



## **INTERIM FINANCIAL REPORT**

**HALF-YEAR ENDED DECEMBER 2024**

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## Directors' Report

For the half-year to 31 December 2024 Blackwall Limited (BWF or the Group) is reporting an after-tax statutory loss of \$1.4 million. This statutory loss is caused by accounting standards associated with the group's decision to distribute WOTSO Property (ASX:WOT) securities as part of its dividend.

In December 2023 BWF acquired Pelorus Private Equity in a scrip for scrip transaction and accounting standards required that the cost base for assets held by Pelorus be reset at the time. The consequence is that the majority of the WOT securities are now treated as having a cost base well above their actual cost. The WOT securities are marked to market in the balance sheet at each balance date but the difference between the reset cost base and the closing price for WOT securities on the dividend payment date becomes a realised gain or loss to the Group. In the December half this was assessed as a loss of \$3.835m.

It should also be noted that the structures holding the Group's investment in WOT, Pyrmont, Alerik and WRV all have carry forward tax losses and do not currently generate assessable income. WOT pays distributions in the form of returns of capital, Alerik distributes surplus income as advances against future assessable income and both Pyrmont and WRV apply surplus funds to repayment of debt within the structures.

Notwithstanding these quirks of the accounting system the Directors have declared a further fully franked dividend of 3.0cps with 0.5cps to be paid in cash and the balance to be paid by means of a 2.5cps in-specie distribution of WOTSO Property (ASX:WOT) securities.

### Principal Activities

The principal activities of the Group are direct and indirect investment in commercial property and the management of commercial property and related investment structures.

### Overview And Strategy

BWF has low operating costs, zero direct debt and a sound investment portfolio. We expect returns from our property portfolio to grow over time while we explore new investment opportunities.

The group is actively seeking new ventures but is patiently opportunistic and it may take some time for BWF's future path to be determined.

Despite the ongoing distributions of the group's WOT securities WOT continues to dominate the BWF balance sheet. We are confident in and optimistic about the future of WOT which continues to expand its WOTSO Flexspace business and its commercial property portfolio.

### Dividends

BWF will pay a fully franked dividend of 3.0cps on 8 April 2025. 0.5cps will be paid in cash and 2.5cps will be paid in equivalent WOT securities. The in-specie dividend of WOT securities in March 2025 is expected to reduce BWF's holding on the WOT register down to 22%.

This in-specie dividend strategy gives BWF shareholders direct access to potential growth in the WOT share price together with ongoing distributions received from WOT. The holders of WOT securities always have the option to sell their WOT securities on market should they be seeking to obtain cash.

## **Review of Operations for the Current Period**

The investment in WRV which owns a property located in Villawood has seen BWF share in the \$1 million value uplift as a result of an independent property valuation carried out in December 2024. This demonstrates yet again that despite a tough economic environment and increases in cap rates in the wider market, property that is well located and professionally managed will likely deliver gains to investors over the medium to long term.

The WOT share price decreased from \$0.86 per security at 30 June 2024 down to \$0.805 per security at 31 December 2024 with it reaching as low as \$0.66 per security in the middle of October 2024. We are not troubled by these market movements and strongly believe that the underlying value will be recognised over time. WOT owns a growing portfolio of well-located commercial properties throughout Australia and New Zealand and the WOTSO Flexspace business is profitable with a growing turnover.

Overall the BWF Group is in robust shape with no direct debt, low overheads, and a portfolio of investments positioned to deliver gains going forward.

The Directors' Report continues on page 20.

## Financial Statements

### Statement of Profit or Loss and Other Comprehensive Income for the half-year ended 31 December 2024

		<b>31 Dec 2024</b>	<b>Restated*</b>
	<b>Note</b>	<b>\$'000</b>	<b>31 Dec 2023</b>
		<b>\$'000</b>	<b>\$'000</b>
Management fees	2	589	610
Transaction and other income	2	500	546
Investment income	2	57	228
<b>Total Revenue</b>		<b>1,146</b>	<b>1,384</b>
Operating expenses	3	(502)	(1,243)
<b>Operating Profit</b>		<b>644</b>	<b>141</b>
Unrealised (loss) / gain on revaluation of investments	4	(40)	2,138
Share of associates losses using the equity method	7	(2,027)	(12)
Finance costs – interest expense		(3)	(133)
Depreciation - property, plant and equipment		(3)	(2)
Gain on bargain purchase of Pelorus		-	6,645
Expenses related to Pelorus acquisition		-	(431)
<b>(Loss) / Profit Before Income Tax from Continuing Operations</b>		<b>(1,429)</b>	<b>8,346</b>
Income tax expense		(13)	(532)
<b>(Loss) / Profit After Tax from Continuing Operations</b>		<b>(1,442)</b>	<b>7,814</b>
Profit after tax from discontinued operations	5	-	1,008
<b>(Loss) / Profit For the Period</b>		<b>(1,442)</b>	<b>8,822</b>
Other comprehensive income		-	-
<b>Total Comprehensive (Loss) / Income</b>		<b>(1,442)</b>	<b>8,822</b>
<b>Earnings Per Share</b>			
<b>(Loss) / Profit Attributable to the Ordinary Equity Holders:</b>			
Basic and diluted (loss) / earnings per share	11	(0.9) cents	10.9 cents
Basic and diluted (loss) / earnings per share – continuing operations	11	(0.9) cents	9.6 cents

\* For further details regarding the restatement refer to Note 5.

