

Acrow Formwork and  
Constructions Services Limited  
ABN 36 124 893 465

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## APPENDIX 4E

PRELIMINARY FINAL REPORT  
Under ASX Listing Rule 4.3A

### Acrow Formwork and Construction Services Limited

ABN 36 124 893 465

#### Details of Reporting Period

Reporting Period 12 months ended 30 June 2022  
Previous Reporting Period 12 months ended 30 June 2021

#### Results for announcement to the market

|                                                                           | 2022           | 2021           | % change |
|---------------------------------------------------------------------------|----------------|----------------|----------|
|                                                                           | <i>dollars</i> | <i>dollars</i> |          |
| Revenue from ordinary activities <sup>1</sup>                             | 148,345,521    | 105,743,623    | Up 40%   |
| Net profit after tax from ordinary activities attributable to members     | 15,694,168     | 3,962,998      | Up 296%  |
| Share based payments and significant costs                                | 2,118,744      | 4,749,831      | Down 55% |
| Net profit after tax from ordinary activities excluding significant costs | 17,812,912     | 8,712,829      | Up 104%  |
|                                                                           | <i>Cents</i>   | <i>Cents</i>   |          |
| Basic earnings per share (cents)                                          | 6.32           | 1.82           | Up 247%  |
| Diluted earnings per share (cents)                                        | 6.06           | 1.77           | Up 242%  |
| Basic earnings per share (cents) excluding significant costs              | 7.17           | 4.00           | Up 79%   |
| Diluted earnings per share (cents) excluding significant costs            | 6.88           | 3.88           | Up 77%   |
| Net tangible asset per share (cents)                                      | 32.77          | 27.65          | Up 19%   |

#### Amount per security (Cents)

| Dividend distributions                                                                |                              |
|---------------------------------------------------------------------------------------|------------------------------|
| Interim dividend per share 20% franked (cents)                                        | 1.20                         |
| Final dividend per share 60% franked (cents)                                          | 1.50                         |
| Record date for determining entitlements to the dividend                              | Friday, 28 October, 2022     |
| Dividend payment date                                                                 | Wednesday, 30 November, 2022 |
| Dividend Reinvestment Plan ("DRP") is in place, last date for election to participate | Monday, 7 November 2022      |
| The Company paid fully franked dividends for the year ended 30 June 2021              | 1.90                         |

The above information is based on the Preliminary financial report which has been reviewed by Grant Thornton. Additional disclosure requirements to Appendix 4E can also be found in the report.

<sup>1</sup> Revenue from ordinary activities includes revenue from continuing operations of \$140.8m (2021: \$94.6m) and proceeds from the disposal of property, plant and equipment of \$7.5m (2021: \$11.1m)

## **Dividend**

On the 23 August 2022, the Company has declared a 60% franked dividend of 1.5 cents per share for the period ending 30 June 2022. The Dividend will be paid on 30 November 2022 to holders on the Company's fully paid ordinary share register on 28 October 2022 (Record Date).

## **Dividend Reinvestment Plan**

The Company has a Dividend Reinvestment Plan (DRP) that will be available to holders of fully paid ordinary shares (shares). The DRP allows shareholders to reinvest part or all of their dividends into new Acrow Formwork and Construction Services Limited shares. The issue price of the shares will be at a 5% discount to the Market Value which is calculated as the arithmetic average of the daily volume weighted average sale price for a Share (rounded to four decimal places) sold through a Normal Trade on ASX on the ten trading days commencing on the second trading day following the Record Date. The last date for receipt of an election notice for participation in the DRP is 7 November 2022.

## **Control gained over entities**

Nil

## **Commentary**

The Acrow group performance exceeded in all metrics during the 12 months to 30 June 2022 achieving the level of scale that previous strategic acquisitions and capital expenditure had allowed.

The business is now fully embedded in the value added, highly engineered civil formwork solutions and Industrial Services markets. In the year the group significantly expanded its equipment sales in particular timber and labour hire within its Industrial Services division.

On an underlying basis, the key highlights for the year included:

- Group revenue up 40% on the prior comparable period "pcp" to \$148.3m, attributable to a very strong trading performance from the Industrial Services business, a significant uplift from the Formwork division across the east coast markets and the strategic focus on expanding product sales;
- Sales contribution of \$81.4m, was up 32% on pcp;
- Underlying EBITDA of \$36.3m, up 49% on pcp, and EBITDA margin of 24.5%, up 1.5% pcp;
- Underlying Net Profit After Tax up 104% to \$17.8m;
- Share based payments of \$1.2m and significant costs of \$0.9m relating to acquisitions, redundancy and restructuring costs sum to \$2.1m;
- Net gearing (net debt /(net debt + equity)) of 28.3%, up 1.6% from 30 June 2021;
- A final dividend of 1.5cps (60% franked) was declared;
- Underlying Earnings per Share 7.17 cents up 79% on 4.00 cents per share in 2021.

## Segmental Underlying EBITDA

| Year end 30 June (\$000)    | FY 22          | FY 21          | \$ Mvt        | % chg PCP  |
|-----------------------------|----------------|----------------|---------------|------------|
| Formwork                    | 78,766         | 60,463         | 18,302        | 30%        |
| Industrial Services         | 45,636         | 21,719         | 23,916        | 110%       |
| Commercial Scaffold         | 23,944         | 23,561         | 383           | 2%         |
| <b>Total Revenue</b>        | <b>148,346</b> | <b>105,744</b> | <b>42,602</b> | <b>40%</b> |
| Formwork                    | 55,914         | 41,192         | 14,722        | 36%        |
| Industrial Services         | 15,515         | 10,112         | 5,403         | 53%        |
| Commercial Scaffold         | 9,934          | 10,120         | -187          | -2%        |
| <b>Total Contribution</b>   | <b>81,363</b>  | <b>61,424</b>  | <b>19,938</b> | <b>32%</b> |
| <i>Contribution Margin*</i> | 54.8%          | 58.1%          |               | 3%         |
|                             |                | 0              |               |            |
| Yard Related Expenses       | 14,390         | 11,629         | 2,762         | 24%        |
| Labour                      | 25,143         | 20,977         | 4,167         | 20%        |
| Other                       | 5,517          | 4,470          | 1,047         | 23%        |
| <b>Total Overheads</b>      | <b>45,050</b>  | <b>37,075</b>  | <b>7,975</b>  | <b>22%</b> |
| <b>Underlying EBITDA</b>    | <b>36,312</b>  | <b>24,349</b>  | <b>11,963</b> | <b>49%</b> |
| <i>EBITDA Margin *</i>      | 24.5%          | 23.0%          |               | 1%         |

