



**ABN 38 119 047 693**

Appendix 4D  
for the Half-year Ended  
31 December 2021

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**WestStar Industrial Limited**  
**Appendix 4D**  
**Half-year report**

**1. Company details**

Name of entity:	WestStar Industrial Limited
ABN:	38 119 047 693
Reporting period:	For the half-year ended 31 December 2021
Previous period:	For the half-year ended 31 December 2020

**2. Results for announcement to the market**

	<b>HY 31 Dec 2021</b>	<b>HY 31 Dec 2020</b>	<b>Up/Down</b>	<b>Change</b>	<b>Change</b>
	<b>\$</b>	<b>\$</b>		<b>\$</b>	<b>%</b>
Revenues from ordinary activities	74,700,981	24,945,379	Up	49,755,602	199%
Profit/ (Loss) from ordinary activities after tax attributable to the owners of WestStar Industrial Limited	2,353,461	(577,258)	Up	2,930,719	508%
Profit/ (Loss) for the half-year attributable to the owners of WestStar Industrial Limited	2,353,461	(577,258)	Up	2,930,719	508%

*Dividends*

WestStar Industrial Limited did not declare a dividend during the current reporting or corresponding previous reporting period.

*Comments*

The profit after tax for the half-year ended 31 December 2021 was \$2,353,461 (31 December 2020: loss of \$577,258).

Revenue for the Group was \$74,700,981 for the six months ending 31 December 2021, an increase of 199% over the prior corresponding period (31 December 2020: revenue of \$24,945,379).

The Group incurred an after-tax profit attributed to members of \$2,353,461 for the half year ending 31 December 2021 (31 December 2020: loss of \$577,258).

**3. Net tangible assets**

	<b>Reporting period Cents</b>	<b>Previous period Cents</b>
Net tangible assets per ordinary security	<u>1.49</u>	<u>0.90</u>

**4. Control gained over entities**

Not applicable.

**5. Loss of control over entities**

Not applicable.

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**6. Details of associates and joint venture entities**

Name of associate / joint venture	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)	
	Reporting period %	Previous period %	Reporting period \$'000	Previous period \$'000
	-	-	-	-

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**7. Audit qualification or review**

*Details of audit/review dispute or qualification (if any):*

The 2021 Half-Year report is based upon accounts that were reviewed by the Company's auditor and are not subject to a modified opinion.

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**8. Attachments**

*Details of attachments (if any):*

The Interim Report of WestStar Industrial Limited for the half-year ended 31 December 2021 is attached.

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**9. Signed**



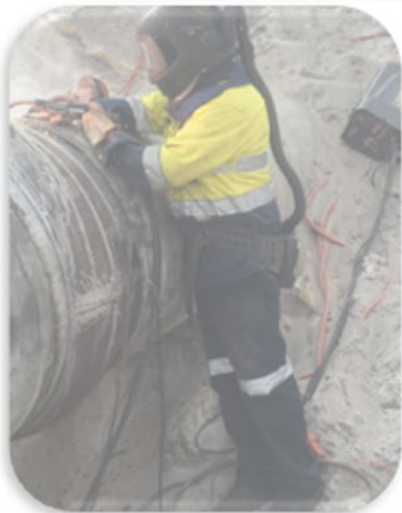
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Philip Re  
Non-Executive Chairman

Date: 28 February 2022

**HALF YEAR REPORT  
31 DECEMBER 2021**

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## CORPORATE DIRECTORY

### DIRECTORS

Mr Philip Re  
Non-Executive Chairman

Mr Robert Spadanuda  
Group CEO & Managing Director

Mr Lay Ann Ong  
Non-Executive Director

### COMPANY SECRETARY

Mr Daniel Coletta

### REGISTERED OFFICE

52 Hope Valley Road  
NAVAL BASE WA 6165

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### WEBSITE

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### AUDITORS

Armada Audit & Assurance Pty Ltd  
18 Sangiorgio Court  
OSBORNE PARK WA 6017

### STOCK EXCHANGE

Australian Securities Exchange  
(Home Exchange: Perth, Western Australia)

### ASX CODE:

WSI

## DIRECTORS' REPORT

The Directors of WestStar Industrial Limited submit the financial report of WestStar Industrial Limited ("the Company") and its controlled entities ("the Group" or "Consolidated Entity") for the half-year ended 31 December 2021. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

### DIRECTORS

The names of directors who held office during or since the end of the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Mr Philip Re	Non-Executive Chairman
Mr Robert Spadanuda	Group CEO / Managing Director (appointed 24 September 2021)
Mr Lay Ann Ong	Non-Executive Director
Mr Umberto Mondello	Non-Executive Director (resigned 24 September 2021)

### RESULTS OF OPERATIONS

Revenue for the Group was \$74,700,981 for the half year ending 31 December 2021 (31 December 2020: revenue of \$24,945,379).

The Group posted an after-tax profit attributed to members of \$2,353,461 for the half year ending 31 December 2021 (31 December 2020 after tax loss: \$577,258). Several non-cash expenses are recorded in the Company's accounts.

	<b>Half-year ended 31 December 2021</b>
	<b>\$</b>
<b>EBITDA</b>	<b>4,201,882</b>
Depreciation	<u>(877,131)</u>
<b>EBIT</b>	<b>3,324,751</b>
Share based payment expense	(80,434)
Interest costs	<u>(219,285)</u>
<b>NPBT</b>	<b>3,025,032</b>
Income tax expense	(671,571)
<b>NPAT</b>	<u><b>2,353,461</b></u>

\*Underlying EBITDA is an unaudited, non-AIFRS financial measure which is not prescribed by Australian Accounting Standards ('AAS')

### REVIEW OF OPERATIONS

#### First Half Year Revenue Highlights

- Record Half Year Earnings (EBITDA) of \$4,201,882
- Record Profit (NPAT) of \$2,353,461
- Record Revenue of \$74,700,981 (after AASB15 Revenue Recognition)
- Record Cash Holdings of \$28.9M.
- Record 1HFY22 Group Contract Awards received of \$192M
- Record Order Book yet to be delivered of ~\$169M
- Strong forward Order book for Alltype Engineering circa \$33.15M
- Strong forward Order book for SIMPEC circa \$136M
- Strong 2HFY21 expected as SIMPEC continues its delivery on IBO Contract and Alltype Delivers on APA Group and Lynas Corporation Projects amongst other opportunities and up and coming award expectations.
- Imminent awards expected to increase Revenue

WestStar Industrial Limited (Company or WestStar) (ASX: WSI), an Australian industrial services company, operating in the energy, resources, utility and infrastructure sectors, in metropolitan and remote areas, is pleased to report on the Company's performance for the Half Year Ended 31 December 2021.