The accompanying notes form part of these consolidated financial statements.

## Financial Statements

### Balance Sheet at 31 December 2024

	Note	31 Dec 2024 \$'000	Restated* 30 Jun 2024 \$'000
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents		75	1,406
Trade and other receivables		673	556
<b>Total Current Assets</b>		<b>748</b>	<b>1,962</b>
<b>Non-Current Assets</b>			
Investments	6	3,545	2,733
Investments using the equity method	7	61,238	67,135
Loans	8	1,054	1,101
Property, plant and equipment	9	7	10
<b>Total Non-Current Assets</b>		<b>65,844</b>	<b>70,979</b>
<b>Total Assets</b>		<b>66,592</b>	<b>72,941</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables		437	933
Provision for employee benefits		40	95
Provision for tax payable		317	493
<b>Total Current Liabilities</b>		<b>794</b>	<b>1,521</b>
<b>Non-Current Liabilities</b>			
Deferred tax liabilities		1,344	1,331
Provision for employee benefits		22	20
<b>Total Non-Current Liabilities</b>		<b>1,366</b>	<b>1,351</b>
<b>Total Liabilities</b>		<b>2,160</b>	<b>2,872</b>
<b>Net Assets</b>		<b>64,432</b>	<b>70,069</b>
<b>Equity</b>			
Share capital		69,488	69,488
Reserves		73	73
Retained earnings		(5,129)	508
<b>Total Equity</b>		<b>64,432</b>	<b>70,069</b>
Statutory net assets per share		\$0.38	\$0.42

\* For further details regarding the restatement refer to Note 16.

The accompanying notes form part of these consolidated financial statements.

## Financial Statements

### Statement of Cash Flows for the half-year ended 31 December 2024

	Note	31 Dec 2024 \$'000	Restated* 31 Dec 2023 \$'000
<b>Cash Flows from Operating Activities – continuing</b>			
Management fee receipts and recoveries		627	1,166
Interest received		11	193
Payments to suppliers and employees		(1,113)	(873)
Income tax paid		(175)	(131)
Interest paid		(3)	(133)
<b>Net Cash Flows (Used in) / From Operating Activities</b>		<b>(653)</b>	<b>222</b>
<b>Cash Flows from Investing Activities - continuing</b>			
Distribution received		580	632
Proceeds from sale of investment		500	-
Payment for purchase of investments		(851)	(20)
Repayment of borrowings		(2)	(3,321)
Proceeds of loans		-	40
Cash acquired on Pelorus takeover		-	122
Takeover related payments		-	(431)
<b>Net Cash Flows From / (Used in) Investing Activities</b>		<b>227</b>	<b>(2,978)</b>
<b>Cash Flows Used in Financing Activities – continuing</b>			
Dividends paid to shareholders		(905)	(1,687)
Rental payments		-	(40)
<b>Net Cash Flows (Used in) Financing Activities</b>		<b>(905)</b>	<b>(1,727)</b>
<b>Net decrease in Cash Held – continuing operations</b>		<b>(1,331)</b>	<b>(4,483)</b>
<b>Cash Flow Information – Discontinued Operations</b>			
Net Cash Flows from Operating Activities		-	<b>1,008</b>
Net Cash Flows (used in) Investing Activities		-	<b>(1,008)</b>
Net Cash Flows from Financing Activities		-	-
<b>Net Increase / (Decrease) in Cash Held - Discontinued</b>	5	<b>-</b>	<b>-</b>
<b>Reconciliation of Cash Balances:</b>			
Cash and cash equivalents at the beginning of the period		1,406	5,788
Net decrease in Cash Held		(1,331)	(4,483)
<b>Cash at End of the Period</b>		<b>75</b>	<b>1,305</b>

*All items inclusive of GST where applicable*

\* For further details regarding the restatement refer to Note 5.

The accompanying notes form part of these consolidated financial statements.

