



**Constellation Technologies
Limited**

**Interim Financial Report
for the Half Year Ended
31 December 2023**

ABN 58 009 213 754

Constellation Technologies Limited

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Interim Financial Report – 31 December 2023

Contents

Corporate Directory	1
Directors Report.....	2
Auditors Independence Declaration.....	5
Consolidated Statement of Profit or Loss and Other Comprehensive Income	6
Consolidated Statement of Financial Position.....	7
Consolidated Statement of Changes in Equity.....	8
Consolidated Statement of Cash Flows	9
Notes to the Consolidated Statements.....	10
Directors Declaration	22
Independent Auditor’s Review Report	23

Corporate Directory

Directors

Mr Kartheek Munigoti
Executive Director and Chief Executive Officer

Mr Raymond Malone
Independent Non-Executive Chairman

Mr Leath Nicholson
Independent Non-Executive Director

Mr Anoosh Manzoori
Independent Non-Executive Director

Company Secretary

Ms Terri Bakos

Principal registered office and principal place of business

Level 7, 420 Collins Street
Melbourne VIC 3000
Australia
Telephone: +61 (0)3 8592 4883

Share register

Advanced Share Registry Ltd
110 Stirling Highway
Nedlands WA 6909
Australia
Telephone: +61 (0)8 9389 8033
Facsimile: +61 (0)8 6370 4203

Auditor

PKF Brisbane Audit
Level 2, 66 Eagle Street
Brisbane QLD 4000 Australia
Telephone: +61 (0)7 3839 9733
Facsimile: +61 (0)7 3832 1407

Solicitors

Nicholson Ryan Lawyers Pty Ltd
Level 7, 420 Collins Street
Melbourne VIC 3000 Australia
Telephone: +61 (0)3 9640 0400

Bankers

Westpac Banking Corporation
150 Collins Street
Melbourne VIC 3000 Australia

Stock exchange listings

Constellation Technologies Limited shares are listed on the Australian Securities Exchange (ASX: CT1)

Website

<https://www.ct1limited.com>

Directors Report

Your directors submit the consolidated interim financial statements of Constellation Technologies Limited (“CT1” or the “Company”) and its controlled entities (the “Group”) for the half year ended 31 December 2023. To comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

Directors and Company Secretary

The names and particulars of the Directors and Company Secretary of the Company in office at any time during or since the end of the period are as follows:

Mr Ray Malone, Independent Non-Executive Chairman
Mr Kartheek Munigoti, Executive Director and Chief Executive Officer
Mr Leath Nicholson, Independent Non-Executive Director
Mr Anoosh Manzoori, Independent Non-Executive Director

Ms Terri Bakos, Chief Financial Officer and Company Secretary

Review and Results of Operations

Operations

Callisto

Callisto offers a range of tailored solutions designed to address various industry needs, with a particular emphasis on Food, Health and Facilities Management. These solutions include:

- **Food Safety & Compliance:** A comprehensive digital platform designed for commercial kitchens, enabling precise monitoring of temperature in both assets and food processing procedures. This solution ensures compliance with food safety regulations, including allergen tracking and process checklists. Supported by specialised TV and mobile applications, Callisto provides a holistic approach to managing safety in commercial kitchens.
- **Drugs & Medicine Monitoring:** Specifically designed for pharmacies and hospitals, this solution monitors temperature-sensitive drugs and medicines, even in extreme conditions down to -200 degrees Celsius. The platform delivers real-time notifications of temperature fluctuations beyond defined parameters and generates compliant reports for audits, meeting QCCP and Strive for 5 standards. Installations can operate independently of existing facility infrastructure and IT networks.
- **Cold Chain Logistics:** A mobile monitoring solution that offers real-time alerts for temperature fluctuations during transit. Devices can also be equipped with GPS tracking for location reporting, ensuring the integrity of temperature-sensitive cargo throughout the supply chain.
- **Asset Management:** This solution facilitates temperature tracking of refrigeration or freezer assets, providing instant notifications of temperature variations. By tracking the historical movement of temperatures, it helps identify potential refrigeration system failures before they escalate, enabling proactive maintenance and risk mitigation.

Directors Report continued...

With its suite of innovative solutions, Callisto empowers businesses across diverse sectors to enhance safety, compliance, and operational efficiency.

