

CTI Logistics Limited

ABN 69 008 778 925

Appendix 4D Half Year Financial Report

Half year ended 31 December 2024

For announcement to the market

Extracts from this report for announcement to the market

\$A'000

Revenue		Up	2.50%	to	\$165,900
Profit from ordinary activities after tax attributable to members		Down	6.74%	to	\$7,109
Net profit for the period attributable to members		Down	6.74%	to	\$7,109
Dividends		Amount per security		Franked amount per security	
Final dividend	Year ended 30 June 2024	5.5 cents		5.5 cents	
	Previous corresponding period	5.0 cents		5.0 cents	
Interim dividend	Current period	5.0 cents		5.0 cents	
	Previous corresponding period	5.0 cents		5.0 cents	
+Record date for determining entitlements to the dividend			20 March 2025		

NTA backing

	31 December 2024	30 June 2024
Net tangible asset backing per ordinary security	129.70 cents	125.80 cents

Dividend

Details of dividends declared or paid during or subsequent to the period ended 31 December 2024 are as follows:

	Payment date	Amount per security	Total dividend	Franked amount per security
Final dividend – year ended 30 June 2024 (fully franked at 30%)	3 October 2024	5.5 cents	\$4,263,716	5.5 cents
Interim dividend – Current period (fully franked at 30%)	4 April 2025	5.0 cents	\$3,900,492	5.0 cents

A Dividend Re-investment Plan and Bonus Share Plan are currently in operation.

Controlled entities acquired or disposed of

There were no acquisitions or disposals of controlled entities during the current period.

CTI Logistics Limited

ABN 69 008 778 925

Half Year Financial Report - 31 December 2024

Lodged with the ASX under Listing Rule 4.2A

This half year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by CTI Logistics Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Directors' Report

Your directors present their report on the Group consisting of CTI Logistics Limited (Company) and the entities it controlled during the half year ended 31 December 2024 and the independent auditor's review report thereon.

Directors

Directors of the Company in office during the half year and up to the date of this report are:

David Robert Watson (Chairman)
David Anderson Mellor
Bruce Edmond Saxild
Owen Roy Venter
Matthew David Watson
William Edward Moncrieff
Roger Maitland Port

Principal activities of the Group

The principal activities of the Group during the half year were the provision of logistics and transport services and the provision of security services.

Dividends

Dividends paid or declared by the Company to members since the end of the previous financial year were:

	Cents per share	Total amount	Franked	Date of payment
Declared and paid during the half year				
Final 2024 - ordinary	5.5	\$4,263,716	Fully Franked	3 October 2024
Declared after end of half year				
Interim 2025 - ordinary	5.0	\$3,900,492	Fully Franked	4 April 2025

After the half year end the directors have declared a fully franked interim dividend of 5.0 cents per ordinary share.

The financial effect of this post half year dividend has not been brought to account in the financial statements for the half year ended 31 December 2024 and will be recognised in subsequent financial reports.

Review of operations and results

The Company is a national transport and logistics provider. Transport operations cover couriers and taxi trucks, business-to-business (B2B) and business-to-customer (B2C) parcel distribution, container handling, fleet management, WA regional road freight and interstate road and rail freight. Logistics includes third party logistics (3PL), offsite fourth party logistics (4PL), supply chain and distribution centre (DC) warehousing, flooring products logistics, e-commerce fulfilment, temperature-controlled warehousing, minerals and energy supply base services, quarantine and preservation wrapping and fumigation, document storage, media destruction and recycling. The Company also has a security business providing installation, maintenance and monitoring of alarms, CCTV visual verification and lone worker protection.

The current half year reporting period has seen an increase in customer demand for lower margin general freight services over that of premium freight services experienced in the previous corresponding period, offset by increased minerals and energy related work in the logistics segment which has remained strong through the period.

Revenue from operations for the half year ended 31 December 2024 was up 2.5% to \$165.9m from the previous corresponding period. The results from operating activities excluding depreciation and amortisation expense (EBITDA) of \$28.4m was up 6.2% on the previous corresponding period.

