



PARKWAY CORPORATE LIMITED AND ITS CONTROLLED ENTITIES

ABN 62 147 346 334

Condensed Half-Year Financial Report

31 December 2023

PARKWAY CORPORATE AND ITS CONTROLLED ENTITIES

ABN: 62 147 346 334

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PARKWAY CORPORATE AND ITS CONTROLLED ENTITIES

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CORPORATE DIRECTORY

Directors

Ayten Saridas
Bahay Ozcakmak
Penelope Creswell
Stephen van der Sluys

Company Secretary

Amanda Wilton-Heald

Registered and Principal Office

Warehouse 5,
45 Bunnett Street
Sunshine North VIC 3020 AUSTRALIA
Telephone: (+61 3) 9069 3200
Website: www.pwnps.com
Email: ir@pwnps.com

Share Registry

Advanced Share Registry
110 Stirling Highway
Nedlands WA 6009 AUSTRALIA
Telephone (+61 8) 9389 8033
Email: admin@advancedshare.com.au

Auditor

Nexia Perth Audit Services Pty Ltd
3/88 William St
Perth WA 6000 AUSTRALIA
Telephone :(+61 8) 9463 2463
Email: info@nexiaperth.com.au

Stock Exchange Listing

Parkway Corporate Limited shares are listed on the Australian Securities Exchange (ASX: PWN) and the Frankfurt Stock Exchange (FSE: 4IP).

PARKWAY CORPORATE AND ITS CONTROLLED ENTITIES

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DIRECTORS' REPORT

The Directors present their report on Parkway Corporate Limited (ACN 147 346 334) ("**Parkway**", or the "**Company**"), and its controlled entities (the "**Group**"), for the Group's half-Year ended 31 December 2023 ("**HY23**").

Directors

The names and details of Parkway's Directors in office, for some or all of HY23, are set out below.

Name	Tenure During Half-Year
Stephen van der Sluys (Non-executive Chairman)	1 July 2023 to 31 December 2023
Bahay Ozcakmak (Group Managing Director & CEO)	1 July 2023 to 31 December 2023
Penelope Creswell (Non-executive Director)	1 July 2023 to 31 December 2023
Ayten Saridas (Non-executive Director)	1 July 2023 to 31 December 2023

Principal activities

During the half-year, the Group continued to make progress towards its mission of building a leading industrial water treatment technology company. The Group primarily operates through two core divisions:

- The process technology division – Parkway Process Technologies (PPT), and the
- Conventional water treatment division – Parkway Process Solution (PPS).

In addition to the industrial water treatment related activities, the Group also holds an equity interest in the Karinga Lakes Potash Project ("KLPP"), in the Northern Territory of Australia. During the period, no substantive mining exploration activities occurred in relation to this project, as the Group has indicated in intends to relinquish this interest.

Review of operations

It has been an exciting half-year for the Group. The Group has been transformed into a dynamic organisation focused on providing a range of leading water treatment related products, services, and solutions to a range of major industrial companies.

Our operating business, Parkway Process Solutions ("PPS") continued to grow strongly, achieving \$2.0 million in sales revenue in HY23 (HY22: \$1.7 million), underpinned by a growing industrial customer base, particularly within the energy and mining industries.

The sustained growth in our operating business is very encouraging, particularly given it enables us to get close to our customers, and work towards our mission of building an advanced industrial water treatment technology company.

Group Financial Performance

	31 Dec 2023	31 Dec 2022	% Increase/ (Decrease)
	\$	\$	
Total income	2,580,297	1,710,839	51%
Loss before tax	(468,464)	(1,310,654)	-64%
Loss after income tax expense	(468,464)	(1,310,654)	-64%
Loss per share (cents)	(0.02)	(0.06)	-66%

The financial position of the Group is presented in the attached Condensed Consolidated Statement of Financial Position.

DIRECTORS' REPORT

Review of operations (continued)

Our focus on technology as a lever to create value is of immense importance, as it provides the Group with a source of sustained competitive advantage.