**Reconciliation of Operating Cash Flows**

	<b>31 Dec 2024</b>	<b>Restated 31 Dec 2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>(Loss) / Profit for the Year – continuing</b>	<b>(1,442)</b>	<b>7,814</b>
<b>Non-Cash Flows in (Loss) / Profit:</b>		
Equity accounted loss	2,027	12
Depreciation on property, plant and equipment	3	2
Unrealised loss / (gain) on investments	40	(2,138)
Gain on sale of investments	(500)	-
Depreciation on right of use lease asset	-	37
Interest expense on lease liability	-	3
Gain on takeover of Pelorus	-	(6,645)
Gain on termination of lease liability	-	(21)
<b>Operating Cash Inflows / (Outflows) Before Movement in Working Capital</b>	<b>128</b>	<b>(936)</b>
(Increase) / decrease in trade and other receivables	(68)	287
Decrease in deferred tax liabilities	13	665
Increase / (decrease) in trade and other payables	(498)	467
Decrease in income taxes payable	(175)	(272)
(Decrease) / increase in provisions	(53)	11
<b>Net Cash (Outflows) / Inflows from Operating Activities – continuing</b>	<b>(653)</b>	<b>222</b>



## Financial Statements

### Statement of Changes in Equity for the half-year ended 31 December 2024

	No. of Shares On issue	Issued Capital \$'000	Retained Earnings \$'000	Treasury Shares Reserve \$'000	Reserves \$'000	Total \$'000
<b>Balance at 1 July 2024</b>	<b>167,802,566</b>	<b>69,488</b>	<b>508</b>	<b>-</b>	<b>73</b>	<b>70,069</b>
Loss for the period	-	-	(1,442)	-	-	(1,442)
Other comprehensive income	-	-	-	-	-	-
<b>Total Comprehensive Income for the Period</b>	<b>-</b>	<b>-</b>	<b>(1,442)</b>	<b>-</b>	<b>-</b>	<b>(1,442)</b>
<b>Transactions with Owners in Their Capacity as Owners:</b>						
Dividend paid	-	-	(4,195)	-	-	(4,195)
<b>Total Transactions with Owners</b>	<b>-</b>	<b>-</b>	<b>(4,195)</b>	<b>-</b>	<b>-</b>	<b>(4,195)</b>
<b>Balance at 31 December 2024</b>	<b>167,802,566</b>	<b>69,488</b>	<b>(5,129)</b>	<b>-</b>	<b>73</b>	<b>64,432</b>
<b>Balance at 1 July 2023</b>	<b>67,480,237</b>	<b>16,455</b>	<b>1,728</b>	<b>-</b>	<b>73</b>	<b>18,256</b>
Profit for the period	-	-	8,822	-	-	8,822
Other comprehensive income	-	-	-	-	-	-
<b>Total Comprehensive Income for the Period</b>	<b>-</b>	<b>-</b>	<b>8,822</b>	<b>-</b>	<b>-</b>	<b>8,822</b>
<b>Transactions with Owners in Their Capacity as Owners:</b>						
Issue of new shares – Pelorus takeover	103,886,049	55,059	-	(2,296)	-	52,763
Issue of new shares – other	611,280	270	-	-	-	270
Dividend paid	-	-	(1,687)	-	-	(1,687)
<b>Total Transactions with Owners</b>	<b>104,497,329</b>	<b>55,329</b>	<b>(1,687)</b>	<b>(2,296)</b>	<b>-</b>	<b>51,346</b>
<b>Balance at 31 December 2023</b>	<b>171,977,566</b>	<b>71,784</b>	<b>8,863</b>	<b>(2,296)</b>	<b>73</b>	<b>78,424</b>

# Notes to the Financial Statements

## 1. Segment Information

The segment information for the Group is as follows. For information on segment reporting, refer to the Material Accounting Policy Information for more details.

<b>Profit or Loss December 2024</b>	<b>Income \$'000</b>	<b>Gains / (Losses) \$'000</b>	<b>Total Revenue \$'000</b>	<b>Operating Expense \$'000</b>	<b>Takeover Costs \$'000</b>	<b>EBITDA \$'000</b>	<b>Interest and Depn \$'000</b>	<b>Pre-tax Profit \$'000</b>
BlackWall	589	-	589	(383)	-	206	(3)	203
Investments	557	(2,067)	(1,510)	(67)	-	(1,577)	(3)	(1,580)
Corporate	-	-	-	(52)	-	(52)	-	(52)
<b>Total Operations</b>	<b>1,146</b>	<b>(2,067)</b>	<b>(921)</b>	<b>(502)</b>	<b>-</b>	<b>(1,423)</b>	<b>(6)</b>	<b>(1,429)</b>

### Profit or Loss December 2023

BlackWall	666	-	666	(922)	-	(256)	(2)	(258)
Investments	216	2,138	2,354	(124)	-	2,230	(133)	2,097
Corporate	490	6,645	7,135	(197)	(431)	6,507	-	6,507
<b>Continuing operations</b>	<b>1,372</b>	<b>8,783</b>	<b>10,155</b>	<b>(1,243)</b>	<b>(431)</b>	<b>8,481</b>	<b>(135)</b>	<b>8,346</b>
Discontinued operations	2,460	-	2,460	(1,105)	-	1,355	-	1,355
<b>Total Operations</b>	<b>3,832</b>	<b>8,783</b>	<b>12,615</b>	<b>(2,348)</b>	<b>(431)</b>	<b>9,836</b>	<b>(135)</b>	<b>9,701</b>

