

**Interim  
Financial  
Report**

31 December 2023

**FY  
24**

# Corporate Directory

## Board of Directors

Rodney Lloyd Leonard  
*Non-Executive Chairman*

Peter De Leo  
*Managing Director*

Bruno Ruggiero  
*Executive Director*

Karl Anthony Cicanese  
*Executive Director*

Michael John Caratti  
*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 Leonard

## Remuneration Committee

Steven Chadwick  
Michael Caratti  
Louise Bower

## Risk Committee

Rodney Leonard  
Peter De Leo  
Bruno Ruggiero

## Company Secretary

Justine Campbell

## 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 17, 221 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

## Website

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

Lycopodium Limited ABN 83 098 556 159

## Interim Financial Report

31 DECEMBER 2023

Lodged with the ASX under Listing Rule 4.2A.  
This information should be read in conjunction  
with the 30 June 2023 Annual Report.



# Contents

*Kathleen Valley Lithium Project, Western Australia*

---

**Directors' Report** **2**

---

**Auditor's Independence Declaration** **4**

---

**FINANCIAL REPORT**

**Consolidated Statement of Profit or Loss and Other Comprehensive Income** **6**

**Consolidated Statement of Financial Position** **7**

**Consolidated Statement of Changes in Equity** **8**

**Consolidated Statement of Cash Flows** **10**

**Notes to the Consolidated Financial Statements** **11**

---

**Directors' Declaration** **20**

---

**Independent Auditor's Review Report** **22**

---

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by Lycopodium Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

This interim financial report covers the consolidated entity consisting of Lycopodium Limited and its controlled entities. The financial report is presented in Australian dollars.

Lycopodium Limited is a company limited by shares, incorporated and domiciled in Australia.

Its registered office and principal place of business is:

**Lycopodium Limited**  
Level 5, 1 Adelaide Terrace  
East Perth, Western Australia 6004

# Directors' Report

*Motheo Copper Project, Botswana*

The Directors present their report, together with the financial statements, on the consolidated entity consisting of Lycopodium Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

## Directors

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

- Rodney Lloyd Leonard
- Peter De Leo
- Bruno Ruggiero
- Karl Anthony Cicanese
- Michael John Caratti
- Steven John Micheil Chadwick
- Louise Bower

## Review of operations

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

	Segment revenues		Segment results	
	2023 \$	2022 \$	2023 \$	2022 \$
Resources	190,976,242	166,467,822	38,925,251	25,778,387
Rail Infrastructure	5,706,362	7,126,768	497,222	(62,665)
Industrial Processes	5,282,642	5,554,255	1,075,514	1,527,174
Other	4,408,458	2,985,492	583,018	203,921
Intersegment eliminations	(31,554,388)	(23,496,520)	-	-
Unallocated	2,985,347	1,301,917	(1,276,255)	1,287,935
<b>Total revenue/profit before income tax expense</b>	<b>177,804,663</b>	<b>159,939,734</b>	<b>39,804,750</b>	<b>28,734,750</b>
Income tax expense			(10,097,784)	(8,750,949)
Profit for the half-year			29,706,966	19,983,801
Less loss/(profit) attributable to non-controlling interests			258,980	(226,456)
<b>Profit attributable to owners of Lycopodium Ltd</b>			<b>29,965,946</b>	<b>19,757,345</b>

## Directors' Report



### (a) Resources

The Resources segment consists of engineering and related services provided to the extractive mining industry. The clients, ranging from junior exploration companies to 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.

### (b) Rail Infrastructure

The Rail Infrastructure segment consists of asset management, engineering and project delivery services provided to a range of private and public sector clients across Australia.

### (c) Industrial Processes

The Industrial Processes segment consists of engineering and project delivery services provided to manufacturing and industrial process facilities throughout Australia and South East Asia.

### (d) Other

All other operating segments of the consolidated entity are aggregated on the basis of them being individually immaterial for the purpose of reporting.

## Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the consolidated entity during the period.

## Matters subsequent to the end of the financial period

Since half-year end the Directors have recommended the payment of an interim dividend on ordinary shares in respect of the 2024 financial year. The total amount of dividend is \$14,703,883 which represents a fully franked dividend of 37.0 cents per fully paid ordinary share.

With the exceptions of the above, no other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect:

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

## Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

This report is made in accordance with a resolution of Directors.

**Peter De Leo**  
Managing Director  
Perth

20 February 2024



## Auditor's Independence Declaration

### Auditor

RSM Australia Partners has been appointed in office in accordance with section 327 of the *Corporations Act 2001*.



**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](http://www.rsm.com.au)

#### AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Lycopodium Limited for the half year ended 31 December 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 review; and
- (ii) Any applicable code of professional conduct in relation to the review.

RSM AUSTRALIA PARTNERS

James Komninos  
Partner

Perth, WA  
Dated: 20 February 2024

#### 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





## Financial Report

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2023

	Notes	31 December 2023 \$	31 December 2022 \$
Revenue from contract with customers	3	174,819,316	158,637,817
Interest income		1,725,490	656,789
Other income		1,259,857	645,128
<b>Total income</b>		<b>177,804,663</b>	<b>159,939,734</b>
Employee benefits expense		(61,114,047)	(56,228,088)
Depreciation and amortisation expense		(3,388,356)	(3,062,076)
Project expenses		(8,499,257)	(15,867,009)
Equipment and materials		(15,291,909)	(10,876,301)
Contractors		(41,879,214)	(37,617,564)
Occupancy expense		(970,824)	(1,054,049)
Other expenses		(11,373,654)	(7,290,609)
Warranty provision reversal	8	4,061,229	77,471
Finance costs		(416,765)	(402,397)
Share of net profit of associates and joint ventures accounted for using the equity method		872,884	1,115,637
<b>Profit before income tax</b>		<b>39,804,750</b>	<b>28,734,750</b>
Income tax expense	4	(10,097,784)	(8,750,949)
<b>Profit for the half-year</b>		<b>29,706,966</b>	<b>19,983,801</b>
Profit for the half-year is attributable to:			
Owners of Lycopodium Limited		29,965,946	19,757,345
Non-controlling interests		(258,980)	226,456
<b>Profit for the half-year</b>		<b>29,706,966</b>	<b>19,983,801</b>
<b>Other comprehensive income (loss):</b>			
<i>Item that may be reclassified to profit or loss</i>			
Foreign currency translation	9(b)	(1,642,115)	(1,483,685)
<b>Total comprehensive income for the half-year</b>		<b>28,064,851</b>	<b>18,500,116</b>
<b>Total comprehensive income for the half-year is attributable to:</b>			
Owners of Lycopodium Limited		28,323,831	18,382,096
Non-controlling interests		(258,980)	118,020
<b>Total comprehensive income for the half-year</b>		<b>28,064,851</b>	<b>18,500,116</b>
<b>Earnings per share for profit attributable to the owners of Lycopodium Limited:</b>		<b>Cents</b>	<b>Cents</b>
Basic earnings per share		75.4	49.7
Diluted earnings per share		75.4	49.7

