Parkway
CORPORATE LIMITED

5/45 Bunnett St
Sunshine North
VIC, Australia, 3020
ABN: 62 147 346 334

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ASX Announcement

20 March 2023

HALF-YEAR FINANCIAL REPORT – UPDATE

Parkway Corporate Limited ("**Parkway**" or the "**Company**") (ASX: PWN) provides an updated version of the Half-Year Financial Report.

The updated Half-Year Financial Report, incorporates the following minor changes:

- In the Results of Operations (page 7), a spelling mistake has been corrected;
- In Note 4 (page 16), the revenue associated with the "Industrial water related solutions" at 31 Dec 2022 was incorrectly stated as $834,923, instead of $1,377,097. The total revenue of $1,702,233 remains unchanged; and
- In Note 7 (page 17), the goodwill associated with Multi-Wet at 31 December 2021 was incorrectly stated as $1,275,780, instead of $300,407. The closing balance of this goodwill remains unchanged from the Half-Year Financial Report released earlier today.

The Company confirms that no further changes have been made to the Half-Year Financial Report. In discussions with the Auditor, the Auditor's Independence Declaration and opinion remain unchanged from the Half Year Financial Report released earlier today, as no material changes have been made to the updated Half Year Financial Report, other than the minor spelling and transposition corrections outlined above.

The Company expects its securities to resume trading on the ASX, at the commencement of trading on 21 March 2023.

The release of this announcement has been approved by Parkway's Group Managing Director & CEO, Bahay Ozcakmak.

ADDITIONAL INFORMATION

For further information or investor enquiries, please contact:

Bahay Ozcakmak
Group Managing Director & CEO
solutions@pwnps.com

General Enquiries
1300 7275929
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FORWARD-LOOKING STATEMENTS

This announcement may contain certain "forward-looking statements". The words "continue", "expect", "forecast", "potential" and other similar expressions are intended to identify "forward-looking statements". Indications of (and any guidance on) future earnings, financial position, capex requirements and performance are also "forward-looking statements", as are statements regarding internal management estimates and assessments of market outlook.

Where Parkway expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, "forward-looking statements" are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Parkway, its officers, employees, agents and advisors, that may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. There are usually differences between forecast and actual results, because events and actual circumstances frequently do not occur as forecast and their differences may be material.

Parkway does not undertake any obligation to publicly release any revisions to any "forward-looking statements" to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under the applicable securities laws.

ABOUT PARKWAY CORPORATE LIMITED

Parkway Corporate Limited is an Australian cleantech company focused on developing and implementing, industrial-scale innovative water treatment solutions. Parkway is listed on the Australian Securities Exchange (ASX: PWN) and is emerging as an innovative player in water related sustainability solutions. With significant inhouse technical expertise and established partnerships, Parkway is well-placed to deliver the next generation of wastewater treatment plants, incorporating the company's portfolio of world-class technologies.

Parkway operates through three (3) core business units, comprising:

- Parkway Process Solutions (PPS) – Parkway's primary operating division and an emerging provider of industrial water treatment products, services, solutions and associated technology to customers throughout Australia. PPS has recently established commercial relationships with key water industry participants, including globally recognised OEMs;
- Parkway Process Technologies (PPT) – Parkway's technology development, acquisition, and commercialisation division. PPT owns a portfolio of industrial wastewater treatment technologies, including the patented aMES® and iBC® process technologies. PPT has global aspirations and is supported by a network of strategic partners, including global engineering company Worley; and
- Parkway Ventures (PV) – holds a portfolio of project equity and royalty interests, including interests relating to Parkway's Karinga Lakes Potash Project in the Northern Territory of Australia.

Additional information regarding Parkway, including an overview of the corporate structure of Parkway and the companies in its corporate group, can be found at: www.pwnps.com/pages/about-us.

SOCIAL MEDIA & EMAIL ALERTS

Parkway is committed to communicating with the investment community through all available channels. Whilst the ASX announcements platform remains the most appropriate channel for market-sensitive news about Parkway, investors and other interested parties are also encouraged to:

- follow Parkway on LinkedIn, Twitter, Facebook and YouTube; and
- subscribe for our email alert service, Parkway News Alerts, on our website (www.pwnps.com).

