Building an advanced
industrial water treatment
technology company.

ANNUAL REPORT 2023

Parkway
Corporate Limited

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CORPORATE DIRECTORY

Directors

Ayten Saridas
Bahay Ozcakmak
Penelope Creswell
Stephen van der Sluys

Company Secretary

Amanda Wilton-Heald

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Stock Exchange Listing

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

CHAIRMAN'S LETTER

Dear Shareholder,

On behalf of the Board, I am pleased to present the Parkway Corporate Limited ("**Parkway**") 2023 Annual Report to shareholders.

It has been an exciting year for Parkway. In this, my inaugural Chairman's Letter, it is my pleasure to outline some of the recent achievements, as well as the enormously significant opportunity set in front of us.

Since joining the Board of Parkway as a Non-Executive Director (on the 1st of August 2022, and subsequently appointed Non-Executive Chairman on the 19th of September 2022), I continue to be impressed by the drive, performance and commitment of our team. Under the leadership of our Group MD & CEO Mr Bahay Ozcakmak, Parkway 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 $4.25 million in sales revenue in FY23 (FY22: $3.38 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. Our focus on technology as a lever to create value is of immense importance, as it provides the Parkway with a source of sustained competitive advantage.

During the year, Parkway 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.

More recently, in June 2023, we announced our Master Plan, our vision to provide an industrial waste brine and salt processing solution, based on our portfolio of proprietary process technologies, for the coal seam gas industry in Queensland. Parkway is working constructively with a range of stakeholders to be able to address near-term opportunities to provide solutions, as a stepping-stone from which Parkway can continue to grow and progressively delivery more significant solutions to the CSG industry.

In addition to my appointment, during the year, we had a number of additional Board changes. Effective 19 September 2022, Mr Adrian Griffin the founding chairman of Parkway resigned from his role and shortly thereafter, effective 26 September 2022, Mr Alexander Cook resigned from the Board in order to pursue other opportunities. Following the Board changes outlined above, we welcomed Ms Ayten Saridas, a highly experienced finance executive to the Board as Non-Executive Director, effective 12 October 2022. Ms Saridas brings extensive industry experience to her role, which is aligned with the key long-term target markets for Parkway, the energy and mining industries. I would like to thank both Adrian and Alex for their respective contributions to Parkway and wish them both great success in the future endeavours they undertake.

Finally, we continue to be grateful to our shareholders, for your ongoing support throughout 2023. We look forward to your continued support as a shareholder as Parkway continues its exciting journey.

Yours Sincerely,

Mr. Stephen van der Sluys
Non-Executive Chairman

28 September 2023

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 Parkway's financial year ended 30 June 2023 ("**FY23**").

Directors

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

Name	Tenure During Financial Year
Stephen van der Sluys (Non-executive Chairman) Stephen van der Sluys (Non-executive Director)	19 September 2022 to 30 June 2023 31 August 2022 to 18 September 2022
Bahay Ozcakmak (Group Managing Director & CEO)	1 July 2022 to 30 June 2023
Penelope Creswell (Non-executive Director)	1 July 2022 to 30 June 2023
Ayten Saridas (Non-executive Director)	12 October 2022 to 30 June 2023
Adrian Griffin (Non-executive Chairman)	1 July 2022 to 19 September 2022 (resigned)
Alexander Cook (Executive Director & Joint Company Secretary)	1 July 2022 to 26 September 2022 (resigned)

Names, qualifications, experience and special responsibilities

Stephen van der Sluys – *Non-executive Chairman* (appointed Non-executive Chairman 19 September 2022 and appointed Non-executive Director 31 August 2022)

Qualifications
BBuild, FAusIMM, FAICD

Mr van der Sluys is a highly credentialed investment banker and business executive, with extensive international experience in capital markets and strategic transactions, including mergers & acquisitions. Mr van der Sluys has held a number of senior investment banking roles (predominantly in Australia and the United States of America), including with Citibank, JP Morgan Chase & Co, Bank of New Zealand and as CEO of CIBC Wood Gundy Australia. In addition to his investment banking experience, Mr van der Sluys has also held various senior executive roles, at a range of large companies which operate in the mining and resources industry, including as Executive Director of Queensland Nickel at the time during which Parkway successfully listed as an ASX100 company. More recently, Mr van der Sluys has assisted a number of junior resources companies achieve corporate success. In particular, Mr van der Sluys was executive chairman and subsequently Managing Director of Jervois Mining Limited (now Jervois Global Limited, ASX: JRV), having played a pivotal role in the successful transformation of Jervois.

Other listed company directorships during the last 3 years: None.

Mr van der Sluys is a member of the Audit & Risk Committee, Remuneration Committee (Chairman), and the Nomination Committee.

Bahay Ozcakmak – *Group Managing Director & CEO*

Qualifications
BSc, MABus, DipFin(Inv.), MAICD

Mr Ozcakmak is a highly experienced executive having been engaged as a corporate adviser by a large number of companies operating in a range of sectors, during the last 20 years. Mr Ozcakmak has extensive corporate development expertise, including M&A experience in the technology, energy and mining sectors, where he has led the successful acquisition, development and/or commercialisation of several flagship projects, including major corporate transactions, mostly with publicly listed companies. In addition to extensive corporate experience in business and corporate strategy development in the energy and mining sectors, including in a diverse range of commodities, Mr Ozcakmak has also been focused on creating value through the commercialisation of innovative and sustainable technologies in these sectors. During two decades of successful technology commercialisation experience, Mr Ozcakmak has also founded several technology companies, including Activated Water Technologies ("AWT") and was the CEO of AWT's parent company, Consolidated Potash Corporation, up until its acquisition by Parkway. Bahay is considered a technology commercialisation expert, having successfully led the commercialisation of numerous technologies in the agtech, biotechnology, water, energy and mining sectors. Since 2015, Mr Ozcakmak has also led a highly successful collaboration with leading researchers at Victoria University. In recognition of the contributions made by Mr Ozcakmak to the Institute of Sustainable Industries & Liveable Cities at Victoria University, in May 2020, the honorary title of Adjunct Associate Professor was conferred upon Mr. Ozcakmak. Mr Ozcakmak has extensive equity capital market experience, is currently a Director of several private and public companies and has previously held directorships and C-suite roles with numerous companies listed in Australia ("ASX"), Canada ("TSX") and the UK ("AIM").

Other listed company directorships during the last 3 years: TSX Venture exchange listed: Lions Bay Capital Inc. (Director May 2018 – October 2019), Fidelity Minerals Corp. (Director June 2019 – March 2021).

Ayten Saridas - *Non-executive Director* (appointed 12 October 2022)

Qualifications
CPA Australia, BComm, MAppFin

Ms Saridas is a results-driven finance executive with over 30 years of international experience across a broad range of industries including in oil and gas, mining, retail, infrastructure, property, and financial services. Ms Saridas is a proven leader with an established reputation in the financial markets, with a solid track record in the investment community and brings commercial acumen and strength in strategic thinking and delivering solutions for complex financial situations. Ms Saridas has until recently held CFO and executive roles with Coronado Global Resources, Santos Ltd, AWE Limited and Woolworths amongst other ASX listed companies. Ms Saridas's core strengths include working with companies to develop disciplined capital allocation strategies, drive growth through strategic positioning and execution of business plans to deliver sustainable profits. Ms Saridas has led the development of corporate strategy, M&A and IPO transactions, corporate defence and multi-billion dollar capital raisings in support of these achievements.

Other listed company directorships during the last 3 years: Australian Pacific Coal Ltd (Director November 2022 – Present).

Ms Saridas is a member of the Audit & Risk Committee, Remuneration Committee, and the Nomination Committee.

Penelope Creswell – *Non-executive Director*

Qualifications
BA, LLB (Hons), MAICD

Ms Creswell is a highly experienced lawyer, with 25+ years of professional experience, including ~10 years at Allens (one of Australia's most prestigious top-tier law firms) and most recently ~7 years as the leading in-house legal counsel for all planning and environmental legal matters at Cleanaway Waste Management Limited (ASX:CWY), Australia's largest waste management company. Ms Creswell is currently the Head of Environment and Regulatory Compliance at Cleanaway, a national role she has held since December 2021. Ms Creswell also brings ~4 years of experience at the Northern Land Council in the Northern Territory, as well as experience as a secondee General Counsel at Melbourne Water, to her role with the Group. While her professional career has spanned diverse areas of law, her key focus over the last 15 years has been infrastructure projects, planning and environmental law, including in the waste and water sectors.

Other listed company directorships during the last 3 years: None.

Ms Creswell is a member of the Audit & Risk Committee, Remuneration Committee, and the Nomination Committee.

Alexander Cook – *Executive Director* (resigned 26 September 2022)

Qualifications
BCom, LLB (Hons), GDLP, CertGovPrac

Mr Alexander Cook is an experienced commercial lawyer, with both top tier law firm and in-house legal experience. Alexander started his legal career at King & Wood Mallesons and since that time has held various senior in-house legal roles at ASX-listed companies in the mining & resources and industrial services industries. Alexander was first admitted to practice as a Solicitor of the Supreme Court of Victoria and High Court of Australia on 14 October 2014.

Other listed company directorships during the last 3 years: None.

Adrian Griffin – *Non-executive Chairman* (resigned 19 September 2022)

Qualifications
Bsc (Hons), GSA, MAusIMM

Mr Adrian Griffin, an Australian-trained mining professional, has had exposure to metal mining and processing worldwide during a career spanning more than three decades. A pioneer of the lateritic nickel processing industry, he has helped develop extraction technologies for a range of minerals over the years. Today, Adrian specialises in mine management and production. He was a founding Director and Executive of Washington Resources Limited and also a founding Director of Empire Resources Limited and Ferrum Crescent Limited. Mr Griffin was also a founding Director of ASX-listed Northern Minerals Limited and Reedy Lagoon Corporation Limited, was also previously the Managing Director of ASX-listed Lithium Australia NL.

Other listed company directorships during the last 3 years: Northern Minerals Ltd (Director June 2006 – present), Reedy Lagoon Corporation Ltd (Director June 2014 –present), Lithium Australia Limited (Director February 2011 – May 2022) and Charger Metals NL (May 2022 – present).

Adrian Griffin was also a member of the Audit & Risk Committee, Remuneration Committee (Chairman), and the Nomination Committee.

Company Secretary

Amanda Wilton-Heald

Amanda is a Chartered Accountant with over 20 years of accounting, auditing (of both listed and non-listed companies) and company secretarial experience within Australia and the UK. Amanda has been involved in the listing of junior explorer companies on the ASX and has experience in corporate advisory and company secretarial services.

Interests in the shares and options of Parkway and related bodies corporate

As at the date of this report, the interests of the Directors (including related parties) in the shares and options of Parkway were:

	Number of ordinary shares	Number of options over ordinary shares
Bahay Ozcakmak	220,237,201	62,424,060
Penelope Creswell	-	-
Stephen Van der Sluys	-	-
Ayten Saridas	-	-

Dividends

No dividend has been paid or declared for the year ended 30 June 2023 (30 June 2022: nil) and the Directors do not recommend the payment of a dividend in respect of the financial year.

OPERATING AND FINANCIAL REVIEW

Principal activities

The principal activities of the Group during FY23 include:

- the commercialisation of proprietary brine processing technologies, with applications in the energy and mining sectors ("**Technology Commercialisation Business**"); and
- the development of an integrated water treatment products and services business, to complement and support the Group's Technology Commercialisation Business.

Operating results for the year

The Group's loss after income tax expense for its FY23 was $1,680,056 (2022: $2,332,196).

Financial Performance

	2023 $	2022 $	% Increase/ (Decrease)
Total income	4,706,614	3,710,531	27%
Loss before tax	(1,680,056)	(2,332,196)	-28%
Loss after income tax expense	(1,680,056)	(2,332,196)	-28%
Loss per share (cents)	(0.08)	(0.11)	-27%

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

As of 30 June 2023, the Group had a net asset balance of $8,167,731 which is a decrease from $9,692,516 as of 30 June 2022. The cash balance decreased from $4,003,404 as of 30 June 2022 to $2,003,639 as of 30 June 2023. For further details, refer to the Consolidated Statement of Financial Position.

OPERATING AND FINANCIAL REVIEW (continued)

INTRODUCTION

Parkway is comprised of three key business units, Parkway Process Solutions ("PPS"), Parkway Process Technologies ("PPT") and Parkway Ventures ("PV"). During FY23 Parkway made significant progress in advancing and growing the PPS and PPT business units. Parkway's mission is to build an advanced industrial water treatment technology company through the commercialisation of a portfolio of proprietary process technologies for industrial wastewater treatment, with a focus on industrial, mining and energy sectors. These proprietary process technologies enable the processing of industrial wastewater to recover valuable minerals, reagents, and water, providing significant global opportunities to improve the sustainability of industrial operations.

