

Appendix 4D - Half Year Report for six months ended 31 December 2024

Results for announcement to the market

Name of entity	SKS TECHNOLOGIES GROUP LIMITED
ABN	24 004 554 929

1 Reporting Period

Half Year Ended	31 December 2024
Previous corresponding periods – half year ended	31 December 2023
– year ended	30 June 2024

2 Results for announcement to the market

Revenue	up	116%	to	115,940,182
Net profit / (loss) from ordinary activities after tax attributable to members	up	213%	to	5,630,115
Net profit / (loss) for the period attributable to members	up	213%	to	5,630,115

	Amount per Security	Franked amount per Security
Interim Dividend - Current period	Nil	Nil
- Previous corresponding period	Nil	Nil
Final Dividend - Current period	\$ 0.0100	\$ 0.0100
- Previous corresponding period	\$ 0.0020	Nil

Commentary on Result

First half trading recorded a group sales revenue of \$115,940,182 compared to \$53,659,826 in the previous corresponding period. The Group reported a net profit of \$5,778,644 for the half year ended 31 December 2024, compared to the profit of \$1,821,612 in the previous corresponding period. The profit attributable to the non-controlling interest of the group is \$148,529 for the half year ended 31 December 2024 compared to \$22,097 in previous corresponding period.

Refer to interim Financial Report for the Half-Year ended 31 December 2024 for more information.

This half yearly financial report is to be read in conjunction with the 30 June 2024 annual financial report.

3 Net tangible assets per security

	Current Period	Previous Corresponding Period
Net tangible asset backing per ordinary security*	12.08 Cents	3.28 Cents

* The net tangible assets calculations above include right-of-use assets

4. Details of entities over which control has been gained or lost during the period: (item 4)**Control gained over entities**

Name of entities (item 4.1)

- Not Applicable -

Date(s) of gain of control
(item 4.2)

Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities since the date(s) in the current period on which control was acquired (item 4.3)

\$

Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (item 4.3)

\$

Loss of control of entities

Name of entities (item 4.1)

- Not Applicable -

Date(s) of loss of control (item 4.2)

Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities to the date(s) in the current period when control was lost (item 4.3).

\$

Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (item 4.3)

\$

5. **Dividends** (item 5)

	Date of payment	Total amount of dividend
Interim dividend year ended 30 June 2024		Nil
Final dividend year ended 30 June 2024	14 October 2024	\$ 1,120,698.79

Amount per security

	Amount per security	Franked amount per security at % tax	Amount per security of foreign sourced dividend
Total dividend: Current year	\$0.0100	100%	Nil
Previous year	\$0.0020	Nil	Nil

Total dividend on all securities

	Current period \$A'000	Previous corresponding Period - \$A'000
Ordinary securities (each class separately)	\$1,121	\$219

6. **Details of dividend or distribution reinvestment plans in operation are described below** (item 6):

- Not Applicable -

The last date(s) for receipt of election notices for participation in the dividend or distribution reinvestment plan

7. Details of associates and joint venture entities (item 7)

Name of associate or joint venture entity	%Securities held
- Not Applicable -	

Aggregate share of profits (losses) of associates and joint venture entities**Group's share of associates' and joint venture entities':**

Profit (loss) from ordinary activities before tax

Income tax on ordinary activities

Net profit (loss) from ordinary activities after tax

Adjustments

Share of net profit (loss) of associates and joint venture entities

2024 \$	2023 \$

8. The financial information provided in the Appendix 4D is based on the half year condensed financial report (attached).**9. Independent review of the financial report (item 9)**

The financial report has been independently reviewed by the auditors DFK BKM Audit Services. The independent auditor's review report was unqualified.

SKS TECHNOLOGIES GROUP LIMITED
and Controlled Entities

ABN 24 004 554 929

Financial Report
for the half-year ended 31 December 2024

The half-year financial report is to be read in conjunction with the financial report for the year ended 30 June 2024

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Directors' Report

The directors present their report together with the condensed financial report of the group consisting of SKS Technologies Group Limited and the entities it controlled, for the half-year ended 31 December 2024 and independent auditor's review report thereon.

Directors

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

Peter Jinks, Executive Chairman

Greg Jinks, Executive Director

Terence Grigg, Non-Executive Director

Antoinette Truda, Non-Executive Director

Review and Results of Operations

First half trading recorded a group sales revenue of \$115,940,182 compared to \$53,659,826 in the previous corresponding period. The Group reported a net profit of \$5,778,644 for the half year ended 31 December 2024, compared to \$1,821,612 in the previous corresponding period. The profit attributable to the non-controlling interest of the group is \$148,529 for the half year ended 31 December 2024 compared to a profit of \$22,097 attributable to non-controlling interest in previous corresponding period.