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PARKWAY CORPORATE LIMITED AND ITS CONTROLLED ENTITIES

ABN 62 147 346 334

Half-Year Financial Report

31 December 2022

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CORPORATE DIRECTORY

Directors

Bahay Ozcakmak
Stephen van der Sluys
Penelope Creswell
Ayten Saridas

Company Secretary

Amanda Wilton-Heald

Registered and Principal Office

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Auditor

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3/88 William St
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Stock Exchange Listing

Parkway Corporate Limited shares are listed on the Australian Securities Exchange (ASX: PWN).

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DIRECTORS' REPORT

The Directors submit their report on Parkway Corporate Limited (the "Company") and the entities it controls ("Consolidated Entity" or "Group") for the half-year ended 31 December 2022.

Directors

The names of the Company's Directors in office during the half-year and until the date of this report are set out below. Directors were in office for the entire period unless otherwise stated.

Stephen van der Sluys (Non-executive Chairman) - appointed Chariman 19 September 2022 & appointed Non-executive Director 31 August 2022

Bahay Ozcakmak (Group Managing Director & CEO)

Penelope Creswell (Non-executive Director)

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

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

Alexander Cook (Executive Director & Joint Company Secretary) - resigned 26 September 2022

Names, experience and special responsibilities

Stephen van der Sluys – *Non-Executive Chairman* (appointed 19 September 2022)

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

Other listed company directorships during the last 3 years:
None

Bahay Ozcakmak - Group *Managing Director & CEO*

Mr Bahay Ozcakmak is the founder of Activated Water Technologies Pty Ltd and the CEO of its parent company, Consolidated Potash Corporation Ltd. In addition to two decades of successful technology commercialisation experience, Mr Ozcakmak has extensive corporate development expertise, including M&A in the energy and mining sectors, where he has led the successful acquisition of several flagship projects and major corporate transactions, particularly with listed companies.

DIRECTORS' REPORT

Bahay Ozcakmak - Group *Managing Director & CEO (continued)*

Mr Ozcakmak has broad corporate experience ranging from corporate strategy development through to CEO and director level roles in the energy and mining sectors. Recent experience with resources companies have focused on gold, copper, nickel, cobalt, lithium, potash and uranium projects. Mr Ozcakmak has held directorships with several private and public companies in Australia, Europe and North America and is currently a director of several private companies.

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

Penelope Creswell - *Non-executive Director*

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

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

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

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

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

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DIRECTORS' REPORT

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

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

Other listed company directorships during the last 3 years:
Northern Minerals Ltd (Director June 2006 – November 2020), Lithium Australia NL (Director February 2011 – May 2022), Reedy Lagoon Corporation Limited (Director June 2014 – Present) and Charger Metals NL (May 2022 – present).

Alexander Cook - *Executive Director & Joint Company Secretary* (resigned 26 September 2022)

Mr Alexander Cook is an experienced commercial lawyer, with both top tier law firm and in-house legal experience. Alexander started his legal career at King & Wood Mallesons and since that time has held various senior in-house legal roles at ASX-listed companies in the mining & resources and industrial services industries. Alexander was first admitted to practice as a Solicitor of the Supreme Court of Victoria and High Court of Australia on 14 October 2014.
Mr Cook was appointed General Counsel of Parkway on 5 July 2021. Mr Cook was separately appointed Joint Company Secretary and Executive Director of Parkway on 26 October 2021.

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

Company Secretary

Amanda Wilton-Heald

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

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DIRECTORS' REPORT

RESULTS OF OPERATIONS

The net loss of the Group for the half year to 31 December 2022 is $1,310,654 (2021: loss of $1,331,965).

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

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

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

Recent evaluations by the Group continue to provide encouragement that in addition to achieving significant wastewater volume reductions, the application of the Group's proprietary technologies, including the iBC® technology are likely to be able to achieve a highly desirable zero-liquid discharge (ZLD) solution for certain applications. The advantages of a ZLD approach, incorporating an iBC® based processing route, also has the potential to create a valuable revenue stream, through the sale of industrial chemicals, particularly sodium hydroxide. Following recent agreements involving the iBC® technology with global engineering company Worley and a major global energy company, the Group is also exploring several large-scale and high-value applications of the iBC® technology with a range of other industrial companies.

During the period Parkway provided services to Shell in Australia.