<b>Balance Sheet December 2024</b>	<b>Assets \$'000</b>	<b>Liabilities \$'000</b>	<b>Net Assets \$'000</b>
BlackWall	1,194	(189)	1,005
Investments	65,398	(1,654)	63,744
Corporate	-	(317)	(317)
<b>Consolidated</b>	<b>66,592</b>	<b>(2,160)</b>	<b>64,432</b>

<b>Balance Sheet December 2023</b>	<b>Assets \$'000</b>	<b>Liabilities \$'000</b>	<b>Net Assets \$'000</b>
BlackWall	2,815	(1,320)	1,495
Investments	79,410	(4,977)	74,433
Corporate	-	(138)	(138)
<b>Continuing Operations</b>	<b>82,225</b>	<b>(6,435)</b>	<b>75,790</b>
Held for sale	2,634	-	2,634
<b>Consolidated</b>	<b>84,859</b>	<b>(6,435)</b>	<b>78,424</b>

## Notes to the Financial Statements

### 2. Revenue

Revenue is earned through management, performance and transaction fees from real estate investment structures as well as investment dividends and distributions.

	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Fund management fees	376	400
Property management fees	151	160
Leasing fees	47	-
Project management fees	15	50
<b>Management Fees Total</b>	<b>589</b>	<b>610</b>
Gain on sale of investments	500	-
Lease variation fee	-	490
Debt renewal fees	-	35
Gain on termination of lease liability	-	21
<b>Transaction and Other Income Total</b>	<b>500</b>	<b>546</b>
Investment income – dividends and distributions	57	228
<b>Total Revenue</b>	<b>1,146</b>	<b>1,384</b>
Timing of revenue recognition:		
- Management fees incurred over time	589	610
- Transaction income at a point in time	557	774
	<b>1,146</b>	<b>1,384</b>

### 3. Operating Expenses

	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Employee and consultant expenses	271	766
Operating expenses	231	437
Depreciation - right of use assets	-	37
Lease interest costs	-	3
<b>Total</b>	<b>502</b>	<b>1,243</b>

### 4. Unrealised Gain / (Loss) on Investments

	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Distribution received as return of capital – WOT investment	-	507
Distributions received as returns of capital – WRV and Mosman investments	-	125
Mark to market revaluation gain – WOT investment	-	2,283
Mark to market revaluation loss - all other investments	(40)	(777)
<b>Total</b>	<b>(40)</b>	<b>2,138</b>

The Group continues to receive distributions from its WOT investment but these are now reported as a reduction in the investment using the equity method. Previously the WOT distributions were applied as a reduction to the investment value and a corresponding unrealised gain recorded in the statement of profit or loss in order to increase the value of the investment back up to its fair value in the balance sheet. The mark to market unrealised revaluations of WOT as a result of changes in the ASX listed price are now also shown as a change to the value of the investment using the equity method. For additional information refer to Note 7.

## Notes to the Financial Statements

### 5. Discontinued Operation

#### (a) Description

On 29 February 2024 the group announced that it has transferred the management rights over WOTSO Property (ASX: WOT) effectively making WOTSO Property a self-managed entity. The management rights were sold for \$3.5 million with proceeds received in cash. BlackWall continues to manage the Pymont and North Strathfield funds and property businesses. The comparative profit or loss amounts have been restated to reflect the discontinued WOT operations. Refer to the June 2024 financial statements for additional information.

#### (b) Profit or Loss Information

	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Management fees	-	2,460
<b>Total Revenue</b>	<b>-</b>	<b>2,460</b>
Operating expenses	-	(1,105)
<b>Profit Before Income Tax</b>	<b>-</b>	<b>1,355</b>
Income tax expense	-	(347)
<b>Profit after tax from discontinued operation</b>	<b>-</b>	<b>1,008</b>

#### (c) Cash Flow Information

	31 Dec 2024 \$'000	31 Dec 2023 \$'000
<b>Cash Flows from Operating Activities</b>		
Management fee receipts and recoveries	-	2,706
Payments to suppliers and employees	-	(1,698)
<b>Net Cash Flows from Operating Activities</b>	<b>-</b>	<b>1,008</b>
<b>Cash Flows used in Investing Activities</b>		
Loans repaid	-	(1,008)
<b>Net Cash Flows used in Investing Activities</b>	<b>-</b>	<b>(1,008)</b>
<b>Cash Flows used in Financing Activities</b>		
<b>Net Cash Flows used in Financing Activities</b>	<b>-</b>	<b>-</b>
<b>Net cash inflow of discontinued operation</b>	<b>-</b>	<b>-</b>

## Notes to the Financial Statements

### 6. Investments

The Group has various listed and unlisted investments.

