

1. Company details

Name of entity:	Mad Paws Holdings Limited
ABN:	39 636 243 180
Reporting period:	For the half-year ended 31 December 2023
Previous period:	For the half-year ended 31 December 2022

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	22.4% to	14,677,124
Loss from ordinary activities after tax attributable to the owners of Mad Paws Holdings Limited	down	45.1% to	(2,164,400)
Loss for the half-year attributable to the owners of Mad Paws Holdings Limited	down	45.1% to	(2,164,400)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the Group after providing for income tax amounted to \$2,164,400 (31 December 2022: \$3,945,702).

Refer to the 'Review of operations' in the Directors' report for further commentary.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>(1.760)</u>	<u>(1.090)</u>

Right-of-use assets and lease liabilities have been excluded from net tangible assets.

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

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

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

11. Attachments

Details of attachments (if any):

The Interim Report of Mad Paws Holdings Limited for the half-year ended 31 December 2023 is attached.

12. Signed



Signed _____

Date: 27 February 2024

Jan Pacas
Chairman

Mad Paws Holdings Limited

ABN 39 636 243 180

Interim Report - 31 December 2023

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Mad Paws Holdings Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

Directors

The following persons were directors of Mad Paws Holdings Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Jan Pacas
Justus Hammer
Joshua May
Michael Hill
Vicki Aristidopoulos
Howard Humphreys

Principal activities

During the financial half-year the principal continuing activities of the Group consisted of:

- the provision of an online pet platform, making the process of owning and caring for a pet more accessible, convenient and cheaper. The Group's platforms enable Pet Owners to find Pet Sitters who provide pet board and other services;
- the distribution and sale of pet food, accessories as well as toys and treats; and
- the provision of an online pet business focused on health care related products.

Review of operations

The loss for the Group after providing for income tax amounted to \$2,164,400 (31 December 2022: \$3,945,702).

1H 24 demonstrated the Group's continued progression towards Operating EBITDA breakeven, with Group Operating EBITDA improving by \$2.2 million to (\$0.4 million). The Group continued to leverage the benefits of increased scale, new customer acquisition, targeted platform investments and cross selling opportunities across the unified Mad Paws brand. The pet industry continued to experience significant tailwinds with core sectors remaining largely resilient while the broader discretionary retail sector faced challenges.

Group Financial Performance

1H 24 Operating revenue increased by 22% to \$14.7 million, with marketplace revenue increasing 29% to \$4.3 million and the eCommerce division revenues increasing 19% to \$10.4 million. The Group closed the unprofitable lightly cooked and raw product lines in its Dinner Bowl business in FY23, excluding these revenue lines Group revenue increased by 30% compared to 1H 23. The Group continued to make strong progress towards operating on an EBITDA positive basis with Operating EBITDA improving by \$2.2 million (+85%) to (\$0.4 million).

In 1H 24, the Gross Margin also increased by \$1.7 million to \$7.0 million, a 31% improvement versus 1H 23. The Group's Gross Margin was 48%, up from 44% in 1H23 partly due to business unit mix, the closure of Dinner Bowl product lines in FY23 and margin initiatives across of Marketplace and eCommerce divisions. At a divisional level, the Group achieved improved margins in 1H 24 with the Marketplace division gross margin increasing to 95%, an increase of 1 percentage point and the e-Commerce division gross margin increasing by 3 percentage points to 28%.

	Half-year ended 31 Dec 2023 \$'000	Half-year ended 31 Dec 2022 \$'000	Change \$'000	Change %
Group 1H 24 Financial Performance				
Marketplace	4,321	3,347	974	29%
e-Commerce	10,356	8,672	1,684	19%
Operating Revenue	14,677	12,019	2,658	22%
Cost of goods sold	(7,682)	(6,690)	(992)	(15%)
Gross Margin	6,995	5,329	1,666	31%
<i>% of revenue</i>	48%	44%		
Marketing	(1,792)	(1,935)	143	7%
Employment costs	(2,894)	(3,159)	265	8%
Other operating expense	(1,045)	(1,050)	5	-
Segment Operating EBITDA	1,264	(815)	2,079	255%
<i>% of revenue</i>	9%	(7%)		
Central/Corporate costs	(1,663)	(1,769)	106	6%
Group Operating EBITDA	(399)	(2,584)	2,185	85%
<i>% of revenue</i>	(3%)	(21%)		
Non-operating and non-cash items	(1,891)	(1,377)	(514)	(37%)
Loss before income tax benefit	(2,290)	(3,961)	1,671	42%
Income tax benefit	125	15	110	733%
Loss after income tax benefit	(2,165)	(3,946)	1,781	45%
Group Key Performance Metrics				
GMV ¹ \$'000s	35,264.0	29,243.0	6,021.0	21%
Bookings/Transactions 000s	242.0	213.8	28.2	13%
New customer acquisition 000s	65.0	63.6	1.4	2%

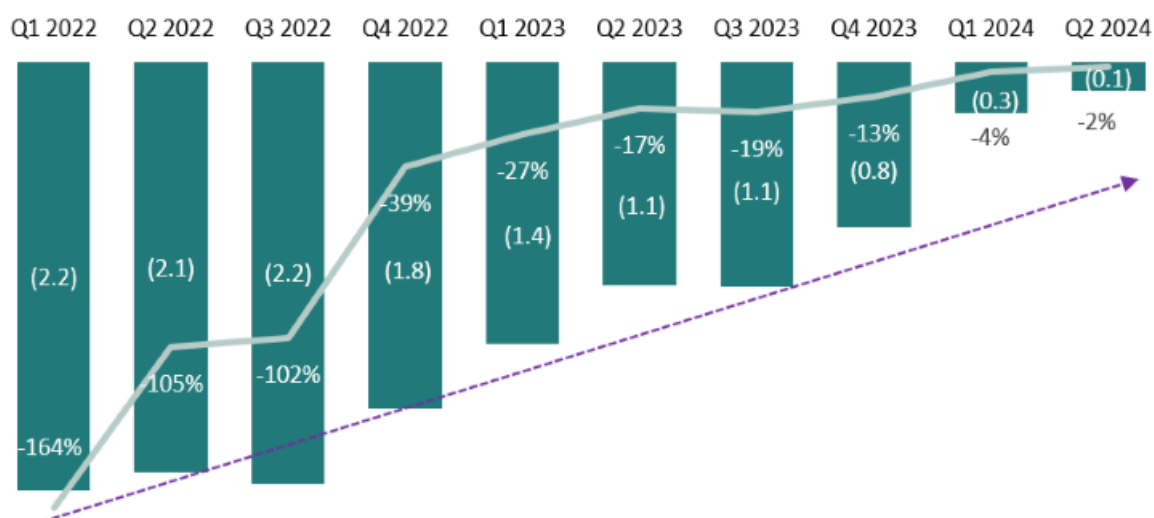
Notes:

(1) Gross Merchandising Value ('GMV') is a non-IFRS measure that represents the total value of transactions processed by all Mad Paws Businesses, on a cash basis, before deduction pet service provider payments, cancellations, refunds, chargebacks, discounts and GST.

Group Operating EBITDA – Quarterly performance

The Group has continued to implement strategies to manage and minimise seasonality in trading, with the growth and consistency in the eCommerce business starting to offset the high demand periods in the Marketplace division resulting from the Christmas and Easter holiday seasons.

Group Operating EBITDA (\$m) – Quarterly FY2022 to 1H 2024



Non-operating items

Non-operating items increased by \$0.5 million in 1H 24. This was a result of lower impairment expenses related to the closures of Dinner Bowl product lines in 1H 23 and lower deferred consideration expenses related to previous acquisitions, totalling \$0.6 million. These were offset by higher share-based payment expenses of \$0.3 million, and higher depreciation and amortisation charges from right of use assets created from the new Pet Chemist warehouse lease and acquisition and internally generated intangible asset amortisation, increasing \$0.7 million. The share-based payments and depreciation and amortisation charges are non-cash items.

The 1H 24 Group Operating EBITDA was (\$0.4 million), an improvement of \$2.2 million from 1H 24. The directors consider operational EBITDA to reflect the core earnings of the Group. Operational EBITDA (earnings before interest, tax, depreciation, amortisation and non-operating, non-recurring income and costs) is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for non-specific non-cash and significant items. The Group has outlined its performance under this metric and provided a reconciliation to the reported loss after tax in the results summary below.

	Half-year ended 31 Dec 2023 \$'000	Half-year ended 31 Dec 2022 \$'000	Change \$'000	Change %
Group Operating EBITDA	(399)	(2,584)	2,185	85%
<i>Non-operating items</i>				
R&D rebate	-	69	(69)	100%
Share-based payments expense	(537)	(237)	(300)	(127%)
Depreciation and amortisation expense	(1,149)	(453)	(696)	(154%)
Deferred consideration - linked to remuneration	2	(304)	306	101%
Impairment of assets	-	(322)	322	100%
Other non-operating items	(104)	(118)	14	12%
Interest revenue	10	17	(7)	41%
Finance costs	(114)	(29)	(85)	(293%)
Total non-operating items	(1,892)	(1,377)	(515)	(37%)
Loss before income tax benefit	(2,290)	(3,961)	1,671	42%
Income tax benefit	125	15	110	733%
Loss before income tax benefit	(2,165)	(3,946)	1,781	45%

In 1H 24, the Group made significant strides towards positive Group Operating EBITDA, led by profitable revenue growth across all segments and focusing on the key strengths of the business.

The improvement in 1H 24 Group Operating EBITDA was driven by the following factors:

- EBITDA Margin improvement to (3%), compared to (21%) in 1H 24, including:
 - Marketplace division 40% EBITDA margin, delivering \$1.7 million positive EBITDA or a 131% improvement versus 1H 23;
 - e-Commerce EBITDA loss improved to \$0.5 million, a 71% improvement on 1H 23, resulting from gross margins improvements, marketing cost optimization and disciplined capital allocation implemented across FY23. This included overall savings following the closure of loss-making Dinner Bowl product lines, which accounted for \$0.4 million EBITDA loss in 1H 23.
- Central and corporate costs decreased by \$0.1 million, a 7% reduction year over year. The focus on prudent cost management continued to drive costs lower in the year.

Segment Performance Overview

The Group's core segments being the Marketplace division (for pet sitting and related services) and the e-Commerce division (for pet products sold under the Pet Chemist, Waggly, sash and Dinner Bowl brands) are reported below.