As a result of ongoing process development activities, the Group recently announced it had achieved a breakthrough in relation to the treatment of concentrated coal seam gas (CSG) derived brines, through a proprietary iBC® based flowsheet. These highly encouraging results were initially achieved at an experimental scale, and later validated at bench scale on larger concentrated brine samples. Following confirmation that the bench scale testing had achieved all key process parameters, testing of the flowsheet was subsequently scaled-up further in a recently commissioned large scale iBC® pilot plant, where bulk brine samples were tested. The large scale iBC® piloting provides further confidence that the proprietary iBC® based flowsheets developed by the Group, are capable of being scaled-up and successfully operated at an industrial scale.

By leveraging the process engineering capabilities of the Group, PPT has also been able to develop innovative applications of additional water treatment processes, to achieve improvements in the processing and treatment of challenging industrial wastewater streams. In addition, the Group continues to develop new technologies as well as identify additional applications for its portfolio of proprietary process technologies, to solve high-value problems facing industry. More broadly, the Group continues to perform a range of evaluations to demonstrate the substantial operational, financial and sustainability advantages of the technology portfolio, incorporating both core and third-party technologies.

During the period the Group also explored strategic opportunities for collaboration with a major global engineering company, with a focus on sustainable production of battery materials, by leveraging Parkway's core capabilities in process development, optimisation and validation.

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DIRECTORS' REPORT

RESULTS OF OPERATIONS (continued)

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

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

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

During the reporting period, the Group continued to focus on strategically important projects, particularly technology focused, with less focus on short-term revenue generation. Importantly, the growing inhouse product development capabilities, are increasingly assisting the Group, in designing modular water treatment (and related process) plants, incorporating technologies being commercialised by PPT.

In addition to the industrial water treatment related activities, the Group also holds an equity interest in the Karinga Lakes Potash Project (KLPP), in the Northern Territory of Australia. As a result of various access related challenges, during the period, no substantive mining exploration activities occurred in relation to this project.

Events subsequent to reporting date

Subsequent to the reporting date, the Parkway Integrated Management System (PIMS), was assessed (on the 1st year anniversary since initial certification) by an external ISO auditor, which provided a positive assessment and recommended the ongoing certification of the PIMS.

The ordinary operations of the Group continue to progress well, with year to date (CY2023-YTD) revenue generation tracking ahead of internal budget estimates, providing encouragement regarding ongoing operational performance.

The previously disclosed feasibility related activities have now been completed, and currently undergoing a final review in collaboration with the client, a process that is anticipated to be finalised imminently. The Group is engaging with a range of stakeholders, to assist in the successful advancement of the project.

The Group continues to invest and expand its core technology platform and capabilities, in collaboration with strategic partners, to enable the Group to provide a pathway to an integrated solution, to potentially treat the majority of Queensland CSG industry's waste brine and salts, an opportunity the Group has previously estimated to be in the order of $300 million a year.

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

Going Concern

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business. The Group has reported a loss for the period of $1,310,654 (2021: $1,331,965) and a cash outflow from operating

DIRECTORS' REPORT

Going Concern (continued)

activities of $1,447,173 (2021:$1,347,996). At the end of the half year, the Group had $2,290,835 (30 June 2022: $4,003,404) in cash and cash equivalents and a working capital surplus of $3,092,126 (30 June 2022: $4,290,727).

The Directors also manage discretionary expenditure in line with the Group's cash flow and are confident that there are sufficient funds to meet the Group's working capital and funding requirements for a minimum of 12 months from the date of this report. The Directors consider the going concern basis of preparation to be appropriate based on forecast cash flows.

AUDITORS' INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act is set out on page 24.

Signed in accordance with a resolution of the Directors

Bahay Ozcakmak
Group Managing Director & CEO
Melbourne, 20 March 2023

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Note	Half-year ended 31 December 2022 $	Half-year ended 31 December 2021 $
INCOME FROM CONTINUING ACTIVITIES			
Other income		-	108,182
Interest		8,606	347
Sales revenue	4	1,702,233	1,362,634
TOTAL INCOME		**1,710,838**	**1,471,163**
EXPENSES FROM CONTINUING ACTIVITIES			
Loss from the disposal of depreciated assets		3,945	1,670
Cost of goods sold		636,771	639,905
Administration		309,534	492,046
Depreciation		208,138	118,664
Equity based payments	11	-	112,643
Exploration		5,965	-
Research and Development		67,522	74,190
Legal		5,290	10,152
Occupancy		-	52,241
Impairment loss on goodwill		300,407	100,000
Remuneration (excluding equity based payments)		1,483,921	1,201,617
(LOSS)/PROFIT BEFORE INCOME TAX		**(1,310,654)**	**(1,331,965)**
Income tax expense		-	-
NET (LOSS)/PROFIT FOR THE PERIOD		**(1,310,654)**	**(1,331,965)**
OTHER COMPREHENSIVE INCOME			
Items that may be subsequently reclassified to profit or loss:			
- Income tax on items that may be reclassified to profit or loss			
Equity accounted investments – Share of other comprehensive income		-	-
TOTAL OTHER COMPREHENSIVE (LOSS)/INCOME		**-**	**-**
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD		**(1,310,654)**	**(1,331,965)**
Basic and diluted loss per share (cents per share)	3	(0.06)	(0.06)

The consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	31-Dec-22 $	30-Jun-22 $
CURRENT ASSETS			
Cash and cash equivalents		2,290,835	4,003,404
Trade and other receivables	6	363,174	615,266
Other assets		139,678	89,652
Inventory		1,563,806	1,518,088
Total Current Assets		**4,357,493**	**6,226,410**
NON CURRENT ASSETS			
Trade and other receivables	6	76,097	89,847
Intangible assets	7	4,624,426	4,899,486
Plant and equipment		230,326	265,305
Right of use assets	10	2,886,240	1,192,095
Total Non-Current Assets		**7,817,089**	**6,446,733**
TOTAL ASSETS		**12,174,582**	**12,673,143**
CURRENT LIABILITIES			
Trade and other payables	8	580,119	1,121,749
Provisions		207,551	185,888
Lease Liability		347,698	173,046
Deferred payment	9	130,000	455,000
Total Current Liabilities		**1,265,368**	**1,935,683**
NON CURRENT LIABILITIES			
Lease liabilities		2,527,152	1,044,944
Total Non-Current Liabilities		**2,527,152**	**1,044,944**
TOTAL LIABILITIES		**3,792,520**	**2,980,627**
NET ASSETS		**8,382,062**	**9,692,516**
EQUITY			
Issued capital	11	35,475,644	35,475,444
Reserves		1,178,047	1,178,047
Accumulated losses		(28,271,629)	(26,960,975)
TOTAL EQUITY		**8,382,062**	**9,692,516**

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

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Issued Capital	Accumulated Losses	Share and Option Based Payment Reserve	AFS Reserve	Partly Paid Shares Reserve	Total
	$	$	$	$	$	$
Balance at 1 July 2022	**35,475,444**	**(26,960,975)**	**1,178,047**	**-**	**-**	**9,692,516**
Loss for the period	-	(1,310,654)	-	-	-	(1,310,654)
Other comprehensive income:						
Equity accounted investments – share of other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	**-**	**(1,310,654)**	**-**	**-**	**-**	**(1,310,654)**
Transactions with owners in their capacity as owners:						
Shares issued	200	-	-	-	-	200
Share issued transaction costs	-	-	-	-	-	-
Share-based payments (Note 11)	-	-	-	-	-	-
Balance as at 31 December 2022	**35,475,644**	**(28,271,629)**	**1,178,047**	**-**	**-**	**8,382,062**

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Issued Capital $	Accumulated Losses $	Share and Option Based Payment Reserve $	AFS Reserve $	Partly Paid Shares Reserve $	Total $
Balance at 1 July 2021	**35,383,574**	**(25,665,525)**	**990,493**	**1,036,746**	**123,300**	**11,868,588**
Loss for the period	-	(1,331,965)	-	-	-	(1,331,965)
Other comprehensive income:						
Equity accounted investments – share of other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	**-**	**(1,331,965)**	**-**	**-**	**-**	**(1,331,965)**
Transactions with owners in their capacity as owners:						
Shares issued	12,713	-	123,300	-	(123,300)	12,713
Share issued transaction costs	-	-	-	-	-	-
Share-based payments (Note 11)	98,389	-	64,254	-	-	162,643
Balance as at 31 December 2021	**35,494,676**	**(26,997,490)**	**1,178,047**	**1,036,746**	**-**	**10,711,979**

