lycopodium, with the introduction of a new platform focused on delivering specific custom modules using engaging learning techniques.

We also launched a new employee reward, recognition and wellbeing platform, providing staff with access to an array of benefits and discounts, plus health and fitness information and tools. The platform also provides the ability to share staff achievements and awards.

Revenue | **\$327.6 million**

NPAT | **\$46.8 million**

Total Dividend | **81 cents**

**FY2023 has been a very successful year for the Company, in which we have delivered a significant portfolio of studies and projects around the world, across our core operating sectors of Resources, Infrastructure and Industrial Processes.**





Our Emerging Leaders Program, which was first introduced across our Australian operations in May 2022, has entered its next cycle, this time encompassing talent from around the globe to participate in this nine-month leadership program focused on the development of the middle management levels within the business.

These initiatives, combined with our continued pursuit of winning and executing exciting, challenging and rewarding new work, seeks to make us the employer of choice amongst our peers and allow us to continue to attract, develop and grow our talent pool.

Knowledge management remains an integral strategic focus for the business, and as such, we also continue to invest in initiatives that support the functionality and effectiveness of our network and systems. This includes updating our project collaboration software, to facilitate efficient access to, and sharing of, information across our global operations.

With a focus on broadening our geographical reach, our Canadian business has grown steadily over the past decade, as the Lycopodium brand has continued to cement itself with clients in the Americas. In 2023 our Canadian team successfully delivered its first major project, the Séguéla Gold Project in Côte d'Ivoire, with first gold pour achieved in May. Earlier this year, we relocated from our existing Toronto office to a nearby location that provides 50% more floor space to accommodate our growing team.

Lycopodium's participation in the energy shift, through our new service offering, Lycopodium Energy, is broad-based and leverages the diverse range of skills that

reside within the business. Over the past couple of years, we have considered participation across a spectrum of industries associated with the energy shift and are now actively participating in a number of initiatives related to renewable energy generation, energy storage, the global battery revolution and decarbonisation. These initiatives are explored in greater detail in the Innovation section of this report.

### Outlook

We have seen a slowing in the global economy during 2023, as interest rates have continued to rise to combat inflationary pressure. Geopolitical tensions have impacted household and business confidence, lowering resource and energy commodity demand. There is however significant upside forecast for investment in commodities intrinsic to the global energy transition, particularly buoyed by the incentives provided for low emission technologies under the US Inflation Reduction Act (IRA).

Introduction of the IRA, coupled with the high price of fossil fuels, is likely to accelerate the push towards low emission technologies, supporting the market expansion of commodities including lithium, copper, cobalt and nickel. A supply deficit is anticipated as early as 2024, with electric vehicle sales expected to double by 2027. The strong demand outlook for battery metals is attracting capital to build global supply, with numerous new projects and expansions in the pipeline.

Demand for iron ore is strengthening, as China, the world's largest importer, returned to normal activity levels and



Kathleen Valley Lithium Project, Western Australia

a resumption in infrastructure investment following the abolition of lockdowns and its zero-COVID policy in late 2022. As demand is expected to steadily increase over coming years, this will be supported by the continued development of greenfield and extension projects in Australia by established and emerging producers. Global supply will be further strengthened by emerging producers in Africa, with new projects currently under development.

Global gold demand increased in 2022 to an 11-year high and official sector buying by central banks has seen it remain steady through 2023. Consumer demand for gold, including jewellery, gold coins and bars, is expected to continue to grow over the long-term, while demand remains steady for gold used in the manufacturing of technology, including smartphones and watches, and its use in dentistry and medicine.

For our Infrastructure business, Australia's railway construction and maintenance activity is set to continue to grow in the coming years, with a number of significant, publicly funded projects ramping up across the country. This strong pipeline of new construction work includes heavy haul, freight and passenger projects. Correspondingly, maintenance and rail infrastructure management (RIM) activity is also expected to increase in order to maintain this growing rail network. Growth in maintenance activity is also due to increased rail remediation works required as a result of rising events related to climate change, including floods, droughts, bushfires and coastal erosion.

Within the Industrial Processes sector, we are continuing to see a shift to domestic manufacturing, driven initially by the pandemic and now further led by geopolitical uncertainty. With an impetus for many companies to onshore their

operations, the manufacturing industry in Australia is set to expand and become competitive not only locally, but globally. The ongoing development of emerging markets, including waste and recycling, water and wastewater, and hydrogen, is also continuing to drive sector growth. Locally produced hydrogen will be essential to Australia's strategy to decarbonise our economy and increase clean energy exports and will contribute to regional and global decarbonisation targets.

### Operational Highlights

FY2023 has seen an ongoing ramp-up of onsite activity, with a number of major projects mobilising to site, in delivery or completed, and with more than 8 million manhours worked over the 12-month period.

### HSE

Our commitment to providing a safe working environment for our people, and delivering projects safely for our clients, is intrinsic to our culture and a fundamental metric of our success.

FY2023 was an extremely busy period of site construction activity, with 8.2 million manhours worked (compared to 3.2 million in FY2022), and a Lost Time Injury Frequency Rate (LTIFR) of zero against an Australian construction industry average of 8.8. This is a significant achievement and a testament to the diligence and commitment of our people on the ground in providing and upholding a safe working environment for everyone.

We remain committed to providing our people with the tools and resources required to maintain our exemplary safety standards. During the year, we engaged our first



indigenous HSE trainee, who will soon graduate the traineeship program and take her place on one of our Western Australian projects.

**RESOURCES**

Our delivery of studies and projects spans most major commodities, including in FY2023, gold, lithium, diamonds and gems, copper, nickel, battery minerals, mineral sands, uranium, vanadium and other rare earths. We continue to deliver for our clients around the world, most notably in Africa, Australia, Southeast Asia and North and Central America.

We have a number of significant Engineering, Procurement and Construction Management (EPCM) projects that commenced engineering and onsite works over the past 12 months.

In gold, this includes mobilising to site on the Ahafo North Project in Ghana (Newmont), the Lafigué Project in Côte d'Ivoire (Endeavour) and the Sabodala-Massawa BLOX® Expansion Project in Senegal (also for Endeavour) and commencing engineering design on the Kiaka Project in Burkina Faso (West African Resources) and the Baomahun Project in Sierra Leone (FG Gold). Having completed the construction and commissioning of the Navachab Expansion Project in Namibia (QKR) in late 2022 we have since commenced work on the mine's new primary crushing plant.

Further strengthening our position as a leading partner in the design and delivery of battery metals projects in Australia and Africa, we commenced work on site for two globally significant lithium projects, the Kathleen Valley Project in Western Australia (Liontown), one of the world's largest hard rock lithium deposits, and the Goulamina Project in Mali (Leo Lithium), which will be West Africa's first operating lithium mine. Construction also continued throughout the year on our two projects at the Greenbushes lithium operation in Western Australia (Talisson Lithium), with completion of the Mine Services Area Relocation Project mid-2023 and works progressing on the Chemical Grade Processing Plant #3 Project.

Delivery of the Batu Hijau Process Plant Expansion Project in Indonesia (PT Amman Mineral Nusa Tenggara) is ongoing, extending the life of the mine, one of Indonesia's largest copper and gold mines, until at least 2030.

During the year, we completed a number of major projects, including the Bomboré Gold Project in Burkina Faso (Orezone), the Motheo Copper Project in Botswana (Sandfire), the Cobré Ball Mill 6 Project in Panama (First Quantum), and the Séguéla Gold Project in Côte d'Ivoire (Fortuna Silver Mines). We have subsequently moved on to the next stage of development on two of these projects, the Bomboré Expansion Study and completion of detailed engineering design for the Motheo Expansion Project.

Other projects completed during the year include the engineering scope for the Gruyere Pebble Circuit Upgrade Project in Western Australia (Gruyere Management Pty Ltd), with the structural and mechanical construction work now underway, the Sukari Paste Plant Project in Egypt (Centamin) and progressing design for the Boto Gold Project in Senegal (Managem).

There remains a strong pipeline of studies in delivery, including most notably, the recent award of the Feasibility Study and Basic Engineering scope for Barrick's Reko Diq Copper-Gold Project in Pakistan. Reko Diq is one of the largest undeveloped copper-gold deposits in the world, with the construction and operation of the mine significantly contributing to Pakistan's economy, and we are extremely pleased to have the opportunity to be involved with this major development from inception.

Other notable studies delivered over the period include the Pre-feasibility Study (PFS) and Definitive Feasibility Study (DFS) for Rio Tinto's Winu Copper Project in Western Australia, the DFS for B2Gold's Anaconda Area Project in Mali, the DFS for Perseus' Meyas Sand Gold Project in Sudan, the DFS for Osino's Twin Hills Gold Project in Namibia, and the Feasibility Study (FS) for Troilus Gold's Troilus Gold Project in Canada.

ADP Marine & Modular (ADP), Lycopodium's specialist subsidiary in South Africa, is continuing to progress Paladin Energy's Langer Heinrich Restart Project in Namibia, providing the EPCM services to bring the mine back into operation. ADP is also delivering the Mutamba Mineral Sands Project pilot plant on a greenfield site in Mozambique for Rio Tinto. The commissioning of the first Dry Mining Unit (DMU) on site at the Grande Côte mineral sands



Dry Mining Unit, Senegal

operation in Senegal in September 2022 has been a notable achievement for ADP during FY2023. Client feedback on the performance of the DMU has been very positive and we look forward to developing further opportunities to bring this innovative operating cost saving product to market. Through the year, ADP continued to service its long-term clients, including De Beers/Anglo American with delivery of the FS for De Beers/Anglo American's FutureSmart Diamond Processing Plant in Canada and Namdeb, having signed a new multi-year services contract. Namdeb is in the process of extending the life of its land-based operations for a further 20 years.

As a global leader in comminution circuit design and optimisation, our wholly owned subsidiary Orway Mineral Consultants (OMC), continues to be a critical technical partner to our Resources business. OMC provides specialist services in flowsheet development, optimisation and process design, as well as supporting our clients to maximise operational performance post project completion. Experts in plant dynamic modelling, OMC is also an integral element of our digital engineering strategy.

**INFRASTRUCTURE**

In Infrastructure, we continue to provide design, engineering, technical advisory and Rail Infrastructure Management (RIM) services for greenfield and brownfield rail projects across Australia. The Australian Rail Track Corporation's (ARTC) Southern Highlands Overtaking Opportunities Detailed Design package, to improve the efficiency of freight and passenger services between Sydney and Melbourne, is a significant scope of work undertaken in FY2023. Our Infrastructure business has recently been

awarded a three-year contract to conduct visual rail inspections and assessments for 57 Pacific National sites across Australia, which represents a steady stream of work going forward.

**INDUSTRIAL PROCESSES**

In Industrial Processes, the provision of design consultancy services is ongoing for Commonwealth Serum Laboratories (CSL) for the development of base vaccine component production and plasma and blood facilities, including providing the detailed engineering scope for CSL's world-class influenza vaccine manufacturing facility being built in Melbourne. Works are also continuing with Australia's Nuclear Science and Technology Organisation (ANSTO) at its Australian Synchrotron facility, in the delivery of Project BRIGHT, to expand both the capacity and capability of the facility's beamline infrastructure. The business has been involved in many of the Energy related initiatives undertaken throughout the year, including in hydrogen, battery minerals, battery recycling and waste to energy technologies.

**Innovation**

Our commitment to innovative thinking, challenging the status quo and seeking ways to do things better, and our participation in the energy shift, has seen us progress a number of significant initiatives throughout the year.

From an internal perspective, we continue to receive outstanding ideas put forward by our people for our bi-annual Innovation Award.

**DIGITAL ENGINEERING**

FY2023 has proven to be a foundational as well as pivotal year in the advancement of our digital engineering service offering. Lead by ADP in Cape Town, our focus in the development of our capability over recent years has been three pronged.

Firstly, plant dynamic modelling. This involves extensive use of both dynamic as well as discrete event simulation tools. We have progressed steadily to the point where several clients, including a major tier one diamond mine, have initiated service level agreements for both development and operational use of our modelling for overall plant optimisation. Andritz, as a partner, together with OMC, are key subject matter experts (SME) in the development and implementation of this capability. In diamonds this is used for both predicting plant performance and carat recovery performance, as well as optimising mine blending and production/revenue profiling, on a routine basis. We are applying this modelling experience into gold, lithium, lead-zinc, fluorospar, diamonds, iron ore and other commodities.

Secondly, we are using the best-of-breed platforms to develop static digital twins, and thirdly, we are integrating both the dynamic and static digital twins into an overall





MillROC

connected twin that can extend (together with our mining digital software partner, Sight Power) to a mine-wide digital twin solution.

### ORWAY IQ

MillROC (Mill Remote Optimisation Consulting and Coaching) continues to be developed by Orway IQ (OIQ), which is a collaboration between Molycop and Orway Mineral Consultants.

This online platform provides cloud-based, customised data analysis and dashboards for optimisation of mineral processing plants. It is used by OIQ's specialist consultants to deliver real-time coaching and implementation of continuous improvement in plant operations. The main goal for MillROC is to drive efficiency and reduce the carbon intensity when producing mineral concentrates and metals in the processing of minerals.

Based initially around comminution circuit optimisation, OIQ has now expanded MillROC to provide similar services for processes downstream of comminution, such as leach and flotation circuits. In addition to the customised data analysis originally incorporated in the platform, multivariable regression analysis and machine learning tools have been added for deeper analysis of complex systems. Advanced KPIs are set and visualised, with recommended changes in operating practises automated when these KPIs are not achieved.

Our Minerals business is now offering MillROC as an option to be included in all EPCM and EPC projects, enabling us to offer a more comprehensive service to our clients to assist them throughout the commissioning, ramp-up and warranty period to assure project success.

### RENEWABLE ENERGY GENERATION AND ENERGY STORAGE

Our participation in renewable energy generation is through our partly owned entity, ECG Engineering, which has recently completed a battery storage research project at the Sukari Gold Mine in Egypt. One of the complexities associated with combining renewable and thermal energy sources in remote locations is managing the energy system to facilitate stability in voltage and frequency, while ensuring there is adequate inertia in the system to cope with large spikes in energy demand that can occur during mill startups and similar actions that place a huge energy demand on the system within a short period of time. ECG is a specialist in this area.

Energy storage is *the* key area of global research at present, as cost-effective storage is critical in providing capacity during periods of time when solar and wind sources are not available for energy generation. Energy storage areas in which we actively participate are batteries and hydrogen.

Lithium-ion batteries are standard additions to hybrid renewable/thermal power solutions on mine sites, with capital costs for lithium battery storage currently limiting renewable energy penetration at these sites. ECG routinely sizes and includes lithium-ion batteries in hybrid power system designs.

Hydrogen is a potentially huge area of energy storage. A wide number of hydrogen studies have been funded by ARENA over the past three years, with only a few progressing towards pre-commercial scale operations. Our hydrogen capability sits with our Process Industries business located in Melbourne. Two significant projects in which we are involved are the 2.5 MW Yarwun Hydrogen Calcination Pilot Demonstration Program of Rio Tinto

and Sumitomo, and the Hydrogen Energy Supply Chain (HESC) coal-to-hydrogen plant in Loy Yang, Victoria. Our participation in a range of other hydrogen studies and projects continues.

We see opportunities in providing balance of plant support to utility scale renewables projects combining solar and wind to produce hydrogen for export, either cryogenically or as ammonia. This is a space that is emerging and although no major export projects have been announced in Australia, we would like to be able to support international technology vendors by "Australianising" their unit processes and then integrating their processes into a consolidated project.

The hydrogen sector is still quite nascent in Australia, but we are well positioned to participate when the sector gains momentum.

### FBICRC

Lycopodium is actively involved in alternative battery chemistries through research conducted as part of our participation in the Future Battery Industries Cooperative Research Centre (FBICRC), with notable alternative chemistries being the vanadium redox flow batteries (VRFB) and sodium-ion batteries. We recently completed a design for the Queensland Government of a multi-user facility to recover battery grade vanadium and other critical minerals. We continue to work with the Queensland Government, along with the FBICRC, to present workshops on how this multi-user facility can be utilised by industry to produce sufficient quantities of battery grade material to undertake compliance testwork with downstream battery manufacturers. Much of this work is being executed from our Brisbane office.

The circular economy for large scale batteries is going to emerge over the next decade. One of the major challenges for battery recycling is the safe storage and transport of batteries, given the high fire risk that exists with partially spent lithium batteries in particular.

Value-adding to battery minerals is a strategic ambition of the Australian federal and state governments and an area of the value chain we are positioning ourselves in which to participate. We reported last year on our Front End Engineering and Design (FEED) of the Pre-Cathode Active Material (PCAM) pilot facility in Western Australia, producing Ni-Co-Mg PCAM. The facility is operating successfully. We were also engaged to design and deliver a lithium ferro-phosphate cathode precursor pilot facility. This work was put on hold to allow market soundings by our client, with the result being an increase in the scale of the facility to meet demand, with this work now proceeding.

The full battery value chain relies on batteries being recycled and valuable metals recovered. We are contributing to this circular economy through a Study and FEED awarded to the FBICRC by the New South Wales Government for a battery recycling project based on a distributed model, where battery "black mass", recovered from battery shredding facilities located in regional areas, is transported to a centrally located hydrometallurgical processing facility for recovery of the battery metals. Lycopodium is providing design and engineering services to the FBICRC for this project.

### DECARBONISATION

We are positioning ourselves as an integrator of technologies along the energy shift value chain as it applies to the minerals sector. In addition to participating



FBICRC - Pre-Cathode Active Material (PCAM) pilot facility, Western Australia

in emerging new energy technologies, a major area of activity for Lycopodium is in decarbonisation. Our internal systems are being reviewed and updated to ensure that, firstly, we capture Scope 1, 2 and 3 carbon emissions in our designs and in our project delivery strategies. Given the ever-increasing level of compliance required around carbon reporting, we must be able to accurately report our own carbon footprint and also the carbon footprint of the projects we will deliver for our clients.

Once emissions data is systematically collected, we are able to execute the second major area of our decarbonisation activity – incorporating new designs and technologies to reduce absolute carbon emissions for our clients. This is reliant on collaboration among the core areas of renewable energy generation, mine electrification and process plant design, to displace, reduce, capture, or offset carbon emissions, all of which reside within the capabilities of Lycopodium and ECG.

### Community

We support the communities in which we live and work, in particular social development and education endeavours, through the Lycopodium Foundation.

This includes continuing our partnerships with the Murlpirrmarra Connection and the Clontarf Foundation in Australia, with both organisations supporting the education, self-esteem, life skills and employment prospects of young Aboriginal and Torres Strait Islander people. During the year, we established a Design Scholarship and School-based Traineeship program for Clontarf students.

We have been active in supporting the local Greenbushes community in Western Australia's south-west, where we are delivering a number of projects and studies for Talison Lithium. This includes providing financial assistance for a number of initiatives, including the relocation of the historic Greenbushes Railway Station to the Greenbushes Discovery Centre; support of the Blackwood Youth Action group's Art Program, which supports youth mental health; the Grow Greenbushes initiative, for the Greenbushes Youth Precinct Development; and support of the Greenbushes Primary School's STEM Program.

This year, we are very pleased to have had the opportunity to support the Royal Western Australian Historical Society (RWAHS) in its effort to rehouse the RWAHS within a proposed purpose-built History West Community Centre. Our contribution was made in recognition of the important work undertaken by the RWAHS in the preservation and promotion of Western Australia's history.

In Africa, we continue our long-standing support of BASICS International, a non-government organisation (NGO) committed to protecting the basic human rights of children to education, shelter, food and safety. We are working with the BASICS team to progress its initiative to establish a camp for children in the countryside outside of Accra in Ghana. Also in Ghana, we supported an initiative of our client, Newmont, providing funds towards the construction of a Child Welfare Clinic at St Elizabeth Hospital in Hwidiem and for the provision of classroom furniture for Our Lady of Apostles Girls Senior High School in Ho.

Throughout the year, we supported various charitable initiatives championed by our staff, including Jeans for Genes, for which we have raised more than \$400,000 since our partnership began back in the 1990's, Movember, the Push-Up Challenge, and the St Vincent de Paul Society.

Our membership with the Australia-Africa Minerals & Energy Group (AAMEG), the peak body representing Australian companies engaged in the development of Africa's resource industry, continues to provide us with a valuable resource in support of the work we undertake in this region.



**Peter De Leo**  
Managing Director  
Lycopodium Limited

### Acknowledgement

FY2023 has been a very busy and rewarding year for the business. We secured a wide range of new studies and projects, we mobilised to site on a number of projects, and we successfully delivered several significant projects. On behalf of the Board of Directors, I thank our staff for their hard work and commitment which has enabled us to realise this success. We can all be very proud of the strong position the Company is in as we move forward into FY2024.

I would also like to acknowledge and thank our clients, for the continued trust they place in us to work alongside them in the delivery of their projects.

A summary of consolidated revenues and results for the financial period by reportable operating segment is set out below:

|  | Segment revenues   |                    | Segment results   |                   |
|--|--------------------|--------------------|-------------------|-------------------|
|  | 2023<br>\$         | 2022<br>\$         | 2023<br>\$        | 2022<br>\$        |
| Minerals - Asia Pacific                                      | 175,898,294        | 104,576,794        | 15,861,075        | 28,432,069        |
| Minerals - North America                                     | 82,082,105         | 51,155,417         | 13,964,950        | 2,420,380         |
| Minerals - Africa  | 62,699,145         | 42,514,478         | 16,156,984        | 7,987,780         |
| Project services - Africa                                    | 11,314,460         | 7,269,200          | 2,571,700         | 1,611,640         |
| Process Industries   | 12,038,070         | 11,653,876         | 4,011,035         | 2,597,395         |
| Other  | 39,322,360         | 28,733,157         | 8,702,237         | 2,734,374         |
| Intersegment eliminations                                    | (59,475,051)       | (16,272,730)       | -                 | -                 |
| Unallocated  | 3,692,120          | 2,526,641          | 2,008,682         | (6,856,990)       |
| <b>Total</b>   | <b>327,571,503</b> | <b>232,156,833</b> | <b>63,276,663</b> | <b>38,926,648</b> |
| Income tax expense   |                    |                    | (17,718,082)      | (12,074,774)      |
| Profit for the year  |                    |                    | 45,558,581        | 26,851,874        |
| Less: Loss/(profit) attributable to non-controlling interest |                    |                    | 1,221,850         | 325,827           |
| <b>Profit attributable to owners of Lycopodium Ltd</b>       |                    |                    | <b>46,780,431</b> | <b>27,177,701</b> |

### Risk Management Overview

Lycopodium has a robust approach to risk management in order to provide sustainable long-term value to its shareholders. Strong risk management practices enable the Board and management to make strategic decisions that align with the risk appetite of the business. Our risk management framework provides a whole of business approach and sets out the process for the identifying, evaluating, monitoring, reviewing and reporting of risk. The Board has established a Risk Committee which monitors, reviews and reports on our risk management throughout the business. We undertake risk assessments and workshops to evaluate and prioritise risks. These include emerging risks which may present the business with medium to long-term risk exposure. We use qualitative and quantitative methods to define risk consequences. We view consequences across a range of possible financial and non-financial impacts, such as health and safety, environmental, reputational, commercial and legal and community. To prioritise risk we use our Company risk matrix and consider the risk's consequences as well as its likelihood. This assists in identifying risks that have the potential to be the most significant.





