ASHLEY SERVICES GROUP
LABOUR HIRE I TECHNICAL SERVICES I TRAINING

Appendix 4D:
Half-year Information
31 December 2024

1. DETAILS OF REPORTING PERIODS:

The current reporting period is six months from 1 July 2024 to 31 December 2024. The previous corresponding reporting period was the six months from 1 July 2023 to 31 December 2023, except for the Consolidated Statement of Financial Position, where comparatives are balances as at 30 June 2024.

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET:

	$000
Revenues from ordinary activities	down 8.5% to 266,166
Profit after tax for the half-year	Up by 80% or 813 to 1,828
Profit after tax for the half-year attributable to shareholders	Up by 86% or 843 to 1,828

Please refer attached Directors' Report and Interim Financial Statements for the half-year ended 31 December 2024 and the attached press release.

The remainder of the information requiring disclosure to comply with listing rule 4.2A is contained in the attached Directors' Report and Interim Financial Statements for the half-year ended 31 December 2024, the attached press release, and the additional information below.

Dividends:

Dividends (distributions)	Amount per security	Franked amount per security
Interim dividend for the year ending 30 June 2025	0.8 cents	0.8 cents

Interim Dividend timetable:

- Ex-dividend date — Tuesday 4 March 2025
- Record date — Wednesday 5 March 2025
- Payment date — Friday 14 March 2025

Additional information:

	31 December 2024	30 June 2024
Net tangible assets ($000)	8,727	6,867
Shares on Issue	143,975,904	143,975,904
Net tangible assets per share ($)	**0.061**	**0.048**

Audit qualification or review:

Audit qualification or review

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

Ross Shrimpton
Managing Director
Sydney, 21 February 2025

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Ashley Services Group Limited

ABN: 92 094 747 510

Interim Financial Statements

For the half-year ended 31 December 2024

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Ashley Services Group Interim Financial Statements for the half-year ended 31 December 2024

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Directors' Report

The Directors present their report together with the financial statements of the consolidated entity, being Ashley Services Group Limited and its controlled entities ("**Group**") for the half-year ended 31 December 2024.

DIRECTOR DETAILS

The names of the Directors in office at any time during, or since the end of the financial year are as follows:

Names	Appointed / Resigned
Mr Ross Shrimpton	Appointed 12 October 2000, re-appointed Managing Director 23 January 2017
Mr Ian Pratt	Appointed 1 October 2015
Mr Paul Brittain	Appointed 25 July 2022

The above-named Directors held office since the start of the financial half-year or their appointment date to the date of this report.

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

a. Earnings and result

Earnings

Net profit after tax ("**NPAT**") for the financial half-year ended 31 December 2024, was a total group profit of $1.8 million (1H 2024: profit $1.0 million).

Key elements within the result include:

Revenues

Revenue at $266.1 million were down by $24.6 million (8.5%) on the comparative period.

Labour Hire revenues for the first half were down by $23.3 million (8.3%) due mainly to a $22.5m (39%) decline in construction and engineering revenues in Victoria, driven by completion of projects, delays in the commencement of new projects and industrial relation challenges.

Training revenues for the first half were down by $1.3 million (13.7%), due to funding constraints in Victoria and a reduction in telco training in QLD.

Earnings before interest taxes depreciation and amortisation ("EBITDA")

EBITDA for the financial half-year was a profit of $5.4 million, up $0.3 million or 6.6% on the prior corresponding period (1H 2024: profit of $5.1 million).

Labour Hire EBITDA of $6.7 million, was down $2.1 million or 24% on the prior corresponding period (1H 2024: $8.8 million). Half this decrease reflects the reduced revenues from the historically higher margin construction, engineering and oil and gas sectors. The remainder was due to increased workers compensation cost.

Training EBITDA of $1.0 million was down $1.0 million on the prior corresponding period (1H 2024: $2.0 million), due mainly to the reduced revenues.

The prior corresponding period included a net $3 million impairment expense, primarily relating to the write down of goodwill and customer relationships relating to the Linc acquisition. There was no net impairment expense in the current period.

Corporate overheads, at $2.3 million, were $0.4m lower than in the prior corresponding period (1H 2024: $2.7 million). Prior period corporate costs included a non-cash Long Term Incentive ("LTI") expense of $0.265 million.

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Directors' Report

There was no LTI expense in the current period. Labour and insurance costs were also reduced in the six months to 31 December 2024.