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Half-year ended 31-Dec-22 $	Half-year ended 31-Dec-21 $
OPERATING ACTIVITIES		
Receipts from customers	2,124,548	525,707
Payments to suppliers and employees	(3,580,326)	(1,874,003)
Interest received	8,606	300
NET CASH FLOWS USED IN OPERATING ACTIVITIES	**(1,447,173)**	**(1,347,996)**
INVESTING ACTIVITIES		
Proceeds from sale of fixed asset	2,413	8,182
Purchase of plant and equipment	(10,449)	(54,683)
Payment to acquire Mawpump	(257,560)	(1,228,423)
NET CASH USED IN INVESTING ACTIVITIES	**(265,596)**	**(1,274,924)**
FINANCING ACTIVITIES		
Proceeds from issue of shares	200	12,713
Share issue costs	-	-
NET CASH FLOWS FROM FINANCING ACTIVITIES	**200**	**12,713**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,712,569)	(2,610,207)
Cash and cash equivalents at the beginning of the period	4,003,404	7,452,866
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**2,290,835**	**4,842,659**

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

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CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

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

This interim condensed financial report for the half-year ended 31 December 2022 was authorised for issue in accordance with a resolution of the directors on 17 March 2023. The financial report has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

It is recommended that the half-year financial statements be read in conjunction with the annual financial report for the year ended 30 June 2022 and considered with any public announcements made by Parkway Corporate Limited and its controlled entities during the half-year ended 31 December 2022 in accordance with continuous disclosure obligations of the *ASX Listing Rules*.

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

The half-year financial statements have been prepared on the basis of accrual accounting and historical costs and the same accounting policies and methods of computation were followed as in the most recent annual financial statements.

(a) Changes in Accounting policies and disclosure

Since 1 July 2022 the Group has adopted all the Standards and Interpretations mandatory for annual reporting periods beginning on or after 1 July 2022. The adoption of any new and revised standards and interpretations effective from 1 July 2022 has not resulted in any changes to the Group's accounting policies and has had no material effect on the amounts reported to the current or prior period. The Group has not elected to early adopt any new standards or interpretations that are not mandatory effective.

(b) Going Concern

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business. The Group has reported a loss for the period of $1,310,654 (2021: $1,331,965) and a cash outflow from operating activities of $1,447,173 (2021:$1,347,996). At the end of the half year, the Group had $2,290,835 (30 June 2022: $4,003,404) in cash and cash equivalents and a working capital surplus of $3,092,126 (30 June 2022: $4,290,727).

The Directors also manage discretionary expenditure in line with the Group's cash flow and are confident that there are sufficient funds to meet the Group's working capital and funding requirements for a minimum of 12 months from the date of this report. The Directors consider the going concern basis of preparation to be appropriate based on forecast cash flows.

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CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

Note 2: Segment information

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

As no substantial exploration related activities occurred during the financial year, exploration related expenditures were not deemed to be considered a separate segment for reporting purposes as a consequence, activities in the operating segment are identified by management based on the manner in which resources are allocated, the nature of the resources provided and the identity of the manager and country of expenditure. Information is reviewed on a whole of entity basis. At 31 December 2022, all revenues and material assets are considered to be derived and held in one geographical area being Australia.

Based on these criteria the Group has one operating segment providing water treatment related products and services, and the segment operations and results are reported internally for the computation of the Group's results presented in this set of financial statements.

CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

Note 3: Earnings per share

	Consolidated	
	2022	**2021**
	$	**$**
Basic (loss) per share (cents per share)	(0.06)	(0.06)
Diluted earning/(loss) per share (cents per share)	(0.06)	(0.06)
Earning/(loss) used in calculating basic and diluted earning/(loss) per share	(1,310,654)	(1,331,965)
	Number	**Number**
Weighted average number of ordinary shares used in the calculation of basic and diluted earning/(loss) per share	2,213,276,223	2,203,272,874

During the period there were no listed or key management personnel options exercised.

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

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

CONDENSED NOTES TO THE FINANCIAL STATEMENTS
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Note 4: Sales revenue

Set out below is the disaggregation of the Group's sales revenue:

	Consolidated	
	31-Dec-22	**31-Dec-21**
Type of goods or service	**$**	**$**
Sale of water treatment related products	25,621	85,698
Commercial water treatment solutions	299,515	442,013
Industrial water related solutions	1,377,097	834,923
	1,702,233	1,362,634
Timing of sales revenue recognition		
Goods and services transferred at a point in time	1,702,233	1,362,634
Total revenue from sales	**1,702,233**	**1,362,634**

At 31 December 2022, all revenue from sales are considered to be derived and held in one geographical area being Australia.

