RUBICON™

APPENDIX 4E

Under ASX Listing Rule 4.3A

Rubicon Water Limited

ACN 651 852 470

Current reporting period ('FY24')	1 July 2023 to 30 June 2024
Previous corresponding period ('FY23')	1 July 2022 to 30 June 2023

This Preliminary Final Report presents the financial and other information of Rubicon Water Limited ('the Company') and its controlled entities (collectively 'the Group') as at 30 June 2024.

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	FY24 $'000				FY23 $'000
Revenue from ordinary activities	$58,397	up	5.8%	from	$55,223
Earnings before interest, tax, depreciation and amortisation (Underlying EBITDA[1])	($5,434)	up	38.0%	from	($8,766)
Earnings before interest, tax, depreciation and amortisation (Statutory EBITDA)	($6,904)	up	20.7%	from	($8,702)
Profit / (Loss) from ordinary activities after tax attributable to members	($10,710)	up	2.0%	from	(10,929)
Profit / (Loss) after tax attributable to members	($10,710)	up	2.0%	from	(10,929)

[1] Underlying EBITDA is before unrealised foreign exchange gains/losses.

DIVIDENDS

	AMOUNT PER SECURITY	FRANKED AMOUNT PER SECURITY
Current period		
None	-	-
Total dividend	**-**	**-**
Previous corresponding period		
None	-	-
Total dividend	-	-

The Company does not currently offer a dividend reinvestment plan.

NET TANGIBLE ASSETS PER SHARE

	30 JUNE 2024	30 JUNE 2023
Net tangible assets per ordinary security ($)[1]	0.29	0.36

[1] Net tangible assets are calculated by deducting intangible assets from the net assets of the Group. Net assets include right-of-use assets and corresponding lease liabilities recognised under AASB 16 Leases.

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APPENDIX 4E (CONTINUED)

DETAILS OF EQUITY ACCOUNTED INVESTMENTS

		OWNERSHIP INTEREST	
NAME	**TYPE**	**30 JUNE 2024**	**30 JUNE 2023**
Medha Rubicon Water Technologies Pvt Ltd	Joint Venture	50%	50%

COMMENTARY ON RESULTS FOR THE PERIOD

For further explanation of the statutory figures included in this report refer to the accompanying Financial Report for the year ended 30 June 2024, which includes the Directors' Report. The Full Year Results Presentation released in conjunction with this Results Announcement provides further analysis of these results.

ANNUAL REPORTING REQUIREMENTS

REPORTING REQUIREMENT	DATE
Audited Financial Statements Year ended 30 June 2024	23-Aug-24
Deadline for nomination as Director	7-Oct-24
Annual Report sent to shareholders	30-Oct-24
Notice of AGM sent to shareholders	30-Oct-24
Annual General Meeting	28-Nov-24

OTHER INFORMATION

This report is based on the consolidated financial statements which have been audited by Deloitte Touche Tohmatsu.

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RUBICON™

2024 ANNUAL REPORT

RUBICON WATER LIMITED

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RUBICONWATER

Rubicon Water Limited (RWL) is dedicated to addressing water scarcity by providing innovative solutions to governments, water management utilities, and growers.

Our mission is to increase water availability and agricultural productivity through improved water-use efficiency. With advanced technology and a focus on precision water management, we empower our clients to optimise their water resources with unparalleled efficiency and control.

Solutions operating in 22 countries, 6 continents.

A$1bn+ in infrastructure and services delivered to date.

~2Mha Irrigated land serviced.

Global near-term pipeline of A$225+ million.

35,000+ Products Installed worldwide.

Majority of revenue generated outside of ANZ since IPO.

300+ Employees, 14 offices globally.

Record bookings out of the USA, with 200%+ increase for FY24.

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Annual Report includes the Directors' Report, the Financial Statements and Independent Audit Report for the financial year ended 30 June 2024 lodged with the Australian Securities and Investments Commission and ASX Limited. The Annual Report is available on the Rubicon Water website www.rubiconwater.com. A copy of our full Corporate Governance Statement outlining compliance with ASX Corporate Governance Principles and Recommendations is available on our website at: **https://rubiconwater.com/au/investor-centre/corporate-governance/.**

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Chairman and CEO's Report

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Dear Shareholders,

As we close another year, it is evident that Rubicon Water is on a path of sustainable growth and global impact. Our achievements this year reflect not only our strategic vision but also our commitment to addressing the critical challenges of water scarcity and agricultural efficiency worldwide.

As the world continues to adapt to changes in climate, increasing populations, and the need to balance food production with sustainability, we are witnessing notable increases and attention placed on the value of water. This is particularly true in the United States, where federal and private agreements are showing parallels to the response witnessed in Australia in the early 2000s. During that period, the widespread adoption of Rubicon's technology was driven to combat severe water scarcity issues. These movements highlight the growing importance of water management solutions, and Rubicon is uniquely positioned to capitalise on this shift.

While the financial results for FY24 are disappointing they have been impacted by our proactive decisions to re-allocate some contract assets in China back into inventory and the one-off provisioning for a doubtful debt in Chile. Despite these challenges we have continued to make significant progress on our globalisation strategy. We have achieved numerous milestones and laid a strong foundation for growth in FY25 and beyond. Our global team's dedication has been instrumental in these achievements, driving our expansion into 22 countries to date and diversifying our project pipeline. We have also made significant investments in our localised global operations, increasing our personnel outside of ANZ from 67 to 140 over the past five years.

These efforts set us up for continued international success in identified growth markets such as the USA, India, Europe, North Africa, and Central Asia, which combined represent a service addressable market 20+ times the size of Australia.

Market Overview

The global landscape presented both challenges and opportunities in FY24. In the United States, Rubicon achieved record performance, securing A$33 million in orders—a 200% increase over the previous year. This success highlights the effectiveness of our market expansion strategies and the growing demand for our innovative solutions. We are excited for what lies ahead for the US market, amongst mounting pressures for improved water-use efficiency and conservation measures.

A milestone contract for our FarmConnect™ solution in California demonstrates the scalability and relevance of our on-farm technologies. After just two years with FarmConnect available as a soft-launch offering in the US market, and as we continue to refine and expand these offerings, we anticipate that FarmConnect™ will play a pivotal role in our growth, both in the U.S. and globally.

Rubicon's operations in China have historically been a reliable contributor over the past 14 years. However, over the past 12 months, we have seen a significant reduction in government funding released for existing and new irrigation automation projects. We have undertaken an analysis of our near-term opportunities in China and made the strategic decision to reallocate resources efficiently, ensuring that we remain agile in our response and capability to deliver on global opportunities. This decision has been made with the full understanding that the resultant reversal of revenue from prior periods has a negative impact on the company's FY24 underlying EBITDA. Once timelines for on-the-ground activities are clearer, we anticipate resuming the local manufacture of assets and delivering projects within the region.

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In addition to the movements in our established markets, we have broadened our engagements within emerging markets. The signing of a Memorandum of Understanding (MoU) with Egypt's Ministry of Water Resources and Irrigation, along with other key agreements in FY24, highlights our expanding footprint in regions placing critical importance on the need to improve water security. A recent letter of recommendation from the Helvetas Swiss Cooperation Office, dated August 2024, following our successful transboundary project deployed on the border of Tajikistan and Uzbekistan, further validates the effectiveness of our technology in improving trust and cooperation between nations through accurate and transparent water measurement.

Operational Overview

Our operational achievements this year have established strong pillars for future growth. Investments in our localised global operations have been crucial to our transition to an international business. Over the past five years, we have more than doubled our personnel outside of ANZ, setting the stage for continued international growth in these target markets.

We now have a healthy footprint of large-scale modernised irrigation networks located throughout various countries, which are reporting impressive outcomes a few years post-installation. Prior to delivering these larger international projects, our footprint in Australia served as the core reference, presenting challenges in proving the applicability of our technology outside of the country. This limitation proved to be the biggest impact of the Covid travel restrictions and its impact on pipeline projects in the last 2 years. Today, we are leading delegations across multiple benchmark global modernisation success stories, rendering results and accelerating the gestation period of emerging opportunities. Internationally, we continue to focus on diversifying our revenue streams, with approximately 70% of our revenue now coming from international markets, and we are well-primed to expand on this project base in the periods ahead.

Our commitment to strengthening our international operations and diversifying our professional workforce is evident in the significant achievements we've made in Latin America and Central Asia. Notably, in FY24 we secured our largest contract in Latin America since market entry in 2012, with an A$2.5 million project in Costa Rica.

Delivering Long-Term Value

While integrated hardware sales remain a major revenue driver, accounting for over 70% of our total revenue, the initial solution implementation represents just the beginning of our customer journey. The real long-term value lies in the maintenance, support, and software offerings that we deliver for our customer base. This model has already been proven in Australia, where we have modernised much of the irrigation network and continue to generate a steady baseload revenue of A$15-20m annually, via replacement programs, O&M agreements, and working with our customers to deliver enhanced solution features.

This shift from heavy solution sales to a recurring revenue model in Australia demonstrates our commitment to ongoing market presence, ensuring that we continue to meet the evolving needs of our customers. This narrative of long-term value and support is powerful for Rubicon's future throughout our international markets, setting us apart from alternate solutions providers.

Importance of International Engagement

As we continue to expand globally, the importance of international engagement cannot be overstated. Senior management's face-to-face meetings with customers and global teams, as well as our active participation in key conferences, have been pivotal in positioning Rubicon as an industry leader on the global stage. Post Covid, we have been proactive in attending and presenting at key events, including co-

Chairman and CEO's Report

Continued

hosting a successful event at one of the world's largest irrigation conferences in Las Vegas, delivering a multi-day program at the University of Milan, Non-Executive Director Iven Mareels' headline keynote at ExpoAgua in Santiago, and preparing for upcoming presentations at the Irrigation Australia conference in Sydney and the United States Committee on Irrigation & Drainage in Sacramento later in 2024.

These engagements not only enhance our credibility and solution education but also strategically position Rubicon for sustained global growth. Aligning with professors and industry experts further validates the importance of our technology in improving the management of large-scale open-channel networks.

Financial Performance and Promising Future Outlook

Despite reporting a loss for FY24, we have made significant inroads in both emerging and existing markets, especially in our USA market as mentioned throughout. We anticipate a strong response from our international markets as they increasingly adopt our technology. The funds secured from the recent Capital Raise will further support our globalisation project as we pursue larger opportunities in expansive global markets.

Looking forward, we are more confident than ever in our ability to deliver on our pipeline of opportunities. The demand for efficient water management solutions is set to increase, and Rubicon is uniquely positioned to capitalise on these opportunities by offering a solution that delivers tangible outcomes in improving the productivity and availability of water. Our long-term strategy, combined with our proven track record, ensures that we are well-equipped to navigate the complexities of the global market and continue delivering value to our shareholders.

In closing, we would like to extend our sincere thanks to our dedicated Rubicon team, our partners, and our shareholders, for your continued support and faith in Rubicon's vision. Together, we are helping shape the future of global water management and supply.

Gordon Dickinson
Chairman

Bruce Rodgerson
Chief Executive Officer

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INVESTING IN OUR GLOBAL CAPABILITIES ACROSS KEY GROWTH MARKETS.

We are committed to enhancing our expertise, training, industry partnerships, and developing our local hubs close to both existing and emerging international markets.

Over the past five years, we have increased our personnel outside of ANZ from 67 to 140*

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*includes JV facility staff

RWL MARKET EVOLUTION

Prolonged drought, rising demand, national climate resilience measures, and the increasing value of water are driving change across the USA—a narrative reminiscent of Australia's experience in the early 2000s.

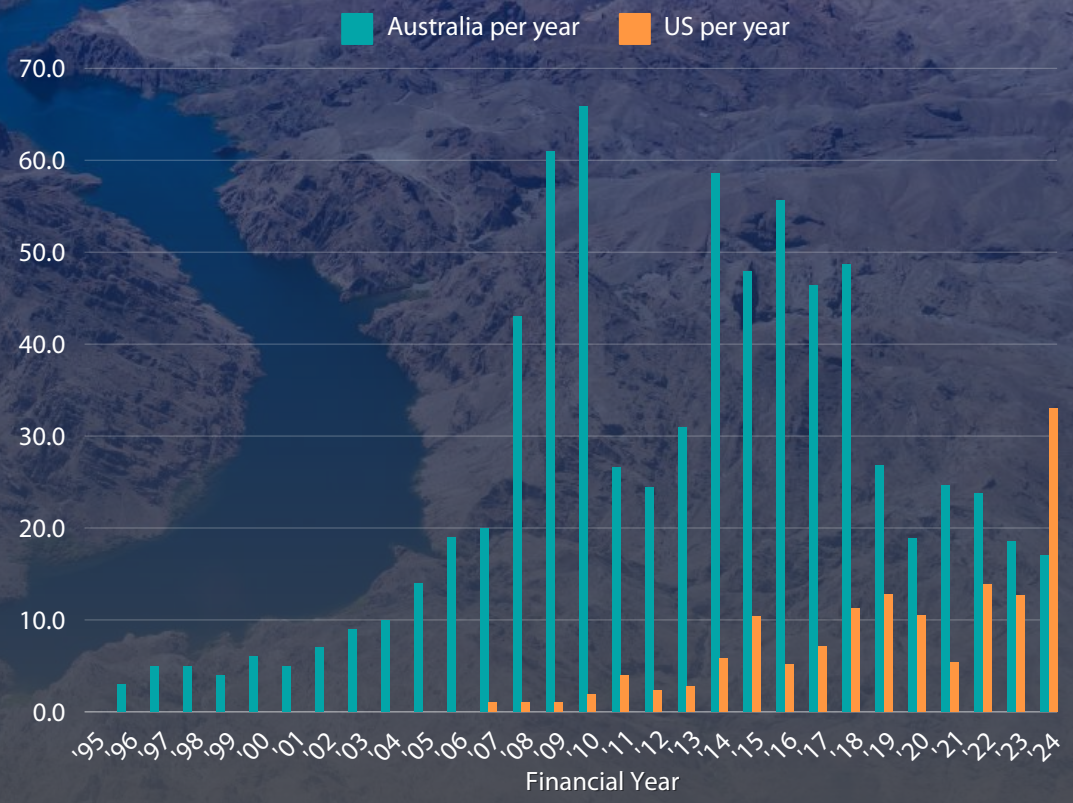
In Australia, early years were characterised by technology development and small-scale implementations until the Millennium Drought peaked, seeing the value of water surge.

In the USA, the escalating water prices and urgency for water conservation measures are driving investment in a market 10+ times the size of Australia.

Historical sales - Australia VS USA market (A$m)

>$730m delivered in Australia, now generating a baseload revenue of A$15-20 million.

200%+ increase in bookings out of the USA for FY24.



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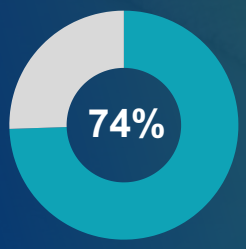
Solutions delivering long-term value

The initial solution implementation represents just the beginning of our customer journey.

Setting strong foundations for transforming international solution sales into recurring revenue streams through value-added services and collaborative efforts to enhance solution features. Our move from solution sales to a recurring revenue model in Australia highlights our commitment to sustaining market presence and delivering on our customers' evolving needs.

FY24 REVENUE SPLIT

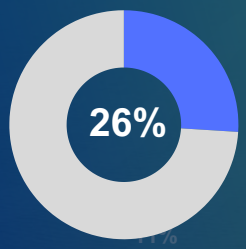


SOLUTION SALES

Comprising integrated hardware of both on-farm and off-farm technology.

80%+

Generated from **Asia** and **ROW segments**.



RECURRING O&M + SOFTWARE

Software contracts, SaaS offerings, maintenance, support services.

75%+

Generated from **ANZ segment**.

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Directors' Report

Directors' Report

The Directors present their report, together with the consolidated financial statements of Rubicon Water Limited ('the Company') and its controlled entities (collectively 'Rubicon' or 'the Group') for the financial year ended 30 June 2024 and the auditor's report thereon.

In order to *comply* with the provisions of the *Corporations Act 2001*, the Directors Report is as follows.

Directors

The names and particulars of the Directors of the Group at any time during or since the end of the financial year are:

Name	Position Held	Period
Gordon Dickinson	Chairman and Non-executive Director	Full period
Bruce Rodgerson	Executive Director and Chief Executive Officer	Full period
David Aughton	Executive Director	Full period
Tony Morganti	Independent Director	Full period
Lynda O'Grady	Independent Director	Full period
Iven Mareels	Independent Director	Full period

Name	Background
Gordon Dickinson	Gordon has over two decades of experience in the financial services industry. His experience includes 10 years at UBS, where he held the position of Chief Executive Officer and Chairman of UBS in Australia and New Zealand. Gordon was awarded the Centenary Medal by the Federal Government in 2001 for services to the financial services industry. He currently runs a family farming business and is the Deputy Chair of the Australian Wool Testing Authority. Gordon has been a shareholder and Director of Rubicon since 2003. Gordon holds an Advanced Diploma in Farm Management.
Bruce Rodgerson	Bruce is a founding Director and current CEO of Rubicon. Previously, as Operations Manager Bruce was responsible for the establishment of Rubicon's manufacturing and project delivery business units. He also had a significant role as part of Rubicon's marketing and business development team and managed Rubicon's R&D programs. In 2010, Bruce took over from founding Chief Executive David Aughton to lead Rubicon through its next stage of growth. Prior to the establishment of Rubicon in 1995, Bruce spent six years with the Victorian Rural Water Corporation. Bruce has a degree in Civil Engineering from RMIT.
David Aughton	David has more than 30 years' experience in water irrigation and has been instrumental in bringing reform to the industry, particularly in the area of operations. He was Rubicon's Managing Director from when it was founded in 1995 until 2010. Prior to this David held senior executive roles with the Rural Water Corporation in Victoria. David is currently an executive Director with Rubicon with responsibilities for business development, strategy and R&D. David has a degree in Agricultural Engineering (Hons) from the University of Melbourne.

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Lynda O'Grady

Lynda has 30 years' experience in IT, telecommunications and media.

Her executive career included roles at Telstra at the Executive/Managing Director level including as Chief of Product; Commercial Director of Australian Consolidated Press, the publishing subsidiary of PBL and General Manager of Alcatel Australia. Lynda served as the inaugural Chairman of the Aged Care Financing Authority and on the board of National Electronic Health Authority.

Currently, Lynda is a non-executive Director of Domino's Pizza Enterprises, Wagners Holding Ltd.

Lynda has a Bachelor of Commerce (Hons) from the University of Queensland and is a Fellow of the Institute of the Company Directors.

Directorships of listed entities, current and recent (last three years):

Non-executive Director of Domino's Pizza Enterprises Ltd (since April 2015) and Wagners Holding Company Ltd (since November 2017).

Iven Mareels

Since October 2022, Iven has been the Pro-Vice Chancellor Innovation, and Executive Dean at Federation University responsible for the business, engineering, IT and science disciplines. Prior to this he was with IBM, inter alia as Director of IBM Research in Australia (2018-2021) and Dean of the University of Melbourne's School of Engineering (2007-2018).

He is a Fellow of Engineers Australia (EngExec, NER, CPEng), the Institute of Electrical and Electronic Engineers (IEEE, USA), the Federation of Automatic Control (IFAC, Austria) and a Fellow of the Australian Academy of Technology and Engineering - which he also serves as Director/Vice-President Audit & Risk, and a Foreign Fellow of the Royal Flemish Academy of Belgium for Science and the Arts (KVAB, Belgium).