In FY2023 we identified seven strategic risks that could influence the sustainability of our business. These risks, with an outline of our mitigation controls, are set out in no particular order and are not an exhaustive list of risks that may impact Lycopodium, however are considered to be the most significant.

| Risk and Context                    | Description  | Lycopodium Controls   |
|-------------------------------------|--|---|
| <b>Harm to our people</b>           | A safe and healthy work environment is fundamental to our values.<br>The nature of our work and the geographies in which we work means our people are at higher risk of experiencing incidents including life-changing events which have the potential to cause physical and psychological harm.   | We are committed to protecting the health, safety and wellbeing of our employees, contractors and other key stakeholders at all times. We support this through:<br>- comprehensive health and safety policies, standards and systems designed to prevent and mitigate potential exposure to health, safety and security risks<br>- investigating actual and potential significant events that could have led to injury or harm<br>- regularly reviewing and auditing our health and safety systems and processes<br>- being prepared with emergency, incident and crisis management plans<br>- providing regular hazard awareness updates, sharing of lessons learnt and training   |
| <b>Project delivery</b>             | Unsuccessful fixed price contracts can have a material impact on the business if they are not managed correctly.<br>Time delays, project staffing, client and subcontractor relationship management and greater macro-economic impacts to cost of supplies and equipment can all have significant impact on the outcome of fixed priced contracts.<br>Cost overruns, schedule blowouts and litigation with client and subcontractors can all impact company cash flow and reputation as well as put stress on the greater workforce. | All projects are carefully managed by Lycopodium from initial assessment through to the completion and handover to the client.<br>We support our engineers, construction and other project delivery specialists with:<br>- Strong Go/No Go project assessments<br>- Project Delivery Framework which supports execution through knowledge management systems and standardised delivery processes<br>- Commercial Management Framework including contracting strategy, assessment of risk for each project and claims management processes<br>- Use of the Technical Assurance Group (TAG)<br>- Project Services Group (independent of the project delivery teams) provides oversight for cost control and schedule management; including the use of earned value management techniques (EVM)<br>- Working with a strong proven subcontractor base offshore<br>- Experienced project management teams<br>- Documented Principles of Contracting<br>- Project Governance Structure of monthly project performance reviews for early detection of project concerns |
| <b>Technical failure of project</b> | A project or study fails to meet its intended purpose due to technical deficiencies or major delivery failure giving rise to major claims on Lycopodium and its insurers.<br>A variety of factors can contribute to technical failures within the complex environments that Lycopodium works. Management oversight on projects, lack of training, poor change management and lack of definition or direction from clients can all contribute to technical deficiencies on projects.  | Lycopodium uses robust review and training processes to mitigate technical risks to the maximum extent reasonably possible, including:<br>- Technical and peer review teams and processes<br>- Use of the Technical Assurance Group (TAG)<br>- Commercial team – all contracts vetted and negotiated<br>- ISO9001 aligned procedures and processes<br>- Management overview<br>- Pre-approval and vetting of vendors and consultants<br>- Training programs and mentoring<br>- Having the originating office to be held accountable for assurance<br>- Involving project delivery focused personnel in the development and agreement of performance guarantees  |



| Risk and Context                                   | Description  | Lycopodium Controls  |
|--|--|--|
| <b>Sovereign / human rights and security risks</b> | Lycopodium operates across multiple geographical locations. Some of these jurisdictions are subject to sovereign, human rights and security risks.<br>Changes in government, regulation and tax regimes has the potential to impact our operational performance and financial returns.   | We seek to develop a comprehensive understanding of the overseas jurisdiction before entering it:<br>- Comprehensive due diligence on any prospective new country<br>- Employ a variety of commercial and contracting strategies to mitigate in-country risks<br>- External specialist advice obtained<br>- Regularly monitoring our tax risks and engaging specialist independent advice and assurance<br>- Monitoring current and potential geographies' political, economic, security and social conditions on a daily basis and making and adapting plans accordingly<br>- Development of policies and plans obligating our personnel and those personnel and organisations with whom we engage to comply with commitments we have made regarding human rights, modern slavery, codes of conduct and the like  |
| <b>Material litigation</b>                         | Given the breadth of clients and geographical diversity with whom and across which Lycopodium operates, the complexity of contracts with both clients and subcontractors can lead to misalignment of understanding of contractual commitments / requirements between the various parties.<br>Where these issues can't be resolved it can result in litigation that poses the risk of slowing operations, tying up resources as well as the reputational and financial impacts of any action taken. Depending on where any litigation takes place, the timeline to resolution as well as the costs to the Company can range from material to substantial. | In order to avoid any material litigation Lycopodium enacts the following throughout the contracting process:<br>- Clear consideration and adoption of tailored contracting strategy and risk assessments for each potential project<br>- Engaging strong, proven, culturally aligned contractors / subcontractors, who are generally considered less contractual in their nature and approach<br>- 'Back-to-back' performance obligations to subcontractors where possible in line with head contract requirements<br>- Robust claims and general change management processes to manage contracts throughout their life<br>- Experienced Project Managers and management team<br>- Documented Principles of Contracting<br>- Having contract management processes in place which obligate our project teams to actively engage in open dialogue with clients, contractors and other key stakeholders to ensure matters are understood as they emerge and managed in an efficient and timely basis |
| <b>Attract, retain and develop talent</b>          | Attracting, retaining and developing employees continues to be a high priority for the business, however it is a challenging talent market.  | We recognise that having resource capacity and capability is core to our business. Our priorities include:<br>- A well-defined employee value proposition to attract and engage top talent<br>- A graduate program that focuses on training and development young talent<br>- Implementing reward, remuneration and recruitment strategies that position the Company relative to the market<br>- Targeted retention strategies and succession plans for critical roles and key talent<br>- Leadership and mentoring programs for our emerging leaders to strengthen our capability   |
| <b>Cyber security</b>                              | The growing volume and complexity of cybercrime is increasing.<br>Lycopodium could experience business interruptions to critical IT services or other breaches of its information systems that could lead to the loss of intellectual property.  | Our cyber-security program improves the security environment of our IT services including:<br>- Continuing to invest in systems, tools and infrastructure to protect our assets<br>- Having layered security measures including multi-factor authentication<br>- Framework in place to align information security policies and standards to ISO 27001<br>- Penetration testing and supporting independent assurance of our control framework and key operating software<br>- Employee education and training initiatives including phishing awareness and testing campaigns<br>- Business resilience plans for cyber-related scenarios   |



### Significant changes in the state of affairs

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

### Matters subsequent to the end of the financial year

Since year end the directors have recommended the payment of a final dividend on ordinary shares in respect of the 2023 financial year. The total amount of dividend is \$17,883,102 which represents a fully franked dividend of 45.0 cents per fully paid ordinary share.

With the exception of the above, no other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect:

- (a) the Company's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the Company's state of affairs in future financial years.

## Information on Directors

| <b>Michael John Caratti BE (Elec) (Hons)</b><br>Non-Executive Chairman |   |
|--|---|
| Experience and expertise   | Former Managing Director of Lycopodium Minerals Pty Ltd, Mr Caratti has over 40 years' experience in the mineral processing industry and has had a major role in the development of the Company's risk management and quality control programmes. Mr Caratti is a Director of Orway Mineral Consultants (WA) Pty Ltd. |
| Length of service  | 25 October 2001 to present  |
| Other current directorships  | None  |
| Former directorships in last 3 years                                   | None  |
| Special responsibilities   | Chairman of the Board<br>Chair of the Corporate Governance Committee<br>Member of the Remuneration Committee  |
| Interests in shares  | Ordinary shares of Lycopodium Limited 9,109,367   |
| <b>Peter De Leo BE (Civ), CPEng, FIEAust</b><br>Managing Director      |   |
| Experience and expertise   | Mr De Leo has over 30 years' experience in the engineering and construction fields. Mr De Leo is the Managing Director of Lycopodium Limited (since November 2015) and was previously the Managing Director of Lycopodium Minerals Pty Ltd.   |
| Length of service  | 1 February 2007 to present  |
| Other current directorships  | Non-Executive Director of Mondium Pty Ltd<br>Non-Executive Director of Argosy Minerals Ltd<br>Chairman of Australia-Africa Minerals and Energy Group Limited  |
| Former directorships in last 3 years                                   | None  |
| Special responsibilities   | Member of the Audit committee<br>Member of the Corporate Governance Committee<br>Member of the Risk Committee   |
| Interests in shares and options  | Ordinary shares of Lycopodium Limited 971,173   |

### Likely developments and expected results of operations

The Company will continue to provide engineering consultancy services as detailed above.

Refer to the Review of Operations section within the Directors' Report for information regarding the likely developments and expected results.

### Environmental Regulation

The Company's operations are not subject to significant environmental regulation under a law of the Commonwealth or of a State or Territory in respect of its consulting activities.

| <b>Bruno Ruggiero BE (Mech), Grad Dip Min Sc, Grad Cert Eng Tech, MIEAust</b><br>Executive Director |  |
|---|--|
| Experience and expertise  | Mr Ruggiero has over 30 years' experience in the minerals industry. He currently serves as the Group Technical Director for Lycopodium Limited having overarching responsibility for the Company's technical knowledge base, capabilities and direction. Mr Ruggiero is a Director of Lycopodium Minerals Pty Ltd.         |
| Length of service   | 25 October 2001 to present   |
| Other current directorships   | Non-Executive Director of ECG Engineering Pty Ltd<br>Non-Executive Director of Quantum Graphite Limited  |
| Former directorships in last 3 years  | None   |
| Special responsibilities  | Member of the Corporate Governance Committee<br>Member of the Risk Committee   |
| Interests in shares and options   | Ordinary shares of Lycopodium Limited 3,029,786  |
| <b>Karl Anthony Cicanese, MBA</b><br>Executive Director   |  |
| Experience and expertise  | Mr Cicanese has over 25 years' industry experience, with in-depth knowledge of the Lycopodium business, having held a number of senior roles within Lycopodium Minerals Pty Ltd, including General Manager, Group Manager and Project Director. Mr Cicanese is currently Managing Director of Lycopodium Minerals Pty Ltd. |
| Length of service   | 23 November 2020 to present  |
| Other current directorships   | Non-Executive Director of Mondium Pty Ltd  |
| Former directorships in last 3 years  | None   |
| Special responsibilities  | Member of the Corporate Governance Committee   |
| Interests in shares and options   | Ordinary shares of Lycopodium Limited 250,092  |
| <b>Rodney Lloyd Leonard BE (Hons), MSc, MAusIMM</b><br>Non-Executive Director                       |  |
| Experience and expertise  | Mr Leonard has over 30 years' experience in the mineral processing industry and was the Managing Director of Lycopodium Minerals Pty Ltd until 30 June 2019 and is a Non-Executive Director of ADP Holdings (Pty) Limited and Lycopodium Minerals Canada Ltd.  |
| Length of service   | 25 October 2001 to present   |
| Other current directorships   | Non-Executive Director of West African Resources Limited   |
| Former directorships in last 3 years  | None   |
| Special responsibilities  | Member of the Corporate Governance Committee<br>Member of the Audit Committee<br>Member of the Remuneration Committee<br>Chair of the Risk Committee   |
| Interests in shares   | Ordinary shares of Lycopodium Limited 902,930  |
| <b>Steven John Micheil Chadwick BAppSc (Metallurgy), MAusIMM</b><br>Non-Executive Director          |  |
| Experience and expertise  | Mr Chadwick is a metallurgical engineering with over 45 years experience covering operations, technical evaluations, project development, engineering design and corporate management. Mr Chadwick brings extensive industry and operating experience to the board.  |
| Length of service   | 11 January 2016 to present   |
| Other current directorships   | None   |
| Former directorships in last 3 years  | Non-Executive Director of Liantown Resources Limited<br>Non-Executive Director of Quantum Graphite Limited   |
| Special responsibilities  | Member of the Corporate Governance Committee<br>Chair of the Remuneration Committee  |
| Interests in shares   | Ordinary shares of Lycopodium Limited 19,657   |
| <b>Louise Bower HBComp (Accounting Science), CA</b><br>Non-Executive Director                       |  |
| Experience and expertise  | Ms Bower is a chartered accountant with more than 25 years' international experience in senior finance and corporate governance roles in both executive and non-executive capacities, predominately in the Resources and Technology sectors.   |
| Length of service   | 15 August 2022 to present  |
| Other current directorships   | Non-Executive Director of DUG Technology Ltd<br>Non-Executive Director of Babylon Pump & Power Ltd   |
| Former directorships in last 3 years  | None   |
| Special responsibilities  | Chair of the Audit Committee   |
| Interests in shares and options   | Ordinary shares of Lycopodium Limited Nil  |



### Company Secretary

The Company Secretary is Ms Justine Campbell BBus (Acc and Fin), Chartered Accountant.

Ms Campbell is the Chief Financial Officer of Lycopodium Limited and was appointed to the position of Company Secretary on 30 September 2019. Ms Campbell has a strong track-record of financial leadership and transformation in ASX-listed companies.

### Meetings of Directors

The numbers of meetings of the Company's board of Directors and of each board committee held during the year ended 30 June 2023, and the numbers of meetings attended by each Director were:

|                              | Board                       | Board Committees |              |      |
|------------------------------|-----------------------------|------------------|--------------|------|
|                              |                             | Audit            | Remuneration | Risk |
| Number of Meetings Held      | 11                          | 2                | 2            | 2    |
|                              | Number of Meetings Attended |                  |              |      |
| Michael John Caratti         | 11                          | *                | 2            | *    |
| Peter De Leo                 | 11                          | 2                | 2***         | 2    |
| Bruno Ruggiero               | 9^                          | *                | *            | 1^   |
| Karl Anthony Cicanese        | 10^                         | *                | *            | *    |
| Rodney Lloyd Leonard         | 11                          | 2                | 2            | 2    |
| Steven John Micheil Chadwick | 10^                         | *                | 2            | *    |
| Louise Bower                 | 10**                        | 2                | *            | *    |

\* Not a member of the Committee

\*\*By Invitation

\*\*Appointed on 15 August 2022

^ Away on Company business

### Remuneration Report – Audited

The Directors present the Lycopodium Limited 2023 Remuneration Report, outlining key aspects of our remuneration policy and framework, and remuneration awarded this year.

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

| Name                         | Position                                      |
|------------------------------|---|
| Michael John Caratti         | Chairman, Non-executive Director              |
| Peter De Leo                 | Managing Director                             |
| Rodney Lloyd Leonard         | Non-executive Director                        |
| Bruno Ruggiero               | Executive Director                            |
| Karl Anthony Cicanese        | Executive Director                            |
| Steven John Micheil Chadwick | Non-executive Director                        |
| Louise Bower                 | Non-executive Director                        |
| Justine Campbell             | Company Secretary and Chief Financial Officer |

### Principles used to Determine the Nature and Amount of Remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

### Role of the Remuneration Committee

The remuneration committee is primarily responsible for making recommendations on:

- Remuneration levels of executive Directors and other key management personnel,
- The over-arching executive remuneration framework and operation of any incentive plan, and
- Key performance indicators and performance hurdles for the executive team

The objective is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Company.

### Non-Executive Director Remuneration Policy

Fees and payments to non-executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non-executive Directors' fees and payments are reviewed annually by the Board to ensure that they are appropriate and in-line with the market.

Non-executive Directors are also paid additional fees for ad-hoc services (hourly rate), subsidiary board and committee attendance, as required.

ASX listing rules require the aggregate Non-executive Directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 15 November 2022, where the shareholders approved a maximum aggregate remuneration of AUD 639,047.

### Directors' Fees

The current base fees were last reviewed with effect from 01 July 2022. The fees are inclusive of committee fees. Details on Directors fees are disclosed under service agreements on page 19.

### Executive Remuneration Policy and Framework

In determining executive remuneration, the Board aims to ensure that remuneration practices are:

- Competitive and reasonable, enabling the company to attract and retain key talent,
- Aligned to the company's strategic and business objectives and the creation of shareholder value,
- Transparent, and
- Acceptable to shareholders

The executive remuneration framework has three components:

- Fixed annual remuneration, including superannuation,
- Service bonus, and
- Equity

Fixed annual remuneration is structured as a total employment cost package which is delivered as a combination of salary and prescribed non-financial benefits partly at the executive's discretion. Fixed annual remuneration is reviewed at a minimum annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion.

A service or senior management bonus may be provided to certain senior salaried employees payable annually, at the discretion of the Company.

### Consolidated entity performance and link to remuneration

Remuneration for certain individuals is directly linked to the performance of the consolidated entity. A portion of cash bonus and incentive payments are dependent on defined earnings per share targets being met. The remaining portion of the cash bonus and incentive payments are at the discretion of the Remuneration Committee.

### Use of remuneration consultants

During the financial year ended 30 June 2023, the consolidated entity did not engage any remuneration consultants for assisting the Remuneration Committee.

### Voting and Comment Made at the Company's Annual General Meeting

The remuneration report for the FY2022 financial year was approved with 98% votes in favor by shareholders during the AGM. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.



## Company Performance

The profit after income tax expense and basic earnings per share for the Company for the last five years is as follows:

|   | 2023        | 2022        | 2021        | 2020        | 2019        |
|---|-------------|-------------|-------------|-------------|-------------|
| Revenue (\$)                              | 327,571,503 | 232,156,833 | 162,175,648 | 211,134,310 | 154,033,409 |
| Profit before income tax (\$)             | 63,276,663  | 38,926,648  | 21,489,381  | 18,450,139  | 23,543,752  |
| Income tax expense (\$)                   | 17,718,082  | 12,074,774  | 7,423,134   | 6,773,513   | 7,144,537   |
| Profit after income tax (\$)              | 45,558,581  | 26,851,874  | 14,066,247  | 11,676,626  | 16,399,215  |
| Basic EPS (cents)                         | 117.72      | 68.4        | 35.7        | 29.7        | 41.5        |
| Basic EPS growth, year on year (%)        | 72.13%      | 91.60%      | 20.20%      | -28.40%     | -10.90%     |
| Fully franked dividends per share (cents) | 81          | 54          | 25          | 20          | 30          |
| Change in share price * (\$)              | 4.88        | 0.3         | 0.64        | -0.08       | 0.19        |
| Return on equity (%)                      | 42.83%      | 28.67%      | 17.00%      | 14.85%      | 20.66%      |

\*calculated as the difference between the closing share price at the start and end of the respective financial years

## Details of Remuneration

The following table shows details of the remuneration expense recognised for the Company's key management personnel for the current and previous financial year measured in accordance with the requirements of the accounting standards.

|  | Short-term employee benefits |                |                       | Post-employment benefits | Share-based payments | Total            | Performance related |
|--|------------------------------|----------------|-----------------------|--------------------------|----------------------|------------------|---------------------|
|  | Cash salary and fees         | Cash bonus#    | Non-monetary benefits | Super-annuation          | Rights               |                  |                     |
| <b>2023</b>  |                              |                |                       |                          |                      |                  |                     |
| <b>Non-executive Directors</b>                     |                              |                |                       |                          |                      |                  |                     |
| Michael John Caratti                               | 79,638                       | -              | -                     | 8,259                    | -                    | 87,897           | 0.0                 |
| Steven John Micheil Chadwick                       | 95,672                       | -              | -                     | 2,328                    | -                    | 98,000           | 0.0                 |
| Rodney Lloyd Leonard**                             | 143,041                      | -              | -                     | 14,916                   | 12,742               | 170,699          | 7.5                 |
| Louise Bower*                                      | 86,567                       | -              | -                     | -                        | -                    | 86,567           | 0.0                 |
| <b>Executive Directors</b>                         |                              |                |                       |                          |                      |                  |                     |
| Peter De Leo                                       | 714,500                      | 46,608         | 9,341                 | 27,500                   | 86,445               | 884,394          | 15.0                |
| Bruno Ruggiero                                     | 593,480                      | 37,558         | 9,341                 | 30,800                   | 64,586               | 735,765          | 13.9                |
| Karl Anthony Cicanese                              | 657,576                      | 42,083         | 9,341                 | 25,292                   | 525,445^             | 1,259,737        | 45.1                |
| <b>Other key management personnel</b>              |                              |                |                       |                          |                      |                  |                     |
| Justine Campbell                                   | 504,708                      | 44,167         | 9,341                 | 25,292                   | 41,408               | 624,916          | 13.7                |
| <b>Total key management personnel compensation</b> | <b>2,875,182</b>             | <b>170,416</b> | <b>37,364</b>         | <b>134,387</b>           | <b>730,626</b>       | <b>3,947,975</b> | <b>22.8</b>         |

\* Represents remuneration from 15 August 2022 to 30 June 2023

\*\* Payment includes prior year entitlement

^ \$450,800 represents 200,000 Loan Funded Shares issued during the year

## Details of Remuneration (continued)

| 2022   | Short-term employee benefits |                |                       | Post-employment benefits | Share-based payments | Total            | Performance related |
|--|------------------------------|----------------|-----------------------|--------------------------|----------------------|------------------|---------------------|
|  | Cash salary and fees         | Cash bonus#    | Non-monetary benefits | Super-annuation          | Rights               |                  |                     |
| <b>Non-executive Directors</b>                     |                              |                |                       |                          |                      |                  |                     |
| Michael John Caratti                               | 74,091                       | -              | 9,290                 | 7,382                    | -                    | 90,763           | 0.0                 |
| Lawrence Marshall*                                 | 65,966                       | -              | 6,967                 | 20,625                   | -                    | 93,558           | 0.0                 |
| Steven John Micheil Chadwick                       | 81,500                       | -              | -                     | -                        | -                    | 81,500           | 0.0                 |
| Rodney Lloyd Leonard***                            | 118,901                      | -              | -                     | 11,811                   | 31,006               | 161,718          | 19.2                |
| Robert Osmetti**                                   | 172,630                      | -              | -                     | 38,878                   | -                    | 211,508          | 0.0                 |
| <b>Executive Directors</b>                         |                              |                |                       |                          |                      |                  |                     |
| Peter De Leo                                       | 613,300                      | 41,948         | 9,290                 | 27,500                   | 78,447               | 770,485          | 15.6                |
| Bruno Ruggiero                                     | 501,401                      | 33,803         | 9,290                 | 30,800                   | 59,838               | 635,132          | 14.7                |
| Karl Anthony Cicanese                              | 562,932                      | 37,875         | 9,290                 | 23,568                   | 137,305              | 770,970          | 22.7                |
| <b>Other key management personnel</b>              |                              |                |                       |                          |                      |                  |                     |
| Justine Campbell                                   | 476,432                      | 37,500         | 9,290                 | 23,568                   | 88,199^              | 634,989          | 19.8                |
| <b>Total key management personnel compensation</b> | <b>2,667,153</b>             | <b>151,126</b> | <b>53,417</b>         | <b>184,132</b>           | <b>394,795</b>       | <b>3,450,623</b> | <b>15.8</b>         |

\* Resigned 1 April 2022

\*\* Resigned 30 June 2022

\*\*\* Payment includes prior year entitlement

^ \$73,500 represents 50,000 Loan Funded Shares issued during the year

Cash bonuses are dependent on meeting defined performance measures. The amount of the bonus is determined having regard to the satisfaction of performance measures. The maximum bonus values are established at the start of each financial year and amounts payable are determined in the final month of the financial year by the Remuneration Committee.

