

Excite Technology Services Limited
Appendix 4D
Half-year report

1. Company details

Name of entity: Excite Technology Services Limited
ABN: 61 120 658 497
Reporting period: For the period ended 30 September 2024
Previous period: For the period ended 30 September 2023

2. Results for announcement to the market

			\$
Revenues from ordinary activities	down	36.6% to	2,954,458
Loss from ordinary activities after tax attributable to the owners of Excite Technology Services Limited	up	275.2% to	(1,748,882)
Loss for the period attributable to the owners of Excite Technology Services Limited	up	275.2% to	(1,748,882)
		30 Sep 2024	30 Sep 2023
		Cents	Cents
Basic earnings per share		(0.12)	(0.04)
Diluted earnings per share		(0.12)	(0.04)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the Group after providing for income tax amounted to \$1,748,882 (30 September 2023: loss of \$466,103).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>(0.22)</u>	<u>(0.12)</u>

Net tangible assets per ordinary security has been calculated by excluding the net right-of-use assets and leases liabilities of (\$13,063).

4. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

5. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

6. Attachments

Details of attachments (if any):

The Interim Report of Excite Technology Services Limited for the period ended 30 September 2024 is attached.

7. Signed

Signed 

Date: 29 November 2024

Steven Bliim
Chairman
Sydney

Excite Technology Services Limited

ABN 61 120 658 497



Interim Report - 30 September 2024

Excite Technology Services Limited
Contents
30 September 2024

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Excite Technology Services Limited
Directors' report
30 September 2024

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Excite Technology Services Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the period ended 30 September 2024.

Directors

The following persons were directors of Excite Technology Services Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Steven Bliim - Executive Director and Chairman (appointed 30 June 2024)
Bryan Saba - Managing Director
Neil Sinclair - Non-Executive Director

Principal activities

The principal activity of the Group is the provision of cyber security, IT consulting, digital forensics and training services to the enterprise and government sectors.

Dividends

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

Review of operations

The loss for the Group after providing for income tax amounted to \$1,748,882 (30 September 2023 (loss): \$466,103). This reflects an expected increase in expenses from restructuring operations and associated termination payments as well as the scaling of the new business but is offset by significant improvements in cash flow management and revenue growth prospects.

Market overview

The cybersecurity landscape continued its rapid evolution throughout the 6 months to September 2024. Increased reliance on digital transformation, driven by a heightened awareness of cyber threats and new regulatory mandates, has fuelled industry growth.

Key influences on the market continue to be cloud adoption and the reduction in reliance on legacy systems, but the Group has also seen opportunities arise from acquisition and divestments occurring in its larger customer base. The Company has been critical in supporting our customers adapt to these changes and our own changes to our systems and tools reflect this advancement. Continued improvements in AI and large language models (LLMs) have been a crucial force multiplier for our team in how it hunts for threats and supports our incident response capability by ensuring threats are triaged and documented appropriately.

The Australian market has seen widespread consolidation in the tech-services sector, with international players gaining a foothold in the region. Excite's focus on operational excellence and deep expertise in incident response, positions the Company as a sovereign, mid-market provider that is highly capable to meet even the most complex challenges. This dedication to excellence, is demonstrated across each of the business' IT Services, Cyber Services, Digital Forensics and Training divisions.

Operational highlights

Excite achieved notable progress in advancing its operational and financial objectives despite a marked reduction in customer projects and activities. In April and May, the Group undertook a strategic restructure which saw the reduction of headcount as well as focused on bringing technical resources into the group as employees and moved away from outsourcing many of these people.

While market conditions have been challenging, coupled with project work shifting into calendar 2025, the Group has tightened cost-controls which have dramatically lessened the impact of reduced project and consulting revenues.

Excite integrated a state-of-the-art automation platform, to enhance data management and log processing within its Security Operations Center (SOC). This implementation improved operational efficiency, enabling staff to focus on more complex, value-added tasks while delivering enhanced outcomes for customers. This represents a leap forward in modern cyber security best-practice and means that the team are dealing with less false-positive cases.