Iven has published widely, he has co-authored over 500 refereed publications, and is a co-inventor on some of the key patents that underpin Rubicon's unique water management technology.

Iven obtained the IR (equivalent to BEME) in Electro-Mechanical Engineering from the University of Gent, Gent Belgium in 1982 and the PhD in Systems Engineering from the Australian National University in 1987.

Tony Morganti

Tony has over 30 years' experience as a professional advisor in tax and M&A transactions and was previously a corporate tax partner at KPMG for 20 years, specialising in the agribusiness, telecommunications, media and mining industries.

Tony is currently the Chief Financial Officer of GS1 Australia Pty Ltd. Tony is a Fellow of the Chartered Accountants Australia & New Zealand, a Chartered tax advisor and admitted as a lawyer of the Supreme Court of Victoria.

Tony has a Bachelor of Business (Accounting) degree, Victoria University and a Master of Laws (Juris Doctor), Monash University.

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Meetings of Directors

The number of Directors' meetings (including meeting of committees of Directors) and number of meetings attended by each of the Directors of the Group during the financial year are listed below:

	BOARD		AUDIT AND RISK COMMITTEE		NOMINATION, CULTURE AND REMUNERATION COMMITTEE	
DIRECTOR – CURRENT [1,2]	Held	Attended	Held	Attended	Held	Attended
Gordon Dickinson	11	11	4	4	3	3
Bruce Rodgerson	11	11				
David Aughton	11	11				
Lynda O'Grady	11	11	4	4	3	3
Iven Mareels	11	10				
Tony Morganti	11	11	4	4	3	2

[1] 'Held' indicates the number of meetings held during the period that the Director was a member of the Board or Committee.
[2] 'Attended' indicates the number of meetings attended during the period that the Director was a member of the Board or Committee.

Company Secretary

The company secretary for the Group at any time during or since the end of the financial year is:

Rob Walker

Principal Activity

The principal activity of the Group during the year was a provider of specialist operational technology to the water and broader utility market.

Rubicon is a water technology solutions business that designs, manufactures, installs and maintains irrigation automation software and hardware. Rubicon aims to address the issue of global water scarcity by maximising water availability and agricultural productivity through improved irrigation water use efficiency.

Operating and Financial Review

Operating Results

Financial information in the operating and financial review is based on the audited consolidated financial statements for the year ended 30 June 2024.

Rubicon Water Limited reported a net loss after tax, including non-controlling interests, of $10,964,158 for the year ended 30 June 2024 ($11,157,795 loss for the year ended 30 June 2023).

Revenue was $58,396,809 (30 June 2023: $55,222,884), up 5.8% for the year ended 30 June 2024. At a segment level, compared to the year ended 30 June 2023, revenue grew 54% in the Rest of World segment while declining in the ANZ segment (down 1.9%) and the Asia segment (down 57.1%).

The significant growth in the Rest of World (ROW) was led by the US but also saw Europe experience a material uplift over the last 12 months. The ROW segment revenue increased from $21,583,578 in 2023 to $33,186,925 in the current financial year. In the US we contracted $33m worth of new orders which represented a 200% growth over the preceding reporting period which included signing a key milestone contract for our FarmConnect solution.

ANZ recorded a marginal reduction in revenue from $19,506,708 to $19,145,199 driven by a decline in hardware solution sales but offset by an uplift in spare parts orders from our key Australian customers.

Asia segment revenues fell by 57.1% from $14,131,961 to $6,064,442. The Indian market recorded a significant growth year-on-year on the back of a significant new contract signing with our key customer. However, the tight economic conditions in China over the last 12-18 months have seen a significant reduction in government funding released for existing and new irrigation automation projects. This has resulted in minimal new contract signings and a material slowing of existing contracts during this period. While no existing contracts have been cancelled, uncertainty surrounds the timelines for resuming works on several contracts. A comprehensive strategic review of the operations in China was undertaken and the Group has released contract assets previously related to some of these contracts. This decision has resulted in the reversal of approximately $6.5m in revenue in the Asia segment.

The Group reported Underlying EBITDA loss of $5,434,122 (30 June 2023: $8,766,019) and net cash outflow from

operations of $6,952,710 (30 June 2023: $1,362,880 net cash outflow from operations). The Group's cash flows in the first half of the financial year were negatively impacted by delays in delivery and installation of hardware and payment of progress claims. These matters started to improve during the second half of the financial year which, when combined with other prudent cash management measures undertaken, enabled the Group to generate a net operating cashflow inflow of $1,596,000 during this half-year period.

Key performance measures are provided in the following table:

	2024 $'000	2023 $'000
REVENUE	**58,397**	55,223
UNDERLYING EBITDA	**(5,434)**	(8,766)
UNREALISED FOREIGN EXCHANGE GAINS/(LOSSES)	**(1,470)**	64
EBITDA [1]	**(6,904)**	(8,702)
EBIT [2]	**(9,341)**	(11,267)
LOSS AFTER TAX	**(10,964)**	(11,158)
NET OPERATING CASH OUTFLOW	**(6,953)**	(1,363)
NET ASSETS	**54,855**	65,803
NET (DEBT) / CASH	**(31,608)**	(20,880)

[1] EBITDA is EBIT before transactions costs, depreciation and amortisation.
[2] EBIT is earnings before transactions costs, finance costs and income tax expense.

Note – EBIT, Underlying EBITDA and EBITDA are non-IFRS financial measures, which have not been subject to review by the Group's external auditors. These measures are presented to assist understanding of the underlying performance of the Group and are consistent with the measures reported to management for the purpose of resource allocation and managing performance of the Group.

Key Business Risks

The Group recognises the material business risks that are relevant to its activities and takes appropriate actions to manage those risks. The Board is responsible for overseeing and approving the Company's risk management framework (for both financial and non-financial risks) including its strategy, plans, policies, procedures and systems and adopting and approving a risk appetite statement within which the Board expects management to operate. The Group regularly reviews its risks and their mitigation strategies, so that it can support the delivery of its purpose and strategy and respond to challenges faced by the Group's businesses and the water and broader utility industry. The Company's management is responsible for establishing the Company's risk management framework, including identifying major risk areas and developing the Company's policies and procedures, which are designed effectively to identify, treat, monitor, report and manage key business risks.

The below table outlines material business risks and their mitigation strategies:

Risk	Summary	Select mitigation strategies
Liability and reputational risk	The provision of products, solutions and services by the Group carries with it the risk of liability for injury, damage or losses arising from defects or failures in its hardware or software (including design and manufacturing processes). This includes not only potential repair and/or replacement costs of the Rubicon hardware and software, but also flood damage to channel networks, flood damage to third party properties or consequential loss caused to parties relying on water supply, such as farmers suffering crop damage as a result of water supply disruptions.	☐ Stakeholder engagement strategy; ☐ Design, development and release approach for new products; ☐ Incoming inspection process for new materials; ☐ Review and testing of new designs; ☐ Live telemetry links to installed sites with appropriate alarms as a part of commissioning; and ☐ Appropriate insurance coverage.

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Risk	Summary	Select mitigation strategies
Counterparty risk	Rubicon has several commercial agreements and arrangements with third-parties, including customers and suppliers, and will enter into a number of further agreements and arrangements with others in order to meet its growth strategy. This risk is particularly present in overseas markets where Rubicon aims to establish its presence and takes necessary steps to establish relationships with local partners.	☐ Ensure designs and contracted technical specifications are robust, with reasonable performance testing regimes and tolerances. Ensure adequate PI insurance cover is in place. ☐ Maintain contract review process and authority limits. Ensure adequate liability cover is in place. ☐ Ensure sign off process for contract approvals including legal and commercial.
Supply and logistics	The Group is heavily reliant on freight logistics including air, sea and land for the inbound delivery of materials and outbound distribution of goods to customers. There is a risk of disruption to logistics due to the occurrence of extreme weather events and longer-term changes in weather patterns.	☐ Business continuity plans to manage the supply chain and delivery of goods to stores during extreme weather and business disruptive events. This includes working closely with freight forwarders, booking containers in advance to secure shipping space and investigation of alternate freight sources. ☐ Providing demand forecast information to key suppliers for their preparation of raw materials and production planning.
Working Capital	The Group's customers comprise governments and water authorities. Contracts with these customers are often structured to be paid in instalments. There is a risk that these payments may be delayed or not paid at all as a result of bureaucratic processes within government agencies delaying the release of funds, funds being paid to third-party joint venture partners and delayed release to Rubicon or disagreements with customers over the completion of contract milestones that release payment.	☐ HSBC facility renegotiated in August 2023 – refer Note 18. ☐ Payments terms – Where possible the Group will commercially negotiate payment terms that include deposits on order, followed by a portion on delivery with the final amount due on commissioning. ☐ Diligent cash flow management - management oversight to ensure tight cash flow management.
Timing of uptake of products and services	As a result of the significant outlay required for large-scale irrigation modernisation projects, the customer decision making process is typically protracted. Since Rubicon's products, solutions and services are new and untested in some regions, it is common for customers to run several pilots before committing to larger-scale projects. As a result, the timing of commitments to take up the Group's products, solutions and service is uncertain.	☐ Establish a broad pipeline for potential projects; ☐ Geographical diversity across multiple markets; ☐ Scalability – ensure Rubicon has the capacity to accommodate the timing of new projects when won.
Fluctuations in commodity prices and foreign exchange movement	Commodities, including aluminium, represent a component of Rubicon's materials cost. If they were to increase significantly, a reduction to the Group's margins may eventuate, negatively impacting financial performance. Rubicon's expenditure and revenue will predominantly	☐ Strategies including locking in contract supply prices for a period of time, monitoring pricing trends and stockpiling inventory. ☐ Consider FX exposures when pricing new projects in foreign currency. For larger projects prepare sensitivity analysis on

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Risk	Summary	Select mitigation strategies
	be made and received in the various jurisdictions and currencies in which Rubicon operates. As a result, Rubicon may be adversely affected by fluctuations in those foreign currencies and the relative Australian dollar exchange rates.	rate for the project. On contracted works - ensure there is an understanding of the Group Hedging Policy.
Intellectual property	Rubicon relies heavily on its intellectual property and software technology. Rubicon has patent coverage on many aspects of its hardware, algorithms and software design and owns certain copyrights and trademarks in its business however, those protections can expire and not be replaced on the same terms.	☐ Ensure employee and other contracts contain appropriate wording with regard to IP protection; ☐ Ensure systems and controls are in place to minimise the risk of IP theft; ☐ Minimise IP taken into risk jurisdictions; ☐ Rubicon employs (contract) a patent attorney who advises and reports to CEO ☐ Formal policies and procedures; ensuring adequate systems and processes are in place to maintain patents; ☐ Enforcement of Patents.

Review of Principal Businesses

Disclosure of information regarding principal business performance and likely developments has been made in the CEO and Chairman's section of this report.

Significant Changes in the State of Affairs

In the opinion of the directors there were no significant changes in the state of affairs of the Group that occurred during the financial year under review.

Dividends

There were no dividends paid during the 2024 financial year (2023: Nil).

Environmental Regulation (s.299(1)(f))

Group operations are subject to significant environmental regulation under Commonwealth, State and international law, including noise, air emissions and the use, handling, haulage and disposal of dangerous goods and wastes. The Group follows practices that minimise adverse environmental impacts and comply with environmental requirements.

The Board is not aware of any significant breaches during the periods covered by this report nor does it consider the Group is subject to any material environmental liabilities.

National Greenhouse and Energy Reporting Guidelines

The Group's environmental obligations are regulated under both Federal and State law. The Group is not subject to the conditions imposed by the registration and reporting requirements of the *National Greenhouse and Energy Reporting Act 2007*.

Share Options and Performance Rights

During the financial year no options were granted or exercised.

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During the year 1,149,460 (2023: 657,271) performance rights were granted to members of the Company's Executive Group pursuant to the Company's long-term incentive plan. No performance rights were exercised as at 30 June 2024 (2023: Nil). Refer to the Remuneration report section of the Directors' Report for further details.

Indemnification and Insurance of Officers

Rubicon Water Limited has indemnified and paid premiums to insure each of Rubicon Water Limited's directors and executives against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacity, other than conduct involving a wilful breach of duty in relation to Rubicon Water Limited.

The directors have not included details of the nature of the liabilities covered or the amount of the premiums paid in respect of the directors' and officers' liability and legal expenses' insurance contracts, as such disclosure is prohibited under the terms of the contract.

Auditor

Deloitte Touche Tohmatsu (Deloitte) continues in office in accordance with section 327 of the *Corporations Act 2001*.

Non-Audit Services

During the year Deloitte, the Group's auditor, has not performed any assurance services in addition to the audit and review of the financial statements.

The directors are of the opinion that the services disclosed in Note 30 to the financial statements do not compromise the external auditor's independence, based on advice received from the Audit and Risk Committee, for the following reasons:

- All non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor.
- None of the services undermine the general principals relating to the auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants* issued by the Accounting Professional & 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.

Details of the amounts paid or payable to the auditor of the Group, Deloitte, and its network firms for all services provided during the year are set out below:

	2024 **$**	2023 $
AUDIT AND REVIEW OF FINANCIAL STATEMENTS	**352,750**	337,414
OTHER ASSURANCE SERVICES	-	-
TOTAL PAID OR PAYABLE TO DELOITTE	**352,750**	337,414

Lead Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 26 and forms part of the Directors' Report for the financial year ended 30 June 2024.

Rounding Off

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016 and in accordance with that Instrument, amounts in the consolidated financial statements and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Events Subsequent to Reporting Date

On 7 August 2024 the Group announced to the Australian Securities Exchange a fully underwritten two tranche placement of 64,000,000 shares at a price of $0.25 per share to raise $16,000,000 (before share issue costs):

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- Tranche 1 placement raised $6,472,091 via issue of 25,888,350 shares which settled on 12 August 2024.

- Tranche 2 placement will raise a further $9,527,909 via the issue of approximately 38,111,636 shares subject to shareholder approval to be held at an Extraordinary General Meeting on 11 September 2024. Tranche 2 placement proceeds are expected to be received on 13 September 2024.

On 7 August 2024 the Group also announced that it intended to undertake a share purchase plan (SPP) of approximately $2,000,000. The Group is currently seeking a waiver from the ASX in relation to Listing Rules 7.1 and 10.11 to proceed with the SPP. Details of the SPP will be announced after the receipt of the waiver.

Other than the above, there has not arisen, in the interval between the end of the financial year and the date of this report, any item, transaction or event which would have a material effect on the financial statements of the Group subsequent to the financial year ended 30 June 2024.

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Remuneration report – audited

The directors of Rubicon Water Limited on behalf of the Group present the Remuneration Report for the Company and its subsidiaries (the Group) for the financial year ended 30 June 2024.

The Report provides information on the remuneration arrangements for the Key Management Personnel (KMP) which comprise non-executive directors as well as executives, including the Chief Executive Officer and the Chief Financial Officer.

The information provided in the Report has been audited as required by section 308(3C) of the *Corporations Act 2001.*

Remuneration Policy and Governance

The Board is responsible for the Group's remuneration policies and practices. The Remuneration and Nomination Committee's role is to assist the Board in fulfilling its responsibilities for corporate governance and oversight of the Group's remuneration and nomination policies and practices which enable it to attract and retain senior management of the Group (comprising the Chief Executive Officer and such other individuals as the Committee determines from time to time (Senior Management)) and appropriately align their interests with those of key stakeholders. The performance of the Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel.

The Board has adopted several corporate governance policies to support a strong governance framework, each of which has been prepared having regard to the ASX Corporate Governance Principles and Recommendations. They include a Diversity Policy, Shareholder Communication Policy, Securities Trading Policy, Whistle-blower Protection Policy and Anti-bribery and Corruption Policy. These policies have been implemented to promote responsible management and conduct.

The Board has determined that the remuneration framework for senior management should comprise the following components:

- fixed remuneration – consisting of base salary and superannuation contributions;
- short-term incentives paid in cash and/or equity instruments; and
- long-term incentives granted in equity (under the Equity Incentive Plan).

The performance objectives of each executive are agreed at the beginning of each fiscal year and recorded in their annual short-term incentive plan (STI). Entitlements to STI payments are based on their achievement relative to those performance objectives. The STI plans are designed to motivate and align executives with the Group's strategic and financial objectives. All incentive payments are at the discretion of the Board.

Non-executive Directors

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees are reviewed annually by the Remuneration and Nomination Committee and reflect the market salary for a position of an individual of comparable responsibility and experience. Non-executive directors' fees do not include any performance-based remuneration.

The maximum aggregated amount of fees that may be paid to the non-executive directors for their services is subject to approval by shareholders at the Annual General Meeting. This cap has been set at $850,000 per annum (inclusive of any superannuation payments). Remuneration for non-executive directors during the financial year consists of fixed remuneration and superannuation contributions.

Executive Key Management Personnel

The Group's remuneration framework is designed to reward Executive KMP for their contribution to the collective performance of the Company and to support the

alignment between the remuneration of Executive KMP and shareholder returns.

The executive KMP of the Company are Bruce Rodgerson (CEO), David Aughton (Executive Director) and Andrew Bendall (CFO). Mr Bendall commenced employment with the Company on 29 May 2023 and commenced as an executive KMP on 1 July 2023.

An employment contract of a KMP does not stipulate a term of employment but does stipulate a notice period for resignation and periods of remuneration and conditions upon termination. The Company may summarily terminate KMP's employment contract in certain circumstances, without notice or payment in lieu of notice, for conduct which in the reasonable opinion of the Company warrants summary dismissal including where the KMP engages in serious misconduct, including an act of theft or dishonesty, negligence, breach of confidentiality, or conduct that causes risk to the Company's reputation, viability, or profitability.

Key terms of the employment agreements for the executive KMP are as follows:

Executive KMP	Bruce Rodgerson	David Aughton	Andrew Bendall
Role	CEO	Executive Director	CFO
Terms of Agreement	Permanent employment contract	Permanent employment contract	Permanent employment contract
Notice Period	6 months	4 weeks	3 months
Termination benefit	6 months in lieu of notice	4 weeks in lieu of notice	3 months in lieu of notice
Annual base salary (exclusive of superannuation benefits)	$350,000	$239,951	$317,223
Other benefits	$25,000 car allowance[1]	$25,000 car allowance[1]	Nil
Short term incentive (STI)	Maximum bonus of $201,250, subject to satisfactory completion of agreed KPIs.	Nil	Maximum bonus of $106,950, subject to satisfactory completion of agreed KPIs.
Long term incentive (LTI)	Equity incentive plan	Equity incentive plan	Equity incentive plan

[1] Monetary benefit.

Performance conditions linked to remuneration

Remuneration of the non-executive directors are not linked to the performance of the Company as they are remunerated with set fees and do not receive any performance-based pay. The remuneration level for Executive KMP is based on a number of factors, including skills and qualification, achievement of performance metrics, and demonstrated management capability.

Short-term incentives

The Company has adopted a short-term incentive (STI) plan for the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO). The STI metrics align with the Group's financial and strategic objectives. Performance is measured against a target Underlying EBITDA and Net Debt as set in the Group's operational budget approved by the Board. A further requirement for qualifying for a Net debt STI, is that the Underlying EBITDA must be at least 50% of the target. An "STI opportunity" set at for the CEO and CFO respectively is allocated between the underlying EBITDA and Net Debt hurdles as set out in the table below:

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Performance metric	Target achieved	Payout %
Underlying EBITDA - 60% of STI	70%	25%
	80%	50%
	90%	75%
	100%	100%
	120%	110%
	150%	125%
Net Debt - 40% of STI	100%	100%

Neither of the performance targets were met in the FY24 and consequently none of the STI vested for both the CEO and CFO.