The Food Safety & Compliance (FSC) and Asset Management modules have undergone successful paid trials with multiple large commercial catering and food distribution companies over the past nine months. These trials, which spanned a variety of applications from supermarkets to commercial kitchens in mining or FIFO villages across metropolitan, regional and remote 'outback' locations, has demonstrated the product's versatility and adaptability. As a result, we are currently in the process of negotiating long-term contracts with these organisations.

MCT Platform

The MeridianCT Platform is a fully customizable IoT platform allowing the user to import any type of sensor or image data into one singular platform. Due to its low code application, the platform has vast potential for application into many industrial and commercial verticals including utilities, manufacturing & hospitality.

Interest continues to grow in the platform from a variety of industries and applications, including disaster monitoring, structural monitoring, smart energy monitoring and facilities management.

Financial results

Group revenue from continuing operations for the period has decreased 20.05% over the prior period to \$559,033 (2022: \$699,261), primarily due to a decrease in consulting projects undertaken. However, sales of hardware associated with the Company's Callisto product and general platform/subscription sales associated with Callisto and MeridianCT have increased 59% over the prior period to \$397,300 (2022: \$250,506).

The Group loss from continuing operations has improved by 75.37% over the prior period at \$54,190 (2022: \$220,058) due to cost efficiency measures and the FY23 R&D tax incentive claim.

The Group held net assets of \$950,468 as at 31 December 2023 (June 2023: \$961,027) and cash reserves of \$730,807 (June 2023: \$1,097,336).

Significant changes in the state of affairs

Other than the matters outlined above, there have been no other significant changes in the state of affairs of the Group during the period.

Directors Report continued...

Subsequent Events

No matter or circumstance has occurred subsequent to the reporting period that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group or economic entity in subsequent financial years.

Likely developments and expected results of operations

There is no information or likely developments in the operations of the Group and the expected results of operations that have not been included in this interim financial report because the directors believe it would be likely to result in unreasonable prejudice to the Group.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on the following page.

Signed in accordance with a resolution of the Board of Directors.



Mr Kartheek Munigoti

Executive Director and Chief Executive Officer

Melbourne

26 February 2024

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

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2023, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Constellation Technologies Limited and the entities it controlled during the half year.

PKF

PKF BRISBANE AUDIT



SHAUN LINDEMANN
PARTNER

26 FEBRUARY 2024
BRISBANE

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2023

	Notes	31 Dec 2023 \$	31 Dec 2022 \$
<i>Revenue from continuing operations</i>			
Revenue from contracts with customers	2a	559,033	699,261
Cost of sales		(280,185)	(252,549)
Gross profit/(loss)		278,848	446,172
Other gains/(losses) - net	3a	297,990	615
Distribution costs		(1,561)	(2,548)
General and administrative expenses	3b	(589,002)	(578,546)
Research and development expenses		(40,662)	(85,688)
Selling and marketing expenses		-	(721)
Operating loss		(54,387)	(220,176)
Finance income		197	118
Finance expense		-	-
Finance costs - net		197	118
Loss before income tax		(54,190)	(220,058)
Income tax expense		-	-
Loss from continuing operations		(54,190)	(220,058)
Gain/(Loss) from discontinued operations	7	-	157,777
Loss for the period		(54,190)	(62,281)
Net loss attributable to equity holders of the company		(54,190)	(62,281)
<i>Other comprehensive income</i>			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		(4,969)	(17,241)
Total comprehensive loss for the period, net of tax		(4,969)	(79,522)
Total comprehensive loss attributable to equity holders of the company		(59,159)	(79,522)

		Cents	Cents
Loss per share for loss attributable to the ordinary equity holders of the company:			
Basic/diluted earnings per share	12	(0.004)	(0.004)
Loss per share – continuing operations:			
Basic/diluted earnings per share	12	(0.004)	(0.015)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 31 December 2023