During the half-year, the Group also achieved a series of significant technology related milestones, from research and development related breakthroughs, through to the scale-up of our proprietary technologies to demonstrate a range of important process advantages. In March 2023, Parkway Process Technologies ("PPT") successfully completed a detailed feasibility study for a major global energy company based on our proprietary technologies, which was a significant yearlong undertaking and highlights the calibre of our team and the capabilities we have developed.

Through PPT, the Group continued to make significant progress in leveraging its proprietary process technology platform to support existing and emerging business development initiatives. During the half-year, the Group continued to engage with a range of existing and prospective clients requiring industrial process expertise, particularly in processing concentrated wastes, including brines, from a diverse range of industrial-scale operations.

In parallel with advancing the commercialisation of its portfolio of innovative technologies, the Group continued to strategically expand the operations of PPS, by pursuing a range of commercial opportunities relating to industrial water and wastewater treatment, predominantly in Australia. In addition to generating sales through the provision of conventional water and wastewater treatment solutions, PPS is increasingly supporting the commercialisation of the Group's next-generation technology portfolio, including the delivery of highly differentiated integrated water treatment and industrial process solutions.

During the half-year, PPS continued to improve its market penetration by securing new business from a diverse range of clients, for the provision of industrial water treatment related products, services and solutions.

Through PPS, the Group continued to grow its client base, which includes large mining and energy companies, a diverse range of industrial companies, as well as engineering services, government, and municipal clients, amongst others.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 23 August 2023 Parkway successfully conducted a placement to sophisticated and professional investors, raising gross proceeds of \$4,000,000, through the issuance of 285,714,286 new fully paid ordinary shares at an issue price of \$0.014. Allotment of the placement shares was made pursuant to Parkway's ASX Listing Rule 7.1 capacity.

Other than the above, and except for other the matters disclosed in this Operating and Financial Review, there were no other significant changes in the state of affairs of the Group during the half-year.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

New Warehouse Lease to establish Parkway Centre for Brine Technologies (CBT)

On 16 November 2023 Parkway signed a new lease to begin on 4 December 2023 for the purpose of establishing the Centre for Brine Technologies at Warehouse 4/45 Bunnett Street, in Sunshine North, Victoria. Due to delays to the departure of the prior tenant, the commencement date was amended to 17 January 2024. At this time the Group recognised a right-of-use asset and lease liability of \$581,154. The initial rent is \$90,176 p.a. plus outgoings, with a 3% increase from February 2024 and annually thereafter. The initial term is 2 years, 2 months and 7 days, plus one option for a further five years.

Master Plan Related Pre-FEED Study

On 31 January 2024 the Group received a purchase order to perform additional pre-FEED (Front-End Engineering Design) related engineering scope, to advance existing studies, including a feasibility study, for a major CSG company.

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Rounding amount

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

Dividends

There were no dividends paid, recommended or declared during the current or previous half-year.

Risk Management

The Board is responsible for ensuring that risks and opportunities are identified on a timely basis and that the Group's objectives and activities are aligned with these risks and opportunities. The Audit and Risk Committee also plays a role in assisting the Board in fulfilling its responsibility to manage the organisation's risks by closely monitoring the actions taken by Management to ensure they align with Group policy. As part of the Group's annual ISO 9001/14001/45001 internal reviews, Management reviews relevant risks and opportunities as well as the ongoing appropriateness of existing controls and residual risks. Our overarching objective is to embed risk management throughout the Group, maintaining a structured, systematic, and proactive approach. There have been no material changes to the description of the Group's risk management framework as outlined in the annual report as at 30 June 2023.