Strategic outlook

Excite remains committed to its vision of a Safe Australia, the Group has taken action to access new markets, enhance its incident response capability and position itself as the only pure-play cyber business on the ASX. The integration of CBIT and investments in automated technologies lay the groundwork for long-term profitability and market leadership.

Management's goals continue to focus on the following core areas of the business:

Excite Technology Services Limited
Directors' report
30 September 2024

- **Recurring Revenue Growth:** Excite aims to maintain its focus on recurring revenue through managed services, targeting an annualized run rate of \$10M in receipts by the March 2025 quarter.
- **Service Innovation:** Continued investment in advanced technologies like AI-based image and pattern recognition in unstructured data sets as well as using large language models to enable state-of-the-art solutions for emerging cybersecurity challenges.
- **Market Leadership:** The addition of federal government clients and investments in industry-leading infrastructure position Excite as a critical partner for public and private sector organisations. The Group's deep expertise will continue to distinguish the Group from its competitors in the short to medium term.

Management will continue to monitor the market for opportunities to scale operations, either through acquisition or strategic partnerships. The key objective will be to deepen the Group's expertise in IT, Cyber Security, Data Protection and Consulting, in order to set itself apart from larger, broad-based competitors that rely on size rather than expertise to win business.

Significant changes in the state of affairs

There were no other significant changes in the state of affairs of the Group during the financial year.

Matters Subsequent to the end of financial period

The acquisition of CBIT Pty Ltd (CBIT)(also known as CDFS) was completed 15 October 2024. The acquisition marked a pivotal step in Excite's strategy of supporting a Safe Australia and establishes Excite as a leader in digital forensics and incident response. CBIT is an authority in digital forensics as well as a market leader in accredited cyber skills and digital forensic training.

Excite conducted a placement of ordinary shares to raise \$1 million to provide working capital to fund investment in the Group's sales and go to market resources that include the Group's enhanced capability in digital forensics and incident response.

The new shares had an issue price of \$0.01 (1 cent) per share (total of 100 million shares) which were issued 17 October 2024.

Auditor's independence declaration

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

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



Steven Bliim
Chairman

29 November 2024
Sydney



Auditor's Independence Declaration under Section 307C of the *Corporations Act 2001* to the Directors of Excite Technology Services Limited and Its Controlled Entities

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 30 September 2024, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

Byrons

Byrons Audit Pty Ltd

Irene

Ying (Irene) Wang
Director

29 November 2024
Sydney NSW 2000

Excite Technology Services Limited
Consolidated statement of profit or loss and other comprehensive income
For the period ended 30 September 2024

		Consolidated	
	Note	30 Sep 2024	30 Sep 2023
		\$	\$
Revenue from continuing operations			
Revenue - technology related products and services	4	2,878,170	4,634,384
Other income		76,288	27,811
		<u>2,954,458</u>	<u>4,662,195</u>
Expenses			
Software and hardware for resale		(511,179)	(736,458)
Employee benefits expense		(2,806,662)	(2,247,751)
Consultancy fees expense		(204,044)	(175,149)
Depreciation expense	5	(125,751)	(178,801)
Impairment of receivables		(61,380)	-
Legal and professional fees expense		(40,348)	(127,706)
Marketing and promotion expense		(5,112)	(9,078)
Travel and accommodation expense		(75,161)	(54,562)
Office and administration expense		(282,091)	(751,961)
Other expenses		(520,166)	(832,348)
Total expenses		<u>(4,631,894)</u>	<u>(5,113,814)</u>
Operating loss		(1,677,436)	(451,619)
Finance income calculated using the effective interest method		2,180	2,460
Finance costs	5	<u>(73,626)</u>	<u>(16,944)</u>
Loss before income tax expense from continuing operations		(1,748,882)	(466,103)
Income tax expense		<u>-</u>	<u>-</u>
Loss after income tax expense from continuing operations		(1,748,882)	(466,103)
Loss after income tax expense for the period attributable to the owners of Excite Technology Services Limited		(1,748,882)	(466,103)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		<u>(61,060)</u>	<u>680</u>
Other comprehensive income for the period, net of tax		<u>(61,060)</u>	<u>680</u>
Total comprehensive income for the period attributable to the owners of Excite Technology Services Limited		<u>(1,809,942)</u>	<u>(465,423)</u>
Total comprehensive income for the period is attributable to:			
Continuing operations		(1,809,942)	(465,423)
Discontinued operations		<u>-</u>	<u>-</u>
		<u>(1,809,942)</u>	<u>(465,423)</u>