	Notes	31 Dec 2023 \$	30 Jun 2023 \$
Assets			
Current assets			
Cash and cash equivalents	4a	730,807	1,097,336
Trade and other receivables	4b	403,174	100,150
Inventory		27,638	11,048
Other	5a	70,091	34,978
Total current assets		1,231,700	1,243,512
Non-current assets			
Property, plant and equipment		7,653	10,466
Intangible assets	6	93,424	-
Total non-current assets		101,077	10,466
Total assets		1,332,787	1,253,978
Liabilities			
Current liabilities			
Trade and other payables	4c	261,543	198,778
Provisions		110,776	94,173
Contract liabilities	2b	10,000	-
Total current liabilities		382,319	292,951
Total liabilities		382,319	292,951
Net assets		950,468	961,027
Equity			
Share capital	7a	18,293,950	18,283,350
Reserves	7b	(50,563)	(83,594)
Accumulated losses		(17,292,919)	(17,238,729)
Total equity		950,468	961,027

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

Consolidated Statement of Changes in Equity

For the half year ended 31 December 2023

	Notes	Share Capital \$	Reserves \$	Accumulated Losses \$	Total equity \$
At 1 July 2022		18,283,350	707,915	(18,001,925)	989,340
Loss for the period		-	-	(62,281)	(62,281)
Other comprehensive income		-	(17,241)	-	(17,241)
Total comprehensive loss for the period		-	(17,241)	(62,281)	(79,522)
Transactions with owners in their capacity as owners:					
Shares issued, net of transaction costs		-	-	-	-
		-	-	-	-
Balance at 31 December 2022		18,283,350	690,674	(18,064,206)	909,818
At 1 July 2023		18,283,350	(83,594)	(17,238,729)	961,027
Loss for the period		-	-	(54,190)	(54,189)
Other comprehensive income		-	(4,969)	-	(4,969)
Total comprehensive loss for the period		-	(4,969)	(54,190)	(59,159)
Transactions with owners in their capacity as owners:					
Shares issued, net of transaction costs		10,600	-	-	10,600
Share based payments		-	38,000	-	38,000
		10,600	38,000	-	48,600
Balance at 31 December 2023		18,293,950	(50,563)	(17,292,919)	950,468

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

Consolidated Statement of Cash Flows

For the half year ended 31 December 2023

	Notes	31 Dec 2023 \$	31 Dec 2022 \$
Cash flows related to operating activities			
Receipts from customers		626,634	672,783
Payments to suppliers and employees		(895,012)	(935,400)
Other income receipts		-	635,830
Net cash provided by/(used in) operating activities		(268,378)	373,213
Cash flows relating to investing activities			
Payment for purchases of plant and equipment		(181)	(933)
Interest received		197	118
Development expenditure – intangible assets	6	(93,424)	-
Net cash provided by/(used in) investing activities		(93,408)	(815)
Cash flows relating to financing cash flows			
Repayment of lease liabilities		-	-
Net cash used in financing activities		-	-
Net (decrease)/increase in cash and cash equivalents		(361,786)	372,398
Cash and cash equivalents at the beginning of the period		1,097,336	524,364
Foreign exchange movement		(4,743)	(18,632)
Cash and cash equivalents at the end of the period	4a	730,807	878,130

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

Notes to the Consolidated Statements

For the year ended 31 December 2023

1. Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ('CODM'). The CODM, who are responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board and the Chief Executive Officer of Constellation Technologies Limited. The Group has identified one reportable segment; that is, the sale and commercialisation of the IoT Solution. The segment details are therefore fully reflected in the body of the financial statements.

2. Revenue from contracts with customers

a) Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services at a point in time and over time in the following categories:

Half Year to 31 Dec 2023	Monitor tag revenue \$	Monitoring subscription revenue \$	Consulting revenue \$	Labour-hire revenue \$	Total \$
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Timing of revenue recognition

At a point in time	116,358	-	55,358	106,375	278,091
Over time	-	280,942	-	-	280,942

116,358	280,942	55,358	106,375	559,033
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Half Year to 31 Dec 2022	Monitor tag revenue \$	Monitoring subscription revenue \$	Consulting revenue \$	Labour-hire revenue \$	Total \$
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Timing of revenue recognition

At a point in time	-	-	322,170	126,585	448,755
Over time	12,160	238,346	-	-	250,506

12,160	238,346	322,170	126,585	699,261
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Notes to the Consolidated Statements continued ...

b) Liabilities related to contracts with customers

	31 Dec 2023	30 Jun 2023
	\$	\$
Other gains/(losses)		
Contract liabilities – deferred revenue on consulting contracts	10,000	--
	10,000	-