Employee expenses increased 150% to \$47,753,246 (\$19,117,786 half year ended 31 December 2023) and materials increased 88% to \$55,906,220 (\$29,711,131 half year ended 31 December 2023) compared to the previous corresponding period. The increase in employment expenses is greater than increase in revenue due to the change in revenue mix whereas materials have reduced from 55% of revenue to 48% of revenue also due a change in revenue mix with an increase in activity in data centres.

The results for the half year reflect the impact of the following key matters:

The sales growth in SKS Technologies Group Limited has increased by 116% compared to the same time last year and increased by 40% over the second half of last year.

The group continues to hold a strong order book with a strong pipeline of opportunities across the regions and disciplines, in particular data centres in which the group operates. The group remains an employer of choice however with the rapid increase in work in hand the recruitment of labour is more challenging than the past. Supply chain disruptions are no longer an issue.

The Group received government incentives for training schemes of \$55,152 during the period which has associated staff training costs.

Directors' Report (Cont'd)

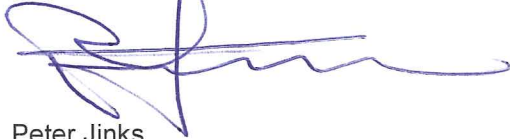
Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* in relation to the review for the half-year is provided with this report on page 4.

Rounding of Amounts

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

Signed in accordance with a resolution of the directors.



Peter Jinks
Director / Executive Chairman

Melbourne

Date: 24 February 2025

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

To the Directors of SKS Technologies Group Limited

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2024 there have been no contraventions of:

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



DFK BKM Audit Services



Kevin P Adams
Director

Camberwell, Victoria
24 February 2025

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

		Half- year	
	Notes	31 December 2024 \$	31 December 2023 \$
Revenue and Other Income			
Sales revenue	2	115,940,182	53,659,826
Other income	2	555,485	25,851
		116,495,667	53,685,677
Expenses			
Raw material, Consumables, and logistics		(55,906,220)	(29,711,131)
Occupancy expenses		(81,326)	(66,909)
Employee Benefits Expense		(47,753,246)	(19,117,786)
Administration expenses		(2,712,200)	(1,797,089)
Depreciation and amortisation		(1,343,638)	(862,052)
Finance costs		(326,132)	(309,098)
Total expenses		(108,122,762)	(51,864,065)
Profit before income tax		8,372,905	1,821,612
Income tax expense	7(a)	(2,594,261)	-
Profit after income tax		5,778,644	1,821,612
Other comprehensive income for half-year		-	-
Total comprehensive Income for half-year		5,778,644	1,821,612
Total comprehensive Income attributable to:			
Members of the parent entity		5,630,115	1,799,515
Non - controlling interest		148,529	22,097
		5,778,644	1,821,612
Earnings per share (cents per share) for profit attributable to the equity holders of the entity:			
Basic earnings per share		5.16	1.66
Diluted earnings per share		5.16	1.66

The accompanying notes forms part of these Financial Statements

SKS TECHNOLOGIES GROUP LIMITED

ABN 24 004 554 929

Financial report for half-year ended 31 December 2024

**Condensed Consolidated Statement of Financial Position
as at 31 December 2024**

	Notes	31 December 2024	30 June 2024
		\$	\$
Current assets			
Cash and cash equivalents		19,626,850	3,366,688
Trade and other receivables	4	41,656,003	42,307,995
Inventories		406,921	142,120
Other current assets	5	1,178,608	302,454
Total current assets		62,868,382	46,119,257
Non-current assets			
Other non-current assets		51	51
Plant and equipment		4,740,126	4,028,074
Right of Use Assets		5,784,129	5,916,316
Intangible assets		1,909,907	1,883,717
Deferred Tax Asset		1,995,677	1,797,331
Total non-current assets		14,429,890	13,625,489
Total assets		77,298,272	59,744,746
Current liabilities			
Trade and other payables	6	45,100,388	36,838,742
Income tax payable	7(b)	2,799,121	6,514
Provisions		3,927,967	3,115,313
Lease liabilities		1,191,345	1,039,323
Total current liabilities		53,018,821	40,999,892
Non-current liabilities			
Provisions		62,105	43,775
Lease liabilities		6,769,669	6,555,449
Total non-current liabilities		6,831,774	6,599,224
Total Liabilities		59,850,595	47,599,116
Net assets		17,447,677	12,145,630
Equity			
Contributed capital	8	22,926,571	22,615,664
Share option reserve		333,195	-
Accumulated losses		(5,904,905)	(10,414,321)
Total equity attributable to equity holders of the company		17,354,861	12,201,343
Non-controlling interest		92,816	(55,713)
Total equity		17,447,677	12,145,630