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

Excite Technology Services Limited
Consolidated statement of profit or loss and other comprehensive income
For the period ended 30 September 2024

		Cents	Cents
Earnings per share for loss from continuing operations attributable to the owners of Excite Technology Services Limited			
Basic earnings per share	14	(0.12)	(0.04)
Diluted earnings per share	14	(0.12)	(0.04)
Earnings per share for loss attributable to the owners of Excite Technology Services Limited			
Basic earnings per share	14	(0.12)	(0.04)
Diluted earnings per share	14	(0.12)	(0.04)

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

Excite Technology Services Limited
Consolidated statement of financial position
As at 30 September 2024

		Consolidated	
	Note	30 Sep 2024	31 Mar 2024
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		1,062,952	204,857
Trade and other receivables	6	722,849	1,159,567
Prepayments		35,904	21,403
Total current assets		<u>1,821,705</u>	<u>1,385,827</u>
Non-current assets			
Property, plant and equipment		84,980	108,233
Right-of-use assets	7	262,240	346,217
Intangibles	8	3,338,852	3,337,019
Other Assets		31,802	37,003
Total non-current assets		<u>3,717,874</u>	<u>3,828,472</u>
Total assets		<u>5,539,579</u>	<u>5,214,299</u>
Liabilities			
Current liabilities			
Trade and other payables	9	2,341,357	2,124,641
Contract liabilities		173,814	264,417
Lease liabilities		159,985	165,233
Convertible Loans		1,000,000	-
Employee benefits		311,853	296,232
Deferred Consideration		855,000	855,000
Total current liabilities		<u>4,842,009</u>	<u>3,705,523</u>
Non-current liabilities			
Borrowings		300,000	150,000
Lease liability		115,318	264,999
Employee benefits		123,552	125,135
Total non-current liabilities		<u>538,870</u>	<u>540,134</u>
Total liabilities		<u>5,380,879</u>	<u>4,245,657</u>
Net assets		<u>158,700</u>	<u>968,642</u>
Equity			
Issued capital	10	109,984,664	108,779,914
Reserves	11	4,421,915	4,691,886
Accumulated losses		<u>(114,247,879)</u>	<u>(112,503,158)</u>
Total equity		<u>158,700</u>	<u>968,642</u>

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

Excite Technology Services Limited
Consolidated statement of change in equity
For the period ended 30 September 2024

Consolidated	Share capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 April 2023	107,360,972	4,836,568	(110,753,506)	1,444,034
Loss after income tax expense for the period	-	-	(466,103)	(466,103)
Other comprehensive income for the period, net of tax	-	680	-	680
Total comprehensive income for the period	-	680	(466,103)	(465,423)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	578,942	(532,382)	532,382	578,942
Share based payments – share options	-	95,568	-	95,568
Prior Year Adjustment	-	-	3,071	3,071
Balance at 30 September 2023	<u>107,939,914</u>	<u>4,400,434</u>	<u>(110,684,156)</u>	<u>1,656,192</u>
Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 April 2024	108,779,914	4,691,886	(112,503,158)	968,642
Loss after income tax expense for the period	-	-	(1,748,882)	(1,748,882)
Other comprehensive income for the period, net of tax	-	(61,060)	-	(61,060)
Total comprehensive income for the period	-	(61,060)	(1,748,882)	(1,809,942)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 10)	1,000,000	-	-	1,000,000
Share-based payments – employee share option (Note 15)	15,000	(15,000)	-	-
Share-based payments – performance rights conversion (Note 15)	189,750	(189,750)	-	-
Lapse at employee share option (Note 15)	-	(4,161)	4,161	-
Balance at 30 September 2024	<u>109,984,664</u>	<u>4,421,915</u>	<u>(114,247,879)</u>	<u>158,700</u>

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

Excite Technology Services Limited
Consolidated statement of cash flows
For the period ended 30 September 2024