Consequences of performance on shareholder wealth

The Executive KMP have not been awarded short-term performance benefits in the current and comparative reporting period related to the achievement of the annual short-term incentive plan. The following table shows the earnings and dividends of the Group for the last five full financial periods:

	2024 $'000	2023 $'000	2022 $'000	2021 $'000	2020 $'000
Revenue	58,397	55,223	65,291	81,529	64,808
EBITDA[1]	(5,434)	(8,702)	2,589	14,197	6,813
(Loss) / Profit after tax	(10,964)	(11,158)	(731)	8,225	1,033
Dividends paid (cents per share)	-	-	10	-	-
Basic loss (cents per share)[2]	(6.2)	(6.4)	(0.3)	6.3	0.8
Share price at year-end[3]	$0.33	$0.65	$1.05	N/A	N/A

[1] EBITDA is EBIT before transaction costs, depreciation and amortisation.

[2] Earnings per share for financial years 2019-2021 were adjusted to reflect the 1:1.31123 (in-substance) share split which occurred in connection with the pre-IPO structuring steps.

[3] Rubicon Water Limited listed on the Australian Securities Exchange on 31 August 2021 issuing additional 40,000,000 ordinary shares for cash consideration of $1.00 per share.

Options and Rights over equity instruments granted

The Company adopted a new long-term incentive plan (LTI) in connection with its admission to the ASX in August 2021. The Performance Rights incentivise the executive Directors and Company's senior management team and are not ordinary course of business remuneration securities. Performance Rights are not listed and may not be traded on any exchange.

The initial award was a single tranche of Performance Rights granted to the relevant Participants under the Performance Rights Grant in August 2021 (2021 Performance Rights) of 622,603, with a vesting period to the release of the Company's FY24 financial results. A subsequent award of 657,271 performance rights was granted to the relevant Participants in December 2022 (2022 Performance Rights). In December 2023 a further 1,149,460 performance rights (2023 Performance Rights) were granted to relevant Participants which now hold a total of 2,429,334 performance rights. 188,625 performance rights belong to Participants that ceased employment with the Company during the current and preceding financial and consequently will not vest.

The Board may determine to make further grants in the future at its discretion.

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Details of executive Key Management Personnel performance rights issued during the financial year are set out below:

Key Management Person	Opening Balance	Granted	Exercised	Expired / Forfeited	Closing Balance
Bruce Rodgerson	259,953	280,404	-	-	540,357
David Aughton	231,065	192,238	-	-	423,303
Andrew Bendall	-	149,015	-	-	149,015
Total	**491,018**	**621,657**	**-**	**-**	**1,112,675**

The key features of the Performance Rights in Rubicon Water Limited are outlined below:

Term	Description
Eligibility	Offers may be made at the Board's discretion to the members of the Executive Team (and any other individuals that the Board determines).
Issue and exercise price	Performance Rights are issued for nil consideration and have no exercise price.
Vesting and disposal restriction	The Performance Rights vest when applicable performance conditions have been fulfilled, as specified in an invitation. The Performance Rights granted vest in three tranches. **Tranche 1** – representing 40% of the Performance Rights granted Where the Company achieves <10.0% EPS CAGR over the relevant testing period, none of the Performance Rights will vest. Where the Company achieves between 10.0% and 15.0% EPS CAGR over the relevant testing period, the Rights will vest pro rata on a straight-line basis (i.e. 50% of Performance Rights will vest for achieving a 10.0% EPS CAGR and 100% of Performance Rights will vest for achieving a 15.0% or more EPS CAGR). Where the Company achieves >15.0% EPS CAGR over the relevant testing period, all of the Performance Rights will vest.

Performance – EPS CAGR	% of the 40% Performance Rights Vest
<10.0%	0%
10.0% TO 15%	0% to 100% (straight line, for example 12.5% = 50%
> 15%	100%

Tranche 2 – representing 25% of the Performance Rights granted

Where the Company achieves a total shareholder return (TSR) in the bottom third or fourth quartile when compared to the S&P/ASX Small Ordinaries Index (XSO) for the relevant testing period, none of the Performance Rights will vest.

Where the Company achieves a TSR in the second quartile when compared to the constituents of the S&P/ASX Small Ordinaries Index (XSO) for the relevant testing period, the Performance Rights will vest pro rata on a straight-line basis (i.e. 50% of Rights will vest if TSR is at the bottom of the second quartile and 100% of Performance Rights will vest if TSR is at the top of the second quartile).

Where the Company achieves a TSR in the top quartile when compared to the constituents of the S&P/ASX Small Ordinaries Index (XSO) for the relevant testing period, all Performance Rights will vest.

Performance – TSR comparable	% of the 25% Performance Rights Vest
TSR 3rd and 4th Quartile	0%
TSR within the 2nd Quartile	0% to 100% (straight line, for example middle of 2nd Quartile = 50%
TSR in 1st Quartile	100%

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Term	Description
	Tranche 3 – representing 35% of the Performance Rights granted Participants' remaining Performance Rights will vest if they remain employed by the Rubicon group at the end of the vesting period. Calculations relating to the EPS CAGR will be rounded to one decimal place. The initial 2021 Performance Rights are subject to a 3-year vesting period, with the first vesting of conditions to take place following release of the Company's FY2024 financial results. Subsequent grants of Performance Rights are subject to the vesting period determined by the Board, and set out in an invitation letter. Performance Rights issued in 2022 and 2023 are subject to a 3-year vesting period to the release of the Company's FY2025 and FY2026 financial results respectively.
Gate	For Tranche 2, the Company's TSR must be positive in order for Performance Rights in that tranche to vest.
Cessation of employment	Subject to the Board's discretion under the LTIP Rules, if a Participant ceases employment with the Group before the Performance Rights have vested, the Participant will forfeit any unvested Performance Rights and unexercised Shares.
Dividend and voting rights	Performance Rights do not carry voting or dividend rights. Shares issued following the exercise of vested Performance Rights carry voting and dividend rights.
Plan limit	No Shares under the LTIP or the ESP may be issued to a Participant if to do so would contravene the Corporations Act, the ASX Listing Rules or any relief or waiver granted by ASIC or the ASX that binds the Company in making any offer under the LTIP or the ESP. The number of Shares which may be granted under the LTIP or the ESP (in aggregate) prior to approval of the LTIP Rules or the ESP Rules by Shareholders following Listing will not exceed 5% of the total issued capital of the Company as at Listing.

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The grant date fair value of the tranche 1 and tranche 3 of 2021 Performance Rights, which have no market-based performance hurdles, has been determined to be $1.00 per instrument based on Rubicon's initial IPO price. The grant date fair value of the tranche 1 and tranche 3 of 2022 Performance Rights was $0.87 based on Rubicon's share price at the Grant date. The grant date fair value of the tranche 1 and tranche 3 of 2023 Performance Rights was $0.62 based on Rubicon's share price at the Grant date. It has been assumed that no dividends will be paid over the vesting period for 2021, 2022 and 2023 Performance Rights.

The grant date fair value of the tranche 2 of 2021 Performance Rights, which are subject to a TSR (market-based) performance hurdle, has been determined to be $0.62. The grant date fair value of the tranche 2 of 2022 Performance Rights was $0.48. The grant date fair value of the tranche 2 of 2023 Performance Rights was $0.38.

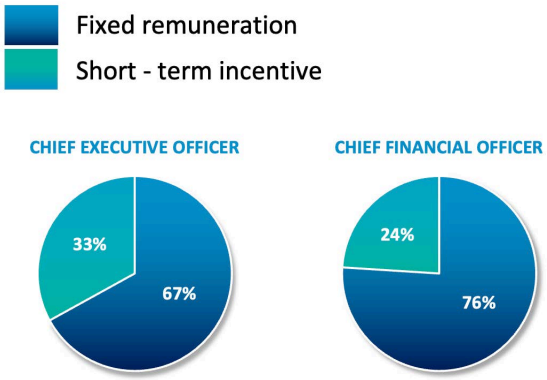
Refer to Note 23 for further details.

The testing period for 2021 Performance Rights ended on 30 June 2024. The vesting conditions for Tranche 1 and 2 of those performance rights have not been met. However, vesting condition pursuant to Tranche 3 has been met by several Participants and consequently, 170,661 of their 2021 Performance Rights vested at the time of the release of this Annual Report and were converted to ordinary shares (in 1:1 ratio).

Remuneration mix

The remuneration mix for the executive Key Management Personnel for the 2023 financial year is comprised of fixed and short-term incentive elements and Long-term incentives in the form of performance rights, which have not yet vested.

2024 remuneration mix at maximum for executives is summarised below.



The variable/at-risk component of total remuneration is 32% for the Chief Executive Officer and 22% for the Chief Financial Officer.

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Directors' and Key Executive Officers' Remuneration Details for Year Ended 30 June 2024

Details of the nature and amount of each major element of remuneration for each director of the Company, and other Key Management Personnel of the Group, are:

		Short-term employee benefits				Post-employment benefits	Long-term employee benefits		
		Salary & Fees $	Short-term Incentive $	Non-monetary $	Subtotal $	Super-annuation $	Long Service leave $	Share-based payments $	Total $
NON-EXECUTIVE DIRECTORS									
Gordon Dickinson	**2024**	**108,649**	**-**	**-**	**108,649**	**11,951**	**-**	**-**	**120,600**
Chairman	2023	109,091	-	-	109,091	11,455	-	-	120,546
Tony Morganti	**2024**	**99,595**	**-**	-	99,595	**10,955**	-	-	**110,550**
	2023	100,000	-	-	100,000	10,500	-	-	110,500
Lynda O'Grady	**2024**	**102,300**	**-**	**-**	**102,300**	**8,250**	**-**	**-**	**110,550**
	2023	100,000	-	-	100,000	10,500	-	-	110,500
Iven Mareels	**2024**	**81,487**	**-**	-	81,487	**8,964**	-	-	**90,450**
	2023	81,818	-	-	81,818	8,591	-	-	90,409
Total Non-Executive	**2024**	**392,030**	**-**	**-**	**392,030**	**40,120**	**-**	**-**	**432,151**
Directors' Remuneration	2023	390,909	-	-	390,909	41,046	-	-	431,955

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		Short-term employee benefits				Post-employment benefits	Long-term employee benefits		
		Salary & Fees $	Short-term Incentive $	Non-monetary $	Subtotal $	Super-annuation $	Long Service leave $	Share-based payments $	Total $
EXECUTIVE DIRECTORS									
Bruce Rodgerson	**2024**	**422,173**	**-**	**-**	**422,173**	**27,399**	**52,861**	**20,639**	**523,071**
Chief Executive Officer	2023	318,624	-	-	318,624	25,292	6,354	52,178	402,448
David Aughton	**2024**	**278,651**	**-**	**-**	**278,651**	**26,395**	**6,383**	**12,798**	**324,226**
	2023	282,633	-		282,633	25,195	5,648	46,380	359,856
Total Executive	**2024**	**700,824**	**-**	**-**	**700,824**	**53,793**	**59,243**	**33,437**	**847,298**
Directors' Remuneration	2023	601,257	-	-	601,257	50,487	12,002	98,558	762,304
EXECUTIVES									
Andrew Bendall[1]	**2024**	**318,485**	**-**	**-**	**318,485**	**27,399**	**2,292**	**14,501**	**362,677**
Chief Financial Officer	2023	-	-	-	-	-	-	-	-
Jason York[2]	**2024**	**119,051**	**-**	**-**	**119,051**	**4,950**	**2,693**	**-**	**126,694**
Chief Financial Officer	2023	285,762	-	-	285,762	25,292	5,885	31,266	348,205
Total Executive Officers'	**2024**	**437,536**	**-**	**-**	**437,536**	**32,349**	**4,985**	**14,501**	**489,371**
Remuneration	2023	285,762	-	-	285,762	25,292	5,885	31,266	348,205
Total Directors' and	**2024**	**1,530,391**	**-**	**-**	**1,530,391**	**126,263**	**64,228**	**47,938**	**1,768,819**
Executive Officers' Remuneration	2023	1,277,928	-	-	1,277,928	116,825	17,887	129,824	1,542,464

[1] Andrew Bendall commenced employment on 29 May 2023. His FY23 remuneration reflects that he became a KMP on 1 July 2023.

[2] Jason York ceased as a KMP on 30 June 2023 and remained employed until 31 August 2023.

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Equity instruments

Number of ordinary shares held in Rubicon Water Limited, directly, indirectly or beneficially by each Director and executive Key Management Personnel, including their related parties, at the reporting date:

Ordinary Shares

Key Management Person	Opening Balance	Rights Issue	Share Purchases	Share Disposals	Closing Balance
Gordon Dickinson	24,004,893	-	-	-	24,004,893
Tony Morganti	50,000	-	-	-	50,000
Lynda O'Grady	50,000	-	15,000	-	65,000
Iven Mareels	100,000	-	-	-	100,000
Bruce Rodgerson	16,467,187	-	-	-	16,467,187
David Aughton	19,856,759	-	-	-	19,856,759
Andrew Bendall	-	-	29,000	-	29,000
Total	**60,528,839**	**-**	**44,000**	**-**	**60,572,839**

Other transactions with Key Management Personnel

(a) Loans to Key Management Personnel

There were no loans to Key Management Personnel in financial year 2024.

(b) Loans from Key Management Personnel

The Group retains access to $6,000,000 of unconditional working capital facilities, which comprise of a $5,500,000 facility from Gordon Dickinson, and a $500,000 facility from Perrysands Pty Ltd, an entity related to the CEO Bruce Rodgerson. These facilities which are unsecured and bear interest at a rate of BBSY plus a margin of 3.3% per annum were entered into on 21 February 2023 for an initial term of 12 months and were subsequently extended until 21 February 2025. The facilities were drawn to $2,500,000 at the reporting date.

(c) Other transactions with Key Management Personnel

All transactions between the Group and any Director or executive Key Management Personnel and their related parties are conducted on the basis of normal commercial trading terms and conditions as agreed upon between the parties as per normal arms-length business transactions. There were no other transactions with Key Management Personnel during financial year 2024 and 2023.

This report of the directors is made in accordance with a resolution of the Board of Directors made pursuant to s.295(2) of the *Corporations Act 2001*.

On behalf of the Directors:

Gordon Dickinson

Chairman

Dated on 22 August 2024

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Directors' Declaration

1. The directors declare that in their opinion:
   a. the consolidated financial statements and notes that are set out on pages 32 to 79 are in accordance with the *Corporations Act 2001*, including
      i. giving a true and fair view of the Group's financial position as at 30 June 2024 and its performance for the financial year ended on that date; and
      ii. complying with the Australian Accounting Standards and the *Corporations Regulations 2001*; and
   b. There are reasonable grounds to believe that Rubicon Water Limited will be able to pay its debts as and when they become due and payable.
   c. The consolidated entity disclosure statement on page 80 is true and correct.
2. The directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2024.
3. The directors draw attention to Note 1 to the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

   At the date of this declaration, the Company is within the class of companies affected by ASIC Corporations (Wholly-owned Companies) Instrument 2016/785. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

   In the directors' opinion, there are reasonable grounds to believe that the Company and the companies to which ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 applies, as detailed in Note 24 to the financial statements will, as a group, be able to meet any liabilities to which they are, or may become, subject because of the deed of cross guarantee.

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

On behalf of the Directors:

Gordon Dickinson

Chairman

Dated on 22 August 2024

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Deloitte.

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22 August 2024

The Board of Directors
Rubicon Water Limited
1 Cato Street
HAWTHORN EAST VIC 3123

Dear Directors

Rubicon Water Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Rubicon Water Limited.

As lead audit partner for the audit of the financial statements of Rubicon Water Limited for the financial year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

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

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Rachel Smith

Rachel Smith
Partner
Chartered Accountants

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Deloitte.

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Independent Auditor's Report to the Members of Rubicon Water Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Rubicon Water 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, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration and the Consolidated Entity Disclosure Statement.

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

- Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001.*

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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 for 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.

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Key Audit Matter	How the scope of our audit responded to the Key Audit Matter

Recognition of construction revenue and recovery of related contract assets Refer to Note 3 'Revenue' and Note 9 'Trade and other receivables'.
 	
As at 30 June 2024 revenue for the Group totals $58.3 million as disclosed in Note 3. The Group performs various long-term contract engineering and service works (Projects). The Group contracts in a variety of ways and each Project has differing deliverables and risk profiles based on their individual contractual terms.
 	
Significant judgement is required to assess the timing of revenue recognition determined by the Group. A substantial proportion of project revenue is earned over time, typically using costs incurred as a proportion of total forecast costs as a measure of progress.
 	
Contract assets are balances due from customers under long term contracts as work is performed and represent the Group's right to consideration for the services transferred to date.
 	
Contract assets are re-classified as trade receivables when these amounts have been invoiced to a customer.
 	
During the financial year ended 30 June 2024, a strategic review of the operations in China was undertaken and the Group released contract assets previously related to a number of active projects, resulting in the reversal of approximately $6.5m in revenue that had been previously recognised.
 	
We focused on recognition of construction revenue and recovery of related contract assets and trade receivables as a key audit matter due to the number and type of estimation events over the course of a contract life, the unique nature of individual contract terms, the materiality of the revenue reversal recognised during the financial year, and the judgement involved in evaluating the probability of recovery of contract assets.
	Our procedures included, but were not limited to:
	
	- Evaluating management's accounting policies for the recognition and reversal of revenue in accordance with AASB 15 *Revenue from Contracts with Customers.*
	
	- Evaluating management's processes and testing the design and implementation of controls in respect of the recognition of construction revenue and the recovery of contract assets and trade receivables.
	
	- Holding calls with management to enhance our understanding of the Group's contracting processes, the consistency of their application, and to discuss directly with management the impact of individual contract risks on revenue recognition.
	
	- Selecting a sample of Projects and performing the following procedures:
	  - Evaluating and testing management's review of project margins and cost forecasting.
	  - Reading relevant contract terms and conditions to evaluate the key metrics used in the Group's estimates.
	  - Testing the mathematical integrity of the schedules supporting the Group's estimates.
	  - Agreeing the contract price to the underlying contractual arrangements.
	  - Testing the percentage of completion by testing actual costs incurred for labour, materials and overheads to supplier invoices or other documentation and then comparing against forecast costs to complete the Project.
	
	- Evaluating the probability of recovery of contract assets and trade receivables by reference to the status of the contract, historical recoveries and other supporting documentation.
	
	- In respect of the reversal of revenue relating to the contracts in China we:
	  - Obtained an analysis undertaken by management to specifically identify the inventory for release and the rework and cost required to transform the inventory.
	  - For a sample of inventory items, compared the estimated rework cost to the alternate project to confirm that margin would still be achieved.
	  - Evaluated management's provision for obsolescence associated with the items returned to inventory.
	
	- We also assessed the adequacy of the disclosures in Notes 3, 9, 10 and 27 to the financial statements.