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 22 of this report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the directors



Bahay Ozcakmak
Group Managing Director & CEO
Melbourne
Dated: 28 February 2024

PARKWAY CORPORATE AND ITS CONTROLLED ENTITIES

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

		31 Dec 2023	31 Dec 2022
	Note	\$	\$
INCOME FROM CONTINUING ACTIVITIES			
Sales revenue	4	1,953,966	1,702,233
Interest		48,667	8,606
Profit from the disposal of depreciated assets		44,085	-
Government grant	5	533,580	-
TOTAL INCOME		2,580,297	1,710,839
EXPENSES			
Cost of goods sold		1,516,986	791,450
Employee expenses		816,492	1,329,241
Corporate and Professional fees		221,819	76,662
Other expenses		165,296	192,449
Depreciation and Amortisation		160,200	208,138
Interest expense		63,357	55,624
Research		62,500	67,522
Occupancy		42,112	-
Impairment loss on goodwill	8	-	300,407
TOTAL EXPENSES		3,048,762	3,021,493
LOSS BEFORE INCOME TAX		(468,464)	(1,310,654)
Income tax expense		-	-
NET LOSS FOR THE HALF-YEAR		(468,464)	(1,310,654)
OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR			
<i>items that may be subsequently reclassified to profit or loss:</i>		-	-
TOTAL OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR		-	-
TOTAL COMPREHENSIVE LOSS FOR THE HALF-YEAR		(468,464)	(1,310,654)
Basic and diluted loss per share (cents per share)	3	(0.02)	(0.06)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

PARKWAY CORPORATE AND ITS CONTROLLED ENTITIES

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

		31 Dec 2023	30 Jun 2023
	Note	\$	\$
CURRENT ASSETS			
Cash and cash equivalents		3,901,507	2,003,639
Trade and other receivables	6	686,611	427,246
Inventory		1,804,883	1,683,894
Other assets		278,197	77,831
Total Current Assets		6,671,198	4,192,609
NON-CURRENT ASSETS			
Trade and other receivables	6	139,983	138,101
Plant and equipment	7	407,256	295,623
Intangible assets	8	5,145,820	4,624,426
Right of use assets	9	2,335,697	2,713,670
Total Non-Current Assets		8,028,756	7,771,820
TOTAL ASSETS		14,699,953	11,964,429
CURRENT LIABILITIES			
Trade and other payables		315,145	630,635
Provisions		246,935	192,012
Lease liabilities	9	259,259	336,220
Total Current Liabilities		821,339	1,158,866
NON-CURRENT LIABILITIES			
Lease liabilities	9	2,153,864	2,460,837
Provisions		174,108	176,994
Total Non-Current Liabilities		2,327,972	2,637,831
TOTAL LIABILITIES		3,149,311	3,796,698
NET ASSETS		11,550,643	8,167,731
EQUITY			
Contributed Equity	10	39,443,288	35,630,714
Reserves		1,216,849	1,178,047
Accumulated losses		(29,109,495)	(28,641,030)
TOTAL EQUITY		11,550,643	8,167,731

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

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Contributed Equity	Accumulated Losses	Share and Option Based Payment Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2022	35,475,444	(26,960,975)	1,178,047	9,692,516
Loss for the half-year	-	(1,310,654)	-	(1,310,654)
Other comprehensive income	-	-	-	-
Total comprehensive loss for half-year	-	(1,310,654)	-	(1,310,654)
Transactions with owners in their capacity as owners:				
Shares issued	200	-	-	200
Share and option based payments	-	-	-	-
Balance at 31 December 2022	35,475,644	(28,271,629)	1,178,047	8,382,062

	Contributed Equity	Accumulated Losses	Share and Option Based Payment Reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2023	35,630,714	(28,641,030)	1,178,047	8,167,731
Loss for the half-year	-	(468,464)	-	(468,464)
Other comprehensive income	-	-	-	-
Total comprehensive loss for half-year	-	(468,464)	-	(468,464)
Transactions with owners in their capacity as owners:				
Shares issued	4,000,000	-	-	4,000,000
Share issued transaction costs	(187,426)	-	-	(187,536)
Share and option based payments	-	-	38,802	38,802
Balance at 31 December 2023	39,443,288	(29,109,495)	1,216,849	11,550,643