Statement of financial position

Net assets at $31.9 million were up $1.45 million from the 30 June 2024 position of $30.45 million, in line with the net profit after tax of $1.8 million for the six months, reduced by payment of the FY24 final dividend of $0.35 million in September 2024.

Noteworthy balance sheet movements since the financial year ended 30 June 2024 include:

- Trade and other receivables up $2.8 million, with certain receipts from customers delayed over the Christmas shut down into January 2025.
- Trade and other payables down $3.4 million, with lower accruals for workers compensation payments.
- Other liabilities reduced $3.3 million, with:
  - The final instalment of $0.335 million paid to acquire the remaining 20% of the CCL Group; and
  - the 3rd and final instalment of $2.975 million paid in relation to the prior year acquisition of OPW.
- Net debt (cash less borrowings) increased $7.15 million in the period to $19.65 million (30 June 2024: $12.5 million).

Cash Flow

The operating cash flow for the half-year period was an outflow of $2.2 million (1H 2024: outflow of $0.8 million), due primarily to the increase in working capital (trade and other receivables, less trade and other payables) of $6.1 million.

Net cash used in investing activities was a $4.0 million outflow. Underlying capital spending for the six months reduced $1.2 million to $0.6 million. Payments for businesses, net of cash acquired were $3.3 million.

Net cash used in financing activities included the $0.35 million payment of the 2024 final dividend, as well as normal ongoing lease payments of $0.7 million.

FUTURE PROSPECTS AND MATERIAL BUSINESS RISKS:

The Group anticipates continued competitive conditions in the labour hire market in the financial year ending 30 June 2025 ("FY25"). Our construction and engineering exposed labour hire brands face continuing uncertainty in Victoria. ASH training profitability will also be reduced with lower public funding available in Victoria.

Our focus remains to diversify revenues, particularly in higher margin sectors and to continue to improve efficiency. More specifically:

- Growing the technical services division. We expect a positive contribution in the second half of FY25 from the EWP Services joint venture, where workers are now deployed at a mine site in the Pilbara;
- Growing the horticulture sector. The Group is finalising a 5-year contract with its major customer and has expanded into citrus, avocados, bananas and grapes, reducing reliance on berries in Tasmania;
- Capitalising on strengths within our Training division by providing additional private fee for service training;
- Improving margins in the supply chain, retail and manufacturing labour hire sectors. 3-year contracts are in place with customers representing over 80% of recurring annual revenues;
- Improving efficiencies and lowering cost through continuing system and process improvements. Solid progress is being achieved by the team, with efficiencies and cost reductions being delivered across all areas of service delivery and supporting administration; and

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Directors' Report

- Commercialisation of our industry leading labour management systems, through licensing to potential overseas customers.

As with any organisation, our future prospects may be impacted by risks.

Changes in the regulatory environment have the potential to create challenges for our business. This includes federal and state legislative changes relating to employment and award conditions, and also those relating to employment and training benefits and subsidies, as well as changes to the Seasonal Worker Programme. With the majority of this legislation being foreshadowed in advance of any implementation, we continue to closely monitor any such changes and their likely implications for our business.

The pace of labour law changes, particularly in relation to casual workforces, has recently increased. Our core offering is the provision of high value contingent work force solutions for our customers. Our customers are almost exclusively large, blue-chip clients in industries and sectors which experience variable manning requirements. They use Ashley Services Group because we provide the flexibility to manage their cost bases efficiently and effectively, particularly to deal with business peaks and troughs.

The key components of recent legislation changes surround casual and permanent work forces, as well as the Same job, Same pay legislation. We already operate within the casual versus permanent environment. Many of our casual employees become permanent workers both with our host customers and ourselves. Regarding Same job, Same pay legislation, we believe legislative changes will continue to be manageable within the general course of business. Nonetheless, continuing changes to operating hour requirements, employee flexibility and award terms make it more difficult to optimise productivity and put pressure on margins.

Employment market supply and demand tensions create both challenges and opportunities for our business model. Sourcing staff to supply the extra demands being created and the availability of candidates to fill this demand can create challenges in fulfilment, but the scarcity of suitable workers, in many ways, drives the demand from our customers. Our investment in technology, both candidate- and client-facing, is being utilised to mitigate risk in this area and deliver high quality candidates to our clients.