Having secured a record-breaking \$222 million of contracted revenue with existing contracts the company has delivered a strong first half with the ability to improve upon these results in the second half of the financial year.

## FINANCIAL PERFORMANCE

WestStar Industrial **Group Revenues** of \$74.7M compared to \$24.9M in the prior comparative period. This demonstrates a First Half Revenue increase of 199% than the prior corresponding period (1HFY21). The Revenue stems from the Group's \$222M secured order book, the majority of which was obtained during 1HFY21.

Operating conditions across the group improved remarkably with the increase in turnover and relevant pre investment strategy in increased staffing and Management across the group to deliver larger project revenue and profitability.

**Operating Profit after tax** of \$2,353,461 increased 508% on the prior comparative period of 1HY21 of (\$577,258) primarily due to the increased workflow of Projects across both Alltype Engineering and SIMPEC.

**Group EBITDA** totalling \$4,201,882 was an increase of 604% on the Prior comparative period of \$596,220.

**Net Increase in cash and Cash Equivalents** of \$15,726,137 with cash holdings at the end of the period of \$28,878,395. This was due to strong operating cashflows from Increased earnings, reduction and return of cash backed Bank guarantees, Capital raising conducted in December and positive cash advances on newly awarded contracts.

**Long-term Debt** was reduced to Nil through the retirement of \$300k in historical loans used for working capital.

### **Group Consolidated Improvement**

The relative increase in revenue and new Projects dramatically improved overhead recovery associated with the growth model, delivering improved operating margins across the group.

### **Commenting on WestStar Industrials Financial performance, WestStar CEO and Managing Director Robert Spadanuda noted:**

"I would once again like to begin by recognising the significant contributions made by the Executive, Management and entire workforce in both Alltype Engineering and SIMPEC, delivering these record results in some of the most challenging environments seen in this companies' history.

"WestStar continues to build on its performance with a firm focus on Safety, Profitability and cash Management during this growth journey. We continue to demonstrate that cash management and low debt levels Can provide a platform to perform its greater obligations in supporting Alltype Engineering and SIMPEC to deliver sustainable outcomes to its clients."

"Our key focus for the half was to secure and execute on Bond facilities provided by Export Finance Australia, raise appropriate capital and release cash backed guarantees to enable greater growth which we stated would deliver strong Profitability."

"Our ability to service a variety of larger contracts at the same time has been proven with the significant depth of experience across our management teams. We will continue to grow our order book pipeline expecting to yield further contract awards in the near term and continuing to grow upon the financial metrics delivered in this Half Yearly report."

"WestStar Industrial continues to achieve significant financial milestones and has demonstrated its ability to rapidly deliver an accelerating order book with Strong profitability."

To have delivered this result in the challenging environment presented by COVID-19, along with what remains a highly competitive labour market, is a true testament to the Executive and their respective teams.



The strength in our people continues to build this company.

Whilst we are satisfied by the results, there is still room for improvement and further work remains to be done in developing this company for sustained Earnings and Growth over the long term.

We look forward to delivering upon the existing and new opportunities presented to the company and continuing to strategically position WestStar Industrial as a sophisticated Industrial Services Company, with a diversified portfolio of projects.

WestStar Industrial has a current workforce of ~600 people supporting a variety of projects across Western Australia and the greater Australian region.

## OPERATIONS

### Key Contracts worked on during the Half being

The following projects make up the majority of the works currently in operation.

- Iron Bridge Magnetite Project circa \$145M
- Lynas Rotary Kiln circa \$12M
- Acciona Waste to Energy circa \$10M
- Ambania Compressor Station circa \$25M
- Various Contracts \$30M

## ALLTYPE ENGINEERING

### Highlights

- 1HFY22 Revenue circa \$21M (1HFY21 \$15M)
- 1HFY22 Operating Profit \$1.5M (1HFY21 \$1.2M)
- 1HFY22 forward order book \$33.15M (1HFY21 \$15M)

Alltype Engineering (“Alltype”) has a historical track record of sustainable earnings and 1HFY22 delivered revenue of \$21M and Segment Operating Profit of \$1.5M, representing the largest 1H revenue result in company history.

During the half year, Alltype Engineering was awarded major new contracts and continued to forge new relationships with clients and the supply chain network of business partners.

Alltype Engineering continued to further build its pipeline of new major work opportunities, with tender invitations increasing in CAPEX value and complexity even compared to recent awards. These works include major turnkey SMP and E&I fabrication and construction scopes in mineral processing, water infrastructure and oil and gas markets. The outcomes of successfully securing these major new contracts will be known by end of Q3FY22. Turnkey tender submissions on the East Coast continue to increase with market presence.

During the half Alltype Engineering was awarded major contracts valued at circa \$25M by APA Group and circa \$12M by Lynas Kalgoorlie Pty Ltd (Lynas) and an EPC contract for a gas offtake and delivery station.

The Ambania Compressor Station (APA Group) project progressed shop fabrication works and preparation for site mobilisation in 2022. The Rotary Kiln works had a fast start and Alltype Engineering mobilised to and established site presence in accordance with the project schedule prior to Christmas and began receipting the client supplied kiln segments. The EPC project progressed through engineering, major procurement and commenced fabrication works prior to calendar year end, with site mobilisation planned for Q3, FY22.

These contracts further bolster and contributes to the WestStar FY2022 order book and aligns with Alltype Engineering’s strategic plan to focus and deliver on major turnkey construction projects and the rotating equipment specialised services. The

successful EPC delivery of critical gas infrastructure will also strengthen and expand market options for future delivery of similar scopes with multiple opportunities across the country.

**Alltype Engineering's managing director Kelvin Andrijich quoted:**

*"The first half of the year has highlighted the evolving market presence and understanding of Alltype Engineering's capabilities, particularly in the Energy, Mineral Processing and Water Infrastructure markets. We have a great team and excellent in house self execution capabilities and are pleased at the increase in contract complexity, size and geographical spread. Customer feedback has been very positive on these works to date and we look forward to successful delivery within the current challenging market conditions."*

It is expected that on the growth trajectory Alltype is in a position to now increase Net Operating Profit commensurate with the Pre-Investment into Overhead to deliver sustainable earnings and a greater Operating Profit.



