Appendix 4E

hipages Group Holdings Ltd

ABN 67 644 430 839

Reporting period	The year ended 30 June 2024
Previous reporting period	The year ended 30 June 2023

Results for announcement to market

		30 June 2024 A$'000	Change A$'000	Change %	30 June 2023 A$'000
Revenue					
Revenue from ordinary activities	**up**	**75,312**	9,419	14%	65,893
Revenue from other activities	**down**	**501**	(613)	(55%)	1,114
Total revenue	**up**	**75,813**	8,806	13%	67,007
Net profit/(loss) for the period attributable to members[1]	**up**	**3,563**	8,707	>100%	(5,144)
Net tangible assets		**$ per share**	**$ per share**	**%**	**$ per share**
Net tangible asset backing per ordinary security[2]	**up**	**0.001**	0.049	102%	(0.048)
Dividends					
No dividend will be paid for the year ended 30 June 2024					

1. Net profit for the period attributable to members includes a non-recurring gain of $3.079 million, related to the disposal of equity-accounted investment for the year ended 30 June 2024. (30 June 2023: Net loss for the period attributable to members includes an impairment of $3.100 million, which is non-cash in nature and is related to the investment in the New Zealand Cash Generating Unit (CGU), Builderscrack).
2. Net tangible assets represents net assets less right-of-use assets, intangible assets and deferred tax assets. The calculation is based upon the weighted average number of shares on issue during the period.

Review of operations

A review of the Group's operations during the year ended 30 June 2024 and the results of those operations are included in the 30 June 2024 Directors' Report.

Change in ownership of controlled entities and associated entities

Controlled entities: There have been no changes in ownership of controlled entities during the current year ended 30 June 2024.

Associated entity: PropTech Labs, an equity-accounted investment in which the Group held a 19.53% stake was disposed in full during November 2023 for a cash consideration of $8.400 million.

Dividend reinvestment plans

There are no dividend reinvestment plans in place.

Appendix 4E continued

Additional Appendix 4E disclosures pursuant to ASX Listing Rule 4.3A

Additional Appendix 4E disclosures can be found in the attached audited Consolidated Financial Report and the Directors' Report for the year ended 30 June 2024.

This report is based on the Consolidated Financial Report for the year ended 30 June 2024 which has been audited by PwC with the Independent Auditor's Review Report included in the Annual Financial Report.

Financial Report 2024

hipages Group Holdings Ltd
ABN 67 644 430 839


CRANE TREK

Contents

Directors' Report

Board of Directors (from left to right): Kate Hill, Nicholas Gray, Inese Kingsmill, Roby Sharon-Zipser, Adir Shiffman and Kate Mills

Directors

The names of the Directors of hipages Group Holdings Ltd in office during the reporting period are set out on the following pages. Directors were in office for this entire period unless otherwise stated.

The Directors of hipages Group Holdings Ltd present their report together with the Consolidated Financial Statements of hipages Group Holdings Ltd (referred to hereafter as hipages Group, the Company, the consolidated entity or the Group) consisting of hipages Group Holdings Ltd and the entities it controlled at the end of, or during, the year ended 30 June 2024 (FY24) and the Independent Auditor's Report on the Group.

Inese Kingsmill

B Bus MAICD

Chair and Independent Non-Executive Director

Member of the Audit and Risk Committee and Remuneration and Nominations Committee

Date of appointment: 1 October 2020

Experience and other directorships

Over the course of a career spanning 25 years, Inese has earned a reputation as a growth-focused and customer orientated business leader, with leadership experience across a broad spectrum of accountabilities at Microsoft, Telstra and Virgin Australia.

Inese has been involved with and led major transformations across a range of scenarios including enterprise-wide business restructuring, culture change, digital transformations, customer experience and design, brand re-launches and re-positioning as well as developing fit-for-purpose operating models.

Inese currently serves as a Non-Executive Director on the boards of Noble Oak Life Limited and Bigtincan Holdings Limited and is the Chair of the Board of Sonder Australia Pty Ltd. She is also Independent Chair of Sonder Holdings.

Robert (Roby) Sharon-Zipser

B Comm GAICD

Co-founder, Chief Executive Officer and Executive Director

Roby co-founded hipages in 2004 and has been a Director of the hipages Board since 2005.

Date of appointment: 18 September 2020

Experience and other directorships

Roby commenced his career as a Senior Accountant, working with PwC and Allco Finance Group on clients from a broad range of industries. He subsequently founded his own boutique accounting firm Advanced Audit Solutions, offering audit, accounts payable and recovery services for large Australian corporate clients. Roby also provided a small business advisory service.

Roby holds a Bachelor of Commerce, and is a graduate member of the Australian Institute of Company Directors and a member of Chartered Accountants of Australia and New Zealand.

Adir Shiffman

MBBS, Medicine

Independent Non-Executive Director

Member of the Remuneration and Nominations Committee

Date of appointment: 7 July 2023

Experience and other directorships

Adir is an accomplished technology sector founder, investor, and the Executive Chairman of ASX-listed global athlete analytics business Catapult Sports (ASX: CAT). A registered medical practitioner with a particular interest in subscription software, e-commerce and health technology. He has advised many of Australia's largest companies, startups and early-stage companies on their online strategy and execution.