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Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Liquidity As disclosed in Note 18(b) the Group had unused credit facilities of $5.05 million at 30 June 2024. These unused facilities are comprised of $3.5 million in the Director Loan facility and $1.5 million in the bank overdraft and other facilities. Cash and cash equivalents net of overdrafts as at 30 June 2024, as disclosed in Note 26(a), total $0.265 million. The Group continues to closely manage its financing arrangements and ongoing liquidity as disclosed in Note 1 to the financial statements. This requires the following to enable the Group to continue to maintain its liquidity and meet its financial obligations: - the achievement of cash flow forecasts, which can be subject to variation due to factors which are outside the control of the Group, and - the successful completion of the Capital raise which was announced by the Group to the Australian Securities Exchange on 7 August 2024. This involved a fully underwritten two tranche placements of 64,000,000 shares at a price of $0.25 per share to raise $16,000,000 (before share issue costs).	Our procedures included, but were not limited to: - Assessing the tranches and outcomes of the Capital raise which was announced on 7 August 2024, including the status, outcome and timing relating to each Tranche, which is disclosed as a subsequent event in note 32 to the financial statements; - Assessing the process undertaken by management to develop cash flow forecasts for the period that is not less than 12 months beyond the date these financial statements are approved; - Comparing historical forecasts with actual results to assess forecasting accuracy; - Evaluating performance in the period from year end to the date of the audit opinion against the FY25 forecast; - Evaluating the key estimates used by the Group in the cash flow forecast, including debt repayments and the timing of receipts, for a period that is not less than 12 months beyond the date these financial statements are approved; - Performing a sensitivity analysis to determine the robustness of the cash flow forecast and the impact of changing key estimates; and - We also assessed the adequacy of the disclosures included in Notes 1, 18(b), 26(a)and 32 to the financial statements.

Other Information

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.

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Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible:

- For the preparation of the financial report in accordance with the Corporations Act 2001, including giving a true and fair view of the financial position and performance of the Group in accordance with Australian Accounting Standards; and
- For such internal control as the directors determine is necessary to enable the preparation of the financial report in accordance with the Corporations Act 2001, including giving a true and fair view of the financial position and performance of the Group, and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 15 to 24 of the Directors' Report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Rubicon Water 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.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Rachel Smith

Rachel Smith
Partner
Chartered Accountants
Melbourne, 22 August 2024

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Consolidated Financial Statements

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2024

	NOTE	2024 $'000	2023 $'000
REVENUE	3	**58,397**	55,223
COST OF SALES		**(34,934)**	(36,606)
GROSS PROFIT		**23,463**	18,617
OTHER INCOME	3	**64**	21
OTHER GAINS AND (LOSSES)	3	**(1,447)**	89
DEPRECIATION AND AMORTISATION EXPENSE		**(2,437)**	(2,564)
EMPLOYEE BENEFITS EXPENSE	5	**(18,610)**	(18,053)
PROFESSIONAL FEES		**(2,477)**	(3,115)
TRAVEL COSTS		**(1,020)**	(1,253)
OCCUPANCY EXPENSES	15	**(351)**	(352)
ADMINISTRATIVE EXPENSES		**(6,068)**	(3,939)
NET FINANCE COSTS		**(2,711)**	(1,958)
SHARE OF LOSS OF JOINT VENTURE	12	**(458)**	(717)
LOSS BEFORE INCOME TAX		**(12,052)**	(13,224)
INCOME TAX BENEFIT	6	**1,088**	2,066
TOTAL LOSS FOR THE YEAR		**(10,964)**	(11,158)
LOSS ATTRIBUTABLE TO:			
OWNERS OF RUBICON WATER LIMITED		**(10,710)**	(10,929)
NON-CONTROLLING INTEREST		**(254)**	(229)
		(10,964)	(11,158)
OTHER COMPREHENSIVE RESULT			
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS:			
EXCHANGE DIFFERENCES ON TRANSLATION OF OVERSEAS SUBSIDIARIES		**(63)**	399
OTHER COMPREHENSIVE RESULT FOR THE YEAR, NET OF TAX		**(63)**	399
TOTAL COMPREHENSIVE RESULT FOR THE YEAR		**(11,027)**	(10,759)
TOTAL COMPREHENSIVE RESULT ATTRIBUTABLE TO:			
OWNERS OF THE COMPANY		**(10,764)**	(10,521)
NON-CONTROLLING INTEREST		**(263)**	(238)
		(11,027)	(10,759)

LOSS PER SHARE		**CENTS**	CENTS
BASIC (CENTS PER SHARE)	7	**(6.2)**	(6.4)
DILUTED (CENTS PER SHARE)	7	**(6.2)**	(6.4)

The notes on pages 37 to 79 are an integral part of the consolidated financial statements.

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Consolidated Statement of Financial Position

for the year ended 30 June 2024

	NOTE	2024 $'000	2023 $'000
CURRENT ASSETS			
CASH AND CASH EQUIVALENTS	8	**1,690**	8,495
TRADE AND OTHER RECEIVABLES	9	**29,919**	31,953
CONTRACT ASSETS	9	**22,311**	26,936
INVENTORIES	10	**17,838**	23,748
CURRENT TAX ASSETS	6	**39**	96
OTHER CURRENT ASSETS	11	**1,653**	1,830
TOTAL CURRENT ASSETS		**73,450**	93,058
NON-CURRENT ASSETS			
CONTRACT ASSETS	9	**9,949**	-
INVESTMENTS – ACCOUNTED FOR USING THE EQUITY METHOD	12	**1,902**	1,968
INTANGIBLES	13	**5,114**	3,622
PROPERTY, PLANT AND EQUIPMENT	14	**5,994**	6,663
RIGHT OF USE ASSETS	15	**3,552**	1,141
DEFERRED TAX ASSETS	6	**6,387**	5,077
OTHER FINANCIAL ASSETS	16	**50**	50
TOTAL NON-CURRENT ASSETS		**32,948**	18,521
TOTAL ASSETS		**106,398**	111,579
CURRENT LIABILITIES			
TRADE AND OTHER PAYABLES	17	**7,485**	7,461
DEFERRED INCOME	3	**2,025**	2,769
FINANCIAL LIABILITIES	18	**30,831**	29,114
LEASE LIABILITIES	18	**822**	860
PROVISIONS	19	**4,538**	4,555
TOTAL CURRENT LIABILITIES		**45,701**	44,759
NON-CURRENT LIABILITIES			
FINANCIAL LIABILITIES	18	**2,467**	261
LEASE LIABILITIES	18	**3,007**	456
PROVISIONS	19	**368**	300
TOTAL NON-CURRENT LIABILITIES		**5,842**	1,017
TOTAL LIABILITIES		**51,543**	45,776
NET ASSETS		**54,855**	65,803
EQUITY			
ISSUED CAPITAL	21	**168,194**	168,194
RESERVES	23	**(128,914)**	(129,008)
RETAINED EARNINGS		**15,854**	26,564
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF RUBICON WATER LIMITED		**55,134**	66,750
NON-CONTROLLING INTEREST	29	**(279)**	53
TOTAL EQUITY		**54,855**	65,803

The notes on pages 37 to 79 are an integral part of the consolidated financial statements.

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Consolidated Statement of Changes in Equity

for the year ended 30 June 2024

	SHARE CAPITAL $'000	RETAINED EARNINGS $'000	FCTR[1] $'000	SHARE-BASED PAYMENT RESERVE $'000	RE-ORG RESERVE[3] $'000	SUB-TOTAL $'000	NCI[2] $'000	TOTAL EQUITY $'000
BALANCE AT 1 JULY 2022	168,194	37,493	(612)	396	(129,615)	75,856	291	76,147
COMPREHENSIVE RESULT								
LOSS	-	(10,929)	-	-	-	(10,929)	(229)	(11,158)
OTHER COMPREHENSIVE GAIN/(LOSS)	-	-	408	-	-	408	(9)	399
TOTAL COMPREHENSIVE LOSS	**-**	**(10,929)**	**408**	**-**	**-**	**(10,521)**	**(238)**	**(10,759)**
TRANSACTIONS WITH OWNERS OF THE COMPANY								
CONTRIBUTIONS AND DISTRIBUTIONS:								
SHARE-BASED PAYMENTS	-	-	-	415	-	415	-	415
TOTAL CONTRIBUTIONS AND DISTRIBUTIONS	-	-	-	415	-	415	-	415
BALANCE AT 30 JUNE 2023	**168,194**	**26,564**	**(204)**	**811**	**(129,615)**	**65,750**	**53**	**65,803**
BALANCE AT 1 JULY 2023	**168,194**	**26,564**	**(204)**	**811**	**(129,615)**	**65,750**	**53**	**65,803**
COMPREHENSIVE RESULT								
LOSS	-	(10,710)	-	-	-	(10,710)	(254)	(10,964)
OTHER COMPREHENSIVE LOSS	-	-	(54)	-	-	(54)	(9)	(63)
TOTAL COMPREHENSIVE LOSS	**-**	**(10,710)**	**(54)**	**-**	**-**	**(10,764)**	**(263)**	**(11,027)**
TRANSACTIONS WITH OWNERS OF THE COMPANY								
CONTRIBUTIONS AND DISTRIBUTIONS:								
DIVIDENDS PAID	-	-	-	-	-	-	(69)	(69)
SHARE-BASED PAYMENTS	-	-	-	148	-	148	-	148
TOTAL CONTRIBUTIONS AND DISTRIBUTIONS	-	-	-	148	-	148	(69)	79
BALANCE AT 30 JUNE 2024	**168,194**	**15,854**	**(258)**	**959**	**(129,615)**	**55,134**	**(279)**	**54,855**

The notes on pages 37 to 79 are an integral part of the consolidated financial statements.

[1] Foreign currency translation reserve
[2] Non-controlling interest
[3] Reorganisation reserve

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Consolidated Statement of Cash Flows

for the year ended 30 June 2024

	NOTE	2024 $'000	2023 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS FROM CUSTOMERS		**58,340**	70,447
PAYMENTS TO SUPPLIERS AND EMPLOYEES		**(62,474)**	(70,211)
NET FINANCE COSTS		**(2,711)**	(1,837)
INCOME TAX RECEIVED/(PAID)		**(108)**	238
NET CASH USED IN OPERATING ACTIVITIES	26 (b)	**(6,953)**	(1,363)
CASH FLOWS FROM INVESTING ACTIVITIES			
PROCEEDS FROM SALE OF NON-CURRENT ASSETS		**81**	43
PURCHASE OF NON-CURRENT ASSETS		**(590)**	(965)
DEVELOPMENT EXPENDITURE		**(1,591)**	(1,592)
CASH ADVANCE TO JOINT VENTURE		**-**	(184)
REPAYMENT OF MANAGEMENT LOAN		**-**	100
NET CASH USED IN INVESTING ACTIVITIES		**(2,100)**	(2,598)
CASH FLOWS FROM FINANCING ACTIVITIES			
DIVIDEND PAID TO A JOINT VENTURE PARTNER		**(69)**	-
PROCEEDS FROM BORROWINGS		**2,500**	5,290
REPAYMENT OF BORROWINGS		**(124)**	(3,053)
REPAYMENT OF LEASE LIABILITIES		**(1,031)**	(1,150)
NET CASH FROM FINANCING ACTIVITIES		**1,276**	1,087
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**(7,777)**	(2,874)
CASH (NET OF BANK OVERDRAFTS) AT BEGINNING OF FINANCIAL YEAR		**8,495**	11,019
EFFECTS OF EXCHANGE RATE CHANGES		**(453)**	350
CASH (NET OF BANK OVERDRAFTS) AT END OF FINANCIAL YEAR	26 (a)	**265**	8,495

The notes on pages 37 to 79 are an integral part of the consolidated financial statements.

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Note 1 - Material Accounting Policies

Except for the changes explained here within, the Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements.

Reporting Entity

Rubicon Water Limited (the 'Company') is incorporated and domiciled in Australia and listed on the Australian Securities Exchange ('ASX'). The Company's registered office is at 1 Cato Street, Hawthorn East, Victoria, 3123. These consolidated financial statements comprise Rubicon Water Limited and its subsidiaries (collectively 'the Group' and individually 'Group companies'). The Group is a for-profit entity and is involved in the delivery of a diverse range of engineering services and products.

Basis of preparation and accounting policies

Statement of Compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*. The consolidated financial statements also comply with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board.

The consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 22 August 2024.

The consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments measured at fair value through profit or loss.

Functional and Presentation Currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency.

Rounding of amounts

The amounts contained in these consolidated financial statements have been rounded to the nearest thousand dollars (unless specifically stated to be otherwise) under the option available to the Company under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*. The Company is an entity to which this legislative instrument applies.

Use of Judgements and Estimates - Assumptions and Estimation Uncertainties

The preparation of the financial statements require management to make judgements, estimates and assumptions about future events. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about assumptions and estimation uncertainties that may have a risk of resulting in a material adjustment in the year ended 30 June 2024 is included in the following notes:

- Note 3 – Revenue and Other Income. Revenue recognised for contracts over time requires management to estimate the total cost to complete and the current stage of completion to measure progress towards satisfaction of the performance obligations.
- Note 6 – Tax. Deferred tax assets related to tax losses are recognised where management believe it is probable that the related taxing entity will generate sufficient future taxable profits to utilise the tax losses. Determining the extent and timing of future taxable profits is subject to a level of estimation uncertainty.
- Note 9 – Trade and Other Receivables. The expected credit loss allowances for trade receivables are calculated based on key assumptions that determine the weighted average loss rates and overall loss allowance. Long-dated amounts receivable, while consistent with the operating cycle, are evaluated by the board and management for their collectability and anticipated timing of the cashflow.
- Note 19 – Provisions:
  - Employee benefits; employees' long service leave entitlements are estimated based on the average historical duration of employment and calculated by discounting the present value of future cash outflows.
  - Other provisions; they are made for the estimated liability on products under warranty at balance date. This provision is estimated having regard to service warranty experience. Other warranty costs are accrued for as and when the liability arises.

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Going Concern

These financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of business.

The Group incurred a net loss of $10,964,158 (2023: net loss of $11,157,795) and net operating cash outflows of $6,952,710 (2023: $1,362,880 outflow) for the year ended 30 June 2024. As at 30 June 2024, the Group's reported net assets were $54,855,242 (2023: $65,803,284) and net current assets were $27,749,668 (2023: $48,298,686). At the reporting date, the Group had cash and cash equivalents of $1,690,116 (2023: $8,494,913). In addition, to the cash and cash equivalents the Group had funding available through undrawn credit facilities of $5,051,661 at year-end (2023: $10,024,000).

The Group's cash flows in the first half of the financial year were impacted by delays in delivery and installation of hardware and payment of progress claims. These matters started to improve during the second half of the financial year which, when combined with other prudent cash management measures undertaken, enabled the Group to generate a net operating cashflow inflow of $1,596,000 during this half-year period.

On 7 August 2024, the Group announced it had successfully received firm commitments for a fully underwritten two tranche Capital Placement of 64,000,000 shares at $0.25 per share to raise $16,000,000 (before costs). The company also announced that it would undertake a non-underwritten Share Purchase Plan ('SPP') offer to raise up to a further $2,000,000. The net proceeds of the capital raising will be used initially to reduce debt, so as to provide future facility headroom for working capital requirements generated from the pipeline of international growth projects.

The unaudited proforma 30 June 2024 Net debt position post the Capital Placement (excluding SPP proceeds and offer costs) was $15,608,000. Resulting in cash and cash equivalents and undrawn debt facilities available to the Group of $22,741,946.

The full $32,400,000 of HSBC funding facilities put in place on 16 August 2023, will remain available for any future drawdowns as required. At 30 June 2024 $30,425,000 has been fully drawn by the group and any repayments of the facility from the proceeds from the capital placement remain at the discretion of the group and can be redrawn at any time. The amortising term loan component of the facilities is $2,600,000 as at 30 June 2024, and is due to expire on the 16 August 2026.

The $6,000,000 Director Loan facilities are due to expire on the 23 February 2025. The directors anticipate that the $2,500,000 drawn portion of this loan at 30 June 2024 will be fully repaid subsequent to year end from the proceeds from the Capital Placement.

The Group's cash flow forecast, which include the recovery of certain aged receivable balances disclosed in Note 27(b): *Liquidity Risk*, and its continued access to funding facilities support that it will be able to satisfy its debts as and when they fall due and accordingly the financial statements have been prepared on a going concern basis

Material Accounting Policies

(a) Basis of Consolidation

Subsidiaries

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

Non-controlling interests

Non-controlling interests (NCI) are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Interests in equity-accounted investees

The Group's interest in equity-accounted investees comprise an interest in a joint venture. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in the joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transactions costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity accounted investees, until the date on which significant influence or joint control ceases.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group

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transactions are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Impairment

Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

For assets, other than goodwill, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(c) Foreign Currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group companies at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in the profit or loss.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- investments;
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the functional currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the functional currency at the exchange rates at the dates of the transactions. Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially, such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(d) Finance Income and Finance Costs

The Group's finance income and finance costs include:

- Interest income;
- Interest expense;
- The net gain or loss on financial assets at fair value through profit or loss;
- The foreign currency gain or loss on financial assets and financial liabilities; and
- Impairment losses recognised on financial assets (other than trade receivables).

Interest income or expense is recognised using the effective interest method.

(e) Government Grants

Grants that compensate the Group for costs incurred are recognised in profit or loss on a systematic basis in the periods in which the expenses are recognised.

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(f) Goods and Services Tax (GST)

Revenues, expenses and non-financial assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST. Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(g) Leases

The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as printers). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter of, the period of the lease term and the useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies AASB 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 1(b).

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “Occupancy expenses” in profit or loss.

(h) Share-based Payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 23.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group’s estimate of the number of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

(i) Comparative Figures

As required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

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(j) New and amended Accounting Standards that are effective for the current year

The Group has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2023. Set out below are the new and revised Standards and amendments thereof *[and Interpretations]* effective for the current year that are relevant to the Group:

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

  Requires the disclosure of material accounting policy information and clarifies how entities should distinguish changes in accounting policies and changes in accounting estimates. The application of the amendments did not have a material impact on the Group's consolidated financial statements but has changed the disclosure of accounting policy information in the financial statements.

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

  The amendments to AASB 112 Income Taxes narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Group's consolidated financial statements.

(k) New and revised Accounting Standards issued but not yet effective

The AASB has issued a number of new or amended accounting standards and interpretations that are not mandatory for the first time in the reporting period commenced 1 July 2023. The following new or amended standards are not expected to have a significant impact on the Group's consolidated financial statements:

Effective for annual reporting periods beginning on or after 1 January 2024

- *AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants*
- *AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback*
- *AASB 2023-1 Amendments to Australian Accounting Standards – Supplier Finance Arrangements*

Effective for annual reporting periods beginning on or after 1 January 2025

- *AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- *AASB 2023-5 Amendments to Australian Accounting Standards – Lack of Exchangeability*

Effective for annual reporting periods beginning on or after 1 January 2026

- *AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments*

Effective for annual reporting periods beginning on or after 1 January 2027

- *AASB 18 – Presentation and Disclosure in the Financial Statements*

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Note 2 - Controlled Entities

The ultimate parent of the Rubicon Group is Rubicon Water Limited, a company incorporated in Australia. Controlled entities are consolidated from the date of acquisition, being the date Rubicon Water Limited obtains control, and continue to be consolidated until the date control ceases. A Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity.

Set out below are the controlled entities of the Group.