Marketplace division

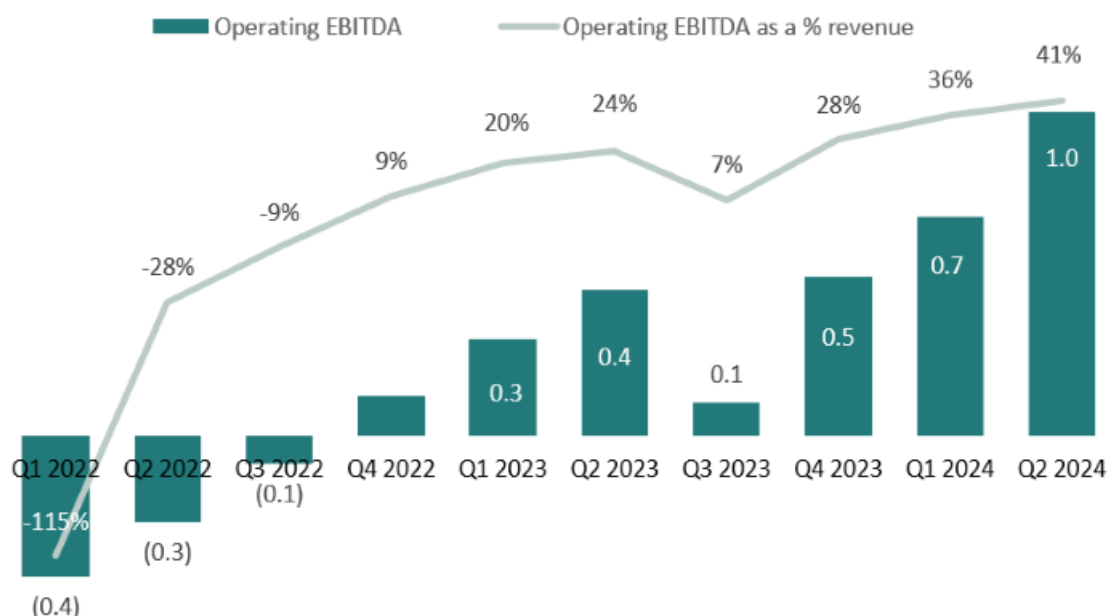
	Half-year ended 31 Dec 2023 \$'000	Half-year ended 31 Dec 2022 \$'000	Change \$'000	Change %
Operating revenue	4,321	3,347	974	29%
Cost of goods sold	(218)	(206)	(12)	(6%)
Gross margin	4,103	3,141	962	31%
<i>% of revenue</i>	<i>95%</i>	<i>94%</i>		
Marketing	(897)	(818)	(79)	(10%)
Employment costs	(984)	(1,131)	147	13%
Other operating expense	(502)	(448)	(54)	(12%)
Segment Operating EBITDA	1,720	744	976	131%
<i>% of revenue</i>	<i>40%</i>	<i>22%</i>		
<u><i>Marketplace Key Performance Metrics</i></u>				
GMV \$000s	18,685	15,569	3,116	20%
Take rate %	26.8%	24.2%	2.6ppt	11%
Bookings 000s	94	83	11	13%
New customers	25	23	2	9%
Average booking value	198	187	11	6%

In 1H 24, the Marketplace division delivered 29% operating revenue growth to \$4.3 million. This growth resulted from an 11% increase in bookings versus 1H 23, with average booking values increasing 6%. Overall, this led to a 20% increase in marketplace Gross Merchant Value for 1H 24.

The Marketplace division take rate improved 2.6 percentage points in 1H 2024 as the Group passed on increased service fees and continued to invest in sitter and owner features that improved the user experience.

The Marketplace division has strong operating leverage as revenue grows, with the cost base increasing at a much lower rate. In 1H 24, the Marketplace division Operating EBITDA was \$1.7 million, an improvement of \$1.0 million or 131% compared to 1H 23. The improvement in 1H 24 EBITDA was in line with the divisions revenue growth further demonstrating the high operating leverage as well as demonstrating the teams' improvements in reducing technology cost as a % of revenue. 1H 24 EBITDA margin for the Marketplace division was 40%.

Marketplace Operating EBITDA (\$m) – Quarterly for FY 2022 to 1H 24



e-Commerce division

	Half-year ended 31 Dec 2023 \$'000	Half-year ended 31 Dec 2022 \$'000	Change \$'000	Change %
Operating revenue	10,356	8,672	1,684	19%
Cost of goods sold	(7,464)	(6,483)	(981)	(15%)
Gross Margin	2,892	2,189	703	32%
<i>% of revenue</i>	28%	25%		
Marketing	(895)	(1,117)	222	20%
Employment costs	(1,910)	(2,029)	119	6%
Other operating expenses	(543)	(602)	59	10%
Segment Operating EBITDA	(456)	(1,559)	1,103	71%
<i>% of revenue</i>	(4%)	(18%)		
<u>e-Commerce Key Performance Metrics</u>				
Transactions	147	130	17	13%
New customers	40	40	-	-

In 1H 24, e-Commerce revenue increased 19% to \$10.4 million. Growth was driven by our Pet Chemist and Sash brands with the expansion of our private label brands as well increasing number of SKUs from our increased warehouse space in July 23. Excluding the impact of the Dinner Bowl closed product lines e-Commerce revenues increased 30%.

During the year, the Group focused on efficient marketing investment in our focus e-Commerce brands Pet Chemist and Sash, which drove an increase in new customers for these brands of 34% and 80% respectively. Overall new customer growth was flat in 1H 24 due to the closure of the unprofitable Dinner Bowl product lines and the focus on profitability in Waggly, which reduced marketing investment and new customers in these brands.

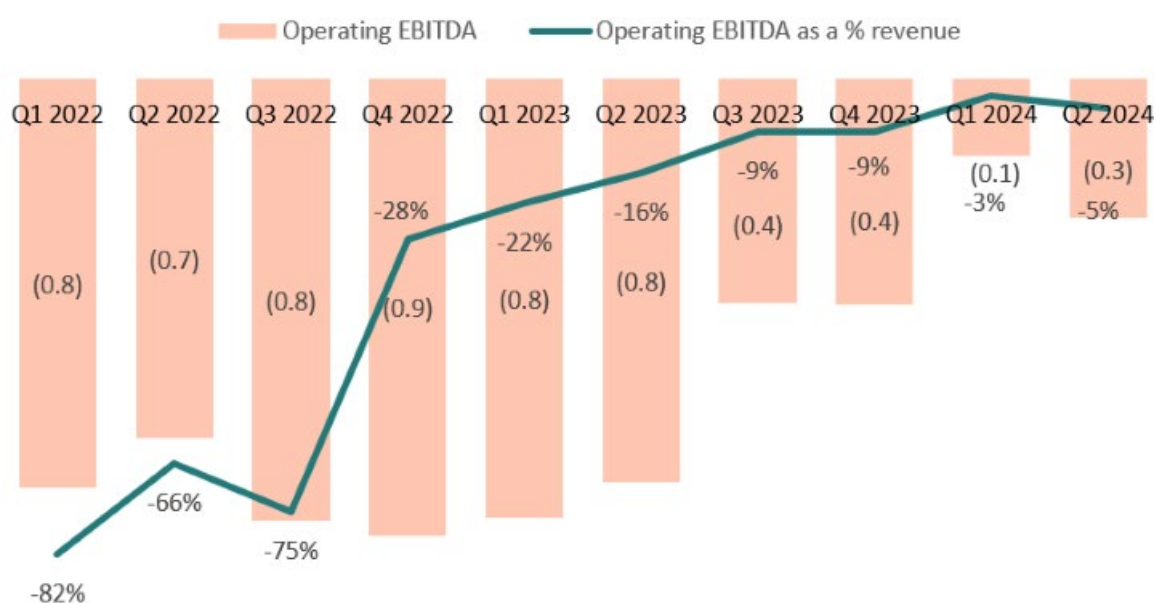
The Gross Margin in the e-Commerce division increased to \$2.9 million in 1H 24 with Gross Margin improving to 28%. The execution of the Group's private label strategy was successful, improving Waggly box margins and the Group ended the year with over 80% of Waggly subscription boxes filled with home-branded toys. In the Sash business, the Group continued to optimise the supplier mix, sourcing superior quality items at favourable prices.