Adir holds a Bachelor of Medicine, Bachelor of Surgery from Monash University. Prior to becoming involved in the technology sector, he practised as a doctor.

Kate Hill

BSc (Hons) GAICD CA

Independent Non-Executive Director

Chair of the Audit and Risk Committee

Date of appointment: 25 August 2023

Experience and other directorships

Kate is an accountant and public company director with over 30 years' experience working with listed and private companies, including over 20 years as an audit partner with Deloitte in Australia. Kate has extensive audit and capital markets experience, including Initial Public Offerings, capital raising, governance and compliance. Kate held a variety of leadership roles within Deloitte including serving for a period on the Board of Partners of the Australian firm.

Kate is an Independent Non-Executive Director of ASX listed Count Limited, Artrya Limited and MedAdviser Limited, as well as Chair of UK-listed Seeing Machines Limited.

Kate holds a Bachelor of Science (Hons) from Bristol University, is a member of the Institute of Chartered Accountants in Australia and New Zealand, and a graduate of the Australian Institute of Company Directors.

Kate Mills

BA/LLB (ANU)

Master of Laws (UNSW)

Independent Non-Executive Director

Chair of the Remuneration and Nominations Committee

Member of the Audit and Risk Committee

Date of appointment: 1 December 2022

Experience and other directorships

Kate is a commercial lawyer with 30 years' experience in practice and corporate roles, specialising in financial services and capital markets, public and private mergers and acquisitions, and corporate governance. She is a Partner at Gadens law firm, having previously been a Partner at King and Wood Mallesons.

She has also been general counsel at iSelect Ltd, government body FASEA, senior in-house counsel to ASX (market and listing rules enforcement) and was a senior policy adviser to the Federal Treasury, including as Head of the ASIC Enforcement Review Taskforce, and development of a new corporate collective investment vehicle.

Kate is currently the Chair of the Board of Biennale of Sydney Ltd.

Kate holds a Master of International Law from the University of New South Wales and a Bachelor of Arts from the Australian National University.

Nicholas Gray

LLB B Comm (UNSW)

Non-Independent Non-Executive Director

Member of the Remuneration and Nominations Committee

Nicholas is a Nominee Director for substantial shareholder News Corp Australia.

Date of appointment: 2 October 2020

Experience and other directorships

Nicholas currently serves as Managing Director and Publisher of The Australian and Prestige and Managing Director of Tech Platform Partnerships at News Corp Australia (NCA). Past roles at NCA include CEO of The Australian, MD of Vogue, MD of Subscriptions and Director of Transformation.

He is a Director (and former Chair) of ThinkNewsBrands and a Non-Executive Director of the UNSW Foundation.

Nicholas has prior experience in senior finance, sales and strategy roles at nine digital (then known as ninemsn) and Lion Co, as well as in investment banking at Citi and Macquarie Bank.

Nicholas has a Bachelor of Laws and a Bachelor of Commerce (Accounting) from the University of New South Wales.

Directors’ resignation

Chris Knoblanche and Stacey Brown both retired as Directors on 25 August 2023 after making a significant contribution to the Group during their tenure.

Company Secretaries

Kylie Quinlivan

Bachelor of Commerce-Law (Hons)
Master of Laws

Kylie joined hipages as General Counsel and Company Secretary on 11 October 2021. Kylie is a top tier trained corporate lawyer with over 17 years’ experience in public and private M&A, fundraising and corporate governance. This is her second role as General Counsel and Company Secretary of an ASX-listed Company. Kylie holds a Bachelor of Commerce/Law (Hons) and a Master of Laws from the University of Sydney.

Lucy Thompson

Bachelor of Science in Medical Science and Juris Doctor

Lucy joined hipages as Legal Counsel on 31 January 2022 and was appointed as Assistant Company Secretary on 22 December 2022. Lucy holds a Bachelor of Science in Medical Science and a Juris Doctor from the University of Technology Sydney. She has a certificate in Governance Practice from the Governance Institute of Australia.

Principal activities

hipages Group is Australia and New Zealand’s (ANZ’s) #1 platform to connect homeowners and tradies. Through its platforms hipages (Australia) and hipages New Zealand (Builderscrack) more than 4.8 million Australians and New Zealanders have used hipages Group to change the way they find, hire and manage trusted tradies, providing more work to over 36,700 subscribed trade businesses.

The Group has continued its strategic evolution from marketplace to platform with the integration of the job management solution ‘tradiecore’ in April 2024.

Operating and financial review

For the 12 months ended 30 June 2024, hipages Group delivered continued growth in its key financial and operating metrics.