	PRINCIPAL ACTIVITY	COUNTRY OF INCORPORATION	PERCENTAGE OWNED 2024	PERCENTAGE OWNED 2023
RUBICON SYSTEMS (HOLDINGS) PTY LTD (I), (II)	Holding company	Australia	100%	100%
RUBICON SYSTEMS AUSTRALIA PTY LTD (I), (II)	Manufacture and sale of specialist operational technology to the water and broader utility markets within Australia	Australia	100%	100%
RUBICON SERVICES PTY LTD (I), (II)	Dormant	Australia	100%	100%
RUBICON RESEARCH PTY LTD (I), (II)	Intellectual property holder	Australia	100%	100%
RUBICON GLOBAL PTY LTD (I), (II)	Retail of Rubicon technology to international markets	Australia	100%	100%
RUBICON SYSTEMS AMERICA INCORPORATED	Retail of Rubicon technology in North America	United States of America	100%	100%
RUBICON WATER SYSTEMS (TIANJIN) CO. LTD.	Retail of Rubicon technology in the broader Chinese market	People's Republic of China	100%	100%
RUBICON WATER SYSTEMS (BEIJING) CO. LTD.	Dormant	People's Republic of China	100%	100%
RUBICON SYSTEMS NEW ZEALAND LIMITED	Retail of Rubicon technology in New Zealand	New Zealand	100%	100%
RETICULA PTY LTD (I), (II)	Holding company	Australia	100%	100%
RETIC WATER PTY LTD (I), (II)	Dormant	Australia	100%	100%
RUBICON SHARE SCHEME PTY LTD (FORMERLY BENDIGO PIPE PTY LTD (I), (II), (III)	Trustee for Rubicon Water Limited Employee Share Trust	Australia	100%	100%
RUBICON WATER S.L.U.	Retail of Rubicon technology in Europe	Spain	100%	100%
RUBICON WATER CHILE SPA	Retail of Rubicon technology in South America	Chile	100%	100%
GANSU TSINGHUA RUBICON WATER TECHNOLOGY CO. LTD.	Retail of Rubicon technology in Gansu, China	People's Republic of China	50%	50%
NINGXIA RUBICON WATER EQUIPMENT CO. LTD.	Assembly and retail of Rubicon technology in Ningxia, China	People's Republic of China	50%	50%
RUBICON WATER INDIA PTY LTD (I), (II)	Holding company	Australia	100%	100%
RUBICON EQUIPMENT INDIA PRIVATE LIMITED	Retail of Rubicon technology in India	India	100%	100%
RUBICON WATER COSTA RICA, S.A.	Retail of Rubicon technology in Costa Rica	Costa Rica	100%	100%

(I) Part of the Australian tax consolidated group.

(II) These wholly-owned subsidiaries have entered into a deed of cross guarantee with Rubicon Water Limited pursuant to *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785* and are relieved from the requirement to prepare and lodge audited financial reports. Additional information about the deed of cross guarantee including a consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position, comprising the Company and controlled entities which are a party to the deed, can be found in Note 24.

(III) On 5 September 2023, the name of the Company was changed from Bendigo Pipe Pty Ltd to Rubicon Share Scheme Pty Ltd. The purpose of the Company is to be a trustee for the Rubicon Water Limited Employee Share Trust, in connection with RWL's Employee Equity Incentive Plan.

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Note 3 - Revenue and Other Income

	2024 $'000	2023 $'000
SALES REVENUE		
SALES OF GOODS AND ENGINEERING SERVICES CONTRACTS	**58,397**	55,223
OTHER INCOME		
OTHER	**64**	21
TOTAL OTHER INCOME	**64**	21
OTHER GAINS AND LOSSES		
UNREALISED FOREIGN EXCHANGE GAINS / (LOSSES)	**(1,470)**	64
GAIN / (LOSS) ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT	**23**	25
TOTAL OTHER GAINS AND LOSSES	**(1,447)**	89

Revenue Recognition from Contracts with Customers

AASB 15: *Revenue from Contracts with Customers* establishes a comprehensive framework for determining whether, how much and when revenue is recognised.

A five-step model has been applied to determine when to recognise revenue, and at what amount. The model specifies that revenue should be recognised when (or as) an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled. Depending on whether certain criteria are met, revenue is recognised:

- Over time, in a manner that depicts the entity's performance; or
- At a point in time, when control of the goods or services is transferred to the customer.

Set out below is the disaggregation of the Group's revenue from contracts with customers as well as the remaining performance obligations relating to those contracts:

2024

	Revenue recognition	Sales revenue $'000	Remaining performance obligations $'000	Remaining contract duration
HARDWARE	Over time	43,156	24,534	Up to 2 years
SOFTWARE	Point in time	524	339	N/A
SOFTWARE MAINTENANCE AND SUPPORT	Over time	6,558	20,274	Up to 5 years
OTHER COMPONENTS AND SUPPORT	Point in time	8,159	2,898	N/A
TOTAL SALES REVENUE		**58,397**	**48,045**	

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2023

	Revenue recognition	Sales revenue* $'000	Remaining performance obligations $'000	Remaining contract duration
HARDWARE	Over time	39,280	10,050	Up to 2 years
SOFTWARE	Point in time	909	392	N/A
SOFTWARE MAINTENANCE AND SUPPORT	Over time	6,224	13,256	Up to 5 years
OTHER COMPONENTS AND SUPPORT	Point in time	8,810	2,502	N/A
TOTAL SALES REVENUE		**55,223**	**26,200**	

*The comparatives have been amended to reflect the disaggregation of revenue by type on a consistent basis with the disaggregation of revenue in the current financial year.

The length of contract duration varies depending on the scale and complexity of each project.

The following table shows the balance of deferred income which relates to cash received in advance of performance obligations being performed.

	2024 $'000	2023 $'000
DEFERRED INCOME	**2,025**	2,769

$1,809,385 (30 June 2023: $1,758,092) of the deferred income balance at 2023 was recognised as revenue during the current financial year.

Revenue streams

The Group engages in the sale of gravity-fed irrigation solutions. This includes the design, manufacture, installation and maintenance of irrigation automation software and hardware. Rubicon aims to address the issue of global water scarcity by maximising water availability and agricultural productivity through improved irrigation water use efficiency.

The following provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers and the related revenue recognition policies.

(a) Construction contracts

Sale of hardware

The Group is involved in the design and manufacture of bespoke gravity-fed irrigation solutions, often referred to as hardware. Revenue and associated costs are recognised over time (i.e. before the goods are delivered to the customers' premises). Progress is determined based on the input method.

Sale of software

The Group provides other solutions, including software, which it either sells independently or in combination with the hardware components. The promise to grant the software is distinct from the hardware sales, hence this solution is transferred to a customer. The point of transfer is when the customer has the right to use the Groups software solutions which are separate performance obligations.

Sale of goods

The Group engages in the sale of spare parts and components to customers in the irrigation industry and the wider water utility market. Revenue is recognised at a point in time when a customer obtains control of the goods.

Variable consideration

Contracts may include performance bonuses or penalties assessed against the timeliness and/or quality of work completed or other performance related KPIs. Where consideration in respect of a contract is variable, the Group would include in the transaction price some or all of an amount of variable consideration estimated only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The Group periodically reviews contracts when estimating the variable consideration to be included in the transaction price. The estimate is based on all available information including historic performance.

(b) Rendering of services

The Group performs maintenance and software support services to the irrigation industry. Revenue is recognised over time as the services are provided. The stage of completion for determining the amount of revenue to recognise is assessed based on the current status of work performed.

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China Revenues

The tight economic conditions in China over the last 12 months has seen a significant reduction in government funding released for existing and new irrigation automation projects. This has resulted in minimal new contract signings and a material slowing of existing contracts during this period. While no existing contracts have been cancelled, uncertainty surrounds the timelines for resuming works on several contracts.

A comprehensive strategic review of the operations in China was undertaken and the group has released contract assets previously related to some of these contracts. This decision has resulted in the reversal of approximately $6.5m in revenue and the release of the previously allocated inventory associated with this revenue. This reversal of revenue considered the bespoke nature of the inventory and the cost to be incurred to transform the inventory to fit the specifications of alternate projects. Costs of logistics and civil works incurred in transforming this bespoke inventory were considered and in management's judgement, the transformation of the inventory can be achieved while still maintaining a sufficient margin on its projects.

Note 4 - Operating Segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Chief Operating Decision Maker in assessing performance and determining the allocation of resources.

The Chief Operation Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

The Chief Operating Decision Maker determined that its operating segments comprise the geographic regions of:

- ANZ – which includes Australia and New Zealand;
- Asia – which includes China and India;
- ROW (Rest of World) – which includes USA, Latin America, Europe and any other geographies not included in ANZ or Asia.

These geographic segments are based on the Group's management reports and the way management views the business.

The principal activities of each segment are to provide specialist operational technology to the water and broader utility markets.

Basis of Reporting

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 1. Segment Underlying EBITDA represents the earnings before depreciation, amortisation, interest, taxes, unrealised foreign exchange gains/losses and certain other significant items incurred by each segment. Underlying EBITDA presented below is consistent with the measure reported to the Chief Executive Officer for the purpose of resource allocation and assessment of segment performance.

Information related to Segment assets and liabilities is not provided to the Chief Executive Officer and accordingly has not been disclosed.

Information about major customers

The largest customer generating approximately 16% (2023 15%) of total revenue is reported in the Asia segment. The second largest customer reported in the ANZ segment represents approximately 12% (2023 10%) of total revenue. No other single customer contributed 10% or more to the total sales in the current year.

Revenues from major products and services

The Group's revenue from its major products and services are disclosed in Note 3.

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Geographic segment revenue and results

2024

	ANZ $'000	ASIA $'000	ROW $'000	TOTAL $'000
REVENUE				
HARDWARE	7,497	5,915	29,744	43,156
SOFTWARE	-	-	524	524
SOFTWARE MAINTENANCE AND SUPPORT	6,035	-	523	6,558
OTHER COMPONENTS AND SUPPORT	5,613	149	2,397	8,159
TOTAL REVENUE	**19,145**	**6,064**	**33,188**	**58,397**
UNDERLYING EBITDA LOSS	828	(4,090)	(2,173)	(5,434)
UNREALISED FOREIGN EXCHANGE LOSSES				(1,470)
EBITDA				**(6,904)**
RECONCILIATION OF SEGMENT EBITDA TO GROUP NET PROFIT/(LOSS) BEFORE TAX:				
DEPRECIATION AND AMORTISATION				(2,437)
NET FINANCE COSTS				(2,711)
NET LOSS BEFORE TAX				**(12,052)**

2023

	ANZ $'000	ASIA $'000	ROW $'000	TOTAL $'000
REVENUE*				
HARDWARE	8,727	12,864	17,689	39,280
SOFTWARE	-	329	580	909
SOFTWARE MAINTENANCE AND SUPPORT	5,730	-	494	6,224
OTHER COMPONENTS AND SUPPORT	5,050	939	2,821	8,810
TOTAL REVENUE	**19,507**	**14,132**	**21,584**	**55,223**
UNDERLYING EBITDA LOSS**	(1,357)	(3,234)	(4,175)	(8,766)
UNREALISED FOREIGN EXCHANGE GAINS				64
EBITDA				**(8,702)**
RECONCILIATION OF SEGMENT EBITDA TO GROUP NET PROFIT/(LOSS) BEFORE TAX:				
DEPRECIATION AND AMORTISATION				(2,564)
NET FINANCE COSTS				(1,958)
NET LOSS BEFORE TAX				**(13,224)**

*The comparatives have been amended to reflect the disaggregation of revenue by type on a consistent basis with the disaggregation of revenue in the current financial year.

**The comparatives have been amended to reflect the allocation of overheads consistent with the basis applied in the current financial year.

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Note 5 - Employee Benefits Expenses

	2024 $'000	2023 $'000
EMPLOYEE BENEFITS EXPENSE		
WAGES AND SALARIES	**14,118**	13,698
ANNUAL AND LONG SERVICE LEAVE EXPENSE	**1,399**	1,067
TERMINATION COSTS	**71**	150
DEFINED CONTRIBUTION PLAN	**1,289**	1,242
OTHER EMPLOYEE BENEFITS	**1,585**	1,481
SHARE BASED PAYMENTS*	**148**	415
TOTAL EMPLOYEE BENEFITS EXPENSE	**18,610**	18,053

*Refer Note 23 for more details.

Note 6 - Tax

Tax Consolidation

Rubicon Water Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under tax consolidation legislation. Each entity in the group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the 'stand-alone taxpayer' approach to allocation. Current tax liabilities/assets and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity. The Group notified the Australian Tax Office that it had formed an income tax consolidated group to apply from 31 October 2007. Following the reorganisation of the Group during 2022 financial year, the Australian Tax Office was notified of the change of the head company to Rubicon Water Limited on 27 August 2021. The tax consolidated group has entered into a tax funding arrangement whereby each company in the Group contributes to the income tax payable by the group in proportion to their contribution to the group's taxable income. Differences between the amounts of net tax assets and liabilities derecognised and the net amounts recognised pursuant to the funding arrangement are recognised as either a contribution by, or distribution to the head entity. Income tax expense/benefit comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or OCI.

Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax

benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if certain criteria are met.

	2024 $'000	2023 $'000
CURRENT		
INCOME TAX REFUNDABLE	**(39)**	(96)

	2024 $'000	2023 $'000
(A) THE COMPONENTS OF TAX EXPENSE COMPRISE:		
CURRENT INCOME TAX EXPENSE / (BENEFIT)		
- CURRENT INCOME TAX EXPENSE	**503**	616
- ADJUSTMENT FOR PRIOR YEARS	**(282)**	(404)
DEFERRED INCOME TAX EXPENSE / (BENEFIT)		
- ORIGINATION AND REVERSAL OF TEMPORARY DIFFERENCES	**(1,309)**	(2,278)
- ADJUSTMENT FOR PRIOR YEARS	**-**	-
INCOME TAX BENEFIT REPORTED IN THE STATEMENT OF PROFIT OR LOSS AND OCI	**(1,088)**	(2,066)
(B) A RECONCILIATION BETWEEN TAX EXPENSE AND THE PRODUCT OF ACCOUNTING LOSS BEFORE INCOME TAX MULTIPLIED BY THE GROUP'S APPLICABLE INCOME TAX RATE IS AS FOLLOWS:		
ACCOUNTING LOSS BEFORE TAX	**(12,052)**	(13,224)
AT THE COMPANY'S STATUTORY DOMESTIC INCOME TAX RATE OF 30% (2023: 30%)	**(3,616)**	(3,967)
ADD / (LESS) TAX EFFECT OF:		
- RESEARCH AND DEVELOPMENT INCENTIVE	**-**	(128)
- FOREIGN TAX RATE ADJUSTMENT	**479**	266
- NON-ALLOWABLE ITEMS	**127**	160
- ADJUSTMENT FOR PRIOR YEARS	**(282)**	(404)
- CURRENT YEAR TAX LOSSES NOT RECOGNISED	**1,753**	855
- WRITE-OFF OF TEMPORARY DIFFERENCES RELATING TO TAX LOSSES	**49**	723
- UTILISATION OF TAX LOSSES NOT PREVIOUSLY RECOGNISED	**-**	-
- SHARE OF JOINT VENTURE PROFIT AFTER TAX	**97**	186
- RECOGNITION OF PREVIOUSLY UNRECOGNISED DEDUCTABLE TEMPORARY DIFFERENCES	**-**	-
- OTHER	**305**	243
INCOME TAX BENEFIT	**(1,088)**	(2,066)

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2024	Deferred Tax Asset Opening balance $'000	Recognised in Profit or Loss $'000	Deferred Tax Asset Closing balance $'000
NON-CURRENT			
DEFERRED TAX ASSETS/ (LIABILITIES):			
INTANGIBLE ASSETS	(599)	(454)	(1,053)
INVENTORIES	1,832	(507)	1,325
CONTRACT ASSETS	(4,544)	(1,799)	(6,343)
PROPERTY, PLANT AND EQUIPMENT	(234)	60	(174)
PROVISIONS	1,485	25	1,510
ACCRUALS	522	(668)	(146)
TRADE PAYABLES	2	(2)	-
IPO COSTS	713	(269)	444
OTHER	(39)	97	58
LEASES	49	(42)	7
TAX LOSSES CARRIED FORWARD	5,890	4,869	10,759
DEFERRED TAX ASSETS	**5,077**	**1,310**	**6,387**

2023	Deferred Tax Asset Opening balance $'000	Recognised in Profit or Loss $'000	Deferred Tax Asset Closing balance $'000
NON-CURRENT			
DEFERRED TAX ASSETS/ (LIABILITIES):			
INTANGIBLE ASSETS	(167)	(432)	(599)
INVENTORIES	1,404	428	1,832
CONTRACT ASSETS	(4,646)	102	(4,544)
PROPERTY, PLANT AND EQUIPMENT	(258)	24	(234)
PROVISIONS	1,580	(95)	1,485
ACCRUALS	378	144	522
TRADE PAYABLES	2	-	2
IPO COSTS	982	(269)	713
OTHER	(94)	55	(39)
LEASES	79	(30)	49
TAX LOSSES CARRIED FORWARD	3,539	2,351	5,890
DEFERRED TAX ASSETS	**2,799**	**2,278**	**5,077**

The Company has performed an assessment with regard to the recoverability of the deferred tax assets based on the company's future profit outlook. As a result of the assessment, deferred tax assets relating to tax losses of $48,734 (2023: $709,914) have been derecognised in the current year. The deferred tax asset recognised in relation to unused tax losses is $10,759,304 (2023: $5,890,413). Projections of taxable profits from various sources and tax planning were used to support the recognition of these losses, and they have been recognised on the basis that it is considered probable that the Group will generate future taxable profits against which these losses can be utilised. The future projected taxable profit is underpinned by the Group's forecasts of customer and revenue growth and the anticipated timing of the increase in demand for the Group's services. The future projected taxable profit is also supported by contracted work and anticipated projects related to tenders that the Group considers to have a reasonable chance of success. Additionally, the Group has a history of generating taxable profits, further supporting the projections. The deferred tax asset relating to the unused tax losses will be reassessed in future periods based on the level of taxable income generated by the Group.

Note 7 - Loss Per Share

LOSS PER SHARE	CENTS	CENTS
BASIC (CENTS PER SHARE)	**(6.2)**	(6.4)
DILUTED (CENTS PER SHARE)	**(6.2)**	(6.4)

Basic loss per share is calculated by dividing the following profit attributable to ordinary shareholders of Rubicon Water Limited, by the weighted average number of ordinary shares outstanding during the financial period.

Diluted loss per share is calculated by dividing the following profit attributable to ordinary shareholders of Rubicon Water Limited by the weighted average number of ordinary shares outstanding after adjustments for the effects of all dilutive potential ordinary shares.

	2024 $'000	2023 $'000
LOSS USED IN THE CALCULATION OF BASIC AND DILUTED LOSS PER SHARE	**(10,710)**	(10,929)

	NUMBER	NUMBER
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES USED IN CALCULATING BASIC LOSS PER SHARE	**171,603,620**	171,448,988
WEIGHTED AVERAGE NUMBER OF DILUTED OPTIONS	**-**	-
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES USED IN CALCULATING DILUTIVE LOSS PER SHARE	**171,603,620**	171,448,988

Details of movements in ordinary shares during the reporting period are set out in Note 21.

During the financial year ended 30 June 2024 the Group has issued Performance Rights which may give rise to the issue of shares for nil consideration in the future, subject to satisfying certain performance conditions (see Note 23). Vesting conditions for these contingently issuable shares have not been met at balance date. These contingently issuable shares are anti-dilutive and are therefore excluded from the weighted average number of ordinary shares for the purpose of diluted earnings per share.

Shares issued in connection with the CEO Share Grant described in Note 23 have only been included when calculating the weighted average number of ordinary shares outstanding to the extent vested.