The Group reduced marketing costs by \$0.2 million in the period partially due to the closure of the Dinner Bowl loss making products lines and the reallocation of marketing spend from Waggly to Pet Chemist and Sash with shorter payback periods.

In 1H24, employment costs increased by \$0.1 million, with a \$0.3 million saving due to the closure of raw and lightly cooked product lines within Dinner Bowl, this was offset by additional warehouse and customer support staff required to support order volume growth. As result of operational efficiency improvements employment costs excluding the benefit of the Dinner Bowl product closure have increased at below the revenue growth rate.

In 1H 24, the e-Commerce Operating EBITDA loss was \$0.5 million and an improvement of \$1.3 million or 71% compared to 1H 23.

e-Commerce Operating EBITDA (\$m) – Quarterly FY2022 to 1H 2024



Refer to note 2 for the directors' assessment of going concern.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial half-year.

Matters subsequent to the end of the financial half-year

On 16 February 2024, the Group secured an investment of \$5.25 million from Seven West Media ('SWM'). The investment is \$1.25 million in cash and the equivalent of \$4.0 million in advertising media across the SWM network.

The Company issued 43.75 million new fully paid ordinary shares in the Company in connection with the strategic investment on Monday, 19 February 2024 under Mad Paws' existing placement capacity under ASX Listing Rule 7.1. The shares are subject to a 12-month escrow upon issue subject to customary exceptions, including the ability to transfer the shares to affiliates and accept an offer under a takeover bid, a merger by way of a scheme of arrangement or company buy-back.

In addition to the initial \$5.25 million investment, Mad Paws has a 24-month discretionary option to acquire further advertising placements from SWM to the value of \$4 million. If exercised by Mad Paws, the purchase will be settled through the issue of a second tranche of ordinary shares to SWM at an issue price equal to Mad Paws' 30 day VWAP at the exercise date, capped at a minimum issue price of \$0.12 and a maximum issue price of \$0.25, and conditional on the receipt of requisite shareholder approvals. In the event the 30 day VWAP is below \$0.10 exercise of the option is also subject to Seven's prior approval.

On 5 February 2024, the Company issued a total of 4,568,531 ordinary shares. 963,086 shares were issued in lieu of cash fees for consulting and research services. 3,226,545 shares were issued as part of the Group's salary sacrifice scheme for eligible employees and directors. 378,900 shares were issued as part of the final deferred consideration of the Sash Beds acquisition.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Key risks

The material business key risks that could adversely affect the Group's financial performance and growth potential in future years and how the Group propose to mitigate such risks were detailed in the Annual Report at 30 June 2023. Those risks have been assessed up to the reporting date with no significant changes noted since then.

Auditor's independence declaration

A copy of the auditor's independence declaration is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Jan Pacas
Chairman



Justus Hammer
Chief Executive Officer

27 February 2024

27 February 2024

The Directors
Mad Paws Holdings Limited
L3, 55 Pyrmont Bridge Road
Pyrmont, NSW 2009

Auditor's Independence Declaration Under Section 307C of the *Corporations Act 2001* to Directors of Mad Paws Holdings Limited

As lead auditor for the review of the half year financial report of Mad Paws Holdings Limited for the half year ended 31 December 2023, I declare that to the best of my knowledge and belief, that there have been:

- (i) no contraventions of the auditor independence requirements of 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.

Yours sincerely,

Crowe Audit Australia

Crowe Audit Australia



Suwarti Asmono
Partner

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The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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	Note	Consolidated Half-year ended 31 Dec 2023 \$	Half-year ended 31 Dec 2022 \$
Revenue	4	14,677,124	11,992,671
Other income		-	68,638
Interest revenue calculated using the effective interest method		9,993	17,265
Expenses			
Raw materials and consumables used	5	(5,480,099)	(4,634,721)
Delivery expenses		(1,761,709)	(1,668,828)
Employee benefits expense		(3,442,953)	(4,375,492)
Contractors expense		(424,510)	(254,136)
Depreciation and amortisation expense	5	(1,149,133)	(455,073)
Impairment of assets	5	-	(322,152)
Share-based payments expense	5	(536,543)	(236,717)
IT expenses		(750,186)	(792,595)
Marketing expenses		(1,804,117)	(1,908,618)
Merchant fees		(480,301)	(440,231)
Professional and consultancy expenses		(284,192)	(280,927)
Travel expenses		(7,711)	(17,725)
Other expenses		(741,687)	(623,771)
Finance costs	5	(113,857)	(28,666)
Loss before income tax benefit		(2,289,881)	(3,961,078)
Income tax benefit		125,481	15,376
Loss after income tax benefit for the half-year attributable to the owners of Mad Paws Holdings Limited		(2,164,400)	(3,945,702)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of Mad Paws Holdings Limited		(2,164,400)	(3,945,702)
		Cents	Cents
Basic earnings per share	16	(0.61)	(1.24)
Diluted earnings per share	16	(0.61)	(1.24)