| Year end 30 June (\$000)    | FY22          | FY21          | \$ Mvt        | % chg PCP   |
|-----------------------------|---------------|---------------|---------------|-------------|
| Sales                       | 148,346       | 105,744       | 42,602        | 40%         |
| Total Contribution          | 81,362        | 61,424        | 19,938        | 32%         |
| <i>Contribution Margin*</i> | 54.8%         | 58.1%         |               | -3%         |
| <b>EBITDA</b>               | <b>36,312</b> | <b>24,349</b> | <b>11,963</b> | <b>49%</b>  |
| <i>EBITDA Margin*</i>       | 24.5%         | 23.0%         |               | 1%          |
| Depreciation                | -13,070       | -11,179       | -1,891        | 17%         |
| EBIT                        | 23,242        | 13,170        | 10,072        | 76%         |
| Net Interest                | -3,467        | -2,948        | -519          | 18%         |
| <b>Pre-tax Profit</b>       | <b>19,775</b> | <b>10,222</b> | <b>9,553</b>  | <b>93%</b>  |
| Tax Expense                 | -1,962        | -1,509        | -453          | 30%         |
| <b>NPAT (underlying)</b>    | <b>17,813</b> | <b>8,713</b>  | <b>9,100</b>  | <b>104%</b> |
| Significant items           | -954          | -2,504        | 1,550         | -62%        |
| Share-based payments        | -1,165        | -2,246        | 1,081         | -48%        |
| <b>NPAT (reported)</b>      | <b>15,694</b> | <b>3,963</b>  | <b>11,731</b> | <b>296%</b> |
| EPS (underlying)(¢ps)       | 7.17          | 4.00          | 3.17          | 79%         |
| DPS (¢ps)                   | 2.70          | 1.90          | 0.80          | 42%         |

## FY22 Reconciliation of Reported Net Profit after Tax to Underlying EBITDA

|                             | Underlying    | Significant items adj. | Reported      |
|-----------------------------|---------------|------------------------|---------------|
| <b>EBITDA</b>               | 36,312        | (954)                  | 35,358        |
| Depreciation                | (13,070)      |                        | (13,070)      |
| Net interest                | (3,467)       |                        | (3,467)       |
| <b>Pre-tax profit</b>       | <b>19,775</b> | <b>(954)</b>           | <b>18,821</b> |
| Share based payments        |               | (1,165)                | (1,165)       |
| Tax expense                 | (1,962)       |                        | (1,962)       |
| <b>Net Profit after tax</b> | <b>17,813</b> | <b>(2,119)</b>         | <b>15,694</b> |

### Audit

This Appendix 4E and Preliminary Financial Report is based on financial statements which are in the process of being audited by Grant Thornton.

**Acrow Formwork and Construction Services Limited**  
**ACN 124 893 465**

Preliminary Financial Report  
30 June 2022

## Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2022

| <i>In dollars</i>                                             | <b>Note</b> | <b>2022</b>       | <b>2021</b>      |
|---------------------------------------------------------------|-------------|-------------------|------------------|
| <b>Continuing operations</b>                                  |             |                   |                  |
| Revenue                                                       | 3           | 140,826,918       | 94,608,887       |
| Other income                                                  | 4           | 4,955,787         | 6,552,430        |
| Personnel expenses                                            |             | (51,875,934)      | (36,585,402)     |
| Sub-contract labour costs                                     |             | (18,039,520)      | (16,646,962)     |
| Inventory purchased, net of changes in finished goods         |             | (31,642,371)      | (18,276,344)     |
| Depreciation                                                  |             | (13,070,352)      | (11,563,598)     |
| IT and telecommunication expenses                             |             | (1,641,245)       | (1,542,961)      |
| Freight costs                                                 |             | (1,975,256)       | (1,664,296)      |
| Insurance expenses                                            |             | (1,090,449)       | (813,199)        |
| Gain on fair value of derivatives                             |             | -                 | 350,000          |
| Contingent consideration related to Uni-span acquisition      |             | -                 | (148,264)        |
| Other expenses                                                | 5           | (5,278,112)       | (4,822,433)      |
| <b>Profit before net finance costs and income tax</b>         |             | <b>21,169,466</b> | <b>9,447,858</b> |
| Finance costs                                                 |             | (3,513,116)       | (3,305,705)      |
| <b>Profit before income tax</b>                               |             | <b>17,656,350</b> | <b>6,142,153</b> |
| Income tax expense                                            | 6           | (1,962,182)       | (2,179,155)      |
| <b>Profit from continuing operations</b>                      |             | <b>15,694,168</b> | <b>3,962,998</b> |
| <b>Other comprehensive income</b>                             |             |                   |                  |
| <b>Items that may be reclassified to profit / (loss)</b>      |             |                   |                  |
| Foreign operations - foreign currency translation differences |             | 1,431             | (1,407)          |
| <b>Total comprehensive income for the year</b>                |             | <b>15,695,599</b> | <b>3,961,591</b> |
| <b>Earnings per share from continuing operations</b>          |             |                   |                  |
| Basic EPS (cents per share)                                   | 21          | 6.32              | 1.82             |
| Diluted EPS (cents per share)                                 | 21          | 6.06              | 1.77             |