The profit before tax of \$9.3m was down 18.2% on the previous corresponding period, driven by strategic investments made to achieve longer-term growth, which include the further development of owned sites, vehicle and equipment acquisitions, and pallet racking for new leased locations which have significantly expanded our property footprint in Queensland, New South Wales and Victoria. As a result, depreciation and interest charges increased by \$2.6m and \$1.1m respectively compared to the prior corresponding period. While impacting short-term profitability, these investments lay the groundwork for sustainable and increased future earnings.

The Company generated strong cash flows during the period while maintaining significant cash liquidity. The Company invested \$10.0m towards the completion of the remaining development of the 10,000sqm facility in Hazelmere WA, which is expected to be complete in May 2025, and \$9.5m on vehicle and equipment upgrades to reduce running costs and emissions.

The Group's net assets have increased by 2.8% compared with 30 June 2024, up from \$121.4m to \$124.9m, which is largely attributable to the half year profit after income tax, net of dividend distributions.

The Company has historically invested in owner-occupied WA property for its operations, which has generated significant returns through capital appreciation and operational efficiencies. Property assets are recognised on the balance sheet at historical cost less accumulated depreciation. The Company also obtains independent external valuations for bank mortgage purposes on a rolling 3-year basis for material owned properties. In light of ongoing increase in property values further valuations on a sale and lease back basis for only the Hazelmere properties have been obtained, with the value of the property assets increasing to \$168.7m, representing a significant value premium of \$65.4m or 63% above the reported carrying value as at 31 December 2024. The property assets support a strong balance sheet to pursue further growth and comfortably underpin the current share price.

Considering the strong operating results, the directors have decided to declare an interim dividend of 5.0 cents per share fully franked, payable on 4 April 2025.

Forecasting the operating environment and outlook remains difficult, however we remain positive on the freight industry as Australia's population, regional development and online spending continue to grow. We expect continued consolidation within the transport industry as operators pursue growth and scale. The Company continues to evaluate synergistic acquisition prospects and is well positioned to capture growth opportunities following recent national capacity expansions and substantial investments in property, vehicles and equipment.

Changes in the state of affairs

No other significant changes in the state of affairs of the Group have occurred.

Subsequent events

The directors are not aware of any other matters or circumstances not otherwise dealt with in this half year report that have significantly or may significantly affect the operations of the Group, the results of those operations, or the affairs of the Group in subsequent financial years.

Likely developments

The major objectives encompassed in the Business Plan of the Group are:

- expansion of existing operations by targeted marketing and by acquisition;
- establishment or acquisition of businesses in fields related to or compatible with the Group's existing core operations; and
- to maximise the profits and returns to shareholders by constant review of existing operations.

Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 4 and forms part of the directors' report for the half year ended 31 December 2024.

This report is made in accordance with a resolution of the directors.



DAVID WATSON
Executive Chairman

Perth, WA
26 February 2025



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of CTI Logistics Limited

I declare that, to the best of my knowledge and belief, in relation to the review of CTI Logistics Limited for the half-year ended 31 December 2024 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.

KPMG

Jane Bailey

KPMG

Jane Bailey

Partner

Perth

26 February 2025

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Condensed consolidated statement of profit or loss and other comprehensive income for the half year ended 31 December 2024

	Notes	2024 \$	2023 \$
Revenue		165,899,919	161,847,489
Other income		593,403	563,168
Raw materials and consumables used		(699,888)	(633,449)
Employee benefits expense		(49,951,417)	(46,205,454)
Subcontractor expense		(50,481,040)	(52,294,511)
Depreciation and amortisation expense		(15,245,330)	(12,598,865)
Motor vehicle and transportation costs		(23,141,181)	(23,689,206)
Property costs		(4,741,476)	(3,063,712)
Other expenses		(9,128,088)	(9,834,963)
Results from operating activities		<u>13,104,902</u>	<u>14,090,497</u>
Finance income		92,622	117,894
Finance expense		(3,880,239)	(2,813,549)
Net finance costs		<u>(3,787,617)</u>	<u>(2,695,655)</u>
Profit before income tax		9,317,285	11,394,842
Income tax expense	8	<u>(2,208,411)</u>	<u>(3,772,434)</u>
Profit for the half year		<u>7,108,874</u>	<u>7,622,408</u>
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Equity investments at FVOCI – net change in fair value		<u>3,671</u>	<u>(3,284)</u>
Total comprehensive income for the half year		<u>7,112,545</u>	<u>7,619,124</u>
		Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the Company			
Basic earnings per share	7c	9.15	9.88
Diluted earnings per share	7c	9.08	9.81