The accompanying notes forms part of these Financial Statements

Condensed Consolidated Statement of Changes in Equity

**Half-year ended 31
December 2023**

Consolidated	Contributed equity \$	Share option reserve \$	Accumulated losses \$	Non- controlling interest \$	Total equity \$
At 1 July 2023	22,359,070	2,467	(16,754,545)	(120,627)	5,486,365
Profit for the half year	-	-	1,799,515	22,097	1,821,612
Transactions with owners in their capacity as owners					
Shares issued	65,000	-	-	-	65,000
Share based payment transactions	-	779	-	-	779
Shares issued- value adjustment	8,973	-	-	-	8,973
Cost of issue of shares	(975)	-	-	-	(975)
Dividend paid or provided for	-	-	(219,470)	-	(219,470)
At 31 December 2023	22,432,068	3,246	(15,174,500)	(98,530)	7,162,284

**Half-year ended 31
December 2024**

Consolidated	Contributed equity \$	Share option reserve \$	Accumulated losses \$	Non- controlling interest \$	Total equity \$
At 1 July 2024	22,615,664	-	(10,414,321)	(55,713)	12,145,630
Profit for the half year	-	-	5,630,115	148,529	5,778,644
Transactions with owners in their capacity as owners					
Shares issued	365,236	-	-	-	365,236
Share based payment transactions	-	333,195	-	-	333,195
Shares issued- value adjustment	(40,607)	-	-	-	(40,607)
Cost of issue of shares	(13,722)	-	-	-	(13,722)
Dividend paid or provided for	-	-	(1,120,699)	-	(1,120,699)
At 31 December 2024	22,926,571	333,195	(5,904,905)	92,816	17,447,677

The accompanying notes forms part of these Financial Statements

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

	Half-year	
	31 December 2024 \$	31 December 2023 \$
Cash flows from operating activities		
Receipts from customers	146,642,795	59,341,499
Receipts from government incentives	55,152	13,750
Payments to suppliers and employees	(127,541,344)	(55,230,412)
Interest received	155,982	337
Interest paid on Lease liability	(306,215)	(249,776)
Interest paid	(20,168)	(77,590)
Net cash flows from operating activities	18,986,202	3,797,808
Cash flows from investing activities		
Payment for plant and equipment	(1,028,293)	(483,201)
Proceeds from disposal of plant and equipment	28,273	-
Payments for intangibles	(39,277)	(3,000)
Receipts from / (Payment for) bank guarantee-net	6,943	17,230
Net cash flows used in investing activities	(1,032,354)	(468,971)
Cash flows from financing activities		
Payment for share issue cost	(18,722)	(975)
Payment of lease liability	(554,265)	(458,015)
Net (repayment of)/ proceeds from borrowings	-	(1,761,250)
Payment of dividends	(1,120,699)	(219,470)
Net cash flows used in financing activities	(1,693,686)	(2,439,710)
Net increase in cash and cash equivalents	16,260,162	889,127
Cash and cash equivalents at beginning of half year	3,366,688	8,584
Cash and cash equivalents at end of the half year	19,626,850	897,711

The accompanying notes forms part of these Financial Statements

Notes to Condensed Consolidated Half-Year Financial Statements

1. Basis of Preparation of the Half-Year Financial Report

The condensed consolidated half-year financial report does not include all notes of the type normally included within the annual financial report. It is recommended that this half-year financial report be read in conjunction with the annual financial report for the year ended 30 June 2024 and any public announcements made by SKS Technologies Group Limited during the half-year in accordance with any continuous disclosure obligations arising under the *Corporations Act 2001*.

This condensed half-year financial report covers SKS Technologies Group Limited and controlled entities ("the group"). SKS Technologies Group Limited is a company limited by shares, incorporated and domiciled in Australia. The address of SKS Technologies Group Limited's registered office and principal place of business is 700 Spencer Street, West Melbourne VIC, 3003. SKS Technologies Group Limited is a for-profit entity for the purpose of preparing the financial statements.

The half-year financial report was authorised for issue by the directors as at the date of the directors' report.

(a) Basis of accounting

This condensed consolidated half-year financial report has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting*, as appropriate for for-profit entities, and the *Corporations Act 2001*. Compliance with AASB 134, as appropriate for for-profit entities, ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

The half-year financial report has been prepared in accordance with the historical cost convention, as modified by revaluations to fair value for certain class of assets as described in the accounting policies.

The accounting policies applied in this half-year financial report are consistent with those of the annual financial report for the year ended 30 June 2024 and the corresponding half-year other than as stated below in Note 1(b).

(b) New and amended Accounting Standards that are effective for the current period

The Group has adopted all the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2024.