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

	Note	Consolidated	
		31 Dec 2023	30 Jun 2023
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		3,581,144	3,087,340
Trade and other receivables		361,617	167,856
Inventories	6	1,915,767	1,492,863
Income tax refund due		1,073	1,073
Other assets		742,312	746,278
Total current assets		6,601,913	5,495,410
Non-current assets			
Property, plant and equipment	7	149,551	144,949
Right-of-use assets	8	2,335,627	2,585,441
Intangibles	9	23,541,003	23,642,444
Other assets		449	10,336
Total non-current assets		26,026,630	26,383,170
Total assets		32,628,543	31,878,580
Liabilities			
Current liabilities			
Trade and other payables	10	5,028,361	4,352,992
Contract liabilities		980,077	655,274
Borrowings	11	399,074	186,241
Lease liabilities		376,049	356,925
Employee benefits		484,912	497,472
Other liabilities	12	4,319,411	3,005,214
Total current liabilities		11,587,884	9,054,118
Non-current liabilities			
Borrowings	11	15,819	15,819
Lease liabilities		2,185,771	2,306,835
Deferred tax		1,684,508	1,809,989
Employee benefits		106,397	88,421
Total non-current liabilities		3,992,495	4,221,064
Total liabilities		15,580,379	13,275,182
Net assets		17,048,164	18,603,398
Equity			
Issued capital	13	58,952,630	58,532,038
Reserves		(80,065)	(268,639)
Accumulated losses		(41,824,401)	(39,660,001)
Total equity		17,048,164	18,603,398

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

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2022	54,270,660	(657,868)	(32,015,150)	21,597,642
Loss after income tax benefit for the half-year	-	-	(3,945,702)	(3,945,702)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(3,945,702)	(3,945,702)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	855,215	-	-	855,215
Share-based payments (note 17)	-	157,045	-	157,045
Balance at 31 December 2022	<u>55,125,875</u>	<u>(500,823)</u>	<u>(35,960,852)</u>	<u>18,664,200</u>

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023	58,532,038	(268,639)	(39,660,001)	18,603,398
Loss after income tax benefit for the half-year	-	-	(2,164,400)	(2,164,400)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(2,164,400)	(2,164,400)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 13)	420,592	-	-	420,592
Share-based payments (note 17)	-	188,574	-	188,574
Balance at 31 December 2023	<u>58,952,630</u>	<u>(80,065)</u>	<u>(41,824,401)</u>	<u>17,048,164</u>

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

	Consolidated	
	Half-year ended 31 Dec 2023	Half-year ended 31 Dec 2022
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	28,070,428	23,549,403
Payments to suppliers - sitters payment	<u>(10,795,272)</u>	<u>(8,972,000)</u>
	17,275,156	14,577,403
Interest received	9,993	17,265
Payments to suppliers and employees (inclusive of GST)	(15,985,897)	(16,284,218)
Research and development tax incentive	-	410,558
Interest and other finance costs paid	<u>(113,857)</u>	<u>(28,666)</u>
Net cash from/(used in) operating activities	<u>1,185,395</u>	<u>(1,307,658)</u>
Cash flows from investing activities		
Payment for purchase of business, net of cash acquired	-	(23,845)
Payments for property, plant and equipment	(48,202)	(55,995)
Payments for intangibles	<u>(754,281)</u>	<u>(774,398)</u>
Net cash (used in) investing activities	<u>(802,483)</u>	<u>(854,238)</u>
Cash flows from financing activities		
Proceeds from borrowings	250,000	-
Repayment of borrowings	(33,008)	(30,476)
Repayment of lease liabilities	<u>(106,100)</u>	<u>(96,750)</u>
Net cash from/(used in) financing activities	<u>110,892</u>	<u>(127,226)</u>
Net increase/(decrease) in cash and cash equivalents	493,804	(2,289,122)
Cash and cash equivalents at the beginning of the financial half-year	<u>3,087,340</u>	<u>5,562,394</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>3,581,144</u></u>	<u><u>3,273,272</u></u>

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

Note 1. General information

The financial statements cover Mad Paws Holdings Limited as a Group consisting of Mad Paws Holdings Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Mad Paws Holdings Limited's functional and presentation currency.

Mad Paws Holdings Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 5, 126-130 Phillip Street
Sydney NSW 2000

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 February 2024.

Note 2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

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. The adoption of these Accounting Standards and Interpretations did not have any material impact on the financial performance or position of the Group during the financial half-year ended 31 December 2023 and are not expected to have a significant impact for the full financial year ending 30 June 2024.

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

Going concern

The Group has prepared the interim financial statements for the half-year ended 31 December 2023 on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

For the half-year ended 31 December 2023, the Group recorded a net loss of \$2,164,400 (31 December 2022: \$3,945,702) and had net cash inflows from operating activities of \$1,185,395 (31 December 2022: outflow of \$1,307,658). At 31 December 2023, the Group had cash and cash equivalents of \$3,581,144 (30 June 2023: \$3,087,340); net assets of \$17,048,164 (30 June 2023: \$18,603,398) and net current liabilities of \$4,985,971 (30 June 2023: \$3,558,708).

Note 2. Material accounting policy information (continued)

The following matters have been considered by the directors when determining the appropriateness of the going concern assumption:

- The Group secured an investment from entities associated with Seven West Media totalling \$5.25 million including \$1.25 million cash investment with \$4.0 million in media contra, which will increase the Group's cash balance as well as provide a platform to support growth opportunities for the Group for the next 12 months and beyond;
- The directors are of the view the Group will continue to experience revenue growth for the next 12 months. It is expected that, as the monthly revenue levels increase, the Group's operating segments will be in a position to contribute positive cash flows;
- A significant portion of marketing expense and employee benefit expense relates to expenditure on activities to drive future growth in the business, as opposed to maintaining current levels of operations. The Group has the ability to flexibly manage such expenses as and when required; and
- The Group has the ability to conduct future capital raises as and when to meet operational and investment requirements.

Based on these considerations, the directors are of the view that the Group will be able to pay its debts as and when they fall due for at least 12 months following the date of these financial statements and that it is appropriate for the financial statements to be prepared on the going concern basis.

Note 3. Operating segments

Identification of reportable operating segments

The Group is organised into two operating segments, being marketplace and e-commerce & subscription. The operating segments are identified based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

Other segments represent the activities of the corporate headquarters and central costs.