	30 Sep 2024	30 Sep 2023
	\$	\$
STATEMENT OF CASHFLOWS		
Receipts from customers	3,827,404	4,886,313
Payments to suppliers, employees and others	(4,832,050)	(5,275,471)
Interests received	2,180	2,575
Finance Costs	(64,260)	(5,300)
Net cashflows used in operating activities	(1,066,726)	(391,883)
Payments for intangible assets	3,367	-
Payments for property, plant & equipment	(13,948)	(4,013)
Net cashflow used in investing activities	(10,581)	(4,013)
Proceeds from issue of shares	1,000,000	25,000
Proceeds from issue of convertible loans	1,000,000	-
Payment of borrowings	104,271	-
Repayment of lease liabilities	(168,869)	(130,728)
Net cashflows used in financing activities	1,935,402	(105,728)
Net increase/(decrease) in cash held	858,095	(501,624)
Cash at the beginning of the financial year	204,857	1,251,638
Cash at the end of the financial periods	1,062,952	750,014

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

Excite Technology Services Limited
Notes to the consolidated financial statements
30 September 2024

Note 1. General information

The financial statements of the Group cover Excite Technology Services Limited (Formerly Cipherpoint Limited) as a Consolidated entity consisting of Excite Technology Services Limited and the entities it controlled at the end of, or during, the period. The financial statements are presented in Australian dollars, which is Excite Technology Services Limited functional and presentation currency.

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

Suite 2.01, 157 Walker Street
North Sydney, NSW 2060

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 November 2024.

Note 2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 30 September 2024 have been prepared in accordance with Australian 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 annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 March 2024 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Going concern

The financial statements of the Group have been prepared on a going concern basis, which contemplates the continuation of normal business operations and the realisation of assets and settlement of liabilities in the normal course of business.

The Group is in the revenue growth stage of its cyber security services in order to achieve scale. During the year ended 30 September 2024, the Group incurred a loss after tax from continuing operations of \$1,748,882 (2023: \$466,103) and incurred net cash outflow from operating activities of \$1,066,726 (2023: \$391,883). At 30 September 2024, the Group had cash and cash equivalents of \$1,062,952. The Group has prepared cash flow forecasts as at 30 September 2024 to determine the appropriateness of the going concern assumption. The key assumptions underlying these forecasts are as follows:

- The Group's ability to raise further debt or equity funding from new and existing investors, planned for December 2024;
- The continuation of renewals in service contracts from existing customers;
- Management continuing to reduce costs in line with available resources; and

The inability to complete the above key assumptions would have a material impact on the anticipated trading results and cash flows, which gives rise to a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern. In this event the Group may not be able to realise its assets and settle its liabilities in the normal course of operations and at the amounts stated in the financial statements.

The Group expects to remain well-resourced to meet the challenges of growing scale in its cyber security services and products. The acquisition of Brace168, and recent acquisition of Virtual Information Technology, combined with the divestiture of its software assets, will enable the business to narrow its focus on core services and scale revenues and improve financial performance. Accordingly the directors remain confident the Group will be able to realise its assets and settle liabilities in the normal course of operations. Consequently, the directors believe the going concern assumption is appropriate for the Group.

However, forecast events may not occur as expected as many external and internal factors impact on future events. The financial statements do not contain any adjustments relating to the recoverability and classification of recorded assets or liabilities that might be necessary should the Group not be able to continue as a going concern.

Note 2. Material accounting policy information (continued)

Accounting policy for right-of-use assets

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

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

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

Accounting policy for lease liabilities

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

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

Accounting policy for goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Accounting policy for patents and trademarks

Significant costs associated with patents and trademarks are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Note 2. Material accounting policy information (continued)

Accounting policy for business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

New or amended Accounting Standards and Interpretations adopted

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

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

Excite Technology Services Limited
Notes to the consolidated financial statements
30 September 2024

Note 3. Operating segments

Identification of reportable operating segments

The Group is organised into four operating segments based on acquisition entity: Brace168 Pty Ltd (Brace168), Virtual Information Technology Pty Ltd (VIT), Excite It Pty Ltd and the Corporate entities. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

Types of products and services

The principal products and services of each of these operating segments are as follows:

Brace168	the provision of cyber security services predominantly in NSW
VIT	the provision of cyber security services predominantly in Tasmania
Excite It	the provision of cyber security and IT services predominantly in NSW
Corporate	management of the Group, acquisitions and divestiture, and previously the security software development and sales.