*Image – Lynas Rotating Kiln (Kalgoorlie construction team & Kalgoorlie-Boulder Mayor; John Bowler). Kiln sections ready for installation*

## SIMPEC

### Highlights

- 1HFY22 Revenue circa \$53.8M (1HFY21 \$10.7M)
- 1HFY22 Operating Profit/(loss) \$2.8M (1HFY21 (\$0.5M))
- 1HFY22 forward order book \$136M (1HFY21 \$15M)

During the half year, SIMPEC continued to progress the following projects:

- Kwinana Waste to Energy Project – Piping Installation BOP
- Ravensthorpe Shoemaker Levy Project – SMP and E&I
- Iron Bridge Operations Wet Process Plant – SMP and E&I
- Pilbara Minerals – Pilgangoora and Ngungaju – Civil, SMP and E&I
- BHP – Mt Keith Debottlenecking Project – Engineering Support
- Tianqi Kwinana – Engineering Support

### Iron Bridge Magnetite Project

SIMPEC is progressing well with the major construction activities on the Iron Bridge Magnetite Project for the Wet Processing Plant. The Project is a joint venture between Fortescue Metals Group subsidiary FMG Magnetite Pty Ltd and Formosa Steel IB Pty Ltd.



*Image – Iron Bridge Wet processing facility progress update*

SIMPEC is well advanced with the Mechanical and Electrical installation works for the development of the new mine and associated infrastructure for Iron Bridge, situated approximately 145km south of the town of Port Hedland in Western Australia's Pilbara region.

The Wet Processing Plant is a significant part of the new magnetite mine which will be central to the production of 22 Million Wet Metric Tonnes Per Annum (WMTPA) of high grade, magnetite concentrate product.

SIMPEC is supplying SMP and E&I vertical construction services for the project. This intricate project consists of major module installation, tank installation, major mechanical installation, large bore piping and a significant portion of supply and installation of electrical and instrumentation works.

**SIMPEC Managing Director Mark Dimasi noted:**

*“Our experienced team has been instrumental to the safe and efficient progress of our projects while our People and Culture are key to maintaining this successful momentum. We look forward to further project updates and thank our clients for the opportunity to support the delivery of such high-profile projects. I would also like to thank the Team for their dedication and efforts in delivering industry excellence.”*

SIMPEC continues to develop and strengthen its overall business capability to move further into the minerals, gas and renewables industries throughout Australia. The overall focus on both major projects, and term sustaining capital contracts will further enhance SIMPEC’s positioning for FY2022 and beyond.

Tendering and proposals remains strong, as SIMPEC consistently deliver projects at a high standard.

FY2022 is already shaping up for record growth and expansion across all our sectors and disciplines.

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## CORPORATE OVERVIEW and OUTLOOK

The Pipeline of tenders and prospects expected to be awarded in the coming months has increased significantly, with live tender submissions tracking at > \$400M.

WestStar's order book of circa \$222M has provided a strong revenue runway, with an order intake of \$192M in 1HFY22 and a forward order book remaining of ~ \$169M.

### **Export Finance Australia Bond Facility - \$7.5M Bond Facility**

During the half year the Group entered into ~\$7.5M bond facilities ("the Facilities") with Export Finance Australia.

Under the Facilities, Export Finance Australia has provided bonding to be used across a selection of WSI's current projects which have a current contract value of approximately \$222M, along with releasing significant cash to the Balance Sheet held on account by clients of circa \$5M.

Export Finance Australia is Australia's export credit agency, wholly owned by the Australian Government and provides financial expertise and solutions to drive sustainable growth via these bonds to SME enterprises, larger corporations and government organisations

WestStar Group has the ability to seek additional Export Finance Australia bonds to allow further repatriation of cash currently held as cash backed bonded guarantees with clients.

Export Finance Australia is rated AAA by Standard & Poor's (S&P).

### **Recent Placement of \$3.5M raised from Institutional and Sophisticated Investors.**

During the half the company raised \$3.5M from institutional and sophisticated investors. The funds raised will contribute to working capital, future tendering and contracting activities along with providing WestStar with the ability to fund future activities and order book increases across its wholly owned subsidiaries; SIMPEC and Alltype Engineering.

### **Outlook**

The first half of 1H FY22 a record half for the company, has set the pace to deliver a record-breaking year in all visible financial metrics.

We remain optimistic that with a record order book of \$222M, with approximately \$169M yet to be delivered, the company is on track to deliver a record full year result.

Restrictions related to the COVID-19 pandemic have started to ease with the border restrictions becoming more relaxed by the day. The resource sector remains buoyant and the recruitment drive for staff should ease somewhat over the coming months. All projects are currently staffed at appropriate levels commensurate with their programs.

Contract revenues are expected to grow over the near term and the company remains in a strong position heading into 2H FY22.

The Forward order book continues to grow, tender opportunities are strong and investment in new project opportunities is expected to translate into live projects in 2HFY22.

WestStar Industrial continues to develop and strengthen its overall business capability to move further into the Infrastructure, Mining and Minerals, Energy and Renewables industries throughout Australia. The Company's overall focus on supporting our clients on both major projects and term-sustaining capital contracts will further enhance the group's positioning for FY22 and beyond.

### **Mr Spadanuda further commented**

“Our ability to service contracts aside from Iron Bridge has now been proven, with the significant depth of experience across our management team in both Alltype Engineering and SIMPEC. The future order book pipeline continues to remain strong and is expected to yield further contract awards in the near term. We look forward to updating the market of our success with these opportunities.”

“WestStar is now in its strongest ever balance sheet position, fully funded to execute on its ~\$222m order book. The board's primary focus is now on maintaining a safe working environment through strong leadership, delivering profitability across its business divisions and tendering and winning new contracts that will deliver further to the group's future success.”

### **Corporate**

During the half year, WestStar Group CEO, Robert Spadanuda was appointed Managing Director of WestStar. Mr Spadanuda has spent the last 5 years as Group CEO of WestStar, during which time he has led the strategic and operational direction of the Company. As part of the appointment, Mr Spadanuda replaced Non-Executive Director, Bert Mondello on the WestStar board.