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



## Financial Report

# Consolidated Statement of Financial Position

For the half-year ended 31 December 2023

	Notes	31 December 2023 \$	30 June 2023 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		69,008,010	82,412,067
Trade and other receivables		92,006,402	87,086,807
Inventories		95,648	275,629
Derivative asset	6	2,879	31,386
Other current assets		8,462,563	7,308,678
<b>Total current assets</b>		<b>169,575,502</b>	<b>177,114,567</b>
<b>Non-current assets</b>			
Property, plant and equipment		7,475,742	8,512,811
Right-of-use assets		11,291,819	13,247,239
Intangible assets		6,394,320	6,447,888
Deferred tax assets		5,923,030	3,709,104
Financial assets measured at fair value through profit or loss	6	3,476,665	3,037,485
Investments accounted for using the equity method	5	4,095,316	3,809,495
<b>Total non-current assets</b>		<b>38,656,892</b>	<b>38,764,022</b>
<b>Total assets</b>		<b>208,232,394</b>	<b>215,878,589</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		29,606,801	28,808,966
Contract and other liabilities	3(a)	18,419,993	25,166,322
Borrowings		2,647,865	680,136
Lease liabilities	7	3,913,511	4,494,167
Current tax liabilities		5,670,059	12,909,805
Employee benefits		9,724,815	9,221,812
Provisions	8	5,426,148	9,578,601
<b>Total current liabilities</b>		<b>75,409,192</b>	<b>90,859,809</b>
<b>Non-current liabilities</b>			
Employee benefits		1,879,081	1,526,707
Lease liabilities	7	9,274,439	10,527,166
<b>Total non-current liabilities</b>		<b>11,153,520</b>	<b>12,053,873</b>
<b>Total liabilities</b>		<b>86,562,712</b>	<b>102,913,682</b>
<b>Net assets</b>		<b>121,669,682</b>	<b>112,964,907</b>
<b>EQUITY</b>			
Issued capital	9(a)	16,297,444	18,551,357
Reserves	9(b)	(5,282,940)	(3,572,691)
Retained earnings	9(c)	111,746,727	99,663,882
Equity attributable to the owners of Lycopodium Limited		122,761,230	114,642,548
Non-controlling interests	10	(1,091,548)	(1,677,641)
<b>Total equity</b>		<b>121,669,682</b>	<b>112,964,907</b>

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



## Financial Report

# Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2022

	Notes	Share capital \$	Retained earnings \$	Foreign currency translation reserve \$	Performance rights reserve \$	Non-controlling interests \$	Total equity \$
<b>Balance at 1 July 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>
Profit after income tax expense for the half-year		-	19,983,801	-	-	226,456	20,210,257
Other comprehensive loss for the half-year, net of tax		-	-	(1,483,685)	-	-	(1,483,685)
<b>Total comprehensive income for the half-year</b>		<b>-</b>	<b>19,983,801</b>	<b>(1,483,685)</b>	<b>-</b>	<b>226,456</b>	<b>18,726,572</b>
<i>Transactions with owners in their capacity as owners:</i>							
Foreign currency translation with non-controlling interest		-	-	-	-	118,020	118,020
Dividends provided for or paid	11	-	(14,306,482)	-	-	-	(14,306,482)
Purchase of shares under employee share trust	9(a)	(165,371)	-	-	-	-	(165,371)
Loan shares to senior management (net of dividends received)		(1,350,000)	-	-	-	-	(1,350,000)
Loan shares – value of rights		-	-	-	450,800	-	450,800
Performance rights - value of rights	9(b)	-	-	-	273,962	-	273,962
Tax effect of transfer to cash to employee share trust		-	-	-	66,212	-	66,212
Exercise of performance rights	9(b)	593,087	-	-	(593,087)	-	-
		<b>(922,284)</b>	<b>(14,306,482)</b>	<b>-</b>	<b>197,887</b>	<b>118,020</b>	<b>(14,912,859)</b>
<b>Balance at 31 December 2022</b>		<b>18,421,876</b>	<b>87,173,732</b>	<b>(3,154,298)</b>	<b>1,530,996</b>	<b>(483,173)</b>	<b>103,489,133</b>