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Note 8 - Cash

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, where the Group does not have the legal right and the intention to settle on a net basis, are shown within short-term borrowings in current liabilities on the Consolidated Statement of Financial Position.

	2024 $'000	2023 $'000
CASH AT BANK	**1,643**	8,015
DEPOSITS AT CALL	**47**	480
TOTAL CASH AND CASH EQUIVALENTS	**1,690**	8,495

Note 9 - Trade and other receivables

	2024 $'000	2023 $'000
TRADE RECEIVABLES		
CURRENT		
TRADE RECEIVABLES	**31,184**	31,706
PROVISION FOR IMPAIRMENT OF RECEIVABLES	**(1,624)**	(332)
TOTAL TRADE RECEIVABLES	**29,560**	31,374
OTHER RECEIVABLES		
CURRENT		
OTHER DEBTORS	**359**	119
LOAN TO JOINT VENTURE	**-**	460
TOTAL OTHER RECEIVABLES	**359**	579
TOTAL CURRENT TRADE AND OTHER RECEIVABLES	**29,919**	31,953
CONTRACT ASSETS*		
CURRENT	**22,311**	26,936
NON-CURRENT	**9,949**	-
TOTAL	**32,260**	26,936

*Contract assets relate to construction contract revenue recognised but not yet billed. The movement in the current year includes amounts taken back into inventory as an outcome of the strategic review of projects and the related $6.5m reduction in contract assets in China. Refer Note 3: *Revenue* for further comments.

Expected Credit Loss Provision for Impairment of Receivables

The Group applies the AASB 9 simplified approach when calculating its expected credit loss provisions. This allows the recognition of lifetime expected credit losses at all times. The provision is reassessed when there is a significant change in credit risk. These amounts have been included in the provision for impairment of accounts receivable.

Credit risk exposures are segmented by geographic region. Expected credit loss rate is calculated for each segment based on delinquency status and actual historical credit loss experience, where applicable. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

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The following tables provide information about the days past due for trade receivables from customers:

	2024 $'000	2023 $'000
CURRENT	**20,840**	23,719
0 – 30 DAYS PAST DUE	**2,147**	760
31 – 60 DAYS PAST DUE	**1,750**	622
61 + DAYS PAST DUE	**6,447**	6,605
PROVISION FOR IMPAIRMENT OF RECEIVABLES	**(1,624)**	(332)
TRADE RECEIVABLES	**29,560**	31,374

Current receivables include all amounts not yet contractually due. For certain customers, payments to Rubicon are not contractually due until the respective customer has received project progress payments from the relevant government entity. In particular, current receivables include amounts of $13,471,435 (2023: $13,574,646) which, although not contractually due for payment under the applicable credit terms, are aged greater than 120 days from the date the Group satisfied the associated contract billing milestones and raised its progress payment claims with the respective customer. Refer to Note 27(b): *Liquidity risk* for further details.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	2024 $'000	2023 $'000
BALANCE AT 1 JULY	**332**	589
NET REMEASUREMENT OF LOSS ALLOWANCE	**1,292**	(257)
BALANCE AT 30 JUNE	**1,624**	332

Note 10 - Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of finished goods includes direct materials, direct labour and an appropriate portion of variable and fixed overheads included in bringing them to their existing location and condition. Costs are assigned on the basis of weighted average costs.

	2024 $'000	2023 $'000
CURRENT		
AT LOWER OF COST OR NET REALISABLE VALUE:*		
- RAW MATERIALS	**12,180**	17,198
- FINISHED GOODS	**5,500**	6,444
AT COST:		
- WORK IN PROGRESS	**158**	106
TOTAL INVENTORIES	**17,838**	23,748

*The Group has completed a comprehensive review of the carrying amount of inventory. As a result of the review, inventory was impaired by $119,693 (2023: $392,901).

The movement of inventory in the current year includes the impact of the strategic review of projects and the related contract assets in China. See Note 3: *Revenue* for further comments.

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Note 11 - Other Current Assets

	2024 $'000	2023 $'000
CURRENT		
PREPAYMENTS	**1,042**	1,356
OTHER	**611**	474
TOTAL OTHER CURRENT ASSETS	**1,653**	1,830

Note 12 - Investments - accounted for using the equity method

The Group has a 50% interest in Medha Rubicon Water Technologies Pvt Ltd (MRWTPL). MRWTPL is a joint venture formed with Medha Servo Drives Private Limited, a company domiciled in India. The company assembles and supplies Rubicon products for the Indian market and for export. The Group's interest in MRWTPL is accounted for using the equity method in the consolidated financial statements. The accounting policies of the joint venture, which have been applied in determining the financial information shown below, are the same as those applied by the Group.

Summarised statement of financial position of MRWTPL:

	2024 $'000	2023 $'000
CURRENT ASSETS	**8,689**	11,947
NON-CURRENT ASSETS	**1,698**	1,791
CURRENT LIABILITIES	**(5,553)**	(8,757)
NON-CURRENT LIABILITIES	**(1,031)**	(1,044)
EQUITY	**3,803**	3,937
GROUP'S SHARE IN EQUITY - 50%	**1,902**	1,968
GROUP'S CARRYING AMOUNT OF THE INVESTMENT	**1,902**	1,968

Summarised statement of profit or loss and other comprehensive income of MRWTPL:

	2024 $'000	2023 $'000
REVENUE	**2,646**	505
EXPENSES	**(3,730)**	(2,228)
LOSS BEFORE TAX	**(1,084)**	(1,723)
TAX EXPENSE	**184**	274
LOSS FOR THE YEAR	**(900)**	(1,449)
EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN OPERATIONS	**(16)**	15
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(916)**	(1,434)
GROUP'S SHARE OF TOTAL COMPREHENSIVE LOSS FOR THE YEAR*	**(458)**	(717)

*After elimination of up-stream and down-stream transactions

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Note 13 - Intangibles

All intangible assets recognised by the Group relate to product development, comprising software and hardware concepts. Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives which is disclosed below. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred.

All intangible assets recognised by the Group as at 30 June 2024 have finite useful lives.

Development Costs

	2024			2023		
	HARDWARE $'000	**SOFTWARE $'000**	**TOTAL $'000**	HARDWARE $'000	SOFTWARE $'000	TOTAL $'000
COST						
OPENING BALANCE	**1,382**	**2,474**	**3,856**	1,011	1,253	2,264
ADDITIONS FROM INTERNAL DEVELOPMENT	**387**	**1,204**	**1,591**	371	1,221	1,592
BALANCE AT 30 JUNE	**1,769**	**3678**	**5,447**	1,382	2,474	3,856
AMORTISATION						
OPENING BALANCE	**(234)**	-	**(234)**	(135)	-	(135)
AMORTISATION CHARGE	**(99)**	-	**(99)**	(99)	-	(99)
BALANCE AT 30 JUNE	**(333)**	**-**	**(333)**	(234)	-	(234)
CARRYING AMOUNT						
OPENING BALANCE	**1,148**	**2,474**	**3,622**	876	-	876
BALANCE AT 30 JUNE	**1,436**	**3,678**	**5,114**	1,148	2,474	3,622

The amortisation period for product development costs is five years.

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Note 14 - Property, Plant, and Equipment

Recognition and Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent Expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line or diminishing returns method over their estimated useful lives, and is generally recognised in profit or loss. Leasehold improvement assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The useful lives used for each class of depreciable assets are:

Class of Property, Plant and Equipment	Useful Life (years)
Buildings	25
Plant & Equipment	4-20
Motor Vehicles	3-5
Leasehold improvements	3-10

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

	2024 $'000	2023 $'000
LAND AND BUILDINGS		
- AT COST	**3,956**	3,956
- ACCUMULATED DEPRECIATION	**(1,453)**	(1,356)
TOTAL LAND AND BUILDINGS	**2,503**	2,600
PLANT AND EQUIPMENT		
PLANT AND EQUIPMENT:		
- AT COST	**16,513**	16,360
- ACCUMULATED DEPRECIATION	**(15,175)**	(14,441)
TOTAL PLANT AND EQUIPMENT	**1,338**	1,919
MOTOR VEHICLES:		
- AT COST	**4,738**	4,563
- ACCUMULATED DEPRECIATION	**(3,484)**	(3,381)
TOTAL MOTOR VEHICLES	**1,254**	1,182
LEASEHOLD IMPROVEMENTS:		
- AT COST	**1,794**	1,815
- ACCUMULATED DEPRECIATION	**(895)**	(853)
TOTAL LEASEHOLD IMPROVEMENTS	**899**	962
TOTAL PROPERTY, PLANT AND EQUIPMENT	**5,994**	6,663

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	LAND AND BUILDINGS $'000	**PLANT AND EQUIPMENT** $'000	**MOTOR VEHICLES** $'000	**LEASEHOLD IMPROVEMENTS** $'000	**TOTAL** $'000
BALANCE AT 1 JULY 2022	**2,697**	**2,254**	**1,070**	**1,047**	**7,068**
ADDITIONS	-	519	446	-	965
DISPOSALS	-	(4)	(25)	-	(29)
NET FOREIGN EXCHANGE MOVEMENT	-	6	70	5	81
DEPRECIATION EXPENSE	(97)	(856)	(379)	(90)	(1,422)
BALANCE AT 30 JUNE 2023	**2,600**	**1,919**	**1,182**	**962**	**6,663**
ADDITIONS	-	201	506	-	707
DISPOSALS	-	(57)	-	-	(57)
NET FOREIGN EXCHANGE MOVEMENT	-	(10)	(48)	(1)	(59)
DEPRECIATION EXPENSE	(97)	(715)	(386)	(62)	(1,260)
BALANCE AT 30 JUNE 2024	**2,503**	**1,338**	**1,254**	**899**	**5,994**

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Note 15 - Leases

The majority of leases relate to the rental of premises in Australia, China, New Zealand, Spain, Chile and the USA. The carrying value of right-of-use assets is presented below:

	2024 $'000	2023 $'000
COST		
OPENING BALANCE	**5,295**	5,069
ADDITIONS	**3,859**	433
FOREIGN EXCHANGE TRANSLATION	**(55)**	(9)
DERECOGNITION OF RIGHT-OF-USE ASSETS	**(315)**	(198)
CLOSING BALANCE	**8,784**	5,295
ACCUMULATED DEPRECIATION		
OPENING BALANCE	**(4,154)**	(3,112)
DEPRECIATION FOR THE PERIOD	**(1,078)**	(1,042)
CLOSING BALANCE	**(5,140)**	(4,154)
NET BOOK VALUE		
OPENING BALANCE	**1,141**	1,957
CLOSING BALANCE	**3,552**	1,141

Amounts recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income relating to leases:

	2024 $'000	2023 $'000
DEPRECIATION EXPENSE ON RIGHT-OF-USE ASSETS	**1,078**	1,042
INTEREST EXPENSE ON LEASE LIABILITIES	**114**	83
OCCUPANCY EXPENSES		
EXPENSES RELATING TO SHORT TERM OR LOW VALUE LEASES EXEMPT UNDER AASB16	**288**	321
OTHER OCCUPANCY EXPENSES	**63**	31
TOTAL OCCUPANCY EXPENSES	**351**	352

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Note 16 - Other Financial Assets

	2024 $'000	2023 $'000
NON-CURRENT		
LOANS TO MANAGEMENT PERSONNEL	**50**	50
TOTAL OTHER FINANCIAL ASSETS	**50**	50

Loans were extended to a number of management personnel during the 2018 financial year which are not for a fixed term and are full recourse. An interest free period applied to loans for an initial three-year period and was subsequently extended for a further three years in 2021 and then again in 2024. Any remaining loans after the end of the 2026 financial year will attract a nominal interest rate.

Note 17 - Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remains unpaid. The balance is recognised as a current liability if expected to be settled within 12 months.

	2024 $'000	2023 $'000
CURRENT		
UNSECURED LIABILITIES:		
TRADE PAYABLES	**4,038**	3,291
SUNDRY PAYABLES AND ACCRUED EXPENSES	**3,447**	4,170
TOTAL TRADE AND OTHER PAYABLES	**7,485**	7,461

Note 18 - Financial Liabilities

Non-Derivative Financial Liabilities – Measurement

Non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

Non-Derivative Financial Liabilities – Recognition and Derecognition

The Group initially recognises loans and receivables and debt securities issued on the date when they are originated. All other financial liabilities are initially recognised on the trade date, when the entity becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

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Financial liabilities are offset, and the net amount presented in the Statement of Financial Position when, and only when, the Group has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

	2024 $'000	2023 $'000
CURRENT		
SECURED LIABILITIES:		
BANK OVERDRAFTS	**1,425**	-
DIRECTORS' LOANS	**2,500**	-
BANK LOANS	**26,760**	28,994
CHATTEL MORTGAGE	**146**	120
	30,831	29,114
LEASE LIABILITIES	**822**	860
TOTAL CURRENT LIABILITIES	**31,653**	29,974
NON-CURRENT		
SECURED LIABILITIES:		
BANK LOANS	**2,240**	-
CHATTEL MORTGAGE	**227**	261
	2,467	261
LEASE LIABILITIES	**3,007**	456
TOTAL NON-CURRENT LIABILITIES	**5,474**	717

(a) Collateral Provided

Bank facility

On 16 August 2023, the Group extended its financing facility with HSBC. With the exception of the Term Facility which expires on 16 August 2026, all other facilities are perpetual and evergreen in nature and have no expiry date subject to Rubicon satisfying the financial covenants in place.

The facility is subject to two financial covenants:

- Minimum Shareholder Funds
- Borrower Base Assets / Drawn Facilities (ratio)*

At the reporting date the facility limit was $32,000,000 and as of that date, it was drawn to $30,424,798 (2023: $29,000,000). The Group held cash balances of $1,690,116 (2023: $8,494,913). The Term Facility balance of $2,600,000 was fully drawn at the reporting date. $360,000 of the Term Facility balance which will be amortised during 2025 financial year was classified as a current liability, with the balance of $2,240,000 classified as a non-current liability. All other drawn facility balances remain classified as current liabilities.

Details of the facility components are shown below:

Facility	Facility limit $m	Termination date	Purpose
Multiple Advance Facility*	26.4	Perpetual	General corporate and working capital purposes
Multi Option Facility*	3.0	Perpetual	Overdraft and bank guarantees
Corporate Credit Card Facility*	0.4	Perpetual	Corporate credit card
Term Facility	2.6	3 years from execution	General corporate purposes
Total new banking facilities	**32.4**		

*Borrower Base Assets include cash, inventory (net of provision) and invoiced receivables (less than 60 days overdue).

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Chattel Mortgage

Chattel Mortgages are secured over the underlying asset.

Defaults and breaches

There were no default or breaches during the year ending 30 June 2024 on any borrowing facilities.

Lease liabilities

Lease liabilities are secured by underlying leased assets.

Directors' loans

The Group retains access to $6,000,000 of unconditional working capital facilities, which comprise of a $5,500,000 facility from Gordon Dickinson, and a $500,000 facility from Perrysands Pty Ltd, an entity related to the CEO Bruce Rodgerson. These facilities which are unsecured and bear interest at a rate of BBSY plus a margin of 3.3% per annum were entered into on 21 February 2023 for an initial term of 12 months and were subsequently extended until 21 February 2025. The facilities were drawn to $2,500,000 at the reporting date.

(b) Debt Facilities and Credit Standby Arrangements

A summary of the Group's loan facilities is provided in the table below:

	2024 $'000	2023 $'000
CREDIT FACILITIES	**38,400**	39,624
FACILITY UTILISED:		
BANK LOANS AND OVERDRAFTS	**(30,425)**	(29,000)
DIRECTORS' LOANS	**(2,500)**	-
OTHER (BANK GUARANTEES AND BUSINESS CREDIT CARDS)	**(423)**	(600)
UNUSED CREDIT FACILITIES	**5,052**	10,024

Note 19 - Provisions

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money, and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

Employee Benefits

A provision has been recognised for employee entitlements including long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data.

Other Provisions

Other provisions relate to provisions for warranty required to be incurred under contractual obligations.

	2024 $'000	2023 $'000
CURRENT		
EMPLOYEE BENEFITS	**4,341**	4,347
OTHER	**197**	208
TOTAL CURRENT PROVISIONS	**4,538**	4,555
NON-CURRENT		
EMPLOYEE BENEFITS	**368**	300
TOTAL NON-CURRENT PROVISIONS	**368**	300

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Note 20 - Contingent Liabilities

Bank guarantees of $23,519 have been provided by banks for various contracts undertaken (2023: $23,519). There are no other contingent liabilities.

Note 21 - Issued Capital

Share Capital

	2024 $'000	2023 $'000
171,631,767 (2023: 171,478,370) FULLY PAID ORDINARY SHARES	**168,194**	168,194

Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from share capital. Income tax relating to transaction costs of an equity transaction are accounted for in accordance with AASB 112: *Income Taxes*.

	2024 NO.	2023 NO.	**2024** $	2023 $
AT BEGINNING OF REPORTING PERIOD	**171,478,430**	171,305,104	**168,194,187**	168,194,187
CEO SHARE GRANT[1]	153,337	173,326	-	-
SHARES ISSUED IN RELATION TO EMPLOYEE SHARE SCHEMES[2]	855,661	-	-	-
LESS: TREASURY SHARES[3]	(855,661)	-	-	-
AT REPORTING DATE	**171,631,767**	171,478,430	**168,194,187**	168,194,187

[1] The first and second tranche of the CEO Share Grant shares vested on 31 August 2022 and 31 August 2023 respectively. Remaining tranche will vest on 31 August 2024.

[2] Shares issued during the year to Rubicon Water Limited Employee Share Trust (the Trust) in connection with the Group's employee equity incentive plan.

[3] Shares held by the Trust and not yet issued to employees at the end of the reporting period.

Ordinary shares are eligible to participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares on issue.

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Note 22 - Dividends

Dividends

During the financial year, the Group did not make a dividend payment.

Franking Credits

Amount of franking credits available to shareholders of Rubicon Water Limited for subsequent financial years are:

	2024 $'000	2023 $'000
FRANKING ACCOUNT BALANCE AS AT THE END OF THE FINANCIAL YEAR AT 30% TAX RATE (2023: 30%)	**10,462**	10,462

Note 23 - Reserves

	2024 $'000	2023 $'000
SHARE-BASED PAYMENTS RESERVE	**959**	811
FOREIGN CURRENCY TRANSLATION RESERVE	**(258)**	(204)
RE-ORGANISATION RESERVE	**(129,615)**	(129,615)
TOTAL RESERVES	**(128,914)**	(129,008)

Share-Based Payments Reserve

	2024 $'000	2023 $'000
SHARE-BASED PAYMENTS RESERVE	**959**	811

This reserve is used to recognise share-based payments made in accordance with AASB 2 'Share-Based Payments' to employees under the CEO Share Grant and the Performance Rights granted to the executive team.

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CEO Share Grant

On 11 August 2021, the Group made a grant of shares to certain key employees, excluding the CEO and his direct reports, under the CEO Share Grant. The CEO Share Grant participants received a total of 580,000 shares in Rubicon Water Limited. The shares are subject to a requirement to remain employed until a specified vesting date and are subject to further disposal restrictions after vesting. The length of tenure and any disposal restrictions are at the Board of Rubicon Water Limited's discretion and are between 12 and 36 months. This portion of the reserve is calculated proportionally over the vesting period. Upon vesting of each tranche, the balance of the reserve is transferred to share capital.