System outage risks. The Group's key systems are cloud based third-party maintained systems. The Group has Service Level Agreements in place with those providers, but if those systems are impacted by global outages, the Group's ability to pay its workers and invoice customers could be temporarily impacted. The Group has multiple payroll and invoicing systems in place and manual contingency plans for payroll payments, but sustained outages within key systems would impact service delivery.

DIVIDEND

During the half-year ended 31 December 2024, the Group paid a fully franked final dividend of $0.35 million on 16 September 2024 which represented a payment of 0.24 cents per share.

On 21 February 2025, the Group declared a fully franked interim dividend of $1.15 million, due for payment on 14 March 2025, which represents a payment of 0.8 cents per share.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307c of the *Corporations Act 2001* is set out on page 8 of this financial report and forms part of this Directors Report.

ROUNDING OFF OF AMOUNTS

The Group is a Company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore amounts in the Directors' Report and the consolidated financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

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Directors' Report

Signed in accordance with a resolution of the Directors:

Ian Pratt
Chairman

Ross Shrimpton
Managing Director

Sydney, 21 February 2025

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Auditor's Independence Declaration

To the directors of Ashley Services Group Limited:

As lead auditor for the review of the financial report of Ashley Services Group Limited for the half-year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

(b) any applicable code of professional conduct in relation to the review.

This declaration is in respect of Ashley Services Group Limited and the entities it controlled during the period.

Sydney, NSW
21 February 2025

K L Luong
Director

hlb.com.au

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Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 31 December 2024

	Note	6 months to 31 Dec 2024 $000	6 months to 31 Dec 2023 $000
Revenue		266,166	290,787
Other income		206	348
Employment costs		(255,874)	(277,639)
Depreciation and amortisation expenses		(1,902)	(1,948)
Finance costs		(1,302)	(1,212)
Other expenses		(4,791)	(4,977)
Impairment related expenses	4	-	(2,975)
Share of net profit/(loss) of associated entities accounted for using the equity method	14	21	(82)
Profit before income tax		**2,524**	**2,302**
Income tax expense		(696)	(1,287)
Profit for the period		**1,828**	**1,015**
Other comprehensive income		**-**	**-**
Total comprehensive Income for the period		**1,828**	**1,015**
Total comprehensive income for the half-year is attributable to:			
Shareholders of Ashley Services Group Limited		1,828	985
Non-controlling interests		-	30
		1,828	**1,015**
Basic earnings per share (cents) Total	9	**1.27**	**0.68**
Diluted earnings per share (cents) Total	9	**1.21**	**0.65**

The accompanying notes form part of these financial statements.

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Consolidated Statement of Financial Position
As at 31 December 2024

	Note	31 Dec 2024 $000	30 Jun 2024 $000
Assets			
Current assets			
Cash and cash equivalents		344	137
Trade and other receivables		48,341	45,522
Current tax receivable		1,137	460
Contract assets		2,636	2,410
Loans to associated entities		342	162
Other assets		2,119	3,602
Total current assets		**54,919**	**52,293**
Non-current assets			
Property, plant and equipment		5,075	5,311
Investment in associated entities		328	307
Loans to associated entities		641	761
Right-of-use assets		2,759	2,884
Deferred tax assets		4,654	4,694
Intangible assets	6	23,204	23,582
Other assets		291	291
Total non-current assets		**36,952**	**37,830**
Total assets		**91,871**	**90,123**
Liabilities			
Current liabilities			
Trade and other payables		30,475	33,843
Borrowings	8	13,191	8,201
Lease liabilities		995	914
Other liabilities	7	-	3,310
Provisions		3,947	4,122
Total current liabilities		**48,608**	**50,390**
Non-current liabilities			
Borrowings	8	6,800	4,375
Deferred tax liabilities		1,994	1,970
Lease liabilities		1,919	2,117
Other liabilities	7	-	-
Provisions		619	822
Total non-current liabilities		**11,332**	**9,284**
Total liabilities		**59,940**	**59,674**
Net assets		**31,931**	**30,449**
Equity			
Share capital	10	148,815	148,815
Common control and other reserves		(59,261)	(59,261)
Accumulated losses		(57,623)	(59,105)
Total equity		**31,931**	**30,449**