Intersegment transactions

There were no intersegment transactions during the period.

Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Operating segment information

Consolidated - 30 Sep 2024	Brace168 \$	VIT \$	Excite \$	Corporate \$	Total \$
Revenue					
Sales to external customers	945,920	637,483	1,294,767	-	2,878,170
Other income	(66,213)	201	154	142,146	76,288
Total revenue	<u>879,707</u>	<u>637,684</u>	<u>1,294,921</u>	<u>142,146</u>	<u>2,954,458</u>
EBITDA	(889,616)	(378,124)	539,026	(822,971)	(1,551,685)
Depreciation and amortisation	(34,452)	(25,953)	-	(65,346)	(125,751)
Interest revenue	351	619	-	1,210	2,180
Finance costs	(16,234)	(11,788)	(34,963)	(10,641)	(73,626)
Loss before income tax expense	<u>(939,951)</u>	<u>(415,246)</u>	<u>504,063</u>	<u>(897,748)</u>	<u>(1,748,882)</u>
Income tax expense					-
Loss after income tax expense					<u>(1,748,882)</u>
Assets					
Segment assets	<u>489,357</u>	<u>107,500</u>	<u>477,514</u>	<u>22,256,600</u>	23,330,971
Intersegment eliminations					<u>(17,791,392)</u>
Total assets					<u>5,539,579</u>
Liabilities					
Segment liabilities	<u>760,504</u>	<u>784,033</u>	<u>1,297,354</u>	<u>6,093,299</u>	8,935,190
Intersegment eliminations					<u>(3,554,312)</u>
Total liabilities					<u>5,380,879</u>

Excite Technology Services Limited
Notes to the consolidated financial statements
30 September 2024

Note 4. Revenue

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	30 Sep 2024	30 Sep 2023
	\$	\$
<i>Major product lines</i>		
Maintenance and Support Services	537,230	912,408
	<u>2,340,940</u>	<u>3,721,976</u>
	<u><u>2,878,170</u></u>	<u><u>4,634,384</u></u>
<i>Geographical regions</i>		
Australia	<u>2,878,170</u>	<u>4,634,384</u>
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	537,230	912,408
Services transferred over time	<u>2,340,940</u>	<u>3,721,976</u>
	<u><u>2,878,170</u></u>	<u><u>4,634,384</u></u>

Note 5. Expenses

	Consolidated	
	30 Sep 2024	30 Sep 2023
	\$	\$
Loss before income tax from continuing operations includes the following specific expenses:		
<i>Depreciation</i>		
Plant and equipment	37,201	42,807
Office equipment right-of-use assets	<u>88,550</u>	<u>135,994</u>
Total depreciation	<u>125,751</u>	<u>178,801</u>
<i>Finance costs</i>		
Interest and finance charges paid on borrowings	<u>73,626</u>	<u>16,944</u>

Note 6. Current assets - trade and other receivables

	Consolidated	
	30 Sep 2024	31 Mar 2024
	\$	\$
Trade receivables	578,125	1,046,464
Other receivables	<u>144,724</u>	<u>113,103</u>
	<u><u>722,849</u></u>	<u><u>1,159,567</u></u>

Excite Technology Services Limited
Notes to the consolidated financial statements
30 September 2024

Note 7. Non-current assets - right-of-use assets

	Consolidated	
	30 Sep 2024	31 Mar 2024
	\$	\$
Office right-of-use	488,919	899,374
Less: Accumulated depreciation	(226,680)	(553,157)
	<u>262,240</u>	<u>346,217</u>

The Group leases office space under agreements of between 2 to 4 years with, options to extend. The lease has various escalation clauses. On renewal, the terms of the leases are renegotiated.