The total expense for share-based payment relating to the CEO Share Grant recognised through Profit and Loss for the year ended 30 June 2024 was $47,732 (2023: $162,854). The expense was calculated considering the probability of vesting conditions being met.

Fair value of CEO Share Grant

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The shares from the CEO Share Grant vest in three tranches, at 31 August 2022, 31 August 2023 and 31 August 2024. Only non-market vesting conditions apply to the shares (service condition). The fair value of the shares at grant date was determined to be $1.00.

153,337 (2023: 173,326) shares vested during the financial year and are included in total shares outstanding at the reporting date.

Performance Rights

The Group has granted Performance Rights to its executive team, which entitles members to receive ordinary shares in the Company, subject to several vesting conditions. The Performance Rights are subject to a 3-year vesting period.

The initial award was a single tranche of Performance Rights granted to the relevant Participants under the Performance Rights Grant in August 2021 (2021 Performance Rights) of 622,603, with a vesting period to the release of the Company's FY24 financial results. A subsequent award of 657,271 Performance Rights was granted to the relevant Participants in December 2022 (2022 Performance Rights). In December 2023 a further 1,149,460 performance rights (2023 Performance Rights) were granted to relevant Participants which now hold a total of 2,429,334 performance rights. 188,625 performance rights belong to Participants that ceased employment with the Company during the current and preceding financial year and consequently will not vest.

If a relevant class of Performance Rights is not converted into shares by the relevant expiry date, then all Performance Securities of that class lapse. Subsequent grants of Performance Rights will be subject to the vesting period determined by the Board.

If the appropriate performance milestone is met each Performance Right will be converted to one share in Rubicon Water Limited.

The initial Performance Rights granted on Completion will vest in three tranches:

Tranche 1 – representing 40% of the Performance Rights granted

Where the Company achieves <10.0% EPS CAGR over the relevant testing period, none of the Performance Rights will vest.

Where the Company achieves between 10.0% and 15.0% EPS CAGR over the relevant testing period, the Rights will vest pro rata on a straight-line basis (i.e. 50% of Performance Rights will vest for achieving a 10.0% EPS CAGR and 100% of Performance Rights will vest for achieving a 15.0% or more EPS CAGR).

Where the Company achieves >15.0% EPS CAGR over the relevant testing period, all of the Performance Rights will vest.

Tranche 2 – representing 25% of the Performance Rights granted

Where the Company achieves a TSR in the bottom third or fourth quartile when compared to the S&P/ASX Small Ordinaries Index (XSO) for the relevant testing period, none of the Performance Rights will vest.

Where the Company achieves a TSR in the second quartile when compared to the constituents of the S&P/ASX Small Ordinaries Index (XSO) for the relevant testing period, the Performance Rights will vest pro rata on a straight-line basis (i.e. 50% of Rights will vest if TSR is at the bottom of the second quartile and 100% of Performance Rights will vest if TSR is at the top of the second quartile).

Where the Company achieves a TSR in the top quartile when compared to the constituents of the S&P/ASX Small Ordinaries Index (XSO) for the relevant testing period, all of the Performance Rights will vest.

Tranche 3 – 35% of the Performance Rights granted

Participants' remaining Performance Rights will vest if they remain employed by the Rubicon group at the end of the vesting period.

The total expense for share-based payment relating to the Performance Rights recognised through Profit and Loss for the year ended 30 June 2024 was $100,536 (2023: $251,826).

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The share-based payment expense relating to Performance Rights is recognised to the extent that it is deemed probable that the vesting conditions will be met. The vesting condition for tranche 1 and 2 of the 2021 Performance Rights have not been met and therefore have been adjusted accordingly in the current year expense.

Grant Date Fair value of Performance Rights

The Group received an independent valuation to determine the grant date fair value of the Performance Rights.

The grant date fair value of the tranche 1 and tranche 3 of 2021 Performance Rights, which have no market-based performance hurdles, has been determined to be $1.00 per instrument based on Rubicon's initial IPO price. The grant date fair value of the tranche 1 and tranche 3 of 2022 Performance Rights was $0.87 based on Rubicon's share price at the Grant date. The grant date fair value of the tranche 1 and tranche 3 of 2023 Performance Rights was $0.62 based on Rubicon's share price at the Grant date.

It has been assumed that no dividends will be paid over the vesting period for 2021, 2022 and 2023 Performance Rights.

The grant date fair value of the tranche 2 of 2021 Performance Rights, which are subject to a TSR (market-based) performance hurdle, has been determined to be $0.60. The grant date fair value of the tranche 2 of 2022 Performance Rights was $0.48 while the grant date fair value of the tranche 2 of 2023 Performance Rights was $0.38. Fair values of the 2021, 2022 and 2023 Performance Rights have been determined using Monte Carlo Simulation Option Pricing Model (SCSOPM) with the below assumptions selected:

Key inputs into the model	2023 Performance Rights	2022 Performance Rights	2021 Performance Rights
Grant date share price – Tranche 1 & 3	$0.60	$0.87	$1.00
Grant date share price – Tranche 2	$0.38	$0.48	$0.62
Grant date	1 December 2023	1 December 2022	11 August 2021
Expected volatility	40%	45%	40%
Dividend yield	Nil	Nil	Nil
Exercise price	Nil	Nil	Nil
Expiry date	31 August 2026	31 August 2025	31 August 2024
Risk-free interest rate	4.08%	3.09%	0.61%

Foreign Currency Translation Reserve

	2024 $'000	2023 $'000
BALANCE AT BEGINNING OF REPORTING PERIOD	**(204)**	(612)
CHARGE TO OTHER COMPREHENSIVE INCOME	**(54)**	408
BALANCE AT END OF FINANCIAL YEAR	**(258)**	(204)

The foreign currency translation reserve records exchange differences arising on translation of overseas subsidiaries.

Re-Organisation Reserve

On 27 August 2021 Rubicon Water Limited became the ultimate parent entity of the Group by way of a Deed of Implementation between the Rubicon Water Limited and Rubicon Systems (Holdings) Pty Ltd. The substance of the reorganisation has been evaluated and deemed not to be a Business Combination required to be accounted for under AASB 3 Business Combinations. Accordingly, these consolidated financial statements reflect that the arrangement is in substance a continuation of the existing Rubicon Group. Any difference in share capital of the Company at the date of the reorganisation, calculated on the basis outlined in Note 21, compared to the existing share capital of Rubicon Systems (Holdings) Pty Ltd at the date of completion of the reorganisation has been recognised as an adjustment within the Re-organisation Reserve.

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Note 24 - Deed of Cross Guarantee

Pursuant to *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785* the wholly-owned subsidiaries listed below are relieved from the *Corporations Act 2001* requirements for preparation, audit and lodgement of financial reports, and Directors' reports.

It is a condition of the Instrument that the Company and each of the subsidiaries enter into a Deed of Cross Guarantee. The effect of the Deed is that each company which is party to the deed guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the *Corporations Act 2001*. If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that the Company is wound up.

The subsidiaries subject to the Deed are:

- RUBICON WATER LIMITED
- RUBICON SYSTEMS (HOLDINGS) PTY LTD
- RUBICON SYSTEMS AUSTRALIA PTY LTD
- RUBICON SERVICES PTY LTD
- RUBICON RESEARCH PTY LTD
- RUBICON GLOBAL PTY LTD
- RETIC WATER PTY LTD
- RUBICON SHARE SCHEME PTY LTD (FORMERLY BENDIGO PIPE PTY LTD)
- RETICULA PTY LTD
- RUBICON WATER INDIA PTY LTD

A consolidated statement of profit and loss and comprehensive income and consolidated statement of financial position, comprising the Company and those controlled entities which are a party to the Deed, after eliminating all transactions between parties to the Deed of Cross Guarantee, for the year ended 30 June 2024 are set out as follows:

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Statement of profit or loss and other comprehensive income and retained earnings

	2024 $'000	2023 $'000
REVENUE	**37,474**	45,511
COST OF SALES	**(23,507)**	(32,121)
GROSS PROFIT	**13,967**	13,390
OTHER GAINS AND LOSSES	**137**	17
DEPRECIATION	**(1,183)**	(1,291)
EMPLOYEE BENEFITS EXPENSE	**(12,592)**	(12,266)
PROFESSIONAL FEES	**(1,770)**	(1,973)
TRAVEL COSTS	**(319)**	(385)
OCCUPANCY EXPENSES	**(79)**	(68)
ADMINISTRATIVE EXPENSES	**(3,095)**	(2,162)
FINANCE COSTS	**(2,578)**	(1,985)
LOSS BEFORE INCOME TAX	**(7,512)**	(6,723)
INCOME TAX EXPENSE	**2,235**	2,405
LOSS FOR THE YEAR	**(5,277)**	(4,318)
OTHER COMPREHENSIVE INCOME/ (LOSS)		
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS:		
EXCHANGE DIFFERENCES ON TRANSLATION OF OVERSEAS SUBSIDIARIES		
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	**-**	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(5,277)**	(4,318)
RETAINED EARNINGS AT BEGINNING OF YEAR	**39,274**	43,592
DIVIDENDS RECOGNISED DURING THE YEAR	**-**	-
RETAINED EARNINGS AT END OF YEAR	**33,997**	39,274
TOTAL COMPREHENSIVE INCOME / (LOSS) ATTRIBUTABLE TO:		
OWNERS OF THE COMPANY	**(5,277)**	(4,318)
NON-CONTROLLING INTEREST	**-**	-
	(5,277)	(4,318)

Statement of financial position

	2024 $'000	2023 $'000
CURRENT ASSETS		
CASH AND CASH EQUIVALENTS	**10**	3,309
TRADE AND OTHER RECEIVABLES	**89,537**	88,465
INVENTORIES	**5,016**	7,882
OTHER CURRENT ASSETS	**1,027**	938
TOTAL CURRENT ASSETS	**95,590**	100,594
NON-CURRENT ASSETS		
INVESTMENTS	**11,754**	10,255
INTANGIBLES	**5,114**	3,622
PROPERTY, PLANT AND EQUIPMENT	**4,595**	4,910
RIGHT OF USE ASSETS	**1,873**	399
DEFERRED TAX ASSETS	**5,124**	2,890
OTHER FINANCIAL ASSETS	**50**	50
TOTAL NON-CURRENT ASSETS	**28,510**	22,126
TOTAL ASSETS	**124,100**	122,720
CURRENT LIABILITIES		
TRADE AND OTHER PAYABLES	**11,249**	10,434
FINANCIAL LIABILITIES	**30,685**	29,000
LEASE LIABILITIES	**284**	419
PROVISIONS	**3,796**	3,812
TOTAL CURRENT LIABILITIES	**46,014**	43,665
NON-CURRENT LIABILITIES		
PROVISIONS	**368**	300
LEASE LIABILITIES	**1,710**	91
FINANCIAL LIABILITIES	**2,240**	-
TOTAL NON-CURRENT LIABILITIES	**4,318**	391
TOTAL LIABILITIES	**50,332**	44,056
NET ASSETS	**73,768**	78,664
EQUITY		
ISSUED CAPITAL	**168,427**	168,194
SHARE-BASED PAYMENT RESERVE	**959**	811
RE-ORGANISATION RESERVE	**(129,615)**	(129,615)
RETAINED EARNINGS	**33,997**	39,274
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	**73,768**	78,664
NON-CONTROLLING INTEREST	**-**	-
TOTAL EQUITY	**73,768**	78,664

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Note 25 - Parent Entity Disclosure

(a) Financial Position of Parent Entity at year end

	2024 $'000	2023 $'000
ASSETS		
CURRENT ASSETS	-	-
NON-CURRENT ASSETS	45,195	42,876
TOTAL ASSETS	45,195	42,876
LIABILITIES		
CURRENT LIABILITIES	106	-
NON-CURRENT LIABILITIES	-	-
TOTAL LIABILITIES	106	-
NET ASSETS	45,089	42,876
EQUITY		
ISSUED CAPITAL	168,427	168,194
SHARE-BASED PAYMENT RESERVE	959	811
RE-ORGANISATION RESERVE	(128,119)	(128,119)
RETAINED EARNINGS	3,822	1,991
TOTAL EQUITY	45,089	42,876

(b) Results of Parent Entity

	2024 $'000	2023 $'000
PROFIT FOR THE YEAR	2,129	2,405
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	2,129	2,405

On 9 July 2021 Rubicon Water Limited was incorporated. On 27 August 2021 Rubicon Water Limited became the ultimate parent entity of the Group by way of a Deed of Implementation between Rubicon Water Limited and Rubicon Systems (Holdings) Pty Ltd.

(c) Parent Entity Guarantees in respect of the debts of its subsidiaries

The parent entity acts as guarantor for debt facilities. Details of these facilities can be found in Note 18(b): *Financial Liabilities*. All Australian wholly-owned subsidiaries have entered into a deed of cross guarantee with Rubicon Water Limited pursuant to *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785*.

(d) Parent entity Contingent Liabilities

At 30 June 2024, the parent entity has no significant contingent liabilities (2023: Nil).

(e) Parent Entity Capital Commitments for acquisition of property, plant and equipment

At 30 June 2024, the parent entity had not entered into any contractual commitments for the acquisition of property, plant and equipment and other intangible assets (2023: Nil).

Note 26 - Cash Flow Information

(a) Reconciliation of Cash at End of Financial Year

	NOTE	2024 $'000	2023 $'000
CASH AND CASH EQUIVALENTS	8	**1690**	8,495
BANK OVERDRAFTS	18	**(1,425)**	-
CASH (NET OF BANK OVERDRAFTS) AT END OF FINANCIAL YEAR		**265**	8,495

(b) Reconciliation of Cash Flow from Operating Activities with Loss after Income Tax

	2024 $'000	2023 $'000
LOSS AFTER INCOME TAX	**(10,964)**	(11,158)
ADJUSTMENTS FOR NON-CASH ITEMS:		
- DEPRECIATION	**2,338**	2,465
- AMORTISATION	**99**	99
- SHARE-BASED PAYMENTS	**148**	415
- UNREALISED FOREIGN EXCHANGE (GAIN)/ LOSS	**1,470**	(64)
- IMPAIRMENT OF INVENTORY	**120**	(51)
- IMPAIRMENT OF ACCOUNTS RECEIVABLE	**1,292**	(256)
- NET FINANCE COSTS	**2,711**	1,958
- SHARE OF LOSS OF EQUITY ACCOUNTED INVESTEE'S, NET OF TAX	**458**	717
- INCOME TAX BENEFIT	**(1,088)**	(2,067)
- GAIN ON SALE OF PROPERTY, PLANT AND EQUIPMENT	**(23)**	(25)
CHANGES IN:		
- (INCREASE) / DECREASE IN TRADE AND OTHER RECEIVABLES	**(6,076)**	11,722
- (INCREASE) / DECREASE IN PREPAYMENTS	**183**	(219)
- (INCREASE) / DECREASE IN INVENTORIES	**5,790**	1,303
- INCREASE / (DECREASE) IN TRADE PAYABLES AND ACCRUALS	**101**	(3,872)
- INCREASE / (DECREASE) IN PROVISIONS	**51**	(324)
- INCREASE / (DECREASE) IN DEFERRED INCOME	**(744)**	(407)
CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES	**(4,134)**	236
- NET INTEREST PAID	**(2,711)**	(1,837)
- INCOME TAXES PAID/ (RECEIVED)	**(108)**	238
CASH FLOW USED IN OPERATIONS	**(6,953)**	(1,363)

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(c) Reconciliation of liabilities arising from financing activities

The change in the Group's liabilities (excluding overdrafts) arising from financing activities can be classified as follows:

2024

	LOANS AND BORROWINGS $'000	LEASE LIABILITIES $'000	TOTAL $'000
BALANCE AT 1 JULY 2023	**29,375**	**1,316**	**30,691**
CHANGES FROM FINANCING CASH FLOWS:			
CASH OUTFLOW	(124)	(1,031)	(1,245)
CASH INFLOW	2,500	-	2,617
	31,751	**(1,031)**	**1,372**
NON-CASH CHANGES:			
ACQUISITIONS	117	3,859	3,859
VARIATIONS	-	(315)	(315)
FOREIGN EXCHANGE MOVEMENT	5	-	5
BALANCE AT 30 JUNE 2024	**31,873**	**3,829**	**35,612**

2023

	LOANS AND BORROWINGS $'000	LEASE LIABILITIES $'000	TOTAL $'000
BALANCE AT 1 JULY 2022	**27,061**	**2,232**	**29,293**
CHANGES FROM FINANCING CASH FLOWS:			
CASH OUTFLOW	(3,053)	(1,150)	(4,203)
CASH INFLOW	5,290	-	5,290
	2,237	(1,150)	1,087
NON-CASH CHANGES:			
ACQUISITIONS	-	433	433
VARIATIONS	-	(198)	(198)
FOREIGN EXCHANGE MOVEMENT	-	(1)	(1)
NET ESTABLISHMENT FEE AMORTISATION FOR PERIOD	77	-	77
BALANCE AT 30 JUNE 2023	**29,375**	**1,316**	**30,691**

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Note 27 - Financial Risk Management

The Group's financial instruments consist mainly of accounts receivables and payables, loans from external parties and directors and leases.

	NOTE	2024 $'000	2023 $'000
FINANCIAL ASSETS			
CASH AND CASH EQUIVALENTS	8	**1,690**	8,495
TRADE AND OTHER RECEIVABLES	9	**62,179**	58,889
		63,869	67,384
FINANCIAL LIABILITIES			
TRADE AND OTHER PAYABLES	17	**7,485**	7,461
BORROWINGS	18	**33,298**	29,375
LEASE LIABILITIES	18	**3,829**	1,316
		44,612	38,152

Treasury Risk Management

Management, consisting of senior executives of the Group, discusses and monitors financial risk exposure and evaluates treasury management strategies in the context of current economic conditions and forecasts. Management's overall risk management strategy seeks to assist the Group in meeting its financial targets, while minimising potential adverse effects on financial performance. Management operates under the supervision of members of the Board of Directors. Risk management transactions are approved by senior management personnel.

Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are interest rate risk, currency risk, liquidity risk and credit risk. The Company's Audit and Risk Committee has overall responsibility for the establishment and oversight of the Group's risk management framework, and is responsible for developing and monitoring the Group's risk management policies. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit and Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

(a) Interest Rate Risk

Exposure to interest rate risk arises on financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. Currently the Group's operations are financed using floating rate debt. The Group is not currently entered into any interest rate swaps to fix its floating rate debt. The variable interest rate borrowings expose the Group to interest rate risk which will impact future cash flows and interest charges and is indicated by the following floating interest rate financial liabilities:

	NOTE	2024 $'000	2023 $'000
FLOATING RATE INSTRUMENTS			
BANK OVERDRAFTS	18	**1,425**	-
BANK LOANS	18	**29,000**	28,994
DIRECTOR'S LOANS	18	**2,500**	28,994
		32,925	28,994

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(b) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group manages this risk through the following mechanisms:

- Preparing forecast cash flow analysis in relation to its operational, investing and financing activities;
- Monitoring undrawn credit facilities;
- Obtaining funding from a variety of sources;
- Managing credit risk related to financial assets; and
- Monitoring the maturity profile of financial liabilities.