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

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

		31 Dec 2023	31 Dec 2022
	Note	\$	\$
OPERATING ACTIVITIES			
Receipts from customers		2,226,301	2,124,546
Payments to suppliers and employees		(3,351,799)	(3,580,326)
Interest received (net)		48,454	8,606
NET CASH FLOWS USED IN OPERATING ACTIVITIES		(1,077,044)	(1,447,173)
INVESTING ACTIVITIES			
Proceeds from sale of plant and equipment		50,016	2,413
Payment for acquisition of plant and equipment		(156,470)	(10,449)
Payments for acquisition of Mawpump		-	(257,560)
Payments for capitalised R&D expenditure	8	(521,394)	-
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(627,848)	(265,596)
FINANCING ACTIVITIES			
Proceeds from issue of shares (net of capital raising costs)	10	3,812,574	200
Net repayment of principal elements of Leases	9	(209,814)	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		3,602,760	200
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		1,897,868	(1,712,569)
Cash and cash equivalents at the beginning of the year		2,003,639	4,003,404
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		3,901,507	2,290,835

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

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

Note 1: Basis of preparation of the half-yearly financial report

The condensed financial report of Parkway Corporate Limited (the “Company” or “Parkway”) and its controlled entities (the “Group”) for the half-year ended 31 December 2023 was authorised for issue in accordance with a resolution of Directors on 28 February 2024. The Group is a for-profit entity. The Group’s condensed consolidated financial statements are presented in Australian dollars, which is also Parkway’s functional currency. The condensed financial report has been prepared in accordance with AASB 134 Interim Financial Reporting and the *Corporations Act 2001*.

It is recommended that the condensed financial report be read in conjunction with the annual financial report for the year ended 30 June 2023 and considered with any public announcements made by Parkway Corporate Limited and its controlled entities during the half-year ended 31 December 2023 in accordance with continuous disclosure obligations of the ASX Listing Rules.

The condensed financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full and understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report which is available at www.parkway-corp.com.

The condensed financial report has been prepared on the basis of accrual accounting and historical costs and the same accounting policies and methods of computation were followed as in the most recent annual financial statements.

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the year in which the estimate is revised if it affects only that year or in the year of the revision and future years if the revision affects both current and future years.

In preparing this condensed financial report, the significant judgements made by management and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2023.

(a) Changes in Accounting policies and disclosure

New and Revised Accounting Standards that are effective for these financial statements

A number of new and amended accounting standards are effective for the current reporting period, however, the change to the Group’s accounting policies arising from these standards has not required the Group to make retrospective adjustments as a result of adopting these standards. The adoption of the new and amended accounting standards has therefore had no material impact on the Group for the half-year ended 31 December 2023.

Other amendments and interpretations relevant to the Group in a future period

A number of new and amended Accounting Standards and Interpretations have been issued that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of these new and amended pronouncements. The Group is currently in the process of assessing the new and amended pronouncements.

Rounding amount

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

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

Note 1: Basis of preparation of the half-year financial report (continued)

(b) Going Concern

The condensed financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business. The Group has reported a loss for the period of \$468,464 (2022: \$1,310,654) and a cash outflow from operating activities of \$1,077,044 (2022: \$1,447,173). At the end of the half-year, the Group had \$3,901,507 (30 June 2023: \$2,003,639) in cash and cash equivalents and a working capital surplus of \$5,849,859 (30 June 2023: \$3,033,743).

In arriving at this position, the Directors have had regard to the fact that the Group has, or in the Directors' opinion will have access to, sufficient cash to fund administrative and other committed expenditure. The Group's cashflow forecasts for the twelve months ended 28 February 2025 indicate that the Group will have access to sufficient cash to fund administrative and other committed expenditure and be able to settle its liabilities as and when they fall due for a period of at least 12 months from the date of signing the condensed financial report.

Note 2: Segment information

The Group has based its operating segment on the internal reports that are reviewed and used by the executive management team ("Chief Operating Decision Makers") in assessing performance and in determining the allocation of resources.

As no substantial exploration related activities occurred during the half-year, exploration related expenditures were not deemed to be considered a separate segment for reporting purposes as a consequence, activities in the operating segment are identified by management based on the manner in which resources are allocated, the nature of the resources provided and the identity of the manager and country of expenditure. Information is reviewed on a whole of entity basis. At 31 December 2023, all revenues and material assets are considered to be derived and held in one geographical area being Australia.

