



## ANNUAL REPORT

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# 2024



# Tasmea Limited 2024 Annual Report

## OUR PURPOSE

### Delivering Value. Always!

Driven by the principle of “*Delivering Value. Always!*” our core values serve as the foundation for the company culture and guide decision-making, and interactions with customers, employees, and partners across the entire group.

## OUR VALUES

### PEOPLE

People are our greatest asset.

We employ a diversely expert workforce and advocate for learning through development. We foster a teamwork culture to empower and encourage accountability & respect.

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### SAFETY

Safety first in everything we do.

As an organisation we are committed to disciplined implementation of highest safety protocols. As individuals, we are accountable for our own safety and those around us.

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### EXCEPTIONAL SKILL

Our teams are skilled and experienced, forward thinking solution providers utilising niche sector knowledge to expertly fulfill client needs.

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### EXEMPLARY SERVICE

We listen to understand and commit to deliver a wholesome customer experience by assigning actionable urgency.

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### CARE

Imperative to our outcome focused operations is maintaining a human perspective. We build strong working relationships by demonstrating care in every interaction.

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### COMMON SYSTEMS

We are committed to innovative improvement in systems and processes that lead to accurate & fluent reporting, crucial for internal and external operations.







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## AT A GLANCE

**Tasmea owns and operates 22 inter-dependent leading Australian diversified specialist trade skills services businesses.**

Our specialist trade skills services businesses are focused on maintenance, shutdown, breakdown and brownfield upgrade services of fixed plant for blue chip essential asset owner customers.





## Statutory Revenue

**\$400m**

▲ 25.0% on \$320m in FY23

## Statutory EBIT

**\$46.4m**

▲ 53.2% on \$30.3m in FY23

## Statutory Operating Cashflow

**\$49.8m**

107% OCF before interest and tax to EBIT

## EPS (Stat)

**15.2c ~ 18.4c**

▲ 53.5% on 9.9c in FY23

## EPS (Pro Forma)

## Statutory NPAT

**\$30.5m**

▲ 56.5% on \$19.5m in FY23

Fully Franked  
Final Dividend**4.0c**▲ 100.0% on 2.0c  
FY23 Final DividendFully Franked  
FY24 Total Dividend**6.5c**▲ 85.7% on 3.5c  
FY23 Final Dividend

- » **4,200+** days without a lost time injury (LTI)
- » Over **1,500** flexible trade skilled employees
- » Over **15** offices and workshops nationwide
- » Delivering specialist trade skill services throughout premier mining, oil and gas and industrial regions

- » Maintenance focused, remote area specialist trade services provider
- » Diversified blue-chip customer base across six key industries: Mining & Resources, Oil & Gas, Defence & Infrastructure, Power & Renewables Energy Telecommunications & Retail and Waste & Water



# Our Businesses

Each of Tasmea's businesses are uniquely positioned within their respective segments, providing a diverse portfolio of services to meet a wide range of client needs. Collectively, we leverage our expertise and specialist resources to offer comprehensive solutions and a convenient experience for our clients.

## ELECTRICAL



## MECHANICAL





## CIVIL



## WATER & FLUID







-  Yura Yarta is a registered supply nation business in which Tasmea has a 49% shareholding.
-  Business acquired subsequent to 30 June 2024.



## RECENT ACQUISITIONS

Tasmea is now positioned with an end-to-end electrical capability with the recent Future Group acquisition, enabling Tasmea to offer fully integrated solutions, a unique capability in the national electrical service sector

Subsidiary	Overview	Acquisition Rationale
<p><b>FUTURE GROUP</b> August 2024</p> <div>   </div> <p><b>ROLLWELL ENGINEERING</b> A TASMEA COMPANY</p>	<ul style="list-style-type: none"> <li>Specialises in the design, manufacture, supply, and installation of communication structures and high voltage powerline infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Tasmea specifically targeted a gap in our electrical segment specialist service offering able to leverage the rapidly growing electrification demand in Australia</li> <li>Highly attractive and earnings accretive acquisition</li> <li>Significant revenue synergistic benefits with existing Tasmea subsidiaries</li> <li>Highly skilled and strong management team</li> </ul>
<p><b>WEST COAST LINING SYSTEMS</b> August 2024</p>  <p>A TASMEA COMPANY</p>	<ul style="list-style-type: none"> <li>Specialises in the supply and installation of geomembrane liners</li> <li>Environmental protection in solid waste management, mining, and water containment applications</li> </ul>	<ul style="list-style-type: none"> <li>We identified the Western Australian geomembrane market represented 50% of the Australian market and strategically targeted an acquisition in this specialty to act on this opportunity, rather than gradual expansion of Fabtech into WA</li> <li>WCLS holds an estimated 20% of the WA geosynthetics market</li> <li>Highly attractive and earnings accretive acquisition</li> <li>Cross-selling opportunities with customers of WCLS and Tasmea's civil businesses in the Pilbara, WA</li> </ul>
<p><b>DINGO CONCRETE SERVICES</b> June 2024</p>  <p>A TASMEA COMPANY</p>	<ul style="list-style-type: none"> <li>Remote civil construction</li> <li>Remote concrete supply</li> </ul>	<ul style="list-style-type: none"> <li>Tasmea saw this opportunity as one which would benefit from Tasmea's organic growth strategy as well as being vertically aligned with our existing businesses in the remote Pilbara West region</li> <li>Strong cashflow business with diverse customer base and limited working capital requirements</li> <li>Cross-skilled and adaptable workforce with a long history of service</li> <li>Complements the existing service offering of NWMC in the Pilbara and allows for vertical integration of services in the Pilbara</li> </ul>

# Chairman's Letter



Our dual focus on organic growth and programmatic acquisitions will ensure that Tasma Limited continues to deliver strong financial performance and sustainable value for our shareholders.



## Dear Shareholders,

It is with pleasure that I present to you Tasma Limited's Annual Report for the financial year ended 30 June 2024, my first year as Chairman. Amongst several milestones achieved during the year, none was more important than the Company's successful listing on the Australian Securities Exchange and the achievement of earnings consistent with Prospectus forecast, as detailed in the following Financial Highlights.

## Financial Highlights

- » **Revenue Growth:** We achieved revenue of \$400 million, representing a 25.0% increase from the previous year. This growth was driven by our continued expansion in the mining, resources, and energy sectors, as well as the successful integration of recent acquisitions.
- » **Profitability:** Our Pro-forma Earnings before Interest and Tax ("EBIT") reached \$54.8 million, with an EBIT margin of 13.5% and Pro-forma Net Profit after Tax of \$36.9 million, 10% above Prospectus guidance. This achievement underscores the strength of our business model and our focus on providing highly specialised, critical services to our blue-chip fixed plant customers.
- » **Operating Cash Flow:** We maintained a high Operating Cash Flow Conversion, before interest and tax, to EBIT rate of over 100%.
- » **Dividend:** On 26 August 2024, the Directors declared a fully franked final dividend of 4.0 cents per share, bringing the total fully franked dividend for the year to 6.5 cents per share (3.5 cents FY23), reflecting the Group's strong financial performance.

## Business Operations

This year, we made significant progress in executing our strategic initiatives. The recent acquisitions of Dingo Concrete Services, and post balance date acquisitions West Coast Lining Systems and Future Engineering Group have further strengthened

our capabilities and market position, particularly in remote areas where demand for specialised services remains strong. In FY25, our focus will be on integrating these businesses to unlock their full potential.

Additionally, our earlier acquisitions in FY24 of Groundbreaking Mining Solutions and ForeFront Services have delivered on their forecast earnings, with integration progressing in line with expectations. These strategic moves have bolstered our service offerings and positioned us to capitalise on growth opportunities in our key markets.

Safety continues to be a core value at Tasma. I am proud to report that we have extended our lost-time injury (LTI) free record to over 4,200 days, demonstrating our unwavering commitment to ensuring a safe working environment for all our employees. Our continued focus on safety and sustainability is key to maintaining our strong relationships with clients and ensuring the long-term success of our business.

Looking ahead, we remain optimistic about the future. Our dual focus on organic growth and programmatic acquisitions will ensure that Tasma Limited continues to deliver strong financial performance and sustainable value for our shareholders. We are confident that the strategic initiatives we have in place will drive further success in the year ahead.

I would like to extend my sincere thanks to our employees, management team, and fellow Board members for their dedication and hard work. To our shareholders, I express my gratitude for your continued trust and support. I look forward to further reporting to you during the 2024 Annual General Meeting on the progress of our company.

Sincerely

A stylized, handwritten signature of Joe Totaro in black ink.

**Joe Totaro**  
Chairman, Tasma Limited



# Managing Director's Letter



## Dear Shareholders,

The 2024 financial year has been transformative for Tasmea Limited, marked by our listing on the Australian Securities Exchange (ASX), continued robust growth, strategic acquisitions, and operational excellence. We have successfully met the financial projections outlined in our Prospectus, further solidifying our position as a leading provider of engineering and maintenance services across Australia.

## Financial Performance

**Revenue:** Our total revenue for FY24 reached \$400 million, representing a 25.0% increase from FY23. This growth was primarily driven by strong performance in our core sectors—mining, resources, energy, and infrastructure—alongside the integration of recent acquisitions. Whilst our revenue was slightly below the Prospectus forecast due to some project-based work slippage and June shutdown cancellations, we were able to exceed our EBIT and NPAT targets, demonstrating the resilience of our business model.

**EBIT:** Pro-forma EBIT for the year was \$54.8 million, reflecting a 13.5% EBIT margin. This margin was driven principally by the highly specialised and critical services we provide to our blue-chip fixed plant customers. Our focus on delivering high-value, essential services has enabled us to achieve this exceptional level of profitability, even in a competitive market environment.

**Net Profit:** The Group's Pro-forma net profit after tax (NPAT) was \$36.9 million exceeding Prospectus guidance by \$2.3 million, reflecting a 29.9% increase from prior year Pro forma NPAT. This was driven by revenue growth, efficient cost management, and the positive impact of our acquisitions. The Statutory NPAT per share was 15.2 compared to 9.9 cents in FY23, an increase of 52%.

## Operating Cash Flow Conversion:

Tasmea achieved a high Operating Cash Flow before interest and tax conversion to Statutory EBIT rate of more than 100% in FY24. This strong conversion rate is attributed to our business model, where the majority of work is conducted on a schedule of rates with a maintenance focus, allowing us to invoice regularly for work completed each month.

**Dividend:** Reflecting our strong financial performance, the Board has declared a final fully franked dividend of 4.0 cents per share up from 2.0 cents per share in FY23. This brings the total fully franked dividend for the year to 6.5 cents per share up from 3.5 cents per share in FY23, delivering strong returns to our shareholders.

## Strategic Acquisitions

During FY24, Tasmea Limited made several strategic acquisitions that have significantly enhanced our service offerings and expanded our market presence:

### Groundbreaking Mining Solutions:

On 1 July 2023, Tasmea Limited acquired Groundbreaking Mining Solutions Pty Ltd ("GMS"). GMS offers drill and blast rig solutions to clients in Australia and overseas, comprising a range of in-house engineering, maintenance and asset management services as well as equipment hire. The acquisition enables the Group to diversify its client base and geographical scope of operations. The total purchase consideration for the business was \$22.0 million upfront consideration, and \$6.0 million contingent consideration payable over three years. GMS has delivered upon their forecast earnings, with integration progressing in line with expectations.

### ForeFront Services:

Tasmea Limited acquired ForeFront Services on 1 October 2023. ForeFront Services is a multi-disciplined engineering, construction, maintenance and mining services provider based in Orange, New South Wales. ForeFront Services provides surface and underground maintenance and shutdown services to various mining facilities and fixed mining plant and equipment. The total purchase consideration for the business was \$17.0 million. The acquisition has been earnings accretive in the year of acquisition, and is integrated within the group.

### Dingo Concrete Services:

Acquired in June 2024 for \$6.5 million, Dingo Concrete Services specialises in concrete batching, material supply, and transport services. This acquisition has strengthened our presence in the Pilbara region, particularly in Tom Price. The acquisition has been earnings accretive in the year of acquisition and was funded through a combination of cash and borrowings. As we move into FY25, our focus will be on fully integrating this business into our operations and setting this business on a path for growth.

### West Coast Lining Systems:

Acquired subsequent to year end on 31 July 2024 for \$11.45 million, West Coast Lining Systems is a leading provider of geomembrane liners and related services for the mining, industrial, and aquaculture industries. This acquisition complements our existing capabilities in the water and fluid services segment and is expected to contribute strongly to our earnings accretion in the coming years. Integration of this business will be a key focus for FY25 as we aim to fully leverage its potential within Tasmea.

### Future Engineering Group:

Tasmea has acquired Future Engineering Group subsequent to year end on 24 August 2024 for an estimated \$84.5 million based on a full year maintainable EBIT of \$15.5 million under Tasmea's ownership and the achievement of future earnings targets in FY25, FY26 and FY27. The acquisition of Future Engineering Group includes Future Engineering & Communication Unit Trust ("FEC") and its associated entities Future Power Pty Ltd ("Future



# Managing Director's Letter

## continued

Power”), Rollwell Pty Ltd (“Rollwell”) and Westplant Pty Ltd (“Westplant”) (collectively referred to as “Future Engineering Group” or “FEG”). Completion is expected to occur on or about 30 August 2024.

Future Engineering Group, established in 1992 and based in Western Australia, specialises in the design, supply, and installation of communication structures and high voltage powerline infrastructure. With a workforce of 139 employees, Future Engineering Group serves a diverse range of customers, including electricity providers, mobile phone carriers, and mining companies across Australia and overseas.

The acquisition is expected to be highly Earnings per Share (“EPS”) accretive, delivering approximately 21.5% EPS accretion, enhancing shareholder value and reflecting the strong financial performance projected under Tasmea’s ownership. This acquisition positions Tasmea to capitalise on the rapidly growing electrification demand in Australia, supporting the integration of critical renewable energy sources into existing grids to ensure stability, reliability and a more sustainable supply that aligns with our customers’ focus to reduce their carbon emissions.

### **Specialist Trade-Skilled Services in Remote Locations**

Tasmea Limited has continued to leverage its expertise in providing specialist trade-skilled services, particularly in remote locations across Australia. Our strategic focus on remote area operations has enabled us to develop a strong presence in regions where demand for specialised services, such as electrical, mechanical, and civil maintenance, is high. Our ability to mobilise and deploy skilled teams to these locations has been a key driver of our success, ensuring that we meet the unique needs of clients operating in challenging environments.

Our remote operations have also been bolstered by the integration of each of our strategic acquisitions which have expanded our service offerings and geographical reach. These acquisitions have enhanced our capabilities in remote infrastructure projects, particularly in the mining and resources

sectors, where our services are essential for the smooth operation and longevity of critical assets.

### **Focus on Fixed Plant Maintenance, Blue-Chip Customer Base, and Recurring Revenue**

A significant aspect of our growth strategy has been our focus on providing fixed plant maintenance services. This area of our business, which involves the ongoing maintenance and repair of critical infrastructure in mining and industrial operations, has proven to be a consistent source of recurring revenue. By ensuring the reliability and efficiency of our clients’ fixed plant operations, we have been able to secure long-term contracts and build strong relationships with key customers.

Our blue-chip customer base is a testament to the trust that leading companies in the industry place in Tasmea’s operating subsidiaries. These clients rely on our specialist trade services businesses not only for our technical expertise but also for our ability to ensure maximum plant uptime, which is critical for their operational success. The high repeat revenue we generate from these customers underscores our purpose of Delivering Value – Always and the strong, ongoing partnerships we have cultivated over the years.

### **Master Services Agreements (MSAs)**

Another key element of our success has been the significant revenue generated through a large number of Master Services Agreements (MSAs). These agreements, which outline ongoing service commitments to our clients, have become a cornerstone of our business. They provide us with a steady stream of work and enable us to plan and allocate resources effectively across multiple projects.

Our ability to secure and manage these MSAs reflects our strong reputation in the industry for delivering high-quality, reliable services. The recurring nature of the revenue generated from these agreements further strengthens our financial position and supports our growth ambitions.

A key focus in FY25 will be on fully integrating our recent acquisitions of Dingo Concrete Services, West Coast Lining Systems and the Future Engineering Group to realise their full potential within Tasmea.

### **Operational Achievements**

Our strategic focus on integration and operational excellence has yielded strong results. The newly acquired businesses have been successfully integrated into our operations, contributing positively to our overall performance. We have also made and will continue to make significant investments in upgrading our systems and processes, ensuring that our operations remain efficient, scalable, and capable of supporting future growth.

### **Safety and Workforce Development**

Safety remains a cornerstone of our operations. I am proud to report another year of lost-time injury (LTI) free performance, extending our LTI-free record to over 4,200 days. This achievement reflects our unwavering commitment to maintaining a safe and healthy work environment for all our employees.

In addition to our safety achievements, we have continued to invest in our workforce. Our headcount has grown by 18%, bringing our total number of employees to over 1,500. This growth has met the increased demand for our services and our strategic focus on developing a skilled and capable workforce to meet our customers’ needs.



## Outlook

As we look forward, Tasmea Limited is well-positioned to capitalise on both organic growth and programmatic acquisition opportunities. Whilst last year included a larger number of significant developments, we intend to continue our organic growth strategy and will continue to focus on expanding our service offerings, particularly in the areas of fixed plant maintenance, remote area services, and recurring revenue streams. This will be supported by our strong portfolio of Master Services Agreements and our commitment to delivering exceptional value to our customers.

Our blue-chip customer base and high repeat revenue from these clients will continue to be a key pillar of our growth strategy. We remain dedicated to ensuring that our customers achieve maximum plant uptime, which is critical for their operational efficiency and success. This focus and capability particularly during emergency breakdowns will help us maintain and grow our strong relationships with leading companies across our core sectors.

Our robust business model, underpinned by a flexible cost structure that includes a mix of permanent and casual workforce, has been critical in maintaining our financial performance. In FY25 we expect to continue to grow organically by Delivering Value – Always to our blue-chip customer base.

On the acquisition front, we remain committed to a programmatic approach that targets businesses that complement our existing operations and align with our strategic objectives. The successful integration of Groundbreaking Mining Solutions, and ForeFront Services has demonstrated our ability to seamlessly incorporate new businesses into our fold. A key focus in FY25 will be on fully integrating our recent acquisitions of Dingo Concrete Services, West Coast Lining Systems and the Future Engineering Group to realise their full potential within Tasmea. We will continue to pursue acquisitions that offer synergistic benefits and contribute to our long-term growth.

Our dual focus on organic and acquisition-driven growth will ensure that Tasmea Limited continues

to deliver strong financial performance and sustainable value for our shareholders. We are confident that our strategic initiatives will grow shareholder value in the year ahead.

In conclusion, I would like to express my profound gratitude to our employees, clients, suppliers, board colleagues and shareholders. The significant efforts of our team in effectively managing the demands of essentially undertaking two IPOs within the same financial year, while still delivering outstanding financial results, cannot be overstated. Together, we are building a strong sustainable business that will continue to deliver value for all stakeholders.