*The above statement should be read in conjunction with the accompanying notes.*

## Statement of Financial Position

As at 30 June 2022

| <i>In dollars</i>                                | <b>Note</b> | <b>2022</b>        | <b>2021</b>        |
|--------------------------------------------------|-------------|--------------------|--------------------|
| <b>Current assets</b>                            |             |                    |                    |
| Cash and cash equivalents                        |             | 3,010,433          | 1,754,622          |
| Trade and other receivables                      | 7           | 34,362,867         | 24,611,736         |
| Inventories                                      | 8           | 14,872,186         | 8,958,554          |
| Contract assets                                  | 9           | 111,927            | 775,168            |
| Prepayments and other assets                     | 9           | 5,075,832          | 3,618,377          |
| Assets held for sale                             | 10          | 72,579             | 66,507             |
| <b>Total current assets</b>                      |             | <b>57,505,824</b>  | <b>39,784,964</b>  |
| <b>Non-current assets</b>                        |             |                    |                    |
| Property, plant and equipment                    | 11          | 95,490,436         | 83,008,854         |
| Right-of-use lease assets                        | 12          | 24,478,720         | 28,808,936         |
| Goodwill and intangible assets                   | 13          | 7,428,704          | 7,428,704          |
| <b>Total non-current assets</b>                  |             | <b>127,397,860</b> | <b>119,246,494</b> |
| <b>Total assets</b>                              |             | <b>184,903,684</b> | <b>159,031,458</b> |
| <b>Current liabilities</b>                       |             |                    |                    |
| Bank overdraft                                   |             | 3,001,005          | 1,865,938          |
| Trade payables and accrued expenses              | 14          | 21,484,027         | 25,122,155         |
| Other payables                                   |             | -                  | 3,486,289          |
| Employee benefits                                | 15          | 6,159,454          | 4,639,524          |
| Lease liabilities                                | 12          | 4,964,215          | 4,645,552          |
| Loans and borrowings                             | 16          | 17,001,678         | 7,898,384          |
| Current tax liabilities                          |             | 1,869,031          | 310,331            |
| Liabilities associated with assets held for sale | 10          | 67,063             | 61,453             |
| <b>Total current liabilities</b>                 |             | <b>54,546,473</b>  | <b>48,029,626</b>  |
| <b>Non-current liabilities</b>                   |             |                    |                    |
| Employee benefits                                | 15          | 444,988            | 611,541            |
| Lease liabilities                                | 12          | 23,285,254         | 27,396,387         |
| Loans and borrowings                             | 16          | 15,848,299         | 14,440,464         |
| Provisions                                       | 17          | 469,274            | 469,274            |
| Deferred income tax liability                    | 18          | 6,990,415          | 6,596,723          |
| <b>Total non-current liabilities</b>             |             | <b>47,038,230</b>  | <b>49,514,389</b>  |
| <b>Total liabilities</b>                         |             | <b>101,584,703</b> | <b>97,544,015</b>  |
| <b>Net assets</b>                                |             | <b>83,318,981</b>  | <b>61,487,443</b>  |
| <b>Equity</b>                                    |             |                    |                    |
| Issued capital                                   |             | 58,310,046         | 46,703,384         |
| Reserves                                         |             | 3,059,423          | 3,026,437          |
| Retained earnings                                |             | 21,949,512         | 11,757,622         |
| <b>Total equity</b>                              |             | <b>83,318,981</b>  | <b>61,487,443</b>  |

The above statement should be read in conjunction with the accompanying notes

# Statement of Changes in Equity

For the year ended 30 June 2022

|                                                              | Share capital     | Share based option payments reserve | Foreign currency translation reserve | Retained earnings  | Total equity      |
|--------------------------------------------------------------|-------------------|-------------------------------------|--------------------------------------|--------------------|-------------------|
| <i>In dollars</i>                                            |                   |                                     |                                      |                    |                   |
| <b>Balance at 30 June 2020</b>                               | <b>45,674,176</b> | <b>858,546</b>                      | <b>55,718</b>                        | <b>11,706,794</b>  | <b>58,295,234</b> |
| <b>Total comprehensive income for the period</b>             |                   |                                     |                                      |                    |                   |
| Profit for the year                                          | -                 | -                                   | -                                    | 3,962,998          | 3,962,998         |
| Other comprehensive income                                   | -                 | -                                   | (1,407)                              | -                  | (1,407)           |
| <b>Total comprehensive income</b>                            | <b>-</b>          | <b>-</b>                            | <b>(1,407)</b>                       | <b>3,962,998</b>   | <b>3,961,591</b>  |
| <b>Transactions with owners of the company</b>               |                   |                                     |                                      |                    |                   |
| Dividends paid to shareholders                               | -                 | -                                   | -                                    | (3,912,170)        | (3,912,170)       |
| Shares issued under dividend reinvestment plan (DRP)         | 766,913           | -                                   | -                                    | -                  | 766,913           |
| Equity settled share base payments                           | -                 | 2,245,520                           | -                                    | -                  | 2,245,520         |
| Options exercised                                            | 262,295           | (131,940)                           | -                                    | -                  | 130,355           |
| <b>Total transactions with owners of the company</b>         | <b>1,029,208</b>  | <b>2,113,580</b>                    | <b>-</b>                             | <b>(3,912,170)</b> | <b>(769,382)</b>  |
| <b>Balance at 30 June 2021</b>                               | <b>46,703,384</b> | <b>2,972,126</b>                    | <b>54,311</b>                        | <b>11,757,622</b>  | <b>61,487,443</b> |
| <b>Total comprehensive income for the period</b>             |                   |                                     |                                      |                    |                   |
| Profit for the year                                          | -                 | -                                   | -                                    | 15,694,168         | 15,694,168        |
| Other comprehensive income                                   | -                 | -                                   | 1,431                                | -                  | 1,431             |
| <b>Total comprehensive income</b>                            | <b>-</b>          | <b>-</b>                            | <b>1,431</b>                         | <b>15,694,168</b>  | <b>15,695,599</b> |
| <b>Transactions with owners of the company</b>               |                   |                                     |                                      |                    |                   |
| Shares issued net of transaction costs                       | 9,897,173         | -                                   | -                                    | -                  | 9,897,173         |
| Options & Performance Rights forfeited, written back to P&L  | -                 | (409,120)                           | -                                    | -                  | (409,120)         |
| Options & Performance Rights failed to meet market condition | -                 | (398,910)                           | -                                    | 398,910            | -                 |
| Dividends paid to shareholders                               | -                 | -                                   | -                                    | (5,901,188)        | (5,901,188)       |
| Shares issued under dividend reinvestment plan (DRP)         | 958,761           | -                                   | -                                    | -                  | 958,761           |
| Equity settled share base payments                           | -                 | 1,573,788                           | -                                    | -                  | 1,573,788         |
| Transfer of option reserves to share capital                 | 734,203           | (734,203)                           | -                                    | -                  | -                 |
| Proceeds from exercise of options, net of costs              | 16,525            | -                                   | -                                    | -                  | 16,525            |
| <b>Total transactions with owners of the company</b>         | <b>11,606,662</b> | <b>31,555</b>                       | <b>-</b>                             | <b>(5,502,278)</b> | <b>6,135,939</b>  |
| <b>Balance at 30 June 2022</b>                               | <b>58,310,046</b> | <b>3,003,681</b>                    | <b>55,742</b>                        | <b>21,949,512</b>  | <b>83,318,981</b> |

The above statement should be read in conjunction with the accompanying notes.