A reconciliation of reported results in the Financial Statements to non-IFRS (International Financial Reporting Standards) numbers in the Directors' Report is provided below.[1]

Result overview

Summary of Group performance	30 June 2024 $'000	30 June 2023 $'000	Change %
Revenue			
Revenue from ordinary activities	**75,312**	65,893	**14%**
Revenue from other activities	**501**	1,114	**(55%)**
Total revenue	**75,813**	67,007	**13%**
Statutory EBITDA[2]	**16,756**	9,424	**78%**
Add back items which are one-off in nature:			
Goodwill impairment of New Zealand subsidiary (Builderscrack)	–	3,100	**(100%)**
Write back of deferred consideration related to historical acquisition of New Zealand subsidiary (Builderscrack)	**(369)**	(369)	–
Non-recurring remuneration	–	130	**(100%)**
EBITDA before significant items	**16,387**	12,285	**33%**
EBITDA margin	**22%**	18%	**4 ppt**
Statutory net profit/(loss) after tax	**3,563**	(5,144)	**169%**
Add back items which are one-off in nature:			
Goodwill impairment of New Zealand subsidiary (Builderscrack)	–	3,100	**(100%)**
Non-recurring gain on disposal of equity-accounted investment, net of tax	**(3,079)**	–	**100%**
Write back of deferred consideration related to historical acquisition of New Zealand subsidiary (Builderscrack)	**(369)**	(369)	–
Non-recurring remuneration	–	130	**(100%)**
Net profit/(loss) after tax, excluding items one-off in nature	**115**	(2,283)	**105%**
Net cash inflows from operating activities	**19,310**	15,697	**23%**
Cash and cash equivalents	**20,116**	8,540	**136%**
Cash and cash equivalents and funds on deposit	**21,266**	10,727	**98%**

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1. The hipages financial report complies with Australian Accounting Standards and International Financial Reporting Standards. The statutory results have been adjusted for one-off items on the basis that management believes this reflects a more meaningful measure of the Group's underlying performance. The underlying (non-IFRS) EBITDA before significant items is unaudited but is derived from the audited financial statements by removing the impact of certain one-off items.
2. EBITDA: Earnings Before Interest, Tax, Depreciation and Amortisation.

Operating and financial review continued

Key Operational Metrics	30 June 2024	30 June 2023	Change (%)
MRR ($m)	**6.44**	5.72	**13%**
Subscription tradies (000's)	**36.70**	35.70	**3%**
ARPU ($)	**2,079**	1,872	**11%**

Key operational highlights

Key highlights[3] include:

- Record tradie activity and proactive marketplace management delivering double digit revenue growth, positive NPAT and free cash flow in FY24;
- Revenue from ordinary activities up 14% to $75.312 million;
- Recurring revenue up 15% to $72.089 million, comprising 95% of total revenue;
- MRR[4] up 13% to $6.438 million at June 2024, fuelled by yield uplift in the context of strong tradie demand;
- EBITDA before significant items up 33% to $16.387 million, reflecting an EBITDA margin of 22%, up four percentage points;
- Subscription tradies up 3% to 36.7k[5];
- ARPU[6] up 11% to $2,079, with hipages Australia up 11% to $2,199;
- Successful launch of hipages tradiecore platform during April 2024 combining lead generation and job management into a single application for tradies; and
- Free cash flow inflection point achieved with the Group generating $2.144 million free cash flow for the full year bolstering its financial position with $21.266 million cash and funds on deposit with no debt at period end.

FY24 performance

hipages Group ended a very successful FY24 while it continues to benefit from the current macroeconomic environment, driving increased demand from tradies using the hipages platform to connect to jobs posted by homeowners. Homeowners, in turn, are benefitting from the increased engagement and competition for those jobs. The Group's strong key metrics and other lead indicators clearly show how the Group benefits from softer economic activity.

The financial year reflected continued pressure on homeowners as fewer jobs increased the demand for the platform amongst tradies as they looked to connect to quality jobs. The marketplace continued to deliver high value for tradies and homeowners which translated into healthy revenue growth over both halves as the Group increased yields through pricing initiatives across both new and existing tradie cohorts, whilst maintaining the marketplace momentum.

Revenue growth was strong over the financial year as MRR continued its growth trajectory and closed the year at $6.438 million, up 13% on the pcp. The total revenue for FY24 was up 13% to $75.813 million, with operating revenue up 14% to $75.312 million, while recurring revenue was up 15% to $72.089 million, comprising a very pleasing 95% of total revenue.

Demand for the Group's services from new and returning tradies remained robust, with subscription tradies growing by 3% to 36,700, as tradies continue to join at record yields and ascend to higher-priced packages. FY24 saw continued strong ARPU growth of 11% to $2,079, or up 11% to $2,199 for the core hipages business in Australia, supported by new business yields expanding 4% yoy, including increased subscription prices and dynamic lead pricing driving increased credit usage and ascensions to higher tiers.

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3. A comparison refers to the prior corresponding period (pcp) unless otherwise stated.
4. MRR: Monthly Recurring Revenue at 30 June 2024 (exclusive of GST).
5. Subscription tradies includes 3,644 New Zealand paying tradies of hipages New Zealand (Builderscrack).
6. Average Annual Revenue Per Unit (Tradie ARPU) is the annual operating revenue (total revenue from ordinary activities) divided by the average of the opening and closing number of total hipages tradies and paying Builderscrack tradies for the period. hipages Group ARPU of $2,079 is the blended result of hipages' ARPU of $2,199 and Builderscrack's ARPU of $964.

FY24 performance continued

Subdued homeowner demand in the current economic environment resulted in 1.3 million jobs, down 6% vs. the pcp. However, pleasingly the number of tradie-homeowner connections grew 3% vs. the pcp to a record 2.711 million connections. This is a direct reflection of tradies' increased activity in the marketplace, and resulting in an exceptional homeowner experience, with 86% of jobs being connected with a tradie in H2.