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 2024

	Notes	31 December 2024 \$	30 June 2024 \$
ASSETS			
Current assets			
Cash and cash equivalents		6,528,821	10,395,674
Trade and other receivables		41,977,594	42,201,302
Inventories		176,646	167,494
Total current assets		48,683,061	52,764,470
Non-current assets			
Other investments		56,265	51,021
Property, plant and equipment	3	146,597,942	132,402,899
Right-of-use assets	5	75,290,094	69,854,471
Investment properties		2,207,021	2,207,021
Deferred tax assets		1,952,039	911,250
Intangible assets	4	23,672,432	23,915,131
Total non-current assets		249,775,793	229,341,793
Total assets		298,458,854	282,106,263
LIABILITIES			
Current liabilities			
Trade and other payables		21,368,234	26,919,013
Lease liabilities		17,146,402	17,689,125
Current tax liabilities		1,058,560	3,216,319
Employee benefits provision		10,661,373	9,994,892
Total current liabilities		50,234,569	57,819,349
Non-current liabilities			
Lease liabilities		69,058,211	61,812,368
Loans and borrowings	6	52,084,251	38,905,000
Employee benefits provision		2,231,093	2,129,171
Total non-current liabilities		123,373,555	102,846,539
Total liabilities		173,608,124	160,665,888
Net assets		124,850,730	121,440,375
EQUITY			
Contributed equity	7a	30,882,662	30,321,136
Reserves		1,681,958	1,842,352
Retained profits		92,286,110	89,276,887
Total equity		124,850,730	121,440,375

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

Condensed consolidated statement of changes in equity for the half year ended 31 December 2024

Consolidated	Contributed equity \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2023	29,602,634	1,848,824	81,158,461	112,609,919
Total comprehensive income for the half year	-	(3,284)	7,622,408	7,619,124
Transactions with equity holders in their capacity as equity holders:				
Dividends provided for or paid	337,985	-	(3,851,662)	(3,513,677)
Balance at 31 December 2023	<u>29,940,619</u>	<u>1,845,540</u>	<u>84,929,207</u>	<u>116,715,366</u>
Balance at 1 July 2024	30,321,136	1,842,352	89,276,887	121,440,375
Total comprehensive income for the half year	-	3,671	7,108,874	7,112,545
Transactions with equity holders in their capacity as equity holders:				
Contingently issuable shares exercised	94,135	(164,065)	164,065	94,135
Dividends provided for or paid	467,391	-	(4,263,716)	(3,796,325)
Balance at 31 December 2024	<u>30,882,662</u>	<u>1,681,958</u>	<u>92,286,110</u>	<u>124,850,730</u>

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

Condensed consolidated statement of cash flows for the half year ended 31 December 2024

	2024 \$	2023 \$
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	183,963,326	175,627,111
Payments to suppliers and employees (inclusive of goods and services tax)	(160,724,813)	(152,907,243)
	23,238,513	22,719,868
Interest received	92,622	117,894
Dividends received	1,242	1,173
Interest paid	(3,748,897)	(2,655,111)
Income taxes paid	(5,426,691)	(4,143,014)
Net cash inflow from operating activities	14,156,789	16,040,810
Cash flows from investing activities		
Payments for property, plant and equipment and intangibles	(20,057,856)	(15,490,079)
Proceeds from sale of property, plant and equipment	555,240	591,146
Net cash outflow from investing activities	(19,502,616)	(14,898,933)
Cash flows from financing activities		
Proceeds from borrowings	19,679,251	14,000,000
Proceeds from exercise of contingently issuable shares	94,135	-
Repayment of borrowings	(6,500,000)	(6,000,000)
Repayment of lease liabilities	(7,998,087)	(8,706,857)
Dividend paid to Company's shareholders net of dividend reinvestment/bonus share plan shares issued	(3,796,325)	(3,513,677)
Net cash inflow/(outflow) from financing activities	1,478,974	(4,220,534)
Net decrease in cash and cash equivalents	(3,866,853)	(3,078,657)
Cash and cash equivalents at the beginning of the half year	10,395,674	10,282,435
Cash and cash equivalents at the end of the half year	6,528,821	7,203,778

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1. BASIS OF PREPARATION OF HALF YEAR FINANCIAL REPORT

This general purpose financial report for the half year reporting period ended 31 December 2024 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. CTI Logistics Limited and its subsidiaries (together referred to as the “Group”) is a for-profit entity.