Note 5: Contingent liabilities and contingent assets

The consolidated entity does not have any contingent assets or liabilities outstanding at 31 December 2022 (30 June 2022: Nil) other than those disclosed in note 7, relating to the acquisition of Mawpump.

Note 6: Trade and other receivables

	Consolidated	
	31-Dec-22	**30-Jun-22**
Current	**$**	**$**
Trade debtors	363,174	570,911
GST Receivables	-	25,224
Other Receivables	-	19,132
	363,174	615,266
Non-Current		
Other receivables	76,097	89,847
	76,097	89,847

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

For trade and other receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience for customer groups, adjusted for forward-looking factors specific to the debtors, industry payment profiles and the economic environment. As at 31 December 2022, an ECL of $56,620 was recognised (30 June 2022: $170,761)

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Note 7: Intangible assets

	Consolidated	
	31-Dec-22	**30-Jun-22**
Intellectual property	**$**	**$**
- aMES® Technology	3,174,267	3,174,267
- iBC® Technology	109,032	109,032
- IP Portfolio	40,000	40,000
Goodwill and customer list, net of deferred tax liability – Multi - Wet	-	300,407
Goodwill (30 June 22 provisional)	1,301,127	1,275,780
	4,624,426	**4,899,486**

	Consolidated					
	aMES® Technology	**iBC® Technology**	**IP Portfolio**	**Goodwill and customer list, net of deferred tax liability - Multi-Wet**	**Goodwill - Mawpump (30 June 2022 Provisional)**	**Total**
	$	**$**	**$**	**$**		**$**
Balance at 1 July 2022	**3,174,267**	**109,032**	**40,000**	**300,407**	**1,275,780**	**4,899,486**
Addtions - Goodwill	-	-	-	-	25,347	25,347
Impairment - Customer List	-	-	-	-	-	-
Impairment - Goodwill	-	-	-	(300,407)	-	(300,407)
Balance as at 31 December 2022	**3,174,267**	**109,032**	**40,000**	**-**	**1,301,127**	**4,624,426**
Balance at 1 July 2021	**3,174,267**	**109,032**	**40,000**	**426,407**	**1,275,780**	**5,025,486**
Addtions - Goodwill	-	-	-	-	-	-
Impairment - Customer List	-	-	-	(26,000)	-	(26,000)
Impairment - Goodwill	-	-	-	(100,000)	-	(100,000)
Balance as at 31 December 2021	**3,174,267**	**109,032**	**40,000**	**300,407**	**1,275,780**	**4,899,486**

The Group's intellectual property portfolio consists of trade secrets, know-how, trademarks and patents. At 31 December 2022, the Group is still in the process of developing and commercialising the technologies associated with the intellectual property; hence, the corresponding asset is not yet available for use.

At 31 December 2022, the Group assessed that there are no indicators of impairment in relation to the intellectual property portfolio from the last impairment testing performed on 30 June 2022.

The Group did not amortise the intellectual property during the period as the estimated useful life and the corresponding amortisation will only be determined when the corresponding asset is available for use.

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**CONDENSED NOTES TO THE FINANCIAL STATEMENTS
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Note 7: Intangible assets (continued)

Acquisition of Mawpump

On 3 September 2021, the Group, through its wholly owned subsidiary, Parkway Process Solutions Pty Ltd, entered into a Share Purchase Agreement to acquire the business of Mawpump, an established Darwin based pump supplies business, to acquire 100% of all shares in the capital of Mawpump. The acquisition of Mawpump will support the Group's evaluation and potential participation in the delivery of the project opportunities and other opportunities elsewhere in Australia.

The final fair and provisional values of the identifiable assets as at the date of acquisition were;

	Consolidated			
	31-Dec-22		**30-Jun-22**	
	(final)		**(provisional)**	
	$	**$**	**$**	**$**
Cash at bank	537,930		537,327	
Trade Debtors	285,258		294,380	
Liabilities	(506,806)		(318,284)	
Total identifiable net assets at fair value		316,382		513,423
Goodwill arising on acquisition		1,301,127		1,275,780
Purchase consideration		**1,617,509**		**1,789,203**
Purchase consideration		**$**		**$**
Cash consideration		1,487,509		1,228,423
Deferred Equity Payment		130,000		105,780
Contingent Cash payment (Note 9)		-		455,000
Total purchase consideration		**1,617,509**		**1,789,203**

The contingent consideration consists of $455,000 cash payable 12 months after acquisition date, provided that Mawpump meets and exceeds a baseline revenue threshold. After final adjustments a payment of $259,086 was made during the period.