EBITDA before significant items increased by 33% to $16.387 million, with marketing efficiencies, disciplined expense management and enhanced operating leverage driving the EBITDA margin up 4 percentage points to a very healthy 22%. The Group's efficient marketing strategy delivered a two-percentage point improvement in marketing expense as a percentage of revenue, with 78% of jobs coming from unpaid channels and 73% of jobs from repeat homeowners.

The Group reported a full year net profit after tax of $3.563 million as it benefitted from the sale of its equity-accounted investment in PropTech Labs, realising an overall gain of $3.079 million in the financial year. Adjusting for items of a one-off nature, the Group generated a net profit after tax of $0.115 million compared to a net loss after tax of $2.283 million in the previous year. Importantly, the Group was cash flow positive for the full year, generating free cash flow of $2.144 million, compared to a negative free cash flow of $2.790 million in the previous year. FY24 was an inflection point for the Group in cash generation and a very important milestone as it bolstered its cash and funds on deposit to $21.266 million, setting a solid foundation to execute on its long-term strategy.

Executing the strategy

While the current macroeconomic environment is favourable for the hipages Group business model in the near term, the Group has evolved its strategy to a single tradie platform to reduce its exposure to the economic cycle and open up new opportunities for growth.

The Group reached another important milestone in its evolution from a pure marketplace business to a full-service tradie platform by launching the all-in-one hipages tradiecore application during April 2024 to help tradies run better businesses. This brings together lead generation and job management features into one easy-to-use application for tradies and represents an Australian first.

From April 2024, all new tradie businesses that register with hipages Australia are enrolled into the single tradie platform where they will have access to all lead and job management tools in one single application. The new single tradie platform combines all the features of job lead claiming, quoting, scheduling, invoicing, messaging, payment acceptance and accounting integration. This enables tradies to complete an entire job, from lead claim to completion and payment in one simple-to-use interface.

During H2 FY25, the Group will start migrating existing tradie businesses into the new platform as they reach their contract renewal dates, a process the Company expects to complete during FY26. This represents a significant opportunity to provide existing tradies with value-added services, as well as attracting new tradies who don't currently use hipages for lead generation.

hipages tradiecore is expected to deliver significantly enhanced tradie retention and tradie lifetime value by offering a range of value-added services to drive future revenue growth opportunities. Over time, the rich data received from hipages tradiecore will provide powerful insights to further enhance the user experience for tradies, as well as identifying opportunities for new products and services for homeowners to support further future growth.

hipages New Zealand (trading as Builderscrack) experienced a marked improvement in trading performance compared to the previous year despite the continued weak economic environment. A key contributing factor of the improved performance resulted from the move to a hybrid subscription model comprising a combination of a small monthly fee and success fees. This evolution is in line with the strategy to move towards a full subscription model similar to hipages Australia. hipages New Zealand is progressing well with this transition and has introduced its first subscription only contracts during June 2024 for all new tradies, and will start migrating existing tradies onto the full subscription model during FY25.

Net debt/Net cash

The Group reached a milestone by achieving positive free cash flow for the year and as a result reported strong positive statutory operating cash flow of $19.310 million (30 June 2023: $15.697 million).

Cash outflow from investing activities reduced to $5.290 million (30 June 2023: $15.503 million) driven mainly by the proceeds of $8.400 million following the sale of PropTech Labs as well as the release of a $1.037 million bank guarantee related to a property lease.

hipages closed 30 June 2024 with cash and funds on deposit of $21.266 million (30 June 2023: $10.727 million) and no debt.

FY25 outlook

The Group's outlook for FY25 is positive, with the core marketplace business carrying strong trading momentum and the recently launched single tradie platform presenting incremental growth opportunities. The Group has historically benefitted from its countercyclical model during periods of softer homeowner demand and stronger competition among tradies, which we anticipate will continue into FY25. With the launch of the single tradie platform, the Company is widening its value proposition to servicing tradies beyond just job lead generation, with the aim of reducing the Company's exposure to market cycles.

Having delivered positive net cash flow for the full year, hipages Group has reached an inflexion point and is well positioned for continued profitable growth.

Our FY25 outlook should be read together with the material business risks in the following table.

Material business risks

Risk categories	Key business risks and impact	Mitigation and monitoring strategies
Platform performance	**Failure to attract new tradies and/or failure to attract new tradies at expected yields** If hipages is unable to attract new tradies to the platform and/or is unable to attract new tradies at the yields hipages currently expects, this may adversely impact hipages' financial performance and growth.	• Investment in hipages brand and marketing initiatives to keep hipages top-of-mind for tradies • Development and optimisation of hipages' sales teams to convert tradies' interest
	Failure to retain tradies If tradies are not retained on the hipages platform, this may adversely impact hipages' financial performance and growth.	• hipages has undertaken significant investment to increase value for our tradies through job management features and partnerships • Data driven initiatives focus our feature enhancements on what our tradies really want
	Material reduction in jobs If hipages has a material reduction in the number of jobs posted by homeowners on the platform, including as a result of macroeconomic conditions, then the hipages marketplace may become imbalanced affecting tradies' experience. Whilst indirect, this may have an adverse impact on hipages' financial performance and growth.	• Invest in brand and marketing activities like SEO to drive homeowner jobs • Tactically reallocate performance marketing spend to drive more job volumes when, and where, required