Yours faithfully,  
Tasmea Limited



**Stephen Young**  
*Managing Director, Tasmea Limited*





# FINANCIAL REPORT



# FINANCIAL HIGHLIGHTS

30 June 2024

## SUMMARY OF ANNUAL FINANCIAL RESULTS FROM 2021 TO 2024

		2021	2022	2023	2024
Pro-forma Revenue <sup>1</sup>	\$M	215.1	293.4	367.2	407.4
Pro-forma EBIT <sup>1,2</sup>	\$M	29.8	34.7	43.1	54.8
Pro-forma NPAT <sup>1</sup>	\$M	18.2	23.2	28.4	36.9
Statutory Revenue <sup>3</sup>	\$M	170.6	244.8	320.0	400.0
Statutory EBIT <sup>2,3</sup>	\$M	18.1	21.9	30.3	46.4
Statutory NPAT <sup>3</sup>	\$M	9.8	13.6	19.5	30.5
Operating Cash Flow, before interest and tax	\$M	20.4	26.7	22.8	49.8
Earnings Per Share (EPS)	cents	5.0	7.0	10.0	15.2
Dividend per share (100% franked)	cents	2.0	2.5	3.5	6.5

1 Measurement and analysis of financial results excluding significant items are considered to give a meaningful representation of like-for-like performance from ongoing operations ("Pro-forma"). Pro-forma earnings are a non-IFRS measure and is not audited. Pro-forma earnings for FY21 to FY23 were disclosed in Tasmea Limited's prospectus dated 28 March 2024, and were subject to review and sign-off by Grant Thornton in their Investigating Accountants Report. A reconciliation of the FY24 Pro-forma earnings to FY24 Statutory earnings is provided below.

2 EBIT (Earnings Before Interest and Tax) is a non-IFRS measure.

3 Statutory results are prepared in accordance with the *Corporations Act 2001* and Accounting Standards and are audited.

The FY24 statutory net profit after income tax was \$30.5 million, an increase of 56.5% from the prior year, and up on the Prospectus forecast of \$28.1 million.

The statutory net profit after tax for the year was impacted by the following significant costs:

- » Initial public offer costs of \$4.7 million in respect of the April 2024 \$33.0 million capital raise and listing on the Australian Securities Exchange. The initial public offer costs included advisory costs, accounting and legal due diligence, lead manager brokerage fees, and listing fees. Total costs incurred were \$6.8 million, of which \$4.7 million was expensed through the profit or loss and \$2.1 million, pre tax, was charged to equity as a cost of capital raising.
- » Business combination expenses of \$2.0 million, in respect of an earnout payable in October 2024 to the vendors of Groundbreaking Mining Solutions based on the FY24 earnings generated from this business. The provisional acquisition accounting for the business combination and \$6.0 million of associated goodwill was presented in the Interim Financial Report as at 31 December 2023 and the IPO Prospectus assuming the earnout payments were part of purchase consideration. As part of the FY24 audit, the application of accounting standards was revisited and it was identified that the deferred purchase consideration was linked to the Groundbreaking Mining Solutions vendors continuing employment for most of the earnout period. Consequently, in order to present the Company's annual financial report in accordance with Accounting Standards, the deferred purchase consideration is required to be recorded as Post business combination – acquisition related expenses – employee remuneration, notwithstanding the Company considers these payments to be purchase consideration intended to bridge a valuation gap, and not post acquisition employee remuneration related expenses. The Company under Australian Income Tax Law will not be permitted to receive a tax deduction for this expenditure.

The impact of these significant costs is shown as a pro-forma adjustment in the table on pages 12 and 13.



## FINANCIAL HIGHLIGHTS continued

### STATUTORY AND PRO-FORMA RESULTS COMPARISON

The detailed comparison of statutory results to pro-forma results for FY23 and FY24, along with a reconciliation of statutory results to pro-forma results for year, is shown in the table below.

\$'millions	Statutory 30 June 2024	Statutory 30 June 2023	Change %	(a) Pro Forma 30 June 2024	(b) Pro Forma 30 June 2023	Change %
Revenue	400.0	320.0	25.0%	407.4	367.2	10.9%
Cost of sales	(286.0)	(237.6)	20.4%	(290.6)	(252.6)	15.0%
Gross margin	114.0	82.4	38.3%	116.8	104.6	11.7%
EBIT	46.4	30.3	53.1%	54.8	43.1	27.1%
Net finance costs	(5.2)	(3.5)	48.6%	(5.3)	(3.9)	35.9%
Net Profit before tax	41.2	26.8	53.7%	49.5	39.2	26.3%
Income tax expense	(10.7)	(7.3)	46.6%	(12.6)	(10.7)	17.8%
Net Profit after tax	30.5	19.5	56.4%	36.9	28.4	29.9%

A reconciliation of Statutory Results to Pro Forma Results for each of the comparative periods is shown below:

#### (a) Pro-forma Reconciliation – 30 June 2024

\$'millions	Statutory 30 June 2024	Pre- acquisition earnings Mechanical <sup>1</sup>	Non- recurring IPO costs <sup>2</sup>	Business acquisition costs Mechanical <sup>3</sup>	Pro-forma 30 June 2024
Revenue	400.0	7.4	–	–	407.4
Cost of sales	(286.0)	(4.6)	–	–	(290.6)
Gross margin	114.0	2.8	–	–	116.8
EBIT	46.4	1.6	4.8	2.0	54.8
Net finance costs	(5.2)	–	–	–	(5.3)
Profit before tax	41.2	1.6	4.8	2.0	49.5
Income tax expense	(10.7)	(0.5)	(1.4)	–	(12.6)
Net profit after tax	30.5	1.1	3.3	2.0	36.9

1. Add pre-acquisition earnings from ForeFront Services for the period 1 July 2023 to 30 September 2023.
2. Add non-recurring costs incurred during the year in respect of the Initial Public Offer.
3. Add business acquisition expenditure related to the acquisition of Groundbreaking Mining Solutions, specifically the FY24 earnout recorded as employee remuneration as opposed to purchase consideration.

**(b) Pro-forma Reconciliation – 30 June 2023**

\$'millions	Statutory 30 June 2023	Pre- acquisition earnings Mechanical <sup>1</sup>	Pre- acquisition earnings Electrical <sup>2</sup>	Non- recurring Income <sup>3</sup>	Pro-forma 30 June 2023
Revenue	320.0	44.6	2.6	–	367.2
Cost of sales	(237.6)	(23.1)	(1.9)	–	(262.6)
Gross margin	82.4	21.5	0.7	–	104.6
EBIT	30.3	14.0	0.4	(1.6)	43.1
Net finance costs	(3.5)	(0.4)	–	–	(3.9)
Profit before tax	26.8	13.6	0.4	(1.6)	39.2
Income tax expense	(7.3)	(3.8)	(0.1)	0.5	(10.7)
Net profit after tax	19.5	9.8	0.3	(1.1)	28.4

1. Add pre-acquisition earnings from Groundbreaking Mining Solutions and ForeFront Services.
2. Add pre-acquisition earnings from Corfield's Electrical and Sigma Power Services.
3. Less non-recurring income from sale of a property, and income from disposed associate company Equity & Advisory Pty Ltd.

**FINANCIAL POSITION**

	30 June 2024	30 June 2023
Net Assets (\$'000)	131,357	73,860
Net Tangible Assets per Share (cents)	19.27	5.68
Gearing	41%	51%

**DIVIDENDS**

	Amount per share (Cents)	Franked amount per share (cents)
<b>2023</b>		
Interim Dividend	1.5	1.5
Final Dividend	2.0	2.0
<b>2024</b>		
Interim Dividend	2.5	2.5
Final Dividend	4.0	4.0

On 26 August 2024, the Board declared a fully franked dividend of 4.0 cents bringing the full year fully franked dividend to 6.5 cents (2023: 3.5 cents). The Company's Dividend Reinvestment Plan will apply to the FY24 Final Dividend.



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## General information

The financial statements cover Tasmea Limited as a Group consisting of Tasmea Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Tasmea Limited's functional and presentation currency.

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

### Registered office

75 Verde Drive Jandakot WA

### Principal places of business

Regional Western Australia, South Australia, New South Wales and Queensland

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 26 August 2024. The directors have the power to amend and reissue the financial statements.

# DIRECTORS' REPORT

30 June 2024

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

## DIRECTORS

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

Name	Role	Status
Joe Totaro	Chair and Non-Executive Director, appointed on 20 September 2023	Independent
Stephen Young	Managing Director	
Michael Terlet	Non-Executive Director	Independent
Kristie Young	Non-Executive Director, appointed on 20 September 2023	Independent
Mark Vartuli	Executive Director	
Jason Pryde	Executive Director	

## INFORMATION ON DIRECTORS

Note: 'Other current directorships' quoted are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated; and 'Former directorships (last 3 years)' quoted are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

### Mr Giuseppe (Joe) Totaro *B.Comm*

Chair & Non-Executive Director

<b>Experience and expertise:</b>	<p>Joe is a Certified Practicing Accountant with over 40 years of experience in commercial and public practice specialising in mining and mining services.</p> <p>Joe is a co-founder of GR Engineering Services Limited (ASX:GNG) a global mineral processing design and construction company with FY23 revenue of over \$550 million, making a key contribution to its growth, corporate management and governance as CFO and Company Secretary.</p> <p>Joe holds a Bachelor of Commerce degree from the University of Western Australia.</p>
<b>Member of:</b>	Audit & Risk Committee
<b>Other current directorships:</b>	Joe is currently a Non-Executive Director on the board of GR Engineering Services Limited, appointed in 2019 (ASX: GRE).
<b>Former directorships:</b>	–
<b>Interests in shares:</b>	500,000 ordinary shares



## DIRECTORS' REPORT continued

### Mr Stephen Elliott Young *B. Ec, FCA, FAICD* Managing Director

<b>Experience and expertise:</b>	<p>Stephen Young is the Founder and Managing Director of Tasmea. Stephen has more than 45 years' experience involving large corporate advisory, corporate recovery, business turnaround, listed public and private board and advisory engagements. Stephen has been instrumental in driving Tasmea's strategy and growth over the past 24 years.</p> <p>Stephen was the Managing Partner of Arthur Andersen's Adelaide office from 1989 to 1997. Stephen was a member of the Arthur Andersen Worldwide Advisory Council and held several national and international leadership positions within the firm. Stephen has a Bachelor of Economics from the University of Adelaide, is a Fellow of the Institute of Chartered Accountants and the Institute of Company Directors.</p> <p>Stephen is the executive chair of all of Tasmea's subsidiaries. Stephen has been previously retained on a number of listed public company boards often in a "turnaround" capacity together with serving on boards of Government business enterprises, large private companies, sporting and charitable organisations.</p>
<b>Member of:</b>	Audit & Risk Committee, Nomination & Remuneration Committee
<b>Other current directorships:</b>	–
<b>Former directorships:</b>	–
<b>Interests in shares:</b>	92,325,802 ordinary shares

### Mr Michael John Terlet *AO, MBA FAIML, FAICD, JP(ret)* Non-executive Director

<b>Experience and expertise:</b>	<p>Michael joined the Tasmea Board in October 2007 as an Independent Non-Executive Director and held the role of the Independent Chair between 1 July 2018 and 21 September 2023.</p> <p>Michael has held a range of senior positions within the defence industry and was principally responsible for the formation and growth of Australia's largest private sector defence and aerospace company, AWA Defence Industries, from 1978 to 1992. In 1991, he was recognised and made an officer of the General Order of Australia for contributions to industry and export. Michael has over 40 years' experience in executive leadership and public and private board engagements including previous roles with ASX listed entities including SDS Corporation Ltd, Scantech Limited and International Wine Investment Fund.</p> <p>Michael has also served as Chair of United Water International Pty Ltd, Workcover, SA Centre for Manufacturing, Defence Manufacturing Council SA, South Australian Small Business Advisory Council, and International Centre of Excellence in Water Resources Management. Michael also held the position of President of the South Australian Employers Chamber of Commerce and Industry, the Engineering Employers Association and a director of Statewide Super. Michael recently retired as the Chair of Diversa Trustees Limited, Responsible Entity Partners and CCSL Limited.</p> <p>Michael is a Fellow of the Australian Institute of Company Directors, and a Fellow of the Australian Institute of Managers and Leaders.</p>
<b>Member of:</b>	Audit & Risk Committee (Chair), Nomination & Remuneration Committee (Chair)
<b>Other current directorships:</b>	–
<b>Former directorships:</b>	–
<b>Interests in shares:</b>	546,935 ordinary shares

**Ms Kristie Peta Young** *BEng(Mining)Hons, GDipEd(Maths,IT), CertIV(HR), GAICD, FAusIMM*  
Non-executive Director

<b>Experience and expertise:</b>	<p>Kristie has over 25 years' experience in industry with a focus on the resources sector. Technical mining engineer with strong experience across business development (BD) &amp; growth including BD Director roles with both EY &amp; PwC. Over 15 years' experience on boards and committees (ASX &amp; NFP).</p> <p>She is a well-respected member of the resources and business community with strong connections across industry, academia, government, not for profits, consultants and service providers.</p> <p>Kristie holds a Bachelor of Engineering (Mining) Hons from the University of Queensland, Post Graduate Diploma of Education (Maths, IT) from the University of Western Australia, Cert IV Human Resources from the Australian HR Institute, is a Graduate and Member of the Australian Institute of Company Directors and a Fellow of the AusIMM.</p>
<b>Member of:</b>	Nomination & Remuneration Committee
<b>Other current directorships:</b>	Kristie has current Non-Executive Director roles with Brazilian Rare Earths Ltd (ASX:BRE), Lithium Australia Ltd (ASX:LIT), Corazon Mining Ltd (ASX:CZN), and MinEx CRC.
<b>Former directorships:</b>	Tesoro Gold Limited (ASX: TSO), ChemX Materials Limited (ASX: CMX), Primero Group Limited (ASX: PGX).
<b>Interests in shares:</b>	12,821 ordinary shares

**Mr Mark Gabriel Vartuli** *M. Comm, B.Comm, FCA*  
Executive Director

<b>Experience and expertise:</b>	<p>Mark is an Executive Director and a Founder of Tasmea and sits on the board of all of Tasmea's subsidiaries. Together with Stephen, Mark has been instrumental in driving strategy and growth for Tasmea.</p> <p>Mark has over 25 years' experience in providing commercial advice in relation to mergers and acquisitions, divestments, corporate restructures and scaling-up businesses. Mark is a retained adviser to a number of leading Australian private companies.</p> <p>Prior to joining Tasmea, Mark held a number of roles with Arthur Andersen working in their Assurance and Business Advisory Division and Equity &amp; Advisory, a boutique corporate advisory firm.</p> <p>Mark holds a Masters in Commerce from the University of South Australia, a Bachelor in Commerce from the University of Adelaide, and is a Fellow of the Institute of Chartered Accountants.</p>
<b>Other current directorships:</b>	–
<b>Former directorships:</b>	–
<b>Interests in shares:</b>	40,763,836 ordinary shares



## DIRECTORS' REPORT continued

### Mr Jason Frank Pryde Executive Director

<b>Experience and expertise:</b>	<p>Jason is the Chief Operating Officer of Tasmaea and was appointed to the Board in September 2021.</p> <p>Jason is also the founder and current chief executive officer of Tasman Power WA Pty Ltd and Tasman Rope Access Pty Ltd, two of Tasmaea's largest Western Australian subsidiaries. Jason has been directly involved in the scaling up of Tasmaea's Western Australian businesses and has successfully identified and embedded new subsidiaries into the group.</p> <p>Since establishing Tasman Power in 2007, Jason has established an impressive reputation across the Western Australian mining regions and has undertaken a number of directorships in private companies specialising in operational excellence and business sustainability.</p> <p>Jason is a trade qualified electrician.</p>
<b>Other current directorships:</b>	–
<b>Former directorships:</b>	–
<b>Interests in shares:</b>	4,157,194 ordinary shares

## COMPANY SECRETARY

Simone Thompson is the Chief Financial Officer and Company Secretary of Tasmaea Limited. Simone is a Chartered Accountant and holds a Bachelor of Commerce and a Bachelor of Law from Flinders University.

## MEETINGS OF DIRECTORS

The number of meetings of the Company's Board of Directors ('the Board') and of each Board Committee held during the year ended 30 June 2024, and the number of meetings attended by each director were:

	Tasmaea Board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
Joe Totaro	12	12	–	–	2	2
Stephen Young	14	14	2	2	3	3
Michael Terlet	14	14	2	2	3	3
Kristie Young	12	12	2	2	–	–
Mark Vartuli	14	14	–	–	–	–
Jason Pryde	14	14	–	–	–	–

*Eligible:* represents the number of meetings held during the time the director held office or was a member of the relevant committee.

## REVIEW OF OPERATIONS

The profit for the Group after providing for income tax was \$30.5 million (30 June 2023: \$19.5 million). A full review of operations is included in the Managing Director's Report and Financial Highlights section.

## PRINCIPAL ACTIVITIES

Tasmea owns 22 businesses which collectively provide specialist maintenance services including essential shutdown, programmed maintenance, emergency breakdown and sustaining capital upgrade services to asset and infrastructure owners of fixed plant operating in essential Australian industries.

Tasmea operates across the following four specialist technical capabilities:

- » Electrical services;
- » Mechanical services;
- » Civil services; and
- » Water & Fluid services.

During the financial year the principal continuing activities of the Group consisted of the provision of specialist engineering and maintenance services to the following industries:

- » Mining and resources industry;
- » Oil and gas industry;
- » Water industry;
- » Defence and infrastructure industry; and
- » Power and renewable energy industry.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

### Initial Public Offering

Tasmea Limited listed on the Australian Securities Exchange on 29 April 2024 issuing an additional 21,153,846 new shares at an offer price of \$1.56 to raise \$33.0 million before costs.

### Business Acquisitions

#### Groundbreaking Mining Solutions

On 1 July 2023, Tasmea Limited acquired Groundbreaking Mining Solutions Pty Ltd ("GMS"). GMS offers drill and blast rig solutions to clients in Australia and overseas, comprising a range of in-house engineering, maintenance and asset management services as well as equipment hire. The acquisition of GMS also included a 66.7% ownership interest in Rise Engineering, a machine shop which primarily produces parts for GMS. The acquisition of GMS provides a strategic opportunity for the consolidated entity to diversify its client base and geographical scope of operations.

The purchase consideration was \$22.0 million cash paid at acquisition, with additional cash payments of up to \$2.0 million per year to the vendors in respect of the 2024, 2025 and 2026 financial years where GMS achieves its earnings targets in these financial years.

#### ForeFront Services

On 1 October 2023, Tasmea Limited acquired MGW Engineering Pty Ltd trading as ForeFront Services ("ForeFront Services"). ForeFront Services is a multi-disciplined engineering, construction, maintenance and mining services provider based in Orange, New South Wales. ForeFront Services provides surface and underground maintenance and shutdown services to various mine facilities and fixed mining plant and equipment. The acquisition of ForeFront Services provides a strategic opportunity for the Group to diversify its client base and geographical scope of operations.

The fair value of purchase consideration at acquisition date was \$17.17 million comprised of \$11.67 million cash paid at acquisition, the issue of 1,000,000 ordinary shares in Tasmea Limited with a fair value of \$1.40 million, and deferred consideration with a fair value of \$4.09 million payable over the 2024 to 2027 calendar years where ForeFront Services achieves its earnings targets, and retains key customers.



## DIRECTORS' REPORT continued

### Dingo Concrete Services

On 1 June 2024, Tasma Limited's wholly owned subsidiary Dingo Concrete Services Pty Ltd acquired the business assets of Dingo De Construction ("Dingo"). Dingo provides concrete batching and mixing solutions, material cartage, civil contracting and machine hire services from its Tom Price location. The acquisition of Dingo complements the Group's existing service offerings in the Pilbara and allows for vertical integration of services.

The purchase consideration was \$6.5 million comprised of \$6.0 million cash paid at settlement, and deferred consideration of \$0.5 million payable in the first half of FY25.

Further information on each of these acquisitions is within Note 35.

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

## ENVIRONMENTAL OBLIGATIONS

The Group's operations are subject to environmental regulations under both Commonwealth and State legislation in relation to its operating activities. Tasma has adequate systems in place to manage its environmental obligations and is not aware of any breach of those environmental requirements as they apply to the Group.