Based on these criteria the Group has one operating segment providing water treatment related products and services, and the segment operations and results are reported internally based on the accounting policies as described in Note 1 for the computation of the Group's results presented in the condensed financial report.

Note 3: Loss per share

	31 Dec 2023	31 Dec 2022
	\$	\$
Basic loss per share (cents per share)	(0.02)	(0.06)
Diluted loss per share (cents per share)	(0.02)	(0.06)
Net loss	(468,464)	(1,310,654)
Loss used in calculating basic and diluted loss per share	(468,464)	(1,310,654)
	Number	Number
Weighted average number of ordinary shares used in the calculation of basic and diluted loss per share	2,419,831,666	2,213,276,223

During the half-year there were no listed or key management personnel options exercised.

The options on issue are not considered dilutive for the purpose of the calculation of diluted loss per share as their conversion to ordinary shares would not decrease the loss per share. Consequently, diluted loss per share is the same as basic loss per share.

There have been no transactions involving ordinary shares or potential shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of the condensed financial report.

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**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

Note 4: Sales revenue

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	31 Dec 2023	31 Dec 2022
	\$	\$
Type of goods or service		
Sale of water treatment related products	233,940	25,621
Commercial water treatment solutions	338,253	299,515
Industrial water related solutions	1,381,772	1,377,097
Total revenue from contracts with customers	1,953,966	1,702,233
Timing of revenue recognition		
Goods and services transferred at a point in time	1,953,966	1,702,233
Total revenue from contracts with customers	1,953,966	1,702,233

At 31 December 2023, all revenue from contract with customers is considered to be derived and held in one geographical area being Australia.

Note 5: Government grants

The Group recognised the following government grants during the half-year:

	31 Dec 2023	31 Dec 2022
	\$	\$
Research and Development ("R&D") incentives	533,580	-
Total	533,580	-

The R&D incentive recognised during the half-year ended 31 December 2023 relates to the 2023 financial year. The full amount of the R&D incentive is recognised as income in the Condensed Consolidated Statement of Comprehensive Income in the period in which the Group determines with reasonable assurance that all terms and conditions of the government grant will be complied with, typically when the Group tax return is submitted. No R&D incentive has been recognised for expenditure incurred in the half-year ended 31 December 2023 (and half-year ended 31 December 2022) because the Group is of the opinion that as at the reporting date, reasonable assurance that all terms and conditions of the government grant will be complied with did not exist.

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

Note 6: Trade and other receivables

	31 Dec 2023	30 Jun 2023
	\$	\$
Current		
Trade debtors	144,012	427,246
GST Receivables	9,019	-
Other Receivables	533,580	-
	<u>686,611</u>	<u>427,246</u>
Non-Current		
Security Deposits	139,983	138,101
	<u>139,983</u>	<u>138,101</u>

Trade debtors are non-interest bearing and are generally on 30 to 90 days terms.

For trade and other receivables, the Group has applied the standard's simplified approach and has calculated Expected Credit Losses (ECLs) based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience for customer groups, adjusted for forward-looking factors specific to the debtors, industry payment profiles and the economic environment. At 31 Dec 2023, an ECL of \$10,017 was recognised (30 June 2023: \$10,130). There was no expected credit loss recognised during the half-year.

Other receivables (Current) is the Australian Tax Office receivable relating to the FY23 R&D incentive.

Other than those receivables specifically provided for, trade and other receivables are considered fully recoverable.

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

Note 7: Plant, Property and equipment

	31 Dec 2023	30 Jun 2023
	\$	\$
Office equipment at cost	72,441	69,655
Less accumulated depreciation	(42,503)	(36,676)
	<u>29,938</u>	<u>32,979</u>
Plant and equipment at cost	88,391	56,915
Less accumulated depreciation	(33,525)	(30,034)
	<u>54,867</u>	<u>26,881</u>
Computers & software at cost	50,044	46,604
Less accumulated depreciation	(22,740)	(19,132)
	<u>27,303</u>	<u>27,472</u>
Furniture fixtures at cost	133,740	133,740
Less accumulated depreciation	(63,344)	(54,311)
	<u>70,396</u>	<u>79,429</u>
Motor vehicles at cost	324,550	212,225
Less accumulated depreciation	(102,491)	(83,363)
	<u>222,058</u>	<u>128,862</u>
Low Value Assets at cost	2,971	-
Less accumulated depreciation	(279)	-
	<u>2,693</u>	<u>-</u>
Total plant, equipment & motor vehicles	407,256	295,623