The Company completed a Placement raising \$3.5 million (before costs) through the issue of 152.2 million fully paid ordinary shares to institutional and sophisticated investors at an issue price of 2.3c per share. Placement participants also received one free attaching unlisted Option (exercisable at \$0.03 expiring 18 months from issue) for every two 2 shares subscribed under the Placement. The funds raised from the Placement will be used for general working capital as required by the Group.

The Company also raised a further \$650,000 through the set-off of 24 million fully paid ordinary shares previously issued to Acuity Capital under the Controlled Placement Agreement. On 16 December 2021 the Company terminated the Controlled Placement Agreement and as a result of the termination, Acuity Capital is required to return the remaining 20 million shares Acuity Capital holds as collateral to the Company at zero consideration (subject to shareholder approval).

WestStar Group entered into ~\$7.5 million bond facilities with Export Finance Australia. Under the facilities, Export Finance Australia will provide bonding to be used across a number of the Group's current projects, releasing significant cash to the Balance Sheet held on account by clients of circa \$5 million.

### **SIGNIFICANT EVENTS AFTER THE BALANCE DATE**

Subsequent to half-year end the Company issued 30 million options to corporate advisors as approved by shareholders at the Company's AGM held on 5 January 2022. The options have an exercise price of \$0.03 per option, an expiry date of 10 July 2023 and will not be quoted. The Company also issued 15 million Performance Rights to director Mr Robert Spadanuda as approved by shareholders at the same meeting and pursuant to the terms and conditions of the Company's Performance Rights Plan.

Other than the above, there are no other significant events subsequent to balance date.

## DIRECTORS' REPORT

### AUDITOR INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, Armada & Audit Assurance Pty Ltd, to provide the directors of the company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page 12 and forms part of this directors' report for the half-year ended 31 December 2021.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.



**Philip Re**  
**Non- Executive Chairman**  
Perth, Western Australia  
28 February 2022



**ARMADA**  
AUDITING

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*strength in numbers*

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF**

**WESTSTAR INDUSTRIAL LIMITED**

As lead auditor for the review of WestStar Industrial Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief there have been:

- i) No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii) No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of WestStar Industrial Limited and the entities it controlled during the half-year ended 31 December 2021.

*Armada Audit  
& Assurance*

**ARMADA AUDIT & ASSURANCE PTY LTD**

*N. Dias*

**NIGEL DIAS**

**DIRECTOR**

**Perth, Dated 28 February 2022**

TAX & ACCOUNTING | AUDITING | BUSINESS MANAGEMENT | BUSINESS CONSULTING | FINANCIAL PLANNING | LENDING

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## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the half-year ended 31 December 2021

	Note	31 December 2021 \$	31 December 2020 \$
Revenue	3	74,700,981	24,945,379
Cost of goods sold		(64,455,639)	(21,110,554)
		<b>10,245,342</b>	<b>3,834,825</b>
Other income	3	556,364	269,763
Distribution expenses		(19,444)	(43,381)
Occupancy expenses		(133,477)	(146,792)
Depreciation		(877,131)	(654,664)
Employment expenses		(3,883,211)	(2,056,130)
Administration expenses		(2,355,790)	(993,155)
Insurance		(471,419)	(316,894)
Finance costs		(219,285)	(67,061)
Expected credit loss		263,518	(15,869)
Share based payments expense	15,16	(80,435)	(413,406)
Profit on sale of plant and equipment		-	25,506
<b>Expenses</b>		<b>(7,776,674)</b>	<b>(4,681,846)</b>
<b>Profit/ (Loss) before income tax</b>		<b>3,025,032</b>	<b>(577,258)</b>
Income tax expense	4	(671,571)	-
<b>Profit/ (Loss) after income tax</b>		<b>2,353,461</b>	<b>(577,258)</b>
<b>Other Comprehensive Income</b>			
<i>Items that may be reclassified to profit or loss</i>		-	-
<b>Other comprehensive income / (loss), net of tax</b>		-	-
<b>Total comprehensive income / (loss)</b>		<b>2,353,461</b>	<b>(577,258)</b>
<b>Earnings / (loss) per share</b>			
Basic and diluted earnings / (loss) per share (cents per share)		0.2	(0.06)

The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Note	31 December 2021 \$	30 June 2021 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		28,878,395	13,152,258
Trade and other receivables	5	14,214,506	13,546,492
Stock on hand		562,433	513,801
Financial assets	18	1,810,987	2,195,096
Contract assets	6	4,333,633	4,571,459
<b>Total Current Assets</b>		<b>49,799,954</b>	<b>33,979,106</b>
<b>Non-Current Assets</b>			
Trade and other receivables	5	964,739	373,882
Financial assets	18	2,412,665	829,873
Investments		169,925	-
Property, plant & equipment	7	4,814,143	4,551,278
Right of Use Asset	8	2,246,369	2,654,279
Intangible Assets	9	4,508,116	4,508,116
<b>Total Non-Current Assets</b>		<b>15,115,957</b>	<b>12,917,428</b>
<b>Total Assets</b>		<b>64,915,911</b>	<b>46,896,534</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	11	17,107,713	22,740,588
Income tax payable	4	471,624	-
Provisions	12	1,823,115	1,332,759
Borrowings	13	520,403	535,803
Lease liabilities	14	827,354	903,062
Contract liabilities	10	20,442,448	3,969,551
<b>Total Current Liabilities</b>		<b>41,192,657</b>	<b>29,481,763</b>
<b>Non-Current Liabilities</b>			
Provisions	12	179,021	161,503
Lease liabilities	14	2,050,568	2,421,275
Deferred tax liability, net	4	199,947	-
<b>Total Non-Current Liabilities</b>		<b>2,429,536</b>	<b>2,582,778</b>
<b>Total Liabilities</b>		<b>43,622,193</b>	<b>32,064,541</b>
<b>Net Assets</b>		<b>21,293,718</b>	<b>14,831,993</b>
<b>EQUITY</b>			
Issued capital	15	24,455,791	20,427,962
Reserves	16	461,965	381,530
Accumulated losses		(3,624,038)	(5,977,499)
<b>Total Equity</b>		<b>21,293,718</b>	<b>14,831,993</b>