PARKWAY PROCESS SOLUTIONS ("PPS")

PPS is the primary operating division of Parkway. During FY23, Parkway 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 also supporting the commercialisation of Parkway's next-generation technology portfolio, including the development of highly differentiated integrated water treatment and industrial process solutions.

Business Development

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. PPS continues 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. The growing client base is anticipated to provide a strong foundation and support future sales growth as these commercial relationships mature.

Strategic Positioning

Notwithstanding the encouraging operating performance of PPS during FY23, Parkway continues to focus on strategically important, particularly technology focused projects, with less focus on non-strategic short-term revenue generation. Due to widely reported headwinds in the operating environment, including industry-wide inflation and productivity related challenges, Parkway elected to not participate in several opportunities, which would have generated significant revenues, but exposed Parkway to potentially significant cost overruns and other commercial risks. Parkway remains focused on the development of more innovative industrial water treatment solutions, based on the proprietary process technologies being commercialised by PPT. These efforts involve the design of modular water treatment (and related process) systems, incorporating PPT technologies, with near term applications, including as part of the upstream sector outlined in the recently released Master Plan.

PARKWAY PROCESS TECHNOLOGIES ("PPT")

PPT is the primary technology division of Parkway. During FY23, PPT continued to make significant progress in leveraging its proprietary process technology platform to support a range of strategic business development initiatives. Parkway continued to engage with a range of existing and prospective clients requiring industrial process expertise, particularly in the field of processing complex and concentrated brines.

Technology Development & Commercialisation

By leveraging the process engineering capabilities of Parkway, PPT continued to build a portfolio of proprietary technologies, capable of providing highly integrated process solutions, for a range of complex wastewater and process streams traditionally considered difficult to treat. PPT has also developed innovative applications for these technologies, including applications resulting in improvements in the processing and treatment of challenging industrial wastewater streams, particularly for large scale energy and mining operations. The development and

OPERATING AND FINANCIAL REVIEW (continued)

commercialisation of proprietary technologies remains an important priority for Parkway, with a range of ongoing activities including technoeconomic evaluations to demonstrate the substantial operational, financial and sustainability advantages of the PPT technology portfolio.

Whilst coal seam gas ("**CSG**") related wastewater applications are currently a priority for Parkway, recent evaluations confirm the key process innovations developed by PPT, have broader applications in treating industrial waste streams beyond the CSG industry, particularly in the mining industry. Potential applications for the proprietary process technologies developed by PPT include, but are not limited to, the treatment of a range of complex industrial wastewater streams including brines, as well as acid and metalliferous drainage ("**AMD**").

Queensland CSG Opportunity – Master Plan

Over the life of currently operating CSG projects in Queensland, an estimated 6 million tonnes of waste salts are expected to be produced. A significant proportion of these salts has already been created, in the form of waste brine that is currently being stored in waste brine storage ponds, awaiting a viable long-term disposal (or processing) solution. The disposal of waste brine and salts, as contemplated by the CSG industry, presents extensive environmental risks, and remains deeply unpopular, with significant opposition from various stakeholders, including local farmers and regional community groups. Recognising these significant challenges, in recent years, Parkway has systematically developed a portfolio of proprietary process technologies, to specifically address the waste brine and salt challenges facing the CSG industry. These technologies have undergone extensive process optimisation, piloting and technoeconomic evaluations, providing a high level of confidence in the value proposition presented by these technologies, particularly in comparison to the industry's planned approach. Parkway has performed a range of studies based on PPT technologies, including a recently completed comprehensive feasibility study for a major CSG company.

Best Available Technology ("BAT")

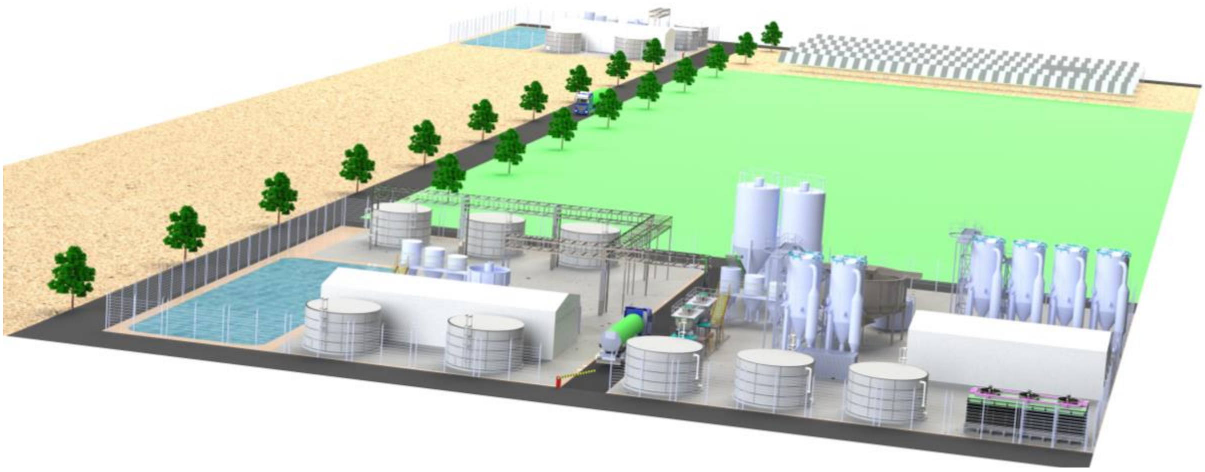
Despite investment of over $100 million by the CSG Industry in Queensland over the last decade, no sustainable option has been identified to address the significant waste brine and salt related challenges. Subject to successful commercial-scale project execution, Parkway's proprietary process technology package has the potential to be classified as the BAT and potentially provide a complete industry-wide solution. Parkway's technology package has been demonstrated to eliminate waste in line with circular economy principles and is expected to achieve significantly improved project economics than the industry's proposed salt encapsulation approach. Based on preliminary internal estimates by Parkway, as outlined in the Master Plan presentation, in addition to the many sustainability related advantages, the technology-based approach proposed by Parkway, has the potential to create substantial value for the CSG industry in Queensland. As the owner of the proprietary process technology package, Parkway is well placed to capture a share of this substantial value creation, through a range of established industrial technology related business models including technology licensing and/or ownership-based approaches.

Master Plan Opportunity

To address the significant CSG derived waste brine and salt challenges in Queensland, Parkway has recently developed the Master Plan, an innovative, sustainability driven concept based on providing an industry wide solution, as outlined in a comprehensive presentation released on 22 June 2023. The transport, dewatering (concentration), crystallisation and encapsulation (disposal) of the 6 million tonnes of waste salts through the CSG industry's proposed base case option (salt encapsulation facilities), is estimated by Parkway to ultimately cost more than $20 billion over the life of the existing projects. The primary objective of the Master Plan is to utilise the proprietary process technology packages developed by Parkway, to convert all the CSG derived waste brine and salts produced in Queensland, into saleable industrial products. This approach will put the CSG industry on a more sustainable footing, by addressing community concerns, by providing a sustainable waste "disposal" (convert waste-to-products) option, as well as generating substantial revenues from the sale of industrial chemical products. Preliminary discussions with prospective off takers of products to be produced from the downstream plants, continues to be highly encouraging.

OPERATING AND FINANCIAL REVIEW (continued)

As part of the Master Plan, in collaboration with a range of strategic partners, Parkway plans to establish a series of integrated waste brine processing hubs, to provide an industry wide solution to addressing the waste brine and salt challenges facing the Queensland CSG industry, based on BAT.



Schematic of Integrated QBS Technology Hub

Queensland Brine Solutions Pty Ltd ("QBS")

Given the scale of various strategic opportunities, Parkway has recently incorporated Queensland Brine Solutions Pty Ltd, as a dedicated commercialisation entity, to advance the objectives of the Master Plan. Following the release of the Master Plan, Parkway has received strategic interest in QBS from a range of parties, however, in the near term, any potential investment by third parties is likely to be limited to a subsidiary of QBS, in order to advance project specific objectives.

Modular Technology

The development of standardised modular systems remains a key priority for Parkway and forms an important component of the go-to-market strategy for PPT. Parkway is establishing a dedicated facility in the same business park as the Parkway head office in Melbourne, to enable Parkway to expand its inhouse capabilities in relation to light fabrication, assembly and testing of modular systems. The development of modular water treatment (and related process) systems will primarily incorporate the proprietary process technologies being commercialised by PPT.

Centre for Brine Technologies

Parkway recently announced plans to establish Centre for Brine Technologies to support the commercialisation of proprietary process technologies being developed by Parkway. Parkway has established strategic partnerships including with Victoria University's Institute for Sustainable Industries & Liveable Cities ("**ISILC**"), recognised as global leaders in water and wastewater research areas relevant to Parkway. Parkway has been collaborating with Victoria University since 2015 and acquired a broad portfolio of intellectual property. The parties have jointly secured competitive funding from the Australian Research Council ("**ARC**") under various grant schemes. Parkway has co-located piloting and research facilities, including its research staff, at the nearby ISILC campus. Several Parkway staff have honorary researcher status with ISILC, Victoria University with the honorary title of Adjunct Associate Professor being conferred upon Parkway Group Managing Director & CEO Bahay Ozcakmak, since May 2020.

OPERATING AND FINANCIAL REVIEW (continued)

PARKWAY VENTURES

As of 30 June 2023, Parkway held a 40% equity interest in the Karinga Lakes Potash Project ("**KLPP**"), through Parkway Ventures Pty Ltd (a wholly owned subsidiary). The KLPP is a joint venture between Verdant Minerals Pty Ltd and Consolidated Potash Corporation Pty Ltd (a wholly owned subsidiary of Parkway), which is administered through Territory Potash Pty Ltd (JV Operator). During FY23, the Federal Court handed down a native title determination covering more than 10,000 square kilometres of pastoral lease land in the Northern Territory, which also encompass the exploration licenses that constitute the KLPP. The KLPP-JV partners are considering the implications of the native title determination on the future of the KLPP. During FY23, the operating environment for aspiring Australian sulphate of potash ("**SOP**") project developers continued to deteriorate, with several of the more advanced projects encountering significant technical and financial challenges. For these reasons, during FY23, no substantive mining exploration activities occurred in relation to the KLPP, with the future of the project, highly uncertain.

OTHER ITEMS

Parkway Integrated Management System ("PIMS")

Parkway is committed to achieving high quality environmental, social and governance ("**ESG**") outcomes, including achieving and maintaining high levels of compliance. As part of Parkway's commitment to industry best practices and continuous improvement, during FY22, Parkway developed an Integrated Management System, to facilitate certification and ongoing compliance in relation to:

- ISO9001:2015, Quality Management System;
- ISO14001:2015, Environmental Management System; and
- ISO 45001:2018, Occupational Health & Safety Management System.

During FY23 the PIMS was assessed and confirmed for ongoing certification for all relevant standards by an external ISO auditor.

Parkway Investor hub

On 2 May 2023, Parkway launched a new Investor Hub. The Parkway Investor Hub is a dedicated platform for investors to learn more about Parkway, latest activities, as Parkway continues to grow and approach key commercialisation milestones. In addition to regular ASX announcements, Parkway also publishes supplementary content on the Parkway Investor Hub, including corporate presentations, videos, interviews, media coverage, corporate research, and other investor related resources.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Except for the matters disclosed in this Operating and Financial Review, there were no other significant changes in the state of affairs of the Group during FY23.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

Near-Term Master Plan Related Upstream Opportunity

Following the release of the Master Plan, on 3 August 2023 Parkway released a corporate presentation providing details regarding the near-term Master Plan related upstream opportunities. The upstream solution developed by Parkway represents an important first stage in the two-stage solution outlined in the Master Plan. The new upstream brine concentration and beneficiation technology package which incorporates several new innovations, as well as core iBC® and aMES® related intellectual property, which is the focus of near-term commercialisation efforts. The new upstream technology package has recently undergone process development, bench-scale piloting, various engineering studies, and is in the process of being scaled-up, in preparation for near-term commercialisation, as part of core Master Plan related objectives. In addition to providing a pathway to subsequent downstream processing, the adoption of the new upstream technology package, is likely to also reduce costs associated with building and maintaining brine storage ponds, as well as provide a cost-effective brine dewatering option for industry.

Parkway is ideally placed to offer these standardised solutions to up to a dozen sites, leveraging its experience through PPS and existing strategic partnership with Worley to offer potential customers an attractive tolling based proposition at substantially lower cost than alternatives options. The upstream solution also ensures concentrated brine streams are optimised for further processing during a second downstream stage enabling the optimal waste to product solution outlined in the Master Plan.

Successful Capital Raising

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

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group's activities are subject to Australian legislation relating to the protection of the environment. The Group is subject to significant environmental legal regulations in respect to its exploration and evaluation activities. During the Group's FY23, the Group's operations did not result in any known breaches of relevant Australian environmental legislation and/or regulations.