Year ended 30 Jun 2023	Office Equipment	Plant & Equipment	Computers & Software	Furniture & Fixtures	Motor Vehicles	Total
	\$	\$	\$	\$	\$	\$
Opening net carrying value	31,939	29,330	27,080	61,832	115,124	265,305
Opening Balance Adjustment	-	(5,408)	6,305	-	(898)	-
Disposals	-	-	-	-	(6,358)	(6,358)
Additions	16,360	15,933	5,203	43,344	58,871	139,711
Depreciation charge	(15,321)	(12,974)	(11,116)	(25,747)	(37,877)	(103,035)
Closing net carrying value	32,979	26,881	27,472	79,429	128,862	295,623

Half-year ended 31 Dec 2023	Office Equipment	Plant & Equipment	Computers & Software	Furniture & Fixtures	Motor Vehicles	Low Value Assets	Total
	\$	\$	\$	\$	\$	\$	\$
Opening net carrying value	32,979	26,881	27,472	79,429	128,862	-	295,622
Disposals	-	-	-	-	-	-	-
Additions	2,786	34,947	3,440	-	112,325	2,971	156,470
Depreciation charge	(5,827)	(6,961)	(3,608)	(9,033)	(19,128)	(279)	(44,836)
Closing net carrying value	29,938	54,867	27,303	70,396	222,058	2,693	407,256

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

Note 8: Intangible assets

	31 Dec 2023	30 Jun 2023
	\$	\$
Intellectual property	3,844,693	3,323,299
Goodwill - Mawpump	1,301,127	1,301,127
	<u>5,145,820</u>	<u>4,624,426</u>

	Intellectual Property	Goodwill - Multi-Wet	Goodwill - Mawpump	Total
	\$	\$	\$	\$
Balance at 1 July 2022	3,323,299	300,407	1,275,780	4,899,486
Additions	-	-	25,347	25,347
Impairments	-	(300,407)	-	(300,407)
Balance at 30 Jun 2023	3,323,299	-	1,301,127	4,624,426
Balance at 1 Jul 2023	3,323,299	-	1,301,127	4,624,426
Additions	521,394	-	-	521,394
Impairments	-	-	-	-
Balance at 31 Dec 2023	3,844,693	-	1,301,127	5,145,820

The Group's intellectual property portfolio consists of trade secrets, know-how, trademarks, and patents. At 31 December 2023, the Group is still in the process of developing the technology associated with the intellectual property; hence, the corresponding asset is not yet available for use, however is the subject of various technoeconomic evaluations.

During the half-year the Group capitalised development expenditure associated with the commercialisation of its intellectual property, in accordance with AASB138 Intangible Assets. Research expenditure was expensed.

At 31 December 2022, Management assessed that there was an impairment trigger in relation to goodwill on the Multi-Wet acquisition that was made on 1 March 2021. The recoverable amount was assessed by reference to a 'value in use'. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The recoverable amount was lower than the carrying value; hence, an impairment amounting to \$300,407 was recognised.

At 31 December 2023, Management assessed that there were no indicators of impairment in relation to any of the intangible assets from the last impairment testing performed on 30 June 2023.

PARKWAY CORPORATE AND ITS CONTROLLED ENTITIES

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

Note 9: Leases

	31 Dec 2023	30 Jun 2023
	\$	\$
Amounts recognised in the balance sheet relating to leases:		
Right of use assets		
Buildings	2,335,697	2,713,670
Opening net book amount	2,713,670	1,192,095
Additions / (disposals)	(213,162)	1,839,776
Depreciation expense	(164,811)	(318,202)
Closing net book amount	2,335,697	2,713,670
Cost	2,761,563	3,236,873
Accumulated depreciation	(425,866)	(523,204)
Net book amount	2,335,697	2,713,670
Lease Liabilities		
Current	259,259	336,220
Non-current	2,153,863	2,460,837
	2,413,122	2,797,057

The Group leases land and buildings for its office and factory facilities under agreements of between 2 to 5 years with options to extend. On renewal, the terms of the leases are renegotiated.