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

## CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS

for the half-year ended 31 December 2021

	31 December 2021	31 December 2020
	\$	\$
<b>Cash flows from operating activities</b>		
Receipts from customers	100,195,085	26,175,213
Payments to suppliers and employees	(86,426,968)	(25,268,317)
Other revenue	250,196	208,628
Interest received	3,661	1,629
Interest paid	(145,201)	(29,358)
<b>Net cash flows provided by operating activities</b>	<b>13,876,773</b>	<b>1,087,795</b>
<b>Cash flows from investing activities</b>		
Payment for financial assets	(1,783,341)	(1,100)
Proceeds from return of financial assets	584,658	-
Purchase of property, plant & equipment	(437,113)	(41,340)
Payments for investments	(169,925)	-
Proceeds from disposal of property, plant & equipment	-	55,816
<b>Net cash flows provided by / (used in) investing activities</b>	<b>(1,805,721)</b>	<b>13,376</b>
<b>Cash flows from financing activities</b>		
Proceeds from share issues	4,150,000	-
Share issue costs	(134,388)	-
Proceeds from borrowings	165,000	-
Repayment of borrowings	(525,527)	(290,000)
Amounts loaned	-	(169,361)
<b>Net cash provided by / (used in) financing activities</b>	<b>3,655,085</b>	<b>(459,361)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>15,726,137</b>	<b>641,810</b>
Cash and cash equivalents at beginning of period	13,152,258	6,642,063
<b>Cash and cash equivalents at the end of the period</b>	<b>28,878,395</b>	<b>7,283,873</b>

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half-year ended 31 December 2021

	Issued capital \$	Accumulated losses \$	Share based payment reserve \$	Total \$
<b>At 1 July 2021</b>	<b>20,427,962</b>	<b>(5,977,499)</b>	<b>381,530</b>	<b>14,831,993</b>
Profit/(loss) for the half-year	-	2,353,461	-	2,353,461
Other comprehensive income	-	-	-	-
<b>Total comprehensive profit for the half-year</b>	-	<b>2,353,461</b>	-	<b>2,353,461</b>
<b>Transactions with owners in their capacity as owners</b>				
Issue of shares, net of costs	4,027,829	-	-	4,027,829
Recognition of share-based payments	-	-	80,435	80,435
<b>Transactions with owners in their capacity as owners</b>	<b>4,027,829</b>	-	<b>80,435</b>	<b>4,108,264</b>
<b>Balance at 31 December 2021</b>	<b>24,455,791</b>	<b>(3,624,038)</b>	<b>461,965</b>	<b>21,293,718</b>

	Issued capital \$	Accumulated losses \$	Share based payment reserve \$	Total \$
<b>At 1 July 2020</b>	<b>19,811,669</b>	<b>(7,299,781)</b>	<b>772,495</b>	<b>13,284,383</b>
Profit/(loss) for the half-year	-	(577,258)	-	(577,258)
Other comprehensive income	-	-	-	-
<b>Total comprehensive loss for the half-year</b>	-	<b>(577,258)</b>	-	<b>(577,258)</b>
<b>Transactions with owners in their capacity as owners</b>				
Issue of shares to directors and key personnel	582,413	-	-	582,413
Recognition of share-based payments	-	-	13,406	13,406
<b>Transactions with owners in their capacity as owners</b>	<b>582,413</b>	-	<b>13,406</b>	<b>595,819</b>
<b>Balance at 31 December 2020</b>	<b>20,394,082</b>	<b>(7,877,039)</b>	<b>785,901</b>	<b>13,302,944</b>

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the half-year ended 31 December 2021

### 1. Corporate

The consolidated half-year financial report of WestStar Industrial Limited (“the Company”) and its controlled entities (“the Group” or “Consolidated Entity”) for the half-year ended 31 December 2021 was authorised for issue on 28 February 2022 in accordance with a resolution of the directors on 28 February 2022.

WestStar Industrial Limited is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of the Group are described in the Directors’ Report.

### 2. Basis of Preparation and Accounting Policies

#### (a) Basis of preparation

These general purpose condensed financial statements for the half-year ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard 134 Interim Financial Reporting and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with IAS 34 Interim Financial Reporting.

These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2021 and any public announcements made by WestStar Industrial Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The half-year report has been prepared on an accruals basis and is based on a historical cost basis, except for the revaluation of certain financial instruments to fair value.

For the purpose of preparing the half-year financial report, the half year has to be treated as a discrete reporting period.

#### (b) Financial Position

This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Group posted a net profit after tax for the half-year ended 31 December 2021 of \$2,353,461 (31 December 2020: net loss of \$577,258). The Group had net cash inflows from operating activities of \$13,876,773 (31 December 2020: net cash inflows \$1,087,795), had Cash of \$28,878,395 (30 June 2021: \$13,152,258) and a working capital surplus of \$8,607,297 (30 June 2021: \$4,497,343).

The financial report does not contain any adjustments relating to the recoverability and classification of recorded assets or to the amounts or classification of recorded assets or liabilities that might be necessary should the Group not be able to continue as a going concern. The directors have reviewed the Group’s financial position and are of the opinion that the use of the going concern basis of accounting is appropriate.

#### (c) Income Tax

The income tax expense or benefit for the period is the tax payable on the current period’s taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company’s subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the half-year ended 31 December 2020

### 2 Basis of Preparation and Accounting Policies (continued)

- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

WestStar Industrial Limited (the 'head entity') and its wholly-owned subsidiaries currently account for their own current and deferred tax amounts. The Company has formed a tax consolidated group which incorporates all entities in the Group.

#### (d) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of WestStar Industrial Limited.

#### (e) Accounting estimates and judgements

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

#### (f) New and revised Standards and Interpretations

For the period ended 31 December 2021, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Group accounting policies.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
for the half-year ended 31 December 2021

	31 December 2021 \$	31 December 2020 \$
<b>3. Revenue and Other Income</b>		
<b>Revenue</b>		
Revenue from construction & engineering services	74,700,981	24,945,379
<b>Other income</b>		
Interest income	3,661	1,630
Insurance recoveries	418,055	-
Other income	134,648	118,133
ATO Cash boost payment	-	150,000
	<u>556,364</u>	<u>269,763</u>
	<b>75,257,345</b>	<b>25,215,142</b>

	31 December 2021 \$	31 December 2020 \$
<b>4. Income Tax</b>		
<b>(a) Income tax expense</b>		
<b>Major component of tax expense for the year</b>		
Current tax	471,624	97,599
Deferred tax	199,947	(97,599)
	<u>671,571</u>	-