## Service Agreements

Remuneration and other terms of employment for the Directors and key management personnel are formalised in employment contracts. Each contract deals with fixed annual remuneration. Other major provisions of the agreements relating to remuneration are set out below.

All employment contracts with Directors and executives may be terminated by either party with one month's notice. None of the Directors or executives are provided with termination benefits.

| Name   | Term of agreement | Fixed Remuneration including superannuation*                    |
|--|-------------------|---|
| <b>Michael John Caratti</b><br>Chairman and Non-executive Director       | No fixed term     | Directors fee of \$88,000 p.a.                                  |
| <b>Rodney Lloyd Leonard</b><br>Non-executive Director                    | No fixed term     | Fixed hourly rate of \$253.26<br>Directors fee of \$88,000 p.a. |
| <b>Steven John Micheil Chadwick</b><br>Non-executive Director            | No fixed term     | Fixed hourly rate of \$253.26<br>Directors fee of \$88,000 p.a. |
| <b>Louise Bower*</b><br>Non-executive Director                           | No fixed term     | Fixed hourly rate of \$253.26<br>Directors fee of \$88,000 p.a. |
| <b>Peter De Leo</b><br>Managing Director                                 | No fixed term     | \$654,000 p.a.<br>Directors fee of \$88,000 p.a.                |
| <b>Bruno Ruggiero</b><br>Executive Director                              | No fixed term     | \$536,280 p.a.<br>Directors fee of \$88,000 p.a.                |
| <b>Karl Anthony Cicanese</b><br>Executive Director                       | No fixed term     | \$594,868 p.a.<br>Directors fee of \$88,000 p.a.                |
| <b>Justine Campbell</b><br>Company Secretary and Chief Financial Officer | No fixed term     | \$530,000 p.a.  |

\*Appointed 15 August 2022



## Share-Based Compensation

### Incentive Performance Rights Plan

Performance rights were granted to certain Executive Directors as approved at the Annual General Meeting on 15 November 2022.

### Loan Funded Share Acquisition Plan

On 03 October 2022, the Company issued limited recourse loan funded shares to an Executive Director totalling 200,000 shares.

Both the above Plans were designed to give incentive to the executives to provide dedicated and ongoing commitment and effort to the Company and aligning the interest of both employee and shareholders.

Further information on rights over ordinary shares on issue is set out in note 37 to the financial statements.

The tables below show the number of:

#### (I) RIGHTS HOLDINGS

The numbers of rights in the Company held during the financial year by Directors of Lycopodium Limited and other key management personnel of the Company, including their personally related parties, over ordinary shares in the Company are set out below.

| 2023                                   | Balance at start of the year | Granted as compensation (*) | Exercised | Other changes | Balance at end of the year | Vested and exercisable | Unvested 2023 |
|--|------------------------------|-----------------------------|-----------|---------------|----------------------------|------------------------|---------------|
| <b>Directors of Lycopodium Limited</b> |                              |                             |           |               |                            |                        |               |
| Peter De Leo                           | 63,549                       | 18,853                      | 26,265    | -             | 56,137                     | -                      | 56,137        |
| Rodney Lloyd Leonard                   | 23,715                       | -                           | 23,715    | -             | -                          | -                      | -             |
| Bruno Ruggiero                         | 49,063                       | 13,391                      | 21,165    | -             | 41,289                     | -                      | 41,289        |
| Karl Anthony Cicanese                  | 102,568                      | 17,003                      | 69,679    | -             | 49,892                     | -                      | 49,892        |
| <b>Other key management personnel</b>  |                              |                             |           |               |                            |                        |               |
| Justine Campbell                       | 17,611                       | 18,423                      | -         | -             | 36,034                     | -                      | 36,034        |

\*Granted under the Incentive Performance Rights Plan. Refer to Note 37.

The terms and conditions of each grant of rights over ordinary shares affecting remuneration of Directors and other key management personnel in this financial year or future reporting years are as follows:

| Name                                   | Number of rights granted | Grant date | Vesting date and exercisable date | Expiry date | Exercise price | Fair value per right at grant date |
|--|--------------------------|------------|-----------------------------------|-------------|----------------|------------------------------------|
| <b>Directors of Lycopodium Limited</b> |                          |            |                                   |             |                |                                    |
| Peter De Leo                           | 18,853                   | 16-Nov-22  | 15-Nov-25                         | 15-Nov-27   | -              | \$4.56                             |
| Bruno Ruggiero                         | 13,391                   | 16-Nov-22  | 15-Nov-25                         | 15-Nov-27   | -              | \$4.56                             |
| Karl Anthony Cicanese                  | 17,003                   | 16-Nov-22  | 15-Nov-25                         | 15-Nov-27   | -              | \$4.56                             |
| <b>Other key management personnel</b>  |                          |            |                                   |             |                |                                    |
| Justine Campbell                       | 18,423                   | 16-Nov-22  | 15-Nov-25                         | 15-Nov-27   | -              | \$4.56                             |

#### (II) SHARE HOLDINGS

The numbers of shares in the Company held during the financial year by Directors of Lycopodium Limited and other key management personnel of the Company, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

| 2023                                   | Balance at start of the year | Received during the year on the exercise of rights | Other changes during the year | Balance at end of the year |
|--|------------------------------|--|-------------------------------|----------------------------|
| <b>Directors of Lycopodium Limited</b> |                              |  |                               |                            |
| Michael John Caratti                   | 9,109,367                    | -  | -                             | 9,109,367                  |
| Peter De Leo                           | 888,771                      | 26,265   | -                             | 915,036                    |
| Rodney Lloyd Leonard                   | 979,215                      | 23,715   | (100,000)                     | 902,930                    |
| Bruno Ruggiero                         | 3,167,332                    | 21,165   | (200,000)                     | 2,988,497                  |
| Steven John Micheil Chadwick           | 19,657                       | -  | -                             | 19,657                     |
| Karl Anthony Cicanese                  | 200                          | 69,679   | 130,321                       | 200,200                    |

### Loans to Key Management Personnel

No loans were made to Directors of Lycopodium Limited and other key management personnel of the Company, including their personally related parties during the year (2022: Nil).

Loans that are in-substance options and are non-recourse to the Group are excluded from loans to key management personnel

#### End of Remuneration Report.



### Shares Under Performance Rights

Unissued ordinary shares of Lycopodium Limited at the date of this report are as follows:

| Date performance rights issued | Expiry date      | Issue price of shares | Number  |
|--------------------------------|------------------|-----------------------|---------|
| 11-December-2020               | 10 December 2025 | \$0.00                | 86,639  |
| 19-November-2021               | 18 November 2026 | \$0.00                | 127,139 |
| 16-November-2022               | 15 November 2027 | \$0.00                | 194,355 |

### Insurance of Officers

During the financial year, Lycopodium Limited took out insurance cover for the Directors, secretaries and senior officers of the Company and its controlled entities.

The liabilities insured are costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company.

The Directors have not included specific details of the premium paid as such disclosure is prohibited under the terms of the contract.

### Indemnity of Auditors

Lycopodium Limited has agreed to indemnify their auditors, RSM Australia Partners, to the extent permitted by law, against any claim by a third party arising from Lycopodium Limited's breach of their agreement. The indemnity stipulates that Lycopodium Limited will meet the full amount of any such liabilities including a reasonable amount of legal costs.

### Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

### Non-Audit Services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 29 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in note 29 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

### Officers of the Company who are Former Partners of RSM Australia Partners

There are no officers of the Company who are former partners of RSM Australia Partners.

### Auditor's Independence Declaration

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

### Auditor

RSM Australia Partners continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors



**Peter De Leo**  
Managing Director  
Lycopodium Limited

Perth  
21 August 2023



# Auditor's Independence Declaration



**RSM Australia Partners**  
Level 32, Exchange Tower  
2 The Esplanade Perth WA 6000  
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100  
F +61 (0) 8 9261 9111

www.rsm.com.au

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Lycopodium Limited for the year ended 30 June 2023, 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 audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

RSM AUSTRALIA PARTNERS

JAMES KOMNINIOS  
Partner

Perth, WA  
Dated: 21 August 2023

### THE POWER OF BEING UNDERSTOOD AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

Motheo Copper Project, Botswana







Talison Mine Services Area, Western Australia

## Corporate Governance Statement

**The Board of Directors of Lycopodium Limited is responsible for the overall corporate governance of the Company and its subsidiary companies (consolidated entity). The Board governs all matters relating to the strategic direction, policies, practices, management and operations of the consolidated entity with the aim of protecting the interests of shareholders and other stakeholders, including employees, clients and suppliers, and creating value for them.**

The Board has implemented the Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council to the extent considered appropriate for the size and nature of the Company's current operations.

The Company has adopted a Corporate Governance Framework which provides the written terms of reference for the Company's corporate governance duties. The Company has in place charters, policies and procedures which support the framework to ensure a high standard of governance is maintained. Lycopodium's Corporate Governance Statement, Board and Sub-Committee charters and the Company's governance policies, are published on the Company's website:

[lycopodium.com/investor-relations/corporate-governance](https://lycopodium.com/investor-relations/corporate-governance)



# FY23 Financial Report

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

Lycopodium Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 5, 1 Adelaide Terrace  
East Perth, Western Australia 6004

A description of the nature of the consolidated entity's operations and its principal activities are included in the Directors' Report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 21 August 2023. The Directors have the power to amend and reissue the financial statements.

## Financial Report

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2023

|   | Notes | 2023<br>\$        | 2022<br>\$        |
|---|-------|-------------------|-------------------|
| <b>Revenue from Continuing operations</b>   |       |                   |                   |
| Revenue from contracts with customers   | 5(a)  | 323,879,383       | 228,711,210       |
| Interest income   |       | 1,650,486         | 563,484           |
| Other income  | 5(c)  | 2,041,634         | 2,882,139         |
| Revenue   |       | 327,571,503       | 232,156,833       |
| Employee benefits expense   |       | (113,617,410)     | (85,216,446)      |
| Depreciation and amortisation expense   | 6     | (6,366,509)       | (5,621,299)       |
| Project expenses  |       | (7,233,167)       | (3,709,202)       |
| Equipment and materials   |       | (39,923,019)      | (45,365,867)      |
| Contractors   |       | (76,394,095)      | (46,421,321)      |
| Occupancy expense   |       | (2,150,012)       | (1,760,674)       |
| Other expenses  |       | (14,393,592)      | (13,353,492)      |
| Warranty provision (expenses)/reversal  | 21    | (5,440,853)       | 9,305,489         |
| Finance costs   | 6     | (839,276)         | (886,201)         |
| Share of net (loss)/profit of associates and joint ventures accounted for using the equity method | 17    | 2,063,093         | (201,172)         |
| <b>Profit before income tax</b>   |       | <b>63,276,663</b> | <b>38,926,648</b> |
| Income tax expense  | 7     | (17,718,082)      | (12,074,774)      |
| <b>Profit for the year</b>  |       | <b>45,558,581</b> | <b>26,851,874</b> |
| Profit attributable to:   |       |                   |                   |
| Owners of Lycopodium Limited  |       | 46,780,431        | 27,177,701        |
| Non-controlling interests   |       | (1,221,850)       | (325,827)         |
| Profit for the year   |       | 45,558,581        | 26,851,874        |
| <b>Other comprehensive income</b>   |       |                   |                   |
| Items that may be reclassified to profit or loss  |       |                   |                   |
| Foreign currency translation  |       | (3,696,794)       | (817,656)         |
| <b>Total comprehensive income for the year</b>  |       | <b>41,861,787</b> | <b>26,034,218</b> |
| Other comprehensive income for the year is attributable to:                                       |       |                   |                   |
| Owners of Lycopodium Limited  |       | 40,268,078        | 26,030,215        |
| Non-controlling interests   |       | 1,593,709         | 4,003             |
| <b>Total comprehensive income for the year</b>  |       | <b>41,861,787</b> | <b>26,034,218</b> |
|   | Notes | Cents             | Cents             |
| Earnings per share for profit attributable to the ordinary equity holders of the Company:         |       |                   |                   |
| Basic earnings per share  | 36(a) | 117.72            | 68.40             |
| Diluted earnings per share  | 36(b) | 117.72            | 68.40             |

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes



# Consolidated Statement of Financial Position

As at 30 June 2023

|  | Notes | 2023<br>\$         | 2022<br>\$         |
|--|-------|--------------------|--------------------|
| <b>ASSETS</b>  |       |                    |                    |
| <b>Current assets</b>  |       |                    |                    |
| Cash and cash equivalents                                      | 8     | 82,412,067         | 100,946,619        |
| Trade and other receivables                                    | 9     | 87,086,807         | 67,111,605         |
| Inventories  | 10    | 275,629            | 347,627            |
| Derivative assets  | 16(c) | 31,386             | -                  |
| Other current assets   | 11    | 7,308,678          | 5,518,861          |
| <b>Total current assets</b>                                    |       | <b>177,114,567</b> | <b>173,924,712</b> |
| <b>Non-current assets</b>                                      |       |                    |                    |
| Property, plant and equipment                                  | 12    | 8,512,811          | 6,897,962          |
| Right-of-use assets  | 13    | 13,247,239         | 13,687,667         |
| Intangible assets  | 14    | 6,447,888          | 6,524,274          |
| Deferred tax assets  | 15    | 3,709,104          | 12,621,890         |
| Financial assets measured at fair value through profit or loss | 16(a) | 3,037,485          | 2,471,669          |
| Investments accounted for using the equity method              | 17    | 3,809,495          | 2,768,361          |
| Other receivables  | 18    | -                  | 42,459             |
| <b>Total non-current assets</b>                                |       | <b>38,764,022</b>  | <b>45,014,282</b>  |
| <b>Total assets</b>  |       | <b>215,878,589</b> | <b>218,938,994</b> |
| <b>LIABILITIES</b>   |       |                    |                    |
| <b>Current liabilities</b>                                     |       |                    |                    |
| Trade and other payables                                       | 19    | 28,808,966         | 26,024,079         |
| Contract and other liabilities                                 | 5(b)  | 25,166,322         | 43,468,918         |
| Borrowings   | 16(b) | 680,136            | 841,470            |
| Lease liabilities  | 16(a) | 4,494,167          | 3,426,992          |
| Current tax liabilities  |       | 12,909,805         | 18,960,637         |
| Derivative liabilities   | 16(c) | -                  | 536,081            |
| Employee benefits  | 20    | 9,221,812          | 8,869,891          |
| Provisions   | 21    | 9,578,601          | 4,087,367          |
| <b>Total current liabilities</b>                               |       | <b>90,859,809</b>  | <b>106,215,435</b> |
| <b>Non-current liabilities</b>                                 |       |                    |                    |
| Borrowings   | 16(b) | -                  | 683,317            |
| Employee benefits  | 23    | 1,526,707          | 671,369            |
| Lease liabilities  | 16(a) | 10,527,166         | 11,693,453         |
| <b>Total non-current liabilities</b>                           |       | <b>12,053,873</b>  | <b>13,048,139</b>  |
| <b>Total liabilities</b>                                       |       | <b>102,913,682</b> | <b>119,263,574</b> |
| <b>Net assets</b>  |       | <b>112,964,907</b> | <b>99,675,420</b>  |
| <b>EQUITY</b>  |       |                    |                    |
| Issued capital   | 24    | 18,551,357         | 19,344,160         |
| Reserves   | 25    | (3,572,691)        | (337,504)          |
| Retained earnings  | 26    | 99,663,882         | 81,496,413         |
| Equity attributable to the owners of Lycopodium Limited        |       | <b>114,642,548</b> | <b>100,503,069</b> |
| Non-controlling interests                                      | 27    | (1,677,641)        | (827,649)          |
| <b>Total equity</b>  |       | <b>112,964,907</b> | <b>99,675,420</b>  |

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

# Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2023

| Notes  | Issued Capital<br>\$ | Retained earnings<br>\$ | Foreign currency translation reserve<br>\$ | Share-based payment reserve<br>\$ | Non-controlling interests<br>\$ | Total equity<br>\$ |              |
|--|----------------------|-------------------------|--|-----------------------------------|---------------------------------|--------------------|--------------|
| Balance at 1 July 2021                                       | 20,854,574           | 67,758,814              | (852,957)                                  | 623,021                           | (709,630)                       | 87,673,822         |              |
| Profit for the year  | -                    | 26,851,874              | -  | -                                 | (325,827)                       | 26,526,047         |              |
| Other comprehensive loss                                     | -                    | -                       | (817,656)                                  | -                                 | -                               | (817,656)          |              |
| Total comprehensive income for the year                      | -                    | 26,851,874              | (817,656)                                  | -                                 | (325,827)                       | 25,708,391         |              |
| <b>Transactions with owners in their capacity as owners:</b> |                      |                         |  |                                   |                                 |                    |              |
| Foreign currency translation with non-controlling interest   | -                    | -                       | -  | -                                 | 207,808                         | 207,808            |              |
| Dividends provided for or paid                               | 28                   | (13,114,275)            | -  | -                                 | -                               | (13,114,275)       |              |
| Purchase of share under employee share trust                 | 24                   | (889,693)               | -  | -                                 | -                               | (889,693)          |              |
| Performance rights - value of rights                         | 25                   | -                       | -  | 487,419                           | -                               | 487,419            |              |
| Loan shares to senior management                             | 24                   | (901,828)               | -  | -                                 | -                               | (901,828)          |              |
| Loan shares - value of rights                                | 25                   | -                       | -  | 220,500                           | -                               | 220,500            |              |
| Tax effect of transfer to cash to employee share trust       | 25                   | -                       | -  | 283,276                           | -                               | 283,276            |              |
| Exercise of performance rights                               | 25                   | 281,107                 | -  | (281,107)                         | -                               | -                  |              |
|  |                      | (1,510,414)             | (13,114,275)                               | -                                 | 710,088                         | 207,808            | (13,706,793) |
| <b>Balance at 30 June 2022</b>                               | <b>19,344,160</b>    | <b>81,496,413</b>       | <b>(1,670,613)</b>                         | <b>1,333,109</b>                  | <b>(827,649)</b>                | <b>99,675,420</b>  |              |
| Balance at 1 July 2022                                       | 19,344,160           | 81,496,413              | (1,670,613)                                | 1,333,109                         | (827,649)                       | 99,675,420         |              |
| Profit for the year  | -                    | 46,780,431              | -  | -                                 | (1,221,850)                     | 45,558,581         |              |
| Other comprehensive loss                                     | -                    | -                       | (3,696,794)                                | -                                 | -                               | (3,696,794)        |              |
| Total comprehensive income for the year                      | -                    | 46,780,431              | (3,696,794)                                | -                                 | (1,221,850)                     | 41,861,787         |              |
| <b>Transactions with owners in their capacity as owners:</b> |                      |                         |  |                                   |                                 |                    |              |
| Foreign currency translation with non-controlling interest   | -                    | -                       | -  | -                                 | 371,858                         | 371,858            |              |
| Dividends provided for or paid                               | 28                   | (28,612,962)            | -  | -                                 | -                               | (28,612,962)       |              |
| Purchase of share under employee share trust                 | 24                   | (142,391)               | -  | -                                 | -                               | (142,391)          |              |
| Performance rights - value of rights                         | 25                   | -                       | -  | 574,275                           | -                               | 574,275            |              |
| Loan shares to senior management                             | 24                   | (1,243,499)             | -  | -                                 | -                               | (1,243,499)        |              |
| Loan shares - value of rights                                | 25                   | -                       | -  | 450,800                           | -                               | 450,800            |              |
| Tax effect of transfer to cash to employee share trust       | 25                   | -                       | -  | 29,619                            | -                               | 29,619             |              |
| Exercise of performance rights                               | 25                   | 593,087                 | -  | (593,087)                         | -                               | -                  |              |
|  |                      | (792,803)               | (28,612,962)                               | -                                 | 461,607                         | 371,858            | (28,572,300) |
| <b>Balance at 30 June 2023</b>                               | <b>18,551,357</b>    | <b>99,663,882</b>       | <b>(5,367,407)</b>                         | <b>1,794,716</b>                  | <b>(1,677,641)</b>              | <b>112,964,907</b> |              |

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



# Consolidated Statement of Cash Flows

For the Year Ended 30 June 2023

|  | Notes | 2023<br>\$          | 2022<br>\$          |
|--|-------|---------------------|---------------------|
| <b>Cash flows from operating activities</b>                                  |       |                     |                     |
| Receipts from customers (inclusive of GST)                                   |       | 283,781,365         | 236,975,004         |
| Payments to suppliers and employees (inclusive of GST)                       |       | (253,820,736)       | (186,499,411)       |
|  |       | 29,960,629          | 50,475,593          |
| Interest received  |       | 1,650,486           | 563,484             |
| Interest and other finance cost paid   |       | (75,555)            | (86,988)            |
| Income taxes paid  |       | (12,763,586)        | (10,177,435)        |
| <b>Net cash inflow/(outflow) from operating activities</b>                   | 35    | <b>18,771,974</b>   | <b>40,774,654</b>   |
| <b>Cash flows from investing activities</b>                                  |       |                     |                     |
| Dividends received from joint ventures and associate                         |       | 1,021,959           | 900,774             |
| Payments for property, plant and equipment                                   | 12    | (4,353,037)         | (3,947,067)         |
| Proceeds from sale of property, plant and equipment                          |       | -                   | 1,416               |
| Payments for intangible assets   | 14    | (59,312)            | (6,219)             |
| Loan to associates and joint ventures  |       | (56,433)            | (20,000,000)        |
| Repayment of loans from associates and joint ventures                        |       | 20,000              | 24,000,000          |
| Proceeds from financial assets measured at fair value through profit or loss |       | -                   | 607,038             |
| <b>Net cash inflow/(outflow) from investing activities</b>                   |       | <b>(3,426,823)</b>  | <b>1,555,942</b>    |
| <b>Cash flows from financing activities</b>                                  |       |                     |                     |
| Proceeds from issue of shares  |       | -                   | -                   |
| Proceeds from borrowings   |       | 2,648,960           | -                   |
| Repayments of borrowings   |       | (3,493,610)         | (574,679)           |
| Proceeds from repayment of loans from employees                              |       | -                   | -                   |
| Repayments of hire purchase liabilities                                      |       | -                   | -                   |
| Purchase of shares under employee share plans                                |       | (365,076)           | (1,015,250)         |
| Repayment of lease liabilities   |       | (4,229,643)         | (3,804,194)         |
| Dividends paid   |       | (28,612,962)        | (13,114,275)        |
| <b>Net cash outflow from financing activities</b>                            |       | <b>(34,052,331)</b> | <b>(18,508,398)</b> |
| <b>Net increase/(decrease) in cash and cash equivalents</b>                  |       | <b>(18,707,180)</b> | <b>23,822,198</b>   |
| Cash and cash equivalents at the beginning of the financial year             |       | 100,946,619         | 76,841,139          |
| Effects of exchange rate changes on cash and cash equivalents                |       | 172,628             | 283,282             |
| <b>Cash and cash equivalents at the end of financial year</b>                | 8     | <b>82,412,067</b>   | <b>100,946,619</b>  |

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

# Notes to the Financial Statements

As of 30 June 2023

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of this consolidated financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report comprises the financial report for the Company consisting of Lycopodium Limited and its subsidiaries.