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

## Financial Report

# Consolidated Statement of Changes in Equity (continued)

For the half-year ended 31 December 2023

	Notes	Share capital \$	Retained earnings \$	Foreign currency translation reserve \$	Performance rights reserve \$	Non-controlling interests \$	Total equity \$
<b>Balance at 1 July 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>
Profit after income tax expense for the half-year		-	29,965,946	-	-	(258,980)	29,706,966
Other comprehensive loss for the half-year, net of tax		-	-	(1,642,115)	-	-	(1,642,115)
<b>Total comprehensive income for the half-year</b>		<b>-</b>	<b>29,965,946</b>	<b>(1,642,115)</b>	<b>-</b>	<b>(258,980)</b>	<b>28,064,851</b>
<i>Transactions with owners in their capacity as owners:</i>							
Foreign currency translation with non-controlling interest		-	-	-	-	845,072	1,104,053
Dividends provided for or paid	11	-	(17,883,102)	-	-	-	(17,883,102)
Purchase of shares under employee share trust		(2,794,549)	-	-	-	-	(2,794,549)
Loan shares to senior management (net of dividend received back)		131,700	-	-	-	-	131,700
Performance rights - value of rights	9(b)	-	-	-	340,802	-	340,802
Exercise of performance rights	9(b)	408,936	-	-	(408,936)	-	-
		<b>(2,253,913)</b>	<b>(17,883,102)</b>	<b>-</b>	<b>(68,134)</b>	<b>845,072</b>	<b>(19,101,096)</b>
<b>Balance at 31 December 2023</b>		<b>16,297,444</b>	<b>111,746,726</b>	<b>(7,009,522)</b>	<b>1,726,582</b>	<b>(1,091,548)</b>	<b>121,669,682</b>

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



## Financial Report

# Consolidated Statement of Cash Flows

For the half-year ended 31 December 2023

	31 December 2023 \$	31 December 2022 \$
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of GST)	162,531,647	162,677,525
Payments to suppliers and employees (inclusive of GST)	(139,924,607)	(136,471,652)
	22,607,040	26,205,873
Interest paid	(45,151)	(40,339)
Income taxes paid	(16,382,027)	(15,666,271)
Interest received	1,725,490	656,789
<b>Net cash inflow from operating activities</b>	<b>7,905,352</b>	<b>11,156,052</b>
<b>Cash flows from investing activities</b>		
Dividends received from joint ventures and associates	587,063	631,049
Repayment of loans from Joint ventures and associates	249,011	20,000
Payments for property, plant and equipment	(359,109)	(2,551,304)
Payments for intangible assets	-	(13,680)
<b>Net cash inflow/(outflow) from investing activities</b>	<b>476,965</b>	<b>(1,913,935)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	1,979,779	2,648,959
Repayments of borrowings	(12,053)	(1,456,451)
Dividends paid to Company's shareholders	(17,883,102)	(14,306,482)
Reduction of lease liability	(2,210,823)	(2,132,787)
Purchase of shares by employee share trust	(2,794,545)	(365,076)
<b>Net cash outflow from financing activities</b>	<b>(20,920,744)</b>	<b>(15,611,837)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(12,538,427)</b>	<b>(6,369,720)</b>
Cash and cash equivalents at the beginning of the financial year	82,412,067	100,946,619
Effects of exchange rate changes on cash and cash equivalents	(865,630)	102,159
<b>Cash and cash equivalents at end of the half-year ended</b>	<b>69,008,010</b>	<b>94,679,058</b>

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

## Financial Report

# Notes to the Consolidated Financial Statements

31 December 2023

## 1. Summary of material accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

These general purpose financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by Lycopodium Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

### 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 International Accounting Standards Board ('IASB') 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.

The critical accounting estimates and judgements are consistent with those applied and disclosed in the 30 June 2023 annual report.

## 2. Segment information

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

As part of our ongoing assessment of operations we have updated our segments and restated the comparatives.

### (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 are reportable in accordance with the requirements of AASB 8.

The Resources 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 Rail Infrastructure segment consists of asset management, engineering, architectural and project delivery services to a wide range of private and public clients across Australia.

The Industrial Processes segment consists of engineering and related services provided to manufacturing and renewable energy facilities throughout Australia and Southeast Asia.