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2024

	Share Capital $000	Common control & other reserves $000	Accumulated Losses $000	Non-controlling Interest $000	Total $000
For the half-year ended 31 December 2024					
Balance at 1 July 2024	**148,815**	**(59,261)**	**(59,105)**	**-**	**30,449**
Profit for the financial period	-	-	1,828	-	1,828
Total comprehensive income for the period	**-**	**-**	**1,828**	**-**	**1,828**
Dividends paid	-	-	(346)	-	(346)
Balance at 31 December 2024	**148,815**	**(59,261)**	**(57,623)**	**-**	**31,931**
For the half- year ended 31 December 2023					
Balance at 1 July 2023	**148,815**	**(59,131)**	**(55,844)**	**428**	**34,268**
Profit for the financial period	-	-	985	30	1,015
Total comprehensive income for the period	**-**	**-**	**985**	**30**	**1,015**
Impact of changes in control of consolidated entities			301	(301)	-
Share based payment reserve	-	270	-	-	270
Dividends paid	-	-	(4,319)	-	(4,319)
Balance at 31 December 2023	**148,815**	**(58,861)**	**(58,877)**	**157**	**31,234**

The accompanying notes form part of these financial statements.

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Consolidated Statement of Cash Flows
For the half-year ended 31 December 2024

	Note	6 months to 31 Dec 2024 $000	6 months to 31 Dec 2023 $000
Cash flows from operating activities			
Receipts from customers		290,193	324,314
Payments to suppliers and employees		(289,817)	(317,176)
Interest received		19	14
Finance costs paid		(1,302)	(1,212)
Income tax paid		(1,310)	(6,692)
Net cash (used in) operating activities		**(2,217)**	**(752)**
Cash flows from investing activities			
Payments for property, plant and equipment		(624)	(1,769)
Proceeds for property, plant and equipment		22	-
(Cash advance)/receipts (to)/from associates		(60)	429
Payment for businesses, net of cash acquired		(3,310)	(2,713)
Net cash (used in) investing activities		**(3,972)**	**(4,053)**
Cash flows from financing activities			
Net proceeds from external borrowings		7,415	8,272
Repayment of leasing liabilities		(673)	(824)
Payment of dividends		(346)	(4,319)
Net cash from financing activities		**6,396**	**3,129**
Net cash increase / (decrease) in cash and cash equivalents		**207**	**(1,676)**
Cash and cash equivalents at beginning of period		137	2,520
Cash and cash equivalents at the end of the period		**344**	**844**

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

1. GENERAL INFORMATION AND BASIS OF PREPARATION

The condensed interim consolidated financial statements ('the interim financial statements') of the Group are for the six months ended 31 December 2024 and are presented in Australian Dollar (A$), which is the functional currency of the Parent Company. These general purpose interim financial statements have been prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2024 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the *Corporations Act 2001*.

The interim financial statements were approved and authorised for issue by the Board of Directors on 21 February 2025.

2. MATERIAL ACCOUNTING POLICIES

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2024, except for changes of the new, revised or amending Accounting Standards and Interpretations adopted during the period described below.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these interim financial statements.

New, revised or amending 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 that are mandatory for the current half-year reporting period. The new or amended Accounting Standards and Interpretations adopted did not have a material impact on the Group's financial statements.

New, revised or amending Accounting Standards and Interpretations issued but not yet mandatory

Any new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are not mandatory to the Group for the current reporting period have not been adopted. These new, revised or amending Accounting Standards and Interpretations are not expected to have any material impact on the Group's financial report in future reporting periods based on the Group's current activities. If the activities of the Group were to change in the future, these Accounting Standards and Interpretations may have a significant impact on the Group's future financial reports.

3. ESTIMATES

When preparing the interim financial statements, management make a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2024, unless otherwise stated.

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Notes to the Financial Statements

4. IMPAIRMENT

a. Impairment tests for goodwill and other intangibles

The consolidated entity tests whether goodwill and other intangible assets have suffered any impairment on an annual basis, or more frequently, if required.

During the six months to 31 December 2023, following the loss of a significant customer contract, the carrying value of intangible assets within the previous Linc cash generating unit ("CGU") were impaired by $3.367 million. At 30 June 2024, the carrying value of goodwill and customer relationships in the Linc CGU was zero.

During the six months to 31 December 2024, Linc has not operated and the previously acquired Owen Pacific Workforce ("OPW") has been integrated into the Group's existing Labour Hire management and operational structure.

Consequently, the Board conducted a review of the CGUs and has determined that the Group now has two CGUs, Labour Hire and Training. This change reflects the Group's operational restructuring where OPW and Linc are no longer independently generating cash inflows and are fully integrated within the Labour Hire CGU.