### (a) Basis of Preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Lycopodium Limited is a for-profit entity for the purpose of preparing the financial report. The consolidated financial report of the Lycopodium Limited and its subsidiaries complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

### (i) New or Amended Accounting Standards and Interpretations Adopted

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

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

### (ii) Historical Cost Convention

These financial statements have been prepared under the historical cost convention, as modified by the measurement of financial assets/liabilities at fair value through profit and loss.

### (iii) Critical Accounting Estimates

The preparation of the Financial Report requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Report, are disclosed in note 3.

## (b) Principles of Consolidation

### (i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the consolidated entity (refer to note 1(h)).

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Financial Position, respectively.

### (ii) Employee Share Trust

The consolidated entity has formed a trust to administer the consolidated entity's employee share scheme. This trust is consolidated, as the substance of the relationship is that the trust is controlled by the consolidated entity.



# Notes to the Financial Statements

As of 30 June 2023

## (iii) Joint Arrangements

Under AASB 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than legal structure of the joint arrangement. Lycopodium Limited has joint venture arrangements.

## (iv) Joint Ventures

Interest in joint ventures are accounted for using the equity method (see (vi) below), after initially being recognised at cost in the Consolidated Statement of Financial Position.

## (v) Associates

Associates are all entities over which the consolidated entity has significant influence but not control or joint control. This is generally the case where the consolidated entity holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (vi) below), after initially being recognised at cost.

## (vi) Equity Method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the consolidated entity's share of the post-acquisition profits or losses of the investee, and the consolidated entity's share of movements in other comprehensive income of the investee. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the consolidated entity's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the consolidated entity and its associates and joint ventures are eliminated to the extent of the consolidated entity's interest in these entities. Unrealised losses are also eliminated unless the transactions provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The consolidated entity treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the consolidated entity. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributed to owners of Lycopodium Limited.

## (vii) Changes in Ownership Interests

When the consolidated entity ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the consolidated entity had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

## (c) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

# Notes to the Financial Statements

As of 30 June 2023

## (d) Revenue and Other Income Recognition

### Revenue from Contracts with Customers

The consolidated entity recognises revenue on an "over time" basis. This applies to the two services of which the consolidated entity provides:

- Engineering and related services
- Construction contracts

To determine whether to recognise revenue, the consolidated entity follows a 5-step process:

- (1) Identifying the contract with a customer
- (2) Identifying the performance obligations
- (3) Determining the transaction price
- (4) Allocating the transaction price to the performance obligations
- (5) Recognising revenue when/as performance obligation(s) are satisfied

For work being performed in the completion of contracts with fixed prices, the customer controls the assets as it is created or enhanced. Progress towards completion of the contract is measured according to the proportion of contract costs incurred for work performed to date relative to the estimate total contract costs.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Where recognised revenues exceed progress billings, the surplus is shown in Contract Assets. For contracts where progress billings exceed recognised revenues, the surplus is shown as Contract Liabilities.

Certain customer contracts are man-hours and expense based. In these circumstances, revenue is recognised over time as the consolidated entity has a right to consideration from the customer in an amount that corresponds directly with the value to the customer of the entity's performance completed at the time of billing. The consolidated entity therefore recognises revenue in the amount to which the consolidated entity has the right to invoice.

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

### Interest

Interest revenue is recognised on an accrual basis.

### Dividend

Dividend income is recognised when the dividend is declared.

### Rental income

Rental income is recognised on a straight line basis over the term of the operating lease.



# Notes to the Financial Statements

As of 30 June 2023

## (e) Foreign Currency Translation

### (i) Functional and Presentation Currency

Items included in the Financial Report of each of the consolidated entity's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Consolidated Financial Report are presented in Australian dollars, which is Lycopodium Limited's functional and presentation currency.

### (ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit and loss.

Translation differences on financial assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

### (iii) Consolidated Entities

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the date of that Statement of Financial Position
- income and expenses for each Statement of Comprehensive Income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign operations, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, associated exchange differences are recognised in the profit and loss, as part of the gain or loss on sale where applicable.

## (f) Income Tax

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Report. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

# Notes to the Financial Statements

As of 30 June 2023

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Consolidated entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Lycopodium Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation effective 1 July 2013. As a consequence, these entities are taxed as a single entity and the deferred tax

assets and liabilities of these entities are set off in the Consolidated Financial Report.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

## (g) Right-of-Use Assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

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

## (h) Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the consolidated entity. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition-date. On an acquisition-by-acquisition basis, the consolidated entity recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred and the amount of any non-controlling interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.



# Notes to the Financial Statements

As of 30 June 2023

## (i) Impairment of Assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting year.

## (j) Current and Non-Current Classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification. An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

## (k) Cash and Cash Equivalents

For Statement of cash flow presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

## (l) Trade Receivables and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less expected credit loss. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (expected credit loss on trade receivables) is used when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the profit and loss within 'administration and management costs'. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against 'other expenses' in the profit and loss.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

## (m) Contract Assets

Contract assets are recognised when the consolidated entity has transferred goods or services to the customer but where the consolidated entity is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

# Notes to the Financial Statements

As of 30 June 2023

## (n) Customer Acquisition Costs

Customer acquisition costs are capitalised as an asset where such costs are incremental to obtaining a contract with a customer and are expected to be recovered. Customer acquisition costs are amortised on a straight-line basis over the term of the contract.

Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained or which are not otherwise recoverable from a customer are expensed as incurred to profit or loss. Incremental costs of obtaining a contract where the contract term is less than one year is immediately expensed to profit or loss.

## (o) Customer Fulfilment Costs

Customer fulfilment costs are capitalised as an asset when all the following are met: (i) the costs relate directly to the contract or specifically identifiable proposed contract; (ii) the costs generate or enhance resources of the consolidated entity that will be used to satisfy future performance obligations; and (iii) the costs are expected to be recovered. Customer fulfilment costs are amortised on a straight-line basis over the term of the contract.

## (p) Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity and where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

## (q) Non-Derivative Financial Assets

### (i) Classification

The consolidated entity classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- Those to be measured at amortised cost.

The classification depends on the consolidated entity's business model for managing financial assets and the contractual terms of the cashflows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For Investments in equity instruments that are not held for trading, this will depend on whether the consolidated entity has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The consolidated entity reclassifies debt investments when its business model for managing those assets changes.

### (ii) Measurement

At initial recognition, the consolidated entity measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Measurement of cash and cash equivalents and trade and other receivables remains at amortised cost consistent with the comparative period.



# Notes to the Financial Statements

As of 30 June 2023

## Debt Instruments

Subsequent measurement of debt instruments depends on the consolidated entity's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories which the consolidated entity classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collecting contractual cash flows and through sale on specified dates. A gain or loss on a debt investment that is subsequently measured at FVOCI is recognised in other comprehensive income. None are currently held by the consolidated entity.
- **Fair value through profit or loss (FVPL):** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit or loss within other gains/(losses) in the period in which it arises. None are currently held by the consolidated entity.

## Equity Instruments

The consolidated entity subsequently measures all equity investments at fair value. Where the consolidated entity's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the consolidated entity's right to receive payments is established. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value. Changes in the fair value of financial assets at fair value through profit or loss are recognised either in other income or in other expenses in the statement of profit or loss.

### (iii) Impairment

The consolidated entity assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables and other receivables, the consolidated entity applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

## (r) Non-Derivative Financial Liabilities

### Interest Bearing Liabilities

All loans and borrowings are initially recognised at fair value, being the amount received less attributable transaction costs. After initial recognition, interest bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in the statement of profit or loss over the period of the borrowings on an effective interest basis.

### Trade and Other Payables

Liabilities are recognised for amounts to be paid for goods or services received. Trade payables are settled on terms aligned with the normal commercial terms in the consolidated entity's countries of operation.

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

## (s) Contract Liabilities

Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

# Notes to the Financial Statements

As of 30 June 2023

## (t) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

## (u) Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

## (v) Finance Costs

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

## (w) Derivative Financial Instruments

Derivative financial instruments are stated at fair value, with changes in fair value recognised in the statement of profit or loss. Where derivative financial instruments qualify for hedge accounting, recognition of changes in fair value depends on the nature of the item being hedged. Hedge accounting is discontinued when the hedging relationship is revoked, the hedging instrument expires, is sold, terminated, exercised, or no longer qualifies for hedge accounting.

The consolidated entity documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the instrument is expected to offset changes in cash flows of hedged items. The consolidated entity documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

### Cash Flow Hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other expenses.

When option contracts are used to hedge forecast transactions, the consolidated entity designates only the intrinsic value of the option contract as the hedging instrument. Gains or losses relating to the effective portion of the change in intrinsic value of the option contracts are recognised in the cash flow hedge reserve in equity. The changes in the time value of the option contracts that relate to the hedged item ('aligned time value') are recognised within other comprehensive income in the costs of hedging reserve within equity.

When forward contracts are used to hedge forecast transactions, the consolidated entity generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in the cash flow hedge reserve in equity. The change in the forward element of the contract that relates to the hedged item is recognised within other comprehensive income in the costs of hedging reserve within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains or losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedge reserve within equity.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss, as follows:



# Notes to the Financial Statements

## As of 30 June 2023

- The gain or loss relating to the effective portion of forward and option contracts are ultimately recognised in profit or loss as the hedged item affects profit or loss within expenses.
- The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within 'finance cost'.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset such as inventory. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss. Hedge ineffectiveness is recognised in profit or loss within other expenses.

### (x) Property, Plant and Equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the consolidated entity and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting year in which they are incurred.

Depreciation on plant and equipment is calculated using the straight line or diminishing value method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

|                                   |              |
|-----------------------------------|--------------|
| Plant and equipment               | 3 - 10 years |
| Vehicles                          | 5 - 7 years  |
| Furniture, fittings and equipment | 3 - 8 years  |
| Leasehold improvements            | 3 - 6 years  |
| Leased plant and equipment        | 3 - 5 years  |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(i)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the profit and loss.

### (y) Intangible Assets

#### (i) Goodwill

Goodwill is measured as described in note 1(h). Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segments (note 4).

#### (ii) Software

Intangible assets also comprise capitalised computer software. Computer software has a finite useful life and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of the computer software over their estimated useful lives, being 3 years.

# Notes to the Financial Statements

## As of 30 June 2023

### (z) Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the year of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial year of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the year in which they are incurred.

### (aa) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the consolidated entity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting year. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

### (ab) Employee Benefits

The obligations are presented as current liabilities in the consolidated balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

#### (i) Short-Term Obligations

Liabilities for wages and salaries, including non-monetary benefits expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. All other short-term employee benefit obligations are presented as payables.

The liability for long service leave and annual leave which is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service is therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currency that match, as closely as possible, the estimated future cash outflows. Re-measurement as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

#### (ii) Retirement Benefit Obligations

Contributions to defined contribution funds are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

#### (iii) Share-Based Payments

Share-based compensation benefits are provided to certain executive directors and other designated employees via the Performance Rights Plans. Information relating to this scheme is set out in note 37.

The fair value of rights granted under the Performance Rights Plans are recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the rights.

The fair value at grant date is independently determined using a Binomial Tree option pricing model that takes into account the exercise price, the term of the rights, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the rights, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the rights.



# Notes to the Financial Statements

As of 30 June 2023

## (iv) Loan Funded Share Plan

A limited recourse loans was provided to eligible employees of the Company or such other persons as the Board determines.

A broad outline of the plan is summarised below:

- The Company will loan funds to participating employees to purchase Lycopodium Limited.
- The loan will be a limited recourse loan provided the employee stays with the Company for greater than 3 years.
- During the term of the loan, dividends will be offset against the outstanding loan balance.

The Company has the following as the result of this transaction:

### Share Based Payment

The difference between the value of the shares purchased and the value of the shares allocated to participating employees represents the cost to the Company for providing the loan to the employees. This amount is expensed in the profit and loss upon vesting.

### Loan funded shares

The loan funded shares purchased by the eligible employee are classified as reduction in equity as at the reporting date.

## (v) Defined Contribution Superannuation Expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

## (ac) Issued Capital

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

## (ad) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting year but not distributed at the end of the reporting year.

## (ae) Earnings Per Share

### (i) Basic Earnings Per Share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

### (ii) Diluted Earnings Per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

## (af) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the consolidated

# Notes to the Financial Statements

As of 30 June 2023

balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

## (ag) Fair Value Measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

## (ah) Employee Share Trust

The Group has in place a trust to administer the consolidated entity's employee share and share rights schemes. This trust is consolidated, as the substance of the relationship is that the trust is controlled by the Group. Shares held by the Lycopodium Employee Share Trust are disclosed as Treasury shares and deducted from contributed equity.

Movement in treasury shares represent acquisition of the Company's shares on market and allocation of shares to the Company's employees from the vesting of awards and exercise of rights under the employee share-based payment trust.

## (ai) Parent Entity Financial Information

The financial information for the parent entity, Lycopodium Limited, disclosed in note 38 has been prepared on the same basis as the consolidated financial report, except as set out below.

### (i) Investments in Subsidiaries, Associates and Joint Venture Entities

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

### (ii) Share Based Payments

The grant by the Company of rights over its equity instruments to the employees of subsidiary undertakings in the Company is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.



# Notes to the Financial Statements

As of 30 June 2023

## 2. FINANCIAL RISK MANAGEMENT

The consolidated entity manages its exposure to key financial risks, including interest rate and currency risk in accordance with the consolidated entity's financial risk management policy. The objective of the policy is to support the delivery of the consolidated entity's financial targets whilst protecting future financial security.

The main risks arising from the consolidated entity's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The consolidated entity uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rates and foreign exchange. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk, and liquidity risk is monitored through the development of future rolling cash flow forecasts.

The primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified above.

### (a) Market Risk

#### (i) Foreign Exchange Risk

The consolidated entity operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar (USD) and Canadian dollars (CAD). Exchange rate exposures are managed with approved policy parameters utilising forward exchange contracts.

Foreign exchange risk arises when future commercial transactions and recognised financial assets and financial liabilities are denominated in a currency that is not the entity's functional currency.

#### Exposure

The consolidated entity's exposure to foreign currency risk at the reporting period, expressed in Australian dollar, was as follows:

|                             | 30-Jun-23  |             | 30-Jun-22   |             |
|-----------------------------|------------|-------------|-------------|-------------|
|                             | USD \$     | CAD \$      | USD \$      | CAD \$      |
| Cash and cash equivalents   | 9,709,240  | 2,899,858   | 33,482,749  | 12,528,908  |
| Trade and other receivables | 4,403,429  | 15,673,450  | 3,072,668   | 3,725,417   |
| Other current assets        | -          | 276,180     | -           | 191,108     |
| Trade and other payables    | -          | (9,376,094) | (2,765,401) | (5,218,615) |
| Net exposure                | 14,112,669 | 9,473,394   | 33,790,016  | 11,226,818  |

#### Sensitivity

Based on the financial instruments held at 30 June 2023, had the Australian dollar weakened/strengthened by 10% against the US dollar with all other variables held constant, the consolidated entity's post-tax profit and equity for the year would have been \$1,411,267 higher/\$1,411,267 lower (2022: \$3,379,002 higher/\$3,379,002 lower), mainly as a result of foreign exchange gains/losses on translation of US dollar denominated financial instruments as detailed in the above table. Profit is less sensitive to movements in the Australia dollar/US dollar exchange rates in 2023 than 2022 due to forward contract hedge entered by the consolidated entity.

Based on the financial instruments held at 30 June 2023, had the Australian dollar weakened/strengthened by 10% against the Canadian Dollar with all other variables held constant, the consolidated entity's post-tax profit and equity for the year would have been \$947,339 higher/\$947,339 lower (2022: \$1,122,682 higher/\$1,122,682 lower), mainly as a result of foreign exchange gains/losses on translation of Canadian dollars denominated financial instruments as detailed in the above table.

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the consolidated entity's exposure to currency risk.

#### (ii) Price Risk

The consolidated entity has exposure to equity securities price risk with the exposure, however, being minimal. Equity securities price risk arises from investments in equity securities. The equity investments are publicly traded on the Australian Securities Exchange ("ASX"). The price risk for the listed securities is immaterial in terms of a possible impact on profit and loss or total equity and as such a sensitivity analysis has not been completed. The consolidated entity does not have a risk management policy surrounding price risk in place as the Board considers the risk minimal.

# Notes to the Financial Statements

As of 30 June 2023

### (iii) Interest Rate Risk

The consolidated entity is exposed to interest rate risk arising mainly from borrowings and cash balances held. The risk is considered minimal as the consolidated entity's borrowings are minimal. The consolidated entity does not enter into any specific swaps or hedges to cover any interest rate volatility and does not have a risk management policy surrounding cash flow and interest rate risk as the Board considers these risks to be minimal.

#### Sensitivity

At 30 June 2023, if interest rates had changed by +/-50 basis points from the year end rates with all other variables held constant, post-tax profit and equity for the year would have been \$275,208 lower/higher (2022: \$326,965 lower/higher), as a result of lower/higher interest income from cash and cash equivalents.

### (b) Credit Risk

Credit risk arises from the financial assets of the consolidated entity, which comprise cash and cash equivalents, trade and other receivables and other current assets. The consolidated entity's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

|                                    | 2023<br>\$  | 2022<br>\$  |
|------------------------------------|-------------|-------------|
| Cash and cash equivalents          | 82,412,067  | 100,946,619 |
| Trade and other receivables        | 87,086,807  | 67,111,605  |
| Deposits held with banks (note 11) | 1,007,348   | 591,844     |
|                                    | 170,506,222 | 168,650,068 |

#### Cash and Cash Equivalents

The credit risk on cash and cash equivalents is limited because the consolidated entity's primary bank is rated AA- by an international credit-rating agency.

#### Trade and Other Receivables

The consolidated entity's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the consolidated entity's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk.

The consolidated entity trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Consolidated entity's policy to securitise its trade and other receivables. All receivables at balance date that are neither past due nor impaired comply with the consolidated entity's policy on credit quality.

It is the consolidated entity's policy that all customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their financial position, past experience and industry reputation.

In addition, receivable balances are monitored on an ongoing basis with the result that the consolidated entity's exposure to bad debts is minimised.

There are no significant concentrations of credit risk within the consolidated entity. The consolidated entity minimises concentrations of credit risk in relation to trade receivables by undertaking transactions with a number of customers that operate predominantly in the mining and extractive industry sector including major operators in the industry and junior/emerging operators. There are multiple contracts with our significant customers, across a number of their subsidiaries and divisions within those subsidiaries and locations.

#### Deposits Held With Banks

The credit risk on deposits held with banks are limited as they comprise deposits held with banks with high credit ratings assigned by international credit-rating agencies.

# Notes to the Financial Statements

As of 30 June 2023

## (c) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. The consolidated entity manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

## Financing Arrangements

The consolidated entity had access to the following undrawn borrowing facilities at the reporting date:

|                         | 2023<br>\$ | 2022<br>\$ |
|-------------------------|------------|------------|
| Leasing facility        | 5,683,317  | 6,385,136  |
| Standby credit facility | 10,811,169 | 9,748,669  |
| Insurance bonds         | 64,073,021 | 28,277,568 |
|                         | 80,567,507 | 44,411,373 |

## Maturities of financial liabilities

The following tables detail the consolidated entity's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the consolidated entity can be required to pay. The table includes both interest and principal cash flows.

| Consolidated –<br>At 30 June 2023 | Weighted<br>average<br>interest rate<br>% | 1 year or<br>less<br>\$ | Between<br>1 and 2<br>years<br>\$ | Between<br>2 and 5<br>years<br>\$ | Over 5<br>years<br>\$ | Total<br>contractual<br>cash flows<br>\$ | Carrying<br>amount<br>liabilities<br>\$ |
|-----------------------------------|---|-------------------------|-----------------------------------|-----------------------------------|-----------------------|--|---|
| <b>Non-derivatives</b>            |   |                         |                                   |                                   |                       |  |   |
| <b>Non-interest bearing</b>       |   |                         |                                   |                                   |                       |  |   |
| Trade Payables                    |   | 23,776,529              | -                                 | -                                 | -                     | 23,776,529                               | 23,776,529                              |
| <b>Interest bearing</b>           |   |                         |                                   |                                   |                       |  |   |
| Finance leases                    | 4.41%                                     | 25,736                  | 36,146                            | -                                 | -                     | 61,883                                   | 60,515                                  |
| Lease Liabilities                 | 5.36%                                     | 4,458,515               | 4,015,946                         | 4,854,792                         | 3,780,125             | 17,109,378                               | 15,021,333                              |
| Borrowings                        | 2.49%                                     | 692,568                 | -                                 | -                                 | -                     | 692,568                                  | 683,316                                 |
|                                   |   | 28,953,348              | 4,052,092                         | 4,854,792                         | 3,780,125             | 41,640,357                               | 39,541,693                              |

| Consolidated –<br>At 30 June 2022 | Weighted<br>average<br>interest rate<br>% | 1 year or<br>less<br>\$ | Between<br>1 and 2<br>years<br>\$ | Between<br>2 and 5<br>years<br>\$ | Over 5<br>years<br>\$ | Total<br>contractual<br>cash flows<br>\$ | Carrying<br>amount<br>liabilities<br>\$ |
|-----------------------------------|---|-------------------------|-----------------------------------|-----------------------------------|-----------------------|--|---|
| <b>Non-derivatives</b>            |   |                         |                                   |                                   |                       |  |   |
| <b>Non-interest bearing</b>       |   |                         |                                   |                                   |                       |  |   |
| Trade Payables                    |   | 21,259,240              | -                                 | -                                 | -                     | 21,259,240                               | 21,259,240                              |
| <b>Interest bearing</b>           |   |                         |                                   |                                   |                       |  |   |
| Finance leases                    | 4.49%                                     | 39,518                  | 25,736                            | 36,146                            | -                     | 101,400                                  | 97,316                                  |
| Lease Liabilities                 | 5.51%                                     | 4,092,226               | 3,455,115                         | 7,179,753                         | 2,295,125             | 17,022,219                               | 15,120,444                              |
| Borrowings                        | 2.49%                                     | 692,568                 | 692,568                           | -                                 | -                     | 1,385,136                                | 1,349,846                               |
|                                   |   | 26,083,552              | 4,173,419                         | 7,215,899                         | 2,295,125             | 39,767,995                               | 37,826,846                              |

In assessing and managing liquidity risks of its derivative financial instruments the consolidated entity considers both contractual inflows and outflows. The contractual cash flows of the consolidated entity's derivative financial assets and liabilities are all current (within 12 months).