This condensed interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by CTI Logistics Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Estimates

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2024.

2. SEGMENT INFORMATION

(a) Description of segments

Management has determined the operating segments based on the reports reviewed by the Group’s Executive Chairman.

The Group’s Executive Chairman considers the business from a product and services perspective and has identified three reportable segments: transport, logistics and property.

The reportable segments include the following operations:

- Transport services - includes the provision of courier, taxi truck, parcel distribution, fleet management and line haul freight.
- Logistics - includes the provision of warehousing and distribution, specialised flooring logistics, supply based management services and document storage services.
- Property - rental of owner-occupied and investment property.

Other segments include the provision of security services. These segments do not meet any of the quantitative thresholds for determining reportable segments.

The Group’s Executive Chairman assesses the performance of the operating segments based on segment profit before income tax.

2. SEGMENT INFORMATION (continued)

(b) Information about reportable segments

The segment information provided to the Group's Executive Chairman for the reportable segments for the half year ended 31 December 2024 is as follows:

	Transport	Logistics	Property	Other	Reconciling/ unallocated	Total
Half year 2024	\$	\$	\$	\$	\$	\$
External revenues	98,748,591	63,555,833	79,062	3,514,236	2,197	165,899,919
Intra and inter-segment revenue	19,084,823	20,221	4,699,042	346,379	(24,150,465)	-
Interest expense	832,465	2,253,346	530,050	-	145,008	3,760,869
Depreciation and amortisation	5,268,096	8,542,219	782,508	235,162	417,345	15,245,330
Total segment profit before income tax	4,590,645	3,147,580	2,222,689	200,265	(843,894)	9,317,285
31 December 2024						
Total segment assets	72,194,731	111,457,592	105,596,921	3,076,857	6,132,753	298,458,854
Total segment liabilities	32,060,408	85,092,434	37,988,484	2,445,868	16,020,930	173,608,124
Half year 2023						
External revenues	100,741,199	57,642,110	195,383	3,264,485	4,312	161,847,489
Intra and inter-segment revenue	13,584,590	33,639	2,820,548	406,860	(16,845,637)	-
Interest expense	568,090	1,355,345	491,218	-	262,055	2,676,708
Depreciation and amortisation	4,618,626	6,524,018	403,327	242,860	810,034	12,598,865
Total segment profit before income tax	7,333,715	3,820,017	1,423,529	346,134	(1,528,553)	11,394,842
30 June 2024						
Total segment assets	70,207,449	102,846,056	94,461,211	2,768,193	11,823,354	282,106,263
Total segment liabilities	35,368,583	79,940,871	25,678,665	2,022,675	17,655,094	160,665,888

CTI LOGISTICS LIMITED
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3. PROPERTY, PLANT AND EQUIPMENT

Consolidated	Freehold land \$	Freehold buildings \$	Plant and equipment \$	Motor vehicles \$	Total \$
At 1 July 2024					
Cost	45,499,191	61,646,216	34,791,498	55,822,851	197,759,756
Accumulated impairment	(2,655,780)	-	-	-	(2,655,780)
Accumulated depreciation	-	(10,601,677)	(24,189,305)	(27,910,095)	(62,701,077)
Net book amount	42,843,411	51,044,539	10,602,193	27,912,756	132,402,899
Half year ended 31 December 2024					
Opening net book value	42,843,411	51,044,539	10,602,193	27,912,756	132,402,899
Additions	-	10,427,814	3,577,658	5,888,186	19,893,658
Disposals	-	-	(4,710)	(121,060)	(125,770)
Depreciation charge	-	(1,029,894)	(1,497,879)	(3,045,072)	(5,572,845)
Closing net book amount	42,843,411	60,442,459	12,677,262	30,634,810	146,597,942
At 31 December 2024					
Cost	45,499,191	72,074,030	38,190,468	59,180,727	214,944,416
Accumulated impairment	(2,655,780)	-	-	-	(2,655,780)
Accumulated depreciation	-	(11,631,571)	(25,513,206)	(28,545,917)	(65,690,694)
Net book amount	42,843,411	60,442,459	12,677,262	30,634,810	146,597,942

During the year ended 30 June 2024, the Group entered a contract for construction of a warehouse on the remaining vacant land in Hazelmere, Western Australia. As at 31 December 2024 there is \$10,003,329 (30 June 2024: \$nil) included within freehold buildings which relates to assets under construction.