3. Expense items

a) Other gains/(losses)

	31 Dec 2023	31 Dec 2022
	\$	\$
Other non-operating income	-	818
R&D tax incentives	298,807	-
Net foreign exchange (losses)	(817)	(203)
	297,990	615

b) Breakdown of expenses by nature

	Notes	31 Dec 2023	31 Dec 2022
		\$	\$
General and administrative expenses:			
Accounting and audit		25,814	31,800
Computer costs		650	215
Consulting costs		17,040	10,413
Depreciation		2,770	1,879
Employee benefits		275,508	354,319
Insurance		53,218	57,933
Legal		29,296	18,103
Listing and share registry		24,248	26,212
Occupancy		19,295	20,130
Share-based payments		48,600	-
Superannuation		26,554	25,391
Travel and entertainment		12,722	9,452
Other		53,287	22,699
		589,002	578,546

Notes to the Consolidated Statements continued ...

4. Financial assets and financial liabilities

a) Cash and cash equivalents

	Notes	31 Dec 2023 \$	30 Jun 2023 \$
Current assets			
Cash at bank and on hand		730,807	1,097,336
Cash and cash equivalents for the purposes of the statement of cashflows is summarised below:			
Cash at bank and on hand		730,807	1,097,336
Cash and cash equivalents held at the end of the period		730,807	1,097,336

b) Trade and other receivables

Notes	31 December 2023			30 June 2023		
	Current \$	Non-current \$	Total \$	Current \$	Non-current \$	Total \$
Trade receivables	57,510	-	57,510	55,224	-	55,224
Provision for impairment	(888)	-	(888)	(888)	-	(888)
	56,622	-	56,622	54,336	-	54,336
Other receivables	346,552	-	346,552	45,814	-	45,814
Total trade and other receivables	403,174	-	403,174	100,150	-	100,150

Other receivables include an R&D tax incentive rebate of \$298,806, received in February 2024.

c) Trade and other payables

Notes	31 December 2023			30 June 2023		
	Current \$	Non-current \$	Total \$	Current \$	Non-current \$	Total \$
Trade payables	57,268	-	57,268	40,062	-	40,062
Accrued expenses	184,406	-	184,406	154,242	-	154,242
Other payables	19,869	-	19,869	4,474	-	4,474
Total trade and other payables	261,543	-	261,543	198,778	-	198,778

Notes to the Consolidated Statements continued ...

5. Non-financial assets and liabilities

a) Other current assets

	Notes	31 December 2023			30 June 2023		
		Current \$	Non-current \$	Total \$	Current \$	Non-current \$	Total \$
Prepayments		69,113	-	69,113	11,944	-	11,944
Consumables		978	-	978	14,308	-	14,308
Security deposits		-	-	-	8,726	-	8,726
		70,091	-	70,091	34,978	-	34,978

6. Intangible assets

	Notes	31 Dec 2023 \$	30 Jun 2023 \$
Opening Balance		-	-
Development costs - internally developed & in progress		93,424	-
Closing Balance		93,424	-

During the period the Company amended its accounting policy on the capitalisation of development costs. Refer to Note 13d).

7. Equity

a) Contributed Equity

	31 Dec 2023 No.	31 Dec 2023 \$	30 June 2023 No.	30 June 2023 \$
Ordinary shares - fully paid	1,474,733,703	18,293,950	1,471,200,370	18,283,350

Notes to the Consolidated Statements continued ...

	Note	No. of shares	\$
Balance at 30 June 2023		1,471,200,370	18,283,350
Issue of securities at \$0.003 each - ESOP		3,533,333	10,600
Balance at 31 December 2023		1,474,733,703	18,293,950

Ordinary shares

Ordinary shares entitle the holder to participate in dividends, and to share in the proceeds of winding up the Group in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Options

Information relating to options, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year, is set out in note 6b)ii.

b) Reserves

The following table shows a breakdown of the consolidated balance sheet line item 'reserves' and the movements in these reserves during the year. A description of the nature and purpose of each reserve is provided below the table.