## New Accounting Standards and Interpretations not yet mandatory or early adopted.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2023. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

## 3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The consolidated entity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

# Notes to the Financial Statements

As of 30 June 2023

## (i) Impairment Testing of Goodwill

The consolidated entity tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 1(i). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions. Refer to note 14 for details of these assumptions and the potential impact of changes to the assumptions.

## (ii) Service and Equipment Warranties

In accordance with the accounting policy stated in note 1(aa), the consolidated entity has recognised warranty provisions at the end of the financial year in respect of potential claims for rectification work on some of its EPC contracts. Refer to note 21 in relation to the service warranty provisions provided at period end. The amounts provided takes into account the percentage completion of the project, forecast to complete costs plus any close-out obligations and potential contractual liabilities during the warranty period.

## (iii) Fixed-Price Contracts

The consolidated entity uses cost inputs to estimate its revenue from fixed-sum contracts. The stage of completion is measured by reference to the contract costs incurred to date compared to the estimated total costs for the contract.

Significant assumptions are required to estimate the total contract costs and the recoverable variations work that will affect the stage of completion and the contract revenue respectively. In making these estimates, the consolidated entity has relied on experience and best available information.

## (iv) Income tax

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

## 4. SEGMENT INFORMATION

### (a) Description of Segments

The Board considers the business from both a product and geographic perspective and has identified four operating segments of which three (2022: three) are reportable in accordance with the requirements of AASB 8.

The Minerals segment consists of engineering and related services provided to the extractive mining industry. The clients, including junior exploration companies and major multinational producers, are developing projects for a wide range of commodities. These projects range in scope from large greenfield projects involving process plant and equipment, civil building works, control systems, services and infrastructure to small skid-mounted pilot plants.

The Process Industries segment consists of engineering and related services provided to the manufacturing and renewable energy facilities throughout Australia and South East Asia.

The Project Services - Africa segment consists of project management, construction management and commissioning services provided to the extractive mining industry in Africa.

All other operating segments are not reportable operating segments, as they fall under the quantitative thresholds of AASB 8. The results of these operations are included in the 'Other' column.

The remaining operating segments that are not reportable consists of:

**Infrastructure:** Asset management, engineering, architectural and project delivery services to a wide range of private and public clients across Australia.

**Metallurgical:** Metallurgical consulting providing a range of services to the mineral processing community, primarily in the field of comminution, hydrometallurgy and mineral processing design.

**Project Services Asia:** Provision of drafting services to offshore Lycopodium entities.

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.



## Notes to the Financial Statements

As of 30 June 2023

## (b) Segment Information Provided to the Board of Directors

| 2023  | Minerals           |                   |                   | Project Services - Africa | Process Industries | Other             | Total              |
|---|--------------------|-------------------|-------------------|---------------------------|--------------------|-------------------|--------------------|
|   | Asia Pacific       | North America     | Africa            |                           |                    |                   |                    |
| Total segment revenue   | 175,898,294        | 82,082,105        | 62,699,145        | 11,314,460                | 12,038,070         | 39,322,360        | 383,354,434        |
| Inter-segment revenue   | (991,285)          | (41,433,120)      | -                 | 0                         | (122,217)          | (16,928,429)      | (59,475,051)       |
| <b>Revenue from external customers</b>  | <b>174,907,009</b> | <b>40,648,985</b> | <b>62,699,145</b> | <b>11,314,460</b>         | <b>11,915,853</b>  | <b>22,393,931</b> | <b>323,879,383</b> |
| Interest income   | 33,529             | 149,580           | 816,084           | 0                         | 1,939              | 649,354           | 1,650,486          |
| Other income  | 2,271              | 132,014           | 8,408             | 0                         | 0                  | 1,898,941         | 2,041,634          |
| <b>Total revenue</b>  |                    |                   |                   |                           |                    |                   | <b>327,571,503</b> |
| <b>Segment Profit / (Loss) before tax</b>   | <b>15,861,075</b>  | <b>13,964,950</b> | <b>16,156,984</b> | <b>2,571,700</b>          | <b>4,011,035</b>   | <b>8,702,237</b>  | <b>61,267,981</b>  |
| <b>Unallocated:</b>   |                    |                   |                   |                           |                    |                   |                    |
| Depreciation and amortisation   |                    |                   |                   |                           |                    |                   | (3,774,804)        |
| Share of net (loss)/profit of associates and joint ventures accounted for using the equity method |                    |                   |                   |                           |                    |                   | 2,063,093          |
| Other unallocated   |                    |                   |                   |                           |                    |                   | 3,720,393          |
| <b>Profit / (Loss) before tax</b>   |                    |                   |                   |                           |                    |                   | <b>63,276,663</b>  |
| Income tax benefit / (expense)  |                    |                   |                   |                           |                    |                   | (17,718,082)       |
| <b>Profit / (Loss) after tax</b>  |                    |                   |                   |                           |                    |                   | <b>45,558,581</b>  |
| <b>Total segment assets</b>   | <b>56,843,110</b>  | <b>36,063,415</b> | <b>42,945,328</b> | <b>13,338,237</b>         | <b>7,511,361</b>   | <b>21,924,153</b> | <b>178,625,604</b> |
| Intersegment eliminations   |                    |                   |                   |                           |                    |                   | (19,971,686)       |
| Intangibles arising on consolidation  |                    |                   |                   |                           |                    |                   | 6,126,228          |
| <b>Unallocated Segment Assets:</b>  |                    |                   |                   |                           |                    |                   | <b>0</b>           |
| Cash and cash equivalents   |                    |                   |                   |                           |                    |                   | 1,780,133          |
| Trade and other receivables   |                    |                   |                   |                           |                    |                   | 10,022,611         |
| Right-of-use assets   |                    |                   |                   |                           |                    |                   | 9,572,469          |
| Other unallocated segment assets  |                    |                   |                   |                           |                    |                   | 29,723,230         |
| <b>Total assets</b>   |                    |                   |                   |                           |                    |                   | <b>215,878,589</b> |
| Total assets includes:  |                    |                   |                   |                           |                    |                   |                    |
| Additions to non-current assets (other than financial assets and deferred tax)                    | 89,978             | 2,445,551         | 164,164           | 2,323                     | 1,440              | 97,405            | 2,800,861          |
| <b>Total segment liabilities</b>  | <b>48,043,731</b>  | <b>25,881,746</b> | <b>24,886,810</b> | <b>10,284,836</b>         | <b>3,784,656</b>   | <b>5,816,101</b>  | <b>118,697,880</b> |
| Intersegment eliminations   |                    |                   |                   |                           |                    |                   | (19,956,177)       |
| <b>Unallocated Segment Liabilities:</b>   |                    |                   |                   |                           |                    |                   | <b>0</b>           |
| Trade and other payables  |                    |                   |                   |                           |                    |                   | 346,264            |
| Provision for income tax  |                    |                   |                   |                           |                    |                   | (11,169,695)       |
| Lease liabilities   |                    |                   |                   |                           |                    |                   | 10,920,332         |
| Other unallocated segment liabilities   |                    |                   |                   |                           |                    |                   | 4,075,078          |
| <b>Total liabilities as per the consolidated balance sheet</b>                                    |                    |                   |                   |                           |                    |                   | <b>102,913,682</b> |

## Notes to the Financial Statements

As of 30 June 2023

## (b) Segment Information Provided to the Board of Directors (continued)

| 2022  | Minerals           |                   |                   | Project Services - Africa | Process Industries | Other             | Total              |
|---|--------------------|-------------------|-------------------|---------------------------|--------------------|-------------------|--------------------|
|   | Asia Pacific       | North America     | Africa            |                           |                    |                   |                    |
| Total segment revenue   | 104,402,611        | 51,006,233        | 42,055,884        | 7,269,200                 | 11,653,150         | 28,596,862        | 244,983,940        |
| Inter-segment revenue   | (1,151,598)        | (3,470,366)       | -                 | 0                         | (722,281)          | (10,928,485)      | (16,272,730)       |
| <b>Revenue from external customers</b>  | <b>103,251,013</b> | <b>47,535,867</b> | <b>42,055,884</b> | <b>7,269,200</b>          | <b>10,930,869</b>  | <b>17,668,377</b> | <b>228,711,210</b> |
| Interest income   | 23,854             | 4,076             | 361,884           | 0                         | 500                | 173,170           | 563,484            |
| Other income  | 150,330            | 145,108           | 96,710            | 0                         | 226                | 2,489,766         | 2,882,139          |
| <b>Total revenue</b>  |                    |                   |                   |                           |                    |                   | <b>232,156,833</b> |
| <b>Segment Profit / (Loss) before tax</b>   | <b>28,432,069</b>  | <b>2,420,380</b>  | <b>7,987,780</b>  | <b>1,611,640</b>          | <b>2,597,395</b>   | <b>2,734,374</b>  | <b>45,783,638</b>  |
| <b>Unallocated:</b>   |                    |                   |                   |                           |                    |                   |                    |
| Depreciation and amortisation   |                    |                   |                   |                           |                    |                   | (2,914,328)        |
| Share of net (loss)/profit of associates and joint ventures accounted for using the equity method |                    |                   |                   |                           |                    |                   | (201,172)          |
| Other unallocated   |                    |                   |                   |                           |                    |                   | (3,741,490)        |
| <b>Profit / (Loss) before tax</b>   |                    |                   |                   |                           |                    |                   | <b>38,926,648</b>  |
| Income tax benefit / (expense)  |                    |                   |                   |                           |                    |                   | (12,074,774)       |
| <b>Profit / (Loss) after tax</b>  |                    |                   |                   |                           |                    |                   | <b>26,851,874</b>  |
| <b>Total segment assets</b>   | <b>45,293,323</b>  | <b>63,543,838</b> | <b>32,411,302</b> | <b>10,037,668</b>         | <b>10,742,081</b>  | <b>17,312,406</b> | <b>179,340,618</b> |
| Intersegment eliminations   |                    |                   |                   |                           |                    |                   | (11,298,480)       |
| Intangibles arising on consolidation  |                    |                   |                   |                           |                    |                   | 6,126,228          |
| <b>Unallocated Segment Assets:</b>  |                    |                   |                   |                           |                    |                   | <b>0</b>           |
| Cash and cash equivalents   |                    |                   |                   |                           |                    |                   | 16,931,895         |
| Trade and other receivables   |                    |                   |                   |                           |                    |                   | 6,628,598          |
| Right-of-use assets   |                    |                   |                   |                           |                    |                   | 10,656,223         |
| Other unallocated segment assets  |                    |                   |                   |                           |                    |                   | 10,553,911         |
| <b>Total assets</b>   |                    |                   |                   |                           |                    |                   | <b>218,938,994</b> |
| Total assets includes:  |                    |                   |                   |                           |                    |                   |                    |
| Additions to non-current assets (other than financial assets and deferred tax)                    | 68,245             | 46,246            | 542,644           | 40,118                    | 69,760             | 284,818           | 1,051,831          |
| <b>Total segment liabilities</b>  | <b>25,091,989</b>  | <b>57,062,671</b> | <b>15,936,810</b> | <b>8,275,800</b>          | <b>6,816,515</b>   | <b>6,830,478</b>  | <b>120,014,264</b> |
| Intersegment eliminations   |                    |                   |                   |                           |                    |                   | (11,304,983)       |
| <b>Unallocated Segment Assets:</b>  |                    |                   |                   |                           |                    |                   | <b>0</b>           |
| Trade and other payables  |                    |                   |                   |                           |                    |                   | 1,677,014          |
| Provision for income tax  |                    |                   |                   |                           |                    |                   | (5,219,734)        |
| Lease liabilities   |                    |                   |                   |                           |                    |                   | 11,751,152         |
| Other unallocated segment liabilities   |                    |                   |                   |                           |                    |                   | 2,345,860          |
| <b>Total liabilities as per the consolidated balance sheet</b>                                    |                    |                   |                   |                           |                    |                   | <b>119,263,574</b> |

# Notes to the Financial Statements

As of 30 June 2023

## (c) Segment Revenue

Sales between segments are carried out at arm's length and are eliminated on consolidation. The revenue from external parties reported to the Board of Directors is measured in a manner consistent with that in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The entity is domiciled in Australia. The result of its revenue from external customers in Australia is \$123,004,383 (2022: \$63,718,954), and the total of revenue from external customers from other countries is \$204,567,120 (2022: \$164,372,290). Segment revenues are allocated based on the country in which the customer is located. However, it is practically difficult to determine revenue as per the domicile of external customers.

Revenues of approximately \$73,238,453 (2022: 67,250,491) are derived from the top 3 customers. These revenues are attributable to the Minerals segment.

## 5. REVENUE

### (a) Disaggregation of Revenue from Contracts with Customers

|                           | 2023                                 |                              |                    | 2022                                 |                              |                    |
|---------------------------|--------------------------------------|------------------------------|--------------------|--------------------------------------|------------------------------|--------------------|
|                           | Engineering & related services<br>\$ | Construction contracts<br>\$ | Total<br>\$        | Engineering & related services<br>\$ | Construction contracts<br>\$ | Total<br>\$        |
| Minerals                  | 207,465,353                          | 70,789,786                   | 278,255,139        | 138,822,883                          | 54,801,842                   | 193,624,725        |
| Project Services - Africa | 11,314,460                           | -                            | 11,314,460         | 7,269,200                            | -                            | 7,269,200          |
| Process Industries        | 11,915,853                           | -                            | 11,915,853         | 10,930,869                           | -                            | 10,930,869         |
| Other                     | 22,393,931                           | -                            | 22,393,931         | 16,886,416                           | -                            | 16,886,416         |
| <b>Total revenue</b>      | <b>253,089,597</b>                   | <b>70,789,786</b>            | <b>323,879,383</b> | <b>173,909,368</b>                   | <b>54,801,842</b>            | <b>228,711,210</b> |

Timing of Revenue : All revenue from contracts with customers are transferred over time.

### (b) Assets and Liabilities Related to Contracts with Customers

|  | 2023<br>\$        | 2022<br>\$        |
|--|-------------------|-------------------|
| Asset recognised for costs incurred to fulfil a contract | -                 | -                 |
| Total contract assets                                    | -                 | -                 |
| Advances received for construction contract work         | -                 | 29,337,296        |
| Deferred services income                                 | 25,166,322        | 14,131,622        |
| <b>Total contract liabilities</b>                        | <b>25,166,322</b> | <b>43,468,918</b> |

### Significant Changes in Contract Assets and Liabilities

Advances received for construction contract work and deferred services income represent customer payments received in advance of performance (contract liabilities) that are expected to be recognised as revenue in FY 2024.

### (c) Other Income

|  | 2023<br>\$       | 2022<br>\$       |
|--|------------------|------------------|
| Profit on sale of shares                     | -                | 435,957          |
| Net Fair value gain on financial instruments | 1,133,284        | 1,366,747        |
| Rental income                                | 356,417          | 548,715          |
| Sundry income                                | 551,933          | 530,720          |
| <b>Total other income</b>                    | <b>2,041,634</b> | <b>2,882,139</b> |

# Notes to the Financial Statements

As of 30 June 2023

## 6. EXPENSES

|   | 2023<br>\$       | 2022<br>\$       |
|---|------------------|------------------|
| <b>Profit before income tax includes the following specific expenses:</b> |                  |                  |
| <b>Depreciation and Amortisation</b>                                      |                  |                  |
| Fixtures and fittings   | 1,608,250        | 1,070,109        |
| Leasehold improvements  | 693,840          | 604,217          |
| Motor vehicles  | 35,454           | 19,868           |
| Leased plant and equipment  | 22,054           | 22,053           |
| Office premises right-of-use assets                                       | 3,846,743        | 3,721,586        |
| Computer software   | 160,168          | 183,466          |
| <b>Total depreciation and amortisation</b>                                | <b>6,366,509</b> | <b>5,621,299</b> |
| Net foreign exchange losses   | (2,008,357)      | (773,317)        |
| <b>Finance costs</b>  |                  |                  |
| Interest and finance charges paid/payable on borrowings                   | 75,257           | 86,988           |
| Interest and finance charges paid/payable on lease liabilities            | 764,019          | 799,213          |
| <b>Total Finance Cost</b>   | <b>839,276</b>   | <b>886,201</b>   |
| Share based payments  | 1,025,075        | 707,919          |
| Defined contribution superannuation expense                               | 5,511,094        | 4,250,413        |

## 7. INCOME TAX EXPENSE

### (a) Income Tax Expense

|   | 2023<br>\$        | 2022<br>\$         |
|---|-------------------|--------------------|
| Current tax on profits for the year   | 19,246,329        | 18,158,343         |
| Deferred tax on profits for the year  | 8,912,786         | (6,432,440)        |
| Adjustments for current tax of prior periods                                    | (10,712,756)      | 114,137            |
| Adjustments for deferred tax of prior periods                                   | 271,723           | 234,734            |
|   | <b>17,718,082</b> | <b>12,074,774</b>  |
| Deferred income tax expense/(benefit) included in income tax expense comprises: |                   |                    |
| Increase/(decrease) in deferred tax assets (note 15)                            | 10,140,732        | (6,006,859)        |
| Increase/(decrease) in deferred tax liabilities (note 22)                       | (1,227,946)       | (425,581)          |
|   | <b>8,912,786</b>  | <b>(6,432,440)</b> |

### (b) Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable

|  | 2023<br>\$        | 2022<br>\$        |
|--|-------------------|-------------------|
| Profit before income tax expense   | 63,276,663        | 38,926,648        |
| Tax at the Australian tax rate of 30% (2022: 30%)  | 18,982,999        | 11,677,994        |
| <b>Tax effect of amounts which are not deductible (taxable) in calculating taxable income:</b> |                   |                   |
| Share-based payment  | 346,281           | 212,376           |
| Sundry items   | 161,009           | (155,968)         |
| Withholding tax gross-up   | 224,762           | 671,599           |
|  | <b>19,715,051</b> | <b>12,406,001</b> |
| Adjustments for current tax of prior periods - under/(over) provision of prior year income tax | (897,980)         | 228,664           |
| Difference in overseas tax rates   | (706,300)         | (318,495)         |
| Deferred taxes not recognised  | (610,817)         | (127,420)         |
| Share of net profit of joint ventures accounted for using the equity method                    | (618,928)         | (113,975)         |
| Foreign tax incurred   | 4,328             | -                 |
| Others   | 832,728           | -                 |
| <b>Total income tax expense</b>  | <b>17,718,082</b> | <b>12,074,775</b> |



# Notes to the Financial Statements

As of 30 June 2023

## (c) Tax Consolidation

The Company and its 100% owned Australian entities formed a tax consolidated group on 1 July 2013. Members of the consolidated group have entered into a tax sharing agreement in order to allocate income tax expense to the wholly owned Australian entities on a pro-rata basis. The agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At balance date, the possibility of default is remote. The head entity of the tax consolidated group is Lycopodium Limited.

### Tax Effect Accounting by Members of the Tax Consolidated Group

Members of the tax consolidated group have entered into a tax funding agreement effective from 1 July 2013. The tax funding agreement provides for the allocation of current taxes to members of the tax consolidated group. Deferred taxes are allocated to members of the tax consolidated group in accordance with the group allocation approach, which is consistent with the principles of AASB 112 Income Taxes.

The allocation of taxes under the tax funding agreement is recognised as an increase/(decrease) in the member entities' intercompany accounts with the tax consolidated group head company, Lycopodium Limited. In this regard, the Company has assumed the benefit of tax losses from the member entities as of the balance date. The nature of the tax funding agreement is such that no tax consolidated contributions by or distributions to participant's equity are required.

## 8. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

|                          | 2023<br>\$ | 2022<br>\$  |
|--------------------------|------------|-------------|
| Cash at bank and in hand | 82,412,067 | 100,946,619 |

### Risk Exposure

The consolidated entity's exposure to interest rate risk is discussed in note 2. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

## 9. CURRENT ASSETS - TRADE AND OTHER RECEIVABLES

|  | 2023<br>\$ | 2022<br>\$  |
|--|------------|-------------|
| Trade receivables                      | 68,455,295 | 50,695,024  |
| Allowance for expected credit loss (a) | (760,685)  | (1,029,030) |
|  | 67,694,610 | 49,665,994  |
| GST and other receivables              | 19,247,258 | 17,322,655  |
| Cash advanced to employees             | 88,506     | 102,956     |
| Loan to joint ventures                 | 56,433     | 20,000      |
|  | 19,392,197 | 17,445,611  |
|  | 87,086,807 | 67,111,605  |

### (a) Allowance for Expected Credit Loss

Movements in allowance for expected credit loss of trade receivables are as follows:

|   | 2023<br>\$ | 2022<br>\$ |
|---|------------|------------|
| At 1 July   | 1,029,030  | 1,185,825  |
| Allowance for expected credit loss recognised during the year | -          | -          |
| Receivables written off during the year as uncollectible      | 6,910      | -          |
| Unused amount reversed  | (291,849)  | (185,922)  |
| Exchange difference   | 16,594     | 29,127     |
| At 30 June  | 760,685    | 1,029,030  |

The other classes within trade and other receivables do not contain impaired assets.

# Notes to the Financial Statements

As of 30 June 2023

The expected credit loss for trade receivables as at 30 June 2023 and 30 June 2022 are as follows:

|                               | Current<br>\$ | More than<br>30 days past<br>due<br>\$ | More than<br>60 days past<br>due<br>\$ | More than<br>90 days past<br>due<br>\$ | Total<br>\$ |
|-------------------------------|---------------|--|--|--|-------------|
| 30 June 2023                  |               |  |  |  |             |
| Expected credit loss rate     | 0%            | 0%                                     | 0%                                     | 40.4%                                  | -           |
| Gross carrying amount         | 60,713,934    | 4,405,211                              | 1,453,455                              | 1,882,695                              | 68,455,295  |
| Lifetime expected credit loss | -             | -                                      | -                                      | 760,685                                | 760,685     |

|                               | Current<br>\$ | More than<br>30 days past<br>due<br>\$ | More than<br>60 days past<br>due<br>\$ | More than<br>90 days past<br>due<br>\$ | Total<br>\$ |
|-------------------------------|---------------|--|--|--|-------------|
| 30 June 2022                  |               |  |  |  |             |
| Expected credit loss rate     | 0%            | 0%                                     | 0%                                     | 34.1%                                  | -           |
| Gross carrying amount         | 29,302,087    | 12,968,225                             | 5,405,791                              | 3,018,921                              | 50,695,024  |
| Lifetime expected credit loss | -             | -                                      | -                                      | 1,029,030                              | 1,029,030   |

### (b) Risk Exposure

Information about the consolidated entity's exposure to foreign exchange risk and interest rate risk is provided in note 2.