Material business risks continued

Risk categories	Key business risks and impact	Mitigation and monitoring strategies
	Failure of the single tradie platform to drive yield and retention benefits If tradies are not willing to migrate to, and actively engage with, the new single tradie platform – hipages tradiecore: lead generation and job management in one app; this may adversely impact the Company's growth.	• hipages continues to invest in job management features to provide a seamless end-to-end experience for tradies
Technology and data	**Technology** hipages technology risks are threefold: outages, technology debt, and third party technology threats. If hipages technology experiences downtime or systems failures for a prolonged period, the Company may not be able to provide its services and this may have an adverse impact on financial performance. If hipages does not invest appropriately in its technology, its ability to be agile, innovative and competitive can be hindered by technology debt. Third party technology threats, such as artificial intelligence, may disrupt or cause hipages product obsolescence.	• Continued investment in technology to enhance the platform for long-term growth • Teams experiment with and incorporate new technology, such as AI, to optimise existing processes
	Cybersecurity and data protection Whilst hipages has systems in place to secure its data, cyberattacks could compromise or breach these safeguards.	• The Company's security program applies a risk-based approach to tackling current and emerging cyber security threats and vulnerabilities • Regular assessment of cyber security controls, monitoring of third-party providers, targeted internal and external penetration testing and externally facilitated tabletop exercises
Macroeconomic deterioration	**Significant deterioration in macroeconomic conditions** A significant deterioration in macroeconomic conditions may cause: • softer homeowner demand resulting in a reduction of jobs on the platform; and/or • tradies to reduce marketing spend, resulting in the platform attracting fewer new tradies and retaining less of its existing tradie base.	• Subscription model provides recurring revenue which helps smooth volatility • Countercyclicality of model means softer homeowner demand may balance the marketplace and increases the importance of the platform for tradies to source jobs • Reminding tradies that hipages provides a high ROI channel for tradies to find work in a lower demand environment, making it more attractive

Changes in the state of affairs

There were no significant changes in the state of affairs during the year ended 30 June 2024.

Environmental regulations and climate change

The Group's operations are not subject to any significant Commonwealth or State environmental regulations or laws. The Group is aware of the general risks associated with climate change and continues to be committed to operating sustainably. hipages Group will provide an Environmental Social Governance (ESG) snapshot in the 2024 Annual Report.

Corporate governance statement

The Board is committed to effective corporate governance. The Board has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council.

A description of current corporate governance practices is set out in the Group's Corporate Governance Statement which can be viewed at https://hipagesgroup.com.au/investor-centre/corporate-governance/.

Dividends

No dividend has been proposed or paid during the year ended 30 June 2024 (30 June 2023: nil).

Directors' meetings

	Board meetings		Audit and Risk Committee meetings		Remuneration and Nominations Committee meetings	
Director	**Eligible**	**Attended**	**Eligible**	**Attended**	**Eligible**	**Attended**
Inese Kingsmill	10	10	4	4	4	4
Roby Sharon-Zipser	10	10	4	4	3	3
Adir Shiffman	10	8	–	–	4	4
Kate Hill	8	8	3	3	–	–
Kate Mills	10	8	4	4	4	4
Nicholas Gray	10	9	–	2	4	4
Stacey Brown	2	2	1	1	–	–
Chris Knoblanche	2	2	1	1	–	–

Directors' interest in shares and share rights

Director	Shares held at reporting date 30-Jun-24	Rights held at reporting date 30-Jun-24	Shares held at reporting date 30-Jun-23	Rights held at reporting date 30-Jun-23
Inese Kingsmill[1]	**72,609**	**70,844**	24,609	–
Roby Sharon-Zipser	**9,103,900**	**450,155**	8,987,848	248,410
Adir Shiffman	**–**	**–**	–	–
Kate Hill	**–**	**–**	–	–
Kate Mills	**–**	**43,795**	–	–
Nicholas Gray	**–**	**–**	–	–
Stacey Brown	**n/a**	**–**	71,309	–
Chris Knoblanche	**n/a**	**–**	239,074	158,876

Indemnification and insurance of Directors and Officers

The Company's Constitution provides that the Company will, to the extent permitted by law, indemnify the Group's Directors and Officers against liabilities and related legal costs incurred in their capacity as Officers. The Company has entered into a Deed of Access, Indemnity and Insurance with its current and former Directors and Officers. During the reporting period, the Company paid a premium for a Directors and Officers insurance policy which covers the Directors and Officers against certain liabilities in accordance with the terms of the policy. The insurance contract requires the nature of the liability covered and the amount of premium paid to be confidential.

Auditor

PwC is the Group's auditor and continues in this position in accordance with section 327A of the Corporations Act. To the extent permitted by law, the Company has agreed to indemnify PwC as part of its audit engagement agreement. No payment has been made to indemnify PwC.

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[1] Shares held at the reporting date includes ordinary shares held by related parties.

Audit and non-audit services

Total fees paid or payable to the auditor for audit and non-audit services provided by PwC to the Group during the year are as detailed below:

	30-Jun-24 $	30-Jun-23 $
Audit and review services		
Auditors of the Group – PwC	**440,045**	409,000
Assurance and other services		
ASX Appendix 4C review	**–**	6,000
Total auditor remuneration for non-audit services	**–**	6,000
Total fees paid or payable to auditor – PwC	**440,045**	415,000

The Directors are satisfied that the provision of these non-audit services during the year by the auditors is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that the auditor independence was not compromised.