On 16 November 2023 the Group entered into an agreement to terminate the lease on 20/45 Bunnett Street, Sunshine North, Victoria effective 30 November 2023 for an agreed amount of \$10,000. The \$24,085 difference between the right-of-use asset and lease liability on the balance sheet was recognised in the Condensed Consolidated Statement of Comprehensive Income as a part of the Profit from the disposal of depreciated assets.

On 1 December 2023 the Group recognised the final 3 year option on the existing lease for 5/45 Bunnett Street, Sunshine North, Victoria, as a right-of-use asset and lease liability, determining that the exercise of this option was now reasonably certain.

Lease liabilities

	31 Dec 2023	30 Jun 2023
	\$	\$
At beginning of half-year / year	2,797,056	1,217,990
Additions / (disposals)	(237,265)	1,818,902
Accretion of interest	63,145	48,956
Payment	(209,814)	(288,791)
At end of the half-year / year	2,413,122	2,797,056

In relation to the right-of-use assets and lease liabilities the following amounts were recognised in the condensed financial statements:

	31 Dec 2023	30 Jun 2023
	\$	\$
Depreciation expense	164,811	318,202
Interest expense	63,145	48,956
The total cash outflow for leases in the half-year was:	227,956	288,791

NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

Note 10: Contributed equity

Movements in fully paid ordinary shares on issue of the legal parent are:

	Half-year to 31 Dec 2023 Number	Year to 30 Jun 2023 Number	Half-year to 31 Dec 2023 \$	Year to 30 Jun 2023 \$
Beginning balance	2,226,818,847	2,213,262,446	35,630,714	35,475,444
Issue of shares for cash (net of cost)	285,714,286	-	3,812,574	-
Issue of shares as share-based payments	691,833	13,538,401	-	155,070
Issue of shares for exercised options	-	18,000	-	200
Ending balance	2,513,224,966	2,226,818,847	39,443,288	35,630,714

On 23 August 2023 Parkway successfully conducted a share placement to sophisticated and professional investors, raising gross proceeds of \$4,000,000, through the issuance of 285,714,286 new fully paid ordinary shares at an issue price of \$0.014. Allotment of the placement shares was made pursuant to Parkway's ASX Listing Rule 7.1 capacity.

Note 11: Equity-based payments

Expenses arising from share-based payment and option-based payment transactions

Total expenses arising from share-based payment transactions recognised during the half-year were as follows:

	Note	31 Dec 2023 \$	31 Dec 2022 \$
Performance rights issued to employees	11.1	30,500	-
Performance rights to be issued to employees	11.1	20,721	-
Shares issued to employees	11.2	8,302	-
Shares to be issued to employees	11.1	2,500	-
Total equity based payments expense		62,023	-

11.1 A performance rights plan has been established by the Group and approved by shareholders at a general meeting, whereby the Group may, at the discretion of the Remuneration Committee, grant performance rights over ordinary shares in the Company to certain employees. The rights are issued for nil consideration and are granted in accordance with performance guidelines established by the Remuneration Committee.

11.2 During the half-year 691,833 shares were issued to employees as part of their remuneration upon the satisfactory completion of 12-months of service (June 2023: 2,279,091 shares issued), at the share price on the date of issue.

For the equity-based payments expense recognised in the Condensed Consolidated Statement of Comprehensive Income, Options and Shares issued have been recognised in the Share Based Payment reserve and Options and Shares to be issued have been recognised as accrued expenses.