## Statement of Cash Flows

For the year ended 30 June 2022

| <i>In dollars</i>                                           | <b>Note</b> | <b>2022</b>         | <b>2021</b>        |
|-------------------------------------------------------------|-------------|---------------------|--------------------|
| <b>Cash flows from operating activities</b>                 |             |                     |                    |
| Receipts from customers                                     |             | 88,716,570          | 46,116,027         |
| Receipts on lease revenue                                   |             | 54,374,672          | 46,429,610         |
| Payments to suppliers and employees                         |             | (131,718,641)       | (79,665,777)       |
| <b>Cash generated from operations</b>                       |             | <b>11,372,601</b>   | <b>12,879,860</b>  |
| Income tax paid                                             |             | (9,790)             | (556,302)          |
| <b>Net cash inflow from operating activities</b>            |             | <b>11,362,811</b>   | <b>12,323,558</b>  |
| <b>Cash flows from investing activities</b>                 |             |                     |                    |
| Proceeds from disposal of property, plant and equipment     | 4           | 7,518,603           | 11,134,735         |
| Purchase of property, plant and equipment                   |             | (22,378,490)        | (17,409,883)       |
| Deferred payment on acquisitions                            | 14          | (3,582,656)         | (3,567,944)        |
| <b>Net cash outflow from investing activities</b>           |             | <b>(18,442,543)</b> | <b>(9,843,092)</b> |
| <b>Cash flows from finance activities</b>                   |             |                     |                    |
| Proceeds from issue of shares                               |             | 10,500,000          | -                  |
| Capital raising costs                                       |             | (602,826)           | -                  |
| Proceeds from exercise of options, net of costs             |             | 16,525              | 130,355            |
| Proceeds from borrowings                                    |             | 28,528,971          | 6,793,284          |
| Repayment of borrowings                                     |             | (18,017,843)        | (6,272,932)        |
| Repayment of lease liabilities                              | 12          | (5,145,257)         | (4,198,952)        |
| Dividends paid net of DRP                                   |             | (4,942,427)         | (3,145,257)        |
| Finance costs paid                                          |             | (3,136,668)         | (3,136,790)        |
| <b>Net cash inflow/(outflow) from financing activities</b>  |             | <b>7,200,475</b>    | <b>(9,830,292)</b> |
| <b>Net increase/(decrease) in cash and cash equivalents</b> |             | <b>120,743</b>      | <b>(7,349,826)</b> |
| Cash and cash equivalents as at 1 July 2021                 |             | (111,316)           | 7,238,511          |
| Effect of exchange rate fluctuations on cash held           |             | 1                   | (1)                |
| <b>Cash and cash equivalents at the end of the year</b>     |             | <b>9,428</b>        | <b>(111,316)</b>   |

*The above statement should be read in conjunction with the accompanying notes.*

# Acrow Formwork and Construction Services Limited | Preliminary Financial Report

## Notes to the Financial Statements

### 1. Reporting entity

Acrow Formwork and Construction Services Limited (Acrow or the Group) is a limited company incorporated in Australia and whose shares are traded on the Australian Securities Exchange under the issuer code "ACF".

The preliminary consolidated financial statements of Acrow for the year ended 30 June 2022 comprise of the Company and its controlled entities (the Group).

The Group is a for-profit entity and is primarily involved in the hire and sale of falsework, formwork, scaffolding and screen equipment, and other construction services.

Acrow's Annual Reports for prior reporting periods are available upon request from the Group's registered office located at Level 5, 126 Phillip Street, Sydney NSW 2000, Australia or at [www.acrow.com.au](http://www.acrow.com.au).

### 2. Basis of preparation

#### (a) Basis of accounting

The preliminary consolidated financial statements have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

The preliminary consolidated financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB) and were authorised for issue by the Board of Directors on 23 August 2022.

#### (b) Basis of measurement

The preliminary consolidated financial statements have been prepared on accrual basis and are based on historical costs, modified where applicable by the measurement at fair value.

#### (c) Functional and presentation currency

The preliminary consolidated financial statements are presented in Australian dollars, which is the Group's functional currency.

#### (d) Use of estimates and judgements

The preparation of preliminary consolidated financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimations, uncertainties and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the preliminary consolidated financial statements include the following:

- (i) Valuation of goodwill, refer to note 13; and
- (ii) Determination of expected credit losses of receivables, see note 7; and
- (iii) Utilisation of tax losses, per note 18.

The accounting policies which below have been applied consistently to all periods presented in these preliminary consolidated financial statements and have been applied consistently by the Group.

#### (e) Rounding

Acrow is a company of the kind referred to in the Australian Securities and Investments Commission (ASIC) Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016 and in accordance with that Legislative Instrument, amounts in these preliminary consolidated financial statements have been rounded off to the nearest dollar and are shown as such, unless stated otherwise.

## Acrow Formwork and Construction Services Limited | Preliminary Financial Report

### (f) Basis of consolidation

The preliminary consolidated financial statements have been prepared by aggregating the financial statements of all the entities that comprise the Group, being Acrow Formwork and Construction Services Limited and its controlled entities.

All inter-entity balances and transactions are eliminated in these preliminary consolidated financial statements.

### 3. Revenue

*In dollars*

|                                              | 2022               | 2021              |
|----------------------------------------------|--------------------|-------------------|
| <i>Revenue from contracts with customers</i> |                    |                   |
| Provision of labour services                 | 34,449,251         | 21,881,696        |
| Provision of cartage services                | 5,936,777          | 5,084,962         |
| Other sales of goods                         | 44,597,902         | 25,433,493        |
|                                              | <b>84,983,930</b>  | <b>52,400,151</b> |
| <i>Other revenue</i>                         |                    |                   |
| Hire of equipment                            | 55,842,988         | 42,208,736        |
|                                              | <b>140,826,918</b> | <b>94,608,887</b> |

### 4. Other income

*In dollars*

|                                                              | 2022             | 2021             |
|--------------------------------------------------------------|------------------|------------------|
| <b>Disposal of property, plant and equipment</b>             |                  |                  |
| Proceeds                                                     | 7,518,603        | 11,134,736       |
| Written down value                                           | (2,562,816)      | (4,582,306)      |
| <b>Net gain on disposal of property, plant and equipment</b> | <b>4,955,787</b> | <b>6,552,430</b> |

### 5. Other expenses

*In dollars*

|                                          | 2022               | 2021               |
|------------------------------------------|--------------------|--------------------|
| Restructuring and due diligence expenses | (748,453)          | (950,314)          |
| Audit, tax and legal expenses            | (837,125)          | (730,548)          |
| Doubtful debt expense                    | (650,000)          | (150,466)          |
| Motor vehicle expenses                   | (347,101)          | (390,391)          |
| Plant & equipment operating expenses     | (402,058)          | (340,170)          |
| Repair & maintenance                     | (339,708)          | (283,715)          |
| Travelling expenses                      | (419,487)          | (267,598)          |
| Utilities                                | (779,347)          | (651,873)          |
| Property costs                           | (217,698)          | (155,347)          |
| Others                                   | (537,135)          | (902,011)          |
|                                          | <b>(5,278,112)</b> | <b>(4,822,433)</b> |