The Group's customers comprise governments and water authorities. Contracts with these customers are often structured to be paid in instalments. There is a risk that these payments may be delayed as a result of bureaucratic processes within the government agencies delaying the release of funds, funds being paid to third-party joint venture partners and their release delayed to Rubicon or disagreements with customers over the completion of contract milestones that release payment. Within the accounts receivable balance as at 30 June 2024 $16,029,109 is aged greater than one year (2023: $18,078,634). This aged balance incudes amounts that are not yet contractually due of $12,169,719 (2023: $13,316,952) – refer to Note 9 for details. Management have successfully received aged amounts in the current year owing from joint venture parties in China of $2,586,573 (2023: $3,636,071). Management have also successfully received aged amounts in the current year owing from its India customer of $4,450,241 (2023: $10,361,145). This has been due to management's continued focus to close delivery of projects and receive funds due. Further collection of these aged amounts is anticipated by 30 June 2025 as these projects reach completion and receipts are received from governments and water authorities and in turn from the joint venture partners.

The following table reflects an undiscounted contractual maturity analysis for financial liabilities. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates. The following table includes both principal and estimated interest cash flows.

Financial Liability Maturity Analysis

	Within 1 Year		1 to 3 years		3 plus years		Total Contractual Cash Flows	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
FINANCIAL LIABILITIES DUE FOR PAYMENT								
BANK OVERDRAFTS	**1,425**	-	-	-	-	-	**1,425**	-
BANK LOANS	**26,760**	29,301	**2,240**	-	-	-	**29,000**	29,301
DIRECTORS' LOANS	**2,500**	-	-	-	-	-	**2,500**	-
TRADE AND OTHER PAYABLES	**7,485**	7,461	-	-	-	-	**7,485**	7,461
CHATTEL MORTGAGE	**146**	144	**227**	266	-	18	**373**	428
LEASE LIABILITIES	**822**	860	**2,000**	395	**1,007**	61	**3,829**	1,316
	39,138	37,766	**4,467**	661	**1,007**	79	**44,612**	38,506

Other than changes in chattel mortgages, all other changes in the Group's liabilities arising from financing activities are disclosed in the Consolidated Statement of Cash Flows.

(c) Currency Risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the AUD functional currency of the Group. The majority of financial liabilities and assets of the Group are denominated in the functional currency of the operational location. These are Australian Dollar, American Dollar, Chinese Renminbi, Chilean Peso, New Zealand Dollar, Euro, Indian Rupee and Costa Rican Colon.

(d) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally

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from the Group's receivables from customers and investments in debt securities.

Credit risk is managed through the maintenance of procedures (such procedures include monitoring of exposures, payment cycles and monitoring of the financial stability of significant customers and counter parties) ensuring to the extent possible, that customers and counter-parties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms differ between each key business and are generally based meeting project milestones for payments to be due.

Where the Group is unable to ascertain a satisfactory credit risk profile in relation to a customer or counter-party, then risk may be further managed through title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default. The Group has established procedures to ensure *Personal Property Securities Act 2009* (Cth) registration is performed for all relevant assets.

Of the trade receivables balance, at the end of the year, 24% of the trade receivables balance (2023: 23%) is due from a single customer, which is also a related party and joint venture, outlined in Note 28. The second and third largest individual trade receivable balances amounted to 13% (2023: 25%) and 6% (2023: 14%) respectively. Due to continued contractual payments being received throughout the financial year from the Group's three largest customers the Group's overall credit risk exposure to a single customer has reduced. Apart from these customers, the Group does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk to any other counterparty other than those mentioned above did not exceed 10 per cent of gross monetary assets at any time during the year. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

The maximum exposure to credit risk by class of recognised financial assets at balance date, excluding the value of any collateral or security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the Consolidated Statement of Financial Position.

On a geographical basis the Group has significant credit risk exposures both in Australia and overseas. Details with respect of the credit risk of Trade and Other Receivables can be found in Note 9. Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are detailed in Note 9. Balances held with banks are with AA rated financial institutions, details of these holdings can be found in Note 8: *Cash and Cash Equivalents*.

Net Fair Values

Fair Value Estimation

The fair values of financial assets and financial liabilities are the same as the carrying values as presented in the Statement of Financial Position. Fair values are those amounts 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. Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated.

Sensitivity analysis

(a) Interest Rate Risk and Currency Risk

The following tables illustrate sensitivities to the Group's exposures to changes in interest rates and foreign currency exchange rates. The tables indicate the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

(b) Interest Rate Sensitivity Analysis

The effect on earnings and equity as a result of changes in interest rate, with all other variables remaining constant would be as follows:

	100 BASIS POINTS INCREASE		100 BASIS POINTS DECREASE	
	2024	2023	**2024**	2023
	$'000	$'000	**$'000**	$'000
MPACT ON:				
CHANGE IN EARNINGS	**(290)**	(298)	**290**	298
CHANGE IN EQUITY	**(290)**	(298)	**290**	298

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(c) Currency Risk Sensitivity Analysis

As at 30 June 2024 a movement in the AUD would impact the earnings and equity as detailed in the table below by currency:

Change in Earnings FY2024

	CLP $'000	CNY $'000	EUR $'000	NZD $'000	USD $'000	INR $'000	CRC $'000	TOTAL
IMPACT ON:								
IMPROVEMENT IN AUD TO FC BY 5%	172	60	41	(3)	(46)	10	0	**234**
DECLINE IN AUD TO FC BY 5%	(172)	(60)	(41)	3	46	(10)	0	**(234)**

Change in Equity FY2024

	CLP $'000	CNY $'000	EUR $'000	NZD $'000	USD $'000	INR $'000	CRC $'000	TOTAL
IMPACT ON:								
IMPROVEMENT IN AUD TO FC BY 5%	116	228	58	(50)	(175)	(165)	-	**11**
DECLINE IN AUD TO FC BY 5%	(116)	(228)	(58)	50	175	165	-	**(11)**

The Group does not currently hedge against foreign exchange movements in net assets of its overseas subsidiaries.

Capital Management

Management monitors the capital of the Group in an effort to maintain an appropriate debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations. The Group's debt and capital includes ordinary shares and financial liabilities. The gearing ratios as at 30 June 2024 and 2023 are as follows:

	2024 $'000	2023 $'000
TOTAL BORROWINGS	**33,298**	29,375
CASH AND CASH EQUIVALENTS	**(1,690)**	(8,495)
NET DEBT / (CASH)	**31,608**	20,880
TOTAL EQUITY	**54,855**	66,360
GEARING RATIO	**58%**	32%

Note 28 - Related Party Transactions

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Medha Rubicon Water Technologies Pvt Ltd (MRWTPL) is a joint venture and a related party of the Group. The Group's investment in MRWTPL is not consolidated and is accounted for using the equity method as outlined in notes 1 and 12. Sales of goods to MRWTPL were made at the Group's usual list prices.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by MRWTPL.

Transactions between the Group and MRWTPL are disclosed below.

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Trading transactions

During the year, Group companies entered into the following transactions with the joint venture who is not a member of the Group:

	Sale of goods		Purchase of goods	
	2024	2023	**2024**	2023
	$	$	**$**	$
JOINT VENTURE	**55,625**	1,034,786	**425,979**	564,610

The following amounts relating to trading transactions were outstanding at the reporting date:

	2024	2023
	$	$
Amounts owed by related parties for the sale of goods	**4,807,844**	7,147,281
Amounts owed to related parties for the purchase of goods	**-**	-
TOTAL	**4,807,844**	7,147,281

Loan to Joint Venture

	2024	2023
	$	$
LOAN TO JOINT VENTURE	**-**	460,000

Transactions with Key Management Personnel

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of the past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

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Key Management Personnel Compensation

Details of the nature and amount of compensation of directors and executives of Rubicon Water Limited, and other Key Management Personnel of the Group, are:

	2024	2023
	$	$
SHORT-TERM EMPLOYEE BENEFITS	**1,530,391**	1,277,928
POST-EMPLOYMENT BENEFITS	**126,263**	116,825
OTHER LONG-TERM BENEFITS	**64,228**	17,887
SHARE-BASED PAYMENTS	**47,937**	129,824
TOTAL DIRECTORS' AND EXECUTIVE OFFICERS' REMUNERATION	**1,768,819**	1,542,464

Compensation of the Group's Key Management Personnel includes salaries, incentives and post-employment benefits.

Key Management Personnel Transactions

The Group retains access to $6,000,000 of unconditional working capital facilities, which comprise of a $5,500,000 facility from Gordon Dickinson, and a $500,000 facility from Perrysands Pty Ltd, an entity related to the CEO Bruce Rodgerson. These facilities which are unsecured and bear interest at a rate of BBSY plus a margin of 3.3% per annum were entered into on 21 February 2023 for an initial term of 12 months and were subsequently extended until 21 February 2025. The facilities were drawn to $2,500,000 at the reporting date.

Apart from the above, the Group did not transact with any member of the Key Management Personnel during the 2024 financial year.

Note 29 - Non-Controlling Interest

	2024	2023
	$'000	$'000
BALANCE AT THE BEGINNING OF THE REPORTING PERIOD	**53**	291
SHARE OF LOSS FOR THE YEAR	**(254)**	(229)
SHARE OF OTHER COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR	**(9)**	(9)
DIVIDENDS PAID	**(69)**	-
BALANCE AT THE END OF THE REPORTING PERIOD	**(279)**	53

Note 30 - Auditor's Remuneration

	2024	2023
	$	$
DELOITTE AND RELATED NETWORK FIRMS		
AUDIT OR REVIEW OF FINANCIAL REPORTS		
- GROUP – AUDIT	**228,500**	218,000
- GROUP – HALF YEAR REVIEW	**89,250**	86,914
- OFFSHORE SUBSIDIARIES	**35,000**	32,500
	352,750	337,414
OTHER ASSURANCE SERVICES		
OTHER	**-**	-
TOTAL OTHER ASSURANCE SERVICES	**-**	-
OTHER SERVICES		
IN RELATION TO ADVISORY SERVICES	**-**	-
TOTAL OTHER SERVICES	**-**	-
	352,750	337,414

Auditing fees for the parent entity are borne by another entity in the Consolidated Entity. The auditor of Rubicon Water Limited is Deloitte Touche Tohmatsu.

Note 31 - Defined Contribution Plans

For defined contribution schemes the pension charge is calculated on the basis of contributions payable. The Group contributed $1,289,000 during the financial year (2023: $1,242,000) to defined contribution plans. These contributions are expensed as incurred.

Note 32 - Events Subsequent to Reporting Date

On 7 August 2024 the Group announced to the Australian Securities Exchange a fully underwritten two tranche placement of 64,000,000 shares at a price of $0.25 per share to raise $16,000,000 (before share issue costs):

- Tranche 1 placement raised $6,472,091 via issue of 25,888,350 shares which settled on 12 August 2024.

- Tranche 2 placement will raise a further $9,527,909 via the issue of approximately 38,111,636 shares subject to shareholder approval to be held at an Extraordinary General Meeting on 11 September 2024. Tranche 2 placement proceeds are expected to be received on 13 September 2024.

On 7 August 2024 the Group also announced that it intended to undertake a share purchase plan (SPP) of approximately $2,000,000. The Group is currently seeking a waiver from the ASX in relation to Listing Rules 7.1 and 10.11 to proceed with the SPP. Details of the SPP will be announced after the receipt of the waiver.

Other than the above, there has not arisen, in the interval between the end of the financial year and the date of this report, any item, transaction or event which would have a material effect on the financial statements of the Group subsequent to the financial year ended 30 June 2023.

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Consolidated Entity Disclosure Statement

as at June 2024

		BODY CORPORATES		TAX RESIDENCY	
ENTITY NAME	ENTITY TYPE	COUNTRY OF INCORPORATION	% OF SHARE CAPITAL HELD	AUSTRALIAN OR FOREIGN	FOREIGN JURISDICTION
RUBICON WATER LIMITED	Body Corporate	Australia	N/A	Australian	N/A
RUBICON SYSTEMS (HOLDINGS) PTY LTD (I)	Body Corporate	Australia	100%	Australian	N/A
RUBICON SYSTEMS AUSTRALIA PTY LTD (I)	Body Corporate	Australia	100%	Australian	N/A
RUBICON SERVICES PTY LTD (I)	Body Corporate	Australia	100%	Australian	N/A
RUBICON RESEARCH PTY LTD (I)	Body Corporate	Australia	100%	Australian	N/A
RUBICON GLOBAL PTY LTD (I)	Body Corporate	Australia	100%	Australian	N/A
RUBICON SYSTEMS AMERICA INCORPORATED	Body Corporate	United States of America	100%	Foreign	United States of America
RUBICON WATER SYSTEMS (TIANJIN) CO. LTD.	Body Corporate	People's Republic of China	100%	Foreign	People's Republic of China
RUBICON WATER SYSTEMS (BEIJING) CO. LTD.	Body Corporate	People's Republic of China	100%	Foreign	People's Republic of China
RUBICON SYSTEMS NEW ZEALAND LIMITED	Body Corporate	New Zealand	100%	Foreign	New Zealand
RETICULA PTY LTD (I)	Body Corporate	Australia	100%	Australian	N/A
RETIC WATER PTY LTD (I)	Body Corporate	Australia	100%	Australian	N/A
RUBICON SHARE SCHEME PTY LTD (FORMERLY BENDIGO PIPE PTY LTD (I), (II)	Body Corporate	Australia	100%	Australian	N/A
RUBICON WATER LIMITED EMPLOYEE SHARE TRUST	Trust	Australia	-	Australian	N/A
RUBICON WATER S.L.U.	Body Corporate	Spain	100%	Foreign	Spain
RUBICON WATER CHILE SPA	Body Corporate	Chile	100%	Foreign	Chile
GANSU TSINGHUA RUBICON WATER TECHNOLOGY CO. LTD.	Body Corporate	People's Republic of China	50%	Foreign	People's Republic of China
NINGXIA RUBICON WATER EQUIPMENT CO. LTD.	Body Corporate	People's Republic of China	50%	Foreign	People's Republic of China
RUBICON WATER INDIA PTY LTD (I)	Body Corporate	Australia	100%	Australian	N/A
RUBICON EQUIPMENT INDIA PRIVATE LIMITED	Body Corporate	India	100%	Foreign	India
RUBICON WATER COSTA RICA, S.A.	Body Corporate	Costa Rica	100%	Foreign	Costa Rica

(I) Part of the Australian tax consolidated group.

(II) Trustee of a trust which is consolidated in the consolidated financial statements.

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Shareholder Information

The following additional information is required by the Australian Stock Exchange Ltd in respect of listed public companies only. The following information is current as at 16 August 2024.

1. Shareholding

a) Distribution of shareholders

Range	No. of Shareholders	No. Ordinary Shares	% Of Issued Capital
1 – 1,000	180	90,245	0.05
1,001 – 5,000	254	791,394	0.40
5,001 – 10,000	118	1,011,681	0.50
10,001 – 100,000	223	7,746,046	3.91
100,001 and over	76	188,584,426	95.14
Total	**851**	**198,223,792**	**100.00**

b) The number of shareholdings held in less than marketable parcels is 280 holders holding 258,116 shares.

c) Shareholders holding in excess of 5% of issued capital were listed in the holding company's register as follows:

Shareholder	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
MUTUAL TRUST PTY LTD	37,076,504	18.70
NATIONAL NOMINEES LIMITED	22,618,364	11.41
NORTHERN CONNECTION HOLDINGS PTY LTD <OAKES-MANNERS FAMILY A/C>	19,137,363	9.65
D & A AUGHTON PTY LTD <D & A AUGHTON FAMILY A/C>	18,792,978	9.48
BROMYARD INVESTMENTS PTY LTD <WALLIS SUPER FUND A/C>	18,162,498	9.16
G D CIAVARELLA PTY LTD <CIAVARELLA FAMILY A/C>	17,144,292	8.65
PERRYSANDS PTY LTD <RODGERSON FAMILY A/C>	15,879,770	8.01

d) Voting rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

There are no other classes of equity securities.

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e) 20 Largest Shareholders – Ordinary Shares

Shareholder	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
MUTUAL TRUST PTY LTD	37,076,504	18.70
NATIONAL NOMINEES LIMITED	22,618,364	11.41
NORTHERN CONNECTION HOLDINGS PTY LTD <OAKES-MANNERS FAMILY A/C>	19,137,363	9.65
D & A AUGHTON PTY LTD <D & A AUGHTON FAMILY A/C>	18,792,978	9.48
BROMYARD INVESTMENTS PTY LTD <WALLIS SUPER FUND A/C>	18,162,498	9.16
G D CIAVARELLA PTY LTD <CIAVARELLA FAMILY A/C>	17,144,292	8.65
PERRYSANDS PTY LTD <RODGERSON FAMILY A/C>	15,879,770	8.01
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	6,634,582	3.35
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	6,387,359	3.22
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	1,651,370	0.83
ACRES HOLDINGS PTY LTD <NOEL EDWARD KAGI FAMILY A/C>	1,529,647	0.77
SARGOOD SUPER PTY LTD <SARGOOD SUPER FUND A/C>	1,105,000	0.56
COSMOS SUPER COMPANY PTY LTD <COSMOS SUPER FUND A/C>	1,062,781	0.54
BLACK BASS PTY LTD	1,000,000	0.50
H&G HIGH CONVICTION LIMITED	1,000,000	0.50
HGL INVESTMENTS PTY LTD	1,000,000	0.50
MR RICHARD MURRAY EWEN SARGOOD	1,000,000	0.50
MR ROBERT BRYANT	1,000,000	0.50
MR JOHN EDGAR FERGUSON SIMPSON	873,270	0.44
RUBICON SHARE SCHEME PTY LTD <RUBICON WATER EMPL SHARE A/C>	855,661	0.43
Total Top 20 holders of ordinary fully paid shares	**173,911,439**	**87.70**
Total remaining holders balance	**24,312,353**	**12.30**

2. Number and class of restricted securities and securities subject to voluntary escrow

Description	Number on issue
CEO SHARE GRANT ESCROWED 12 MONTHS FROM DATE OF LISTING	-
CEO SHARE GRANT ESCROWED 24 MONTHS FROM DATE OF LISTING	-
CEO SHARE GRANT ESCROWED 36 MONTHS FROM DATE OF LISTING	136,670
EMPLOYEE GIFT SHARES ESCROWED 36 MONTHS FROM DATE OF LISTING	117,000
Total	**253,670**

3. Performance rights (unquoted)

The Company has 2,429,334 unquoted performance rights on issue. As at 16 August 2024, there were 10 holders of performance rights. There are no voting rights attached to the performance rights.

4. Consistency with business objectives – ASX Listing Rule 4.10.19

The Company confirms that it has used the cash and assets in a form readily convertible to cash at the time of admission in a way consistent with its business objectives.

Corporate Directory

Directors

Gordon Dickinson
Non-executive Chairman

Bruce Rodgerson
Executive Director and Chief Executive Officer

David Aughton
Executive Director

Tony Morganti
Non-executive Director

Lynda O'Grady
Non-executive Director

Iven Mareels
Non-executive Director

Company Secretary

Rob Walker

Corporate Office

1 Cato Street
Hawthorn East
Melbourne VIC, 3123
Australia
Ph: 03 9832 3000

Registered Office

1 Cato Street
Hawthorn East
Melbourne VIC, 3123
Australia
Ph: 03 9832 3000

Share Registry

Computershare Investors Services Pty Limited
452 Johnston Street
Abbotsford VIC 3067
www.computershare.com

Stock Exchange Listing

Rubicon Water Limited is listed on the Australian Securities Exchange (ASX Code: RWL)

Auditors

Deloitte Touche Tohmatsu
477 Collins Street
Melbourne VIC, 3000
Australia

Solicitors

Rob Walker Legal Pty Ltd
1 Cato Street
Hawthorn East
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