Freehold land and buildings include properties owned by the Group throughout Western Australia. These properties are included in the financial statements at 31 December 2024 at \$103,285,870 (30 June 2024: \$93,887,950), being historical cost less accumulated depreciation and historical impairment charges. On a rolling 3-year basis properties owned by the Group are valued by independent external valuation experts. These valuations may be completed for bank mortgage purposes as part of compliance with bank lending facilities, or commissioned by management for internal purposes, such as assessing inter-segment rental charges.

Following the half year end, management commissioned independent external valuations to be prepared for the Hazelmere properties. Based on these external valuations, the total value of the Group's properties is \$168,674,197 (30 June 2024: \$134,347,795) representing an additional \$65,388,327 of value above the recognised carrying value of these properties at 31 December 2024. Properties comprising 97% by value of the Group's properties have been valued in the last 18 months.

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Half year financial report
31 December 2024

4. INTANGIBLE ASSETS

Consolidated	Goodwill \$	Trade names \$	Customer relationships \$	Security lines \$	Software \$	Total \$
At 1 July 2024						
Cost	26,461,029	3,726,914	9,178,756	1,649,739	2,242,707	43,259,145
Accumulated impairment	(3,074,710)	-	-	-	-	(3,074,710)
Accumulated amortisation	-	(3,552,998)	(8,923,026)	(1,611,141)	(2,182,139)	(16,269,304)
Net book amount	23,386,319	173,916	255,730	38,598	60,568	23,915,131
Half year ended 31 December 2024						
Opening net book amount	23,386,319	173,916	255,730	38,598	60,568	23,915,131
Additions	-	-	-	164,198	-	164,198
Amortisation charge	-	(65,051)	(255,730)	(25,548)	(60,568)	(406,897)
Closing net book amount	23,386,319	108,865	-	177,248	-	23,672,432
At 31 December 2024						
Cost	26,461,029	3,726,914	9,178,756	1,813,937	2,242,707	43,423,343
Accumulated impairment	(3,074,710)	-	-	-	-	(3,074,710)
Accumulated amortisation	-	(3,618,049)	(9,178,756)	(1,636,689)	(2,242,707)	(16,676,201)
Net book amount	23,386,319	108,865	-	177,248	-	23,672,432

5. RIGHT-OF-USE ASSETS

Consolidated	Land and buildings \$	Plant and equipment \$	Total \$
At 1 July 2024			
Cost	108,790,061	9,328,430	118,118,491
Accumulated depreciation	(42,798,725)	(5,465,295)	(48,264,020)
Net book amount	65,991,336	3,863,135	69,854,471
Half year ended 31 December 2024			
Opening net book value	65,991,336	3,863,135	69,854,471
Additions	14,701,210	-	14,701,210
Depreciation charge	(8,109,478)	(1,156,109)	(9,265,587)
Closing net book amount	72,583,068	2,707,026	75,290,094
At 31 December 2024			
Cost	123,491,271	9,328,430	132,819,701
Accumulated depreciation	(50,908,203)	(6,621,404)	(57,529,607)
Net book amount	72,583,068	2,707,026	75,290,094

6. LOANS AND BORROWINGS

At the reporting date the Group had the following outstanding loans and borrowings:

	31 December 2024	30 June 2024
	\$	\$
Bank	44,905,000	38,905,000
Other	7,179,251	-
Total borrowings (Non-current)	<u>52,084,251</u>	<u>38,905,000</u>
Undrawn bank loan facilities	8,302,623	10,001,167

The undrawn facilities may be drawn at any time subject to the continuance of satisfactory credit ratings and are also subject to annual review.

Other borrowings relates to construction of a warehouse on the vacant land in Hazelmere funded by a third party financier. The loan is drawn down based on the stage of completion of construction. Upon the completion of construction, which is expected in May 2025, the total loan facility will be \$14,710,160 and is repayable 3 years from completion. Interest is payable at a fixed rate of 5.4% per annum from the completion of construction.