There were no indicators of impairment in relation to the Labour Hire or Training CGUs at 31 December 2024. There would also have been no indicators of impairment at 31 December 2024 if the CGUs had been Linc, OPW, Labour Hire (excluding Linc and OPW) and Training, as per the previous reporting period.

b. Elements of impairment related expenses

	6 months to 31 Dec 2024 $000	6 months to 31 Dec 2023 $000
Linc customer relationship	-	1,799
Linc net goodwill	-	1,568
Impairment of associated entities	-	244
Reduction of redemption liability for Linc and the CCL Group	-	(636)
	-	**2,975**

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Notes to the Financial Statements

5. SEGMENT REPORTING

Management identifies its operating segments based on the Group's service lines, which represent the main products and services provided by the Group. The Group's management has identified two operating segments, Labour Hire and Training.

During the six-month period to 31 December 2024, there have been no changes from prior periods in the measurement methods used to determine operating segments and reported segment profit or loss.

The revenues and profit generated by each of the Group's operating segments are summarised as follows:

6 months to 31 December 2024	Labour Hire $000	Training $000	Total $000
Revenue			
From external customers	257,998	8,168	266,166
Segments revenue	**257,998**	**8,168**	**266,166**
Other income	43	1	44
Employment costs	(248,218)	(6,131)	(254,349)
Depreciation and amortisation expenses	(846)	(570)	(1,416)
Finance costs	(1,124)	(37)	(1,161)
Other expenses	(2,965)	(1,075)	(4,040)
Segment Profit	**4,888**	**356**	**5,244**
Unallocated items			(2,720)
Profit before income tax			**2,524**
Income tax expense			(696)
Profit after income tax			**1,828**
Other comprehensive income			-
Total comprehensive income for the period			**1,828**

6 months to 31 December 2023	Labour Hire $000	Training $000	Total $000
Revenue			
From external customers	281,295	9,492	290,787
Segments revenue	**281,295**	**9,492**	**290,787**
Other income	80	20	100
Employment costs	(269,284)	(6,642)	(275,926)
Depreciation and amortisation expenses	(742)	(504)	(1,246)
Finance costs	(277)	(17)	(294)
Other expenses	(3,135)	(849)	(3,984)
Segment Profit	**7,937**	**1,500**	**9,437**
Impairment expense			(2,975)
Unallocated items			(4,160)
Profit before income tax			**2,302**
Income tax expense			(1,287)
Profit after income tax			**1,015**
Other comprehensive income			-
Total comprehensive income for the period			**1,015**

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Notes to the Financial Statements

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6. INTANGIBLE ASSETS

	31 Dec 2024 $000	30 June 2024 $000
Goodwill		
Cost	82,674	82,674
Impairment	(65,050)	(65,050)
Net carrying value	**17,624**	**17,624**
Customer relationships and licences		
Cost	9,958	9,958
Impairment	(2,717)	(2,717)
Accumulated amortisation	(3,347)	(2,969)
Net carrying value	**3,894**	**4,272**
Brand names		
Cost	**6,040**	6,040
Impairment	(4,640)	(4,640)
Net carrying value	**1,400**	**1,400**
Intellectual property - course materials		
Cost	8,701	8,701
Impairment	(3,896)	(3,896)
Accumulated amortisation	(4,519)	(4,519)
Net carrying value	**286**	**286**
Total intangible assets	**23,204**	**23,582**

The following table shows movements in intangible assets:

6 months to 31 December 2024	Goodwill $000	Customer Relationships and licenses $000	Brand Names $000	Course Materials $000	Total $000
Balance at 30 June 2024	17,624	4,272	1,400	286	**23,582**
Amortisation	-	(378)	-	-	(378)
Balance at 31 December 2024	**17,624**	**3,894**	**1,400**	**286**	**23,204**

The recoverable amounts of the cash-generating units were determined based on value-in-use calculations, based on forecasts for the next five years, followed by an extrapolation of expected cash flows for the units' remaining useful lives using the growth rates determined by management. The present value of the expected cash flows of each segment is determined by applying a suitable discount rate.

Notes to the Financial Statements

7. OTHER LIABILITIES

	31 Dec 2024 $000	30 June 2024 $000
Current		
OPW Deferred Consideration (paid September 2024)	-	2,975
Redemption Liability CCL (paid October 2024)	-	335
Other liabilities (Current)	**-**	**3,310**

Redemption Liability CCL

The redemption liability CCL was a Put Option representing a contractual obligation to purchase the remaining non-controlling interests in the CCL Group and originated from a previous business combination to acquire the CCL Group.