RISK MANAGEMENT

The Group takes a proactive approach to risk management, outlined in the Board approved PIMs. The Board is responsible for ensuing that risk 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. The Group's most significant risk and how they are addressed are as follows:

- Commercialising PPT: While PPT is in its pre-commercialisation phase and depends on further funding for successful commercialisation, we have robust risk mitigation strategies in place. However, it is essential to acknowledge the inherent risks associated with any start-up venture, some of which may be beyond our control and could potentially lead to delays in commercialisation.

RISK MANAGEMENT (continued)

- Corporate: including safety, quality, recruitment and retention of exceptional employees, innovation, customer credit, financial, and procurement. In addition to the annual reviews noted above, the Group manages these risks through continuous review and monitoring by the executive leadership team.
- Environmental**:** the Group acknowledges the potential risks associated with climate change, which can impact both the company and its clients. As climate change leads to increased weather extremes and resource variability, our portfolio of solutions is strategically developed to address these challenges. The Group remains vigilant in monitoring evolving risks and challenges through our risk assessment framework contained in the PIMs, in line with the Group's commitment to building a sustainable business.
- Community/Social Risks: Our operations involve numerous stakeholders, including employees, contractors, local communities, government agencies, customers, and suppliers. Managing reputational damage and potential claims due to harm or loss to any stakeholder is a critical concern. In addition to the annual reviews noted above, the Group manages these risks through continuous review and monitoring by the executive leadership team.
- Project Execution: Timely and within-budget project delivery is crucial. To mitigate these risks, the Group focuses on well-defined project definitions, optimised resource allocation, proactive issue identification through effective monitoring, automation of controls, collaboration, and rigorous project validation processes.
- Regulatory and Compliance: Complying with various governance requirements, including those tied to Parkway's ASX listing, is essential. Navigating evolving regulations and international standards can be complex and unpredictable. Changes in fiscal or regulatory regimes, tax laws, and community expectations may impact international opportunities. To manage and minimise these risks, the Group relies on regularly reviewed Board-approved governance policies. The Group's Legislation Register provides a comprehensive summary of the various legislative and regulatory frameworks within which the Group operates.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

Parkway has entered into deeds of access and indemnity with the Directors and Officers of Parkway, indemnifying them against liability incurred, including costs and expenses in successfully defending legal proceedings. The indemnity applies to a liability for costs and expenses incurred by the Director or Officer acting in their capacity as a Director or Officer.

Except in the case of a liability for legal costs and expenses, each deed of access and indemnity does not extend to a liability that is:

(a) owed to Parkway or a related body corporate of Parkway; or
(b) for a pecuniary penalty order under section 1317G or a compensation order under section 1317H or section 1317HA of the *Corporations Act 2001.*

Similarly, the indemnity does not extend to liability for legal costs and expense:

(c) owed to someone other than Parkway or a related body corporate of Parkway where the liability did not arise out of conduct in good faith;
(d) in defending proceedings in which the officer is found to have a liability described in paragraph (a), (b) or (c);
(e) in proceedings successfully brought by the Australian Securities & Investments Commission or a liquidator; or
(f) in connection with proceedings for relief under the *Corporations Act 2001* in which the court denies the relief.

During and/or since the Group's FY23, the Group has paid premiums in respect of a contract insuring all the Directors and Officers. The terms of the contract prohibit the disclosure of the details of the insurance contract and premiums paid.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Group has agreed to indemnify its auditors, Nexia Perth Audit Services Pty Ltd, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Nexia Perth Audit Services Pty Ltd during and/or since the Group's FY23.

UNISSUED ORDINARY SHARES UNDER OPTION ("OPTIONS")

As at the date of this Annual Report, there were 260,912,785 Options on issue as follows:

Expiry Date	Exercise price	Number of Options
28 July 2024	$0.019	245,912,785
16 December 2024	$0.02	15,000,000

During FY23, the Company did not issue any Options, 487,962,443 Options lapsed, and no Options were cancelled or forfeited.

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

NON-AUDIT SERVICES

The Group may decide to employ the auditor on assignments additional to its statutory audit duties where the auditor's expertise and experience with the Group are important. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for audits by the *Corporations Act 2001.* The nature and scope of each type of non-audit service provide means that auditor independence was not compromised.

Details of the amounts paid or payable to the auditor, Nexia Perth Audit Services Pty Ltd, for non-audit services provided during FY23 are set out below.

	2023 $	2022 $
Remuneration of Nexia Perth Audit Services Pty Ltd for:		
- None applicable	-	-
	-	-

In the event that non-audit services are provided by Nexia Perth Audit Services Pty Ltd, the Board has established certain procedures to ensure that the provision of non-audit services are compatible with, and do not compromise, the auditor independence requirements of the *Corporations Act 2001*. These procedures include:

(a) non-audit services are subject to the corporate governance procedures adopted by the Group and are reviewed by the Board to ensure they do not impact the integrity and objectivity of the auditor; and
(b) ensuring non-audit services do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants (including independence Standards)* by ensuring they do not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

NON-AUDIT SERVICES (continued)

Details of the amounts paid or payable to the Group's former auditor, Ernst & Young (which resigned as the Group's auditor, with prior written approval from ASIC, on 1 August 2022), for non-audit services provided during FY23 are set out below.

	2023 $	2022 $
Remuneration of Ernst & Young for:		
- research & development tax concession	13,770	24,364
- tax compliance	23,520	12,360
	37,290	**36,724**

DIRECTORS' MEETINGS

Meetings of Directors held during Parkway's FY23 (and the Directors' attendance at such meetings) were as follows:

	Board	Audit & Risk Committee	Nomination Committee	Remuneration Committee
Number of Meetings Held	**6**	**2**	**1**	**1**
Number of Meetings Attended:				
Adrian Griffin[1]	1	-	-	-
Stephen van der Sluys[2]	5	2	1	1
Bahay Ozcakmak	6	-	-	-
Alexander Cook[3]	2	-	-	-
Penelope Creswell	6	1	1	1
Ayten Saridas[4]	4	1	1	1

REMUNERATION REPORT (AUDITED)

This Remuneration Report outlines the Group's Director and Executive remuneration arrangements, in accordance with the requirements of the *Corporations Act 2001* (Cth) and its Regulations. For the purposes of this Report, Key Management Personnel ("**KMP**") of the Group are defined as those persons having authority and responsibility for planning, directing, and controlling the major activities of the Group, directly or indirectly, and includes Directors and Executives of the Group. The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001* (Cth).

The Group's remuneration report for its financial year ended 30 June 2022 was adopted at Parkway's 2022 Annual General Meeting on 29 November 2022. 260,905,500 (2021: 315,410,887) votes were in favour of the report and 1,491,808 (2021: 8,347,584) were against. No questions or comments were raised relating to the FY22 remuneration report.

No remuneration consultants were used during FY23.

[1] Resigned 19 September 2022.
[2] Appointed 31 August 2022.
[3] Resigned 26 September 2022.
[4] Appointed 12 October 2022.

REMUNERATION REPORT (AUDITED) (continued)

Details of KMP

(i) Directors:

Bahay Ozcakmak	Group Managing Director and CEO
Penelope Creswell	Non-Executive Director
Stephen van der Sluys	Non-Executive Director
Ayten Saridas	Non-Executive Director

(ii) Executives:

Robert Van Der Laan	Chief Financial Officer
Michael Hodgkinson	Chief Commercial Officer

(iii) Resigned:

Adrian Griffin	Non-Executive Chairman
Alexander Cook	General Counsel, Joint Company Secretary and Executive Director

Remuneration Philosophy

The performance of the Group depends upon the quality of its Directors (defined as being both Executive and Non-Executive) and Executives. To prosper, the Group must attract, motivate and retain highly skilled Directors and Executives.

To this end, the Group embodies the following principles in its remuneration framework:
- Provide competitive rewards to attract high calibre Directors and Executives; and
- Link Director and Executive rewards to shareholder value.

Shares and options issued under the incentive plans provide an incentive to stay with the Group. At this time, shares and options issued do not have performance criteria attached. This policy is considered to be appropriate for the Group, having regard to the current state of its development.

The Group does not have a policy which precludes Directors and Executives from entering into contracts to hedge their exposure to options or shares granted to them as remuneration.

The Group also recognises that, at this stage in its development, it is most economical to have only a few employees and to draw, as appropriate, upon a pool of consultants selected by the Directors on the basis of their known management, geoscientific, and engineering and other professional and technical expertise and experience. The Group will nevertheless seek to apply the principles described above to its Directors and Executives, whether they are employees of/or consultants to the Group.

Remuneration Committee Responsibilities

The Committee assesses the appropriateness of the nature and amount of remuneration and fees of Directors and Senior Executives on a periodic basis, by reference to relevant employment market conditions, with the overall objective of ensuring maximum stakeholder benefit from the attraction and retention of a high-quality Board of Directors and Executive Team.

Remuneration Structure

In accordance with best practice corporate governance, the structure of Non-Executive Director and Executive Director remuneration is separate and distinct.

REMUNERATION REPORT (AUDITED) (continued)

Non-Executive Director Remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the Group with the ability to attract and retain Non-Executive Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

Parkway's constitution and the ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors must be determined from time to time by shareholders of Parkway in a general meeting. An amount not exceeding the amount determined is then divided between the Non-Executive Directors. As at the date of this Annual Report, the aggregate directors' fees for Non-Executive Directors has been set at an amount not exceeding $200,000 per annum (2022: $200,000 per annum).

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Non-Executive Directors is reviewed annually. The Board may consider advice from external consultants (none were used during the Group's FY23), as well as the fees paid to Non-Executive Directors of comparable companies, when undertaking the annual review process. The remuneration report has been approved by shareholders at the annual general meeting.

Agreements with Non-Executive Directors

Director's fees of $84,000 per annum (inclusive of superannuation requirements) were paid, or due and payable to Mr Stephen van der Sluys. In the event of termination, there is no notice period required.

Director's fees of $90,000 per annum (inclusive of superannuation requirements) were paid, or due and payable to Mr Adrian Griffin. In the event of termination, there was no notice period required.

Director's fees of $48,000 per annum (inclusive of superannuation requirements) were paid, or due and payable to each of the Group's Non-Executive Directors during FY23, being Ms Penelope Creswell and Ms Ayten Saridas.

In circumstances where a Non-Executive Director was in office for only part of FY23, their director's fees were pro-rated, to reflect their tenure in office during FY23. In the event of termination, there is no notice period required.

As outlined above, each of the Group's Non-Executive Directors receives a fee for being a Director of the Group. No additional fee is paid for participating in the Audit, Remuneration and Nomination Committees.

Non-Executive Directors are encouraged by the Board to hold shares in Parkway (purchased on-market and in accordance with Parkway's approved policies to ensure there is no insider trading). It is considered good governance for Directors of a company to have a stake in that company. The Non-Executive Directors of the Group may also participate in Parkway's share and option plans, as described in this Annual Report.

As an incentive to employees, Directors and Executives and consultants, Parkway has adopted a scheme called the Parkway Corporate Limited Employee Securities Incentive Plan (the **"ESIP"**). The purpose of the ESIP is to give employees, Directors and Executives and consultants of the Group an opportunity to subscribe for shares and/or options in Parkway. The Directors consider that the ESIP will enable the Group to retain and attract skilled and experienced employees, Directors and Executives and provide them with the motivation to participate in the future growth of the Group and, upon becoming shareholders in Parkway, to participate in Group's profits and development.

REMUNERATION REPORT (AUDITED) (continued)

Executive Remuneration

Objective

The Group aims to reward Executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group and so as to:

- reward Executives for Group, business team and individual performance;
- align the interests of Executives with those of shareholders; and
- ensure total remuneration is competitive by market standards.

Structure

- At this time, the cash component of remuneration paid to the Executive Directors, and other senior managers is not dependent upon the satisfaction of performance conditions.
- Executive Directors are encouraged by the Board to hold shares in Parkway (purchased on-market and in accordance with Parkway's approved policies to ensure there is no insider trading). It is considered good governance for Directors of a company to have a stake in that company. The Executive Directors of the Group may also participate in the share and option plans as described in this report.

Performance table

The following table details the loss of the Group from continuing operations after income tax, together with the basic loss per share for last 5 financial years:

	2023 $	2022 $	2021 $	2020 $	2019 $
Net loss from continuing operations after income tax	(1,680,056)	(2,332,196)	(923,715)	(2,421,674)	(2,009,060)
Basic loss per share in cents	(0.08)	(0.11)	(0.04)	(0.15)	(0.28)
Share Price in Cents*	1.0	1.0	1.0	0.7	0.4

* closing price 30 June.

No dividends were paid in any of these years.

Executive Remuneration

Long-Term Incentive ("**LTI**") awards to Executives are made under the ESIP and are delivered in the form of shares or share options. The Group did not issue any employee incentive options during FY23.