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 segment that is not reportable consists of:

#### Metallurgical:

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

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



## Financial Report

# Notes to the Consolidated Financial Statements

31 December 2023

## 2. Segment information (continued)

### (b) Other segment information

The segment information provided to the Board of Directors for the reportable segments for the half-year ended 31 December 2023 and 2022 are as follows:

31 December 2023	Resources \$	Rail Infrastructure \$	Industrial Processes \$	Other \$	Total \$
Total segment revenue	190,976,242	5,706,362	5,282,642	4,408,458	206,373,704
Inter-segment revenue	(30,246,097)	(44,551)	-	(1,263,740)	(31,554,388)
<b>Revenue from external customers</b>	<b>160,730,145</b>	<b>5,661,811</b>	<b>5,282,642</b>	<b>3,144,718</b>	<b>174,819,316</b>
Interest income	1,145,627	-	1,099	578,764	1,725,490
Other income	704,486	53,634	3,279	498,458	1,259,857
<b>Total revenue</b>					<b>177,804,663</b>
<b>Segment profit before tax</b>	<b>38,925,251</b>	<b>497,222</b>	<b>1,075,514</b>	<b>583,018</b>	<b>41,081,005</b>
<b>Unallocated:</b>					
Depreciation and amortisation					(2,057,682)
Share of net profit of associates and joint ventures accounted for using the equity method					872,884
Other unallocated					(91,457)
<b>Profit before tax</b>					<b>39,804,750</b>
Income tax expense					(10,097,784)
<b>Profit after tax</b>					<b>29,706,966</b>
<b>Total segment assets</b>	<b>157,739,799</b>	<b>4,025,838</b>	<b>7,097,194</b>	<b>5,346,346</b>	<b>174,209,177</b>
Intersegment eliminations					(17,292,483)
Intangibles arising on consolidation					6,126,228
<b>Unallocated Segment Assets:</b>					
Cash and cash equivalents					4,087,128
Trade and other receivables					2,803,005
Right-of-use assets					8,383,258
Other unallocated segment assets					29,916,081
<b>Total assets</b>					<b>208,232,394</b>
Total assets includes:					
Additions to non-current assets (other than financial assets and deferred tax)	132,512	-	(3,018)	229,614	359,108
<b>Total segment liabilities</b>	<b>86,095,178</b>	<b>1,241,069</b>	<b>3,569,790</b>	<b>(5,446,236)</b>	<b>85,459,801</b>
Intersegment eliminations					644,818
<b>Unallocated Segment Liabilities:</b>					
Trade and other payables					2,706,205
Provision for income tax					(15,838,804)
Lease liabilities					9,814,557
Other unallocated segment liabilities					3,776,135
<b>Total liabilities as per the consolidated balance sheet</b>					<b>86,562,712</b>

## Financial Report

# Notes to the Consolidated Financial Statements

31 December 2023

## 2. Segment information (continued)

### (b) Other segment information

The segment information provided to the Board of Directors for the reportable segments for the half-year ended 31 December 2023 and 2022 are as follows:

31 December 2022	Resources \$	Rail Infrastructure \$	Industrial Processes \$	Other \$	Total \$
Total segment revenue	166,467,822	7,126,768	5,554,255	2,985,492	182,134,337
Inter-segment revenue	(23,218,849)	2,334	(82,221)	(197,784)	(23,496,520)
<b>Revenue from external customers</b>	<b>143,248,973</b>	<b>7,129,102</b>	<b>5,472,034</b>	<b>2,787,708</b>	<b>158,637,817</b>
Interest income	401,819	-	783	254,187	656,789
Other income	35,960	14,646	-	594,522	645,128
<b>Total revenue</b>					<b>159,939,734</b>
<b>Segment profit before tax</b>	<b>25,778,387</b>	<b>(62,665)</b>	<b>1,527,174</b>	<b>203,921</b>	<b>27,446,816</b>
<b>Unallocated:</b>					
Depreciation and amortisation					(1,806,595)
Share of net profit of associates and joint ventures accounted for using the equity method					1,115,637
Other unallocated					1,978,892
<b>Profit before tax</b>					<b>28,734,750</b>
Income tax expense					(8,750,949)
<b>Profit after tax</b>					<b>19,983,801</b>
<b>Total segment assets</b>	<b>180,276,637</b>	<b>3,734,987</b>	<b>8,486,712</b>	<b>5,522,186</b>	<b>198,020,522</b>
Intersegment eliminations					(45,065,629)
Intangibles arising on consolidation					6,126,228
<b>Unallocated Segment Assets:</b>					
Cash and cash equivalents					2,702,191
Trade and other receivables					9,964,159
Right-of-use assets					9,516,468
Other unallocated segment assets					31,309,580
<b>Total assets</b>					<b>212,573,519</b>
Total assets includes:					
Additions to non-current assets (other than financial assets and deferred tax)	930,462	28,637	69,760	22,971	1,051,830
<b>Total segment liabilities</b>	<b>125,578,126</b>	<b>2,211,772</b>	<b>5,458,931</b>	<b>(5,100,443)</b>	<b>128,148,386</b>
Intersegment eliminations					(29,009,809)
<b>Unallocated Segment Liabilities:</b>					
Trade and other payables					3,362,442
Provision for income tax					(8,899,756)
Lease liabilities					10,730,167
Other unallocated segment liabilities					4,752,956
<b>Total liabilities as per the consolidated balance sheet</b>					<b>109,084,386</b>



## Financial Report

# Notes to the Consolidated Financial Statements

31 December 2023

### 3. Revenue from contract with customers

Revenue from contracts with customers for the half-year ended 31 December 2023 and 2022 are as follows:

	2023			2022		
	Engineering & related services \$	Construction contracts \$	Total \$	Engineering & related services \$	Construction contracts \$	Total \$
Resources	138,226,867	22,503,277	160,730,144	95,643,009	47,605,965	143,248,974
Rail Infrastructure	5,661,811	-	5,661,811	7,129,101	-	7,129,101
Industrial Processes	5,282,642	-	5,282,642	5,472,034	-	5,472,034
Other	3,144,719	-	3,144,719	2,787,708	-	2,787,708
<b>Total revenue</b>	<b>152,316,039</b>	<b>22,503,277</b>	<b>174,819,316</b>	<b>111,031,852</b>	<b>47,605,965</b>	<b>158,637,817</b>

#### (a) Assets and liabilities related to contracts with customers

	31 December 2023 \$	30 June 2023 \$
<b>Total contract assets</b>	-	-
Advances received for construction contract work	9,282,862	-
Deferred services income	9,137,131	25,166,322
<b>Total contract liabilities</b>	<b>18,419,993</b>	<b>25,166,322</b>

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 the financial years ending 30 June 2024 and 30 June 2025.

### 4. Income tax expense

#### (a) Income tax expense

	31 December 2023 \$	31 December 2022 \$
Current tax on profits for the year	11,204,342	13,106,138
Deferred tax on profits for the year	(1,044,039)	(5,736,411)
Adjustments for tax of prior periods	(62,519)	1,381,222
	<b>10,097,784</b>	<b>8,750,949</b>



## Financial Report

# Notes to the Consolidated Financial Statements

31 December 2023

## 5. Non-current assets – Investments accounted for using the equity method

### (a) Investments in joint ventures and associates

	Consolidated entity	
	31 December 2023 \$	30 June 2023 \$
Investments in joint ventures	1,073,902	1,156,701
Investments in associates	3,021,414	2,652,794
<b>Carrying amount at the end of the financial period</b>	<b>4,095,316</b>	<b>3,809,495</b>

### (b) Investment in Joint Ventures

Name of Joint Venture	Country of Incorporation & Principal Place of Business	Principal Activities	Proportion of Ownership Interest Held by the Consolidated Entity	
			31 December 2023	31 December 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:

	31 December 2023 \$	31 December 2022 \$
(Loss)/profit from continuing operations	(82,799)	217,670
Other comprehensive income	-	-
<b>Total comprehensive (loss)/income</b>	<b>(82,799)</b>	<b>217,670</b>

## Financial Report

# Notes to the Consolidated Financial Statements

31 December 2023

## 5. Non-current assets – Investments accounted for using the equity method (continued)

### (c) Investment in Associates

Name of Associate	Country of Incorporation & Principal Place of Business	Principal Activities	Proportion of Ownership Interest Held by the Consolidated Entity	
			31 December 2023	31 December 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:

	31 December 2023 \$	31 December 2022 \$
Profit from continuing operations	955,683*	897,966
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>955,683</b>	<b>897,966</b>

\*From the profit from continuing operations, \$587,063 was received as dividends during the period ended 31 December 2023 (31 December 2022 - \$631,049).

## 6. Fair value measurement of financial instruments

The following table details the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement being:

- 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 consolidated entity considers all investments to be Level 1 investments.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>31 December 2023</b>				
<b>Financial assets</b>				
Listed securities	3,476,665	-	-	3,476,665
Derivative asset - foreign exchange forward contracts	-	2,879	-	2,879
<b>Net fair value</b>	<b>3,476,665</b>	<b>2,879</b>	<b>-</b>	<b>3,479,544</b>
<b>30 June 2023</b>				
<b>Financial assets</b>				
Listed securities	3,037,485	-	-	3,037,485
Derivative asset - 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>

There were no transfers between Level 1 and Level 2 during the financial half-year.

## Financial Report

# Notes to the Consolidated Financial Statements

31 December 2023

## 7. Lease Liabilities

	31 December 2023 \$	30 June 2023 \$
Lease liabilities pertaining to leased properties		
Current	3,913,511	4,494,167
Non-current	9,274,439	10,527,166

## 8. Current liabilities – Provisions

	31 December 2023 \$	30 June 2023 \$
Service and equipment warranties	5,426,148	9,578,601

### (a) Movements in provisions

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

Consolidated entity	Service and equipment warranties \$	Total \$
Carrying amount at 1 July 2023	9,578,601	9,578,601
Provisions reversed during the period	(5,618,103)	(5,618,103)
Provisions recognised during the period	1,556,874	1,556,874
Foreign exchanges difference	(91,224)	(91,224)
<b>Carrying amount at 31 December 2023</b>	<b>5,426,148</b>	<b>5,426,148</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.



## Financial Report

# Notes to the Consolidated Financial Statements

31 December 2023

## 9. Contributed equity

### (a) Share capital

	31 December 2023 Shares	30 June 2023 Shares	31 December 2023 \$	30 June 2023 \$
Ordinary shares				
Fully paid	39,740,226	39,740,226	20,854,574	20,854,574
Less: Treasury shares (Employee Share Trust)	(576,070)	(265,033)	(3,826,634)*	(1,032,083)
Add: Exercise of Shares through Employee Share Trust	287,848	201,209	1,283,130	874,193
Less: Loan funded shares to senior management	(350,000)	(350,000)	(2,013,626)**	(2,145,327)
<b>Balance at the end of the period</b>	<b>39,102,004</b>	<b>39,326,402</b>	<b>16,297,444</b>	<b>18,551,357</b>

\*Movement in treasury shares held by Employee Share Trust during the period ended 31 December 2023 amounted to \$2,794,551 (2022 : \$ 165,371)

\*\*Movement in Loan Funded Shares to Senior management during the period ended 31 December 2023 amounted to \$ 131,700 (2022 : \$1,350,000)

### (b) Reserves

	31 December 2023 \$	30 June 2023 \$
Share based payments reserve	1,726,582	1,794,716
Foreign currency translation reserve	(7,009,522)	(5,367,407)
	<b>(5,282,940)</b>	<b>(3,572,691)</b>