	31 Dec 2024 \$'000	30 June 2024 \$'000
Listed investments	1,669	955
Unlisted investments	1,876	1,778
<b>Total</b>	<b>3,545</b>	<b>2,733</b>

The unlisted investments that we make are usually in entities that we consider to be in their start-up phase. The largest listed investment we hold is in Woodside (ASX: WDS) which represents \$1.2 million of the listed total above, and the largest unlisted investment we hold is in Linqto which operates in the United States and represents \$1.6 million of the unlisted total above.

### 7. Investments using the equity method

Interests in associates where we hold more than 20% of the entity are accounted for using the equity method of accounting. Information relating to associates that are material to the group are set out below:

Name of entity	Place of business / Country of incorporation	Ownership interest		Measurement method	Carrying Amount	
		31 Dec 2024	30 Jun 2024		31 Dec 2024	30 Jun 2024
		%	%		\$'000	\$'000
WOTSO Property	Australia & New Zealand	25.26	28.24	Equity method	32,978	39,392
Pymont Property	Australia	26.84	26.84	Equity method	17,913	17,835
Alerik	Australia	20.65	20.65	Equity method	6,130	6,148
WRV	Australia	25.00	25.00	Equity method	4,217	3,760
IndigoBlack	Australia	-	25.00	Equity method	-	-
					<b>61,238</b>	<b>67,135</b>

Summarised financial information for associates:

	WOTSO 31 Dec 2024 \$'000	Pymont 31 Dec 2024 \$'000	Alerik 31 Dec 2024 \$'000	WRV 31 Dec 2024 \$'000
Summarised statement of financial position				
Current assets	2,464	387	143	49
Non-current assets	393,061	135,699	53,935	29,500
Total assets	395,525	136,086	54,078	29,549
Current liabilities	13,340	1,444	390	683
Non-current liabilities	142,773	67,900	24,000	12,000
Total liabilities	156,113	69,344	24,390	12,683
Net assets	239,412	66,742	29,688	16,866
Summarised statement of comprehensive income				
Revenue	23,959	4,443	1,954	1,780
Profit for the period	869	290	508	1,826
Other comprehensive (loss)	(99)	-	-	-
Total comprehensive profit	770	290	508	1,826

## Notes to the Financial Statements

Reconciliation of carrying amounts:

	<b>WOTSO</b>	<b>Pymont</b>	<b>Alerik</b>	<b>WRV</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Carrying amount at 1 July 2024	39,392	17,835	6,148	3,760	67,135
Distribution received	(458)	-	(122)	-	(580)
In-specie distribution	(3,290)	-	-	-	(3,290)
Income and gains / (losses) taken to profit or loss	(2,666)	78	104	457	(2,027)
<b>Carrying amount at 31 December 2024</b>	<b>32,978</b>	<b>17,913</b>	<b>6,130</b>	<b>4,217</b>	<b>61,238</b>

Notes regarding associates:

- (i) WOTSO Property (ASX:WOT) is a listed stapled security that operates 27 flexspace locations and owns property with a value of approximately \$300 million.
- (ii) Pymont owns a commercial office property located at 55 Pymont Bridge Road, Pymont, NSW. The Pymont property was independently valued at \$134.3 million in June 2023.
- (iii) Alerik owns adjacent properties located at 11-13 George Street, North Strathfield, NSW. These properties were independently valued in June 2023 at \$46.5 million.
- (iv) WRV owns a property located at 850 Woodville Road, Villawood, NSW which contains tenants forming an entertainment precinct. The property was independently valued at \$29.5 million in December 2024 (previous independent valuation in June 2022 was \$ 28.5 million).

Reconciliation of amounts taken to profit or loss:

	<b>WOTSO</b>	<b>Pymont</b>	<b>Alerik</b>	<b>WRV</b>	<b>Total</b>
	<b>31 Dec</b>	<b>31 Dec</b>	<b>31 Dec</b>	<b>31 Dec</b>	<b>31 Dec</b>
	<b>2024</b>	<b>2024</b>	<b>2024</b>	<b>2024</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Share of profit for the period	194	78	104	457	833
Loss on in-specie distribution of WOT securities to BWF shareholders	(3,835)	-	-	-	(3,835)
Net impairment gain on equity accounting	974	-	-	-	974
Share of WOT other equity and NCI changes during the period	1	-	-	-	1
	<b>(2,666)</b>	<b>78</b>	<b>104</b>	<b>457</b>	<b>(2,027)</b>

## 8. Loans

The current loan balance represents a loan made to a former Director for the purpose of holding BWF shares and WOT securities which were acquired under an employee share scheme. The loan does not attract interest and is secured against the shares and securities. All dividends and distributions received in relation to the secured shares and securities are used to repay the loan.