Acquisition of Multi-Wet

On 1 March 2021, the Group, through its wholly owned subsidiary, Parkway Process Solutions Pty Ltd, entered into an agreement to acquire 100% of the business of Multi-Wet, a leading provider of industrial water treatment related products, chemicals, and services in Western Australia. This acquisition is generating revenue and support the successful commercialisation of the Group's next-generation technology portfolio, including the delivery of highly differentiated and integrated water-treatment related solutions.

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

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CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

Note 8: Trade and other payables

	Consolidated	
	31-Dec-22	**30-Jun-22**
	$	**$**
Current		
Unsecured liabilities		
Trade payables	340,461	481,706
Taxation	14,390	25,303
Other payables	225,268	614,740
	580,119	**1,121,749**

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

Note 9: Deferred Payment

	Consolidated	
	31-Dec-22	**30-Jun-22**
	$	**$**
Current		
Contingent consideration payable in cash on the aquitstion of Mawpump	-	455,000
Deferred Equity payment on the acquisition of Mawpump	130,000	-
	130,000	**455,000**

The contingent consideration after adjustments of $259,086 was paid during the period.

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**CONDENSED NOTES TO THE FINANCIAL STATEMENTS
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Note 10: Leases

Operating Leases relate to the lease of the following commercial premises:

Location	Commencement Date	Term (Months)	Option (Months)	Expiry
Sunshine North, VIC	11/01/2021	60	36	11/01/2029
Yarrawonga, NT	14/09/2021	24	96	14/09/2031
Sunshine North, VIC	1/09/2022	42	72	1/03/2032
Bayswater, WA	4/07/2022	60	60	3/07/2032

Right-of-use asset

	Consolidated	
	31-Dec-22	**30-Jun-22**
	$	**$**
Buildings		
Cost	3,222,758	1,369,298
Less accumulated depreciation	(336,518)	(177,203)
Carrying amount	**2,886,240**	**1,192,095**

Amounts recognised in profit and loss

	Consolidated	
	Half-year ended 31-Dec-22	**Half-year ended 31-Dec-21**
	$	**$**
Depreciation Expense on right of use asset	159,315	72,485
Interest Expense on lease liabilities	55,624	25,414
Expense relating to short-term and low value leases	-	52,241
	214,939	**150,140**

Right-of-use liabilities

	Consolidated	
	31-Dec-22	**30-Jun-22**
	$	**$**
Current	347,698	173,046
Non-Current	2,527,152	1,044,944
Total	**2,874,850**	**1,217,990**

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CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

Note 11: Issued capital

	Consolidated			
	Half- year to 31-Dec-22	**Year to 30-Jun-22**	**Half-year to 31-Dec-22**	**Year to 30-Jun-22**
Ordinary Shares	**Number**	**Number**	**$**	**$**
At beginning of the period	**2,213,262,446**	**2,196,309,541**	**35,475,444**	**35,383,574**
Issue of nil (30 June 2022:16,283,047) shares as share-based payments		16,283,047	-	79,000
Issue of 18,000(30 June 2022:669,858) shares for options exercised	18,000	669,858	200	12,870
At end of the period	**2,213,280,446**	**2,213,262,446**	**35,475,644**	**35,475,444**

Note 12: Equity based payments

	Consolidated	
	Half-year to 31-Dec-22	**Half-year to 31-Dec-21**
	$	**$**
Options issued to employees	-	64,254
Total equity based payments expense	**-**	**64,254**
Shares issued to employees	-	19,500
Shares to be issued to employee	-	28,889
Total equity based payments recorded in equity	**-**	**48,389**
Total equity based payment	**-**	**112,643**

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Note 13: Dividends

The Group did not declare any dividend during the half-year and the directors do not recommend the payment of a dividend in respect of the financial period.

Note 14: Events subsequent to the reporting date

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

DIRECTORS' DECLARATION

The Directors of Parkway Corporate Limited declare that:

(a) the financial statements and notes set out on page 9 to 22 are in accordance with the Corporations Act 2001, including:
- giving a true and fair view of the financial position of the Group as at 31 December 2022 and of its performance for the half-year ended 31 December 2022; and
- complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001.

(b) in the Directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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

Bahay Ozcakmak
Group Managing Director & CEO
Melbourne

20 March 2023

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