	31 December 2023 \$	30 June 2023 \$
--	---------------------------	-----------------------

#### Movements:

<i>Share based payments reserve</i>		
Opening Balance	1,794,716	1,333,109
Performance rights plan expense	340,802	574,275
Loan funded shares	-	450,800
Transfer to share capital - exercise of rights	(408,936)	(593,087)
Tax effect of transfer to cash to employee share trust	-	29,619
<b>Balance at the end of the period</b>	<b>1,726,582</b>	<b>1,794,716</b>

<i>Foreign currency translation reserve</i>		
Opening Balance	(5,367,407)	(1,670,613)
Currency translation differences arising during the year	(1,642,115)	(3,696,794)
<b>Balance at the end of the period</b>	<b>(7,009,522)</b>	<b>(5,367,407)</b>

### (c) Retained earnings

	31 December 2023 \$	30 June 2023 \$
Balance 1 July	99,663,882	81,496,413
Net profit for the period	29,965,946	46,780,431
Dividends paid or payable (Note 11)	(17,883,102)	(28,612,962)
<b>Balance at the end of the period</b>	<b>111,746,726</b>	<b>99,663,882</b>

## Financial Report

# Notes to the Consolidated Financial Statements

31 December 2023

## 10. Non-controlling interests

	31 December 2023 \$	30 June 2023 \$
<b>Interest in:</b>		
Share capital	13,264	13,264
Reserves	4,003	4,003
Non-controlling interest on acquisition	(288,240)	(288,240)
Retained earnings	(820,575)	(1,406,668)
	<b>(1,091,548)</b>	<b>(1,677,641)</b>

## 11. Dividends

### (a) Ordinary shares

	31 December 2023 \$	31 December 2022 \$
Final dividend for the year ended 30 June 2023 of 45.0 cents (2022: 36.0 cents) per fully paid share paid on 6 October 2023 (2022: 7 October 2022)		
<b>Fully franked based on tax paid @ 30% (2022: 30%)</b>	<b>17,883,102</b>	<b>14,306,482</b>

### (b) Dividends not recognised at the end of the reporting period

	31 December 2023 \$	31 December 2022 \$
Since half-year end the Directors have recommended the payment of an interim dividend of 37.0 cents per fully paid ordinary share (2022: 36.0 cents), fully franked based on tax paid at 30% (2022: 30%). The aggregate amount of the proposed dividend expected to be paid on 4 April 2024 out of retained earnings of the consolidated entity at 31 December 2023, but not recognised as a liability at period end, is		
	<b>14,703,883</b>	<b>14,306,482</b>

## 12. Events occurring after the reporting period

Since half-year end the directors have recommended the payment of an interim dividend on ordinary shares in respect of the 2024 financial year. The total amount of dividend is \$14,703,883 which represents a fully franked dividend of 37.0 cents per fully paid ordinary share.

With the exceptions of the above, no other matter or circumstance has arisen since 31 December 2023 that has 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 the future financial periods.



## Directors' Declaration

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 6 to 19 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001*, Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporation Regulations 2001* and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date, and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

**Peter De Leo**  
Managing Director  
Perth  
20 February 2024





## Independent Auditor's Review Report



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

T +61 8 9261 9100  
F +61 8 9261 9111  
[www.rsm.com.au](http://www.rsm.com.au)

### INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of LYCOPODIUM LIMITED

#### Report on the Half-Year Financial Report

##### Conclusion

We have reviewed the accompanying half-year financial report of Lycopodium Limited which comprises the consolidated statement of financial position as at 31 December 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 half-year ended on that date, notes to the consolidated financial statements comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

##### Basis for Conclusion

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

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

#### 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 Review Report



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

The directors of Lycopodium 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 is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility for the Review of the Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as 31 December 2023 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.


A handwritten signature in black ink, appearing to read 'James Komninis'.

James Komninis  
Partner

A handwritten version of the RSM logo, with 'RSM' written in a stylized, cursive font.

RSM AUSTRALIA PARTNERS

Perth, WA  
Dated: 20 February 2024



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](http://lycopodium.com)**