### (c) Fair Value and Credit Risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables mentioned above. The consolidated entity does not hold any collateral as security. Refer to note 2 for more information on the risk management policy of the consolidated entity.

## 10. CURRENT ASSETS - INVENTORIES

|             | 2023<br>\$ | 2022<br>\$ |
|-------------|------------|------------|
| Consumables | 275,629    | 347,627    |

## 11. CURRENT ASSETS - OTHER CURRENT ASSETS

|                               | 2023<br>\$ | 2022<br>\$ |
|-------------------------------|------------|------------|
| Prepayments                   | 4,702,178  | 3,629,212  |
| Deposits with licensed banks* | 1,007,348  | 591,844    |
| Other current assets          | 1,599,152  | 1,297,805  |
|                               | 7,308,678  | 5,518,861  |

\* Deposit with licensed banks as security/bond on the various properties leased by the consolidated entity.

# Notes to the Financial Statements

As of 30 June 2023

## 12. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

| Year ended 30 June 2022        | Fixtures and fittings \$ | Motor vehicles \$ | Leasehold improvements \$ | Leased plant and equipment \$ | Total \$         |
|--------------------------------|--------------------------|-------------------|---------------------------|-------------------------------|------------------|
| Opening net book amount        | 3,678,870                | 137,173           | 752,896                   | 102,818                       | 4,671,757        |
| Additions                      | 1,732,100                | 130,709           | 2,227,857                 | -                             | 4,090,666        |
| Disposals                      | (2,122)                  | (2,492)           | -                         | -                             | (4,614)          |
| Depreciation charge            | (1,070,109)              | (19,868)          | (604,217)                 | (22,053)                      | (1,716,247)      |
| Transfers                      | (85,447)                 | (7,907)           | -                         | -                             | (93,354)         |
| Exchange differences           | (47,748)                 | (12,790)          | 10,292                    | -                             | (50,246)         |
| <b>Closing net book amount</b> | <b>4,205,544</b>         | <b>224,825</b>    | <b>2,386,828</b>          | <b>80,765</b>                 | <b>6,897,962</b> |
| <b>At 30 June 2022</b>         |                          |                   |                           |                               |                  |
| Cost                           | 14,220,357               | 374,187           | 3,855,145                 | 137,738                       | 18,587,427       |
| Accumulated depreciation       | (10,014,813)             | (149,362)         | (1,468,317)               | (56,973)                      | (11,689,465)     |
| <b>Net book amount</b>         | <b>4,205,544</b>         | <b>224,825</b>    | <b>2,386,828</b>          | <b>80,765</b>                 | <b>6,897,962</b> |

| Year ended 30 June 2023        | Fixtures and fittings \$ | Motor vehicles \$ | Leasehold improvements \$ | Leased plant and equipment \$ | Total \$         |
|--------------------------------|--------------------------|-------------------|---------------------------|-------------------------------|------------------|
| Opening net book amount        | 4,205,543                | 224,825           | 2,386,828                 | 80,765                        | 6,897,962        |
| Additions                      | 2,750,336                | 65,275            | 1,537,424                 | -                             | 4,353,035        |
| Disposals                      | (797)                    | -                 | -                         | -                             | (797)            |
| Depreciation charge            | (1,608,249)              | (35,454)          | (693,840)                 | (22,054)                      | (2,359,597)      |
| Transfers                      | -                        | -                 | -                         | -                             | -                |
| Exchange differences           | (350,957)                | (23,093)          | (3,742)                   | 0                             | (377,792)        |
| <b>Closing net book amount</b> | <b>4,995,877</b>         | <b>231,553</b>    | <b>3,226,670</b>          | <b>58,711</b>                 | <b>8,512,811</b> |
| <b>At 30 June 2023</b>         |                          |                   |                           |                               |                  |
| Cost                           | 16,222,557               | 405,542           | 5,406,497                 | 137,738                       | 22,172,335       |
| Accumulated depreciation       | (11,226,680)             | (173,991)         | (2,179,827)               | (79,027)                      | (13,659,525)     |
| <b>Net book amount</b>         | <b>4,995,877</b>         | <b>231,553</b>    | <b>3,226,670</b>          | <b>58,711</b>                 | <b>8,512,811</b> |

## 13. NON-CURRENT ASSETS - RIGHT-OF-USE ASSETS

|                                   | 2023 \$           | 2022 \$           |
|-----------------------------------|-------------------|-------------------|
| Land and buildings – right-of-use | 23,135,651        | 20,656,734        |
| Accumulated depreciation          | (9,888,412)       | (6,969,067)       |
| <b>Net book amount</b>            | <b>13,247,239</b> | <b>13,687,667</b> |

| Movements:                                       | 2023 \$           | 2022 \$           |
|--|-------------------|-------------------|
| Right-of-Use Assets                              |                   |                   |
| Opening balance 1 July                           | 13,687,667        | 14,925,280        |
| Additions  | 3,458,302         | 2,518,829         |
| Depreciation                                     | (3,846,743)       | (3,721,586)       |
| Currency translation differences during the year | (51,987)          | (34,856)          |
| <b>Balance 30 June</b>                           | <b>13,247,239</b> | <b>13,687,667</b> |

Right of Use Assets includes Office space and Vehicle lease.

Additions to the right-of-use assets during the year were \$3,458,302

# Notes to the Financial Statements

As of 30 June 2023

The consolidated entity leases office space under agreements of between three to eight years with, in some cases, option to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

The consolidated entity leases office equipment and motor vehicles under agreements of between two and five years. These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

## 14. NON-CURRENT ASSETS - INTANGIBLE ASSETS

| Year ended 30 June 2022        | Goodwill \$      | Software \$    | Customer contracts \$ | Total \$         |
|--------------------------------|------------------|----------------|-----------------------|------------------|
| Opening net book amount        | 6,207,274        | 536,376        | -                     | 6,743,650        |
| Additions                      | -                | 6,219          | -                     | 6,219            |
| Impairment                     | -                | -              | -                     | -                |
| Amortisation charge *          | -                | (183,466)      | -                     | (183,466)        |
| Exchange differences           | -                | (42,129)       | -                     | (42,129)         |
| <b>Closing net book amount</b> | <b>6,207,274</b> | <b>317,000</b> | <b>-</b>              | <b>6,524,274</b> |
| <b>At 30 June 2022</b>         |                  |                |                       |                  |
| Cost                           | 8,885,406        | 2,954,605      | 315,000               | 12,155,011       |
| Accumulated amortisation       | (2,678,132)**    | (2,637,605)    | (315,000)             | (5,630,737)      |
| <b>Net book amount</b>         | <b>6,207,274</b> | <b>317,000</b> | <b>-</b>              | <b>6,524,274</b> |

| Year ended 30 June 2023        | Goodwill \$      | Software \$    | Customer contracts \$ | Total \$         |
|--------------------------------|------------------|----------------|-----------------------|------------------|
| Opening net book amount        | 6,207,274        | 317,000        | -                     | 6,524,274        |
| Additions                      | -                | 59,312         | -                     | 59,312           |
| Impairment                     | -                | -              | -                     | -                |
| Amortisation charge *          | -                | (160,168)      | -                     | (160,168)        |
| Exchange differences           | -                | 24,470         | -                     | 24,470           |
| <b>Closing net book amount</b> | <b>6,207,274</b> | <b>240,614</b> | <b>-</b>              | <b>6,447,888</b> |
| <b>At 30 June 2023</b>         |                  |                |                       |                  |
| Cost                           | 8,885,406        | 3,060,647      | 315,000               | 12,261,053       |
| Accumulated amortisation**     | (2,678,132)      | (2,820,033)    | (315,000)             | (5,813,165)      |
| <b>Net book amount</b>         | <b>6,207,274</b> | <b>240,614</b> | <b>-</b>              | <b>6,447,888</b> |

\* consolidated entity amortisation of \$160,168 (2022: \$183,466) is included in depreciation and amortisation expense in the Statement of Profit or Loss and Other Comprehensive Income.

\*\* The accumulated amortisation on goodwill relates to impairment accounted for in prior years

### (a) Impairment Tests for Goodwill

Goodwill is allocated to the consolidated entity cash-generating units (CGUs) identified according to business segment and country of operation.

A segment-level summary of the goodwill allocation is presented below.

| 2023          | Australia \$     | Africa \$        | Total \$         |
|---------------|------------------|------------------|------------------|
| Minerals      | 3,622,991        | 2,465,026        | 6,088,017        |
| Metallurgical | 119,257          | -                | 119,257          |
|               | <b>3,742,248</b> | <b>2,465,026</b> | <b>6,207,274</b> |
| 2022          | Australia \$     | Africa \$        | Total \$         |
| Minerals      | 3,622,991        | 2,465,026        | 6,088,017        |
| Metallurgical | 119,257          | -                | 119,257          |
|               | <b>3,742,248</b> | <b>2,465,026</b> | <b>6,207,274</b> |



# Notes to the Financial Statements

As of 30 June 2023

## (b) Key Assumptions Used for Value-in-Use Calculations

The recoverable amount of each CGU within the business segment is determined on the basis of value-in-use (VIU). In the Minerals CGU, our experience and strength in the gold sector and opportunities in sustaining capital works projects underpins the forecast growth both internationally and domestically.

The following describes the assumptions on which management has based its cash flow projections when determining value in use:

### Growth Rate

The growth rate represents a steady indexation rate which does not exceed management's expectations of the long term average growth rate for the business in which each CGU operates. The rate applied in the cash flow projection is for Australia 1.4% (2022: 1.4%) and for Africa 2% (2022: 2%)

### Discount Rate

For the Australian CGUs, the pre-tax discount rate applied to cash flow projections is 8.65% (2022: 6.10%) and for the Minerals CGUs in other countries, the pre-tax discount rate is 13.09% (2022: 13.60%).

The discount rates mentioned above reflects management's estimate of the time value of money and the consolidated entity's weighted average cost of capital and the risk free rate.

### Cash Flows

Value-in-use calculations use cash flow projections from approved budgets based on past performance and expectations for the future covering a three year period.

### Revenue

The value-in-use model is based on the budget approved by the Board. The forecast budget process was developed based on revenue expectations for the year built around existing customer contracts along with the potential to develop new markets and sustain growth.

### Sensitivities

The Board has performed sensitivities around all key assumptions disclosed above. There are no fluctuations to any of the assumptions that could reasonably occur that would cause the recoverable amount of the CGU to be equivalent to that of the carrying amount of the CGUs assets.

## (a) Cash Flow Assumptions

### Minerals and Metallurgical

Apart from the considerations described in determining the value-in-use of the cash-generating units described above, the Board is not currently aware of any other probable changes that would necessitate changes in its key estimates.

# Notes to the Financial Statements

As of 30 June 2023

## 15. NON-CURRENT ASSETS - DEFERRED TAX ASSETS

|  | 2023<br>\$       | 2022<br>\$        |
|--|------------------|-------------------|
| The balance comprises temporary differences attributable to:                 |                  |                   |
| Unused tax losses  | 44,689           | 57,383            |
| Employee benefits  | 1,020,166        | 2,574,453         |
| Doubtful debts   | 115,362          | 130,522           |
| Accrued expenses   | 51,173           | 96,219            |
| Deferred revenue   | -                | 8,727,417         |
| Other provisions   | 2,469,697        | 1,531,110         |
| Depreciation   | 21,463           | 48,427            |
| Finance leases   | -                | 4,005             |
| Lease liabilities  | 3,566,227        | 4,205,718         |
| Employee Share Trust   | 375,246          | 429,501           |
|  | <b>7,664,023</b> | <b>17,804,755</b> |
| Set-off of deferred tax liabilities pursuant to set-off provisions (note 22) | (3,954,919)      | (5,182,865)       |
| Net deferred tax assets  | <b>3,709,104</b> | <b>12,621,890</b> |
| Deferred tax assets expected to be recovered within 12 months                | <b>3,814,979</b> | <b>16,066,084</b> |
| Deferred tax assets expected to be recovered after more than 12 months       | <b>3,849,044</b> | <b>1,738,671</b>  |
|  | <b>7,664,023</b> | <b>17,804,755</b> |

| Move-ments                             | Doubtful debts \$ | Employee benefits \$ | Deferred revenue \$ | Accrued expenses \$ | Other provisions \$ | Depre-ciation \$ | Finance leases \$ | Unused tax losses \$ | Lease liabilities \$ | Employee Share Trust \$ | Total \$          |
|--|-------------------|----------------------|---------------------|---------------------|---------------------|------------------|-------------------|----------------------|----------------------|-------------------------|-------------------|
| As at 01 July 2021                     | 175,150           | 2,374,441            | 497,837             | 112,044             | 4,344,299           | 27,476           | -                 | 64,789               | 4,201,860            | -                       | 11,797,896        |
| Credited/ (charged) -to profit or loss | (44,628)          | 200,012              | 8,229,580           | (15,825)            | (2,813,189)         | 20,951           | 4,005             | (7,406)              | 3,858                | 429,501                 | 6,006,859         |
| <b>At 30 June 2022</b>                 | <b>130,522</b>    | <b>2,574,453</b>     | <b>8,727,417</b>    | <b>96,219</b>       | <b>1,531,110</b>    | <b>48,427</b>    | <b>4,005</b>      | <b>57,383</b>        | <b>4,205,718</b>     | <b>429,501</b>          | <b>17,804,755</b> |

| Move-ments                              | Doubtful debts \$ | Employee benefits \$ | Deferred revenue \$ | Accrued expenses \$ | Other provisions \$ | Depre-ciation \$ | Finance leases \$ | Unused tax losses \$ | Lease liabilities \$ | Employee Share Trust \$ | Total \$         |
|---|-------------------|----------------------|---------------------|---------------------|---------------------|------------------|-------------------|----------------------|----------------------|-------------------------|------------------|
| As at 01 July 2022                      | 130,522           | 2,574,453            | 8,727,417           | 96,219              | 1,531,110           | 48,427           | 4,005             | 57,383               | 4,205,718            | 429,501                 | 17,804,755       |
| Credited/ (charged) - to profit or loss | (15,160)          | (1,554,287)          | (8,727,417)         | (45,045)            | 938,586             | (26,964)         | (4,005)           | (12,694)             | (639,491)            | (54,255)                | (10,140,732)     |
| <b>At 30 June 2023</b>                  | <b>115,362</b>    | <b>1,020,166</b>     | <b>-</b>            | <b>51,174</b>       | <b>2,469,696</b>    | <b>21,463</b>    | <b>-</b>          | <b>44,689</b>        | <b>3,566,227</b>     | <b>375,246</b>          | <b>7,664,023</b> |

# Notes to the Financial Statements

As of 30 June 2023

## 16. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

### (a) Categories of Financial Assets and Liabilities

Notes 1(q) and 1(r) provides a description of each category of financial assets and liabilities and the related accounting policies. The carrying amounts of financial assets and liabilities in each category are as follows:

| Financial Assets 2023              | Note  | Fair value through profit or loss \$ | Amortised cost \$  | Total \$           |
|------------------------------------|-------|--------------------------------------|--------------------|--------------------|
| Cash and cash equivalents Minerals | 8     | -                                    | 82,412,067         | 82,412,067         |
| Trade and other receivables        | 9     | -                                    | 87,395,719         | 87,395,719         |
| Deposits held with banks           | 11    | -                                    | 1,007,348          | 1,007,348          |
| Investment in listed equities      | 16(c) | 3,037,485                            | -                  | 3,037,485          |
| Other Receivables                  | 18    | -                                    | -                  | -                  |
|                                    |       | <b>3,037,485</b>                     | <b>170,815,134</b> | <b>173,852,619</b> |

| Financial Assets 2022              | Note  | Fair value through profit or loss \$ | Amortised cost \$  | Total \$           |
|------------------------------------|-------|--------------------------------------|--------------------|--------------------|
| Cash and cash equivalents Minerals | 8     | -                                    | 100,946,619        | 100,946,619        |
| Trade and other receivables        | 9     | -                                    | 67,111,605         | 67,111,605         |
| Deposits held with banks           | 11    | -                                    | 591,844            | 591,844            |
| Investment in listed equities      | 16(c) | 2,471,669                            | -                  | 2,471,669          |
| Other Receivables                  | 18    | -                                    | 42,459             | 42,459             |
|                                    |       | <b>2,471,669</b>                     | <b>168,692,527</b> | <b>171,164,196</b> |

| Financial Liabilities 2023 | Note  | Fair value through profit or loss \$ | Amortised cost \$ | Total \$          |
|----------------------------|-------|--------------------------------------|-------------------|-------------------|
| Trade and other payables   |       | -                                    | 23,776,529        | 23,776,529        |
| Borrowings                 | 16(b) | -                                    | 680,136           | 680,136           |
| Lease liabilities          |       | -                                    | 15,021,333        | 15,021,334        |
|                            |       | -                                    | <b>39,477,998</b> | <b>39,477,999</b> |

| Financial Liabilities 2022 | Note  | Fair value through profit or loss \$ | Amortised cost \$ | Total \$          |
|----------------------------|-------|--------------------------------------|-------------------|-------------------|
| Trade and other payables   |       | -                                    | 21,259,240        | 21,259,240        |
| Borrowings                 | 16(b) | -                                    | 1,524,787         | 1,524,787         |
| Lease liabilities          |       | -                                    | 15,120,445        | 15,120,445        |
|                            |       | -                                    | <b>37,904,472</b> | <b>37,904,472</b> |

A description of the consolidated entity's financial instrument risks, including risk management objectives and policies is given in Note 2.

# Notes to the Financial Statements

As of 30 June 2023

### (b) Borrowings

Borrowings include the following financial liabilities:

|                                   | 2023           |                |                | 2022           |                |                  |
|-----------------------------------|----------------|----------------|----------------|----------------|----------------|------------------|
|                                   | Current \$     | Non-Current \$ | Total \$       | Current \$     | Non-Current \$ | Total \$         |
| <b>Secured</b>                    |                |                |                |                |                |                  |
| Finance Leases                    | 680,136        | -              | 680,136        | 841,470        | 683,317        | 1,524,787        |
| <b>Total Secured borrowings</b>   | <b>680,136</b> | <b>-</b>       | <b>680,136</b> | <b>841,470</b> | <b>683,317</b> | <b>1,524,787</b> |
| <b>Unsecured</b>                  |                |                |                |                |                |                  |
| Other Loans                       | -              | -              | -              | -              | -              | -                |
| <b>Total Unsecured borrowings</b> | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>         |
| <b>Total borrowings</b>           | <b>680,136</b> | <b>-</b>       | <b>680,136</b> | <b>841,470</b> | <b>683,317</b> | <b>1,524,787</b> |

All borrowings are denominated in AUD.

Bank borrowings are secured by plant and equipment owned by the consolidated entity. Current interest rates are variable and average 2.65% (2022: 2.55%). The carrying amount of bank borrowings is considered to be a reasonable approximation of fair value.

### (c) Fair Value Measurement

Financial assets and liabilities measured at fair value in the Statement of Financial Position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 30 June 2023 and 30 June 2022.

| 2023  | Level 1 \$       | Level 2 \$    | Level 3 \$ | Total \$         |
|---|------------------|---------------|------------|------------------|
| <b>Financial assets / (liabilities)</b>                     |                  |               |            |                  |
| Listed Securities   | 3,037,485        | -             | -          | 3,037,485        |
| Derivative liabilities – foreign exchange forward contracts | -                | 31,386        | -          | 31,386           |
| <b>Net fair value</b>                                       | <b>3,037,485</b> | <b>31,386</b> | <b>-</b>   | <b>3,068,871</b> |

| 2022  | Level 1 \$       | Level 2 \$       | Level 3 \$ | Total \$         |
|---|------------------|------------------|------------|------------------|
| <b>Financial assets / (liabilities)</b>                     |                  |                  |            |                  |
| Listed Securities   | 2,471,669        | -                | -          | 2,471,669        |
| Derivative liabilities – foreign exchange forward contracts | -                | (536,081)        | -          | (536,081)        |
| <b>Net fair value</b>                                       | <b>2,471,669</b> | <b>(536,081)</b> | <b>-</b>   | <b>1,935,588</b> |

There were no transfers between Level 1 and Level 2 in 2023 and 2022.



# Notes to the Financial Statements

As of 30 June 2023

## (c) Fair Value Measurement (continued)

| Movements:               | 2023<br>\$       | 2022<br>\$       |
|--------------------------|------------------|------------------|
| <b>Listed Securities</b> |                  |                  |
| Balance 01 July          | 2,471,669        | 739,920          |
| Additions                | -                | -                |
| Revaluation              | 565,814          | 1,902,830        |
| Disposals                | -                | (171,081)        |
| <b>Balance 30 June</b>   | <b>3,037,485</b> | <b>2,471,669</b> |

### Measurement of Fair Value of Financial Instruments

The valuation techniques used for instruments categorised in Level 2 are described below:

#### Foreign Currency Forward Contracts (Level 2)

The consolidated entity's foreign currency forward contracts are not traded in active markets. These have been fair valued using observable forward exchange rates and interest rates corresponding to the maturity of the contract. The effects of non-observable inputs are not significant for foreign currency forward contracts.