	Share-based payments \$	Foreign currency translation \$	Total \$
Balance at 1 July 2022	785,493	(77,578)	707,915
Currency translation differences	-	(17,241)	(17,241)
Other comprehensive income for the half year	-	(17,241)	(17,241)
Transactions with owners in their capacity as owners			
Performance rights converted to shares	-	-	-
At 31 December 2022	785,493	(94,819)	690,674

Notes to the Consolidated Statements continued ...

	Share-based payments \$	Foreign currency translation \$	Total \$
Balance at 1 July 2023	-	(83,594)	(83,594)
Currency translation differences	-	(4,969)	(4,969)
Other comprehensive income for the half year	-	(4,969)	(4,969)
Transactions with owners in their capacity as owners			
Share-based payment expenses	38,000	-	38,000
At 31 December 2023	38,000	(88,563)	(50,563)

i) Nature and purpose of reserves

Foreign currency translation

Exchange differences arising on translation of the foreign controlled subsidiaries are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Share-based payments

The share-based payment reserve records items recognised as expenses on valuation of share options and rights issued to Key Management Personnel, other employees and eligible contractors.

ii) Options and Rights on Issue

	31 Dec 2023 No.	31 Dec 2023 \$	30 June 2023 No.	30 June 2023 \$
Options and rights	44,000,000	38,000	-	-

Movement in options and rights

	Note	Number of options	\$
Balance at 30 June 2023		-	-
Issue of performance rights	a)	44,000,000	38,000
Balance at 31 December 2023		44,000,000	38,000

Notes to the Consolidated Statements continued ...

- a) Issue of Performance Rights to staff under the Employee Share Plan on 22 December 2023. These rights will vest over various dates and conditions to 30 June 2026.

8. Discontinued operations

Due to challenging global economic conditions and the changing political/regulatory climate in China, the Company made the decision to hold its wholly owned subsidiary, Beijing Constellation Technologies Development Co., Ltd for sale. The Company actively pursued the sale of the entity, but subsequently decided to wind-down operations in China. The Company is experiencing delays in the wind down process due to limited time commitments of local responsible persons and travel restrictions

a) **Assets and liabilities associated with discontinued operations**

As at 31 December 2023, the entity held the following assets and liabilities:

	Note	31 Dec 2023	30 Jun 2023
		\$	\$
Assets			
Cash at bank		-	1,506
Trade and other receivables		-	869,009
Provision for non-recovery of trade and other receivables		-	(869,009)
Other assets		-	5,061
Property, plant & equipment		-	65,239
Liabilities			
Trade & other payables		-	(228,213)
<hr/>			
Net liability		-	(156,406)
Provision		-	156,406
Net liability associated with discontinued operations		-	-

Notes to the Consolidated Statements continued ...

b) Statement of Comprehensive Income

No activities occurred during the current period. The entity recognised the following gain for the period ending 31 December 2022 due to the provision taken up as described in Note 8a). The difference between the value of the provision in the Statement of Assets and Liabilities and the Statement of Comprehensive Income is foreign exchange.

	Note	31 Dec 2023	31 Dec 2022
		\$	\$
Revenue		-	-
Net Gain		-	157,777
Expenses		-	-
Gain/(Loss) from discontinued operations		-	157,777
Income tax expense		-	-
Gain/(Loss) from discontinued operations		-	157,777
Gain/(Loss) per share - discontinued operations		-	0.01

c) Statement of Cashflows

There has been no effect on the cashflows in the current or prior period.

9. Contingent liabilities

The Group had no contingent liabilities at 31 December 2023 (30 June 2023: nil).

Notes to the Consolidated Statements continued ...

10. Events occurring after the reporting period

No matter or circumstance has occurred subsequent to the reporting period that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group or economic entity in subsequent financial years.

11. Related party transactions

	31 Dec 2023	31 Dec 2022
	\$	\$
Office rent and outgoings paid on an arm's length commercial basis to FNJ Properties Pty Ltd, a company associated with director, Leath Nicholson in respect of the Company's Melbourne Offices.	15,000	12,000
Legal fees paid on normal commercial terms to Nicholson Ryan Lawyers Pty Ltd, a company associated with director Leath Nicholson. Payment received in cash and equity.	29,296	17,935

Notes to the Consolidated Statements continued ...