## DIVIDENDS

Dividends paid during the financial year were as follows:

	Consolidated	
	2024 \$'000	2023 \$'000
FY23 Final dividend of 2.0 cents per ordinary share (2023: FY22 final dividend of 1.3 cents)	3,912	2,522
FY24 Interim dividend of 2.5 cents per ordinary share (2023: FY23 interim dividend of 1.5 cents)	5,444	2,909
	9,356	5,431

On 26 August 2024, the Directors declared a fully franked final dividend of 4.0 cents per share, bringing the total fully franked dividend for the year to 6.5 cents per share, reflecting the Group's strong financial performance.

Tasma has a Dividend Reinvestment Plan (DRP) which enables all shareholders to elect to have all or some of their dividend reinvested in additional Tasma shares. The DRP was applicable for the FY24 Interim Dividend, and is also applicable to the FY24 Final Dividend.

## SHARE OPTIONS

At the date of this report, the Company has no options outstanding for the potential issue of further Ordinary Shares (2023: Nil).

## LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Likely developments in the operations of the Group and the expected results of operations are included in the Managing Director's report.

## RISK MANAGEMENT

To deliver our strategy, Tasmea has risk management policies and procedures in place to provide early identification of business risks and to monitor the mitigation of those risks across all aspects of the business. Risk management is also integrated into key business decision-making activities, including strategic planning, investment decisions, financial risk management and project/change management.

The business risks were set out in detail in the Prospectus issued before the IPO in April 2024.

The Board currently considers the main business risks to be as follows:

<b>Workplace health and safety performance and obligations</b>	Workplace health and safety performance is a critical element in the reputation of Tasmea and its subsidiaries. The Tasmea Group's ability to retain existing, and continue to be awarded new contracts in the industries it operates in is dependent upon its demonstrated record for safe work.
<b>Quality of work and delivery</b>	An important part of the Tasmea Group's business is its ability to add value to its customers by delivering exemplary services in a consistent and timely manner. Whilst each Tasmea subsidiary has a strong record of delivering and has systems and processes in place to ensure the continuation of these exemplary service standards, there is no guarantee that all Tasmea subsidiaries will always meet their customers' expectations as to the quality and timing of the work performed.
<b>Retention of key management</b>	The Tasmea Group's performance is influenced by the capabilities of its key leadership personnel and senior executives within each Tasmea subsidiary to effectively oversee its operations, foster growth, and address the requirements of its customers. The retention and engagement of these senior leaders and essential staff members play a pivotal role in managing customers and ensuring the smooth progress of ongoing customer interactions.
<b>Key project and customer risk</b>	The Tasmea Group currently services a number of customers across Australia. Certain customers represent a significant portion of the Tasmea Group's revenue. In FY24, approximately 51% of the Tasmea Group's consolidated revenue was derived from the Tasmea Group's top 10 customers (2023: 54%). However, this consolidated revenue was generated by 19 subsidiaries utilising over 35 MSAs and 6 FMAs. Furthermore, the revenue was generally generated from individual work orders originated in accordance with the MSAs over a diversified range of work sites.
<b>Labour supply and costs</b>	The Tasmea Group's ability to carry out its services is dependent on the availability and cost of skilled and qualified labour. Increased levels of activity, especially during boom construction cycles, and a growing number of competing employers may lead to a shortage of skilled personnel for the services which the Tasmea Group provides.
<b>Delay in new contracts' commencement</b>	There is a possibility of delays in the commencement of any new projects due to delay in project pre-requisites for commencement not being met, material delivery, adverse weather events and resources mobilisation.
<b>Downturn in key industries serviced by Tasmea</b>	The Tasmea Group specialises in outsourced maintenance services, emergency breakdown and sustaining capital upgrade services with its financial performance and projected growth directly tied to the amount of outsourced work it receives from customers. A reduction in outsourced maintenance services may result from a variety of factors, including changing economic conditions or industry trends and changes in the specific strategies of Tasmea's customers.
<b>Industrial relations risks</b>	Some of the Tasmea Group's employees are under enterprise agreements and workplace agreements. The enterprise agreements and workplace agreements can each be for a term of up to four years. Effective management of enterprise and workplace agreements is vital to minimise the risk of labour disputes.
<b>Capital and maintenance expenditure</b>	The Tasmea Group requires adequate access to capital in order to finance the maintenance and upkeep of its current physical assets and equipment, as well as for potential future growth needs.

## **DIRECTORS' REPORT** continued

### **MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR**

#### **Acquisition of West Coast Lining Systems**

On 1 August 2024, Tasma Limited acquired the business assets of West Coast Lining Systems (WCLS) for a fair value of \$11.45 million. This acquisition enhances Tasma's operations and market presence in the geomembrane lining sector, specifically targeting the mining and resources market in Western Australia. WCLS enables Tasma to expand its specialist trade skill services offering focusing on maintenance, shutdown, breakdown and brownfield upgrade services of fixed plant and essential assets. The purchase consideration comprised a cash payment at settlement of \$9.65 million, and deferred consideration of \$2.0 million payable in FY26 and FY27 where the business achieves its earnings targets.

#### **Acquisition of Future Engineering Group**

On 24 August 2024, Tasma Limited acquired Future Engineering & Communication Pty Ltd and associated entities for \$84.5 million. The acquisition positions Tasma to capitalise on the rapidly growing electrification demand in Australia, supporting the integration of critical renewable energy sources into existing grids to ensure stability, reliability and a more sustainable supply that aligns with our customers focus to reduce their carbon emissions.

Significant synergistic benefits with existing Tasma subsidiaries such as Tasman Power, Sigma Power Services, Tasman Rope Access, A. Noble & Sons, ICE, Dingo Concrete and others to drive immediate operational efficiencies, with opportunities to cross-sell our services to a new suite of customers. The acquisition strengthens further Tasma's strategy to expand its specialist trade skill services offering focusing on maintenance, shutdown, breakdown and brownfield upgrade services of fixed plant and essential assets into industries/sector with strong tailwinds.

The purchase consideration comprises of an upfront cash payment of \$52.45 million, the issue of 7 million shares in Tasma Limited and deferred consideration of \$14.55 million payable in FY26, FY27 and FY28.

#### **Issue of shares**

On 31 July 2024, Tasma Limited issued an additional 7,895 ordinary shares, with a fair value of \$12,237, to a senior employee in respect of their post tax bonus payment.

Apart from the dividend declared as discussed above, no other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.



## REMUNERATION REPORT (AUDITED)

The Board of Directors of Tasmea Limited (Tasmea) presents its Remuneration Report for the reporting period of 1 July 2023 to 30 June 2024. As this is Tasmea's inaugural Remuneration Report, comparative information is not required. This Remuneration Report forms part of the Directors' Report and has been audited in accordance with the *Corporations Act 2001*.

The Remuneration Report sets out the detailed remuneration arrangements for the Group's Non-Executive Directors, the Executive Directors and other key management personnel, in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

### Key Management Personnel covered in this report

Key Management Personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. For the remainder of this Remuneration Report, the KMP are referred to as either Non-Executive Directors, Executive Directors or Senior Executives. All KMP have held their positions for the duration of the financial year, and since the end of the financial year, unless indicated otherwise.

The KMP of Tasmea Limited are:

Name	Role	Status
<b>Non-Executive Directors</b>		
Giuseppe (Joe) Totaro	Chair and Non-Executive Director, appointed 20 September 2023	Independent
Michael Terlet	Non-Executive Director	Independent
Kristie Young	Non-Executive Director, appointed 20 September 2023	Independent
<b>Executive Directors</b>		
Stephen Young	Managing Director	
Mark Vartuli	Executive Director	
Jason Pryde	Executive Director	
<b>Senior Executives</b>		
Simone Thompson	Chief Financial Officer and Company Secretary	

The Remuneration Report is set out under the following main headings:

- » Principles used to determine the nature and amount of remuneration;
- » Executive Director and Senior Executives employment arrangements;
- » Key Management Personnel Remuneration; and
- » Additional disclosures relating to key management personnel.

## DIRECTORS' REPORT continued

### Principles used to determine the nature and amount of remuneration

The Board recognises that the performance of the Group depends to a large extent on the quality and motivation of Tasmea employees, including the Executive Directors and Senior Executives. Tasmea's remuneration strategy therefore seeks to appropriately attract, reward and retain employees at all levels in the organisation.

The Group's Remuneration Policy details the types of remuneration to be offered by the Group and factors to be considered by the Board, Nomination and Remuneration Committee, Executive Directors and Senior Executives in determining the appropriate remuneration strategy.

The key objectives of Tasmea's Remuneration Policy are:

- » to create a transparent system of determining the appropriate level of remuneration throughout all levels of employees within the Group;
- » to encourage employees to perform to their highest standard;
- » to allow the Group to compete in each relevant employment market;
- » to provide consistency in remuneration throughout the Group; and
- » to align the performance of the business with the performance of employees within the Group.

With assistance from the Nomination and Remuneration Committee, the Board determines and approves remuneration arrangements for its Non-Executive Directors, Executive Directors, Senior Executives and Subsidiary Executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

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

### Non-Executive Directors remuneration

The Group's policy is to remunerate Non-Executive Directors in a manner designed to attract and maintain high quality board members.

Tasmea's Constitution provides that, subject to the *Corporations Act 2001* and the ASX Listing Rules, Non-Executive Directors may be paid as remuneration for their services, a fixed sum not exceeding the aggregate maximum sum determined from time to time by Shareholders in a general meeting. This amount has been fixed by Tasmea's Shareholders at \$750,000 per annum. The aggregate maximum sum may be divided amongst the Non-Executive Directors in such manner and proportion as the Directors agree.

Non-Executive Directors receive a set fee (including superannuation) for their service and shall not be entitled to any options, bonus payments or retirement benefits. Non-Executive Directors may not be paid a commission on or a percentage of profits or operating revenue. The remuneration of Non-Executive Directors must be consistent with, and supportive of, maintaining the non-executive Director's independence.

Where a Non-Executive Director, or an associated entity of a Non-Executive Director, provides services outside the scope of ordinary duties of a Director, Tasmea Limited may pay a fixed sum determined by the Directors, in addition to or instead of the Director's remuneration. No payment may be made if the effect of the payment would be to exceed the aggregate maximum amount of Director's remuneration determined by the Shareholders at the general meeting.

All Directors are also entitled to be paid reasonable accommodation and travelling expenses incurred as a consequence of their attendance at meetings of Directors and otherwise in the execution of their duties as Directors.

### Executive Directors and Senior Executives remuneration

The Group aims to reward Executive Directors and Senior Executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The remuneration and reward framework has five components:

<b>Fixed Remuneration</b>	Fixed remuneration consists of base salary, superannuation and non-monetary benefits. Fixed remuneration is based on experience and expertise of the Executive Director or Senior Executive, individual performance, the overall performance of the Group and comparable market remunerations.  Executive Directors and Senior Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Group and provides additional value to the employee. The fixed remuneration will reflect the core performance requirements and expectations of the Group.
<b>Performance Based Remuneration</b>	Performance based remuneration, also referred to as short-term incentives ('STI'), are designed to align the targets of the Group with the performance hurdles of Executive Directors and Senior Executives. Performance based remuneration is linked to specific performance targets which are disclosed to relevant employees.
<b>Equity Based Remuneration</b>	Equity based remuneration, also referred to as long-term incentives ('LTI'), is designed to motivate Executive Directors and Senior Executives to pursue the long term growth and success of the Group. The LTI may include various plans and initiatives to deliver parts of the performance based remuneration as equity in the Company. A long-term equity-linked performance incentive program is planned to be introduced for the 2025 financial year and once finalised will be presented to shareholders for approval at a meeting before being implemented.
<b>Termination Payments</b>	Employee contracts set out in advance the entitlement to payment upon termination of employment. The Nomination and Remuneration Committee and the Board must approve all termination payments provided to Executive Directors and Senior Executives to ensure such payments reflect the Group's remuneration policy.
<b>Employee Entitlements</b>	The Group complies with all legal obligations in determining the appropriate entitlement to long service leave, annual leave and personal leave for Executive Directors and Senior Executives.

The combination of these components comprises the Executive Directors' and Senior Executives total remuneration.

The remuneration and reward framework described above is also applicable to certain subsidiary executives.



## DIRECTORS' REPORT continued

### Consolidated entity performance and link to remuneration

The performance criteria and targets for Executive Directors and Senior Executives to realise benefits under both the Company's STI and LTI plans are aligned to company performance and enhancing shareholder value. The Remuneration and Nomination Committee considers both statutory and normalised results for the business in evaluating performance against key metrics.

The Remuneration and Nomination Committee is of the opinion that the continued improvement in results can be attributed in part to the adoption of performance-based compensation and is satisfied that this improvement will continue to increase shareholder value if maintained over the coming years. A summary of the normalised results for the Group is included in the Financial Highlights within the Annual Report.

The Executive Directors each hold significant shareholdings in the Company. As a result, the performance of the Group and the personal and financial interests of its executive and management team are aligned.

The following table provides a summary of the Group's statutory financial performance from FY21 to FY24:

	Statutory FY21 Result \$'million	Statutory FY22 Result \$'million	Statutory FY23 Result \$'million	Statutory FY24 Result \$'million
Revenue	170.6	244.8	320.0	400.0
Earnings before Interest and Tax	18.1	21.9	30.3	46.4
Net profit after tax	9.8	13.6	19.5	30.5
Earnings per share (cents)	5.0	7.0	9.9	15.2
Dividend per share, declared (cents)	2.0	2.5	3.5	6.5
Share price (dollars) <sup>1</sup>	N/A	N/A	N/A	\$1.51

<sup>1</sup> Share Price available after 29 April 2024, when Tasmea was listed on the Australian Securities Exchange

### Executive Director and Senior Executives employment arrangements

Each Executive Director and Senior Executive has an employment contract specifying, among other things, remuneration arrangements, benefits, notice periods and other terms and conditions. The contracts provide that participation in the STI and LTI arrangements are at the Board's discretion. No LTI arrangements applied to FY24.

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

#### Stephen Young, Managing Director

Terms	Summary
<b>Employer</b>	Tasmea Corporate Services Limited.
<b>Fixed remuneration</b>	\$851,605 inclusive of superannuation, car expenses and car park allowance. Mr Young does not accrue annual leave or long service leave.
<b>Performance based remuneration (Short term incentive)</b>	Mr Young is eligible to receive an annual cash-based short term incentive of up to \$300,000 per annum payable quarterly. Payment is dependent on the Group's performance and Mr Young achieving certain key performance indicators as determined by the Board.
<b>Notice period, termination and termination payments</b>	Mr Young or Tasmea Corporate Services Limited may terminate the agreement on 12 months' notice or, in Tasmea Corporate Services' case, payment in lieu of notice. Tasmea Corporate Services may also terminate the agreement with notice or payment in lieu of notice if Mr Young engages in serious misconduct.
<b>Non-solicitation or restrictions on future activities</b>	Mr Young's employment contract includes a restraint of trade period of 12 months following termination and a non-solicitation of the Group's customers, suppliers and employees for a period of 12 months following termination.

**Mark Vartuli**, *Executive Director*

<b>Terms</b>	<b>Summary</b>
<b>Employer</b>	Tasmea Corporate Services Limited.
<b>Fixed remuneration</b>	\$851,605 inclusive of superannuation and car park allowance. Mr Vartuli does not accrue annual leave or long service leave.
<b>Performance based remuneration (Short term incentive)</b>	Mr Vartuli is eligible to receive an annual cash-based short term incentive of up to \$300,000 per annum payable quarterly. Payment is dependent on the Group's performance and Mr Vartuli achieving certain key performance indicators as determined by the Board.
<b>Notice period, termination and termination payments</b>	Mr Vartuli or Tasmea Corporate Services Limited may terminate the agreement on 12 months' notice or, in Tasmea Corporate Services' case, payment in lieu of notice. Tasmea Corporate Services may also terminate the agreement with notice or payment in lieu of notice if Mr Vartuli engages in serious misconduct.
<b>Non-solicitation or restrictions on future activities</b>	Mr Vartuli's employment contract includes a restraint of trade period of 12 months following termination and also includes a non-solicitation of the Group's customers, suppliers and employees for a period of 12 months following termination.

**Jason Pryde**, *Executive Director*

<b>Terms</b>	<b>Summary</b>
<b>Employer</b>	Tasman Power WA Pty Ltd.
<b>Fixed remuneration</b>	\$555,000 inclusive of superannuation.
<b>Performance based remuneration (Short term incentive)</b>	Mr Pryde is eligible to receive a bonus payment for each month based on certain outperformance metrics approved by the Nomination & Remuneration Committee and Board.
<b>Equity based remuneration (Long term incentive)</b>	Nil for FY24.
<b>Notice period, termination and termination payments</b>	Mr Pryde or Tasman Power WA Pty Ltd may terminate the agreement on 9 months' notice or, in Tasman Power WA Pty Ltd's case, payment in lieu of notice. Tasman Power WA Pty Ltd may also terminate the agreement with notice or payment in lieu of notice if Mr Pryde engages in serious misconduct.
<b>Non-solicitation or restrictions on future activities</b>	Mr Pryde's employment contract includes a cascading restraint of trade by geography and non-solicitation undertaking of the Group's customers, suppliers and employees of up to 24 months following termination.



## DIRECTORS' REPORT continued

*Simone Thompson, Chief Financial Officer and Company Secretary*

Terms	Summary
Employer	Tasmea Corporate Services Limited.
Fixed remuneration	\$291,720 inclusive of superannuation.
Performance based remuneration (Short term incentive)	Ms Thompson is eligible to receive an annual cash-based short term incentive of up to 10% of total remuneration per annum. Payment will depend on the Group's performance and Ms Thompson achieving certain key performance indicators as determined by the Nomination & Remuneration Committee and Board.
Equity based remuneration (Long term incentive)	Nil for FY24.
Notice period, termination and termination payments	Ms Thompson or Tasmea Corporate Services Limited may terminate the agreement on 3 months' notice or, in Tasmea Corporate Services Limited's case, payment in lieu of notice. Tasmea Corporate Services Limited may also terminate the agreement with notice or payment in lieu of notice if Ms Thompson engages in serious misconduct.
Non-solicitation or restrictions on future activities	Ms Thompson's employment contract includes a cascading restraint of trade by geography and non-solicitation undertaking of the Group's customers, suppliers and employees of up to 24 months following termination.

### Key Management Personnel Remuneration

*Amounts of remuneration*

Details of the remuneration of key management personnel of the Group are set out in the following tables.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments <sup>3</sup>	
	Cash salary and fees \$	Cash bonus \$	Non-monetary \$	Superannuation \$	Long service leave <sup>4</sup> \$	Equity-settled \$	Total \$
<b>2024</b>							
<i>Non-Executive Directors:</i>							
Joe Totaro <sup>1</sup>	139,940	–	–	15,393	–	–	155,333
Michael Terlet	91,324	–	–	10,045	–	–	101,369
Kristie Young <sup>1</sup>	69,970	–	–	7,697	–	–	77,667
<i>Executive Directors:</i>							
Stephen Young <sup>4,5</sup>	816,709	–	20,000	27,500	–	–	864,209
Mark Vartuli <sup>4,5</sup>	844,934	–	–	27,500	–	–	872,434
Jason Pryde <sup>2</sup>	493,124	191,250	–	54,244	14,237	–	752,855
<i>Other KMP:</i>							
Simone Thompson	260,000	25,783	–	27,500	30,099	–	343,382
	<b>2,716,001</b>	<b>217,033</b>	<b>20,000</b>	<b>169,879</b>	<b>44,336</b>	<b>–</b>	<b>3,167,249</b>

1. Appointed on 20 September 2023.

2. Mr Pryde received a cash bonus for exceeding business performance metrics.

3. No share based payments were made during the financial year.

4. Mr Young and Mr Vartuli contracts exclude the accrual of annual leave and long service leave.

5. Mr Young and Mr Vartuli waived their entitlement to receive their bonus during the financial year.

## Additional disclosures relating to key management personnel

### KMP Shareholding

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions (inc DRP)	Disposals/ Sell-down	Balance at the end of the year
<b>Ordinary shares</b>					
<i>Non-Executive Directors</i>					
Joe Totaro <sup>1</sup>	–	–	500,000	–	500,000
Michael Terlet <sup>2</sup>	911,558	–	–	(364,623)	546,935
Kristie Young <sup>3</sup>	–	–	12,821	–	12,821
<i>Executive Directors</i>					
Stephen Young <sup>4</sup>	92,596,773	–	1,678,846	(1,949,817)	92,325,802
Mark Vartuli <sup>5</sup>	40,262,507	–	1,142,966	(641,637)	40,763,836
Jason Pryde <sup>6</sup>	3,919,001	–	238,193	–	4,157,194
<i>Other KMP</i>					
Simone Thompson <sup>7</sup>	100,000	–	132,199	–	232,199
	137,789,839	–	3,705,025	(2,956,077)	138,538,787

1. Mr Totaro purchased shares in the April 2024 Initial Public Offer.

2. Mr Terlet elected to sell a portion of his shares in the Initial Public Offer.

3. Ms Young purchased shares in the April 2024 Initial Public Offer.

4. Mr Young sold down a portion of his shares in the initial public offer, made on market purchases, and participated in the Dividend Reinvestment Plan (DRP) for the FY24 Interim Dividend.