## 17. NON-CURRENT ASSETS – INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

|                              | 2023<br>\$       | 2022<br>\$       |
|------------------------------|------------------|------------------|
| Investment in joint ventures | 1,156,701        | 819,990          |
| Investment in associates     | 2,652,794        | 1,948,371        |
|                              | <b>3,809,495</b> | <b>2,768,361</b> |

## (a) Investment in Joint Ventures

The consolidated entity has the following joint ventures:

| Name of Joint Venture                             | Country of incorporation & principal place of business | Principal activities                    | Proportion of ownership interest held by the Consolidated entity |      |
|---|--|---|--|------|
|   |  |   | 2023   | 2022 |
| Mondium Pty Ltd ('Mondium')                       | Australia  | Engineering and construction services   | 40%  | 40%  |
| Orway IQ Pty Ltd ('OIQ') Incorporated in May 2019 | Australia  | Remote optimisation consulting services | 50%  | 50%  |

| The Consolidated entity's share of the results of its principal joint ventures: | 2023<br>\$       | 2022<br>\$         |
|---|------------------|--------------------|
| (Loss)/profit from continuing operations  | 336,711          | (1,273,632)        |
| Other comprehensive income  | -                | -                  |
| Total comprehensive income  | <b>336,711</b>   | <b>(1,273,632)</b> |
| <b>Carrying amount of the consolidated entity's interest in joint ventures</b>  | <b>1,156,701</b> | <b>819,990</b>     |

# Notes to the Financial Statements

As of 30 June 2023

## (a) Investment in Joint Ventures (continued)

| Joint ventures summarised Statement of Financial Position | 2023<br>\$   | 2022<br>\$   |
|---|--------------|--------------|
| Cash and cash equivalents                                 | 19,324,018   | 24,843,579   |
| Current assets  | 19,049,059   | 25,528,103   |
| Non-current assets  | 2,689,346    | 4,856,975    |
| Total assets  | 21,738,405   | 30,385,078   |
| Current liabilities                                       | (18,405,717) | (25,340,707) |
| Non-current liabilities                                   | (440,936)    | (2,998,955)  |
| Total liabilities   | (18,846,653) | (28,339,662) |
| Net assets  | 2,891,752    | 2,045,416    |
| Consolidated entity's share of joint ventures net assets  | 1,156,701    | 819,990      |

## (b) Investment in Associates

The consolidated entity has the following joint ventures:

| Name of Associate  | Country of incorporation & principal place of business | Principal activities                | Proportion of ownership interest held by the Consolidated entity |      |
|--|--|-------------------------------------|--|------|
|  |  |                                     | 2023   | 2022 |
| ECG Engineering Pty Ltd                                  | Australia  | Electrical engineering services     | 31%  | 31%  |
| Kholo Marine & Minerals (Pty) Ltd Incorporated July 2019 | South Africa   | Engineering and consulting services | 49%  | 49%  |

| The Consolidated entity's share of the results of its principal associates: | 2023<br>\$       | 2022<br>\$       |
|---|------------------|------------------|
| Profit from continuing operations   | 1,726,382        | 1,072,460        |
| Other comprehensive income  | -                | -                |
| Total comprehensive income  | <b>1,726,382</b> | <b>1,072,460</b> |

|  |                  |                  |
|--|------------------|------------------|
| <b>Carrying amount of the Consolidated entity's interest in associates</b> | <b>2,652,794</b> | <b>1,948,371</b> |
|--|------------------|------------------|

Included in the carrying amount of the company interest in associate is dividends of \$1,021,959 (2022: \$900,774).

| Associate summarised Statement of Financial Position | 2023<br>\$  | 2022<br>\$  |
|--|-------------|-------------|
| Cash and cash equivalents                            | 1,275,399   | 2,307,721   |
| Current assets                                       | 12,408,693  | 8,855,711   |
| Non-current assets                                   | 1,011,330   | 788,359     |
| Total assets   | 13,420,023  | 9,644,071   |
| Current liabilities                                  | (4,116,866) | (2,972,429) |
| Non-current liabilities                              | (745,757)   | (386,574)   |
| Total liabilities                                    | (4,862,623) | (3,359,003) |
| Net assets   | 8,557,400   | 6,285,067   |
| Consolidated entity's share of Associate net assets  | 2,652,794   | 1,948,371   |

## 18. NON-CURRENT ASSETS - OTHER RECEIVABLES

|                   | 2023<br>\$ | 2022<br>\$ |
|-------------------|------------|------------|
| Other receivables | -          | 42,459     |

None of the non-current receivables are impaired or past due but not impaired.

# Notes to the Financial Statements

As of 30 June 2023

## 19. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

|                                       | 2023<br>\$        | 2022<br>\$        |
|---------------------------------------|-------------------|-------------------|
| Trade payables                        | 5,408,804         | 3,550,925         |
| Goods and services tax (GST) payable  | 5,032,437         | 4,811,718         |
| Sundry creditors and accrued expenses | 18,367,725        | 17,661,436        |
|                                       | <b>28,808,966</b> | <b>26,024,079</b> |

Included in the above are financial liabilities of \$25,315,715 (2022: \$21,259,240).

Details of the consolidated entity's exposure to foreign exchange risk is provided in note 2.

## 20. CURRENT LIABILITIES – EMPLOYEE BENEFITS

|                              | 2023<br>\$       | 2022<br>\$       |
|------------------------------|------------------|------------------|
| Employee benefit obligations | 9,221,812        | 8,869,891        |
|                              | <b>9,221,812</b> | <b>8,869,891</b> |

Amounts not Expected to be Settled Within the Next 12 Months

Employee benefit obligations include accruals for annual leave and unconditional entitlements of long service leave. The entire obligation is presented as current, since the consolidated entity does not have an unconditional right to defer settlement. However, based on past experience, the consolidated entity does not expect all employees to take the full amount of accrued leave within the next 12 months.

The following amounts reflect leave that is not expected to be taken within the next 12 months:

|  | 2023<br>\$       | 2022<br>\$       |
|--|------------------|------------------|
| Annual leave obligation expected to be settled after 12 months       | 1,884,217        | 1,519,360        |
| Long service leave obligation expected to be settled after 12 months | 1,526,706        | 1,437,788        |
|  | <b>3,410,923</b> | <b>2,957,148</b> |

## 21. CURRENT LIABILITIES – PROVISIONS

|                                  | 2023<br>\$ | 2022<br>\$ |
|----------------------------------|------------|------------|
| Service and equipment warranties | 9,578,601  | 4,087,367  |

### (a) Movements in Provisions

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

| 2023                                  | Service and equipment warranties<br>\$ | Total<br>\$      |
|---------------------------------------|--|------------------|
| Carrying amount at beginning of year  | 4,087,367                              | 4,087,367        |
| Provisions reversed                   | -                                      | -                |
| Provisions recognised                 | 5,440,853                              | 5,440,853        |
| Exchange differences                  | 50,381                                 | 50,381           |
| <b>Carrying amount at end of year</b> | <b>9,578,601</b>                       | <b>9,578,601</b> |

The consolidated entity recognises service and equipment warranty provisions in accordance with its current policy. The amount provided takes into account the percentage completion of the project, forecast to complete costs plus any close-out obligations and potential contractual liabilities during the warranty period.

# Notes to the Financial Statements

As of 30 June 2023

## 22. NON-CURRENT LIABILITIES - DEFERRED TAX LIABILITIES

|  | 2023<br>\$       | 2022<br>\$       |
|--|------------------|------------------|
| The balance comprises temporary differences attributable to:                 |                  |                  |
| Accrued income   | 170,241          | (15,624)         |
| Other provisions   | 17,945           | 37,681           |
| Depreciation & amortisation  | 627,197          | 1,368,892        |
| Prepaid expenses   | -                | (1,129)          |
| Right-of-use assets  | 3,139,536        | 3,793,045        |
|  | <b>3,954,919</b> | <b>5,182,865</b> |
| Set-off of deferred tax liabilities pursuant to set-off provisions (note 15) | (3,954,919)      | (5,182,865)      |
| Net deferred tax liabilities   | -                | -                |
| Deferred tax liabilities expected to be settled within 12 months             | 191,087          | 20,929           |
| Deferred tax liabilities expected to be settled after more than 12 months    | 3,763,832        | 5,161,936        |
|  | <b>3,954,919</b> | <b>5,182,865</b> |

| Movements:                          | Depreciation & amortisation<br>\$ | Accrued income<br>\$ | Other provisions<br>\$ | Prepaid expenses<br>\$ | Right-of-use assets<br>\$ | Total<br>\$      |
|-------------------------------------|-----------------------------------|----------------------|------------------------|------------------------|---------------------------|------------------|
| As at 01 July 2021                  | 42,461                            | 199,548              | 1,359,638              | 10,540                 | 3,996,259                 | 5,608,446        |
| Charged/(credited) - profit or loss | 1,326,431                         | (215,172)            | (1,321,957)            | (11,669)               | (203,214)                 | (425,581)        |
| At 30 June 2022                     | 1,368,892                         | (15,624)             | 37,681                 | (1,129)                | 3,793,045                 | 5,182,865        |
| <b>As at 01 July 2022</b>           | <b>1,368,892</b>                  | <b>(15,624)</b>      | <b>37,681</b>          | <b>(1,129)</b>         | <b>3,793,045</b>          | <b>5,182,865</b> |
| Charged/(credited) - profit or loss | (741,695)                         | 185,865              | (19,736)               | 1,129                  | (653,509)                 | (1,227,946)      |
| <b>At 30 June 2023</b>              | <b>627,197</b>                    | <b>170,241</b>       | <b>17,945</b>          | <b>-</b>               | <b>3,139,536</b>          | <b>3,954,919</b> |

## 23. NON-CURRENT LIABILITIES – EMPLOYEE BENEFITS

|  | 2023<br>\$ | 2022<br>\$ |
|--|------------|------------|
| Employee benefits - long service leave | 1,526,707  | 671,369    |

## 24. ISSUED CAPITAL

### (a) Share Capital

|  | 2023<br>Shares    | 2022<br>Shares    | 2023<br>\$        | 2022<br>\$        |
|--|-------------------|-------------------|-------------------|-------------------|
| <b>Ordinary shares</b>                               |                   |                   |                   |                   |
| Fully paid   | 39,740,226        | 39,740,226        | 20,854,574        | 20,854,574        |
| Less: Treasury shares held by Employee Share Trust   | (265,033)         | (203,921)         | (1,032,083)*      | (889,693)*        |
| Add: Exercise of Shares through Employee Share Trust | 201,209           | 50,000            | 874,193           | 281,107           |
| Less: Loan funded shares to senior management        | (350,000)         | (150,000)         | (2,145,327)**     | (901,828)**       |
| <b>Balance at the end of the period</b>              | <b>39,326,402</b> | <b>39,436,305</b> | <b>18,551,357</b> | <b>19,344,160</b> |

\*Movement in treasury shares held by Employee Share Trust during the year ended 30 June 2023 amounted to \$ 142,391 (2022 : \$ 889,693)

\*\* Movement in Loan Funded Shares to Senior management during the year ended 30 June 2023 amounted to \$ 1,243,499 (2022 : \$ 901,828)

Refer Note 1 (ah) for accounting policy on accounting for Employee Share Trust. Refer Note 37(b) for further details on loan funded shares.



# Notes to the Financial Statements

As of 30 June 2023

## 24. ISSUED CAPITAL (continued)

### (b) Ordinary Shares

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

### (c) Capital Risk Management

The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, to continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the consolidated entity monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'borrowings' and 'trade and other payables' as shown in the Consolidated Statement of Financial Position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the Consolidated Statement of Financial Position (including non-controlling interests) plus net debt.

During 2023, the consolidated entity's strategy was to maintain a gearing ratio of less than 40%. The gearing ratios at 30 June 2023 and 30 June 2022 were as follows:

|                                       | 2023<br>\$   | 2022<br>\$    |
|---------------------------------------|--------------|---------------|
| Total borrowings (including payables) | 63,877,236   | 79,887,673    |
| Less: cash and cash equivalents       | (82,412,067) | (100,946,619) |
| Net debt                              | (18,534,831) | (21,058,946)  |
| Total equity                          | 113,069,761  | 99,675,420    |
| Total capital                         | 94,534,930   | 78,616,474    |
| Gearing ratio                         | 16%          | 21%           |

## 25. RESERVES

|                                      | 2023<br>\$  | 2022<br>\$  |
|--------------------------------------|-------------|-------------|
| Share-based payment reserve          | 1,794,716   | 1,333,109   |
| Foreign currency translation reserve | (5,367,407) | (1,670,613) |
|                                      | (3,572,691) | (337,504)   |

| Movements:   | 2023<br>\$         | 2022<br>\$         |
|--|--------------------|--------------------|
| <b>Share-based Payments Reserve</b>                      |                    |                    |
| Balance 1 July   | 1,333,109          | 623,021            |
| Performance rights plan expense                          | 574,275            | 487,419            |
| Loan funded shares                                       | 450,800            | 220,500            |
| Transfer to share capital - exercise of rights           | (593,087)          | (281,107)          |
| Tax effect of transfer to cash to employee share trust   | 29,619             | 283,276            |
| <b>Balance 30 June</b>                                   | <b>1,794,716</b>   | <b>1,333,109</b>   |
| <b>Foreign Currency Translation Reserve</b>              |                    |                    |
| Balance 1 July   | (1,670,613)        | (852,957)          |
| Currency translation differences arising during the year | (3,696,794)        | (817,656)          |
| <b>Balance 30 June</b>                                   | <b>(5,367,407)</b> | <b>(1,670,613)</b> |

# Notes to the Financial Statements

As of 30 June 2023

## 25. RESERVES (continued)

### (a) Nature and Purpose of Reserves

#### (i) Share-based Payments Reserve

The share-based payment reserve is used to recognised the fair value of rights issued to certain directors or employees during the year. This also includes reserve for other share-based payments.

#### (ii) Foreign Currency Translation Reserve

Exchange differences arising on translation of foreign controlled entities are recognised in other comprehensive income as described in note 1(e) and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

## 26. RETAINED EARNINGS

|                           | 2023<br>\$   | 2022<br>\$   |
|---------------------------|--------------|--------------|
| Balance 1 July            | 81,496,413   | 67,758,814   |
| Profit for the year       | 46,780,431   | 26,851,874   |
| Dividends paid or payable | (28,612,962) | (13,114,275) |
| Balance 30 June           | 99,663,882   | 81,496,413   |

## 27. NON-CONTROLLING INTERESTS

|                          | 2023<br>\$  | 2022<br>\$ |
|--------------------------|-------------|------------|
| Share capital            | 13,264      | 13,264     |
| Reserves                 | 4,003       | 4,003      |
| Non-controlling interest | (288,240)   | (288,240)  |
| Retained earnings        | (1,406,668) | (556,676)  |
|                          | (1,677,641) | (827,649)  |

## 28. DIVIDENDS

### (a) Ordinary Shares

|   | 2023<br>\$ | 2022<br>\$ |
|---|------------|------------|
| Final dividends for year ended 30 June 2022 of 36.0 cents (2021: 15.0 cents) per fully paid share paid on 7 October 2022 (2020: 8 October 2021) Fully franked based on tax paid at 30% (2022: 30%)  | 14,306,481 | 5,961,034  |
| Interim dividend for the year ended 30 June 2023 of 36.0 cents (2022: 18.0 cents) per fully paid share paid on 6 April 2023 (2021: 7 April 2022) Fully franked based on tax paid at 30% (2022: 30%) | 14,306,481 | 7,153,241  |
| Total dividends provided for or paid  | 28,612,962 | 13,114,275 |

### (b) Dividends Not Recognised at the End of the Reporting Period

|   | 2023<br>\$ | 2022<br>\$ |
|---|------------|------------|
| In addition to the above dividends, since year end the Directors have recommended the payment of a final dividend of 45.0 cents per fully paid ordinary share (2022: 36.0 cents), fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 6 October 2023 out of retained earnings at 30 June 2023, but recognised as a liability at year end, is | 17,883,102 | 14,306,481 |

# Notes to the Financial Statements

As of 30 June 2023

## 28. DIVIDENDS (continued)

### (c) Franked Dividends

|  | 2023<br>\$ | 2022<br>\$ |
|--|------------|------------|
| Franking credits available for subsequent reporting periods based on a tax rate of 30% (2022: 30%) | 11,260,421 | 16,987,218 |

The above amounts are calculated from the balance of the franking account as at the end of the reporting year, adjusted for franking credits and debits that will arise from the settlement of liabilities or receivables for income tax and dividends after the end of the year:

- (a) franking credits that will arise from the payment of the amount of the provision for income tax
- (b) franking debits that will arise from the payment of dividend recognised as a liability at the reporting date, and
- (c) franking credits that will arise from the receipt of dividend recognised as receivables at the reporting date.

The consolidated amounts include franking credits that would be available to the parent entity if distributable profits of subsidiaries were paid as dividends.

The impact on the franking account of the dividend recommended by the directors since year end, but recognised as a liability at year end, will be a reduction in the franking account of \$7,664,186 (2021: \$6,131,349).

## 29. REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

### (a) RSM Australia Partners (2022: RSM Australia Partners)

|                                       | 2023<br>\$ | 2022<br>\$ |
|---------------------------------------|------------|------------|
| Audit and Other Assurance Services    |            |            |
| Audit and review of financial reports | 240,775    | 220,000    |
| Total remuneration                    | 240,775    | 220,000    |

### (b) Non-RSM Australia Partners (2022: Non-RSM Australia Partners)

|  | 2023<br>\$ | 2022<br>\$ |
|--|------------|------------|
| Audit and Other Assurance Services                           |            |            |
| Audit and review of financial reports                        | 121,442    | 117,373    |
| Taxation Services  |            |            |
| Tax compliance services (including income tax returns)       | 179,872    | 27,583     |
| Other Services   |            |            |
| Other services   | 45,972     | 20,219     |
| Total remuneration of non-RSM Australia Partners audit firms | 347,286    | 165,175    |
| Total remuneration   | 588,061    | 385,175    |

# Notes to the Financial Statements

As of 30 June 2023

## 30. CONTINGENCIES

The consolidated entity had contingent liabilities at 30 June 2023 and 30 June 2022 in respect of:

### (a) Contingent Liabilities

#### (i) Guarantees

Guarantees are given in respect of rental bonds for \$2,688,829 (2022: \$9,097,573).

These guarantees may give rise to liabilities in the event that the consolidated entity defaults on its obligations under the terms of the lease agreement for its premises at 1 Adelaide Terrace, East Perth, 60 Leichhardt Street, Spring Hill, 253-269 Wellington Road, Mulgrave, 138-140 Beaumont Street, Hamilton, Centennial Place, Century Boulevard, Century City, Cape Town, South Africa and Golf Park, Cape Town, South Africa.

Insurance bonds of \$15,988,599 are provided in respect of performance and defects warranty as at 30 June 2023 (2022: \$12,624,858).

No material losses are anticipated in respect of any of the above contingent liabilities (2022: Nil).

## 31. COMMITMENTS

### (a) Capital Commitments

There was no capital expenditure contracted for at the reporting date which has not been recognised as a liability (2022: Nil).

## 32. RELATED PARTY TRANSACTIONS

### (a) Parent Entity

The parent entity within the consolidated entity is Lycopodium Limited, which is incorporated in Australia.

### (b) Subsidiaries

Interests in subsidiaries are set out in note 33.

### (c) Key Management Personnel

|                              | 2023<br>\$ | 2022<br>\$ |
|------------------------------|------------|------------|
| Short-term employee benefits | 3,082,961  | 2,871,696  |
| Post-employment benefits     | 134,388    | 184,132    |
| Share-based payments         | 730,626    | 394,795    |
|                              | 3,947,975  | 3,450,623  |

Detailed remuneration disclosures are provided in the Remuneration Report on pages 16 to 21.

### (d) Transactions with Other Related Parties

The following transactions occurred with related parties:

|  | 2023<br>\$ | 2022<br>\$ |
|--|------------|------------|
| Sales of Goods and Services            | 2,532,015  | 8,621,467  |
| Sales to associates and joint ventures |            |            |
| Purchases of Goods and Services        | 15,206,567 | 7,647,209  |
| Purchases from associates              |            |            |



# Notes to the Financial Statements

As of 30 June 2023

## 32. RELATED PARTY TRANSACTIONS (continued)

### (e) Outstanding Balances Arising from Sales/Purchases of Goods and Services

The following balances are outstanding at the end of the reporting year in relation to transactions with related parties:

|                               | 2023<br>\$ | 2022<br>\$ |
|-------------------------------|------------|------------|
| Current Receivables           | 795,093    | 605,259    |
| Associates and joint ventures |            |            |
| Current Payables              | 3,885,840  | 107,948    |
| Associates                    |            |            |

### (f) Loans to/from Related Parties

|                         | 2023<br>\$ | 2022<br>\$   |
|-------------------------|------------|--------------|
| Loans to Joint Ventures |            |              |
| Beginning of the year   | 20,000     | 4,020,000    |
| Loans advanced          | 56,433     | 20,000,000   |
| Repayments made         | (20,000)   | (24,000,000) |
| End of the year         | 56,433     | 20,000       |

There is no allowance account for impaired receivables in relation to any outstanding balances, and no expense has been recognised in respect of impaired receivables due from related parties.

### (g) Terms and Conditions

Purchases and sales of goods and services with statutory joint ventures are made at cost.

Purchases and sales of goods and services with the associate are made at arms-length.

Loans advanced to the joint venture is repayable within 12 months. Interest is payable on the loan at a rate of 2.05% per annum.

Outstanding balances are unsecured and are repayable in cash.

# Notes to the Financial Statements

As of 30 June 2023

## 33. SUBSIDIARIES

### (a) Significant Investments in Subsidiaries

The consolidated financial report incorporate the assets, liabilities and results of the following principal subsidiaries in accordance with the accounting policy described in note 1(b):

| Name of Entity                             | Country of incorporation / principal activity | Class of shares | Equity holding |        |
|--|---|-----------------|----------------|--------|
|  |   |                 | 2023 %         | 2022 % |
| Lycopodium Minerals Pty Ltd                | Australia <sup>(1)</sup>                      | Ordinary        | 100            | 100    |
| Lycopodium Process Industries Pty Ltd      | Australia <sup>(1)</sup>                      | Ordinary        | 100            | 100    |
| Orway Mineral Consultants (WA) Pty Ltd     | Australia <sup>(1)</sup>                      | Ordinary        | 100            | 100    |
| Lycopodium Ghana Ltd                       | Ghana <sup>(2)</sup>                          | Ordinary        | 100            | 100    |
| Lycopodium Burkina Faso SARL               | Burkina Faso <sup>(2)</sup>                   | Ordinary        | 100            | 100    |
| Lycopodium Cote D'Ivoire SARL              | Cote D'Ivoire <sup>(2)</sup>                  | Ordinary        | 100            | 100    |
| Lycopodium Infrastructure Pty Ltd          | Australia <sup>(1)</sup>                      | Ordinary        | 100            | 100    |
| Lycopodium Minerals Canada Ltd             | Canada <sup>(1)</sup>                         | Ordinary        | 100            | 100    |
| Lycopodium Philippines Pty Ltd             | Australia <sup>(1)</sup>                      | Ordinary        | 100            | 100    |
| Orway Mineral Consultants (Canada) Ltd     | Canada <sup>(1)</sup>                         | Ordinary        | 100            | 100    |
| ADP Holdings (Pty) Limited                 | South Africa <sup>(1)</sup>                   | Ordinary        | 100            | 100    |
| Lycopodium Asset Management Pty Ltd        | Australia                                     | Ordinary        | 100            | 100    |
| Lycopodium Minerals QLD Pty Ltd            | Australia                                     | Ordinary        | 100            | 100    |
| Lycopodium Rail Pty Ltd                    | Australia                                     | Ordinary        | 100            | 100    |
| Lycopodium Management Consulting Pty Ltd   | Australia                                     | Ordinary        | 100            | 100    |
| Lycopodium Share Plan Pty Ltd              | Australia                                     | Ordinary        | 100            | 100    |
| Lycopodium Americas Pty Ltd                | Australia                                     | Ordinary        | 100            | 100    |
| Lycopodium (Ghana) Pty Ltd                 | Australia                                     | Ordinary        | 100            | 100    |
| Orway Mineral Consultants Americas Pty Ltd | Australia                                     | Ordinary        | 100            | 100    |

(1) Engineering, procurement, construction management services

(2) Offshore project support services

## 34. EVENTS OCCURRING AFTER THE REPORTING PERIOD

Subsequent to year end the Directors have recommended the payment of a final dividend on ordinary shares in respect of the 2023 financial year. The total amount of the dividend is \$17,883,102 (2022: \$14,306,481), which represents a fully franked dividend of 45.0 (2022: 36.0) cents per fully paid ordinary share.