**(b) Numerical reconciliation between aggregate tax expense recognised in the statement of comprehensive income and tax expense calculated per the statutory income tax rate**

A reconciliation between tax expense and the product of accounting profit / (loss) before income tax multiplied by the Company's applicable tax rate is as follows:

Profit / (Loss) from continuing operations before income tax expense	3,025,032	(577,258)
Tax at the group rate of 30% (2020: 30%)	907,510	(173,177)
Other non-deductible expenses	49,693	141,151
Other non-assessable income	-	(45,000)
Recognition of previously unrecognised tax losses	(69,761)	-
Recognition of previously unrecognised deferred tax assets	(215,871)	77,026
	<u>671,571</u>	-
Income tax expense	671,571	-
<b>(c) Income tax liability</b>		
Current tax payable	471,624	-

#### 4. Income Tax (continued)

31 December 2021    31 December 2020  
\$                                  \$

##### (c) Deferred tax

A reconciliation between tax expense and the product of accounting loss before income tax multiplied by the Company's applicable tax rate is as follows:

<i>Liabilities</i>		
Net deferred income	523,675	-
Plant and Equipment	602,411	259,655
Lease Liability	-	3,734
Prepayments	-	35,831
Forgiveness of Debt	336,767	-
Deferred tax liability not recognised	<u>1,462,853</u>	<u>299,220</u>
<i>Assets</i>		
Losses available to offset against future taxable income	336,767	-
Provisions & accruals	879,358	636,265
Net deferred income	-	605,852
Capital raising costs	29,102	63,835
Borrowing costs	-	16,258
Lease Asset	17,679	-
Deferred tax asset not recognised	<u>1,262,906</u>	<u>1,322,210</u>
<b>Net deferred tax asset/(liability) recognised</b>	<b>(199,947)</b>	<b>-</b>
<b>Net deferred tax asset not recognised</b>	<b>-</b>	<b>1,022,990</b>

The benefit for tax losses will only be obtained if:

- (i) the Group derives future assessable income in Australia of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- (ii) the Group continues to comply with conditions for deductibility imposed by tax legislation in Australia; and
- (iii) no changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the losses.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
for the half-year ended 31 December 2021

	31 December 2021 \$	30 June 2021 \$
<b>5. Trade and Other Receivables</b>		
<b>Current</b>		
Trade receivables	11,467,051	12,362,477
Less: Expected credit losses	(40,852)	(317,692)
	<u>11,426,199</u>	<u>12,044,785</u>
Retentions	2,020,848	1,407,847
Other receivables	222,359	21,018
Prepayments	545,100	72,842
	<u><b>14,214,506</b></u>	<u><b>13,546,492</b></u>
<b>Non-current</b>		
Retentions	<u><b>964,739</b></u>	<u><b>373,882</b></u>
	<b>31 December 2021</b> \$	<b>30 June 2021</b> \$
<b>6. Contract Assets</b>		
Contract assets	<u>4,333,633</u>	<u>4,571,459</u>
	<u><b>4,333,633</b></u>	<u><b>4,571,459</b></u>
	<b>31 December 2021</b> \$	<b>30 June 2021</b> \$
<b>7. Property, Plant and Equipment</b>		
Gross carrying value at cost	2,174,757	1,442,671
Accumulated depreciation	(499,920)	(262,951)
Net carrying value	<u><b>1,674,837</b></u>	<u><b>1,179,720</b></u>
Gross carrying value at valuation	4,054,865	4,054,865
Accumulated depreciation	(915,559)	(683,307)
Net carrying value	<u><b>3,139,306</b></u>	<u><b>3,371,558</b></u>
TOTAL	<u><b>4,814,143</b></u>	<u><b>4,551,278</b></u>

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
for the half-year ended 31 December 2021

7. Property, Plant and Equipment (continued)

	Plant & Equipment \$	Motor Vehicles \$	Total \$
<b>Gross carrying value at cost</b>			
At 1 July 2021	798,712	643,959	1,442,671
Additions	730,267	1,819	732,086
Disposals	-	-	-
<b>At 31 December 2021</b>	<b>1,528,979</b>	<b>645,778</b>	<b>2,174,757</b>
<b>Accumulated depreciation</b>			
At 1 July 2021	(174,880)	(88,071)	(262,951)
Disposals	-	-	-
Depreciation	(206,725)	(30,244)	(236,969)
<b>At 31 December 2021</b>	<b>(381,605)</b>	<b>(118,315)</b>	<b>(499,920)</b>
<b>Total At 31 December 2021</b>	<b>1,147,374</b>	<b>527,463</b>	<b>1,674,837</b>

	Plant & Equipment \$	Motor Vehicles \$	Total \$
<b>Gross carrying value at cost</b>			
At 1 July 2021	3,835,865	219,000	4,054,865
Additions	-	-	-
Disposals	-	-	-
<b>At 31 December 2021</b>	<b>3,835,865</b>	<b>219,000</b>	<b>4,054,865</b>
<b>Accumulated depreciation</b>			
At 1 July 2021	(652,569)	(30,737)	(683,306)
Disposals	-	-	-
Depreciation	(220,839)	(11,414)	(232,253)
<b>At 31 December 2021</b>	<b>(873,408)</b>	<b>(42,151)</b>	<b>(915,559)</b>
<b>Total At 31 December 2021</b>	<b>2,962,457</b>	<b>176,849</b>	<b>3,139,306</b>
<b>Total At 31 December 2021 (Group)</b>	<b>4,109,831</b>	<b>704,312</b>	<b>4,814,143</b>

8. Right of Use Asset and Liability

	31 December 2021 \$	30 June 2021 \$
Right of Use Lease Assets	4,041,736	4,041,736
Accumulated depreciation	(1,795,367)	(1,387,457)
	<b>2,246,369</b>	<b>2,654,279</b>

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
for the half-year ended 31 December 2021