5. Mr Vartuli sold down a portion of his shares in the initial public offer and participated in the DRP for the FY24 Interim Dividend.

6. Mr Pryde purchased shares in the April 2024 Initial Public Offer and participated in the DRP for the FY24 Interim Dividend.

7. Ms Thompson purchased shares in the April 2024 Initial Public Offer, made on market purchases and participated in the DRP for the FY24 Interim Dividend.

### Other transactions with key management personnel and their related parties

Regent Street Pty Ltd (Regent Street) and Equity & Advisory Limited are associated entities of Stephen Young and Mark Vartuli. Pryde Corporation Pty Ltd is an associated entity of Jason Pryde. The following related party transactions with these entities occurred during the year ended 30 June 2024. The terms and conditions of the transactions and the associated agreements to which they relate that have been set out are at arm's length and on normal commercial terms.

#### (i) Regent Street lease of Northfield premises

Regent Street entered into a lease agreement with Heavymech Pty Ltd to lease the Northfield premises from 15 February 2020 for \$10,500 per month for a period of 5 years. The parties have agreed to Heavymech exiting this lease for no cost upon relocating to the Edinburgh Park premises during financial year 2025.

#### (ii) Regent Street lease of Mt Isa premises

Regent Street entered into a lease agreement with Heavymech Pty Ltd to lease the Mount Isa premises from 1 August 2022 for \$5,955 per month for a period of 5 years to 31 July 2027.

## DIRECTORS' REPORT continued

### (iii) Regent Street lease of Edinburgh Park premises

Regent Street entered into a lease agreement with Tasma subsidiaries in relation to its property at Kurna Avenue, Edinburgh Park. Particulars are:

- » Heavymech Pty Ltd – lease is for Bay 1 plus 5,000sqm hard stand plus desks and offices in shared office space and carparks for \$19,549.17 per month, effective from 1 April 2023. The lease is for a nine month period with a six month renewal option arising every six months thereon unless notice is given under the lease terms. The lease was renewed at the end of the initial period.
- » Fabtech Australia Pty Ltd – lease is for Bay 2 plus 1,000sqm hard stand plus desks in shared office space and carparks for \$17,274.58 per month, effective from 1 March 2023. The lease is for a nine month period with a six month renewal option arising every six months thereon unless notice is given under the lease terms. The lease was renewed at the end of the initial period.
- » Quarry & Mining Manufacture Pty Ltd – lease is for Bay 3, plus desks and offices in shared office space, 5,000sqm hard stand and 20 carparks, for \$22,988.96 per month, effective from 1 February 2023. The lease is for a nine month period with a six month renewal option arising every six months thereon unless notice is given under the lease terms. The lease was renewed at the end of the initial period.
- » A. Noble & Son Pty Ltd – lease is for 2,000sqm in Bay 4, plus desks and offices in shared office space, carparks and outdoor shed for \$17,912.29 per month, effective from 1 October 2022. The lease is for a nine month period with a six month renewal option arising every six months thereon unless notice is given under the lease terms. The lease was renewed at the end of the initial period.

### (iv) Sale of Equity & Advisory Pty Ltd

Effective 1 July 2023, the investment in Associate (Equity & Advisory Pty Ltd) was sold to SY & MV Pty Ltd, an associated entity of Stephen Young and Mark Vartuli, for \$475,000. The sale was approved by shareholders at an Extraordinary General Meeting on 4 September 2023. A Shared Services Agreement was entered into between Equity & Advisory Limited (formerly Equity & Advisory Pty Ltd) and Tasma Corporate Services Limited for both entities to continue providing services to each other on the terms and conditions of the agreement.

### (v) Consultancy fees paid to Equity & Advisory Limited

Equity & Advisory Limited acted as corporate advisor to Tasma in relation to the Initial Public Offer and other business acquisitions. Tasma paid \$1,062,805 (excluding disbursements and GST) for these services.

### (vi) Pryde Corporation lease of Jandakot premises

Pryde Corporation Pty Ltd entered into a five year lease agreement with Tasman Power WA Pty Ltd to lease the Jandakot premises from 6 June 2021 for \$18,000 per month, increasing by 4.0% per annum.

### (vii) Sale of property

In June 2023, management committed to sell a property in Karratha, Western Australia to Related Parties. The sale was approved by shareholders at an Extraordinary General Meeting on 4 September 2023. The sale remains pending approval from a local government authority. Accordingly, the asset is classified as held for sale at 30 June 2024.

*This concludes the remuneration report, which has been audited.*



## INDEMNITY AND INSURANCE OF OFFICERS

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

## INDEMNITY AND INSURANCE OF AUDITOR

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

## 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.

## NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined below.

	2024	2023
Tax services	165,755	142,478
Financial due diligence – Tax and Investigating Accountants Report	421,485	87,808
	587,240	230,286

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The directors are of the opinion that the services as disclosed above do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- » all non-audit services have been reviewed and approved by the Audit & Risk Committee to ensure that they do not impact the integrity and objectivity of the auditor; and
- » none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

## **DIRECTORS' REPORT** continued

### **AUDITOR'S INDEPENDENCE DECLARATION**

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

### **OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF GRANT THORNTON AUDIT PTY LTD**

There are no officers of the Company who are former partners of Grant Thornton Audit Pty Ltd.

### **ROUNDING OF AMOUNTS**

The Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Director's Reports) Instrument 2016/191*, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. In accordance with that Legislative Instrument, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors



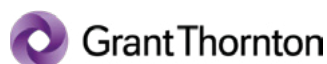
Stephen E Young  
Managing Director

26 August 2024



Mark G Vartuli  
Executive Director

# AUDITOR'S INDEPENDENCE DECLARATION



**Grant Thornton Audit Pty Ltd**  
Grant Thornton House  
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GPO Box 1270  
Adelaide SA 5001  
T +61 8 8372 6666

## Auditor's Independence Declaration

### To the Directors of Tasmea Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Tasmea Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants

J L Humphrey  
Partner – Audit & Assurance

Adelaide, 26 August 2024

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# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2024

		Consolidated	
	Note	2024 \$'000	2023 \$'000
<b>Revenue</b>			
Revenue from Contracts with Customers	5	400,005	319,982
Cost of sales	6	(285,995)	(237,598)
<b>Gross profit</b>		<b>114,010</b>	<b>82,384</b>
Other income	7	3,125	3,094
Share of profits of associates accounted for using the equity method	36	–	444
<b>Expenses</b>			
Administrative expenses	8	(53,417)	(46,464)
Depreciation and amortisation expense	9	(10,544)	(9,170)
Other expenses	10	(6,759)	–
<b>Operating profit before finance costs</b>		<b>46,415</b>	<b>30,288</b>
Finance costs	11	(5,237)	(3,507)
<b>Profit before income tax expense</b>		<b>41,178</b>	<b>26,781</b>
Income tax expense	13	(10,704)	(7,311)
<b>Profit after income tax expense for the year</b>		<b>30,474</b>	<b>19,470</b>
Other comprehensive income for the year, net of tax		–	–
<b>Total comprehensive income for the year</b>		<b>30,474</b>	<b>19,470</b>
<b>Profit for the year is attributable to:</b>			
Non-controlling interest		124	153
Owners of Tasmea Limited		30,350	19,317
		<b>30,474</b>	<b>19,470</b>
<b>Total comprehensive income for the year is attributable to:</b>			
Non-controlling interest		124	153
Owners of Tasmea Limited		30,350	19,317
		<b>30,474</b>	<b>19,470</b>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	12	15.16	9.95
Diluted earnings per share	12	15.16	9.95

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

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

		Consolidated	
	Note	2024 \$'000	2023 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	14	25,125	17,007
Trade and other receivables	16	59,494	46,077
Contract assets	17	27,154	12,370
Inventories	18	15,421	10,233
Other assets	19	5,113	4,985
		132,307	90,672
Non-current assets classified as held for sale	20	790	1,265
<b>Total current assets</b>		<b>133,097</b>	<b>91,937</b>
<b>Non-current assets</b>			
Property, plant and equipment	21	57,613	29,471
Right-of-use assets	22	6,889	8,054
Intangible assets	23	89,394	61,428
Deferred tax assets	13	3,113	10
Other assets	19	759	871
<b>Total non-current assets</b>		<b>157,768</b>	<b>99,834</b>
<b>Total assets</b>		<b>290,865</b>	<b>191,771</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	24	57,896	42,257
Income tax payable	13	14,066	87
Contract liabilities	25	4,920	7,337
Borrowings	26	21,614	16,274
Lease liabilities	27	3,189	3,124
Provision for employee benefits	28	10,794	8,375
Other provisions	29	1,850	701
<b>Total current liabilities</b>		<b>114,329</b>	<b>78,155</b>
<b>Non-current liabilities</b>			
Borrowings	26	36,728	34,493
Lease liabilities	27	4,141	3,570
Provision for employee benefits	28	627	653
Other provisions	29	3,683	1,040
<b>Total non-current liabilities</b>		<b>45,179</b>	<b>39,756</b>
<b>Total liabilities</b>		<b>159,508</b>	<b>117,911</b>
<b>Net assets</b>		<b>131,357</b>	<b>73,860</b>
<b>Equity</b>			
Issued capital	30	121,795	84,416
Retained profits/(accumulated losses)	31	9,438	(10,709)
Equity attributable to the owners of Tasmea Limited		131,233	73,707
Non-controlling interest		124	153
<b>Total equity</b>		<b>131,357</b>	<b>73,860</b>

The above 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 2024

Consolidated	Issued capital \$'000	Retained profits \$'000	Non-controlling interest \$'000	Total equity \$'000
Balance at 1 July 2022	83,466	(24,595)	–	58,871
Profit after income tax expense for the year	–	19,317	153	19,470
Other comprehensive income for the year, net of tax	–	–	–	–
Total comprehensive income for the year	–	19,317	153	19,470
<i>Transactions with owners in their capacity as owners:</i>				
Shares issued as purchase consideration in a business combination	950	–	–	950
Dividends paid (note 32)	–	(5,431)	–	(5,431)
Balance at 30 June 2023	84,416	(10,709)	153	73,860

Consolidated	Issued capital \$'000	Retained profits \$'000	Non-controlling interest \$'000	Total equity \$'000
Balance at 1 July 2023	84,416	(10,709)	153	73,860
Profit after income tax expense for the year	–	30,350	124	30,474
Other comprehensive income for the year, net of tax	–	–	–	–
Total comprehensive income for the year	–	30,350	124	30,474
<i>Transactions with owners in their capacity as owners:</i>				
Shares issued as consideration for remaining interest in A. Noble & Son (note 35)	1,000	(847)	(153)	–
Shares issued as purchase consideration in a business combination (note 35)	1,400	–	–	1,400
Shares issued in the Initial Public Offering (note 30)	33,000	–	–	33,000
Transaction costs in respect of the initial public offering, net of deferred tax (note 30)	(1,539)	–	–	(1,539)
Dividends paid (note 32)	–	(9,356)	–	(9,356)
Shares issued in the dividend reinvestment plan (note 29)	3,518	–	–	3,518
Balance at 30 June 2024	121,795	9,438	124	131,357

The above 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 2024

		Consolidated	
	Note	2024 \$'000	2023 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		415,560	350,007
Payments to suppliers (inclusive of GST) and employees		(366,363)	(327,231)
		49,197	22,776
Interest and other finance costs paid		(5,238)	(3,508)
Income taxes paid		(960)	(813)
<b>Net cash from operating activities</b>	15	<b>42,999</b>	<b>18,455</b>
<b>Cash flows from investing activities</b>			
Payment for purchases of controlled entities, net of cash acquired	35	(33,384)	(4,126)
Payment of deferred consideration for acquisitions		(114)	(2,970)
Proceeds from disposal of investment in associate	36	475	–
Payments for property, plant and equipment		(22,181)	(11,024)
Proceeds from disposal of property, plant and equipment		375	2,495
<b>Net cash used in investing activities</b>		<b>(54,829)</b>	<b>(15,625)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	30	33,000	–
Share issue transaction costs		(6,957)	–
Proceeds from borrowings		40,334	6,651
Repayment of borrowings		(35,224)	(10,272)
Repayment of lease liabilities		(3,847)	(2,183)
Dividends paid		(7,358)	(2,687)
<b>Net cash from/(used in) financing activities</b>		<b>19,948</b>	<b>(8,491)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>8,118</b>	<b>(5,661)</b>
Cash and cash equivalents at the beginning of the financial year		17,007	22,668
<b>Cash and cash equivalents at the end of the financial year</b>	14	<b>25,125</b>	<b>17,007</b>

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 June 2024

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## NOTE 1. REPORTING ENTITY

The consolidated financial statements of the Company as at and for the year ended 30 June 2024 comprise the Company and its subsidiaries (together referred to as “Tasmea” or “the Group” and individually as “Group entities”). The Group is a for-profit consolidated entity and is primarily involved in providing engineering and maintenance services to essential asset owners in the mining and resources, water and defence industries and financial advisory services to the corporate sector.

## NOTE 2. MATERIAL ACCOUNTING POLICY INFORMATION

### (a) Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AAS) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The consolidated financial report of the Group complies with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board (IASB).

The consolidated financial statements were approved by the Board of Directors on 26 August 2024.

### (b) Basis of preparation

These Tier 1 general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (‘AASB’) and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (‘IASB’).

#### Historical cost convention

The financial statements have been prepared under the historical cost convention.

#### Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

### (c) 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 37.

### (d) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Tasmea Limited as at 30 June 2024 and the results of all subsidiaries for the year then ended. Tasmea Limited and its subsidiaries together are referred to in these financial statements as the ‘Group’.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### NOTE 2. MATERIAL ACCOUNTING POLICY INFORMATION continued

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 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.

#### **(e) Foreign currency translation**

The financial statements are presented in Australian dollars, which is Tasma Limited's functional and presentation currency.

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

#### **(f) New or amended Accounting Standards and Interpretations adopted**

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

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

#### **(g) Revenue recognition**

The Group recognises revenue as follows:

##### **Revenue from contracts with customers**

###### *Rendering of services*

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

###### *Maintenance and Sustainability Services*

Services revenue is primarily generated from maintenance and other services supplied to infrastructure assets and facilities across different sectors as well as from contract mining services, mining assets and maintenance services.

The Group performs maintenance and other services for a variety of different industries. Contracts entered can cover servicing of related assets which may involve various processes. These processes and activities tend to be highly inter-related and the Group provides a significant service of integration for these assets under contract. Where this is the case, these are taken to be one performance obligation. The total transaction price is allocated across each performance obligation.

The transaction price is allocated to each performance obligation based on stand alone selling prices and revenue is recognised over time as the performance obligation is satisfied using an input method of actual costs incurred as a proportion of total anticipated contract costs as the most appropriate measure for progress towards satisfaction of the performance obligation. Payment is generally due within 30 – 90 days from providing the service.

### Major projects

The Group derives revenue from the construction and engineering of infrastructure projects. Contracts entered may be for the construction of one or several separate inter-linked pieces of infrastructure. The construction of each individual piece of infrastructure is generally taken to be one performance obligation. Where contracts are entered for the building of several projects the total transaction price is allocated across each project based on stand-alone selling prices. The transaction price is normally fixed at the start of the project. It is normal practice for contracts to include bonus and penalty elements based on timely construction or other performance criteria known as variable consideration.

The performance obligation is fulfilled over time and as such revenue is recognised over time using an input method of actual costs incurred as a proportion of total anticipated contract costs as the most appropriate measure for progress towards satisfaction of the performance obligation. As work is performed on the assets being constructed, they are controlled by the customer and generally have no alternative use to the Group, with the Group having a right to payment for performance to date. Generally, contracts identify various inter-linked activities required in the construction process.

Revenue is recognised on the measured output of each process based on appraisals that are agreed with the customer on a regular basis. Revenue earned is typically invoiced monthly or in some cases on achievement of milestones or to match major capital outlay. Invoices are paid on normal commercial terms, which may include the customer withholding a retention amount until finalisation of the construction and payment is generally due within 30 – 90 days of invoicing. Certain construction projects entered into receive payment prior to work being performed in which case revenue is deferred on the balance sheet.

Generally, construction and services contracts include defect and warranty periods following completion of the project. These obligations are not deemed to be separate performance obligations and therefore estimated and included in the total costs of the contracts. Where required, amounts are recognised accordingly in line with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

Contract modifications – When a modification or variation to an existing contract is made, the Group considers whether the modification shall be accounted for as a separate contract, or as part of the existing unsatisfied performance obligations. This consideration includes whether the variation requires additional goods and services that are distinct and at the stand-alone selling prices.

Contract costs (tender costs) – Costs incurred during the tender/bid process are expensed, unless they are incremental to obtaining the contract or where they are explicitly chargeable to the customer regardless of whether the contract is obtained. The Group applies the practical expedient available under AASB 15 and does not capitalise incremental costs of obtaining contracts if the amortisation period is one year or less.

Variable consideration – Variable consideration that is contingent on the Group's performance, including key performance payments, liquidated damages and abatements that offset revenue under the contract, is included in the transaction price only to the extent it is highly probable that a significant reversal in the amount of cumulative revenue will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Loss-making contracts continue to be recognised under AASB 137 as onerous contracts. A provision is made for the difference between the expected cost of fulfilling a contract and the expected unearned portion of the transaction price where the forecast costs are greater than the forecast revenue.

### Sale of goods

Revenue is recognised when the customer obtains control of goods which is deemed to satisfy the performance obligation at a point in time at a fixed price and payment is generally due within 30 – 90 days of delivery. Some contracts provide customers with a right of return, which give rise to variable consideration subject to constraint.

### Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established. Common types of other revenue are outlined below:

### Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### NOTE 2. MATERIAL ACCOUNTING POLICY INFORMATION continued

#### (h) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### (i) Financial assets

##### Initial recognition and measurement

Financial assets are classified, at initial recognition, as measured at amortised cost and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under AASB 15.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

##### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

1. Financial assets at amortised cost.
2. Financial assets at fair value through profit or loss.
3. Equity instruments at fair value through other comprehensive income.
4. Debt instruments at fair value through other comprehensive income.

The Group measures financial assets at amortised cost if both of the following conditions are met: (i) the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost includes trade receivables, and other non-current financial assets.