With the exception of the above, no other matter or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect:

- the Consolidated entity's operations in future financial years, or
- the results of those operations in future financial years, or
- the Consolidated entity's state of affairs in future financial years.

# Notes to the Financial Statements

As of 30 June 2023

## 35. RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

|   | 2023<br>\$        | 2022<br>\$   |
|---|-------------------|--------------|
| <b>Profit for the year</b>  | <b>45,558,581</b> | 26,851,874   |
| Depreciation and amortisation   | 6,366,509         | 5,621,300    |
| Non-cash employee benefits expense - share-based payments                                       | 461,607           | 710,088      |
| Net loss/(profit) on sale of non-current assets   | 749               | (432,759)    |
| Share of net loss/(profit) of associate and joint venture accounted for using the equity method | (2,063,093)       | 201,172      |
| Interest relating to financing activities   | 75,555            | 886,201      |
| Net fair value gains from financial instruments   | (1,586,777)       | (2,000,159)  |
| Other non-cash items (includes warranty expenses for the period)                                | 3,954,639         | (28,828)     |
| Change in operating assets and liabilities:   |                   |              |
| (Increase)/Decrease in trade debtors and other receivables                                      | (19,953,219)      | (27,164,810) |
| Increase in inventories   | 71,998            | 1,192,787    |
| Decrease in deferred tax assets   | -                 | -            |
| Decrease/Increase in other operating assets   | 195,873           | (2,051,490)  |
| (Decrease)/increase in trade creditors  | 3,136,808         | 11,951,976   |
| (Decrease)/Increase in contract liabilities   | (18,302,595)      | 26,413,554   |
| Decrease in provision for income taxes payable  | -                 | -            |
| Increase/(decrease) in other provisions   | 855,339           | (1,376,252)  |
| <b>Net cash (outflow)/inflow from operating activities</b>                                      | <b>18,771,974</b> | 40,774,654   |

### (a) Non-cash investing and financing activities

|  | 2023<br>\$  | 2022<br>\$  |
|--|-------------|-------------|
| Additions to the right-of-use assets     | 3,458,302   | 2,518,829   |
| Leasehold improvements - lease make good | 1,537,424   | 2,227,857   |
| Shares issued under employee share plan  | (3,305,503) | (1,510,414) |

### (b) Changes in liabilities arising from financing activities

| Consolidated                          | Borrowings<br>\$ | Lease Liability<br>\$ | Total<br>\$       |
|---------------------------------------|------------------|-----------------------|-------------------|
| Balance as at 01 July 2022            | 1,524,787        | 15,120,445            | 16,645,232        |
| Net Cash used in Financing Activities | (844,651)        | (4,229,642)           | (5,074,293)       |
| Acquisition of leases                 |                  | 3,458,302             | 3,458,302         |
| Finance costs for the period          | 3,180            | 764,019               | 764,019           |
| Others                                | -                | -                     | -                 |
| Exchange differences                  | -                | (91,791)              | (91,791)          |
| <b>Balance as on 30 June 2023</b>     | <b>680,136</b>   | <b>15,021,333</b>     | <b>15,701,469</b> |

# Notes to the Financial Statements

As of 30 June 2023

## 36. EARNINGS PER SHARE

### (a) Basic Earnings Per Share

|   | 2023<br>Cents | 2022<br>Cents |
|---|---------------|---------------|
| Basic earnings per share attributable to the ordinary equity holders of the consolidated entity | 117.72        | 68.40         |

### (b) Diluted Earnings Per Share

|   | 2023<br>Cents | 2022<br>Cents |
|---|---------------|---------------|
| Diluted earnings per share attributable to the ordinary equity holders of the consolidated entity | 117.72        | 68.40         |

### (c) Reconciliation of Earnings used in Calculating Earnings Per Share

|  | 2023<br>\$ | 2022<br>\$ |
|--|------------|------------|
| For Basic Earnings Per Share   |            |            |
| Profit attributable to the ordinary equity holders of the consolidated entity used in calculating basic earnings per share   | 46,780,431 | 27,177,702 |
| For Diluted Earnings Per Share   |            |            |
| Profit attributable to the ordinary equity holders of the consolidated entity used in calculating diluted earnings per share | 46,780,431 | 27,177,702 |

### (d) Weighted Average Number of Shares Used as Denominator

|   | 2023<br>Shares | 2022<br>Shares |
|---|----------------|----------------|
| Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share                          | 39,740,226     | 39,740,226     |
| Adjustments for calculation of diluted earnings per share: Performance rights   | -              | -              |
| Weighted average number of ordinary and potential ordinary shares used as the denominator in calculating diluted earnings per share | 39,740,226     | 39,740,226     |



# Notes to the Financial Statements

As of 30 June 2023

## 37. SHARE-BASED PAYMENTS

### (a) Incentive Performance Rights Plan

Performance rights were granted to certain employees and Executive Directors during the year under the Lycopodium Group Performance Rights Plan as approved at the Annual General Meeting on 15 November 2022. The rights were designed to give incentive to the employees and Executive Directors to provide dedicated and ongoing commitment and effort to the consolidated entity and aligning the interest of both employees and shareholders.

Set out below are summaries of rights granted under the plan:

| Grant date<br>2023 | Expiry date      | Exercise Price | Balance at start of the year | Granted during the year | Exercised during the year | Forfeited during the year | Balance at end of the year |
|--------------------|------------------|----------------|------------------------------|-------------------------|---------------------------|---------------------------|----------------------------|
|                    |                  |                | Number                       | Number                  | Number                    | Number                    | Number                     |
| 1 July 2019        | 29 June 2024     | \$0.00         | -                            | -                       | -                         | -                         | -                          |
| 28 November 2019   | 26 November 2024 | \$0.00         | 151,209                      | -                       | (151,209)                 | -                         | -                          |
| 11 December 2020   | 10 December 2025 | \$0.00         | 86,639                       | -                       | -                         | -                         | 86,639                     |
| 19 November 2021   | 18 November 2026 | \$0.00         | 127,139                      | -                       | -                         | -                         | 127,139                    |
| 16 November 2022   | 15 November 2027 | \$0.00         | -                            | 194,355                 | -                         | -                         | 194,355                    |
|                    |                  |                | 364,987                      | 194,355                 | (151,209)                 | -                         | 408,133                    |

| Grant date<br>2022 | Expiry date      | Exercise Price | Balance at start of the year | Granted during the year | Exercised during the year | Forfeited during the year | Balance at end of the year |
|--------------------|------------------|----------------|------------------------------|-------------------------|---------------------------|---------------------------|----------------------------|
|                    |                  |                | Number                       | Number                  | Number                    | Number                    | Number                     |
| 1 July 2019        | 29 June 2024     | \$0.00         | 50,000                       | -                       | -                         | -                         | 50,000                     |
| 28 November 2019   | 26 November 2024 | \$0.00         | 168,320                      | -                       | (7,998)                   | (9,113)                   | 151,209                    |
| 11 December 2020   | 10 December 2025 | \$0.00         | 107,168                      | -                       | (6,531)                   | (13,998)                  | 86,639                     |
| 19 November 2021   | 18 November 2026 | \$0.00         | -                            | 127,139                 | -                         | -                         | 127,139                    |
|                    |                  |                | 325,488                      | 127,139                 | (14,529)                  | (23,111)                  | 414,987                    |

Rights exercised during the financial year 151,209 (2022: 14,529).

The weighted average remaining contractual life of rights outstanding at the end of the financial year was 3.7 years (2022: 3.2).

For the rights granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

| Grant date       | Expiry date      | Share price at grant date | Exercise Price | Expected volatility | Dividend yield | Risk-free interest rate | Fair value at grant date |
|------------------|------------------|---------------------------|----------------|---------------------|----------------|-------------------------|--------------------------|
| 16 November 2022 | 15 November 2027 | \$6.79                    | \$0.00         | 35%                 | 7.95%          | 3.1%                    | \$4.56                   |

Rights exercised during the financial year 151,209 (2022: 64,529).

The weighted average remaining contractual life of rights outstanding at the end of the financial year was 3.2 years (2022: 3.2).

### (b) Loan funded shares

On 03 October 2022, the company issued limited recourse loan funded shares to the director totaling to 200,000 (2022: 150,000) shares. The transaction of limited recourse loan was accounted as share based payments in accordance with AASB 2. The valuation was carried out under Black Scholes option pricing model.

| Grant date     | Expiry date    | Share price at grant date | Exercise Price | Expected volatility | Dividend yield | Risk-free interest rate | Fair value at grant date |
|----------------|----------------|---------------------------|----------------|---------------------|----------------|-------------------------|--------------------------|
| 3 October 2022 | 2 October 2027 | \$6.79                    | \$6.79         | 30%                 | 0.00%          | 3.6%                    | \$2.25                   |

The term of the grant was considered as 5 years. Under the terms of the arrangement, dividends are assumed to be automatically applied towards repayment of the loan, effectively reducing the exercise price. Therefore, to reflect the impact on the assessed value of the loan funded shares, no dividend yield has been included in the valuation model.

Accordingly, the share-based payments expense recognised on account of this grant is \$450,800 (2022: \$220,500).

# Notes to the Financial Statements

As of 30 June 2023

## (c) Expenses Arising from Share-Based Payment Transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expenses were as follows:

|   | 2023<br>\$ | 2022<br>\$ |
|---|------------|------------|
| Rights issued under the Incentive Performance rights plan | 574,275    | 487,419    |
| Share-based expense relating to Loan funded shares        | 450,800    | 220,500    |
|   | 1,025,075  | 707,919    |

## 38. PARENT ENTITY INFORMATION

### (a) Summary Financial Information

The individual financial report for the parent entity shows the following aggregate amounts:

|  | 2023<br>\$        | 2022<br>\$        |
|--|-------------------|-------------------|
| <b>Statement of Financial Position</b> |                   |                   |
| Current assets                         | 27,751,721        | 26,274,640        |
| Non-current assets                     | 49,954,043        | 50,396,013        |
| Total assets                           | 77,705,764        | 76,670,653        |
| Current liabilities                    | 6,510,431         | 2,092,262         |
| Non-current liabilities                | 8,831,243         | 10,433,270        |
| Total liabilities                      | 15,341,674        | 12,525,532        |
| Net assets                             | 62,364,090        | 64,145,121        |
| Shareholders' Equity                   | 42,018,016        | 43,467,852        |
| Contributed equity                     | 18,551,358        | 19,344,160        |
| Share-based payment reserve            | 1,794,716         | 1,333,109         |
| Retained earnings                      | 62,364,090        | 64,145,121        |
| Profit after income tax                | 27,143,356        | 17,344,811        |
| <b>Total comprehensive income</b>      | <b>27,143,356</b> | <b>17,344,811</b> |

### (b) Guarantees Entered into by the Parent Entity

In 2018, the parent entity entered an arrangement with an insurer for a standby insurance bond facility of \$80.0m. In return, the parent entity and Lycopodium Minerals Pty Ltd jointly executed a cross guarantee and indemnity as security for the facility.

### (c) Contingent Liabilities of the Parent Entity

The parent entity did not have any contingent liabilities as at 30 June 2023 or 30 June 2022.

### (d) Contractual Commitments for the Acquisition of Property, Plant or Equipment

The parent entity did not have any contractual commitments for the acquisition of property, plant and equipment as at 30 June 2023 or 30 June 2022.

### (e) Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment





Nanoprobe beamline enclosures,  
Project BRIGHT, Victoria

## Directors' Declaration

### In the Directors' opinion:

- (a) The attached financial statement and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional report requirements;
- (b) The attached financial statement and notes comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- (c) The attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the financial year ended on that date;
- (d) There are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable; and
- (e) At the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become subject by virtue of the deeds of cross guarantee described in note 38(b) to the financial statements.

The Directors have been given the declarations by the Managing Director and Chief Financial Officer required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

**Peter De Leo**  
Managing Director  
Lycopodium Limited

Perth  
21 August 2023



# Independent Auditor's Report



**RSM Australia Partners**  
Level 32, Exchange Tower  
2 The Esplanade Perth WA 6000  
GPO Box R1253 Perth WA 6844

T +61 (0) 8 92619100  
F +61 (0) 8 92619111

www.rsm.com.au

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LYCOPODIUM LIMITED

### Opinion

We have audited the financial report of Lycopodium Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the 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 (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

THE POWER OF BEING UNDERSTOOD  
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

# Independent Auditor's Report



| Key Audit Matter   | How our audit addressed this matter   |
|--|---|
| <p><b>Revenue</b><br/>Refer to Note 5 in the financial statements</p> <p>The Group has recognised a total of \$323,879,383 revenue from contracts with customers. As disclosed in note 1 (d), these revenues are recognised over time as performance obligations are fulfilled.</p> <p>Construction contracts, engineering and related services revenue is recognised by the Group after assessing all factors relevant to each contract, including specifically the following as applicable:</p> <ul style="list-style-type: none"> <li>• Determination of the stage of completion and measurement of progress towards performance obligations;</li> <li>• Estimation of total contract revenue and costs including the estimation of cost contingencies;</li> <li>• Determination of contractual entitlement and assessment of the probability of customer approval of variations and acceptance of claims; and</li> <li>• Estimation of project completion date.</li> </ul> <p>This area is a key audit matter due to the number and type of estimation events over the course of the contract life, the unique nature of individual contract conditions, leading to complex and judgmental revenue recognition from contracts.</p> | <p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• Assessing the appropriateness of the revenue recognition policies applied by the Group against the criteria in the accounting standards;</li> <li>• Assessing contractual terms with customers and testing project revenues and costs incurred against underlying supporting documents;</li> <li>• Assessing management's assumptions in determining the stage of completion, total transaction price and total budgeted cost estimate;</li> <li>• Checking the mathematical accuracy of revenue and profit recognised during the year based on the stage of completion;</li> <li>• Reading customers' and subcontractors' correspondence and discussing the progress of projects with project managers for any potential disputes, variation order claims, known technical issues or significant events that would impact the estimated contract costs;</li> <li>• Discussing with project personnel and management the rationale for revisions made to budgeted costs and checked supporting documentation; and</li> <li>• assessing disclosures in the financial report against the results of our testing and the requirements of the accounting standards.</li> </ul> |
| <p><b>Impairment of goodwill</b><br/>Refer to Note 14 in the financial statements</p> <p>The carrying amount of goodwill at 30 June 2023 was \$6,207,274.</p> <p>Management performs an annual impairment test on the recoverability of goodwill as required by Australian Accounting Standards.</p> <p>We determined this area to be a key audit matter as management's assessment of the value in use of the cash generating unit (CGU) involves judgement about the future cash flow projections, expected revenue growth rates and the discount rate.</p>  | <p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• Considering the appropriateness of the value in use model applied by the Group against the criteria in the accounting standards;</li> <li>• Assessing management's determination of how goodwill is allocated to each CGU;</li> <li>• Challenging the reasonableness of key assumptions, including future cash flow projections, expected revenue growth rates and the discount rate;</li> <li>• Assessing management's sensitivity analysis over the key assumptions used in the model;</li> <li>• Checking the mathematical accuracy of the model and reconciliation of input data to supporting evidence such as approved budgets and considering the reasonableness of the budget; and</li> <li>• assessing disclosures in the financial report against the results of our testing and the requirements of the accounting standards.</li> </ul>  |

# Independent Auditor's Report



## Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023 but does not include the financial report and the auditor's report thereon.

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

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

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

## Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

## Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar1.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf). This description forms part of our auditor's report.

# Independent Auditor's Report



## Report on the Remuneration Report

### Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Lycopodium Limited, for the year ended 30 June 2023, complies with section 300A of the Corporations Act 2001.

### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

RSM AUSTRALIA PARTNERS

JAMES KOMNINOS  
Partner

Perth, WA  
Dated: 21 August 2023



## Shareholder Information

The shareholder information set out below was applicable as at 7 August 2023.

### A. DISTRIBUTION OF EQUITY SECURITIES

Analysis of numbers of equity security holders by size of holding:

| Holding          | Total Holders |
|------------------|---------------|
| 1 - 1000         | 933           |
| 1,001 - 5,000    | 786           |
| 5,001 - 10,000   | 247           |
| 10,001 - 100,000 | 261           |
| 100,001 and over | 30            |
|                  | 2,257         |

There were 100 holders of less than a marketable parcel of ordinary shares.

### B. EQUITY SECURITY HOLDERS

The names of the twenty largest holders of quoted equity securities are listed below:

| Holding   | Ordinary shares |                     |
|---|-----------------|---------------------|
|   | Number held     | Percentage of Units |
| 1 REESH PTY LTD <THE M J CARATTI FAMILY A/C>                  | 9,046,221       | 22.76               |
| 2 BNP PARIBAS NOMS PTY LTD <GLOBAL MARKETS DRP>               | 2,783,794       | 7.00                |
| 3 UBS NOMINEES PTY LTD <THORNEY INVESTMENT GROUP>             | 2,728,583       | 6.87                |
| 4 CHIMAERA CAPITAL LIMITED <BRUNO RUGGIERO>                   | 1,785,997       | 4.49                |
| 5 HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED                   | 1,748,280       | 4.40                |
| 6 CITICORP NOMINEES PTY LIMITED                               | 1,715,087       | 4.32                |
| 7 NATIONAL NOMINEES LIMITED                                   | 1,393,515       | 3.51                |
| 8 BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>  | 1,213,733       | 3.05                |
| 9 CADDY FOX PTY LTD <THE LEONARD FAMILY A/C>                  | 902,930         | 2.27                |
| 10 J P MORGAN NOMINEES AUSTRALIA PTY LIMITED                  | 523,316         | 1.32                |
| 11 GOTTERDAMERUNG PTY LIMITED <GOTTERDAMERUNG FAMILY A/C>     | 432,078         | 1.09                |
| 12 MR PETER DE LEO + MRS TIANA DE LEO <DE LEO SUPER FUND A/C> | 427,314         | 1.08                |
| 13 HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2          | 414,730         | 1.04                |
| 14 MR DAVID JAMES TAYLOR                                      | 325,000         | 0.82                |
| 15 SELSO PTY LTD <THE OSMETTI FAMILY A/C>                     | 266,148         | 0.67                |
| 16 DE LEO NOMINEES PTY LTD <THE DE LEO FAMILY A/C>            | 253,557         | 0.64                |
| 17 JOHN O'SULLIVAN PTY LTD <J C O'SULLIVAN P/L S/F A/C>       | 230,000         | 0.58                |
| 18 BOTECH PTY LTD <BOTTECCHIA SUPER FUND A/C>                 | 224,365         | 0.56                |
| 19 MR PETER ROBERT LEMON                                      | 210,000         | 0.53                |
| 20 DE LEO NOMINEES PTY LTD <THE DE LEO INVESTMENT A/C>        | 207,900         | 0.52                |
|   | 26,832,548      | 67.52               |

## Shareholder Information

### C. SUBSTANTIAL HOLDERS

Analysis of numbers of equity security holders by size of holding:

|   | Number held | Percentage of Units |
|---|-------------|---------------------|
| 1 REESH PTY LTD <THE M J CARATTI FAMILY A/C>      | 9,046,221   | 22.76               |
| 2 BNP PARIBAS NOMS PTY LTD <GLOBAL MARKETS DRP>   | 2,783,794   | 7.00                |
| 3 UBS NOMINEES PTY LTD <THORNEY INVESTMENT GROUP> | 2,728,583   | 6.87                |
| 4 CHIMAERA CAPITAL LIMITED <BRUNO RUGGIERO>       | 1,785,997   | 4.49                |
| 5 HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED       | 1,748,280   | 4.40                |

### D. VOTING RIGHTS

The voting rights attaching to each class of equity securities are set out below:

#### (a) Ordinary Shares

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



# Corporate Directory

## Board of Directors

Michael John Caratti  
*Non-Executive Chairman*

Peter De Leo  
*Managing Director*

Bruno Ruggiero  
*Executive Director*

Karl Anthony Cicanese  
*Executive Director*

Rodney Lloyd Leonard  
*Non-Executive, Independent Director*

Steven John Micheil Chadwick  
*Non-Executive, Independent Director*

Louise Bower  
*Non-Executive, Independent Director*

## Audit Committee

Louise Bower  
Peter De Leo  
Rodney Lloyd Leonard

## Remuneration Committee

Steven John Micheil Chadwick  
Michael John Caratti  
Rodney Lloyd Leonard

## Risk Committee

Rodney Lloyd Leonard  
Peter De Leo  
Bruno Ruggiero

## Company Secretary

Justine Campbell

## Notice of Annual General Meeting

The details of the Annual General Meeting of Lycopodium Limited are:  
Fraser Suites Perth  
10 Adelaide Terrace  
East Perth, Western Australia 6004  
10.30am on Tuesday 14 November 2023

## Registered and Principal Office

Level 5, 1 Adelaide Terrace  
East Perth, Western Australia 6004  
+61 8 6210 5222

## Share Registry

Computershare Investor Services Pty Limited  
Level 11, 172 St Georges Terrace  
Perth, Western Australia 6000  
+61 8 9323 2000

## Lawyers to the Company

Steinepreis Paganin  
Level 4, The Read Buildings  
16 Milligan Street  
Perth, Western Australia 6000  
+61 8 9321 4000

## Auditors

RSM Australia Partners  
Level 32, Exchange Tower  
2 The Esplanade  
Perth, Western Australia 6000  
+61 8 9261 9100

## Principal Banker

Australia and New Zealand Bank  
Level 10, 77 St Georges Terrace  
Perth, Western Australia 6000

## Stock Exchange Listing

Lycopodium Limited shares are listed on the Australian Securities Exchange (ASX code: LYL)

## Website

[www.lycopodium.com](http://www.lycopodium.com)

## Corporate Governance Statement

[www.lycopodium.com/investor-relations/corporate-governance/](http://www.lycopodium.com/investor-relations/corporate-governance/)

Pacific National, New South Wales





Lycopodium Limited  
ABN 83 098 556 159

Level 5, 1 Adelaide Terrace  
East Perth, Western Australia 6004  
Australia

T: +61 8 6210 5222  
E: [limited@lycopodium.com](mailto:limited@lycopodium.com)

**[lycopodium.com](https://lycopodium.com)**