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### 6. Income tax expense

*In dollars*

|                                                  | 2022               | 2021               |
|--------------------------------------------------|--------------------|--------------------|
| Current income tax expense                       | (1,584,228)        | 625,040            |
| Deferred income tax expense                      | (360,775)          | (2,793,780)        |
| Under provision for income tax in prior year     | (17,179)           | (10,415)           |
| <b>Income tax expense attributable to profit</b> | <b>(1,962,182)</b> | <b>(2,179,155)</b> |

### 7. Trade and other receivables

*In dollars*

|                              | 2022              | 2021              |
|------------------------------|-------------------|-------------------|
| Trade receivables            | 35,821,805        | 25,789,926        |
| Provision for doubtful debts | (1,458,938)       | (1,178,190)       |
|                              | <b>34,362,867</b> | <b>24,611,736</b> |
| Current                      | 17,130,851        | 12,485,903        |
| 31 to 60                     | 11,016,997        | 6,058,921         |
| 61 to 90                     | 2,165,576         | 1,887,063         |
| 90+                          | 5,508,382         | 5,358,039         |
| Impaired                     | (1,458,939)       | (1,178,190)       |
|                              | <b>34,362,867</b> | <b>24,611,736</b> |

### 8. Inventories

*In dollars*

|                                 | 2022              | 2021             |
|---------------------------------|-------------------|------------------|
| Finished goods                  | 15,146,338        | 9,025,959        |
| Provision for slow moving stock | (274,152)         | (67,405)         |
|                                 | <b>14,872,186</b> | <b>8,958,554</b> |

### 9. Prepayments and other assets

*In dollars*

|                   | 2022             | 2021             |
|-------------------|------------------|------------------|
| <b>Current</b>    |                  |                  |
| Contract assets   | 111,927          | 775,168          |
| Other receivables | 807,617          | 608,339          |
| Prepayments       | 4,268,215        | 3,010,038        |
|                   | <b>5,187,759</b> | <b>4,393,545</b> |

### 10. Assets and liabilities held for sale

*In dollars*

|                                         | 2022   | 2021   |
|-----------------------------------------|--------|--------|
| Assets classified as held for sale      | 72,579 | 66,507 |
| Liabilities classified as held for sale | 67,063 | 61,453 |

## 11. Property, plant and equipment

*In dollars*

|                          | Land and<br>buildings | Plant and<br>equipment | Hire<br>equipment | Total             |
|--------------------------|-----------------------|------------------------|-------------------|-------------------|
| <b>At 30 June 2021</b>   |                       |                        |                   |                   |
| Cost                     | 475,989               | 13,071,560             | 92,750,724        | 106,298,273       |
| Accumulated depreciation | (373,764)             | (10,976,005)           | (11,939,650)      | (23,289,419)      |
| <b>Net book value</b>    | <b>102,225</b>        | <b>2,095,555</b>       | <b>80,811,074</b> | <b>83,008,854</b> |
| <b>At 30 June 2022</b>   |                       |                        |                   |                   |
| Cost                     | 475,989               | 14,049,536             | 111,157,906       | 125,683,431       |
| Accumulated depreciation | (391,231)             | (11,435,297)           | (18,366,467)      | (30,192,995)      |
| <b>Net book value</b>    | <b>84,758</b>         | <b>2,614,239</b>       | <b>92,791,439</b> | <b>95,490,436</b> |

## 12. Leases

The Acrow group leases various properties, forklifts, motor vehicles and printers. Property lease terms are up to 10 years and often include extension options, forklift lease terms are up to 7 years, motor vehicle lease terms are from 1 to 3 years, whilst all printers are for a 5-year lease term.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of financial performance over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments on IT equipment including laptops and mobile devices have been treated as low-value assets, are recognised on a straight-line basis as an expense in the statement of financial performance.

### Lease amounts recognised in the Consolidated Statement of Financial Position:

*In dollars*

|                                  | 2022              | 2021              |
|----------------------------------|-------------------|-------------------|
| <b>Right-of-use assets</b>       |                   |                   |
| Properties                       | 22,218,881        | 26,165,469        |
| Forklifts and office equipment   | 1,860,910         | 2,145,017         |
| Motor vehicles                   | 398,929           | 498,450           |
| <b>Total right-of-use assets</b> | <b>24,478,720</b> | <b>28,808,936</b> |
| <b>Lease liabilities</b>         |                   |                   |
| Current                          | 4,964,215         | 4,645,552         |
| Non-current                      | 23,285,254        | 27,396,387        |
| <b>Total lease liabilities</b>   | <b>28,249,469</b> | <b>32,041,939</b> |

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### Lease amounts recognised in the Consolidated Statement of Comprehensive Income:

| <i>In dollars</i>                                                 | <b>2022</b>      | <b>2021</b>      |
|-------------------------------------------------------------------|------------------|------------------|
| <b>Depreciation charge for right-of-use assets:</b>               |                  |                  |
| Properties                                                        | 4,765,763        | 4,843,914        |
| Forklifts and office equipment                                    | 646,144          | 555,296          |
| Motor vehicles                                                    | 271,098          | 276,066          |
| <b>Total depreciation charge for right-of-use assets</b>          | <b>5,683,005</b> | <b>5,675,276</b> |
| <b>Lease amounts included in the Statement of cashflows:</b>      |                  |                  |
| Lease payments                                                    | 5,145,257        | 4,198,952        |
| Interest expense (included in finance costs)                      | 1,509,802        | 1,675,195        |
| <b>Total amount paid</b>                                          | <b>6,655,059</b> | <b>5,874,147</b> |
| <b>Expenses relating to short term and low value asset leases</b> | <b>138,788</b>   | <b>125,249</b>   |

### 13. Intangibles

#### Goodwill

All business combinations are accounted for by applying the acquisition method. Goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired.

Goodwill is stated at costs less any accumulated impairment losses.

Acrow annually tests goodwill with indefinite useful lives for impairment. An asset that does not generate independent cash flows is tested for impairment as part of a cash generating unit (CGU).

Where there is an impairment loss, it is recognised in the statement of profit or loss when the carrying amount of an asset exceeds its recoverable amount. The asset's recoverable amount is estimated based on the higher of its value-in-use and fair value less costs to sell.

The recoverable amount of a CGU is determined based on a value-in-use calculation. The calculations use cash flow projections based on a one year budget that has been approved by the board of directors and then a four year forecast approved by the management. Cash flows beyond the five-year period\* are extrapolated using the cash flows for year 5 and the estimated long-term growth rates.