## Notes to the Financial Statements

### 9. Property, Plant and Equipment

	31 Dec 2024	30 Jun 2024
	\$'000	\$'000
At cost	1,000	1,000
Less accumulated depreciation	(993)	(990)
<b>Total Written Down Value</b>	<b>7</b>	<b>10</b>

	31 Dec 2024	30 Jun 2024
	\$'000	\$'000
Carrying amount at the beginning of year	10	15
Additions due to purchase of property, plant and equipment	-	6
Depreciation expense	(3)	(11)
<b>Carrying Amount at the End of Period</b>	<b>7</b>	<b>10</b>

### 10. Dividends

Fully franked dividends paid to shareholders during the period ended 31 December were as follows:

	31 Dec 2024	31 Dec 2023
	\$'000	\$'000
2024 final dividend of 2.5 cents paid on 11 October 2024 (2023 final: 2.5 cents)	4,195	1,687
<b>Total</b>	<b>4,195</b>	<b>1,687</b>

In addition, the Board has declared an interim fully franked dividend of 3.0 cents per share to be paid on 8 April 2025. 0.5 cps to be paid in cash and 2.5 cps in equivalent value of WOTSO Property (ASX: WOT) securities.

### 11. Earnings Per Share

	31 Dec 2024	31 Dec 2023
Basic and diluted (loss) / earnings per share	(0.9) cents	10.9 cents
Basic and diluted (loss) / earnings per share – continuing operations	(0.9) cents	9.6 cents
<b>Calculated as Follows:</b>		
(Loss) / profit attributable to the owners of the Group	(\$1,442,000)	\$8,822,000
(Loss) / profit attributable to the owners of the Group – continuing operations	(\$1,442,000)	\$7,814,000
Weighted average number of shares for basic and diluted EPS	167,802,566	81,264,468

### 12. Contingencies

During the fiscal year 2022, Pelorus entered into arrangements with various other investors for one of its unlisted investments under a put and call agreement. It grants the investors the option to acquire up to \$750,000 of the investment from Pelorus at cost. The option agreements expire on 1 August 2025. The collateral provided offsets the options granted resulting in an effective net arrangement of nil. The Group had no contingent assets or liabilities at 31 December 2024 (June 2024: \$nil).

### 13. Subsequent Events

The Board has declared an interim fully franked dividend of 3.0 cents per share to be paid on 8 April 2025. 0.5 cps to be paid in cash and 2.5 cps in equivalent value of WOTSO Property (ASX: WOT) securities.

To the best of the Directors' knowledge, since the end of the reporting period there have been no other matters or circumstances that have materially affected the Group's operations or may materially affect its operations, state of affairs or the results of operations in future financial years.

## Notes to the Financial Statements

### 14. Financial Risk Management

#### (a) Fair Value Measurements

##### (i) Fair Value Hierarchy

The group classifies fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making measurements. The fair value hierarchy has the following levels:

- **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 (as prices) or indirectly (derived from prices); and
- **Level 3** – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of financial assets traded in active markets is subsequently based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. The quoted market price used for financial assets held by the group is the current bid price.

The following table presents the group's financial assets measured at fair value as at the reporting date. Refer to the Critical Accounting Estimates and Judgment note for further details of assumptions used and how fair values are measured.

	<b>Level 1</b> <b>\$'000</b>	<b>Level 2</b> <b>\$'000</b>	<b>Level 3</b> <b>\$'000</b>	<b>Total</b> <b>\$'000</b>
<b>At 31 December 2024</b>				
Investments	1,669	-	1,876	<b>3,545</b>
<b>At 30 June 2024</b>				
Investments	955	-	1,778	<b>2,733</b>

##### (ii) Valuation Techniques Used To Derive Level 3 Fair Values

The fair value of the unlisted securities is determined by reference to the net tangible assets unit prices of each of the entities. The start-up investments are held at cost unless there is evidence of impairment or external valuations are issued by the entity that is invested in.

##### (iii) Fair Value Measurements Using Significant Observable Inputs (Level 3)

The following table is a reconciliation of the movements in financial assets classified as Level 3 for the period ended:

	<b>\$'000</b>
<b>December 2024</b>	
Balance at the beginning of the year	1,778
Mark to market valuation	98
<b>Balance at the End of the Period</b>	<b>1,876</b>

### 15. Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

#### Key Estimates - Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets.

#### Key Estimates – Financial Assets

Investments in listed securities have been classified as financial assets and movements in fair value are recognised through the profit or loss statement. The fair value of the listed securities is based on the closing price from the ASX as at the reporting date.