The CODM reviews operational EBITDA (earnings before interest, tax, depreciation, amortisation and non-operating income and costs).

The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements, except for the presentation of promotion discounts on subscription products. In the statement of profit or loss and other comprehensive income, revenue is presented net of promotion discounts on subscription products. For internal reporting purposes, promotion discounts on subscription products are presented as an expense.

The information reported to the CODM is on a monthly basis.

Types of products and services

The principal products and services of each of these operating segments are as follows:

Marketplace	An Australian based pet services marketplace that matches and connects pet owners seeking pet care services, such as walking, day care and grooming with pet sitters, walkers and other pet services providers, vetted and registered by Mad Paws.
e-Commerce & Subscription	Represents the groups of various pet product verticals including medication, over the counter pet related products, pet food and toys and treats.

Note 3. Operating segments (continued)

Operating segment information

	Marketplace \$	e-Commerce & Subscription \$	Other segments \$	Total \$
Consolidated – Half-year ended 31 Dec 2023				
Revenue				
Sales to external customers	4,320,530	10,356,594	-	14,677,124
Promotion discounts on subscription products	-	-	-	-
Total sales revenue	4,320,530	10,356,594	-	14,677,124
Interest revenue	-	-	9,993	9,993
Total revenue	4,320,530	10,356,594	9,993	14,687,117
Operational EBITDA				
Share-based payments				(399,116)
Depreciation and amortisation				(536,543)
Deferred consideration - linked to remuneration				(1,149,133)
Other non-operating items				1,916
Interest revenue				(103,141)
Finance costs				9,993
Loss before income tax benefit				(113,857)
Income tax benefit				(2,289,881)
Loss after income tax benefit				125,481
				(2,164,400)

	Marketplace \$	e-Commerce & Subscription \$	Other segments \$	Total \$
Consolidated – Half-year ended 31 Dec 2022				
Revenue				
Sales to external customers	3,347,151	8,671,548	-	12,018,699
Promotion discounts on subscription products	-	(26,028)	-	(26,028)
Total sales revenue	3,347,151	8,645,520	-	11,992,671
Interest revenue	-	-	17,265	17,265
Total revenue	3,347,151	8,645,520	17,265	12,009,936
Operational EBITDA				
Research and development rebate	744,724	(1,559,411)	(1,769,218)	(2,583,905)
Share-based payments				68,638
Depreciation and amortisation				(236,717)
Deferred consideration - linked to remuneration				(455,073)
Impairment of assets				(304,171)
Other non-operating items				(322,152)
Interest revenue				(116,297)
Finance costs				17,265
Loss before income tax benefit				(28,666)
Income tax benefit				(3,961,078)
Loss after income tax benefit				15,376
				(3,945,702)

All assets and liabilities, including taxes are not allocated to the operating segments as they are managed on an overall group basis.

Note 4. Revenue

	Consolidated	
	Half-year ended 31 Dec 2023 \$	Half-year ended 31 Dec 2022 \$
Rendering of services – booking fee	1,349,744	954,088
Rendering of services – service fee	2,970,786	2,393,063
Subscription revenue	1,486,534	2,094,834
e-Commerce revenue	8,125,538	5,948,416
Pet Medication order management fees	744,522	602,270
Revenue	<u>14,677,124</u>	<u>11,992,671</u>

Disaggregation of revenue

Revenue from contracts with customers is derived from:

- booking fees;
- service fees;
- sale of goods; and
- Pet Medication order management fees.

Booking fee

Booking fee revenue is recognised at the point in time of booking the sitting service. This is non-refundable should pet owners cancel the booking.

Service fee

Service fee revenue is recognised at the point in time of commencement of the sitting service.

e-Commerce & Subscription revenue

e-Commerce & Subscription revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of the goods are received by the customer.

Pet medication order management fees

Pet medication order management fees are recognised at the point in time when the medication has been dispatched to the customer, as this is where all the Group's contractual service conditions to the third party pharmacy are satisfied.

All revenue from contracts with customers is generated in Australia.

Note 5. Expenses

	Consolidated Half-year ended 31 Dec 2023 \$	Half-year ended 31 Dec 2022 \$
Loss before income tax includes the following specific expenses:		
<i>Cost of sales</i>		
Cost of sales	5,480,099	4,634,721
<i>Depreciation</i>		
Leasehold improvements	1,990	-
Plant and equipment	21,538	32,758
Computer equipment	17,765	17,671
Office equipment	2,305	1,956
Buildings right-of-use assets	246,813	109,484
Plant and equipment right-of-use assets	3,001	2,000
Total depreciation	293,412	163,869
<i>Amortisation</i>		
Brand, domain and trademarks	221,355	-
Customer relationships	98,900	60,500
Website and software development	353,456	230,704
Product listing	15,475	-
Pharmacy supply agreement	166,535	-
Total amortisation	855,721	291,204
Total depreciation and amortisation	1,149,133	455,073
<i>Impairment of assets</i>		
Plant and equipment	-	84,440
Website and software development	-	208,752
Inventory	-	28,960
Total impairment	-	322,152
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	24,905	-
Interest and finance charges paid/payable on lease liabilities	88,952	28,666
Finance costs expensed	113,857	28,666
<i>Leases</i>		
Short-term lease payments	62,720	104,548
<i>Share-based payments expense</i>		
Share-based payments expense - employee share option plan	281,117	119,744
Share-based payments expense - to employees/directors in lieu of cash remuneration	170,592	116,973
Share-based payments expense - to third parties in lieu of services provided	84,834	-
Total share-based payments expense	536,543	236,717

Note 6. Inventories

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$	\$
<i>Current assets</i>		
Stock in transit - at cost	272,790	212,805
Stock on hand - at cost	1,642,977	1,280,058
	<u>1,915,767</u>	<u>1,492,863</u>