For other right-of-use related disclosures, refer to the following:

- note 5 for details of depreciation on right-of-use assets; and
- consolidated statement of cash flows for repayment of lease liabilities.

Note 8. Non-current assets - intangibles

	Consolidated	
	30 Sep 2024	31 Mar 2024
	\$	\$
Goodwill - at cost	10,077,662	10,077,662
Measurement period adjustment	286,500	286,500
Less: Impairment	(7,035,208)	(7,035,208)
	<u>3,328,954</u>	<u>3,328,954</u>
Software – at cost	18,900	18,900
Less: Accumulated Amortisation	(16,344)	(12,977)
	<u>2,556</u>	<u>5,923</u>
Patents and trademarks - at cost	2,142	2,142
Formation cost	5,200	-
	<u>3,338,852</u>	<u>3,337,019</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial period are set out below:

Consolidated	Goodwill \$	Parents trademarks and others \$	Total \$
Balance at 1 April 2024	3,328,954	8,065	3,337,019
Add: Additions	-	5,200	5,200
Less: Amortisation	-	(3,367)	(3,367)
Balance at 30 September 2024	<u>3,328,954</u>	<u>9,898</u>	<u>3,338,852</u>

Excite Technology Services Limited
Notes to the consolidated financial statements
30 September 2024

Note 9. Current liabilities - trade and other payables

	Consolidated	
	30 Sep 2024	31 Mar 2024
	\$	\$
Trade payables	1,506,033	1,624,033
Other payables and accrued expenses	835,324	500,608
	<u>2,341,357</u>	<u>2,124,641</u>

Other payables include certain compliance payments agreed to be paid in instalments within 12 months.

Note 10. Equity - issued capital

	Consolidated			
	30 Sep 2024	31 Mar 2024	30 Sep 2024	31 Mar 2024
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>1,475,087,103</u>	<u>1,329,612,103</u>	<u>109,984,664</u>	<u>108,779,914</u>

Excite Technology Services Limited
Notes to the consolidated financial statements
30 September 2024

During the current period ended 30 September 2024, the Group completed the following transactions in respect of the issue of ordinary shares:

- (a) The Group issued 125,000,000 ordinary shares in the company totalling \$1,000,000 on same terms as recently completed placement in lieu of cash fees paid due in correction with share placement
- (b) The Group issued 18,975,000 ordinary shares in the company totalling \$189,750 as a result at conversion of existing performance rights
- (c) The Group issued 1,500,000 ordinary share in the company totalling \$15,000 as employee incentive

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

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

Options:

- At the period end there were also 669,471,909 attaching free options which were issued in prior periods with an exercise price of 0.01 cents and an expiry date of 5 September 2026.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

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

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The Group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 31 March 2024 Annual Report.

Excite Technology Services Limited
Notes to the consolidated financial statements
30 September 2024

Note 11. Equity - reserves

	Consolidated	
	30 Sep 2024	31 Mar 2024
	\$	\$
Foreign currency reserve	(348,443)	(82,633)
Share-based payments reserve	4,770,358	4,774,519
	<u>4,421,915</u>	<u>4,691,886</u>

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves

Movements in each class of reserve during the current financial period are set out below:

Consolidated	Foreign currency \$	Share-based payments \$	Total \$
Balance at 31 March 2024	(82,633)	4,774,519	4,691,886
Foreign currency translation	(265,810)	-	(265,810)
Lapse of employee share options	-	(4,161)	(4,161)
Balance at 30 September 2024	<u>(348,443)</u>	<u>4,770,358</u>	<u>4,421,915</u>

Note 12. Fair value measurement

Fair value hierarchy

The following tables detail the Group'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 that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

Consolidated - 30 Sep 2024	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Deferred consideration payable	-	855,000	-	855,000
Total liabilities	<u>-</u>	<u>855,000</u>	<u>-</u>	<u>855,000</u>

The deferred consideration related to contingent consideration of shares, which are contingent on the achievement of revenue performance targets being achieved.

There were no transfers between levels during the financial period.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Excite Technology Services Limited
Notes to the consolidated financial statements
30 September 2024

Note 13. Contingent liabilities

The Group had no contingent liabilities as at 31 March 2024 or 30 September 2024.