## Notes to the Financial Statements

### 16. Restatement of comparatives

#### Correction of error

An error was discovered in the application of AASB 128 Investment in Associates when producing the Group's June 2024 financial statements. In those financial statements several investments were valued and disclosed using the fair value method of valuation when the correct treatment would have been to disclose them as investments using the equity method. There was an overstatement of investments and corresponding understatement of investments held using the equity method in the balance sheet. There was no impact on the statement of profit or loss and other comprehensive income. All notes to the financial statements in this report have been restated where appropriate. An extract of the disclosure impacted is shown below.

#### Balance Sheet extract

	30 Jun 2024 \$'000 Reported	\$'000 Adjustment	30 Jun 2024 \$'000 Restated
Extract			
<b>Non-Current Assets</b>			
Investments	69,868	(67,135)	2,733
Investments using equity method	-	67,135	67,135
Net impact to Non-Current Assets	69,868	-	69,868

### 17. Material Accounting Policy Information

BlackWall Limited is a publicly listed company, incorporated and domiciled in Australia. The financial statements for the group were authorised for issue in accordance with a resolution of the Directors on the date they were issued.

#### Statement of Compliance

These financial statements are general purpose financial statements that have been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 Interim Financial Reporting.

The financial statements do not include notes of the type normally included in annual financial statements. It is recommended that the financial statements be read in conjunction with the annual financial statements for the year ended 30 June 2024 and any public announcements made by the Group during the half-year in accordance with the continuous disclosure obligations of the ASX listing rules.

#### Basis of Preparation

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial period. Any change of presentation has been made in order to make the financial statements more relevant and useful to the user.

The accounting policies adopted are consistent with those of the previous financial year ended 30 June 2024.

The financial statements are presented in Australian dollars.

#### Rounding of amounts

The Group is of a kind referred to in ASIC Legislative Instrument 2016/191 and, in accordance with that legislative instrument, amounts in the Directors' Report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

#### Going concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. Although the Group has a net working capital deficiency of \$46,000 at 31 December 2024, the Group has significant net assets of \$64 million. Additionally, although the Group has negative cash flows from operations this is impacted by working capital movements and once off transactions, whereas the ongoing/recurring cash flows are positive (management fee income of \$589k with operating expenses of \$502k) and this is before the distributions/dividends received from investments of \$580k which gives a more correct position of positive cash flows exceeding \$600k for the period. Given this explanation, it is expected that the Group will continue as a going concern.

## Notes to the Financial Statements

### Segment Reporting

AASB 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The Group's primary format for segment reporting is based on business segments. The business segments are determined based on the Group management and internal reporting structure. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Group has adopted three reporting segments: BlackWall, Investments and Corporate.

The BlackWall segment engages in funds and asset management as well as property services that include property management, leasing and general property consultancy. Income earned by the segment includes recurring income from fund and asset management mandates and transaction-based income typically related to those mandates. Management treats these operations as one fee earning operating segment. The assets assigned to the segment are those it is required to hold to comply with its AFSL capital adequacy requirements.

The Investments segment includes interests in property related investments such as units in related party listed and unlisted unit trusts, loans and cash. It generates income from dividends, distributions and interest. It also includes revaluation gains on transactions.

The Corporate segment relates to company taxation, selected corporate overheads, and corporate transactions.

### New Accounting Standards and Interpretations

BWF 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.

# Financial Statements

## Consolidated Entity Disclosure Statement As at 31 December 2024

Entity Name	Entity Type	Country of incorporation	Ownership interest (%)	Tax residency
BlackWall Limited	Body corporate	Australia	Parent Entity	Australia*
BlackWall Management Services Pty Ltd	Body corporate	Australia	100	Australia *
BlackWall Property Consultants Pty Ltd	Body corporate	Australia	100	Australia *
Bakehouse Quarter Trust	Trust	Australia	N/A	Australia *
Pelorus Private Equity Limited	Body corporate	Australia	100	Australia *
The Trustee for Pelorus PIPES Trust No 5	Trust	Australia	N/A	Australia *
RASP Investments Pty Ltd	Body corporate	Australia	100	Australia *
Bin24 Business Advisors Pty Ltd	Body corporate	Australia	100	Australia *
WOTSO S.E.A Pty Ltd	Body corporate	Australia	100	Australia *
Narraweena Pty Ltd	Body corporate	Australia	100	Australia *
WOTSO North Strathfield Pty Ltd	Body corporate	Australia	100	Australia *
SAO Investments Pty Ltd	Body corporate	Australia	100	Australia *
Harold Investors Pty Ltd	Body corporate	Australia	100	Australia *
Tidy Harold Pty Ltd	Body corporate	Australia	100	Australia *
BlackWall R&D Pty Ltd	Body corporate	Australia	100	Australia *
BQF Pty Ltd	Body corporate	Australia	100	Australia *
Pelorus Private Equity (NZ) Limited	Body corporate	New Zealand	100	New Zealand
Trentham City Investments Limited	Body corporate	New Zealand	100	New Zealand

\* BlackWall Limited (the “head entity”) and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.