The Put Option was exercised by the selling shareholders on 30 June 2023, with ASG acquiring the remaining 20% of the CCL Group on 14 July 2023. The purchase consideration for the 20% interest was payable in two instalments. The first instalment was paid in October 23 (based upon the actual audited FY23 EBITDA) and the final instalment was paid in October 2024 (based upon the actual audited FY24 EBITDA). The payment in October 2023 was $0.89 million. The payment in October 2024 was $0.335 million.

OPW Deferred Consideration

The OPW purchase price was determined based upon the higher of the actual EBITDA for FY23 or $3.4 million normalised annual EBITDA. Payment took place in three instalments:

i) The initial completion payment of $7.114 million;

ii) A second payment payable in October 2023 of $1.811 million, bringing cumulative payments to 75% of total purchase price; and

iii) A third payment paid in September 2024, representing the final 25% of the purchase price.

During the six months to 31 December 2024, the third and final instalment payment of $2.975 million was settled.

8. BORROWINGS

As at 31 December 2024	Available facility $000	Facility used $000	Remaining facility $000
Invoice Financing	25,000	10,591	14,409
Bank Bill Business Loan	13,000	9,400	3,600
Balance at 31 December 2024	**38,000**	**19,991**	**18,009**
As at 30 June 2024	**Available facility $000**	**Facility used $000**	**Remaining facility $000**
Invoice Financing	25,000	4,201	20,799
Bank Bill Business Loan	15,000	8,375	6,625
Balance at 30 June 2024	**40,000**	**12,576**	**27,424**

During the six months to 31 December 2024, the term of the Bank Bill Business Loan (acquisition facility) was extended and now expires on 31 December 2027. Capacity reduces progressively over the remaining term of 3 years, with repayment requirements of $0.65 million per quarter, commencing 1st February 2025.

The facilities are subject to a Security which includes, but is not limited to the following:

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Notes to the Financial Statements

- 1st ranking General Security Agreement over the assets and undertakings of the Borrower and its Guarantors (Ashley Services Group and its trading controlled entities); and
- Flawed Asset Arrangement – Deposit of Action Workforce Pty Ltd, Construction Contract Labour (VIC) Pty Ltd, Complete Traffic Services (VIC) Pty Ltd, Concept Engineering (AUST) Pty Ltd and CCLTS Group Pty Ltd for Invoice Finance Facility collections.

As at 31 December 2024, the combined facilities were drawn to $19.991 million (30 June 2024: $12.576 million).

9. EARNINGS PER SHARE

	6 months to 31 December 2024	6 months to 31 December 2023
Profit after tax for the year attributable to shareholders ($'000)	1,828	985
Weighted number of ordinary shares outstanding during the period used in calculating basic earnings per share (EPS)	143,975,904	143,975,904
Weighted number of ordinary shares outstanding during the period used in calculating diluted earnings per share (EPS)	151,534,638	151,534,638
Basic earnings per share (cents)	1.27	0.68
Diluted earnings per share (cents)	1.21	0.65

10. SHARE CAPITAL

The Company does not have any share options on issue as at the date of this report. Details of share capital of the Group are as follows:

	31 Dec 2024 $000	30 June 2024 $000
143,975,904 (30 June 2024: 143,975,904) fully paid ordinary shares	154,234	154,234
Share issue costs	(5,419)	(5,419)
Share capital	**148,815**	**148,815**
7,558,734 (30 June 2024: 7,558,734) performance rights	-	-
Performance Rights	-	-

a. Ordinary shares

Ordinary shares confer on their holders the right to participate in dividends declared by the Board. Ordinary shares confer on their holders an entitlement to vote at any general meeting of the Company.

b. Performance Rights

During the year ended 30 June 2023, the Group issued 7,558,734 Performance rights to employees. These Performance Rights were granted on 30th March 2023. Tranche 1, representing 4,535,240 Performance Rights were granted with a fair value of 50.5 cents per Right. Tranche 2, representing 3,023,494 Performance Rights were granted with a fair value of 33.9 cents per Right.

11. BUSINESS COMBINATION

There were no acquisitions or business combinations in the current or previous reporting periods.

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Notes to the Financial Statements

12. FAIR VALUE MEASUREMENT

Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Unobservable inputs for the asset or liability.