	31 December 2021 \$	30 June 2021 \$
<b>9. Intangible assets</b>		
Goodwill - Alltype Engineering Pty Ltd	3,515,918	3,515,918
Goodwill – SIMPEC Pty Ltd	992,198	992,198
	<b>4,508,116</b>	<b>4,508,116</b>
	<b>31 December 2021 \$</b>	<b>30 June 2021 \$</b>
<b>10. Contract Liabilities</b>		
Contract liabilities	20,442,448	3,969,551
	<b>20,442,448</b>	<b>3,969,551</b>
	<b>31 December 2021 \$</b>	<b>30 June 2021 \$</b>
<b>11. Trade and Other Payables</b>		
Trade payables	6,978,064	14,386,671
Other creditors and accruals	10,129,649	8,353,917
	<b>17,107,713</b>	<b>22,740,588</b>
	<b>31 December 2021 \$</b>	<b>30 June 2021 \$</b>
<b>12. Provisions</b>		
Annual Leave - Current	1,493,458	1,151,127
Long Service Leave - Current	141,224	181,632
Other provisions	188,433	-
	<b>1,823,115</b>	<b>1,332,759</b>
Long Service Leave – Non-Current	179,021	161,503
	<b>179,021</b>	<b>161,503</b>
	<b>31 December 2021 \$</b>	<b>30 June 2021 \$</b>
<b>13. Borrowings</b>		
Financing facility (i)	-	300,000
Insurance Premium Funding facility (ii)	215,249	-
Short term loan facility (iii)	305,154	235,803
	<b>520,403</b>	<b>535,803</b>
(i)	During the period the Company's unsecured working capital facility, bearing interest at 10% p.a, was fully repaid.	
(ii)	Insurance Premium funding loan facility provided by Bank of Queensland repayable in instalments by Mar 2022 at an interest rate of 1.7%.	
(iii)	Short term loan facilities were provided during the year. The loans are unsecured and payable in equal instalments by September 2022 bearing interest at between 6.3% p.a. and 7.75% p.a.	

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
for the half-year ended 31 December 2021

	31 December 2021 \$	30 June 2021 \$
<b>14. Lease Liabilities</b>		
Right of Use Lease liability - Current	723,036	793,972
Other lease liabilities - Current	104,318	109,090
	<b>827,354</b>	<b>903,062</b>
	31 December 2021 \$	30 June 2021 \$
Right of Use Lease liability – Non-Current	1,582,262	1,903,680
Other lease liabilities – Non-Current	468,306	517,595
	<b>2,050,568</b>	<b>2,421,275</b>

**15. Issued Capital**

**(a) Issued and paid up capital**

	31 December 2021 \$	30 June 2021 \$
Ordinary shares fully paid	<b>24,455,791</b>	<b>20,427,962</b>

**(b) Movements in shares on issue**

	6 mths to 31 December 2021		Year to 30 June 2021	
	No.	\$	No.	\$
<i>Movements in ordinary shares on issue</i>				
Opening balance	975,476,549	20,427,962	936,846,296	19,811,669
Details of the Company shares issued during the period:				
Shares issued, net of issue costs (i)	152,173,913	3,377,829	-	-
Controlled Placement Agreement utilised (ii)	-	650,000	-	-
Shares issued in lieu of Management remuneration (iii)	-	-	26,666,666	400,000
Shares issued in lieu of Directors fees & Consulting fees (iv)	-	-	10,423,587	182,413
Shares issued in lieu of advisor fees (v)	-	-	1,540,000	33,880
	<b>152,173,913</b>	<b>4,027,829</b>	<b>38,630,253</b>	<b>616,293</b>
Closing balance	<b>1,127,650,462</b>	<b>24,455,791</b>	975,476,549	20,427,962

- (i) Placement of 152,173,913 shares to institutional and sophisticated investors at an issue price of \$0.023 per share.  
(ii) Set-off of 24,000,000 shares under Controlled Placement Agreement at a deemed price of \$0.027 share, refer ASX Announcement dated 16 December 2021.  
(iii) On 6 August 2020, Shareholders approved the issue of 26,666,666 Shares to senior management (and their nominees) in lieu of management remuneration.  
(iv) On 6 August 2020, Shareholders approved the issue of 10,423,587 Shares to the Directors (and their nominees) in lieu of directors' fees.  
(v) On 13 January 2021, 1,540,000 Shares were issued to an unrelated party in lieu of payment for advisory services.

**(c) Share options**

**(i) Options issued**

The following options were issued during the period:

Series	Number	Exercise price	Expiry date	Grant date	Expiry date	Vesting date
WSIAB <sup>1</sup>	76,086,946	\$0.03	18 May 2023	18 November 2021	18 May 2023	18 November 2022
1	Issue one (1) free attaching unlisted option (exercisable at \$0.03 expiring 18 months from issue) for every two (2) shares subscribed under the Placement by institutional and sophisticated investors. As 76,086,946 free attaching options were issued as part of the placement of 152,173,913 shares, the deemed value of option series WSIAB has been included in the increase to Share Capital of \$3,377,829 before costs pertaining to the Placement in Note 15(b) above.					

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
for the half-year ended 31 December 2021

**15. Issued Capital (continued)**

**(c) Share options (continued)**

**(ii) Options on issue**

The following options were on issue at the end of half-year:

Series	Number	Exercise price	Expiry date
WSIAA <sup>1</sup>	30,000,000	\$0.04	29 November 2022
WSIAB	76,086,946	\$0.03	18 May 2023

<sup>1</sup> On 29 November 2019 shareholders approved the issue of 30,000,000 unlisted Options. 15,000,000 Options to Hartley's Ltd (or their nominee) and 15,000,000 Options to ECK Investments Pty Ltd (or their nominee). The options have an exercise price of \$0.04 per option and an expiry 3 years from issue date exercisable by 29 November 2022.

**16. Reserves**

The share based payments reserve is used to record the value of share based payments provided to directors and employees, including Key Management Personnel and suppliers which are not recorded directly in equity.

	31 December 2021 \$	30 June 2021 \$
Share based payments reserve	<b>461,965</b>	<b>381,530</b>
<b>Movements in reserves</b>		
Opening balance	381,530	772,495
Transfer of expired options value (i)	-	(484,805)
Performance Rights expensed (ii)	80,435	93,840
Closing balance	<b>461,965</b>	<b>381,530</b>

(i) During 2021, 20,000,000 options expired out of the money. The value recognised for options issued in this expired class was transferred to accumulated losses; (\$484,805).