## Directors' Report - Continued

### Business Risks

You should be aware that an investment in BWF carries material risks and that several factors may affect future value and any dividends, many of which are beyond the control of the Group. Many of these risks are inherited from the underlying assets and the performance of the funds that BWF manages. Acquiring and holding shares in the Group therefore involves risks and, while not exhaustive, some of these risks are set out in this section.

Material Business Risk	Potential Impact	Management Plan
<b>Inflation</b>	The majority of the property we manage and are invested in is contracted on a gross lease basis. This exposes BWF to the risk that property outgoings (for example, energy, financing, services and labour) may increase faster than income and therefore impact our fee revenue and investment returns.	This is a risk we have accepted as mismatches in income and expenses are a normal property risk and are expected to balance out over time. Lease ratchets, along with CPI adjustment clauses, alleviate a large portion of the risk.
<b>Changes in the Commercial Property Market</b>	As BWF is invested in the commercial property market and derives income from management and transaction fees that are linked to the commercial property market, changes in that market may impact cashflow.	BWF has little control over changes in the commercial property market but monitors movements in the market and consider the funds they manage and are invested in in light of these movements.
<b>Legislative and Regulatory Changes</b>	Increased costs and compliance risk associated with adhering to regulatory requirements.	BWF monitors changes to legislation and regulatory requirements and adjusts its operations accordingly.
<b>Climate Change and Climate Related Events</b>	Climate change related weather events could cause substantial damage to the assets BWF manages and are invested in.	BWF ultimately has no control over this risk but continues to operate to drive sustainability initiatives in the assets it manages. It also ensures that properties that it is invested in has appropriate levels of insurance.
<b>Technology Changes and Innovation</b>	Rapid advancements in technology may cause BWF to be less competitive in the market.	Management continually monitors industry trends to remain at the forefront of new technologies and innovation, while investing in relevant technology as necessary.
<b>Discontinuation of Financial Support for Businesses</b>	Insolvencies from tenants may cause a significant negative impact on the assets BWF is invested in and the fee revenue it derives.	BWF takes appropriate measures to manage its revenue streams and cash reserves. Additionally, BWF continually monitors the financial health of tenants and parties to mitigate the risk of potential insolvencies.
<b>Cyber Risk</b>	As with most businesses we do have cyber risks that we cannot eliminate entirely but our risks are relatively small and we perform regular system reviews to ensure sensitive information is properly stored or destroyed.	We hold specific cyber insurance policies that provide cover in the event of a cyber-attack.
<b>Macroeconomic Factors</b>	Threat of domestic and global recession and investor sentiment are some of the primary macroeconomic considerations that may impact our business.	As a management team we continually monitor these factors however, ultimately, they are often beyond our control.

## Information on Officeholders

The names of the Officeholders during or since the end of the period are set out below.

**Joseph (Seph) Glew** (Non-Executive Director and Chairman)

**Richard Hill** (Non-Executive Director)

**Robin Tedder** (Executive Director)

**David Vlotman** (Company Secretary)

## Auditor

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is set out in these financial statements.

ESV continues in office in accordance with section 327 of the Corporations Act 2001.

Signed in accordance with a resolution of the Board of Directors.



**Seph Glew**

Chairman

Sydney, 28 February 2025

# Directors' Declaration

In the Directors' opinion:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001, including:
  - (i) complying with Accounting Standards AASB 134 Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and
- (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
- (c) the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The Statement of Significant Accounting Policies confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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

This declaration is made in accordance with a resolution of the Board of Directors.



**Sesh Glew**

Chairman

Sydney, 28 February 2025



## AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF BLACKWALL LIMITED

In accordance with the requirements of section 307C of the Corporations Act, as auditor for the review of BlackWall Limited and its Controlled Entities as at 31 December 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

Dated at Sydney the 28<sup>th</sup> of February 2025

A handwritten signature in black ink, appearing to be 'ESV' with a checkmark-like flourish.

**ESV Business Advice and Accounting**

A handwritten signature in black ink, appearing to be 'SKIL' with a long horizontal flourish.

**Chris Kirkwood**  
**Partner**



## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF BLACKWALL LIMITED

Report on the Half-Year Financial Report

### Conclusion

We have reviewed the accompanying half-year financial report of BlackWall Limited and its Controlled Entities ('the Group'), which comprises the consolidated balance sheet as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising material accounting policy information, and the directors' declaration.

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

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

### *Basis for Conclusion*

We conducted our review in accordance with *ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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 at the time of this auditor's report.

### *Directors' Responsibility for the Half-Year Financial Report*

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



## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF BLACKWALL LIMITED

### *Auditor's Responsibility*

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

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Dated at Sydney the 28th of February 2025



**ESV Business Advice and Accounting**



**Chris Kirkwood**  
Partner

# BlackWall Limited

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