Agreement with Group Managing Director and CEO

On 26 October 2021, Parkway entered into an Executive Services Agreement with Mr Ozcakmak ("**MD Agreement**"). Pursuant to the terms of the MD Agreement:

- Mr Ozcakmak was engaged with Parkway on a full-time and permanent basis, with no fixed term included in the MD Agreement;
- Mr Ozcakmak's annual salary was set at $275,000 (exclusive of superannuation); and
- either party may terminate the MD Agreement on providing six months' prior written notice to the other party.

There were no changes to the MD Agreement during FY23.

REMUNERATION REPORT (AUDITED) (continued)

Agreement with Chief Financial Officer

On 1 January 2023, Mr Van der Laan's annual salary was increased to $158,100 from $155,000 (exclusive of superannuation requirement), and a special bonus of $1,205 (exclusive of superannuation) was also paid. The employment agreement between Parkway and Mr Robert Van der Laan can be terminated by either party giving the other party 4 weeks' notice.

Agreement with Chief Commercial Officer

On 29 May 2023, Parkway entered into an Executive Services Agreement with Mr Hodgkinson ("**CCO Agreement**"). Pursuant to the terms of the CCO Agreement:

- Mr Hodgkinson was engaged with Parkway on a full-time and permanent basis, with no fixed term included;
- Mr Hodgkinson's annual salary was set at $195,000 (exclusive of superannuation), $35,000 in ordinary shares (12 month vesting, with a 2-year escrow), and a performance based Short Term Incentive of up to $35,000 ordinary shares; and
- either party may terminate the Agreement on providing four weeks' prior written notice to the other party, eight weeks after six months service and twelve weeks after 12 months service.

Agreement with General Counsel, Joint Company Secretary & Executive Director

On 26 October 2021, Parkway entered into an Executive Services Agreement with Mr Cook ("**ED Agreement**"). Pursuant to the terms of the ED Agreement:

- Mr Cook was engaged with the Company on a full-time and permanent basis, with no fixed term included in the ED Agreement;
- Mr Cook's annual salary was $180,000 (exclusive of superannuation); and
- either party may terminate the ED Agreement on providing two months' prior written notice to the other party.

Directors' Remuneration 2023

	Short-term		Post-employment benefits		Share and Option Based Payments		
	Directors'	Salary and Consulting	Superannuation	Termination			
Director	Fees $	Fees $	Contribution $	Benefits $	Shares $	Options $	Total $
B Ozcakmak	-	275,000	28,875	-	-	-	303,875
P Creswell	43,439	-	4,561	-	-	-	48,000
S Van der Sluys*	60,633	-	6,367	-	-	-	67,000
A Saridas**	31,545	-	3,312	-	-	-	34,857
A Cook***	-	74,515	6,845	-	-	-	81,360
A Griffin****	13,575	-	1,425	-	-	-	15,000
Total	**149,192**	**349,515**	**51,385**	**-**	**-**	**-**	**550,093**

* Appointed 31 August 2022.
** Appointed 12 October 2022.
*** Resigned 26 September 2022.
**** Resigned 19 September 2022.

REMUNERATION REPORT (AUDITED) (continued)

Executives' Remuneration 2023

Executive	Short-term Salary $	Short-term Consulting Fees $	Post-employment benefits Superannuation Contribution $	Post-employment benefits Termination Benefits $	Share and Option Based Payments Shares $	Share and Option Based Payments Options $	Total $
R Van der Laan	158,588	-	16,525	-	-	-	175,114
M Hodgkinson*	15,500	-	1,628	-	3,068	-	20,196
Total	**174,088**	**-**	**18,153**	**-**	**3,068**	**-**	**195,309**
Total Directors' and Executives' Remuneration	**323,281**	**349,515**	**69,538**	**-**	**3,068**	**-**	**745,402**

* Appointed 29 May 2023.

Directors' Remuneration 2022

Director	Short-term Directors' Fees $	Short-term Salary and Consulting Fees $	Post-employment benefits Superannuation Contribution $	Post-employment benefits Termination Benefits $	Share and Option Based Payments Shares $	Share and Option Based Payments Options $	Total $
A Griffin	81,818	-	8,182	-	-	-	90,000
B Ozcakmak	-	267,415	26,741	-	-	31,675	325,831
R Beresford**	20,000	-	-	-	-	-	20,000
P Power*	16,000	-	-	-	-	-	16,000
A Cook	-	169,946	16,995	-	-	15,838	202,779
P Creswell***	29,762	-	2,976	-	-	-	32,738
Total	**147,580**	**437,361**	**54,894**	**-**	**-**	**47,513**	**687,348**

Executives' Remuneration 2022

Executive	Short-term Salary $	Short-term Consulting Fees $	Post-employment benefits Superannuation Contribution $	Post-employment benefits Termination Benefits $	Share and Option Based Payments Shares $	Share and Option Based Payments Options $	Total $
R Van der Laan	150,000	-	15,000	-	-	-	165,000
Total	**150,000**	**-**	**15,000**	**-**	**-**	**-**	**165,000**
Total Directors' and Executives' Remuneration	**297,580**	**437,361**	**69,894**	**-**	**-**	**47,513**	**852,348**

* Retired 26 October 2021.
** Retired 16 December 2021. Mr Beresford was remunerated by the related entity Clearer Sky Pty Ltd.
*** Appointed 26 October 2021.

REMUNERATION REPORT (AUDITED) (continued)

Shares and Options: Granted and vested during the year

Shares

No shares were issued to KMP as part of remuneration during FY23 (2022: nil).

Options

No Options were issued to KMP during FY23 (2022:15,000,000). The Options issued to KMP in FY22 as disclosed in the table above were made under a LTI under the ESIP.

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to KMP, including the directors and executives.

(a) Share holdings of KMP

2023	**Balance at 1 July 22**	**Granted as remuneration**	**On Exercise of Options**	**Net change other**	**Balance at 30 June 23**
Directors	**Ordinary**	**Ordinary**	**Ordinary**	**Ordinary**	**Ordinary**
A Griffin	21,112,665	-	-	(21,112,665)*	-
B Ozcakmak	219,737,201	-	-	500,000**	220,237,201
A Cook	-	-	-	-	-
P Creswell	-	-	-	-	-
S van der Sluys	-	-	-	-	-
A Saridas	-	-	-	-	-
Total Directors	**240,849,866**	**-**	-	**(20,612,665)**	**220,237,201**
Executives					
R Van der Laan	63,480,839	-	-	(139,147)***	63,341,692
M Hodgkinson	-	3,068	-	-	3,068
Total Executives	**63,480,839**	**3,068**	**-**	**(139,147)**	**63,344,760**
Total Directors' and Executives' Share holdings	**304,330,705**	**3,068**	**-**	**(20,751,812)**	**283,581,961**

* Changes due to cessation as KMP during the year.
** On Market purchase.
*** Opening balance adjustment due to typographical error.

REMUNERATION REPORT (AUDITED) (continued)

(b) Options holdings of KMP

2023

	Balance at 1 July 22	Granted as remuneration	Bonus issue received	Net change other	Balance at 30 June 23	Of which:	
	Options	Options	Options	Options	Options	Vested and exercisable	Unvested and exercisable
Directors							
A Griffin	13,783,550	-	-	(13,783,550)*	-	-	-
B Ozcakmak	87,257,393	-	-	(24,833,333)**	62,424,060	62,424,060	-
A Cook	5,000,000	-	-	(5,000,000)*	-	-	-
P Creswell	-	-	-	-	-	-	-
S van der Sluys	-	-	-	-	-	-	-
A Saridas	-	-	-	-	-	-	-
Total Directors	**106,040,943**	**-**	**-**	**(43,616,883)**	**62,424,060**	**62,424,060**	-
Executives							
R Van der Laan	5,678,610	-	-	(2,500,000)**	3,178,610	3,178,610	-
M Hodgkinson	-	-	-	-	-	-	-
Total Executives	**5,678,610**	-	-	**(2,500,000)**	**3,178,610**	**3,178,610**	-
Total Directors' and Executives' Option holdings	**111,719,553**	-	-	**(46,116,883)**	**65,602,670**	**65,602,670**	-

* Changes due to cessation as KMP in the year.
** expired options.

REMUNERATION REPORT (AUDITED) (continued)

(c) Other Transactions with KMP and their related parties

There were no other transactions with KMP and their related parties during FY23 and no outstanding balances as at the date of this report.

(d) Loans to KMP and their related parties

There were no loans made to KMP and their related parties during FY23 and no outstanding balances as at the date of this report.

End of Remuneration Report (audited).

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Rounding of amounts

The Group has applied the relief available to it in ASIC Legislative Instrument 2016/191 and accordingly amounts included in this report and in the consolidated financial report have been rounded off to the nearest $1 (where rounding is applicable).

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 25 and forms part of this report.

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

Bahay Ozcakmak
Group Managing Director & CEO
Melbourne
Dated: 28 September 2023

Nexia Australia

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To the directors of Parkway Corporate Limited

Auditor's independence declaration under section 307C of the Corporations Act 2001

As lead auditor for the audit of the financial statements of Parkway Corporate Limited for the financial year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

NPAS

Nexia Perth Audit Services Pty Ltd

Michael Fay

Michael Fay
Director

Perth
28 September 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Note	For the year ended 30 June 2023 $	For the year ended 30 June 2022 $
INCOME FROM CONTINUING ACTIVITIES			
Sales revenue	13	4,247,372	3,375,619
Other income		-	108,182
Interest		17,723	927
Profit from the disposal of depreciated assets		4,237	-
Government grant	14	437,282	225,802
TOTAL INCOME		**4,706,614**	**3,710,531**
EXPENSES			
Cost of goods sold		1,661,384	1,497,157
Loss from the disposal of depreciated assets		-	9,852
General and administration expenses		746,544	1,082,512
Depreciation and Amortisation		430,916	267,756
Share based payments	21	25,070	93,254
Exploration		6,458	-
Research and development		130,022	136,005
Legal		10,598	24,440
Occupancy		97,428	98,666
Employee benefit expense		2,912,989	2,711,148
Impairment expense	15	312,235	100,000
Interest expense		53,026	21,938
TOTAL EXPENSES		**6,386,670**	**6,042,727**
LOSS BEFORE INCOME TAX		**(1,680,056)**	**(2,332,196)**
Income tax expense		-	-
NET LOSS FOR THE YEAR		**(1,680,056)**	**(2,332,196)**
OTHER COMPREHENSIVE INCOME FOR THE YEAR			
items that may be subsequently reclassified to profit or loss:		-	-
Equity accounted investments - share of comprehensive income		-	-
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(1,680,056)**	**(2,332,196)**
Basic and diluted loss per share (cents per share)	7	(0.08)	(0.11)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	As at 30 June 2023 $	As at 30 June 2022 $
CURRENT ASSETS			
Cash and cash equivalents	8	2,003,639	4,003,404
Trade and other receivables	9	427,246	615,266
Inventory	10	1,683,894	1,518,088
Other assets		77,831	89,652
Total Current Assets		**4,192,609**	**6,226,409**
NON-CURRENT ASSETS			
Trade and other receivables	9	138,101	89,847
Plant and equipment	11	295,623	265,305
Intangible assets	15	4,624,426	4,899,486
Right of use assets	12	2,713,670	1,192,095
Total Non-Current Assets		**7,771,820**	**6,446,734**
TOTAL ASSETS		**11,964,429**	**12,673,143**
CURRENT LIABILITIES			
Trade and other payables	16	630,635	1,121,749
Provisions	18	192,012	185,888
Lease liability	12	336,220	173,046
Deferred payment	17	-	455,000
Total Current Liabilities		**1,158,866**	**1,935,683**
NON-CURRENT LIABILITIES			
Provisions	18	176,994	-
Lease liability	12	2,460,837	1,044,944
Total Non-Current Liabilities		**2,637,831**	**1,044,944**
TOTAL LIABILITIES		**3,796,698**	**2,980,627**
NET ASSETS		**8,167,731**	**9,692,516**
EQUITY			
Contributed Equity	19	35,630,714	35,475,444
Reserves		1,178,047	1,178,047
Accumulated losses		(28,641,030)	(26,960,975)
TOTAL EQUITY		**8,167,731**	**9,692,516**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Contributed equity	Accumulated Losses	Share and Option Based Payment Reserve	Financial Asset Reserve	Partly Paid Shares Reserve	Total
	$	$	$	$	$	$
Balance at 1 July 2021	**35,383,574**	**(25,665,525)**	**990,493**	**1,036,746**	**123,300**	**11,868,588**
Re-allocation of the FAR	-	1,036,746	-	(1,036,746)	-	-
Restated Balance at 1 July 2021	**35,383,574**	**(24,628,779)**	**990,493**	-	**123,300**	**11,868,588**
Net loss for the year	-	(2,332,196)	-	-	-	(2,332,196)
Other comprehensive income (net of tax)	-	-	-	-	-	-
Total comprehensive loss for the year	-	(2,332,196)	-	-	-	(2,332,196)
Transactions with owners in their capacity as owners during the year:						
Shares issued (Note 20)	12,870	-	123,300	-	(123,300)	12,870
Share issue transaction costs (Note 20)	-	-	-	-	-	-
Share based payments (Note 21)	79,000	-	64,254	-	-	143,254
Balance at 30 June 2022	**35,475,444**	**(26,960,975)**	**1,178,047**	**-**	**-**	**9,692,516**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Contributed Equity	Accumulated Losses	Share and Option Based Payment Reserve	Financial Asset Reserve	Partly paid Shares Reserve	Total
	$	$	$	$		$
Balance at 1 July 2022	**35,475,444**	**(26,960,975)**	**1,178,047**	**-**	**-**	**9,692,516**
Net loss for the year	-	(1,680,056)	-	-		(1,680,056)
Other comprehensive income (net of tax)						
Available for sale financial asset gains	-	-	-	-	-	-
Total comprehensive loss for the year	-	(1,680,056)	-	-	-	(1,680,056)
Transactions with owners in their capacity as owners during the year:						
Shares issued (Note 20)	200	-	-	-	-	200
Share issue transaction costs (Note 20)	-	-	-	-	-	-
Share based payments (Note 21)	155,070	-	-	-	-	155,070
Balance at 30 June 2023	**35,630,714**	**(28,641,030)**	**1,178,047**	**-**	**-**	**8,167,731**