Subsequent events

On 29 July 2024, the Group signed a five-year lease agreement in respect of office premises in Melbourne on normal commercial terms and conditions. It is anticipated the lease will be recognised as a finance lease in accordance with accounting standards.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected the Group's operations, results or state of affairs.

Rounding of amounts

The Company is an entity to which the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 applies. Amounts have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

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 page 46.

This report is made in accordance with a resolution of Directors.

Inese Kingsmill
Chair

Robert Sharon-Zipser
CEO and Executive Director

Sydney
22 August 2024

As we embark on the next chapter of our journey, we remain focused on leveraging our strong foundation to drive further innovation and growth.

Remuneration Report

Dear Shareholder, It is my pleasure, on behalf of the Board of Directors, to present the hipages Group Remuneration Report, comprising hipages Group Holdings Ltd and its controlled entities, for the financial year ended 30 June 2024.

I am delighted to present our Annual Remuneration Report for the fiscal year, celebrating a year of remarkable milestones and growth for our Company.

This year marks a significant milestone — hipages Group's 20th anniversary. Over the past two decades, we have consistently evolved and adapted to meet the needs of our tradies and the market. Our dedication to innovation has culminated in the successful launch of our single tradie platform providing end-to-end job lead and client connections and business administration services. This comprehensive solution not only simplifies operations for our tradies but also positions us as a leader in providing integrated trade business solutions in Australia and New Zealand.

We are also pleased to have delivered positive free cash flow this year. This achievement is the result of robust revenue growth, disciplined expense management, and more targeted research and development spending. These strategic efforts have strengthened our financial position and paved the way for greater shareholder value creation.

As we celebrate these accomplishments, the Remuneration and Nominations Committee (RNC) remains committed to ensuring that our remuneration practices are aligned with shareholder interests and our long-term strategic objectives. We believe that our compensation structures reflect our commitment to sustainable growth, innovation, and the creation of shareholder value.

Acknowledging the continuing competitive Australian executive talent market, and the performance of the executive, the Board aided by the RNC, has sought to achieve a balance between prudent cost management and appropriate reward and motivation.

hipages Group has a comprehensive RNC Charter which ensures that the Board and Executive Remuneration framework is assessed annually, including its ongoing effectiveness in driving strategy, financial growth and performance, while aligning with shareholder interests.

Key Management Personnel (KMP) Executive remuneration for FY24 and performance outcomes are outlined in this report.

We also reviewed to market the remuneration of Board Non-Executive Directors (NEDs) and determined a small adjustment was needed to Committee member fees to remain competitive; this will be effective 1 September 2024 to align with the whole Company annual review cycle.

Finally, we wish to acknowledge the performance of the Executive team in achieving milestone financial results while maintaining our position as a Great Place to Work and our continuing track record in achieving exceptionally high Employee Engagement and remaining a leader in the technology industry for Diversity, Equality and Belonging.

As we embark on the next chapter of our journey, we remain focused on leveraging our strong foundation to drive further innovation and growth. We are confident that our strategic initiatives, coupled with our solid financial position, will deliver outstanding results for our shareholders.

Thank you for your continued support and trust in our Company. We look forward to another year of shared success.

Yours sincerely,

Kate Mills

Chair of the Remuneration and
Nominations Committee

Contents

The Directors are pleased to present the Remuneration Report prepared in accordance with section 300A of the Corporations Act 2001 ('the Act') for the consolidated entity for the year ended 30 June 2024.

This Remuneration Report, which forms part of the Directors' Report, outlines the remuneration strategy, framework and practices adopted by hipages Group in accordance with the requirements of the Act and its regulations. The information provided in this Remuneration Report has been audited as required by Section 308 (3C) of the Corporations Act 2001. This report details remuneration information pertaining to Directors and Executives who are the 'Key Management Personnel' ('KMP').

Abbreviations used in this report

Act	*Corporations Act 2001* (Cth)
AGM	Annual General Meeting
ANZ	Australia and New Zealand
ARC	Audit and Risk Committee
ASX	Australian Stock Exchange
CEO	Chief Executive Officer
CFOO	Chief Finance and Operations Officer
ED	Executive Director
FY	Financial year
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
HMEP	hipages Management Equity Plan
IPO	Initial Public Offering
KMP	Key Management Personnel
KPI	Key Performance Indicator
LTI	Long-term Incentive
NED	Non-Executive Director
RNC	Remuneration and Nominations Committee
STI	Short-term Incentive
TSR	Total Shareholder Return
rTSR	relative Total Shareholder Return
TFR	Total Fixed Remuneration
VWAP	Volume Weighted Average Price

Defined terms

hipages Group or hipages:
hipages Group Holdings Ltd, and its subsidiaries.

Executive:
Includes the CEO and his direct reports including the Chief Finance and Operations Officer, Chief People and Culture Officer, Chief Product Officer, Chief Technology Officer, and General Counsel and Company Secretary.

Executive Director:
Refers to the CEO.

Executive KMP:
Refers to the CEO and the CFOO.

Non-Executive Directors:
Refers to all Directors except for the CEO.