Note 7. Property, plant and equipment

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$	\$
<i>Non-current assets</i>		
Leasehold improvements - at cost	36,234	31,810
Less: Accumulated depreciation	(25,901)	(23,911)
	<u>10,333</u>	<u>7,899</u>
Plant and equipment - at cost	473,087	478,444
Less: Accumulated depreciation	(237,222)	(264,817)
Less: Impairment	(112,775)	(112,775)
	<u>123,090</u>	<u>100,852</u>
Computer equipment - at cost	118,134	118,134
Less: Accumulated depreciation	(108,005)	(90,240)
	<u>10,129</u>	<u>27,894</u>
Office equipment - at cost	28,769	28,769
Less: Accumulated depreciation	(22,770)	(20,465)
	<u>5,999</u>	<u>8,304</u>
	<u>149,551</u>	<u>144,949</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Leasehold improvements \$	Plant and equipment \$	Computer equipment \$	Office equipment \$	Total \$
Balance at 1 July 2023	7,899	100,852	27,894	8,304	144,949
Additions	4,424	43,776	-	-	48,200
Depreciation expense	(1,990)	(21,538)	(17,765)	(2,305)	(43,598)
Balance at 31 December 2023	<u>10,333</u>	<u>123,090</u>	<u>10,129</u>	<u>5,999</u>	<u>149,551</u>

Note 8. Right-of-use assets

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$	\$
<i>Non-current assets</i>		
Buildings - right-of-use	3,026,530	3,026,530
Less: Accumulated depreciation	(477,558)	(230,745)
Less: Impairment	(235,357)	(235,357)
	<u>2,313,615</u>	<u>2,560,428</u>
Plant and equipment - right-of-use	30,016	30,016
Less: Accumulated depreciation	(8,004)	(5,003)
	<u>22,012</u>	<u>25,013</u>
	<u><u>2,335,627</u></u>	<u><u>2,585,441</u></u>

The Group leases a warehouse space under an agreement for 4 years and 4 months, which includes a 3 year option to extend. This option has been assumed as likely to be taken up and has therefore been incorporated into the value of the right of use asset.

During the year ended at 30 June 2023, the Group entered into a lease for additional warehouse space for its Pet Chemist business for 5 years. The lease includes a 5 year option to extend. The option has not been assumed to be taken up as it is currently uncertain if the warehouse space will continue to meet the Group's space needs in the future.

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Buildings - right-of-use \$	Plant and equipment - right-of-use \$	Total \$
Balance at 1 July 2023	2,560,428	25,013	2,585,441
Depreciation expense	(246,813)	(3,001)	(249,814)
Balance at 31 December 2023	<u><u>2,313,615</u></u>	<u><u>22,012</u></u>	<u><u>2,335,627</u></u>

Note 9. Intangibles

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$	\$
<i>Non-current assets</i>		
Goodwill - at cost	14,250,043	14,250,043
Brand, domain and trademarks - at cost	4,429,303	4,429,303
Less: Accumulated amortisation	(774,743)	(553,388)
	<u>3,654,560</u>	<u>3,875,915</u>
Customer relationships - at cost	747,000	747,000
Less: Accumulated amortisation	(446,983)	(348,083)
	<u>300,017</u>	<u>398,917</u>
Website and software development - at cost	4,506,416	3,808,397
Less: Accumulated amortisation	(1,746,941)	(1,449,404)
Less: Impairment	(208,752)	(208,752)
	<u>2,550,723</u>	<u>2,150,241</u>
Product listings - at cost	90,800	90,800
Less: Accumulated amortisation	(52,967)	(37,834)
	<u>37,833</u>	<u>52,966</u>
Pharmacy supply agreement - at cost	3,330,700	3,330,700
Less: Accumulated amortisation	(582,873)	(416,338)
	<u>2,747,827</u>	<u>2,914,362</u>
	<u>23,541,003</u>	<u>23,642,444</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	Goodwill	Brand, domain and trademarks	Customer relationships	Website and software development	Product listings	Pharmacy supply agreement	Total
	\$	\$	\$	\$	\$	\$	\$
Consolidated							
Balance at 1 July 2023	14,250,043	3,875,915	398,917	2,150,241	52,966	2,914,362	23,642,444
Additions	-	-	-	753,938	342	-	754,280
Amortisation expense	-	(221,355)	(98,900)	(353,456)	(15,475)	(166,535)	(855,721)
Balance at 31 December 2023	<u>14,250,043</u>	<u>3,654,560</u>	<u>300,017</u>	<u>2,550,723</u>	<u>37,833</u>	<u>2,747,827</u>	<u>23,541,003</u>

Note 10. Trade and other payables

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$	\$
<i>Current liabilities</i>		
Trade payables	3,122,258	2,547,400
Accrued expenses and other payables	1,686,793	1,636,253
GST payable	219,310	169,339
	<u>5,028,361</u>	<u>4,352,992</u>

Note 11. Borrowings

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$	\$
<i>Current liabilities</i>		
Bank loan - asset finance	4,271	8,430
Debt facility - Kashkade	193,343	-
Insurance premium funding	201,460	177,811
	<u>399,074</u>	<u>186,241</u>
<i>Non-current liabilities</i>		
Bank loan - asset finance	<u>15,819</u>	<u>15,819</u>

Bank loans

The bank loan - asset finance has a term of 5 years and is secured over the financed assets. Interest is charged at 5.5% per annum. The principal and interest are repaid in monthly instalments.

Debt facility - Kashkade

The Debt facility has a facility limit of \$1.0 million and can be used for working capital purposes, the facility can be draw down in maximum of \$250,000 per month with a minimum draw down of \$100,000. Each draw down has a repayment term of 12 months from the draw down date. A loan fee is charged of 14.5% at the time of drawdown, future loan fees will be 14.50% plus any change in the RBA cash rate since 30 September 2023, with principal and the loan fee repaid in monthly instalments. The facility is secured over the assets of the Group.

The facility will be subject to renewal 12 months after the last draw down of the facility.

Insurance premium funding

The facility, used to fund the Group's insurance premiums, has a term of 12 months and is repaid in monthly instalments.