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Note	For the year ended 30 June 2023 $	For the year ended 30 June 2022 $
OPERATING ACTIVITIES			
Receipts from customers		4,860,130	2,384,791
Payments to suppliers and employees		(6,633,961)	(4,730,545)
Government grant received (net)		418,771	225,803
Interest received		17,723	927
NET CASH FLOWS USED IN OPERATING ACTIVITIES	**25**	**(1,337,337)**	**(2,119,024)**
INVESTING ACTIVITIES			
Purchase of plant and equipment		(139,711)	(78,219)
Proceeds from sale of plant and equipment		10,595	8,181
Payments for acquisition of Mawpump	**15**	(257,959)	(1,228,422)
Rental bond paid		(48,101)	(44,847)
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES		**(435,176)**	**(1,343,308)**
FINANCING ACTIVITIES			
Proceeds from issue of shares		200	12,870
Repayment of principal elements of Leases		(227,452)	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		**(227,252)**	**12,870**
NET (DECREASE) IN CASH AND CASH EQUIVALENTS		(1,999,765)	(3,449,462)
Cash and cash equivalents at the beginning of the year		4,003,404	7,452,866
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**8**	**2,003,639**	**4,003,404**

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

Note 1: Corporate information

The consolidated financial report of Parkway Corporate Limited (the "Company" or "Parkway") and its controlled entities (the "Group") for the year ended 30 June 2023 was authorised for issue in accordance with a resolution of Directors on 28 September 2023. The Group is a for-profit entity. The Group's consolidated financial statements are presented in Australian dollars, which is also Parkway's functional currency.

Parkway is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX: PWN).

The nature of operations and principal activities of the Group are described in the Directors' report.

The following is a summary of the material accounting policies adopted by the Group in the preparation and presentation of the consolidated financial report. The accounting policies have been consistently applied, unless otherwise stated.

Note 2: Statement of significant accounting policies

(a) Basis of preparation

The consolidated financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and Interpretations and complies with other requirements of the law, as appropriate for for-profit oriented entities.

Reporting basis and convention

The consolidated financial report has also been prepared on a historical cost basis.

Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 28.

Going concern

These consolidated financial statements have been prepared on going concern basis. 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 30 September 2024 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 consolidated financial report.

Note 2: Statement of significant accounting policies (continued)

(b) Adoption of new revised or amending accounting standards and interpretations

The Group has where applicable, adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the "**AASB**") that are relevant to their operations and effective for the year ended 30 June 2023.

The adoption of these amendments did not have any impact on the current period or any prior period and is not likely to affect future periods.

As at the date of the authorisation of the consolidated financial statements, the Standards and Interpretations listed below were in issue but not yet effective and have not been adopted by the Group for the annual reporting year ending 30 June 2023:

Standard	Effective date for annual reporting periods beginning on or after	Application date for the Group
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 January 2023	1 July 2023
AASB 2021-5 Amendments to Australian Accounting Standards – Deferred tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023	1 July 2023
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current	1 January 2023	1 July 2023

The Group has decided not to early adopt any of the new and amended pronouncements. Of the above new and amended Standards and Interpretations Group's assessment of those new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below. The Group has not yet determined the full impact of these pronouncements on its consolidated financial statements.

AASB 2021-2 *Amendments to Australian Accounting Standards* – Disclosure of Accounting Policies and Definition of Accounting Estimates

This Standard amends:

1. AASB 7, to clarify that information about measurement bases for financial instruments is expected to be material to an entities financial statements;
2. AASB 101, to require entities to disclose their material accounting policy information rather than their significant accounting policies;
3. AASB 108, to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates;
4. AASB 134, to identify material accounting policy information as a component of a complete set of financial statements; and
5. AASB Practice Statement 2, to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

Note 2: Statement of significant accounting policies (continued)

AASB 2021-5 *Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendment narrowed the scope of the recognition exemption in paragraphs 15 and 24 of AASB 112 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The amendment applies to transactions that occur on or after the beginning of the earliest comparative period presented.

AASB 2020-3 *Annual Improvements to IFRS Standards 2018–2020 and Other Amendments*

This Standard amends:

(a) the application of AASB 1 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences;
(b) AASB 3 to update references to the Conceptual Framework for Financial Reporting;
(c) AASB 9 to clarify when the terms of a new or modified financial liability are substantially different from the terms of the original financial liability;
(d) AASB 116 to require an entity to recognise the sales proceeds from selling items produced while preparing property, plant and equipment for its intended use and the related cost in profit or loss, instead of deducting the amounts received from the cost of the asset;
(e) AASB 137 to specify the costs that an entity includes when assessing whether a contract will be loss-making; and
(f) AASB 141 to align the fair value measurement requirements in AASB 141 with those in other Australian Accounting Standards.

AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non- Current*

Amends AASB 101 to clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver, a breach of covenant, or settlement of the liability).

Management is currently assessing the effects of applying the new standards on the Group's consolidated financial statements. The Group will make more detailed assessments over the next 12 months.

(c) Statement of compliance

The consolidated financial report complies with Australian Accounting Standards and International Financial Reporting Standards ("**IFRS**").

Note 2: Statement of significant accounting policies (continued)

(d) Critical accounting estimates and judgements

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.

Share-based payment transactions

Parkway measures the share-based payment transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 21.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only when management considers that it is probable that sufficient future tax profits will be available to utilise those temporary differences. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits over the next two years together with future tax planning strategies.

Intangible assets and goodwill

The Group assesses impairment for intangible assets at each reporting date or when an impairment indicator exists, by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. These include product, technology, economic and political environments and future expectations. If an impairment indicator exists, the recoverable amount of the asset is determined.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For further information on intangible assets and goodwill, refer to Note 15.

Research and development rebate

Research and development rebates are recognised as income when there is reasonable assurance that the rebate will be received, and the entity will comply with the conditions attached to it. Management judgement is required to assess that the rebate meets the recognition criteria and in determining the measurement of the rebate including the assessment of the eligibility and appropriateness of the apportionment of eligible expenses based on research and development activities undertaken by the consolidated entity and taking into consideration relevant legislative requirements.

Further, the Research and Development Tax Incentive Offset program in Australia is a self-assessment regime and there is a four-year period from the date of lodgement where the claim may be subject to a review by the Australian Taxation Office or Ausindustry, with any amounts overclaimed being potentially subject to full repayment with interest and penalties.

Note 2: Statement of significant accounting policies (continued)

(e) Principles of consolidation

The consolidated financial statements comprise the financial statements of the Company and its controlled entities as at 30 June 2023.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee,
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Statement of Comprehensive Income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("**OCI**") are attributed to the equity holders of the parent of the Group and to the Non-controlling interests, even if this results in the Non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the Non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the Non-controlling interest in full, even if that results in a deficit balance.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and Non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Note 2: Statement of significant accounting policies (continued)

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(f) Business combinations

The Group applies the acquisition method in accounting for business combinations.

The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquirer's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognised amount of any non-controlling interest in the acquire and c) acquisition-date fair value of any existing equity interest in the acquire, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e., gain on a bargain purchase) is recognised in profit or loss immediately.

(g) Share-based payment transactions

Employees (including Directors and Executives) of the Group may receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is recognised, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and Parkway's best estimate of the number of equity instruments that will ultimately vest. The Consolidated Statement of Comprehensive Income expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in equity-based payments expense (Note 21).

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting are conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled transaction award are modified, the minimum expense recognised is the expense as if the terms had not been modified if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification.

Note 2: Statement of significant accounting policies (continued)

When an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted loss per share, unless the Group incurs a loss, in which case the effect of options on issue is considered to be antidilutive and thus not factored in determining the diluted earnings per share (further details are given in Note 7).

(h) Plant & equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment in value. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Plant and equipment – over 2 to 15 years

Impairment

The carrying values of plant and equipment are reviewed for impairment when impairment indicators exist under the accounting standards.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any indication exists of impairment and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs of disposal and 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.

Derecognition

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the Consolidated Statement of Comprehensive income in the period the item is derecognised.

(i) Income tax

Current tax assets and liabilities for the current year and prior periods are measured at amounts expected to be recovered from or paid to the taxation authorities based on the current year's taxable income. The tax rates and tax laws used for computations are enacted or substantively enacted by the reporting date.

Deferred tax is provided on all temporary differences at reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Note 2: Statement of significant accounting policies (continued)

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the Consolidated Statement of Comprehensive Income.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Tax Consolidation

Parkway Corporate Limited and its 100% owned subsidiaries have entered into tax consolidated group which took effect from 1 July 2016. Parkway Corporate Limited is the head entity of the tax consolidated group.

(j) Goods and Services Tax (GST)

Revenues, expenses, and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Consolidated Statement of Financial Position.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Note 2: Statement of significant accounting policies (continued)

(k) Provisions and employee benefits

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Consolidated Statement of Comprehensive Income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

Employee leave benefits

i. Wages and salaries, annual leave, and sick leave

Liabilities for wages and salaries including non-monetary benefits, annual leave and accumulating sick leave due to be settled within 12 months of the reporting date are recognised in provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

ii. Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(l) Cash and cash equivalents

Cash and cash equivalents in the Consolidated Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(m) Trade and other receivables

Trade receivables are initially recognised at their transaction price and other receivables at fair value. Receivables that are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest are classified and subsequently measured at amortised cost. Receivables that do not meet the criteria for amortised cost are measured at fair value through profit or loss.

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Note 2: Statement of significant accounting policies (continued)

The expected credit losses on these financial assets are estimated based on the Group's historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as forecast conditions at the reporting date.

For all other receivables measured at amortised cost, the Group recognised lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. If on the other hand the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to expected credit losses within the next 12 months.

(n) Inventories

Inventories are valued at the lower of cost and net realisable value.

The Group elected to use average cost method to value inventory. When the Group sells a product, the weighted average cost of all inventory produced or acquired in the accounting period is used to determine the cost of goods sold. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

(o) Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue from the sale of water treatment related products and rendering of services are recognised at the point in time based on the amount invoiced to the customer. The normal credit term is 30 days.

Other revenue

Interest Income

Income is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. When the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

When the Group receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the Consolidated Statement of Comprehensive Income over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual instalments. When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grants.

Note 2: Statement of significant accounting policies (continued)

(p) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Own equity instruments (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

(q) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(r) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of Parkway adjusted to exclude any costs of servicing equity (other than dividends) divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of Parkway adjusted for:

- costs of servicing equity (other than dividends);
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;
- divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(s) Investments and Financial assets

Initial recognition and measurement:

Financial assets are classified, at initial recognition, at amortised cost, financial assets at fair value through profit or loss, fair value through other comprehensive income as appropriate. Other financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

The Group has not recognised any financial assets at fair value through other comprehensive income.

Subsequent measurement:

The subsequent measurement of other financial assets depends on their classification as described below:

a) Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss ("FVtPL") include financial assets held for trading, financial assets designated upon initial recognition at FVtPL, or financial assets mandatorily required to be measured at fair value. Financial assets at FVtPL are carried in the statement of financial position at fair value with net changes in fair value presented in the Consolidated Statement of Profit or Loss.

The Group does not hold any financial assets at FVtPL.

Note 2: Statement of significant accounting policies (continued)

b) Amortised cost

In order for a financial asset to qualify for measurement as amortised cost, it has to pass both the contractual cash flow characteristics test as well as the business model test. Under the contractual cash flow characteristics test, an entity has to assess, whether the cash flows resulting from the financial asset are solely payments for principal and interest on the outstanding principal amount. Under the business model test the objective is to hold the financial assets in order to collect contractual cash flows.