The discount rate used is the Group's weighted average cost of capital. The terminal growth rate reflects the management's outlook on growth. The discount rate used is the Group's weighted average cost of capital. The terminal growth rate reflects the management's outlook on growth.

|                                 | <b>2022</b> | <b>2021</b> |
|---------------------------------|-------------|-------------|
| Average growth rate 1 - 5 years | 57.5%       | 5%          |
| Terminal growth rate            | 1%          | 1%          |
| Post-tax discount rate          | 10.6%       | 10.7%       |

| <i>In dollars</i>        | <b>2022</b>      | <b>2021</b>      |
|--------------------------|------------------|------------------|
| Opening goodwill balance | 7,428,704        | 7,428,704        |
| Additions                | -                | -                |
| Reductions               | -                | -                |
| <b>Closing balance</b>   | <b>7,428,704</b> | <b>7,428,704</b> |

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### Allocation to CGU Groups

*In dollars*

|                   | 2022             | 2021             |
|-------------------|------------------|------------------|
| Natform companies | 7,301,902        | 7,301,902        |
| Other             | 126,802          | 126,802          |
|                   | <b>7,428,704</b> | <b>7,428,704</b> |

\*Increase in EBIT from 2022 to 2023 is 251% and between 6.7% and 12.5% for the following 4 years. The large increase in the 2023 year is due to catchups on delays caused by COVID and wet weather conditions in the east coast in 2022. Many of these projects either commenced in late 2022 or commencing in early 2023, current pipelines prove to be strong and promising.

### Impairment testing on Natform companies

Goodwill of \$7,301,902 was recorded on 31 August 2018 with respect to the acquisition of Natform Pty Ltd and Natform (QLD) Pty Ltd. The recoverable amount of CGU was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on a one year budget that has been approved by the board of directors and then a four year forecast approved by the management, covering a total five-year period.

### Sensitivity

Management has made judgements and estimates in respect of impairment testing of goodwill. Should these judgements and estimates not occur, the carrying value of goodwill may vary. Any reasonable change in the key assumptions on which the estimates and/or the discount rate are based would not cause the carrying amount of the CGU to exceed the recoverable amount.

### 14. Trade and other payables

*In dollars*

|                                   | 2022              | 2021              |
|-----------------------------------|-------------------|-------------------|
| <b>Current Trade payables</b>     |                   |                   |
| Trade payables                    | 12,344,200        | 19,562,215        |
| Accrued expenses                  | 9,139,827         | 5,559,940         |
|                                   | <b>21,484,027</b> | <b>25,122,155</b> |
| <b>Other payables</b>             |                   |                   |
| Uni-span deferred consideration   | -                 | 3,338,025         |
| Uni-span contingent consideration | -                 | 148,264           |
|                                   | <b>-</b>          | <b>3,486,289</b>  |

Other payables represent the net of present values of deferred considerations relating to the acquisitions of the Uni-span group of companies, completion adjustments and contingent considerations.

Deferred considerations are recognised at the present value of future expected cash outflows, based on Acrow's incremental borrowing rate.

A final deferred payment of \$3,374,370 (with present value of \$3,338,025 at June 2021) and a contingent consideration of \$148,264 were paid in September 2021 to the Uni-span vendors. Then a further adjustment payment of \$60,022 was made in December 2021 as contribution to a legal matter that Acrow has assumed responsibility since acquisition. Total considerations paid was \$3,582,656 for the year with nil balance remaining.

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### 15. Employee benefits

*In dollars*

|                         | 2022             | 2021             |
|-------------------------|------------------|------------------|
| <b>Current</b>          |                  |                  |
| Annual leave            | 2,377,838        | 1,891,263        |
| Long service leave      | 1,913,103        | 1,639,784        |
| Other employee benefits | 1,868,513        | 1,108,477        |
|                         | <b>6,159,454</b> | <b>4,639,524</b> |
| <b>Non-current</b>      |                  |                  |
| Long service leave      | 444,988          | 611,541          |

All employees have defined contribution plans for superannuation and the expense recognised during the year was \$3,334,148 (2021: \$2,476,487).

### 16. Loans and Borrowings

*In dollars*

|             | 2022              | 2021              |
|-------------|-------------------|-------------------|
| Current     | 17,001,678        | 7,898,384         |
| Non-current | 15,848,299        | 14,440,464        |
|             | <b>32,849,977</b> | <b>22,338,848</b> |

#### Borrowings are represented by the following finance facilities:

|                                                                                                                                                                                                                    |                   |                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| Secured amortising business loan of \$18,168,000                                                                                                                                                                   | 11,483,000        | 14,423,000        |
| Equipment finance facility, revolving 3-year limit of \$22.0m, temporarily reduced to \$20.0m (30 Jun 21: \$10.0m) with \$2.0m transferred to Trade finance facility for the period between June to September 22.  | 13,450,245        | 6,381,357         |
| <b>Headroom</b>                                                                                                                                                                                                    | 6,549,755         | 3,618,643         |
| Trade finance facility, revolving 180-day limit of \$6.0m temporarily increased to \$8.0m (30 Jun 21: \$3.0m) with \$2.0m transferred from Equipment finance facility for the period between June to September 22. | 7,916,732         | 1,534,491         |
| <b>Headroom</b>                                                                                                                                                                                                    | 83,268            | 1,465,509         |
| Working capital facility, \$8.4m (30 Jun 21: \$5.0m) including \$1.4m bank guarantee (30 Jun 21: \$1.4m), \$6.6m bank overdraft (30 Jun 21: \$3.6m) and \$0.4m Import Letters Credit Facility (30 Jun 21: Nil)     | 4,336,853         | 1,305,928         |
| <b>Headroom</b>                                                                                                                                                                                                    | 3,663,147         | 3,694,072         |
| <b>Borrowings utilised</b>                                                                                                                                                                                         | <b>37,186,830</b> | <b>23,644,776</b> |
| <b>Headroom</b>                                                                                                                                                                                                    | 10,296,170        | 8,778,224         |
| <b>Total borrowings</b>                                                                                                                                                                                            | <b>47,483,000</b> | <b>32,423,000</b> |
| <b>Borrowings utilised and committed</b>                                                                                                                                                                           | <b>37,186,830</b> | <b>23,644,776</b> |
| Less: Bank overdraft utilised excluded from loans and borrowings disclosed separately on the Statement of Financial Position                                                                                       | (3,001,005)       | -                 |
| Less: Bank guarantee utilised not drawn                                                                                                                                                                            | (1,335,848)       | (1,305,928)       |
| <b>Total Loans and Borrowings</b>                                                                                                                                                                                  | <b>32,849,977</b> | <b>22,338,848</b> |

Equipment finance and Trade finance facility limits to revert on 30 September 2022 from \$20,000,000 to \$22,000,000 and from \$8,000,000 to \$6,000,000 respectively, per agreement made on 10 June 2022.