Consolidated 31 December 2024	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
Assets:				
Total Assets	-	-	-	-
Liabilities:				
Redemption liability	-	-	-	-
OPW deferred consideration	-	-	-	-
Total Liabilities as at 31 Dec 2024	**-**	**-**	**-**	**-**

Consolidated 30 June 2024	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
Assets:	-	-	-	-
Total Assets	-	-	-	-
Liabilities:				
Redemption liability	-	-	335	335
OPW deferred consideration	-	-	2,975	2,975
Total Liabilities as at 30 June 2024	**-**	**-**	**3,310**	**3,310**

There were no transfers between levels during the year.

The fair values of the Group's remaining assets and liabilities are approximately equal to their carrying values.

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

Valuation techniques for fair value measurements categorised within level 3

The redemption liability had arisen as a result of a previous business combination for the CCL Group. The liability has been valued at the present value of the redemption amount for the put option consideration amount in accordance with the underlying CCL Group Share Sale and Purchase Agreement;

The deferred consideration represented the remaining third instalment payment payable in September 2024, representing the final 25% of the purchase price for OPW. The third payment may have been reduced if revenue for OPW for FY24 fell below $60 million.

During the six months to 31 December 2024, the final redemption payment for the CCL Group and the final deferred consideration payment for OPW were settled, in line with the amounts estimated at 30 June 2024.

Level 3 assets and liabilities

Movements in level 3 assets and liabilities during the current year are set out below:

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Consolidated 31 December 2024	Redemption Liability $000	Deferred Consideration $000	Total $000
Balance at 1 July 2024	335	2,975	**3,310**
Settlements	(335)	(2,975)	**(3,310)**
Balance at 31 December 2024	**-**	**-**	**-**

13. DETAIL OF ASSOCIATED ENTITIES

	Reporting entity's percentage holding		Associate reportable profit/loss	
	As at 31 December 2024 %	As at 30 June 2024 %	6 months to 31 Dec 2024 $000	6 months to 31 Dec 2023 $000
Group's aggregate share of associated entities profit/loss before tax:				
Dardi Munwurro Labour & Traffic Management Pty Limited (including Gunnai Traffic & Labour Pty Ltd)	49%	49%	202	(117)
Yalagan Infrastructure Pty Ltd	49%	49%	8	(32)
EWP Services Pty Ltd (formerly EWP Yalagan Pty Ltd)	49%	49%	(134)	(82)
Profit/(loss) from ordinary activities before income tax			**76**	**(231)**
Income tax on operating activities			32	64
Profit/(loss) from ordinary activities after tax			**44**	**(167)**

14. INVESTMENT IN ASSOCIATED ENTITIES

	6 months to 31 Dec 2024 $000	6 months to 31 Dec 2023 $000
Share of profits/(losses) of associated entities accounted for using the equity method		
Share of profit / (loss)	21	(82)

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

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

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

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Notes to the Financial Statements

15. DIVIDENDS

During the half-year ended 31 December 2024, the Group paid a fully franked final dividend of $0.35 million on 17 September 2024 which represented a payment of 0.24 cents per share.

On 21 February 2025, the Group declared a fully franked interim dividend of $1.15 million, due for payment on 14 March 2025, which represents a payment of 0.8 cents per share.

16. SECURED AND CONTINGENT LIABILITES

For assets pledged as security for borrowing facilities see Note 8.

The Group had no other known contingent liabilities at 31 December 2024 (30 June 2024: Nil).

17. EVENTS AFTER THE REPORTING DATE

No matters or circumstances have arisen since the end of the financial half which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future reporting periods.

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Directors' Declaration

In the opinion of the Directors of Ashley Services Group Limited:

a. the consolidated financial statements and notes of Ashley Services Group Limited and its controlled entities are in accordance with the *Corporations Act 2001*, including:

   i. giving true and fair view of its financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and

   ii. complying with Accounting Standard AASB 134 *Interim Financial Reporting*; and

b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

Ross Shrimpton
Managing Director

Sydney, 21 February 2025

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Independent Auditor's Review Report to the Members of Ashley Services Group Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Ashley Services Group Limited ("the Company"), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, including material accounting policy information and other explanatory information, and the directors' declaration, for the consolidated entity comprising the Group and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Ashley Services Group Limited does not comply with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the Directors for the Financial Report

The directors of the Group are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

HLB Mann Judd Assurance (NSW) Pty Ltd
Chartered Accountants

K L Luong
Director

Sydney, NSW
21 February 2025

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