Receivables that are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principle and interest are classified and subsequently measured at amortised cost using the effective interest rate method. Receivables that do not meet the criteria for amortised cost are measured at fair value through profit or loss.

This category is most relevant to the Group.

(t) Impairment of financial assets

The Group assesses at each reporting date whether a financial asset or group of financial assets is impaired, excluding financial assets at FVTPL.

The Group assesses on a forward-looking basis the expected credit loss associated with other financial assets. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For financial assets, the expected credit loss is based on the 12-month expected credit loss. The 12-month expected credit loss is the portion of lifetime expected credit losses that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime expected credit loss.

The Group considers an event of default has occurred when a financial asset is more than 90 days past due or external sources indicate that the debtor is unlikely to pay its creditors, including the Group. A financial asset is credit impaired when there is evidence that the counterparty is in significant financial difficulty or a breach of contract, such as a default or past due event has occurred. The Group writes off a financial asset when there is information indicating the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

(u) Leases

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term (where the Group does not have a purchase option at the end of the lease term). Right-of-use assets are subject to impairment.

Note 2: Statement of significant accounting policies (continued)

(u) Leases (continued)

(ii) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(v) Current versus non-current classification

The Group presents assets and liabilities in the Consolidated Statement of Financial Position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

The Group classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Note 2: Statement of significant accounting policies (continued)

(w) Intangible assets

Intangible assets represent identifiable non-monetary assets without physical substance.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates and adjusted on a prospective basis. The amortisation expense on intangible assets with finite lives is recognised in the Consolidated Statement of Comprehensive Income.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, and when indicators of impairment exist, individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually, or when indicators of impairment exist, to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Goodwill

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually, and when indicators of impairment exist, individually or at the cash-generating unit level. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Where goodwill has been allocated to a cash-generating unit ("**CGU**") and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Note 2: Statement of significant accounting policies (continued)

(w) Intangible assets (continued)

Intellectual property

The Group's intellectual property portfolio consists of trade secrets, know-how, trademark, and patent. 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.

The Group tests the intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. The estimated useful life will only be determined, and the corresponding amortisation will be recognised when the corresponding asset is available for use.

(x) Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- its intention to complete and its ability and intention to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset; and
- the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

Note 3: 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 financial 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 30 June 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 2 for the computation of the Group's results presented in this set of consolidated financial statements.

Note 4: Income tax

	2023 $	2022 $
(a) Income tax expense/(benefit)		
Current tax	-	-
Deferred tax	-	-
Total tax (benefit)/expense	-	-
(b) Income tax recognised in equity		
Deferred tax liability recognised	-	-
Total income tax recognised in equity	-	-
(c) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from continuing operations before income tax expense	(1,680,056)	(2,332,196)
Prima facie tax benefit at the Australian tax rate of 25% (FY22: 25%)	(420,014)	(583,049)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-deductible expenses	(50,515)	356,490
Non-assessable income	-	(56,451)
Current year tax losses not recognised	(470,529)	(283,009)
Income tax expense	-	-
(d) Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	21,049,699	19,167,584
Potential tax benefit @25% (FY22: 25%)	**5,262,425**	**4,791,896**

The above potential tax benefit for tax losses has not been recognised in the Consolidated Statement of Financial Position.

(e) Deferred tax assets not recognised

Deferred tax assets not recognised comprises temporary differences attributable to:

	2023 $	2022 $
Tax losses	5,262,425	4,791,896
Accruals and provisions	140,694	367,240
Total gross deferred tax assets not recognised	5,403,119	5,159,136
Offset against deferred tax liabilities	(19,458)	(4,783)
Total net deferred tax assets not recognised	**5,383,661**	**5,154,353**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority. The taxation benefits of certain tax losses and temporary differences have not been brought to account since it is not probable whether future assessable income would be derived of a nature and of an amount sufficient to enable the benefits from the deductions to be realised.

Note 5: KMP remuneration

	2023	2022
	$	$
Short-term employee benefits	672,796	734,941
Post-employment benefits	69,538	69,894
Termination benefits	-	-
Share-based payments	3,068	47,513
Total compensation	**745,402**	**852,348**

Refer to Note 24 for other related parties transactions.

Note 6: Auditor's remuneration

Details of the amounts paid or payable to the auditor, Nexia Perth Audit Services Pty Ltd, for audit services provided during FY23 are set out below;

	2023	2022
	$	$
Remuneration of Nexia Perth Audit Services Pty Ltd for:		
- Auditing the consolidated financial report of the Group	108,491	70,000
	108,491	**70,000**

Details of the amounts paid or payable to the Group's former auditor, Ernst & Young (which resigned as the Group's auditor, with prior written approval from ASIC, on 1 August 2022), remuneration during FY23 are set out below;

	2023	2022
	$	$
Remuneration of Ernst & Young for:		
- Auditing the consolidated financial report of the Group	-	213,839
- research & development tax concession	13,770	24,364
- tax compliance	23,520	12,360
	37,290	**250,563**

Note 7: Loss per share

	2023 $	2022 $
Basic loss per share (cents per share)	(0.08)	(0.11)
Diluted loss per share (cents per share)	(0.08)	(0.11)
Net loss	(1,680,056)	(2,332,196)
Loss used in calculating basic and diluted loss per share	(1,680,056)	(2,332,196)
	Number	**Number**
Weighted average number of ordinary shares used in the calculation of basic and diluted loss per share	2,216,468,236	2,205,758,441

As of 30 June 2023, a total of 260,912,785 options on ordinary shares had been issued (2022: 748,875,228). As the Group incurred a loss for the year ended 30 June 2023 and 2022, the effect of options on issue is considered to be antidilutive and thus not factored in determining the diluted earnings per share.

Note 8: Cash and cash equivalents

	2023 $	2022 $
Cash at bank and on hand	2,003,639	4,003,404
	2,003,639	4,003,404

Note 9: Trade and other receivables

	2023 $	2022 $
Current		
Trade debtors	427,246	570,911
GST Receivables	-	25,224
Other Receivables	-	19,132
	427,246	615,266
Non-Current		
Other receivables	138,101	89,847
	138,101	89,847

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

For trade and other receivables, the Group has applied the standard’s simplified approach and has calculated 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. As at 30 June 2023, an ECL of $10,130 was recognised (2022: $170,761).

Other receivables – Non-Current is rental bonds paid.

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

Note 10: Inventories

	2023	2022
	$	$
Inventories	1,683,894	1,518,088
	1,683,894	**1,518,088**

Note 11: Plant and equipment

	2023	2022
	$	$
Office equipment at cost	69,655	66,697
Less accumulated depreciation	(36,676)	(34,757)
	32,979	31,939
Plant and equipment at cost	56,915	117,248
Less accumulated depreciation	(30,034)	(87,918)
	26,881	29,330
Computers & software at cost	46,604	75,053
Less accumulated depreciation	(19,132)	(47,973)
	27,472	27,080
Furniture fixtures at cost	133,740	99,039
Less accumulated depreciation	(54,311)	(37,207)
	79,429	61,832
Motor vehicles at cost	212,225	162,894
Less accumulated depreciation	(83,363)	(47,770)
	128,862	115,124
Total plant, equipment & motor vehicles	**295,623**	**265,305**

	Office Equipment $	Plant & Equipment $	Computers & Software $	Furniture Fixtures $	Motor Vehicles $	Total $
Year ended 30 June 2022						
Opening net carrying value	38,181	40,993	19,137	76,179	112,154	286,614
Disposal	-	-	-	-	(10,751)	(10,751)
Additions	6,559	-	14,613	7,469	42,357	70,998
Depreciation charge for year	(12,771)	(11,663)	(6,670)	(21,816)	(28,636)	(81,556)
Closing net carrying value	**31,939**	**29,330**	**27,080**	**61,832**	**115,124**	**265,305**

	Office Equipment $	Plant & Equipment $	Computers & Software $	Furniture Fixtures $	Motor Vehicles $	Total $
Year ended 30 June 2023						
Opening net carrying value	31,939	29,330	27,080	61,832	115,124	265,305
Opening Balance Adjustment	-	(5,408)	6,305	-	(898)	-
Disposal	-	-	-	-	(6,358)	(6,358)
Additions	16,360	15,933	5,203	43,344	58,871	139,711
Depreciation charge for year	(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**

Note 12: Leases

	2023	2022
Amounts recognised in the balance sheet relating to leases:	**$**	**$**
Right of use assets		
Buildings	2,713,670	1,192,095
Opening net book amount	1,192,095	490,947
Additions	1,839,776	851,558
Depreciation expense	(318,202)	(150,410)
Closing net book amount	2,713,670	1,192,095
Cost	3,236,873	1,369,298
Accumulated depreciation	(523,204)	(177,203)
Net book amount	2,713,670	1,192,095
Lease Liabilities		
Current	336,220	173,046
Non-current	2,460,837	1,044,944
	2,797,057	1,217,990

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.

Lease liabilities

	2023	2022
	$	**$**
At beginning of year	1,217,990	456,964
Additions	1,818,902	842,837
Accretion of interest	48,956	1,458
Payment	(288,791)	(83,269)
At end of the year	**2,797,057**	**1,217,990**

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

	2023	2022
	$	**$**
Depreciation expense	318,202	91,307
Interest expense	48,956	1,458
Expense relating to short-term and low value leases (included in General and Administration expenses)	-	5,005
The total cash outflow for leases in the period was:	288,791	159,341

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Note 13: Sales revenue

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

	2023 $	2022 $
Type of goods or service		
Sale of water treatment related products	716,048	1,045,571
Commercial water treatment solutions	629,317	517,571
Industrial water related solutions	2,902,007	1,812,477
Total revenue from contracts with customers	**4,247,372**	**3,375,619**

	2023 $	2022 $
Timing of revenue recognition		
Goods and services transferred at a point in time	4,247,372	3,375,619
Total revenue from contracts with customers	**4,247,372**	**3,375,619**

At 30 June 2023, all revenue from contract with customers is considered to be derived and held in one geographical area being Australia.

Note 14: Government grants

The Group received the following government grants:

	2023 $	2022 $
R&D incentives	437,282	225,802
Total	**437,282**	**225,802**

As all expenditure to which the R&D incentives relate was expensed, the full amount has been recognised as income in the Consolidated Statement of Comprehensive Income in the year in which the Group has determined that reasonable assurance that the government grant will be received and all attached conditions will be complied with has been obtained.

Note 15: Intangible assets

	2023 $	2022 $
Intellectual property		
- aMES® technology	3,174,267	3,174,267
- iBC® technology	109,032	109,032
- IP Portfolio	40,000	40,000
Goodwill - Multi-wet	-	300,407
Goodwill - Mawpump	1,301,127	1,275,780
	4,624,426	**4,899,486**

	aMES® Technology $	iBC® Technology $	IP Portfolio $	Goodwill - Multi-Wet $	Goodwill - Mawpump $	Total $
Balance as at 1 July 2022	**3,174,267**	**109,032**	**40,000**	**300,407**	**1,275,780**	**4,899,486**
Additions - Goodwill	-	-	-	-	25,347	25,347
Impairment - Customer List	-	-	-	-	-	-
Impairment - Goodwill	-	-	-	(300,407)	-	(300,407)
Balance at 30 June 2023	**3,174,267**	**109,032**	**40,000**	**-**	**1,301,127**	**4,624,426**
Balance as at 1 July 2021	**3,174,267**	**109,032**	**40,000**	**426,407**	**1,275,780**	**5,025,486**
Additions - Goodwill	-	-	-	-	-	-
Impairment - Customer List	-	-	-	(26,000)	-	(26,000)
Impairment - Goodwill	-	-	-	(100,000)	-	(100,000)
Balance at 30 June 2022	**3,174,267**	**109,032**	**40,000**	**300,407**	**1,275,780**	**4,899,486**

The Group's intellectual property portfolio consists of trade secrets, know-how, trademarks, and patents. At 30 June 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.

On 3 September 2021, the Group, through its wholly owned subsidiary, Parkway Process solutions Pty Ltd, entered into a Share Purchase Agreement to acquire the business of Mawpump for total consideration of $1,789,203. Mawpump Goodwill was measured at cost less the fair market value of the tangible assets, liabilities, and intangible assets able to be identified. As management was still completing the acquisition accounting, the identification and FY22 valuation of the assets and liabilities acquired were provisional. During FY23 Mawpump Goodwill was confirmed as $1,301,127.

During FY23, management assessed that there was an impairment trigger in relation to the Multi-wet goodwill and in accordance with the Group's accounting policy assessed the recoverable amount of the CGU to which the Multi-wet goodwill was allocated by reference to a 'value in use'. In assessing value in use, the estimated future cash flows of the CGU to which the Multi-wet goodwill was allocated were 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 CGU. The recoverable amount was determined to be lower than the carrying value and hence an impairment expense amounting to $312,235 (adjusted Goodwill from FY22 $300,407) was recognised in the Statement of Comprehensive Income.