PARKWAY CORPORATE AND ITS CONTROLLED ENTITIES

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**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

Note 11: Equity based payments (continued)

Options	31 Dec 2023	30 Jun 2023	31 Dec 2023	30 Jun 2023
	Number	Number	\$	\$
At the beginning of reporting period	260,912,785	748,875,228	1,178,047	1,178,047
Performance rights/shares issued	27,550,000	-	38,802	-
Options exercised	-	-	-	-
Options expired	-	(487,962,443)	-	-
At reporting date	288,462,785	260,912,785	1,216,849	1,178,047

The inputs used to the valuation of performance rights granted as share-based compensation during the reporting period were as follows:

	2023	2023	2023
	Issue 1 / 2023	Issue 2 / 2023	Issue 3 / 2023
Number of performance rights	3,500,000	3,050,000	21,000,000
Expected life (years)	10	10	10
Share price	\$0.01	\$0.01	\$0.01
Exercise price (\$)	Nil	Nil	Nil
Value per option	\$0.01	\$0.01	\$0.005
Grant date	30-Nov-23	30-Nov-23	30-Nov-23

* Volatility was determined using considered judgement as to the volatility of the share price over the vesting period.

All performance rights issued as equity-based payments were issued for nil cash consideration and were valued at market fair value which was considered to approximate the fair value of the services provided.

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

Note 12: Contingent liabilities and Contingent assets

The Group does not have any contingent assets or liabilities outstanding at 31 December 2023 (30 June 2023: Nil).

Note 13: Related party transactions

Other than payments to Key Management Personnel there were no related party transactions for the half-year (30 June 2023: Nil) and no balance outstanding as at 31 December 2023 (30 June 2023: Nil).

Note 14: Subsequent events

New Warehouse Lease to establish Parkway Centre for Brine Technologies (CBT)

On 16 November 2023 Parkway signed a new lease to begin on 4 December 2023 for the purpose of establishing the Centre for Brine Technologies at Warehouse 4/45 Bunnett Street, in Sunshine North, Victoria. Due to delays to the departure of the prior tenant, the commencement date was amended to 17 January 2024. At this time the Group recognised a right-of-use asset and lease liability of \$581,154. The initial rent is \$90,176 p.a. plus outgoings, with a 3% increase from February 2024 and annually thereafter. The initial term is 2 years, 2 months and 7 days, plus one option for a further five years.

Master Plan Related Pre-FEED Study

On 31 January 2024 the Group received a purchase order to perform additional pre-FEED (Front-End Engineering Design) related engineering scope, to advance existing studies, including a feasibility study, for a major CSG company.

Other than the above, there have not been any matters that have arisen after the reporting date that have significantly affected, or may significantly affect, the operations and activities of the Group, the result of those operations, or the state of affairs of the Group in future financial years other than disclosed elsewhere in this Condensed financial report.

PARKWAY CORPORATE AND ITS CONTROLLED ENTITIES

ABN: 62 147 346 334

DIRECTORS' DECLARATION

In the opinion of the Directors of Parkway Corporate Limited:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



Bahay Ozcakmak
Group Managing Director & CEO
Melbourne
Dated: 28 February 2024

To the Board of Directors of Parkway Corporate Limited

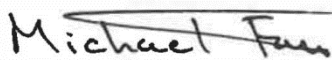
Auditor's Independence Declaration under section 307C of the Corporations Act 2001

As lead auditor for the review of the financial statements of Parkway Corporate 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:

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

NPAS

Nexia Perth Audit Services Pty Ltd



Michael Fay
Director

Perth
28 February 2024

Advisory. Tax. Audit.

ACN 145 447 105

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Parkway Corporate Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Parkway Corporate Limited (the "Company") and its controlled entities (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of 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 comprising a summary of significant accounting policies and other explanatory information, 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 half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- i) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- iii) 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* ("ASRE 2410"). Our responsibilities are further described in the Auditor's Responsibility for the Review of the Half-Year 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 & 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.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Group are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors 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.

Advisory. Tax. Audit

ACN 145 447 105

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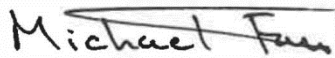
Auditor's Responsibility for the Review of the Half-Year Financial Report

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 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.

NPAS

Nexia Perth Audit Services Pty Ltd



Michael Fay
Director

Perth
28 February 2024