Note 14. Earnings per share

	Consolidated	
	30 Sep 2024	30 Sep 2023
	\$	\$
<i>Earnings per share for loss from continuing operations</i>		
Loss after income tax attributable to the owners of Excite Technology Services Limited	<u>(1,809,942)</u>	<u>(465,423)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>1,459,054,411</u>	<u>1,160,039,721</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>1,459,054,411</u>	<u>1,160,039,721</u>
	Cents	Cents
Basic earnings per share	(0.12)	(0.04)
Diluted earnings per share	(0.12)	(0.04)

The 899,261,223 (2023: 669,471,909) options, employees loan shares and performance rights could potentially dilute basic earnings per share in the future but were not included in the calculation of diluted earnings per share because they are antidilutive for the periods presented.

Note 15. Share-based payments

Share option programme

The Group has a share option programme that entitles non-Australian directors, employees and contractors to purchase shares in the Company. In accordance with this programme, holders of vested options are entitled to purchase shares in the Company at a price per share as detailed below. Awarding of options is at the discretion of the Directors under approved provisions granted at General Meetings.

Employee Share Option Plan ('ESOP')

30 Sep 2024

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/Lapsed	Balance at the end of the year
28/10/2020	28/10/2025	\$0.048	4,500,000	-	(1,500,000)	-	3,000,000

Excite Technology Services Limited
Notes to the consolidated financial statements
30 September 2024

Note 15. Share-based payments (continued)

The options that expired during the period relate to the options of entitled employees deciding not to proceed in purchasing their options at the pre-determined exercise price. As the expiry date passed during the period, these options are now lapsed and can no longer be taken up.

Employee Loan Share Plan ('ELSP')

30 Sep 2024

Grant date	Expiry date	Exercise Price	Balance at the start of period	Granted	Exercised	Lapsed	Balance at the end of period
20/08/2014	19/08/2024	\$4.00	22,193	-	-	(22,193)	-
11/03/2015	10/03/2025	\$5.70	46,667	-	-	-	46,667
12/03/2015	11/03/2025	\$5.70	6,847	-	-	-	6,847
08/12/2015	07/12/2025	\$6.60	6,609	-	-	-	6,609
27/01/2017	26/01/2027	\$2.40	8,750	-	-	-	8,750
04/05/2017	03/05/2027	\$0.58	200,000	-	-	-	200,000
04/05/2017	03/05/2027	\$0.54	300,000	-	-	-	300,000
23/06/2017	22/06/2027	\$4.00	225,941	-	-	-	225,941
24/11/2017	23/11/2027	\$1.10	1,384,905	-	-	-	1,384,905
06/03/2017	05/03/2027	\$1.00	111,953	-	-	-	111,953
07/09/2018	06/09/2028	\$0.56	1,403,177	-	-	-	1,403,177
19/10/2018	18/10/2028	\$0.56	383,925	-	-	-	383,925
01/11/2019	31/10/2029	\$0.30	133,300	-	-	-	133,300
28/10/2020	28/10/2025	\$0.05	2,250,000	-	-	-	2,250,000
22/07/2021	21/07/2026	\$0.03	9,869,000	-	-	-	9,869,000
03/05/2022	03/05/2027	\$0.03	11,580,000	-	-	-	11,580,000
30/03/2023	30/03/2028	\$0.00	20,000,000	-	-	-	20,000,000
23/01/2024	22/01/2029	\$0.01	29,500,000	-	-	-	29,500,000
			<u>77,433,267</u>	<u>-</u>	<u>-</u>	<u>(22,193)</u>	<u>77,411,074</u>

The weighted average remaining contractual life of Employee Loan Shares outstanding at the end of the financial period was 5 years.