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All borrowings are secured by interlocking guarantees where each company within the group jointly and severally guarantees the repayment of loans to the lending institution. All loans are secured over the assets and inventory of the Group.

Interest rates on secured amortised business loans are variable and dependent on prevailing market rates and bank margins.

All borrowing costs incurred in the year have been expensed.

### 17. Provisions

*In dollars*

|                           | 2022           | 2021           |
|---------------------------|----------------|----------------|
| Make good                 | 469,274        | 469,274        |
| <b>Balance at 30 June</b> | <b>469,274</b> | <b>469,274</b> |

A provision for make good is measured at the present value of the cost of restoring leased properties to their original condition, at the conclusion of the lease. No long term (greater than 12 months) new property lease had been entered into during the year that require further addition.

### 18. Deferred income tax and current income tax liabilities

*In dollars*

|                                                                | 2022             | 2021             |
|----------------------------------------------------------------|------------------|------------------|
| <b>Deferred income tax liability movement during the year:</b> |                  |                  |
| Opening balance at 1 July                                      | 6,596,723        | 4,727,900        |
| Changes to estimates from prior years                          | 32,919           | -                |
| Provisions                                                     | (250,978)        | (5,613,213)      |
| Accruals                                                       | 74,124           | (139,788)        |
| Property, plant and equipment                                  | 537,627          | 7,333,145        |
| Revenue tax loss                                               | -                | 288,679          |
| <b>Closing balance at 30 June</b>                              | <b>6,990,415</b> | <b>6,596,723</b> |

#### Unrecognised deferred tax assets

##### Deferred tax assets not recognised for the following items:

|                       |                  |                  |
|-----------------------|------------------|------------------|
| Revenue tax losses    | 11,200,229       | 15,475,859       |
| Capital losses        | 202,441          | 202,441          |
| Temporary differences | (5,921,940)      | (6,061,604)      |
|                       | <b>5,480,730</b> | <b>9,616,696</b> |

While tax losses and temporary differences do not expire under current tax legislation, deferred tax assets have not been recognised in respect of these items as certain subsidiaries have experienced a number of years without taxable income and therefore recovery is not considered probable.

The potential benefit of the deferred tax asset in respect of tax losses carried forward will only be obtained if:

- (i) The subsidiaries continue to derive future assessable income of a nature and an amount sufficient to enable the benefit to be realised;
- (ii) The subsidiaries continue to comply with the conditions for deductibility imposed by the law;
- (iii) No changes in tax legislation adversely affect the subsidiaries in realising the asset and;
- (iv) The subsidiaries pass the continuity of ownership test, or the same business test as outlined by the Australian Taxation Office.

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### 19. Issued capital

|                                                              | 2022               | 2021               |
|--------------------------------------------------------------|--------------------|--------------------|
| <b>Number of shares</b>                                      |                    |                    |
| On issue of 1 July                                           | 219,377,208        | 216,039,534        |
| Issue of DRP shares (i)                                      | 2,138,792          | 2,183,021          |
| Issue of shares for cash (ii)                                | 27,631,579         | -                  |
| Shares issued through conversion of performance rights (iii) | 3,165,120          | -                  |
| Exercise of share options (iv)                               | 280,500            | 1,154,653          |
| Exercise of restricted rights (v)                            | 359,000            | -                  |
|                                                              | <b>252,952,199</b> | <b>219,377,208</b> |

(i) 1,432,611 units of ordinary shares were issued at \$0.4437 per share following the final dividend declaration on 25 November 2021 pursuant to the Dividend Reinvestment Plan (DRP); 706,181 units of ordinary shares were issued at \$0.4575 per share following the FY2022 interim dividend declaration on 27 May 2022 also pursuant to the DRP.

(ii) 27,631,579 units of fully paid ordinary shares were issued at \$0.38 per share via capital raising.

(iii) 3,165,120 units of ordinary shares were issued through conversion of performance rights granted under Long Term Variable Remuneration plan in July 2019.

(iv) 280,500 units of Loan Funded Shares were exercised at \$0.20 per share with \$42,776 loan repaid immediately after applying accumulated dividend.

(v) 359,000 units of Restricted Rights were granted to a number of selected employees in September 2021 which were exercised on 21 December 2021.

The holders of these shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Group.

### Performance Rights

As of 30 June 2021, there were a total of 15,946,950 Performance Rights (LTVR 1-4) outstanding which were granted based on Earning Per Share (EPS) and Total Shareholder Return (TSR) performance hurdles over FY2021 & FY2022. There are four tranches and their movements are summarized as follow:

| Long term variable incentives           | LTVR 1           | LTVR 2           | LTVR 3      | LTVR 4         |
|-----------------------------------------|------------------|------------------|-------------|----------------|
| Measurement period                      | FY2022           | FY2022           | FY2021      | FY2021         |
| Hurdle                                  | TSR              | EPS              | TSR         | EPS            |
| Vesting status at 30 June 2022          | Unvested         | Unvested         | Lapsed      | Vested         |
| Outstanding as of 1 July                | 2,027,500        | 6,082,500        | 1,959,250   | 5,877,700      |
| Grants / (cancellations) of issues      | 292,905          | 608,713          | -           | -              |
| Unvested or forfeiture                  |                  |                  | (1,959,250) | (2,351,080)    |
| Vested and exercised as ordinary shares |                  |                  | -           | (3,165,120)    |
| <b>Balance outstanding 30 June 2022</b> | <b>2,320,405</b> | <b>6,691,213</b> | <b>-</b>    | <b>361,500</b> |

With LTVR 1-2, a further 1,175,618 units have been granted to eligible employees in September 2021 and March 2022, and 364,000 units have been cancelled on terminated employees, resulting in 8,921,618 rights outstanding at end of June 2022.

With LTVR 3, the Group failed to meet TSR conditions resulting in cancellation of all 1,959,250 units issued.

With LTVR 4, the Group met the EPS performance conditions with 60% vesting rate resulting in 3,526,620 units vested and 2,351,080 units forfeited. 3,165,120 units that vested had been exercised and converted to ordinary shares, leaving a balance of 361,500 units unexercised at end of June 2022.

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A short-term incentive issue of 359,000 rights were granted to eligible employees, vested and exercised as ordinary shares during the reporting period.

On 1 June 2022, 7,901,708 Performance Rights (LTVR 5-8) were issued over four tranches on FY2023 and FY2024 targets. Each year is consisted of two tranches, one on EPS and one on TSR performance vesting conditions. If the vesting conditions are met, each Performance Right can be exercised into one Fully Paid Ordinary Share at the holder's discretion until the expiry date of 30 June 2037. The Performance Rights were issued to employees of the Company under the Company's Rights Plan and form part of the Long-Term Variable Remuneration of the employees.