1. Persons to whom this Report applies

The remuneration disclosures in this report apply to those persons who have been classified as Key Management Personnel (KMP). KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the consolidated entity, directly or indirectly, including all Directors (Non-Executive and Executive) and the Chief Finance and Operations Officer (CFOO) of hipages Group during the financial year ended 30 June 2024. The KMP during the year ended 30 June 2024 are set out below.

Name	Role	Term as KMP
Non-Executive KMP		
Inese Kingsmill	Independent, Non-Executive Director and Chair	Full Year
Adir Shiffman	Independent, Non-Executive Director	Appointed 7 July 2023
Kate Hill	Independent, Non-Executive Director	Appointed 25 August 2023
Kate Mills	Independent, Non-Executive Director	Full Year
Nicholas Gray	Non-independent, Non-Executive Director	Full Year
Stacey Brown	Independent, Non-Executive Director	Resigned, effective 25 August 2023
Chris Knoblanche	Independent, Non-Executive Director	Resigned, effective 25 August 2023
Executive KMP		
Roby Sharon-Zipser	Chief Executive Officer and Executive Director	Full Year
Jaco Jonker	Chief Finance and Operations Officer	Full Year

Adir Shiffman was appointed as an Independent NED on 7 July 2023 and became a KMP on this date. Kate Hill was appointed as an Independent NED and Chair of the Audit and Risk Committee effective on 25 August 2023 and became a KMP on this date.

Chris Knoblanche and Stacey Brown retired as Independent NEDs, effective 25 August 2023 and ceased to be KMPs on this date.

Roby, together with Jaco, and the Board of Directors, had overall authority and responsibility for all operating activities as well as decisions related to the strategic direction of hipages Group and future acquisitions. The KMP are supported by the Executive team who have responsibility for executing decisions taken by the KMP.

2. Remuneration Report Summary

2.1. Remuneration Principles and Strategy

hipages Group has a comprehensive purpose and a growth strategy, which is supported by the Executive Remuneration Framework and is underpinned by the hipages values and remuneration principles and strategy. Our values are reinforced via our performance management systems, learning and development programs and reward and recognition programs. Our remuneration strategy is reviewed and approved by the Board annually.

EXECUTIVE REMUNERATION FRAMEWORK FOR THE 2024 FINANCIAL YEAR

OUR VALUES AND DNA – Define who we are and how we act

Service

We enjoy exceeding expectations

Innovation

We constantly challenge the way things are done

Being Genuine

We are real people who breathe life into the brand

Value

We don't hold back in adding value

Collaboration

We bounce ideas around, listen and respect each other

Make it Happen

And always 'Make it Happen' by acting quickly to make hipages great

OUR REMUNERATION PRINCIPLES – Ensure business strategy and shareholder alignment to create long-term value

Aligned with shareholder value creation

Market competitive to attract and retain high calibre talent

Reward sustainable outperformance and discourage poor performance

Recognise the role of non-financial drivers in longer-term value creation

Simple and transparent

Reflect hipages' strategy and values

2.2. FY24 Executive Remuneration Framework

Remuneration Objectives

Supports Business Objectives: Encourages the pursuit of growth and the success of hipages. Aligned with hipages' purpose, vision, values, strategy and risk appetite. Aligned with shareholder requirements.

Operates Sustainably: Encourages sound management of financial and non-financial risks. Encourages good conduct and discourages misconduct. Considers cost and reputational factors and complies with relevant laws and regulations.

Market Competitive: Attracts, motivates, retains and appropriately rewards a capable Executive team.