(ii) On 30 November 2020 shareholders approved the grant of up to 45,000,000 Performance Rights to Directors (or their nominees). The value of the Performance Rights at grant date was estimated using a Trinomial Model which takes into account the exercise price and expected life of the instrument, the current share price and its expected volatility, expected dividends and the risk-free interest rate for the expected life of the instrument. The value of performance rights vested at 31 December 2021 was \$174,275. The total share based payment expense for the period ended 31 December 2021 was \$80,435.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
for the half-year ended 31 December 2021

17. Segment Information

Management has determined the operating segments based on reports reviewed by the Board of Directors for making strategic decisions. The current Board of Directors monitors the business based on operational and geographic factors and have determined that there is three relevant businesses segment being:

Alltype Engineering Pty Ltd leverages off its fabrication capability and provides complete project solutions including SMP and E&I site installation, construction and maintenance services, across almost every industry in Australia; and.

SIMPEC, a construction contractor with specialist experience in both Structural Mechanical and Piping, Electrical and Instrumentation works.

Precast Australia, provided prefabricated concrete construction services to the construction and resources sectors in Australia. As at 30 June 2021 the Company was classified as a Discontinued Operation.

Segment reporting	Precast \$	SIMPEC \$	Alltype \$	Group \$
<b>Half - year ended 31 December 2021</b>				
Segment revenue		53,853,374	20,847,607	74,700,981
Segment operational expense		(48,816,114)	(15,639,525)	(64,455,639)
Segment gross margin		5,037,260	5,208,082	10,245,342
Segment overheads		(2,582,272)	(3,909,942)	(6,492,214)
<b>Segment operating profit (loss)</b>		<b>2,454,988</b>	<b>1,298,140</b>	<b>3,753,128</b>
Other Income - operational		369,198	187,162	556,360
<b>Net operating Profit (Loss) before Tax &amp; Corporate Admin. expenses</b>		<b>2,824,186</b>	<b>1,485,302</b>	<b>4,309,488</b>
Other Income				4
Corporate & administration				(1,284,460)
<b>Net operating Profit (Loss) before Tax</b>				<b>3,025,032</b>
Income tax expense				(671,571)
<b>Net operating Profit (Loss) after Tax</b>				<b>2,353,461</b>
<b>Half - year ended 31 December 2020</b>				
Segment revenue	(46,374)	10,660,175	14,331,578	24,945,379
Segment operational expense	27,955	(10,158,221)	(10,980,288)	(21,110,554)
Segment gross margin	(18,419)	501,954	3,351,290	3,834,825
Segment overheads	(112,782)	(1,055,637)	(2,265,708)	(3,434,127)
<b>Segment operating profit (loss)</b>	<b>(131,201)</b>	<b>(553,683)</b>	<b>1,085,582</b>	<b>400,698</b>
Other Income - operational	56,620	51,170	161,970	269,760
<b>Net operating Profit (Loss) before Tax &amp; Corporate Admin. expenses</b>	<b>(74,581)</b>	<b>(502,513)</b>	<b>1,247,552</b>	<b>670,458</b>
Other Income				3
Corporate & administration				(1,247,719)
<b>Net operating Profit (Loss) before Tax</b>				<b>(577,258)</b>
Income tax expense				-
<b>Net operating Profit (Loss) after Tax</b>				<b>(577,258)</b>
<b>Half - year ended 31 December 2021</b>				
Segment assets		40,239,506	16,316,734	56,556,240
Segment liabilities		(31,990,817)	(9,215,841)	(41,206,658)
<b>Segment asset &amp; liabilities</b>		<b>8,248,689</b>	<b>7,100,893</b>	<b>15,349,582</b>
Cash and corporate assets				8,256,685
Corporate liabilities				(2,312,549)
<b>Total asset &amp; liabilities</b>				<b>21,293,718</b>
<b>Half - year ended 31 December 2020</b>				
Segment assets	237,223	10,941,756	16,028,568	27,207,547
Segment liabilities	(1,234,017)	(4,379,700)	(11,804,176)	(17,417,893)
<b>Segment asset &amp; liabilities</b>	<b>(996,794)</b>	<b>6,562,056</b>	<b>4,224,392</b>	<b>9,789,654</b>
Cash and corporate assets				5,109,098
Corporate liabilities				(1,595,808)
<b>Total asset &amp; liabilities</b>				<b>13,302,944</b>

The Group is domiciled in Australia. All revenue from external customers is generated from Australia only. Segment revenues are allocated based on the country in which the customer is located.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the half-year ended 31 December 2021

### 18. Financial Instruments

At 31 December 2021, the carrying value of all financial assets and liabilities is considered to approximate their fair values. The held for trading assets are recognised at fair value and have been classified as level 1 financial assets based on quoted prices in active markets. There were no transfers between levels during the half-year.

During the half year the Group entered into ~\$7.5M bond facilities (“the Facilities”) with Export Finance Australia. As at 31 December \$7.5M of these bond facilities had been used.

As at 31 December 2021, the Group has provided bank guarantees which are held in term deposits of \$4,223,652 (30 June 2021: \$3,024,969) to various customers and suppliers.

### 19. Events after Reporting Date

On 5 January 2022 shareholders approved:

- the grant of 15,000,000 Performance Rights to Director; Mr Robert Spadanuda (or his nominee) under the WestStar Performance Rights Plan, and
- the issue of 30,000,000 options (exercisable at \$0.03 expiring 18 months from issue) as consideration to corporate advisor.

Other than the above, there are no other significant events subsequent to balance date.

## DIRECTORS' DECLARATION

for the half-year ended 31 December 2021

In the opinion of the directors of WestStar Industrial Limited ('the company'):

1. The financial statements and notes thereto, are in accordance with the Corporations Act 2001 including:
  - a. complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
  - b. giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year then ended.
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable subject to the matters set out in Note 2(b).

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.



**Philip Re**  
**Non- Executive Chairman**  
Perth, Western Australia  
28 February 2022





**ARMADA**  
AUDITING

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## Independent Auditor's Review Report to the Members of WestStar Industrial Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the accompanying half-year financial report of WestStar Industrial Limited ("the Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2021, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies, other explanatory notes and the directors' declaration of the Group comprising the Company and the entities it controlled at half-year end from time to time during the half-year.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of WestStar Industrial Limited is not in accordance with the *Corporations Act 2001* including:

- (a) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*;

#### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibility for the Review of the Half-Year Financial Report* section of our report. We are independent of the Group in accordance with the independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

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### Directors' Responsibility for the Half-Year Financial Report

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

### Auditor's Responsibility for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

*Armada Audit  
& Assurance*

**ARMADA AUDIT & ASSURANCE PTY LTD**

**NIGEL DIAS**

**DIRECTOR**

**Perth, Dated 28 February 2022**

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