Note 15: Intangible assets (continued)

At 30 June 2023, management performed an impairment test on the Intellectual Property and the Mawpump Goodwill and in accordance with the Group's accounting policy assessed the recoverable amount of the CGUs to which the Intellectual Property and the Mawpump goodwill are allocated by reference to 'value in use'. In assessing value in use, the estimated future cash flows of the CGUs to which the Intellectual Property and the Mawpump goodwill are allocated were 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 of the CGUs to which the Intellectual Property and the Mawpump goodwill are allocated was in excess of the carrying value and hence no impairment was recognised.

In performing the impairment tests, management applied a number of assumptions and judgments such as future forecasted revenue, future revenue growth, allocation of costs and discount rates. The assumptions and judgments used by management were determined to be reasonable based on the present and anticipated market conditions applicable to Group. No reasonable fluctuation in assumptions or judgments would cause the carrying amount of the CGUs to which the intangible assets were allocated to exceed the recoverable amount to require an adjustment for impairment.

Note 16: Trade and other payables

	2023	2022
Current	**$**	**$**
Unsecured liabilities		
Trade payables	630,635	1,121,749
	639,635	**1,121,749**

Due to short term nature of these payables, their carrying value is assumed to approximate their fair value.

Note 17: Deferred payments

	2023	2022
Current	**$**	**$**
Contingent consideration payable in cash on the acquisition of Mawpump	-	455,000
	-	**455,000**

On 3 September 2021, the Group, through its wholly owned subsidiary, Parkway Process Solutions Pty Ltd, entered into an agreement to acquire the business of Mawpump Pty Ltd, an established Darwin based pump supplies business. Contingent consideration of $455,000 payable 12 months after acquisition was paid during the year after adjustments.

Note 18: Provisions

	2023	2022
Current	**$**	**$**
Annual leave provision	157,193	185,888
Long service leave provision	18,598	-
Provision for PAYG payable	16,221	-
	192,012	**185,888**
Non-current		
Annual leave provision	107,880	-
Long service leave provision	69,113	-
	176,993	**-**

Note 19: Contributed equity

	2023		2022	
	No.	$	No.	$
Ordinary shares - fully paid	2,226,818,847	35,630,714	2,213,262,446	35,475,444

When managing capital (which is defined as the Group's total equity amounting to $8,167,731 (2022: $9,692,516), the Board's objective is to ensure the Group continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. The Board also aims to maintain a capital structure that ensures the lowest cost of capital available for future development activity. The Group is not subject to any externally imposed capital requirements.

Note 19: Contributed equity continued

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

	2023 Number	2022 Number	2023 $	2022 $
At the beginning of year	2,213,262,446	2,196,309,541	35,475,444	35,383,574
Issue of shares as share-based payments	13,538,401	16,283,047	155,070	79,000
Issue of shares for exercised options	18,000	669,858	200	12,870
At the end of the reporting year	**2,226,818,847**	**2,213,262,446**	**35,630,714**	**35,475,444**

Note 20: Reserves

	Note	2023 $	2022 $
Equity based payment reserve	20A	1,178,047	1,178,047
		1,178,047	**1,178,047**

The equity-based payment reserve records items recognised as expenses on valuation of share-based payments that will subsequently convert to equity on the issue of shares upon exercise of the rights when all conditions for granting the rights have been met.

Reconciliation of total options on issue:

	Options issued as share-based payments	Other options issued	Reserved shares issued	Total options on issue
As at 30 June 2021	**140,999,999**	**340,444,444**	**-**	**481,444,443**
Issued during the year	22,000,000*	246,600,643	-	268,600,643
Expired during the year	(500,000)	(669,858)	-	(1,169,858)
Cancelled during the year	-	-	-	-
Forfeited during the year	-	-	-	-
As at 30 June 2022	**162,499,999**	**586,375,229**	**-**	**748,875,228**
Issued during the year	-	-	-	-
Expired during the year	-	(487,962,443)	-	(487,962,443)
Cancelled during the year	-	-	-	-
Forfeited during the year	-	-	-	-
As at 30 June 2023	**162,499,999**	**98,412,786**	**-**	**260,912,785**

Note 20: Reserves (continued)

Note 20A: Options	**2023 Number**	**2023 WAEP**	**2022 Number**	**2022 WAEP**
Outstanding at 1 July	748,875,228	$0.02	481,444,443	$0.02
Granted during the year	-	-	268,600,643	$0.02
Expired during the year	(487,962,443)	$0.02	(1,169,858)	$0.02
Cancelled during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Outstanding at 30 June	260,912,785	$0.02	748,875,228	$0.02
Exercisable at 30 June	260,912,785	$0.02	748,875,228	$0.02

* Options issued to the Directors and employees.

The weighted average remaining contractual life of share options outstanding as at 30 June 2023 was 1.10 years (2022: 2.00 years).

The average exercise price of options granted during the year was n/a (2022: $0.02).

The range of exercise prices for options outstanding at the end of the year was $0.019 to $0.02 (2022: $0.019 to $0.03).

Reconciliation of value of equity-based payment reserve

	Note	**2023 $**	**2022 $**
At the beginning of reporting year		1,178,047	990,493
Amount expensed for options issued to employees as part of employee incentive plan 20,000,000 options with exercise price of $0.02 and 2,000,000 options with exercise price of $0.03.	20.1	-	64,254
Partly paid shares converted to options	20.2	-	123,300
At the end of the reporting year		**1,178,047**	**1,178,047**

20.1 The issue of 20,000,000 $0.02 options exercisable on or before 16 December 2022 and exercisable on or before 16 Dec 24 to the Directors and employees and 2,000,000 $0.03 options exercisable on or before 2 February 2023.

20.2 On 27 July 2021 Parkway cancelled the uncalled amount on 246,600,643 partly paid shares, with holders of these partly paid shares being issued Options exercisable at $0.019 each in exchange for the partly paid shares on a 1-for-1 basis.

Note 21: 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 year were as follows:

	Note	2023 $	2022 $
Options issued to employees	21.1	-	64,254
Shares issued to employees	21.2	25,070	29,000
Total equity based payments expense		**25,070**	**93,254**

21.1 During FY23, no share options were issued to Directors or employees (FY22 22,000,000).
21.2 During FY23 2,279,091 shares were issued to employees as part of their remuneration upon the satisfactory completion of 12-months of service (FY22 5,450,000 shares issued), at the share price on the date of issue.

The fair value of the options granted for the year ended 30 June 2022 were estimated on the date of grant using the following assumptions and valued using a Black-Scholes model; the fair value of the services provided was considered to equal the fair value determined using the Black-Scholes model.

	2022	2022	2022
	Issue 1	**Issue 2**	**Issue 3**
Number of options issued	2,000,000	5,000,000	15,000,000
Dividend yield (%)	Nil	Nil	Nil
Expected volatility* (%)	75	75	75
Risk-free interest rate (%)	1.5	1.5	1.5
Expected life (years)	1.572	1.441	3
Share price	$0.013	$0.013	$0.01
Exercise price ($)	$0.03	$0.02	$0.02
Value per option	$0.0042	$0.0012	$0.0012
Grant date	8 July 2021	8 July 2021	16 December 2021

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

All shares 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.

Note 22: Commitments

The Group has certain obligations with respect to Research Projects and the minimum expenditure requirements are as follows:

	2023	2022
	$	$
Within 1 year	125,000	125,000
1 to 2 years	125,000	125,000
Total	**250,000**	**250,000**

The commitments may vary depending upon additions or relinquishments of funding agreements. The above figures are based on the agreements as at 30 June 2023. The figures are adjusted on the anniversary date of each funding agreement. During the financial year, the Group recognised $130,022 of research expense (2022: 136,005).

Note 23: Contingent liabilities

There are no contingent liabilities as at 30 June 2023 (2022: Nil).

Note 24: Related party transactions

Other than payments to KMP there were no related party transactions for FY23 (2022: Nil) and no balances outstanding as at 30 June 2023 (2022: Nil).

Note 25: Cash flow information

Reconciliation of cash flow from operations with loss from ordinary activities after income tax

	2023	2022
	$	$
Loss from ordinary activities after income tax	(1,680,056)	(2,332,196)
Adjustments for:		
Depreciation	430,916	267,756
Impairment expense	312,235	-
Non-cash finance costs	48,956	-
Share based payments	25,070	93,254
Profit from disposal of depreciated assets	(4,237)	-
Changes in operating assets and liabilities		
(Increase)/decrease in receivables	274,065	(450,769)
(Increase)/decrease in inventories	(165,806)	(846,356)
(Increase)/decrease in other assets	11,821	(9,237)
Increase/(decrease) in trade and other payables	(596,425)	1,096,289
Increase/(decrease) in provisions	6,124	62,235
Cash flows used in operating activities	**(1,337,337)**	**(2,119,024)**

Non-cash investing and financing activities

As a result of the Mawpump acquisition, in FY23 $130,000 in ordinary shares in Parkway were issued as partial, deferred consideration for the assets acquired. Further details are disclosed in note 15.

Note 26: Financial risk management objectives and policies

The Group's principal financial instruments comprise cash and short-term deposits, trade and other receivables and trade and other payables. The main purpose of the financial instruments is to finance the Group's operations. The main risks arising from the Group's financial instruments are interest rate risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Interest Rate Risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out in the following table. Also included is the effect on profit and equity after tax if interest rates at that date had been 10% higher or lower with all other variables held constant as a sensitivity analysis.

The Group has not entered into any hedging activities to manage interest rate risk. In regard to its interest rate risk, the Group continuously analyses its exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative investments and the mix of fixed and variable interest rates.

	Interest Rate	Floating Interest Rate	Fixed Interest Rate	Non Interest Bearing	Total	Interest Rate Risk Sensitivity -10%		10%	
						Profit	Equity	Profit	Equity
	%	$	$	$	$	$	%	$	%
2023									
Financial Assets									
Cash	4.10	2,003,639	-	93,101**	2,096,740	(6,161)	-	6,161	-
Trade receivables		-	45,000*	427,246	472,246				
Total Financial Assets		2,003,639	45,000	520,347	2,568,986				
Financial Liabilities									
Trade creditors		-	-	630,635	630,635				
Total Financial Liabilities		-	-	630,635	630,635				
2022									
Financial Assets									
Cash	1.25	4,003,404	-	-	4,003,404	(4,204)	-	4,204	-
Trade receivables		-	45,000*	615,266	660,266				
Total Financial Assets		4,003,404	45,000	615,266	4,663,670				
Financial Liabilities									
Trade creditors		-	-	1,121,749	1,121,749				
Total Financial Liabilities		-	-	1,121,749	1,121,749				

*Credit card security deposit held in National Australia Bank with the interest rate of 1.7% p.a.
**Rental bonds paid.

A sensitivity of 10% (2022: 10%) has been selected as this is considered reasonable given the current level of both short term and long term Australian dollar interest rates. A -10% sensitivity would move short term interest rates at 30 June 2023 from around 4.1% to 3.7% (2022: 1.25% to 1.13%) representing 40 basis points (2022: 12 basis points), which is 30 basis points (2022: 9 basis points) net of tax.

Note 26: Financial risk management objectives and policies (continued)

(a) Liquidity Risk

The Group manages liquidity risk by maintaining sufficient cash reserves and marketable securities required to meet the current commitments, through the continuous monitoring of actual cash flows.

Maturity analysis of financial liabilities based on contractual maturity

Year ended 30 June 2023	On demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	Total
	$	$	$	$	$	$
Lease liabilities	-	122,293	291,883	726,307	-	1,140,484
Trade and other payables	630,635	-	-	-	-	630,635
	630,635	122,293	291,883	726,307	-	1,771,119

All trade payables are due within 30 days, which is consistent with the prior year.

(b) Fair Values

For financial assets and liabilities, the fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form.

(c) Credit Risk

Credit risk arises in the event that counterparty will not meet its obligations under a financial instrument leading to financial losses. The Group is exposed to credit risk from its operating activities, financing activities including deposits with banks. The credit risk control procedures adopted by the Group is to assess the credit quality of the institution with whom funds are deposited or invested, taking into account its financial position and past experiences.

The maximum exposure to credit risk on financial assets of the Group which have been recognised on the Consolidated Statement of Financial Position is generally limited to the carrying amount.

Cash is maintained with National Australia Bank and Bank of Queensland, respectively AA and BBB+ S&P rated banks, and therefore carries insignificant expected credit loss.

Note 27: Controlled entities

Parkway Corporate Limited is the ultimate parent entity of the Group.

The following are controlled entities at the reporting date and have been included in the consolidated financial statements. All shares held are ordinary shares.