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

## Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- » The rights to receive cash flows from the asset have expired; or
- » The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset;
- » When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained; and
- » Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

## (ii) Financial liabilities

### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- » Financial liabilities at fair value through profit or loss. Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by AASB 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.
- » Borrowings. This is the category most relevant to the Group. This category generally applies to interest-bearing loans and borrowings. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

## Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### NOTE 2. MATERIAL ACCOUNTING POLICY INFORMATION continued

#### (i) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

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

#### (j) Non-current assets or disposal groups classified as held for sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

#### (k) Associates

Associates are entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

#### (l) Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

### **(m) Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

### **(n) Borrowing costs**

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred. Borrowing costs include:

- » interest on bank overdrafts and short-term and long-term borrowings;
- » amortisation of line fees, discounts or premiums relating to borrowings;
- » amortisation of ancillary costs incurred in connection with the arrangement of borrowings; and
- » interest on leases.

Borrowing costs are capitalised into the asset cost when they relate specifically to a qualifying asset.

### **(o) Goods and Services Tax and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated Goods and Services Tax (GST), unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

### **(p) Rounding of amounts**

The Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Director's Reports) Instrument 2016/191*, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

The accounting policies that are material to the Group are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### NOTE 3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results.

The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

#### **Revenue from contracts with customers involving construction, services and mining contracting projects**

When recognising revenue in relation to construction, services and mining contracting projects judgements, estimates and assumptions are made in respect of determining the stage of completion and project completion date, estimation of the total contract costs, estimation of the total contract revenue, including recognising revenue on contract variations and claims only to the extent it is highly probable that a significant reversal in the amount recognised will not occur in the future, and assumed level of project execution and productivity (note 5).

#### **Allowance for expected credit losses**

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates (note 16).

#### **Estimation of useful lives of assets**

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or non-strategic assets that have been abandoned or sold will be written off or written down (note 21).

#### **Goodwill and other indefinite life intangible assets**

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 23. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

#### **Income tax**

The Group is subject to income taxes in Australia. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made (note 13).

#### **Recovery of deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences and available tax losses only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses (note 13).

### Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances (note 22 and note 27).

### Business combinations

As discussed in note 2, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the Group taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported (note 35).

### Deferred consideration

The deferred consideration liability is the difference between the total purchase consideration, usually on an acquisition of a business combination, and the amounts paid or settled up to the reporting date, discounted to net present value. The consolidated entity applies provisional accounting for any business combination. Any reassessment of the liability during the earlier of the finalisation of the provisional accounting or 12 months from acquisition-date is adjusted for retrospectively as part of the provisional accounting rules in accordance with AASB 3 '*Business Combinations*'. Thereafter, at each reporting date, the deferred consideration liability is reassessed against revised estimates and any increase or decrease in the net present value of the liability will result in a corresponding gain or loss to profit or loss. The increase in the liability resulting from the passage of time is recognised as a finance cost.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### NOTE 4. OPERATING SEGMENTS

#### Identification of reportable operating segments

The Group is organised into four operating segments based on differences in products and services provided: electrical, mechanical, civil and, water & fluid. These operating segments are based on the internal reports that are reviewed and used by the Executive Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

Other segments represent the property, plant and equipment held to benefit multiple segments, and corporate services provided to benefit multiple segments.

The CODM reviews revenue, gross margin, earnings before interest, tax, depreciation and amortisation (EBITDA), earnings before interest and tax (EBIT) and operating cash flows (OCF). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

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

#### Types of products and services

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

<b>Electrical services</b>	Remote area specialist services in industrial and commercial electrical and instrumentation services, maintenance and compliance of electrical assets, and indigenous trade services.
<b>Mechanical services</b>	Remote area specialist services in industrial and commercial refurbishment & repairs, shutdown and mechanical maintenance.
<b>Civil services</b>	Remote area specialists in commercial earthworks, waste management and civil maintenance.
<b>Water &amp; fluid services</b>	Remote area specialist services in industrial and commercial Geomembrane Solutions, Lubrication Solutions & Maintenance, Drainage Solutions.

#### Intersegment transactions

Intersegment transactions are eliminated on consolidation.

#### Intersegment receivables, payables and loans

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

#### Major customers

During the year ended 30 June 2024, approximately 25% (2023: 28%) of the consolidated entity's external revenue was derived from sales to a leading global mining group.

#### Revenue by geographical area

All reported revenue is generated by the consolidated entity within Australia. All non-current assets are held in Australia.

#### Accounting policy for operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

## Operating segment information

Consolidated – 2024	Electrical \$'000	Mechanical \$'000	Civil \$'000	Water & Fluid \$'000	Corporate \$'000	Total \$'000
<b>Revenue</b>						
Sales to external customers	129,443	141,424	53,644	73,552	1,942	400,005
<b>Total revenue</b>	<b>129,443</b>	<b>141,424</b>	<b>53,644</b>	<b>73,552</b>	<b>1,942</b>	<b>400,005</b>
<b>Earnings before interest, tax, depreciation and amortisation</b>	<b>15,557</b>	<b>22,102</b>	<b>11,819</b>	<b>6,858</b>	<b>623</b>	<b>56,959</b>
Depreciation and amortisation	(1,750)	(4,610)	(1,347)	(883)	(1,954)	(10,544)
<b>Earnings before interest, and tax</b>	<b>13,807</b>	<b>17,492</b>	<b>10,472</b>	<b>5,975</b>	<b>(1,331)</b>	<b>46,415</b>
Finance costs	(986)	(1,618)	(532)	(535)	(1,566)	(5,237)
<b>Profit/(loss) before income tax expense</b>	<b>12,821</b>	<b>15,874</b>	<b>9,940</b>	<b>5,440</b>	<b>(995)</b>	<b>41,178</b>
Income tax expense						(10,704)
<b>Profit after income tax expense</b>						<b>30,474</b>
<b>Assets</b>						
Segment assets	42,272	89,508	51,497	33,949	73,639	290,865
<b>Total assets</b>						<b>290,865</b>
<b>Liabilities</b>						
Segment liabilities	34,797	53,333	29,688	26,160	15,530	159,508
<b>Total liabilities</b>						<b>159,508</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### NOTE 4. OPERATING SEGMENTS continued

Consolidated – 2023	Electrical \$'000	Mechanical \$'000	Civil \$'000	Water & Fluid \$'000	Corporate \$'000	Total \$'000
<b>Revenue</b>						
Sales to external customers	120,294	89,964	42,497	67,503	(276)	319,982
<b>Total revenue</b>	<b>120,294</b>	<b>89,964</b>	<b>42,497</b>	<b>67,503</b>	<b>(276)</b>	<b>319,982</b>
Earnings before interest, tax, depreciation and amortisation	12,846	9,112	7,875	6,530	3,095	39,458
Depreciation and amortisation	(2,433)	(2,493)	(1,568)	(1,008)	(1,668)	(9,170)
<b>Earnings before interest and tax</b>	<b>10,413</b>	<b>6,619</b>	<b>6,307</b>	<b>5,522</b>	<b>1,427</b>	<b>30,288</b>
Finance costs	(1,240)	(978)	(384)	(501)	(404)	(3,507)
<b>Profit before income tax expense</b>	<b>9,173</b>	<b>5,641</b>	<b>5,923</b>	<b>5,021</b>	<b>1,023</b>	<b>26,781</b>
Income tax expense						(7,311)
<b>Profit after income tax expense</b>						<b>19,470</b>
<b>Assets</b>						
Segment assets	51,820	48,737	28,820	36,091	26,303	191,771
<b>Total assets</b>						<b>191,771</b>
<b>Liabilities</b>						
Segment liabilities	38,456	35,816	16,275	21,674	5,690	117,911
<b>Total liabilities</b>						<b>117,911</b>

**NOTE 5. REVENUE FROM CONTRACTS WITH CUSTOMERS**

	<b>Consolidated</b>	
	<b>2024 \$'000</b>	<b>2023 \$'000</b>
Sales – Services	357,018	294,891
Sales – Goods	42,987	25,091
	400,005	319,982

**For the year ended 30 June 2024**

<b>Type of service</b>	<b>Electrical Services \$'000</b>	<b>Mechanical Services \$'000</b>	<b>Civil Services \$'000</b>	<b>Water &amp; Fluid \$'000</b>	<b>Corporate \$'000</b>	<b>Total \$'000</b>
<b>Timing of Revenue Recognition</b>						
Revenue recognised over time	129,442	110,756	53,591	61,287	1,942	357,018
Revenue recognised at a point in time	1	30,668	53	12,265	–	42,987
<b>Total revenue from contracts with customers</b>	<b>129,443</b>	<b>141,424</b>	<b>53,644</b>	<b>73,552</b>	<b>1,942</b>	<b>400,005</b>

**For the year ended 30 June 2023**

<b>Type of service</b>	<b>Electrical Services \$'000</b>	<b>Mechanical Services \$'000</b>	<b>Civil Services \$'000</b>	<b>Water &amp; Fluid \$'000</b>	<b>Corporate \$'000</b>	<b>Total \$'000</b>
<b>Timing of Revenue Recognition</b>						
Revenue recognised over time	120,284	77,067	42,497	55,319	(276)	294,891
Revenue recognised at a point of time	10	12,897	–	12,184	–	25,091
<b>Total revenue from contracts with customers</b>	<b>120,294</b>	<b>89,964</b>	<b>42,497</b>	<b>67,503</b>	<b>(276)</b>	<b>319,982</b>

	<b>Consolidated</b>	
	<b>2024 \$'000</b>	<b>2023 \$'000</b>
Trade Receivables (note 16)	52,994	41,677
Contract Assets (note 17)	27,154	12,370
Contract Liabilities (note 25)	(4,920)	(7,337)
	75,228	46,710

AASB 15 uses the terms 'contract asset' and 'contract liability' to describe what is commonly known as 'accrued revenue' and 'deferred revenue'. Contract assets represent the Group's right to consideration for services provided to customers for which the Group's right remains conditional on something other than the passage of time. Contract liabilities arise where payment is received prior to work being performed.

Trade receivables represent receivables in respect of which the Group's right to consideration is unconditional subject only to the passage of time. Trade receivables are non-derivative financial assets accounted for in accordance with the Group's accounting policy for non-derivative financial assets.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### NOTE 6. COST OF SALES

	Consolidated	
	2024 \$'000	2023 \$'000
Labour	98,887	87,842
Materials	90,829	83,720
Services and contractors	33,600	28,262
Other employee costs	29,407	8,761
Plant and equipment costs	8,192	7,814
Travel and accommodation costs	3,790	2,954
Freight costs	2,036	2,032
Other costs of sales	19,254	16,213
Total cost of sales	285,995	237,598

### NOTE 7. OTHER INCOME

	Consolidated	
	2024 \$'000	2023 \$'000
Net gain on disposal of property, plant and equipment	593	1,518
Government grants	1,177	397
Other	1,355	1,179
Total other income	3,125	3,094

### NOTE 8. ADMINISTRATIVE EXPENSES

	Consolidated	
	2024 \$'000	2023 \$'000
Employee benefits expense	33,038	31,356
Office and information technology	3,748	2,217
Insurance	4,634	3,920
Consulting and compliance	4,061	2,229
Property expenses	1,292	929
Travel expenses	893	841
Rent expense – Short term leases	235	797
Motor vehicle expenses	855	631
Advertising, sponsorship and donations	504	628
Other employee expenses	1,074	441
Other administrative expenses	3,083	2,475
Total administrative expenses	53,417	46,464

## NOTE 9. DEPRECIATION AND AMORTISATION EXPENSE

	Consolidated	
	2024 \$'000	2023 \$'000
Plant and equipment	3,070	2,059
Commercial vehicles and trucks	1,917	3,217
Leasehold improvements	117	186
Office furniture and equipment	455	545
Right of use assets	4,921	3,158
Software	64	5
Total depreciation and amortisation expense	10,544	9,170

### Change in accounting estimate

During the year, and consistent with the Group's accounting policy, an assessment was undertaken to reconsider the appropriate residual values and useful life estimates of vehicles, plant and equipment, by comparison to market values for similar aged assets. Based on this analysis, changes were made to the residual value and useful life of certain assets. The overall reduction to depreciation expense for the Group in FY24, when compared to the depreciation rates applied in prior years, was \$1.9 million. No change was made to the asset values or depreciation expense in prior financial years.

## NOTE 10. OTHER EXPENSES

	Consolidated	
	2024 \$'000	2023 \$'000
Initial Public Offer expenses	4,759	–
Post business combination – acquisition related expenses (note 35)	2,000	–
	6,759	–

## NOTE 11. FINANCE COSTS

	Consolidated	
	2024 \$'000	2023 \$'000
Interest on borrowings	2,672	2,161
Interest on plant and equipment leases	1,165	569
Interest on property leases	332	316
Interest on deferred consideration	200	–
Other finance costs	868	461
Total finance costs	5,237	3,507

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### NOTE 12. EARNINGS PER SHARE

	Consolidated	
	2024 \$'000	2023 \$'000
Profit after income tax	30,474	19,470
Non-controlling interest	(124)	(153)
Profit after income tax attributable to the owners of Tasmea Limited	30,350	19,317
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	200,151,132	194,221,488
Weighted average number of ordinary shares used in calculating diluted earnings per share	200,151,132	194,221,488
	Cents	Cents
Basic earnings per share	15.16	9.95
Diluted earnings per share	15.16	9.95

#### Accounting policy for earnings per share

##### Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Tasmea Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

##### Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares. There are no dilutive securities on issue.

**NOTE 13. INCOME TAX**

	<b>Consolidated</b>	
	<b>2024 \$'000</b>	<b>2023 \$'000</b>
<i>Income tax expense</i>		
Current tax	15,924	417
Origination and reversal of temporary differences	(2,953)	192
Utilisation of deferred tax asset to offset tax payable	4,223	6,702
Initial recognition of Allocable Cost Amount relating to acquisitions of subsidiaries	(6,835)	–
Under/(over) provisions in prior years	345	–
Aggregate income tax expense	10,704	7,311
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Profit before income tax expense	41,178	26,781
Tax at the statutory tax rate of 30%	12,353	8,034
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Partial derecognition of transferred tax losses	4,223	–
Initial recognition of Allocable Cost Amount	(6,835)	(918)
Depreciation of property, plant and equipment	34	124
Non-deductible expenses	618	19
Other	311	52
Income tax expense	10,704	7,311

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### NOTE 13. INCOME TAX continued

	Consolidated	
	2024 \$'000	2023 \$'000
<i>Net deferred tax asset</i>		
Net deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Employee benefits	4,056	2,834
Property, plant and equipment	(2,656)	(3,164)
Transaction costs deductible in future periods	1,671	54
Leases	64	132
Accrued expenses	127	81
Inventories	143	53
Other	(292)	20
Deferred tax asset	3,113	10
Movements:		
Opening balance	10	6,712
Credited/(charged) to profit or loss	3,103	(6,702)
Closing balance	3,113	10
<i>Provision for income tax</i>		
Provision for income tax	14,066	87

#### Accounting policy for income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- » When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- » When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.



Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Tasmea Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

## NOTE 14. CASH AND CASH EQUIVALENTS

	Consolidated	
	2024 \$'000	2023 \$'000
<i>Current assets</i>		
Cash at bank	24,207	13,184
Cash on deposit (short term)	918	3,823
Total cash and cash equivalents	25,125	17,007

### Accounting policy for cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### NOTE 15. CASH FLOW INFORMATION

#### Reconciliation of profit after income tax to net cash from operating activities

	Consolidated	
	2024 \$'000	2023 \$'000
Profit after income tax expense for the year	30,474	19,470
Adjustments for:		
Depreciation and amortisation	10,544	9,170
Capital raising costs, treated as financing activity	4,759	–
Post business combination, acquisition related costs	2,000	–
Government grant income recognised	(1,177)	–
Net gain on disposal of property, plant and equipment	(375)	(1,723)
Other non cash (income)/expenses	40	(56)
Change in operating assets and liabilities, net of movement from business combinations:		
Increase in trade and other receivables	(7,699)	(1,963)
Increase in contract assets	(15,142)	(2,648)
Increase in inventories	(2,034)	(1,767)
Decrease in deferred tax assets	8,805	6,498
Increase in prepayments	(272)	(658)
Decrease in other assets	589	–
Increase/(decrease) in trade and other payables	13,350	(8,155)
Increase/(decrease) in other provisions	(863)	287
<b>Net cash from operating activities</b>	<b>42,999</b>	<b>18,455</b>

### NOTE 16. TRADE AND OTHER RECEIVABLES

	Consolidated	
	2024 \$'000	2023 \$'000
<i>Current assets</i>		
Trade receivables	52,994	41,677
Less: Allowance for expected credit losses	(424)	(376)
	52,570	41,301
Other receivables	6,924	4,776
<b>Total trade and other receivables</b>	<b>59,494</b>	<b>46,077</b>

### Accounting policy for trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for amounts covered by credit loss insurance and forward-looking factors specific to the debtors and the economic environment. Refer note 33.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

## NOTE 17. CONTRACT ASSETS

	Consolidated	
	2024 \$'000	2023 \$'000
<i>Current assets</i>		
Contract assets	27,154	12,370

### Accounting policy for contract assets

AASB 15 uses the terms 'contract asset' and 'contract liability' to describe what is commonly known as 'accrued revenue' and 'deferred revenue'. Contract assets represent the Group's right to consideration for services provided to customers for which the Group's right remains conditional on something other than the passage of time. Contract liabilities arise where payment is received prior to work being performed. Contract assets are treated as financial assets for impairment purposes.

## NOTE 18. INVENTORIES

	Consolidated	
	2024 \$'000	2023 \$'000
<i>Current assets</i>		
Raw materials	853	840
Work in progress	785	–
Finished goods	14,258	9,568
Less: Provision for impairment	(475)	(175)
	13,783	9,393
Total inventories	15,421	10,233

### Accounting policy for inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes, and an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### NOTE 19. OTHER ASSETS

	Consolidated	
	2024 \$'000	2023 \$'000
<i>Current assets</i>		
Prepayments	4,536	3,630
Other current assets	577	1,355
Total other current assets	5,113	4,985
<i>Non-current assets</i>		
Total other non-current assets	759	871

### NOTE 20. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

In June 2023, management committed to a plan to sell a property in Karratha, WA to Related Parties. The sale was approved by shareholders at an Extraordinary General Meeting of shareholders on 4 September 2023. The sale is pending clearance from the WA State Government. Accordingly, the asset is presented as a non-current asset classified as held for sale at 30 June 2024. This is also disclosed in Note 38 Related Party Transactions.