Note 12. Other liabilities

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$	\$
<i>Current liabilities</i>		
Sitter deposit accounts	<u>4,319,411</u>	<u>3,005,214</u>

Note 13. Issued capital

	Consolidated			
	31 Dec 2023	30 Jun 2023	31 Dec 2023	30 Jun 2023
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>356,041,364</u>	<u>351,662,572</u>	<u>58,952,630</u>	<u>58,532,038</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2023	351,662,572		58,532,038
Issue of shares	4 September 2023	2,272,727	\$0.110	250,000
Issue of shares	8 September 2023	2,106,065	\$0.080	170,592
Balance	31 December 2023	<u>356,041,364</u>		<u>58,952,630</u>

Note 14. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 15. Contingent liabilities

There are no contingent liabilities or commitments as at 31 December 2023 and 30 June 2023.

Note 16. Earnings per share

	Consolidated Half-year ended 31 Dec 2023 \$	Consolidated Half-year ended 31 Dec 2022 \$
Loss after income tax attributable to the owners of Mad Paws Holdings Limited	(2,164,400)	(3,945,702)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	354,433,664	319,165,126
Weighted average number of ordinary shares used in calculating diluted earnings per share	354,433,664	319,165,126
	Cents	Cents
Basic earnings per share	(0.61)	(1.24)
Diluted earnings per share	(0.61)	(1.24)

Share options have been excluded from the above calculations as they were anti-dilutive.

61,221,869 (2022: 56,466,950) options over ordinary shares are not included in the calculation of diluted earnings per share because they are anti-dilutive for the half-year ended 31 December 2023. These options could potentially dilute basic earnings per share in the future.

Note 17. Share-based payments

Employee share options plan

Under the existing employee share options plan ('ESOP'), employee share options have been granted to certain employees as part of their remuneration package under Long Term Incentives ('LTI') and Short Term Incentives ('STI') arrangements.

LTI options

Under the LTI plan, options vest over 3 years, subject to the employees satisfying the vesting condition, which is an employment condition. There are no other vesting conditions attaching to the share options. Options vest as follows: one third over 12 months after start date, one third over 24 months after start date and one third over 36 months after start date. The options have a 6 year expiration.

STI options

Under the STI plan, employees will receive a minimum of 50% of their total eligible STI in STI options. STI options have a zero exercise price and vest in two equal tranches, with 50% vesting on the first anniversary after the date of grant, and the remaining 50% vesting on the second anniversary after the date of grant, subject to the participant's continued employment at the applicable vesting date. The options have a 5 year expiration.

Salary sacrifice scheme

The Company offers eligible directors and employees the option to sacrifice a percentage of their salary to be received in shares. Shares issued under the scheme are issued at a 10% discount to Volume Weighted Average Price (VWAP) calculated.

Note 17. Share-based payments (continued)

Options granted during the financial half-year related to the STI plan with 100% of the eligible STI settled in STI options as well as a discretionary option grant in lieu of salary increases for eligible employees, total expense for the half-year was \$281,117.

In addition, to the STI option expense the Group incurred share-based payment expense to employees/directors in lieu of cash remuneration of \$170,592 and to third parties in lieu of services provided of \$84,834.

Set out below are summaries of options granted under the plan:

	Number of options 31 Dec 2023	Weighted average exercise price 31 Dec 2023	Number of options 31 Dec 2022	Weighted average exercise price 31 Dec 2022
Outstanding at the beginning of the financial half-year	55,317,368	\$0.190	47,328,295	\$0.190
Granted	5,904,501	\$0.083	9,138,655	\$0.210
Outstanding at the end of the financial half-year	<u>61,221,869</u>	\$0.180	<u>56,466,950</u>	\$0.200
Exercisable at the end of the financial half-year	<u>50,169,201</u>	\$0.190	<u>42,446,661</u>	\$0.200

For the options granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Notional expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
07/09/2023	05/09/2028	\$0.083	\$0.010	61.000%	-	3.840%	\$0.083

Note 18. Events after the reporting period

On 16 February 2024, the Group secured an investment of \$5.25 million from Seven West Media ('SWM'). The investment is \$1.25 million in cash and the equivalent of \$4.0 million in advertising media across the SWM network.

The Company issued 43.75 million new fully paid ordinary shares in the Company in connection with the strategic investment on Monday, 19 February 2024 under Mad Paws' existing placement capacity under ASX Listing Rule 7.1. The shares are subject to a 12-month escrow upon issue subject to customary exceptions, including the ability to transfer the shares to affiliates and accept an offer under a takeover bid, a merger by way of a scheme of arrangement or company buy-back.

In addition to the initial \$5.25 million investment, Mad Paws has a 24-month discretionary option to acquire further advertising placements from SWM to the value of \$4 million. If exercised by Mad Paws, the purchase will be settled through the issue of a second tranche of ordinary shares to SWM at an issue price equal to Mad Paws' 30 day VWAP at the exercise date, capped at a minimum issue price of \$0.12 and a maximum issue price of \$0.25, and conditional on the receipt of requisite shareholder approvals. In the event the 30 day VWAP is below \$0.10 exercise of the option is also subject to Seven's prior approval.

On 5 February 2024, the Company issued a total of 4,568,531 ordinary shares. 963,086 shares were issued in lieu of cash fees for consulting and research services. 3,226,545 shares were issued as part of the Group's salary sacrifice scheme for eligible employees and directors. 378,900 shares were issued as part of the final deferred consideration of the Sash Beds acquisition.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Jan Pacas
Chairman



Justus Hammer
Chief Executive Officer

27 February 2024

Independent Auditor's Review Report to the Members of Mad Paws Holdings Limited

Conclusion

We have reviewed the half-year financial report of Mad Paws Holdings Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, 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, notes to the financial statements, including material accounting policy information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2023 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 of Conclusion

We conducted our review in accordance with ASRE 2410 *Review of 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 Half-Year Financial Report section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional 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.

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Responsibility 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 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 and 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 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.

Crowe Audit Australia

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Suwanti Asmono

Partner

27 February 2024