Total number of outstanding performance rights on 30 June 2022 were 17,184,826 units (30 June 2021: 15,946,950).

### Loan Funded Shares

In July 2021, 280,500 units of Loan Funded Options had been exercised at \$0.20 per share discounted by dividend accrued from \$56,100 to \$42,776. Loan was immediately settled in cash by the employee.

Total number of outstanding loan funded shares at 30 June 2022 were 2,194,500 units (30 June 2021: 2,475,000).

### Options

In November 2021, 50,000 units were cancelled due to failure to meet vesting conditions before expiry date.

No new options have been issued during the year.

Total number of outstanding options at 30 June 2022 were 6,860,000 units (30 June 2021: 6,910,000)

### Dividends

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved prior to the reporting date. The following dividends were declared and paid by the Group during the year:

*In dollars*

**2022**                      **2021**

#### Dividends on ordinary shares declared and paid:

##### Final dividend in respect of the previous reporting period:

FY 21: 1.15 cent per share (FY20: 1.05 cent per share)

|                |           |           |
|----------------|-----------|-----------|
| - Paid in cash | 2,239,483 | 1,875,228 |
| - Paid via DRP | 635,683   | 399,287   |

##### Interim dividend for the current reporting period:

FY 22: 1.20 cent per share (FY21: 0.75)

|                |                  |                  |
|----------------|------------------|------------------|
| - Paid in cash | 2,702,944        | 1,270,029        |
| - Paid via DRP | 323,078          | 367,626          |
|                | <b>5,901,188</b> | <b>3,912,170</b> |

A fully franked dividend of \$2,875,166 for the year ended 30 June 2021 was paid on 25 November 2021 at 1.15 cents per share with 1,432,611 new shares issued as part of the DRP.

A 20% franked interim dividend of \$3,026,022 for FY 2021 was paid on 27 May 2022 at 1.20 cents per share with 706,181 new shares issued as part of the DRP.

Subsequent to balance date, the Directors declared a dividend of 1.5 cents per share, 60% franked on 23 August 2022.

Franking credit balance was \$2,393,015 at 30 June 2022 (2021: \$1,954,882).

## 20. Capital management

Management monitors the capital of the Group, in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital and borrowings.

There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

## 21. Earnings per share

Basic EPS is calculated by dividing profit for the year attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the income and share data used in the basic and diluted EPS computations:

| <i>In dollars</i>                                                                 | <b>2022</b>       | <b>2021</b>      |
|-----------------------------------------------------------------------------------|-------------------|------------------|
| <b>Earnings reconciliation</b>                                                    |                   |                  |
| Profit excluding significant items                                                | 17,812,912        | 8,712,829        |
| Net share-based payments and significant items                                    | (2,118,744)       | (4,749,831)      |
| Net profit after tax                                                              | <b>15,694,168</b> | <b>3,962,998</b> |
| <br><b>Number of ordinary shares:</b>                                             | <br><b>2022</b>   | <br><b>2021</b>  |
| Weighted average number of ordinary shares used in the calculation of basic EPS   | 248,515,534       | 217,558,863      |
| Weighted average number of ordinary shares used in the calculation of diluted EPS | 258,794,953       | 224,511,742      |
| Basic EPS excluding significant items (cents per share)                           | 7.17              | 4.00             |
| Diluted EPS excluding significant items (cents per share)                         | 6.88              | 3.88             |
| Basic EPS (cents per share)                                                       | 6.32              | 1.82             |
| Diluted EPS (cents per share)                                                     | 6.06              | 1.77             |

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### 22. Group entities

The preliminary consolidated financial statements include the financial statements of the following wholly owned subsidiaries:

|                                                 | Place of incorporation | % Equity interest |
|-------------------------------------------------|------------------------|-------------------|
| Acrow Holdings Pty Limited (a), (b)             | NSW                    | 100%              |
| Acrow Formwork and Scaffolding Pty Ltd (a), (b) | NSW                    | 100%              |
| Natform Pty Ltd (a), (b)                        | NSW                    | 100%              |
| Natform (QLD) Pty Ltd (a), (b)                  | QLD                    | 100%              |
| Uni-span Group Pty Ltd (a), (b)                 | QLD                    | 100%              |
| Uni-span Height Safety Pty Ltd (a), (b)         | QLD                    | 100%              |
| Unispan Australia Pty Ltd (a), (b)              | QLD                    | 100%              |
| Uni-span Formwork Solutions Pty Ltd (a), (b)    | QLD                    | 100%              |
| Acrow Group Investments Pty Ltd (a), (b)        | NSW                    | 100%              |
| Noble Mineral Resources Ghana Limited           | Ghana                  | 100%              |

- (a) These subsidiaries have been granted relief from the necessity to prepare financial reports under the option available to the Group under ASIC Corporations (Wholly Owned Companies) Instrument 2016/785.
- (b) These subsidiaries, along with Acrow Formwork and Construction Services Limited (the parent entity of the Group), form the Deed of Cross Guarantee Group.

### 23. Operating segments

The Group's operating segment is based on the internal reports that are reviewed and used by the Board of Directors and the executive management team (being the Chief Operating Decision Makers ("CODM")) in assessing the financial performance and in determining the allocation of resources. The Group operates in the building construction market, providing falsework, formwork, scaffolding, screens and related material for hire and sales. There are no operating segments for which discrete financial information exists.

The information reported to the CODM, on at least monthly basis, is the consolidated results as shown in the statement of profit or loss and other comprehensive income and statement of financial position.

### 24. Subsequent Events

Changes on loan facilities either effected or agreed after balance date:

- A new loan agreement for capital purchases. The loan amount is \$4,125,000, matures in 3 years from commencement date and repayable in full by June 2025.
- Bank guarantee facility increase from \$1,400,000 to \$1,700,000 by reducing overdraft facility from \$6,600,000 to \$6,300,000.
- Further Equipment finance loans of \$3,063,668 were drawn, repayable in full at end of three years and Trade finance loans of \$1,007,713 were drawn in repayable in full within 180 days.
- An insurance premium finance loan of \$1,201,539.53 was drawn on 22 August 2022 repayable in full by 22 July 2023.

On 23 August 2022 the Directors declared a 60% franked dividend of 1.5 cents per share to be paid on 30 November 2022. Dividend Reinvestment Plan is available for election. The dividend has not been provided for in this financial report as it was not declared until after 30 June 2022.

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Other than the above events, there has not otherwise arisen between 30 June 2022 and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Group, to affect significantly the operations of the Group, the results of those operations, or the state of the affairs of the Group in future financial years.