	Consolidated	
	2024 \$'000	2023 \$'000
<i>Current assets</i>		
Land and buildings	790	790
Investment in associates	–	475
	790	1,265

**NOTE 21. PROPERTY, PLANT AND EQUIPMENT**

	<b>Consolidated</b>	
	<b>2024 \$'000</b>	<b>2023 \$'000</b>
<i>Non-current assets</i>		
Land – at cost	1,857	1,857
Land and buildings – at cost	843	847
Less: Accumulated depreciation	(98)	(112)
	745	735
Leasehold improvements – at cost	5,029	3,260
Less: Accumulated depreciation	(1,505)	(1,067)
	3,524	2,193
Plant and equipment – at cost	48,157	28,241
Less: Accumulated depreciation	(20,381)	(17,216)
	27,776	11,025
Motor vehicles – at cost	34,121	26,452
Less: Accumulated depreciation	(14,543)	(14,071)
	19,578	12,381
Office furniture & equipment – at cost	5,638	5,213
Less: Accumulated depreciation	(4,533)	(3,933)
	1,105	1,280
Capital work in progress	3,028	–
Total property, plant and equipment	57,613	29,471



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### NOTE 21. PROPERTY, PLANT AND EQUIPMENT continued

#### Reconciliations

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

Consolidated	Land & buildings \$'000	Leasehold improvements \$'000	Plant & equipment \$'000	Commercial vehicles & trucks \$'000	Capital work in progress \$'000	Office furniture & equipment \$'000	Total \$'000
Balance at 1 July 2022	788	621	8,954	10,792	–	933	22,088
Additions	2,966	1,684	3,439	4,061	–	640	12,790
Additions through business combinations (note 35)	1,450	78	676	1,486	–	210	3,900
Classified as held for sale (note 20)	(790)	–	–	–	–	–	(790)
Disposals	(1,683)	(69)	(120)	(730)	–	(13)	(2,615)
Transfers in/(out)	(24)	42	(53)	34	–	1	–
Depreciation expense	(115)	(163)	(1,871)	(3,262)	–	(491)	(5,902)
<b>Balance at 30 June 2023</b>	<b>2,592</b>	<b>2,193</b>	<b>11,025</b>	<b>12,381</b>	<b>–</b>	<b>1,280</b>	<b>29,471</b>
Additions	–	1,477	10,639	6,730	3,028	307	22,181
Additions through business combinations (note 35)	–	329	8,574	2,900	–	31	11,834
Disposals	(15)	(3)	(194)	(177)	–	–	(389)
Transfers in/(out)	25	(135)	235	(125)	–	–	–
Depreciation expense	–	(337)	(2,503)	(2,131)	–	(513)	(5,484)
<b>Balance at 30 June 2024</b>	<b>2,602</b>	<b>3,524</b>	<b>27,776</b>	<b>19,578</b>	<b>3,028</b>	<b>1,105</b>	<b>57,613</b>

### Accounting policy for property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Land & buildings	25 years
Leasehold improvements	Lease Term
Plant & equipment	4-20 years
Commercial vehicles & trucks	4-10 years
Commercial vehicles & trucks – Leased	4-10 years
Office furniture and equipment	5-20 years

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

During the year, and consistent with the Group's accounting policy, an assessment was undertaken to reconsider the appropriate residual values and useful life estimates of vehicles, plant and equipment, by comparison to market values for similar aged assets. Based on this analysis, changes were made to the residual value and useful life of certain assets. The overall reduction to depreciation expense for the Group in FY24, when compared to the deprecation rates applied in prior years, was \$1.9 million. No change was made to the asset values or depreciation expense in prior financial years. The residual values, useful lives and depreciation methods will continue to be reviewed, and adjusted if appropriate, at each reporting date.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### NOTE 22. RIGHT-OF-USE ASSETS

	Consolidated	
	2024 \$'000	2023 \$'000
<i>Non-current assets</i>		
Properties – right-of-use	6,375	7,729
Motor vehicles – right-of-use	514	325
	6,889	8,054

The Group leases land and buildings for its offices, warehouses and retail outlets under agreements of between 1 to 5 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

The Group leases commercial vehicles under lease agreements of between 3 to 5 years with, in some cases, options to extend. Under these agreements the asset does not transfer on completion of the lease.

#### Reconciliations

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

Consolidated	Properties \$'000	Motor Vehicles \$'000	Total \$'000
Balance at 1 July 2022	4,445	–	4,445
Additions	6,762	393	7,155
Disposals	(277)	–	(277)
Depreciation expense	(3,201)	(68)	(3,269)
Balance at 30 June 2023	7,729	325	8,054
Additions	1,364	388	1,752
Additions through business combinations	2,094	–	2,094
Disposals	(90)	–	(90)
Depreciation expense	(4,722)	(199)	(4,921)
Balance at 30 June 2024	6,375	514	6,889

#### Accounting policy for right-of-use assets

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

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

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

**NOTE 23. INTANGIBLE ASSETS**

	<b>Consolidated</b>	
	<b>2024 \$'000</b>	<b>2023 \$'000</b>
<i>Non-current assets</i>		
Goodwill – at cost	87,967	61,426
Patents and trademarks – at cost	299	2
Less: Accumulated amortisation	(62)	–
	237	2
Customer contracts – at cost	1,390	200
Less: Accumulated amortisation	(200)	(200)
	1,190	–
Total intangible assets	89,394	61,428

**Reconciliations**

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

<b>Consolidated</b>	<b>Goodwill \$'000</b>	<b>Patents &amp; trademarks \$'000</b>	<b>Customer contracts \$'000</b>	<b>Total \$'000</b>
Balance at 1 July 2022	56,469	2	–	56,471
Additions through business combinations (note 35)	4,957	–	–	4,957
Balance at 30 June 2023	61,426	2	–	61,428
Additions	–	143	–	143
Additions through business combinations (note 35)	26,541	154	1,190	27,885
Amortisation expense	–	(62)	–	(62)
Balance at 30 June 2024	87,967	237	1,190	89,394

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### NOTE 23. INTANGIBLE ASSETS continued

At 30 June 2024, goodwill and other indefinite life intangibles are allocated for impairment testing purposes to cash generating units (CGUs) as follows:

	Consolidated	
	2024 \$'000	2023 \$'000
Electrical services	28,064	28,064
Mechanical services	31,715	8,793
Civil services	12,165	8,548
Water & fluid services	14,963	14,963
Corporate services	1,060	1,060
	87,967	61,428

The Group performs its impairment test at each reporting date. The cash generating units are consistent with those in the prior comparative period.

The recoverable amount of each CGU has been determined based on a value in use ('VIU') calculation using five-year cash flow projections based on actual and forecast operating results. The FY25 financial forecast is prepared on the basis of the successful integration of acquisitions and no further one-off items. After taking into account the FY25 forecast, these earnings were extrapolated for all CGUs using real annual growth rates of 2.5% (2023: 2.50%), consistent with the growth prospects of each CGU, and a 1.00% terminal value growth rate (2023: 1.00%), which is less than the historical Australian 20 year real growth rate of 3.2% (2023: 3.2%).

A pre-tax discount rate of 12.1% has been applied to each CGU in determining the VIU and is based on the target gearing level for Tasmea Limited (pre-tax real WACC) (2023: 10.5%).

At 30 June 2024, whilst the modelling shows a range of possible outcomes the recoverable amount of all CGUs exceeds the carrying amount. The calculation of VIU for each CGU is most sensitive to assumptions in relation to forecast earnings and discount rates.

#### Accounting policy for intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

#### Goodwill

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

#### Patents and trademarks

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

#### Customer contracts

Customer contracts acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

## NOTE 24. TRADE AND OTHER PAYABLES

	Consolidated	
	2024 \$'000	2023 \$'000
<i>Current liabilities</i>		
Trade payables	25,003	21,718
Other payables and accrued expenses	27,530	15,592
Related party payables	3,363	4,947
Business acquisition costs payable	2,000	–
Total trade and other payables	57,896	42,257

Refer to note 33 for further information on financial instruments.

Related party payables include dividends payable to certain Directors as at balance date. Refer note 38.

### Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

## NOTE 25. CONTRACT LIABILITIES

	Consolidated	
	2024 \$'000	2023 \$'000
<i>Current liabilities</i>		
Contract liabilities	4,920	6,017
Unearned income	–	1,320
Total contract liabilities	4,920	7,337

### Accounting policy for contract liabilities and unearned income

Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

Unearned income relates to government grants received. 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 an expense offset over the periods that the costs, which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### NOTE 26. BORROWINGS

	Consolidated	
	2024 \$'000	2023 \$'000
<i>Current liabilities</i>		
Term loans	12,676	8,577
Equipment Finance	5,552	5,801
Other short term loans	3,386	1,896
Total current loans and borrowings	21,614	16,274
<i>Non-current liabilities</i>		
Term loans	24,761	26,882
Equipment Finance	11,967	7,611
Total non-current loans and borrowings	36,728	34,493

Tasmea Limited's various finance facilities include both fixed and floating interest rates depending on the nature of the facility. The maturity terms of the various finance facilities are reflected in the Current/Non-current split shown above.

Tasmea Limited's banking facilities require a number of standard representations, warranties and undertakings (including financial and reporting obligations) from Tasmea Limited and Tasmea Limited Group companies in favour of the respective lenders. The facilities also include a guarantee between the parent and the majority of Group companies with staged security enforcement rights and obligations. Fixed and floating security has been placed over all Group assets.

Equipment Finance represents chattel mortgages to finance motor vehicles, plant and equipment. The Group purchased various motor vehicles, plant and equipment with a carrying amount of \$18.8 million under chattel mortgages with a term of one to five years (2023: \$14.26 million).

The Weighted Average Interest Rate (WAIR) for current and non-current borrowings was 6.26% (2023: 6.28%).

Refer to note 33 for further information on financial instruments.

#### Accounting policy for borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

## NOTE 27. LEASE LIABILITIES

	Consolidated	
	2024 \$'000	2023 \$'000
<i>Current liabilities</i>		
Lease liability – Properties	2,783	2,612
Lease liability – Motor Vehicles	406	512
	3,189	3,124
<i>Non-current liabilities</i>		
Lease liability – Properties	4,018	3,319
Lease liability – Motor Vehicles	123	251
	4,141	3,570

The Group leases various properties and motor vehicles under non-cancellable operating leases. The leases have varying terms and renewal rights. On renewal, the terms of the leases are renegotiated. Lease liabilities – Properties represents amounts recognised in respect of property leases for which title does not transfer. Lease liabilities – Motor vehicles represents leases where title does not transfer to the Group on expiry of the lease.

### Accounting policy for lease liabilities

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### NOTE 28. PROVISION FOR EMPLOYEE BENEFITS

	Consolidated	
	2024 \$'000	2023 \$'000
<i>Current liabilities</i>		
Annual leave	6,737	5,593
Long service leave	3,103	2,573
Other employee benefits	954	209
Total current provision for employee entitlements	10,794	8,375
<i>Non-current liabilities</i>		
Long service leave	627	653
Total non-current provision for employee entitlements	627	653

#### Amounts not expected to be settled within the next 12 months

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the Group does not have an unconditional right to defer settlement. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

#### Accounting policy for employee benefits

##### Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

##### Other long-term employee benefits

The liability for long service leave not expected to be settled within 12 months of the reporting date is measured at 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 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 high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

## NOTE 29. OTHER PROVISIONS

	Consolidated	
	2024 \$'000	2023 \$'000
<i>Current liabilities</i>		
Deferred consideration	1,850	364
Other provisions	–	337
Total other current provisions	1,850	701
<i>Non-current liabilities</i>		
Deferred consideration	3,377	553
Workers compensation self insurance	306	487
Total other non-current provisions	3,683	1,040

### Deferred consideration

The provision represents the obligation to pay deferred purchase consideration following the acquisition of a business or assets. It is measured at the present value of the estimated liability. At 30 June 2024 the balance includes amounts payable to the vendors of MGW Engineering P/L (t/a ForeFront Services) and Dingo Concrete Services Pty Ltd (30 June 2023: Corfield's Electrical Services and Sigma Power Services). Refer to note 35 for business combinations disclosures.

### Workers' compensation self insurance

Tasmea was awarded workers' compensation self-insurance status in South Australia by Return To Work SA on 1 July 2014. As part of the self-insurance requirements, the Group engaged independent actuary as required by Return to Work SA to estimate the liability for outstanding claims in relation to South Australian workers' compensation claims against the Group. This estimate is updated annually and the liability includes consideration of the Group's claims history and a review of specific case estimates for current individual claims.

### Accounting policy for provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### NOTE 30. ISSUED CAPITAL

	2024 Shares	2023 Shares	Consolidated	
			2024 \$'000	2023 \$'000
Ordinary shares – fully paid	220,010,741	194,934,638	121,795	84,416

#### Movements in ordinary share capital

Details	Date	Shares	\$'000
Opening balance	1 July 2022	193,984,638	83,466
Shares issued as purchase consideration for business acquisitions (note 35)	1 April 2023	950,000	950
Closing balance	30 June 2023	194,934,638	84,416
Shares issued as purchase consideration for acquisition of A. Noble & Son (note 35)	9 August 2023	666,666	1,000
Shares issued as purchase consideration for acquisition of ForeFront Services (note 35)	8 February 2024	1,000,000	1,400
Shares issued in the Initial Public Offering	22 April 2024	21,153,846	33,000
Less: costs incurred in respect of the Initial Public Offering, net of tax	22 April 2024	–	(1,539)
Shares issued in the Dividend Reinvestment Plan	7 June 2024	2,255,591	3,518
Closing balance	30 June 2024	220,010,741	121,795

#### Ordinary shares

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

#### Share buy-back

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

#### Capital risk management

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

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

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment.

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

The capital risk management policy remains unchanged from the 30 June 2023 Annual Report.

#### Accounting policy for issued capital

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.

**NOTE 31. RETAINED PROFITS/(ACCUMULATED LOSSES)**

	Consolidated	
	2024 \$'000	2023 \$'000
Accumulated losses at the beginning of the financial year	(10,709)	(24,595)
Profit after income tax expense for the year	30,350	19,317
Dividends paid (note 32)	(9,356)	(5,431)
Shares issued as consideration for interest in A Noble & Son	(847)	–
Retained profits/(accumulated losses) at the end of the financial year	9,438	(10,709)

**NOTE 32. DIVIDENDS****Dividends**

Dividends paid during the financial year were as follows:

	Consolidated	
	2024 \$'000	2023 \$'000
FY23 Final dividend of 2.0 cents per ordinary share (2023: FY22 final dividend of 1.3 cents)	3,912	2,522
FY24 Interim dividend of 2.5 cents per ordinary share (2023: FY23 interim dividend of 1.5 cents)	5,444	2,909
	9,356	5,431

Tasmea has a Dividend Reinvestment Plan (DRP) which enables all shareholders to elect to have all or some of their dividend reinvested in additional Tasmea shares. The DRP was applicable for the FY24 Interim Dividend, and is also applicable to the FY24 Final Dividend.

**Franking credits**

	Consolidated	
	2024 \$'000	2023 \$'000
Franking credits available for subsequent financial years based on a tax rate of 30%	32,417	18,502

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- » franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date;
- » franking debits that will arise from the payment of dividends recognised as a liability at the reporting date; and
- » franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

**Accounting policy for dividends**

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### NOTE 33. FINANCIAL INSTRUMENTS

#### Financial risk management objectives

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including interest rate risk).

The Board reviews and agrees policies for managing each of these risks and the Audit and Risk Management Committee is responsible for monitoring compliance with risk management strategies throughout the Group.

The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk. The Group uses basic financial instruments to manage financial risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units. Finance reports to the Board on a monthly basis.

	Consolidated	
	2024 \$'000	2023 \$'000
<b>Financial assets at amortised cost</b>		
Trade receivables (note 16)	52,570	41,301
Other receivables (note 16)	6,924	4,776
Total financial assets	59,494	46,077
Current	59,494	46,077
<b>Financial liabilities at fair value</b>		
Trade and other payables (note 24)	52,533	37,310
Other payables (note 24)	5,363	4,947
Borrowings (note 26)	58,342	37,355
Total financial liabilities	116,238	79,612
Current	91,477	52,730
Non-current	24,761	26,882
	116,238	79,612

## Market risk

### Interest rate risk

The Group's main interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the Group to interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk.

As at the reporting date, the Group had the following variable rate borrowings outstanding:

Consolidated	2024		2023	
	Weighted average interest rate %	Balance \$'000	Weighted average interest rate %	Balance \$'000
Term loans	6.26%	37,437	6.28%	35,459
Net exposure to cash flow interest rate risk		37,437		35,459

An analysis by remaining contractual maturities is shown in 'liquidity and interest rate risk management' below.

For the Group the bank loans outstanding, totalling \$37.4 million are principal and interest payment loans. Quarterly cash outlays of approximately \$0.6 million are required to service the interest payments. An official increase/decrease in interest rates of 100 basis points would have a positive/adverse effect on profit before tax of \$0.4m per annum. The percentage change is based on the expected volatility of interest rates using market data and analysts forecasts. In addition, minimum principal repayments of \$7.5 million are due during the year ending 30 June 2025.

### Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables and contract assets) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The credit policy under which each new and existing customer is assessed for creditworthiness is determined separately by each operating subsidiary of the Group and accordingly reflects the different nature of each business's industry, customers and associated risks. Generally, however, customer credit reviews include external ratings, when available, and in some cases bank references. Customers that fail to meet the relevant benchmark creditworthiness may transact with the Group only on a prepayment basis. Credit quality of a customer is assessed based on a credit rating review and individual credit limits are defined in accordance with this assessment. The Group holds insurance policies to protect the recoverability of trade receivables where economically viable or insurance is available against the debtor.

Goods are, where possible, sold subject to retention of title clauses, so that in the event of non-payment the Group may have a secured claim. The Group does not require collateral in respect of trade and other receivables. The letters of credit and other forms of credit insurance are considered integral part of trade receivables and considered in the calculation of impairment. At 30 June 2024, over 50% of the Group's trade receivables are covered by letters of credit and other forms of credit insurance (30 June 2023: >80%).

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### NOTE 33. FINANCIAL INSTRUMENTS continued

#### Exposure to credit risk

The Group's maximum exposure to credit risk for the components of the statement of financial position at 30 June 2024 and 30 June 2023 is the carrying amounts as illustrated in the table above.

The Group manages its credit risk by maintaining strong relationships with a broad range of quality clients. There are no significant concentrations of credit risk within the Group.

The Group's maximum exposure to credit risk for trade receivables and contract assets at the reporting date by type of customer was:

	Consolidated	
	2024 \$'000	2023 \$'000
Industrials (oil & gas, mining, defence, water)	80,148	54,047

The ageing of the Group's contract assets and trade receivables at the reporting date was:

	Trade Receivables 2024 \$'000	Trade Receivables 2023 \$'000	Contract Assets 2024 \$'000	Contract Assets 2023 \$'000
<i>Days past due</i>				
Current	34,263	19,570	27,154	12,370
Less than 30 days	14,302	15,018	–	–
31-60 days	2,420	6,180	–	–
61-90 days	620	699	–	–
Greater than 90 days	1,389	210	–	–
	52,994	41,677	27,154	12,370

#### Allowance for expected credit losses

The Group has recognised a loss of \$48,000 (2023: \$6,000) in profit or loss in respect of the expected credit losses for the year ended 30 June 2024.

Set out below is the information about the credit risk exposure on the Group's trade and other receivables using a provision matrix:

Days past due	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2024 %	2023 %	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Current	0.1%	0.1%	41,187	24,346	99	23
Less than 30 days	0.5%	0.8%	14,302	15,018	83	122
30 – 60 days	0.6%	0.5%	2,420	6,180	15	32
61 – 90 days	6.8%	6.5%	620	699	42	46
Greater than 91 days	13.3%	72.8%	1,389	210	185	153
			59,918	46,453	424	376

## Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Available cash and trade receivables used to manage liquidity risk are outlined in note 14 and note 16. The maturity profile of trade receivables is outlined under the credit risk disclosure above.

The Group's credit facilities are outlined in note 26 to this financial report.

## Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated – 2024	Weighted average interest rate %	1 year or less \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Remaining contractual maturities \$'000
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables	–	25,003	–	–	–	25,003
Other payables	–	27,530	–	–	–	27,530
Business acquisition costs payable	–	2,000	–	–	–	2,000
Related party payables	–	3,363	–	–	–	3,363
Deferred consideration	–	1,850	3,377	–	–	5,227
<i>Interest-bearing – variable</i>						
Term loans	6.26%	12,676	12,676	12,085	–	37,437
<i>Interest-bearing – fixed rate</i>						
Other loans	8.24%	3,386	–	–	–	3,386
Equipment Finance	6.68%	5,552	5,552	6,415	–	17,519
Lease liabilities – Properties	4.76%	2,783	4,018	–	–	6,801
Lease Liabilities – Motor Vehicles	–	406	123	–	–	529
<b>Total non-derivatives</b>		<b>84,549</b>	<b>25,746</b>	<b>18,500</b>	<b>–</b>	<b>128,795</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### NOTE 33. FINANCIAL INSTRUMENTS continued

Consolidated – 2023	Weighted average interest rate %	1 year or less \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Remaining contractual maturities \$'000
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables	–	21,718	–	–	–	21,718
Other payables	–	15,592	–	–	–	15,592
Related party payables	–	4,947	–	–	–	4,947
Deferred consideration	–	364	553	–	–	917
<i>Interest-bearing – variable</i>						
Term loans	6.28%	8,577	8,577	18,305	–	35,459
<i>Interest-bearing – fixed rate</i>						
Other loans	2.29%	1,896	–	–	–	1,896
Lease Liabilities – Motor Vehicles	4.37%	512	251	–	–	763
Lease liabilities – Properties	4.70%	2,612	3,319	–	–	5,931
Equipment finance	4.37%	5,801	5,801	1,810	–	13,412
Total non-derivatives		62,019	18,501	20,115	–	100,635

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

#### Fair value of financial instruments

The fair values of all financial assets and liabilities are equivalent to their carrying amount as at balance sheet date.

#### Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as net operating income before interest divided by total shareholder equity, excluding minority earnings and outstanding executive options. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

## NOTE 34. INTERESTS IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

		Ownership interest	
Name	Country of incorporation	2024 %	2023 %
Parent entity			
Tasmea Limited (formerly E&A Limited)	Australia		
Subsidiaries			
Tasmea Corporate Services Ltd	Australia	100%	100%
Tasmea Group Pty Ltd	Australia	100%	100%
Tasmea Plant Services Pty Ltd	Australia	100%	100%
Tasmea Properties Pty Ltd	Australia	100%	100%
A. Noble & Son Limited	Australia	100%	95%
AusPress Holdings Pty Ltd	Australia	100%	100%
AusPress Systems Pty Ltd	Australia	100%	100%
AusPress MEI Pty Ltd	Australia	100%	100%
Dingo Concrete Services Pty Ltd	Australia	100%	–
Fabtech Holdings Pty Limited	Australia	100%	100%
Fabtech Australia Pty Ltd	Australia	100%	100%
Groundbreaking Mining Solutions Pty Ltd	Australia	100%	–
Heavymech Pty Ltd	Australia	100%	100%
ICE Engineering & Construction Holdings Pty Ltd	Australia	100%	100%
ICE Engineering & Construction Pty Ltd	Australia	100%	100%
Lapteck Systems Pty Ltd	Australia	100%	100%
MGW Engineering Pty Ltd	Australia	100%	–
M&B Civil Pty Ltd	Australia	100%	100%
Moxstar Pty Ltd	Australia	100%	100%
Noble’s (Manufacturing) Pty Ltd	Australia	–	95%
NWMC Mining & Civil Pty Ltd	Australia	100%	100%
Quarry & Mining Manufacture Pty Ltd	Australia	100%	100%
Quarry Mining & Manufacture (USG) Pty Ltd	Australia	100%	100%
Rise Engineering Pty Ltd	Australia	67%	–
Sigma Power Services Pty Ltd	Australia	100%	100%
Starboard Tack Pty Ltd	Australia	100%	100%
Tasman Asset Management Services Pty Ltd	Australia	100%	100%
Tasman Power Holdings Pty Ltd	Australia	100%	100%
Tasman Power WA Pty Ltd	Australia	100%	100%
Tasman Recruitment WA Pty Ltd	Australia	100%	100%
Tasman Mechanical WA Pty Ltd	Australia	100%	100%
Tasman Rope Access Pty Ltd	Australia	100%	100%
Technical Lubrication Services (Australasia) Pty Ltd	Australia	100%	100%
Water Weights Australia Pty Ltd	Australia	–	95%
Yura Yarta Services Pty Ltd <sup>1</sup>	Australia	49%	49%
ACN 125 531 428 Pty Ltd	Australia	100%	100%
ACN 126 470 942 Pty Ltd	Australia	100%	100%

1. The consolidated entity holds 49% of the ordinary shares in Yura Yarta Services Pty Ltd, with the remaining 51% held by external investors.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### NOTE 34. INTERESTS IN SUBSIDIARIES continued

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries with non-controlling interests in accordance with the accounting policy described in note 2:

Name	Country of incorporation	Parent		Non-controlling interest	
		Ownership interest 2024 %	Ownership interest 2023 %	Ownership interest 2024 %	Ownership interest 2023 %
Rise Engineering Pty Ltd	Australia	67%	–	33%	–
A. Noble & Son Limited	Australia	–	95%	–	5%
Noble's (Manufacturing) Pty Ltd	Australia	–	95%	–	5%
Water Weight Australia Pty Ltd	Australia	–	95%	–	5%

Tasmea Limited acquired the remaining 5% equity in A Noble & Son Limited during the year for 666,666 Ordinary Shares in Tasmea Limited with a fair value of \$1.0 million. The final acquisition price was determined in accordance with the shareholder agreement entered into at the time of the acquisition in August 2022.

### NOTE 35. BUSINESS COMBINATIONS

#### A. Noble & Son Limited

On 1 July 2023, the Group acquired an additional 5% of shares in A. Noble & Son Limited, increasing its ownership interest to 100%. Consideration of \$1,000,000 was paid to the non-controlling shareholder, satisfied by the issue of 666,666 ordinary shares in Tasmea Limited at \$1.50 per share. A reconciliation of the fair value of additional interest acquired in A. Noble & Son is set out below:

	\$'000
Consideration paid via issue of new shares to non-controlling shareholders	1,000
Carrying value of the additional interest in A. Noble & Son Limited	(153)
Difference recognised in retained earnings	847

#### Groundbreaking Mining Solutions

On 1 July 2023, Tasmea Limited acquired Groundbreaking Mining Solutions Pty Ltd ("GMS"). GMS offers drill and blast rig solutions to clients in Australia and overseas, comprising a range of in-house engineering, maintenance and asset management services as well as equipment hire. The acquisition of GMS provides a strategic opportunity for the consolidated entity to diversify its client base and geographical scope of operations. The acquisition of GMS also included a 66.7% ownership interest in Rise Engineering, a machine shop which primarily produces parts for GMS.

The acquired business contributed revenues of \$21.3 million and estimated profit after tax of \$4.4 million to the consolidated entity for the year ended 30 June 2024.

Goodwill of \$10.3 million is primarily related to expected future profitability and cost synergies. Goodwill has been allocated to the Mechanical Services cash-generating unit. The values identified in relation to the acquisition of Groundbreaking Mining Solutions are final as at 30 June 2024.

Details of the acquisition are as follows:

	GMS Fair value \$'000	Rise Engineering Fair value \$'000	Elimination Fair value \$'000	Total \$'000
Cash and cash equivalents	1,508	274	–	1,782
Trade receivables	2,959	102	–	3,061
Inventories	5,285	133	–	5,418
Other current assets	607	–	(600)	7
Motor vehicles, Plant and equipment	5,770	619	–	6,389
Right-of-use assets	2,094	–	–	2,094
Customer contracts	656	–	–	656
Trade payables	(1,700)	(94)	–	(1,794)
Deferred tax liability	(1,417)	(61)	–	(1,478)
Employee benefits	(407)	(48)	–	(455)
Lease liability	(3,509)	(275)	–	(3,784)
Net assets/(liabilities) acquired	11,846	650	(600)	11,896
Outside equity interest (33.3%)	–	(216)	–	(216)
Goodwill	10,154	166	–	10,320
Acquisition-date fair value of the total consideration transferred				22,000
Representing:				
Cash paid or payable to vendor				22,000
Cash used to acquire business, net of cash acquired:				
Acquisition-date fair value of the total consideration transferred				22,000
Less: cash and cash equivalents				(1,782)
Net cash used/(received)	20,492	(274)	–	20,218

### Consideration

As part of the purchase agreement with the previous owners of GMS, a contingent consideration has been agreed. There will be additional cash payments of up to \$2.0 million per year to the previous owners of GMS for each of the financial years ending 2024, 2025 and 2026 where GMS achieves its EBITDA target and the vendors remain employed. As at 30 June 2024, the key performance indicators of GMS show that it is probable that the 2024 EBITDA target will be achieved and \$2.0 million has been recorded as a payable. The remaining earnout has been disclosed as a contingent liability (note 41).

### ForeFront Services

On 1 October 2023, Tasmea Limited acquired MGW Engineering Pty Ltd trading as ForeFront Services ("ForeFront Services"). ForeFront Services is a multi-disciplined engineering, construction, maintenance and mining services provider based in Orange, New South Wales. ForeFront Services provides surface and underground maintenance and shutdown services to various mine facilities and fixed mining plant and equipment. The acquisition of ForeFront Services provides a strategic opportunity for the Group to diversify its client base and geographical scope of operations.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### NOTE 35. BUSINESS COMBINATIONS continued

The acquired business contributed revenues of \$20.1 million and profit after tax of \$2.9 million to the consolidated entity for the 9 month period to 30 June 2024. If ForeFront Services had been acquired on 1 July 2023, revenue contribution to the Group for the financial year is estimated to have been \$47.6 million and profit after tax is estimated to have been \$6.9 million.

Goodwill of \$12.6 million is primarily related to customer growth expectations, expected future profitability, and expected cost synergies. Goodwill has been allocated to the Mechanical Services cash-generating unit. The values identified in relation to the acquisition of ForeFront Services are final as at 30 June 2024.

The values identified in relation to the acquisition of ForeFront Services are final as at 30 June 2024. Details of the acquisition are as follows:

	Fair value \$'000
Cash and cash equivalents	4,463
Trade receivables	2,555
Contract assets	469
Inventories	63
Other current assets	381
Plant and equipment	789
Motor vehicles	1,564
Patents and trademarks	154
Customer contracts	534
Trade payables	(1,125)
Contract liabilities	(737)
Provision for income tax	(614)
Employee benefits	(2,212)
Other current liabilities	(239)
Lease liability	(1,478)
Net assets acquired	4,567
Goodwill	12,603
Acquisition-date fair value of the total consideration transferred	17,170
Representing:	
Cash paid or payable to vendor	11,676
Tasmea Limited shares issued to vendor	1,400
Deferred consideration	4,094
	17,170
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	17,170
Less: cash and cash equivalents	(4,463)
Less: deferred consideration	(4,094)
Less: shares issued by Company as part of consideration	(1,400)
Net cash used	7,213

### Deferred consideration

As part of the purchase agreement with the previous owners of ForeFront Services, deferred consideration has been agreed. Future payments to be made to the previous owners of ForeFront Services are:

- » Deferred earnout payments where ForeFront Services achieves its EBIT target for each of the 2024 to 2027 calendar years. The Share Purchase Agreement has no requirement for the vendor to be employed during the earnout period. As at the acquisition date, the fair value of the deferred consideration was estimated to be \$3,560,000. As at 30 June 2024, it is probable that the EBIT target will be achieved.
- » Cash payments where ForeFront Services continues to provide services to its largest customer for each of the 2024 to 2027 calendar years. As at the acquisition date, the fair value of the deferred consideration was estimated to be \$534,000. As at 30 June 2024, it is probable that the contract will continue.

### Dingo Concrete Services

On 1 June 2024, Tasmea Limited's wholly owned subsidiary Dingo Concrete Services Pty Ltd acquired the business assets of Dingo De Construction ("Dingo"). Dingo provides concrete batching and mixing solutions, material cartage, civil contracting and machine hire services from its Tom Price location. The acquisition of Dingo complements the Group's existing service offerings in the Pilbara and allows for vertical integration of services.

The acquired business contributed revenues of \$0.5 million and profit after tax of \$0.03 million to the consolidated entity for the 1 month period to 30 June 2024. If Dingo Concrete Services had been acquired on 1 July 2023, revenue contribution to the Group for the financial year is estimated to have been \$7.2 million and profit after tax is estimated to have been \$1.5 million.

Goodwill of \$3.6 million is primarily related to expected future profitability and cost synergies. Goodwill has been allocated to the Civil Services cash-generating unit. The values identified in relation to the acquisition of Dingo Concrete Services are provisional as at 30 June 2024.

The values identified in relation to the acquisition of Dingo are provisional as at 30 June 2024. Details of the acquisition are as follows:

	Fair value \$'000
Plant and equipment	1,818
Motor vehicles	1,266
Deferred tax asset	21
Other payables	(199)
Employee benefits	(71)
Net assets acquired	2,835
Goodwill	3,618
Acquisition-date fair value of the total consideration transferred	6,453
Representing:	
Cash paid or payable to vendor	5,953
Deferred consideration	500
	6,453
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	6,453
Less: payments to be made in future periods	(500)
Net cash used	5,953

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### NOTE 35. BUSINESS COMBINATIONS continued

#### Deferred consideration

The deferred consideration of \$0.5 million is payable on 1 November 2024.

*Reconciliation of cash flows in relation to business combinations:*

	Consolidated	
	2024 \$'000	2023 \$'000
Net outflow in relation to the acquisition of GMS and Rise Engineering	(20,218)	–
Net outflow in relation to the acquisition of ForeFront Services	(7,213)	–
Net outflow in relation to the acquisition of Dingo Concrete Services	(5,953)	–
Net outflow in relation to prior year acquisitions	(114)	(4,126)
Net cash outflow	(33,498)	(4,126)

*Reconciliation of deferred consideration payable in relation to business combinations:*

	Consolidated	
	2024 \$'000	2023 \$'000
Current deferred consideration payable in relation to the acquisitions of:		
– Corfield's Electrical	–	500
– Sigma Power Services	200	314
– ForeFront Services	1,150	–
– Dingo Concrete Services	500	–
Non-current deferred consideration payable in relation to the acquisitions of:		
– ForeFront Services	3,144	–
Total deferred consideration payable	4,994	814

#### Accounting policy for business combinations

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

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

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

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

Deferred consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the deferred consideration classified as an asset or liability is recognised in profit or loss.

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

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

### NOTE 36. SHARE OF PROFITS OF ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD

Tasmea Corporate Services Limited previously held a 50% interest in Equity & Advisory Pty Ltd, an entity which provides a range of corporate advisory services to external parties and Tasmea Limited subsidiaries. The Group's interest in Equity & Advisory Pty Ltd was accounted for using the equity method in the consolidated financial statements.

Effective 1 July 2023, the investment in Equity & Advisory was sold to SY & MV Pty Ltd, an associated entity of Stephen Young and Mark Vartuli, for \$475,000. The sale was approved by shareholders. A Shared Services Agreement was entered into between Equity & Advisory Pty Ltd and Tasmea Corporate Services Limited for both entities to transact going forward.

The Group has not recognised any income in respect of profit share for the current year (2023: \$444,000).

Interests in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the consolidated entity are set out below:

	Consolidated	
	2024 \$'000	2023 \$'000
Share of profit – associates	–	444

### Summarised financial information

Summarised statement of financial position	Consolidated	
	2024 \$'000	2023 \$'000
Current Assets	–	1,576
Current Liabilities	–	(674)
Net assets	–	902



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### NOTE 36. SHARE OF PROFITS OF ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD continued

	Consolidated	
Summarised statement of profit or loss and other comprehensive income	2024 \$'000	2023 \$'000
Revenue	–	3,899
Expenses	–	(2,997)
Operating profit	–	902

	Consolidated	
Reconciliation of the consolidated entity's carrying amount	2024 \$'000	2023 \$'000
Opening carrying amount	–	168
Share of operating profit	–	444
Dividends received	–	(137)
Closing carrying amount	–	475

### NOTE 37. PARENT ENTITY INFORMATION

As at, and throughout the financial year ending 30 June 2024, the parent company of the group was Tasmea Limited.

Set out below is the supplementary information about the parent entity.

#### Statement of profit or loss and other comprehensive income

	Consolidated	
	2024 \$'000	2023 \$'000
Profit for the year	7,103	6,209

#### Statement of financial position

	Consolidated	
	2024 \$'000	2023 \$'000
Current assets	3,930	3,268
Non-current assets	156,166	93,509
Current liabilities	(10,300)	(5,249)
Non-current liabilities	(106,491)	(81,218)
	43,305	10,310

	Consolidated	
	2024	2023
Share capital	119,006	82,286
Accumulated losses	(75,701)	(71,976)
	43,305	10,310

### Contingent liabilities

The parent entity has no contingent liabilities and no capital commitments for property, plant and equipment for the years ended 30 June 2024 and 30 June 2023.

The Company as part of financing facilities has provided a number of standard representations, warranties and undertakings (including financial and reporting obligations) in favour of the respective lenders. The facilities also include a cross-guarantee between the Company and all group subsidiaries with staged security enforcement rights and obligations.

### Capital commitments – Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2024 and 30 June 2023.

### Material accounting policy information

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:

- » Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- » Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- » Dividends received from subsidiaries are recognised as other income by the parent entity

## NOTE 38. RELATED PARTY TRANSACTIONS

### Parent and ultimate controlling entity

The ultimate controlling entity of the Group is Tasmea Limited.

### Subsidiaries

Interests in subsidiaries are set out in note 34.

### Key management personnel

Disclosures relating to key management personnel are set out in note 39 and the remuneration report included in the directors' report.

### Transactions with related parties

Regent Street Pty Ltd (Regent Street) and Equity & Advisory Limited are associated entities of Stephen Young and Mark Vartuli. Pryde Corporation Pty Ltd is an associated entity of Jason Pryde. The following related party transactions with these entities occurred during the year ended 30 June 2024.

#### (i) Regent Street lease of Northfield premises

Regent Street entered into a lease agreement with Heavymech Pty Ltd to lease the Northfield premises from 15 February 2020 for \$10,500 per month for a period of 5 years. The parties have agreed to Heavymech exiting this lease for no cost upon relocating to Edinburgh Park premises during financial year 2025.

#### (ii) Regent Street lease of Mt Isa premises

Regent Street entered into a lease agreement with Heavymech Pty Ltd to lease the Mount Isa premises from 1 August 2022 for \$5,955 per month (exclusive of GST) for a period of 5 years to 31 July 2027.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### NOTE 38. RELATED PARTY TRANSACTIONS continued

#### (iii) Regent Street lease of Edinburgh Park premises

Regent Street entered into a lease agreement with Tasmea subsidiaries in relation to its property at Kaurua Avenue, Edinburgh Park. Particulars are:

Heavymech Pty Ltd – lease is for Bay 1 plus 5,000sqm hard stand plus desks and offices in shared office space and carparks for \$19,549.17 per month, effective from 1 April 2023. The lease is for a nine month period with a six month renewal option arising every six months thereon unless notice is given under the lease terms. The lease was renewed at the end of the initial period.

Fabtech Australia Pty Ltd – lease is for Bay 2 plus 1,000sqm hard stand plus desks in shared office space and carparks for \$17,274.58 per month, effective from 1 March 2023. The lease is for a nine month period with a six month renewal option arising every six months thereon unless notice is given under the lease terms. The lease was renewed at the end of the initial period.

Quarry & Mining Manufacture Pty Ltd – lease is for Bay 3, plus desks and offices in shared office space, 5,000sqm hard stand and 20 carparks, for \$22,988.96 per month, effective from 1 February 2023. The lease is for a nine month period with a six month renewal option arising every six months thereon unless notice is given under the lease terms. The lease was renewed at the end of the initial period.

A. Noble & Son Limited – lease is for 2,000sqm in Bay 4, plus desks and offices in shared office space, carparks and outdoor shed for \$17,912.29 per month, effective from 1 October 2022. The lease is for a nine month period with a six month renewal option arising every six months thereon unless notice is given under the lease terms. The lease was renewed at the end of the initial period.

#### (iv) Sale of Equity & Advisory Pty Ltd

Effective 1 July 2023, the investment in Associate (Equity & Advisory Pty Ltd) was sold to SY & MV Pty Ltd, an associated entity of Stephen Young and Mark Vartuli, for \$475,000. The sale was approved by shareholders at an Extraordinary General Meeting on 4 September 2023. A Shared Services Agreement was entered into between Equity & Advisory Limited (previously known as Equity & Advisory Pty Ltd) and Tasmea Corporate Services Limited for both entities to continue providing services to each other on the terms and conditions of the agreement.