The undrawn portion of the loan facility has not been included in the undrawn bank facilities above as it can only be drawn for payment of construction invoices and cannot be freely drawn by the Group.

7. CAPITAL AND RESERVES

(a) EQUITY SECURITIES

Contributed equity of \$30,882,662 (30 June 2024: \$30,321,136) represents shares on issue of 78,009,831 (30 June 2024: 77,524,663).

At 31 December 2024 there were 2,257,000 (30 June 2024 – 2,472,000) contingently issuable shares relating to shares issued under the Company's Employee Share Plan. During the period 215,000 of the previously vested contingently issuable shares were issued as a result of the exercise of options relating to these shares.

(b) DIVIDENDS

Dividends not recognised at the end of the reporting period

After the half year end the directors have declared an interim dividend of 5.0 cents per fully paid ordinary share, (2023 – 5.0 cents) fully franked based on income tax paid at 30%. The aggregate amount of the proposed dividend to be paid on 4 April 2025 out of retained profits at 31 December 2024, but not recognised as a liability at period end, is \$3,900,492 (30 June 2024 - \$4,263,716).

7. CAPITAL AND RESERVES (continued)

(c) EARNINGS PER SHARE

The calculation of basic and diluted earnings per share at 31 December 2024 are as follows:

	2024	2023
(i) Basic earnings per share	9.15 cents	9.88 cents
Profit attributable to ordinary shareholders	\$7,108,874	\$7,622,408
Weighted average number of shares	77,721,972	77,127,541
(ii) Diluted earnings per share	9.08 cents	9.81 cents
Profit attributable to ordinary shareholders (diluted)	\$7,108,874	\$7,622,408
<i>Weighted average number of shares (diluted)</i>		
Weighted average number of shares (basic)	77,721,972	77,127,541
The effect of the vesting of contingently issuable shares	546,356	542,787
Weighted average number of shares (diluted) at 31 December	<u>78,268,328</u>	<u>77,670,328</u>

The average market value of the Company's shares for the purposes of calculating the dilutive effect of the vesting of contingently issuable shares was based on quoted market prices for the period during which the contingently issuable shares were outstanding.

8. INCOME TAX EXPENSE

Included within income tax expense is an adjustment for a prior period over provision of \$508,915 (2023: under provision - \$312,674), which has resulted in the variation in effective tax rate.

9. COMMITMENTS

Capital commitments contracted for at the reporting date but not recognised as liabilities relate to plant and equipment purchases of \$4,285,814 (30 June 2024 - plant and equipment of \$3,149,525). The commitments are payable within one year. During the prior year ended 30 June 2024, the Group entered a contract for construction of a warehouse on the remaining vacant land in Hazelmere, Western Australia. The total value of the construction contract is \$17,696,420 (ex-GST). At 31 December 2024, the building is still under construction and \$7,533,917 (ex-GST) remains committed but not recognised as a liability.

10. SUBSEQUENT EVENTS

No material subsequent events have occurred since the end of the half year other than disclosed elsewhere in these financial statements.

Directors' Declaration

In the opinion of the directors of CTI Logistics Limited:

- (a) the consolidated financial statements and notes that are set out on pages 6 to 15 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half year ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



DAVID WATSON
Executive Chairman

Perth, WA
26 February 2025



Independent Auditor's Review Report

To the shareholders of CTI Logistics Limited

Report on the Half-year Financial Report

Conclusion

We have reviewed the accompanying **Half-year Financial Report** of CTI Logistics Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of CTI Logistics Limited does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the **Group's** financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- Complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Half-year Financial Report** comprises:

- Condensed consolidated statement of financial position as at 31 December 2024;
- Condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date;
- Notes 1 to 10 comprising material accounting policies and other explanatory information; and
- The Directors' Declaration.

The **Group** comprises CTI Logistics Limited (the Company) and the entities it controlled at the half year's end or from time to time during the half-year.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of the Directors for the Half-year Financial Report

The Directors of the Company 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
- Such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



Auditor's responsibilities 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 does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

A handwritten signature of the KPMG firm, with the letters 'KPMG' written in a stylized, cursive script.

KPMG

A handwritten signature of Jane Bailey, written in a cursive script.

Jane Bailey

Partner

Perth

26 February 2025