Excite Technology Services Limited
Notes to the consolidated financial statements
30 September 2024

Note 15. Share-based payments (continued)

Performance rights

30 Sep 2024

Tranche	Grant Date	Expiry date	Exercise price	Balance at the start of the period	Granted	Exercised	Expired/forfeited/other	Balance at the end of the period
Class A	11/09/2020	07/09/2025	0.060	3,125,000	-	(3,125,000)	-	-
Class B	11/09/2020	07/09/2025	0.080	1,562,500	-	-	-	1,562,500
Class C	11/09/2020	07/09/2025	0.100	1,562,500	-	-	-	1,562,500
Class C (Type 1)	21/05/2021	20/05/2026	0.028	11,250,000	-	-	-	11,250,000
Class C (Type 2)	18/11/2021	18/11/2026	0.036	1,000,000	-	-	-	1,000,000
Class C (Type 3)	16/03/2022	16/05/2027	0.100	3,000,000	-	-	-	3,000,000
Class C (Type 3)	02/05/2022	02/05/2027	0.100	1,000,000	-	-	-	1,000,000
Class D	16/11/2022	16/11/2027	0.010	4,583,334	-	-	-	4,583,334
Class D	04/11/2022	12/31/2025	0.010	10,000,000	-	-	-	10,000,000
Class D	30/03/2023	30/02/2028	0.010	26,000,000	-	(10,000,000)	-	16,000,000
Class D	23/01/2024	23/01/2027	0.010	7,350,000	-	(5,850,000)	-	1,500,000
Class D	20/09/2024	20/09/2027	0.010	-	95,000,000	-	-	95,000,000
				<u>70,433,334</u>	<u>95,000,000</u>	<u>(18,975,000)</u>	<u>-</u>	<u>146,458,334</u>

The weighted average remaining contractual life of Performance Rights outstanding at the end of the financial period was 5 years.

Share-based payment expense recognised in profit or loss

	Consolidated	
	30 Sep 2024	30 Sep 2023
	\$	\$
Options lapsed	(4,161)	(532,382)
Performance rights granted	-	-
Total recognised as retained earnings adjustments/employee benefits expense	<u>(4,161)</u>	<u>(532,382)</u>

Note 16. Matters Subsequent to the end of financial period

The acquisition of CBIT Pty Ltd (CBIT)(also known as CDFS) was completed 15 October 2024. The acquisition marked a pivotal step in Excite's strategy of supporting a Safe Australia and establishes Excite as a leader in digital forensics and incident response. CBIT is an authority in digital forensics as well as a market leader in accredited cyber skills and digital forensic training.

Excite conducted a placement of ordinary shares to raise \$1 million to provide working capital to fund investment in the Group's sales and go to market resources that include the Group's enhanced capability in digital forensics and incident response.

The new shares had an issue price of \$0.01 (1 cent) per share (total of 100 million shares) which were issued 17 October 2024.

Excite Technology Services Limited
Directors' declaration
30 September 2024

In the directors' opinion:

- 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 as at 30 September 2024 and of its performance for the financial period 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



Steven Bliim
Chairman

29 November 2024
Sydney

Independent Auditor's Review Report to the members of Excite Technology Services Limited and Its Controlled Entities

Report on the Review of the Half -Year Financial Report

Conclusion

We have reviewed the accompanying half-year Financial Report of Excite Technology Services Limited and its controlled entities, which comprises the consolidated statement of financial position as at 30 September 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, notes comprising material accounting policy information and 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 Excite Technology Services Limited is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the consolidated entity's financial position as at 30 September 2024 and of its performance for the half-year ended on that date; and
- complying with Australian 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 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 the review. 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* has been provided to the Directors of Excite Technology Services Limited.

Material Uncertainty related to Going Concern

We draw attention to the Going Concern paragraph under Note 2 in the half-year Financial Report which indicates that the consolidated entity incurred a loss after income tax from continuing operations of \$1,748,881 and net cash outflows from operating activities of \$1,066,726 during the half-year ended 30 September 2024. These conditions, together with other matters as set forth in the Going Concern paragraph under Note 2, indicate a material uncertainty that may cast significant doubt over the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the half year Financial Report. Our conclusion is not modified in the respect of this matter.

Directors' Responsibility for the Half-Year Financial Report

The Directors of the consolidated entity 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 Half-Year 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 the 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 at 30 September 2024 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year Financial Report consists of making enquires, primarily of persons responsible for the 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.

Byrons Audit Pty Ltd

Ying (Irene) Wang
Director

29 November 2024

Sydney NSW 2000