#### (v) Consultancy fees paid to Equity & Advisory Limited

Equity & Advisory Limited acted as corporate advisor to Tasmea in relation to the Initial Public Offer. Tasmea paid \$1,062,805 (excluding disbursements and GST) for these services.

#### (vi) Pryde Corporation lease of Jandakot premises

Pryde Corporation Pty Ltd entered into a five year lease agreement with Tasman Power WA Pty Ltd to lease the Jandakot premises from 6 June 2021 for \$18,000 per month (exclusive of GST), increasing by 4.0% per annum.

#### (vii) Sale of property

In June 2023, management committed to sell a property in Karratha, Western Australia to Related Parties. The sale was approved by shareholders at an Extraordinary General Meeting on 4 September 2023. The sale is pending approval from a local government authority. Accordingly, the asset is classified as held for sale at 30 June 2024.

The following transactions occurred with related parties:

	Consolidated	
	2024 \$	2023 \$
Sale of goods and services:		
Sale of services to Equity & Advisory Pty Ltd	294,068	277,000
Payment for goods and services:		
Payment for services from Equity & Advisory Pty Ltd	1,062,805	–

### Amounts payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	2024 \$	2023 \$
Current payables:		
Dividends payable to related parties	3,077,705	4,598,242
Rent payable to related parties	541,000	–
Trade payable to Equity & Advisory Pty Ltd	286,388	–
Trade payable to other related parties	35,000	–

### Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

### Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

## NOTE 39. KEY MANAGEMENT PERSONNEL DISCLOSURES

### Directors

The following persons were directors of Tasmea Limited during the financial year:

Name	Role	Status
Giuseppe (Joe) Totaro	Chair and Non-Executive Director, appointed 20 September 2023	Independent
Michael Terlet	Non-Executive Director	Independent
Kristie Young	Non-Executive Director, appointed 20 September 2023	Independent
Stephen Young	Managing Director	
Mark Vartuli	Executive Director	
Jason Pryde	Executive Director	
Simone Thompson	Chief Financial Officer and Company Secretary	

### Loans to Directors and Key Management Personnel

As at 30 June 2024, the balance of unsecured loans receivable from directors and key management personnel was nil.

### Other key management personnel

The following person also had the authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, during the financial year:

Simone Thompson	Chief Financial Officer and Company Secretary
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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### NOTE 39. KEY MANAGEMENT PERSONNEL DISCLOSURES continued

#### Compensation

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	Consolidated	
	2024 \$	2023 \$
Short-term employee benefits	2,953,034	3,386,564
Post-employment benefits	169,879	155,963
Long-term benefits	44,336	–
	3,167,249	3,542,527

### NOTE 40. COMMITMENTS

	Consolidated	
	2024 \$'000	2023 \$'000
<i>Capital commitments</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Property, plant and equipment	–	–
<i>Short Term Lease commitments – operating</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	300	609
<i>Lease commitments – finance</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	12	18

## NOTE 41. CONTINGENT LIABILITIES

The Group had contingent liabilities in respect of:

	Consolidated	
	2024 \$'000	2023 \$'000
<b>Bank guarantee facilities</b>		
Amount used	6,048	3,864
Amount available	4,152	3,382
	10,200	7,246

In the normal course of business certain subsidiaries are required to enter into contracts that include performance obligations. These commitments only give rise to a liability where the respective subsidiary fails to perform its contractual obligations. Claims of this nature arise in the ordinary course of construction contracting. Where appropriate a provision is made for these issues.

	Consolidated	
	2024 \$'000	2023 \$'000
<b>Business acquisition costs</b>		
Acquisition costs relating to the purchase of Groundbreaking Mining Solutions	4,000	–
	4,000	–

A deferred consideration has been agreed with the previous owners of GM. Additional cash payments of up to \$2.0 million per year for each of the 2024, 2025 and 2026 where GMS achieves its EBITDA target. As at 30 June 2024, it is probable that the 2024 EBITDA target will be achieved and \$2.0 million has been recorded as a payable. The payments for 2025 and 2026 are considered a contingent liability as at 30 June 2024.

## NOTE 42. REMUNERATION OF AUDITORS

During the financial year the following fees were paid or payable for services provided by Grant Thornton, the auditor of the Company:

	Consolidated	
	2024 \$	2023 \$
<i>Audit services – Grant Thornton Audit Pty Ltd</i>		
Audit or review of the financial statements	506,000	466,500
<i>Other services – Grant Thornton</i>		
Tax services	165,755	142,478
Financial due diligence – Tax and Investigating Accounting	421,485	87,808
	587,240	230,286
	1,093,240	696,786

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

### NOTE 43. EVENTS AFTER THE REPORTING PERIOD

#### Issue of shares

On 31 July 2024, Tasma Limited issued an additional 7,895 ordinary shares, with a fair value of \$12,237, to a senior employee in respect of their post tax bonus payment.

#### Acquisition of West Coast Lining Systems

On 1 August 2024, Tasma Limited acquired the business assets of West Coast Lining Systems (WCLS) for a fair value of \$11.45 million. This acquisition enhances Tasma's operations and market presence in the geomembrane lining sector, specifically targeting the mining and resources market in Western Australia. WCLS enables Tasma to expand its specialist trade skill services offering focusing on maintenance, shutdown, breakdown and brownfield upgrade services of fixed plant and essential assets. The purchase consideration comprised a cash payment at settlement of \$9.65 million, and deferred consideration of \$2.0 million payable in FY26 and FY27 where the business achieves its earnings targets.

#### Acquisition of Future Engineering Group

On 24 August 2024, Tasma Limited acquired Future Engineering & Communication Pty Ltd and associated entities for \$84.5 million. The acquisition positions Tasma to capitalise on the rapidly growing electrification demand in Australia, supporting the integration of critical renewable energy sources into existing grids to ensure stability, reliability and a more sustainable supply that aligns with our customers focus to reduce their carbon emissions.

Significant synergistic benefits with existing Tasma subsidiaries such as Tasman Power, Sigma Power Services, Tasman Rope Access, A. Noble & Sons, ICE, Dingo Concrete and others to drive immediate operational efficiencies, with opportunities to cross-sell our services to a new suite of customers. The acquisition strengthens further Tasma's strategy to expand its specialist trade skill services offering focusing on maintenance, shutdown, breakdown and brownfield upgrade services of fixed plant and essential assets into industries/sector with strong tailwinds.

The purchase consideration comprises of an upfront cash payment of \$52.45 million, the issue of 7 million shares in Tasma Limited and deferred consideration of \$14.55 million payable in FY26, FY27 and FY28.



# CONSOLIDATED ENTITY DISCLOSURE STATEMENT

As at 30 June 2024

Entity name	Entity type	Place formed/ Country of incorporation	Trustee, partner, or participant in joint venture	Share of interest %	Tax residency	Foreign tax jurisdiction of foreign residents
Tasmea Limited	Body Corporate	Australia	n/a	–	Australia	n/a
Tasmea Corporate Services Ltd	Body Corporate	Australia	n/a	100%	Australia	n/a
Tasmea Group Pty Ltd	Body Corporate	Australia	n/a	100%	Australia	n/a
Tasmea Plant Services Pty Ltd	Body Corporate	Australia	n/a	100%	Australia	n/a
Tasmea Properties Pty Ltd	Body Corporate	Australia	n/a	100%	Australia	n/a
A. Noble & Son Limited	Body Corporate	Australia	n/a	100%	Australia	n/a
AusPress Holdings Pty Ltd	Body Corporate	Australia	n/a	100%	Australia	n/a
AusPress Systems Pty Ltd	Body Corporate	Australia	n/a	100%	Australia	n/a
AusPress MEI Pty Ltd	Body Corporate	Australia	n/a	100%	Australia	n/a
Dingo Concrete Services Pty Ltd	Body Corporate	Australia	n/a	100%	Australia	n/a
Fabtech Holdings Pty Limited	Body Corporate	Australia	n/a	100%	Australia	n/a
Fabtech Australia Pty Ltd	Body Corporate	Australia	n/a	100%	Australia	n/a
Groundbreaking Mining Solutions Pty Ltd	Body Corporate	Australia	n/a	100%	Australia	n/a
Heavymech Pty Ltd	Body Corporate	Australia	n/a	100%	Australia	n/a
ICE Engineering & Construction Holdings Pty Ltd	Body Corporate	Australia	n/a	100%	Australia	n/a
ICE Engineering & Construction Pty Ltd	Body Corporate	Australia	n/a	100%	Australia	n/a
Laptek Systems Pty Ltd	Body Corporate	Australia	n/a	100%	Australia	n/a
MGW Engineering Pty Ltd	Body Corporate	Australia	n/a	100%	Australia	n/a
M&B Civil Pty Ltd	Body Corporate	Australia	n/a	100%	Australia	n/a
Moxstar Pty Ltd	Body Corporate	Australia	n/a	100%	Australia	n/a
NWMC Mining & Civil Pty Ltd	Body Corporate	Australia	n/a	100%	Australia	n/a
Quarry & Mining Manufacture Pty Ltd	Body Corporate	Australia	n/a	100%	Australia	n/a
Quarry Mining & Manufacture (USG) Pty Ltd	Body Corporate	Australia	n/a	100%	Australia	n/a
Rise Engineering Pty Ltd	Body Corporate	Australia	n/a	67%	Australia	n/a
Sigma Power Services Pty Ltd	Body Corporate	Australia	n/a	100%	Australia	n/a
Starboard Tack Pty Ltd	Body Corporate	Australia	n/a	100%	Australia	n/a
Tasman Asset Management Services Pty Ltd	Body Corporate	Australia	n/a	100%	Australia	n/a
Tasman Power Holdings Pty Ltd	Body Corporate	Australia	n/a	100%	Australia	n/a
Tasman Power WA Pty Ltd	Body Corporate	Australia	n/a	100%	Australia	n/a
Tasman Recruitment WA Pty Ltd	Body Corporate	Australia	n/a	100%	Australia	n/a
Tasman Mechanical WA Pty Ltd	Body Corporate	Australia	n/a	100%	Australia	n/a
Tasman Rope Access Pty Ltd	Body Corporate	Australia	n/a	100%	Australia	n/a
Technical Lubrication Services (Aust.) Pty Ltd	Body Corporate	Australia	n/a	100%	Australia	n/a
Yura Yarta Services Pty Ltd	Body Corporate	Australia	n/a	49%	Australia	n/a
ACN 125 531 428 Pty Ltd	Body Corporate	Australia	n/a	100%	Australia	n/a
ACN 126 470 942 Pty Ltd	Body Corporate	Australia	n/a	100%	Australia	n/a

## Basis of preparation

This consolidated entity disclosure statement (CEDS) has been prepared in accordance with the *Corporations Act 2001* and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 *Consolidated Financial Statements*.

## DIRECTORS' DECLARATION

30 June 2024

In the directors' opinion:

- » the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- » the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- » the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- » there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- » the information disclosed in the attached consolidated entity disclosure statement is true and correct as at 30 June 2024.

The directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



Stephen E Young  
Managing Director

26 August 2024



Mark G Vartuli  
Executive Director

# INDEPENDENT AUDITOR'S REPORT

to the members of Tasmea Limited



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## Independent Auditor's Report

To the Members of Tasmea Limited

### Report on the audit of the financial report

#### Opinion

We have audited the financial report of Tasmea Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

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

- a giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

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INDEPENDENT AUDITOR’S REPORT continued

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 auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board’s *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the 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.

Key audit matter	How our audit addressed the key audit matter
<p><b>Revenue – Note 2(g), 3 and 5</b></p> <p>The Group generates revenue from multiple revenue streams which includes both point in time and over time long term contracts.</p> <p>The Group’s revenues from long term contracts including Master Service Agreements (MSA’s) (\$357.0 million) are recognised over time, with the amount determined by reference to the percentage of costs incurred.</p> <p>Revenue is recognised in accordance with AASB 15 <i>Revenue from Contracts with Customers</i> based on:</p> <ul style="list-style-type: none"><li>• The determination of the completion and measurement of performance obligations under each contract, or individual purchase orders under MSA’s;</li><li>• The estimation for contract inputs (costs) including costs remaining and the expected margins earned on the contracts; and</li><li>• The determination of contingency and variation estimates, including the probability of approval for changes in price and scope.</li></ul> <p>This area is a key audit matter due to the high level of estimation and management judgement required to determine the revenue recognised from each contract.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"><li>• understanding and documenting the design of relevant controls over the process to enter into, record and process revenue from long-term contracts;</li><li>• selecting a sample of long-term contracts still in progress at 30 June 2024 for recalculation using customer contract agreements, any associated amendments and management’s estimates of costs to complete to verify that the allocation to revenue, contract assets and liabilities is appropriate and consistent with the requirements of AASB 15;</li><li>• assessing management’s ability to forecast costs to complete with a retrospective review of the actual to forecasted outcomes on long-term contracts;</li><li>• challenging management’s judgements regarding timing and recoverability of revenue;</li><li>• reviewing subsequent period data for evidence of errors or changes that should be adjusted at 30 June 2024;</li><li>• testing related journal entries made by management; and</li><li>• assessing the adequacy of financial report disclosures.</li></ul>

### Business Combinations – Note 3 and 35

The Group has entered into four business combinations during the year which has led to a material increase in the amount of goodwill recognised.

The process to identify and measure assets and liabilities from a business combination, as well as determining the total consideration involves significant management judgement.

This area is a key audit matter due to the significance and level of judgement applied in the transactions completed in the year.

Our procedures included, amongst others:

- obtaining and reviewing the Share Purchase Agreements or Asset Purchase Agreements in relation to the business combinations;
- reviewing management's assessment of whether the acquisition represents a business combination in accordance with AASB 3 – *Business combinations*;
- reviewing management's determination of total consideration;
- assessing managements purchase price allocation by testing significant elements including:
  - assessing the completeness of identified assets, liabilities, and non-controlling interests;
  - assessing the fair value of identifiable net assets acquired with particular consideration given to separately identifiable intangible assets;
  - recalculating the goodwill from the transaction; and
- assessing the relevant financial statement disclosures to determine whether each acquisition and the applicable assumptions and judgements are adequately disclosed.

### Intangible assets – Note 3 and 23

The Group has recognised intangible assets including goodwill totalling \$89.394 million at 30 June 2024 across five cash-generating units (CGUs).

Goodwill is required to be assessed for impairment annually by management as prescribed in AASB 136 *Impairment of Assets*.

Management performs annual impairment testing per AASB 136 to ensure the CGUs' recoverable amount is greater than its carrying value, utilising either the greater of fair value less costs to sell or its value in use.

The Group uses a discounted cash flow model for the value-in-use approach to determine the recoverable amount. In doing so, management considers the following key inputs;

- forecasted budgeted financial performance;
- estimated growth rates;
- working capital adjustments;
- estimated capital expenditure;
- discount rate; and
- terminal value.

Our procedures included, amongst others:

- understanding and documenting management's process and controls related to the assessment of impairment, including management's identification of CGUs and the calculation of the recoverable amount for each CGU;
- evaluating the value-in-use models against the requirements of AASB 136, including consultation with our auditor's valuation expert;
- challenging the appropriateness of management's revenue and cost forecasts by comparing the forecasted cash flows to actual growth rates achieved historically;
- reviewing management's value-in-use calculations by:
  - testing the mathematical accuracy of the calculations;
  - evaluating the forecast cash inflows and outflows to be derived by the CGUs assets for reasonableness;

## INDEPENDENT AUDITOR'S REPORT continued

This area is a key audit matter due to the significant balance carried by the Group that management has assessed using estimates and judgement

- comparing estimates and judgements for growth rates to available market and industry data;
- assessing the discount rates applied to forecast future cash flows for reasonableness with assistance from internal valuation specialists;
- performing sensitivity analysis on the significant inputs and assumptions made by management in preparing its calculation; and
- assessing the adequacy of financial report disclosures.

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### Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our 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 this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the financial report

The directors of the Company are responsible for the preparation of:

- a the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 (other than the consolidated entity disclosure statement); and
- b the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii the consolidated entity disclosure statement that is true and correct and is free of 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 responsibilities 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 Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar1\\_2020.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar1_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 the Directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Tasma Limited, for the year ended 30 June 2024 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.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



J L Humphrey  
Partner – Audit & Assurance

Adelaide, 26 August 2024



# SHAREHOLDER INFORMATION

30 June 2024

The shareholder information set out below was applicable as at 1 July 2024.

## Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares		Options over ordinary shares	
	Number of holders	% of total shares issued	Number of holders	% of total shares issued
1 to 1,000	152	0.03	–	–
1,001 to 5,000	756	1.06	–	–
5,001 to 10,000	550	1.88	–	–
10,001 to 100,000	681	9.15	–	–
100,001 and over	131	87.88	–	–
	2,270	100.00	–	–
Holding less than a marketable parcel	–	–	–	–

## Equity security holders

### Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Number held	Ordinary shares % of total shares issued
Port Tack Pty Ltd	56,418,383	25.64
Port Tack Pty Ltd	29,712,169	13.50
Vars Enterprises Pty Ltd	21,056,973	9.57
Vars Enterprises Pty Ltd	18,534,411	8.42
Citicorp Nominees Pty Limited	7,737,526	3.52
UBS Nominees Pty Ltd	5,460,799	2.50
Stephen Young	3,479,958	1.58
Mr Jason Frank Pryde	3,095,058	1.41
Maresa Pty Ltd	2,367,891	1.08
Mark Alan McDonnell	2,064,060	0.94
Barmera Marine Pty Ltd	2,000,000	0.91
HSBC Custody Nominees (Australia) Limited	1,821,867	0.83
Obenox Pty Ltd	1,595,501	0.73
Mr Dino Talavanic	1,568,618	0.71
Casney Pty Ltd	1,518,483	0.69
Warbont Nominees Pty Ltd	1,479,302	0.67
JP Morgan Nominees Australia Pty Limited	1,461,037	0.66
Pryde Super Pty Ltd	1,010,720	0.46
Mr Alistair Alan Tresillian Walsh	1,000,000	0.45
Holize Pty Ltd	1,000,000	0.45
	164,382,756	74.74

**Unquoted equity securities**

There are no unquoted equity securities.

**Substantial holders**

Substantial holders in the Company are set out below:

	Number held	Ordinary shares % of total shares issued
Stephen Elliott Young, Port Tack Pty Ltd, Maresa Pty Ltd	92,325,802	41.96
Mark Gabriel Vartuli, Vars Enterprises Pty Ltd, Meagan Joy Vartuli	40,763,836	18.53

**Voting rights**

The voting rights attached to ordinary shares are set out below:

**Ordinary shares**

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

There are no other classes of equity securities.

**Securities subject to voluntary escrow**

Class	Expiry date	Number of shares
TEA Voluntary Escrow (17 months)	29 September 2025	134,686,827
TEA Voluntary Escrow (11 months)	29 March 2025	35,198,040
		169,884,867

## CORPORATE DIRECTORY

30 June 2024

ACN	088 588 425
Notice of annual general meeting	The 2024 Annual General Meeting of Tasmea Limited will be on Tuesday 19 November 2024. Further details will be published in due course.
Registered office	75 Verde Drive Jandakot WA 6164
Principal place of business	Regional Western Australia, South Australia, Queensland and New South Wales
Auditor	Grant Thornton Audit Pty Ltd
Bankers	Bank SA, a division of Westpac Banking Corporation
Stock exchange listing	Tasmea Limited shares are listed on the Australian Securities Exchange (ASX code: TEA)
Website	<a href="http://www.tasmea.com.au">www.tasmea.com.au</a>
Share Register	<b>Link Market Services Limited</b> Level 9, 333 Collins Street Melbourne VIC 3000 <a href="http://www.linkmarketservices.com.au">www.linkmarketservices.com.au</a>





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