Notes to Condensed Consolidated Half-Year Financial Statements

2. Revenue and Other Income

	31 December 2024 \$	31 December 2023 \$
Revenue		
Revenue from services recognised over time	115,940,182	53,659,826
	115,940,182	53,659,826
Other income		
Interest income	235,253	615
Other income*	320,232	25,236
	555,485	25,851

*Other income comprises of government training incentives and other sundry income.

3. Dividends Paid or provided for on Ordinary Shares

A dividend of \$0.01 per ordinary share has been paid during the half-year ended 31 December 2024.

A dividend of \$0.0020 per ordinary share has been paid during the half-year ended 31 December 2023.

On 24 February 2025, the directors declared an interim dividend for the year ending 30 June 2025 of \$0.01 per ordinary share. The financial effect of the dividends declared after the reporting date are not reflected in the 31 December 2024 financial statements.

4. Trade and other receivables

	31 December 2024 \$	30 June 2024 \$
Trade receivables	35,788,429	37,067,758
Retention debtors	1,679,787	1,388,391
Provision for doubtful debts	(132,367)	(132,365)
Contract assets	4,215,954	3,932,540
Other receivables	104,200	51,671
	41,656,003	42,307,995

Notes to Condensed Consolidated Half-Year Financial Statements

5. Other current assets

	31 December 2024	30 June 2024
	\$	\$
Prepayments	1,149,236	266,158
Bank guarantee deposits	29,372	36,296
	<u>1,178,608</u>	<u>302,454</u>

6. Trade and other payables

	31 December 2024	30 June 2024
	\$	\$
Trade payables	11,775,285	19,215,071
Accrued expenses	384,216	1,102,223
Other payables	3,523,529	3,767,768
Contract liabilities	29,417,358	12,753,680
	<u>45,100,388</u>	<u>36,838,742</u>

7. Income Tax

	31 December 2024	31 December 2023
	\$	\$
(a) The major components of income tax comprise:		
Current income tax expense	2,792,607	-
Deferred tax income	(198,346)	-
	<u>2,594,261</u>	<u>-</u>

(b) Income tax payable

	31 December 2024	30 June 2024
	\$	\$
Income tax payable	2,799,121	6,514
	<u>2,799,121</u>	<u>6,514</u>

Notes to Condensed Consolidated Half-Year Financial Statements

8. Contributed Capital Movements in shares on issue

	Half-Year 31 Dec 2024		Half-Year 31 Dec 2023	
	No of Shares	\$	No of Shares	\$
Beginning of the half-year	111,799,355	22,615,664	109,382,153	22,359,070
Issue of shares during the half-year	270,524	324,629	417,202	73,973
Cost of issue of shares	-	(13,722)	-	(975)
End of the half-year	112,069,879	22,926,571	109,799,355	22,432,068

9. Operating Segments

The Group operates predominantly in Australia, in the audio-visual, communications, technology and electrical markets which is regarded as a single segment, hence there is no information on operating segments provided in this report.

10. Contingent Liabilities

The Group has provided bank guarantees to customers to support contract performance as at 31 December 2024 of \$ 12,812,435 (30 June 2024: \$ 7,990,977)

11. Subsequent Events

The hurdle price of \$2.25 for the 500,000 options issued to Matthew Jinks at 2024 AGM has been met during January 2025.

The fair value of these options amounting to \$247,750 will be accounted for in the next reporting period.

Other than the above, there were no other matters or circumstances specific to SKS Technologies Group Limited that have arisen since 31 December 2024 that have significantly affected or may significantly affect:

- the Group's operation in future financial years or
- the results of those operations in future financial years or
- the Group's state of affairs in future financial years.

Directors' Declaration

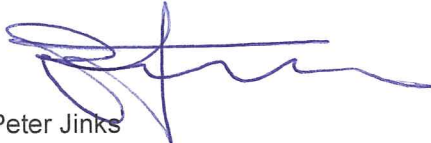
The directors declare that:

In the directors' opinion, the financial statements and notes thereto, as set out on pages 5 to 12 are in accordance with the *Corporations Act 2001*, including:

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

In the directors' opinion there are reasonable grounds, at the date of this declaration, to believe that SKS Technologies Group Limited will be able to pay its debts as and when they become due and payable.

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



Peter Jinks
Director / Executive Chairman

Date: 24 February 2025

**Independent Auditor's Review Report
To the members of SKS Technologies Group Limited**

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of SKS Technologies Group Limited (Company) and Controlled Entities (the Group), which comprises the condensed consolidated statement of financial position as at 31 December 2024, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes to the condensed consolidated half-year financial statements and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of SKS Technologies Group Limited and 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 performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

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

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 review report.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Accounting Standard AASB 134

Interim Financial Reporting and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the 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.



DFK BKM Audit Services



Kevin P. Adams
Director

Camberwell, Victoria
24 February 2025