Name	Country of Incorporation	Percentage Interest Held %		Principal activities
		2023	2022	
Parkway Ventures Pty Ltd	Australia	100%	100%	Investment Holding
Parkway Process Technologies Pty Ltd	Australia	100%	100%	Holding intellectual property
Parkway Process Solutions Pty Ltd	Australia	100%	100%	Providing water treatment related products and services
Consolidated Potash Corporation Ltd*	Australia	100%	100%	Exploration
Activated Water Technology Pty Ltd	Australia	100%	100%	Research and Development
Mawpump Pty Ltd	Australia	100%	100%	Providing water treatment related products and services in NT
Queensland Brine Solutions Pty Ltd	Australia	100%	-	Commercialising the Parkway Process Technologies Intellectual Property

*Parkway held a 40% equity interest in a single mining exploration project, the Karinga Lakes Potash Project ("**KLPP**"). The KLPP, located in the Northern Territory, is a joint venture between Verdant Minerals Ltd and Consolidated Potash Corporation Ltd, which is administered through Territory Potash Pty Ltd. A fair value of nil has been allocated to this interest given a range of uncertainties in relation to the future of the project.

Note 28: Parent entity disclosure

	Parent 2023	Parent 2022
Assets		
Current assets	1,112,214	3,225,116
Non-current assets	9,366,950	9,014,008
Total Assets	10,479,164	12,239,124
Liabilities		
Current liabilities	262,432	486,585
Non-current liabilities	2,049,001	1,549,000
Total Liabilities	2,311,432	2,035,585
Net Assets	8,167,731	10,203,539
Equity		
Contributed equity	35,475,644	35,475,444
Reserves	1,333,117	1,178,047
Accumulated losses	(28,641,030)	(26,449,952)
Total Equity	8,167,731	10,203,539

	Parent 2023	Parent 2022
Loss for the year	(2,191,078)	(1,188,800)
Other comprehensive income	-	-
Total comprehensive loss for the financial year	(2,191,078)	(1,188,800)

The commitments and contingencies and commitments of the parent entity are the same as those for the Group.

Note 29: Subsequent events

Capital raise

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

Directors' Declaration

In the opinion of the Directors of Parkway Corporate Limited:

(a) the consolidated financial statements and notes set out on pages 26 to 61 are in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the financial position of the Group as at 30 June 2023 and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date; and
- (ii) complying with Accounting Standards in Australia and the *Corporations Regulations 2001*;

(b) the consolidated financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2(c); and

(c) there are reasonable grounds to believe that Parkway will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the year ended 30 June 2023.

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

Bahay Ozcakmak
Group Managing Director & CEO
Melbourne
Dated: 28 September 2023

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Independent Auditor Report to the Members of Parkway Corporate Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Parkway Corporate Limited (the "Company") and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Nexia Australia

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>

Funding and liquidity

(Refer to note 2(a): Basis of Preparation)

The Group's primary activities are:

- the commercialisation of proprietary brine processing technologies, with applications in the energy and mining sectors ("Technology Commercialisation Business") and;
- the development of an integrated water treatment products and services business, to complement and support the Group's Technology Commercialisation Business.

These activities are funded through equity raising and the revenue generating activities of the Group.

The adequacy of funding and liquidity, as well as the relevant impact on the going concern assessment, is a key audit matter due to the significance of management's judgments and estimates in respect of this assessment.

</td><td>

Our procedures included, amongst others:

- We evaluated the Group's funding and liquidity position at 30 June 2023 and its ability to repay its debts as and when they fall due for a minimum of 12 months from the date of signing the financial report. In doing so, we:
  - obtained management's cash flow forecast for the period up to September 2024;
  - assessed the reliability and completeness of management's assumptions by comparing the forecast cash flows to those of the previous period and in the context of our understanding of the Group's future plans and operating conditions;
  - considered events subsequent to year end to determine whether any additional facts or information have become available since the date on which management made its assessment; and
  - assessed the adequacy of the disclosures included in the financial report.

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Carrying value of intangible assets

(Refer to note 15: Intangible assets)

Included in the Consolidated Statement of Financial Position as at 30 June 2023 is an amount for $4,624,426 relating to the Group's capitalised technology and intellectual property and goodwill from business acquisitions in prior years. This amount represents 38.65% of total assets.

AASB 136 *Impairment of Assets* ("AASB 136") requires an entity to test non-current assets where there are indicators of impairment and to test goodwill acquired in a business combination for impairment annually.

The evaluation of the recoverable amount of the Group's cash generating units ("CGUs") requires significant judgement in determining the assumptions and estimates, including but not limited to:

- growth rate assumptions; and
- discount factors

supporting the expected future cash flows of CGUs and the utilisation of the relevant assets.

Due to the significance to the Group's financial report and the level of judgment involved in assessing the recoverable amount of the Group's CGUs, we consider this to be a key audit matter.

</td><td>

Our procedures included, amongst others:

- assessing management's determination of the Group's CGUs based on our understanding of the nature of the Group's business and the economic environment.
- critically assessing and challenging the Group's judgments in respect of the key assumptions and estimates used to determine the recoverable value of the Group's CGUs in accordance with AASB 136.
- performing sensitivity analysis on the key assumptions and estimates, including but not limited to:
  - growth rate assumptions; and
  - discount factors
- testing the mathematical accuracy of the impairment model; and
- assessing the adequacy of the disclosures included within the financial report.

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</table>

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at:
https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf.

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 16 to 24 of the Directors' Report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of the Group for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

NPAS

Nexia Perth Audit Services Pty Ltd

Michael Fay

Michael Fay
Director

Perth
28 September 2023

SHAREHOLDER INFORMATION

Distribution schedules of shareholders and statements of voting rights are set out in Table 1, whilst Parkway's top twenty shareholders are shown in Tables 2 and 3.

Table 1
Shareholder spread as at 25 September 2023

Ordinary shares, with right to attend meetings and vote personally or by proxy, through show of hands and, if required, by ballot (one vote for each share)

Spread of Holdings	No. Holders
1-1,000	126
1,001-5,000	160
5,001-10,000	115
10,001-100,000	1,040
100,001 - and over	1,312
Total number of holders of securities	**2,753**
Total number of securities	**2,513,224,966**

There are 849 shareholders holding less than a marketable parcel of shares.

Table 2
Top twenty shareholders as at 25 September 2023

	Shareholder	No. Shares	Percentage
1	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	243,628,747	9.69
2	ACTIVATED LOGIC PTY LIMITED	214,920,534	8.55
3	**GROUP # 39797**	**144,142,069**	**5.74**
.	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	39,167	0
.	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	67,300,689	2.68
.	BNP PARIBAS NOMS PTY LTD <DRP>	76,802,213	3.06
4	JACK YETIV	142,857,143	5.68
5	HENADOME PTY LTD <THE ALBOW A/C>	69,250,000	2.76
6	**GROUP # 52211**	**47,890,412**	**1.91**
.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	18,587,012	0.74
.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	29,303,400	1.17
7	HORN RESOURCES PTY LTD	43,445,858	1.73
8	SNICK INVESTMENTS PTY LTD <STINSON SUPERANNUATION A/C>	42,242,857	1.68
9	CITICORP NOMINEES PTY LIMITED	35,247,864	1.4
10	MR PATRICK BERNARD DAVID MCMANUS + MRS VIVIENNE EDWINA MCMANUS <MCMANUS SUPER FUND A/C>	27,572,486	1.1
11	MR DOUGLAS LEE COPLEY + MRS ELIZABETH COPLEY	26,500,000	1.05
12	MR MARK ANDREW TKOCZ	26,000,000	1.03
13	MR JEFFREY PAUL LUKE	20,112,655	0.8
14	MR PAUL HOMEWOOD	20,000,000	0.8
15	MR SVEN OSCAR OLSSON + MRS MANUELA OLSSON	17,500,000	0.7
16	WAH LEN ENTERPRISE SDN BHD	16,666,666	0.66
17	NOODLE XTRA ENTERPRISE PTY LTD	15,990,000	0.64
18	DR PETER ROSS HAWKINS	15,926,743	0.63
19	MR OLIVER CHARLES PITTS	14,665,760	0.58
20	MR PRADIP PATEL	14,000,000	0.56
		1,198,559,794	**47.69**

SHAREHOLDER INFORMATION

Table 3
Substantial shareholders as at 25 September 2023

The names of substantial shareholders who have notified the Company in accordance with section 671B of the *Corporations Act 2001* are:

Shareholder	No. of shares	Percentage
BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	243,628,747	9.69
ACTIVATED LOGIC PTY LIMITED	214,920,534	8.55
DR. JACK YETIV	177,857,143	7.08

Voting Rights

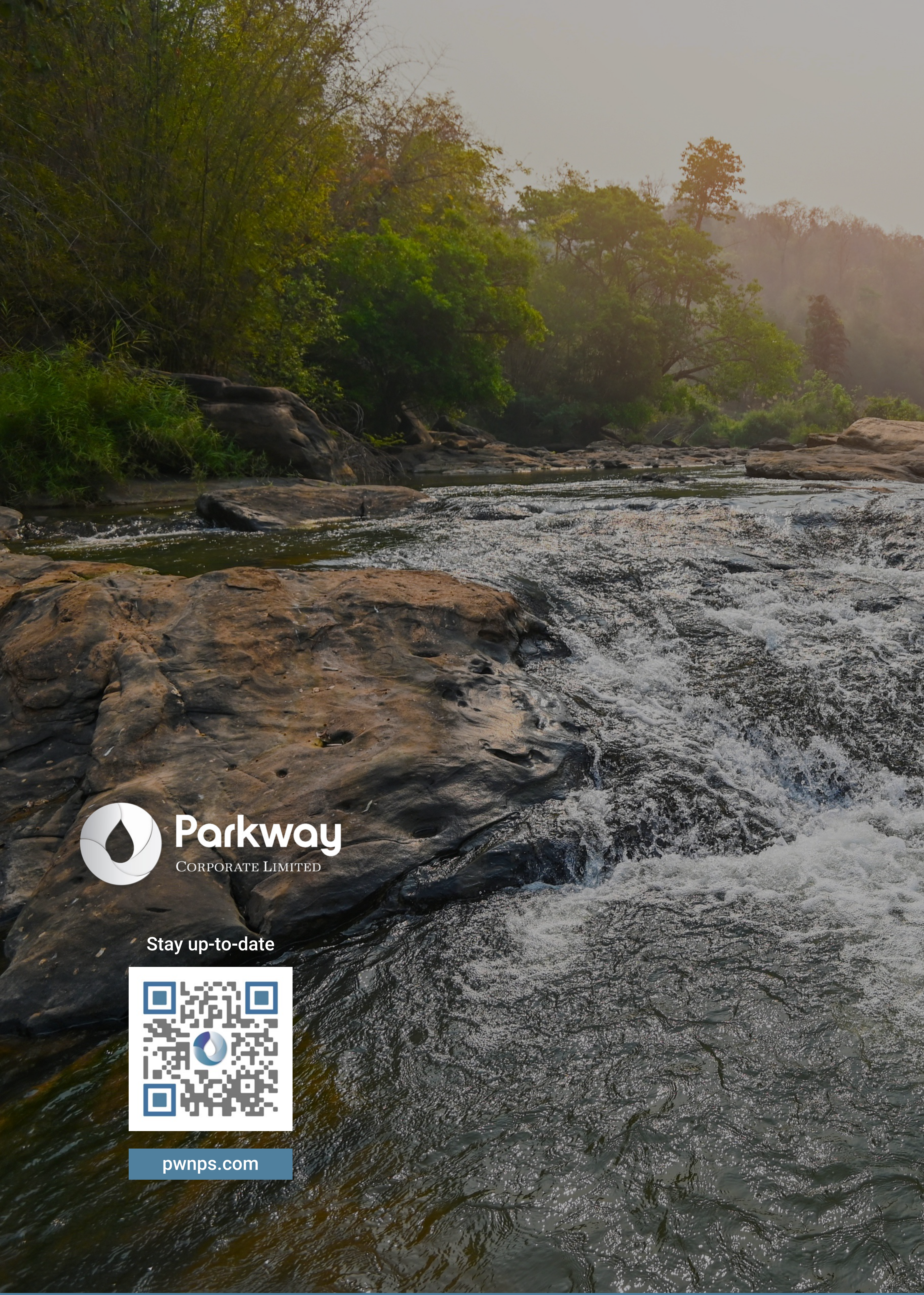
All shares carry one vote per share without restriction.

TENEMENT REGISTER

Tenements (Australia) as at 25 September 2023

Australian Projects – Karinga Lakes Potash Project

Tenement ID	Location	State	Interest
EL32249	Karinga Lakes	NT	40%
EL32250	Karinga Lakes	NT	40%
EL32251	Karinga Lakes	NT	40%


Parkway
Corporate Limited
Stay up-to-date
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