12. Loss per Share

(a) Reconciliation of loss used in calculating loss per share

	31 Dec 2023	31 Dec 2022
	\$	\$
Loss attributable to equity holders of the Group used in calculating loss per share:		
- From continuing operations	(54,189)	(220,058)
- From discontinuing operations	-	157,777
	(54,189)	(62,281)

(b) Weighted average number of shares used as the denominator

	31 Dec 2023	31 Dec 2022
	No.	No.
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	1,471,200,370	1,469,206,700

There are 44,000,000 performance rights on issue not included in diluted earnings per share as these would have an anti-dilutive effect on earnings per share. These potential ordinary shares are anti-dilutive as their conversion to ordinary shares would decrease loss per share. If these rights were included in the calculation of diluted earnings per share, the weighted average number of shares used in the denominator would be 1,518,733,703.

Notes to the Consolidated Statements continued ...

13. Significant accounting policies

Basis of preparation of the half year financial report and changes to the Group's accounting policies are set out below:

Basis of preparation

- a) These general purpose interim financial statements for half-year reporting period ended 31 December 2023 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134 *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Constellation Technologies Limited and its controlled entities (referred to as "the Group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2023, together with any public announcements made during the following half-year.

The financial statements have been prepared on the basis of historical costs. Cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

These interim financial statements were authorised for issue on the same date as the Directors' declaration.

b) Going concern

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

As disclosed in the interim financial statements, the Group is in a net asset position of \$950,468 (30 June 2023: \$961,027), net current asset position of \$849,381 (30 June 2023: \$950,561) and has net operating cash outflows of \$268,378 (31 December 2022: net inflows of \$373,213). The Group generated a loss after tax for the half year of \$54,190 from continuing operations (31 December 2022: \$220,058). The Group's cash position decreased to \$730,807 at 31 December 2023 (30 June 2023: \$1,097,336).

Notes to the Consolidated Statements continued ...

Notwithstanding the historical losses to date the directors believe that the going concern basis of preparation is appropriate due to the following reasons:

- Significant progress has been made in realising the Group's intellectual property. YTD revenue from Australian operations has been increasing each year, with a substantial increase in reoccurring revenue through the sale of its Callisto products and services for the half year ended 31 December 2023;
- The Company regularly receives R&D tax incentive rebates each year. The FY23 rebate claim in excess of \$298,000 has been lodged and was subsequently received in February 2024.

c) New and amended standards adopted by the group

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

d) Change in accounting policy – Research and Development

During the period the Group changed its policy on accounting for Research and Development activities. Previously all Research and Development activities were recognised in the profit or loss as incurred.

From 1 July 2023, the following policy will apply, which is consistent with AASB 138: Intangible Assets.

Expenditure on Research activities will be recognised in the profit or loss as incurred.

Development activities

Development expenditure will be capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Amortisation is calculated on a straight-line method over the estimated useful life of the asset. The useful life of the asset is reviewed at each reporting date and adjusted if appropriate.

Directors Declaration

In accordance with a resolution of the Directors of Constellation Technologies Limited, the Directors of the Company declare that:

- a. the financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including:
 - i. complying with Australian Accounting Standards AASB 134: Interim Financial Reporting; and
 - ii. giving a true and fair view of the consolidated entities financial position as at 31 December 2023 and of its performance for the half year ended on that date of the Consolidated entities.
- b. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Directors



Mr Kartheek Munigoti

Executive Director and Chief Executive Officer

26 February 2024

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF CONSTELLATION TECHNOLOGIES LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Constellation Technologies Limited ("the company"), which comprises the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the half-year's end or from time to time during the financial half-year.

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 Constellation Technologies Limited is not in accordance with the *Corporations Act 2001* including:-

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023, and of its financial performance for the half-year ended on that date; and
- (b) complying with the Australian 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 Responsibilities for the Review of the Financial Report section of our report. We are independent of the consolidated entity 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 the Code.

Independence

In conducting our review, we have complied with the auditor independence requirements of the *Corporations Act 2001*. In accordance with the *Corporations Act 2001*, we have given the directors of the company a written Auditor's Independence Declaration.

Responsibility of the Directors for the 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 the Australian Accounting Standards and the *Corporations Regulations 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the 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 consolidated entity's financial position as at 31 December 2023 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 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.

PKF

PKF BRISBANE AUDIT



SHAUN LINDEMANN
PARTNER

26 FEBRUARY 2024
BRISBANE