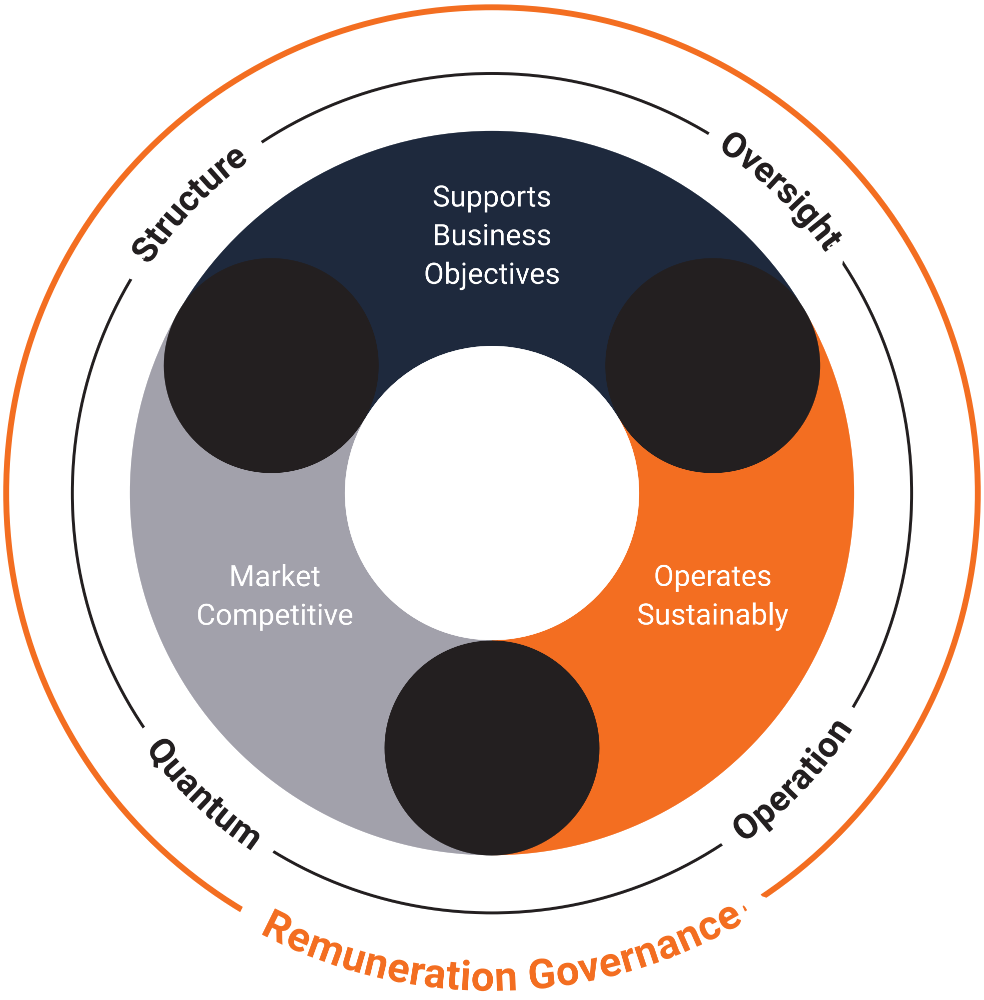
Remuneration Effectiveness

Oversight: Remuneration governance roles clearly defined for the Board, Remuneration and Nominations Committee, Audit and Risk Committee, and independent remuneration consultants.

Structure: Design elements that reward for performance, but also protect against unjustified pay outcomes.

Operation: Demonstrated history of aligning remuneration outcomes with performance, appropriate application of Board discretion and adjusting remuneration outcomes based on individual performance and conduct.

Quantum: Remuneration decisions made with reference to comparable roles in other listed Australian companies and in consultation with external advisors in the case of Board and Executives.



2.2. FY24 Executive Remuneration Framework continued

Annual Remuneration Package Structure

There are 3 components of the annual remuneration structure as described in the following table.

1. Total Fixed Remuneration (TFR)

100% cash, including base salary plus superannuation.

2. STI: 12-months performance period

Annual Short-term Incentive – 35% of TFR

An annual short-term incentive opportunity aligned to the financial year performance.

Measurement:	Balanced scorecard, including financial, non-financial and individual performance measures.
Settlement:	Settled in both cash (70%) and deferred equity (30%) awarded as performance rights which convert to shares upon vesting on a 1:1 basis.
Cash:	Paid annually after the end of the performance period.
Deferred equity:	• Performance rights are granted after the end of the performance period. • Vesting Condition is continued employment to Vesting Date. • Vesting Date is 30 June of the following year.

Malus Clawback Applies

3. LTI: 3-Year performance period

Annual Long-term Incentive – 30% of TFR

An annual long-term equity incentive opportunity aligned to the future three-year performance period.

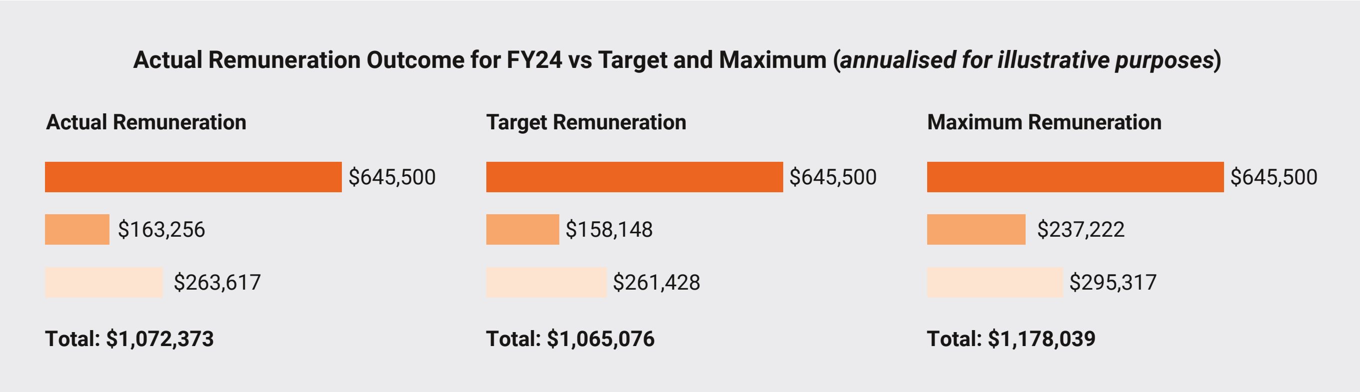
Measurement:	Relative Total Shareholder Return (rTSR) performance assessment.
Settlement:	Settled in equity, awarded as performance rights, which may convert to shares upon vesting on a 1:1 basis.
Deferred equity:	• Performance rights are granted at the beginning of the performance period. • Vesting Conditions: rTSR performance over three-year performance period and continued employment to Vesting Date. • Vesting Date is 30 June, at the end of the three-year performance period.

Malus Clawback Applies

2.3. FY24 Summary of Executive KMP Remuneration Outcomes

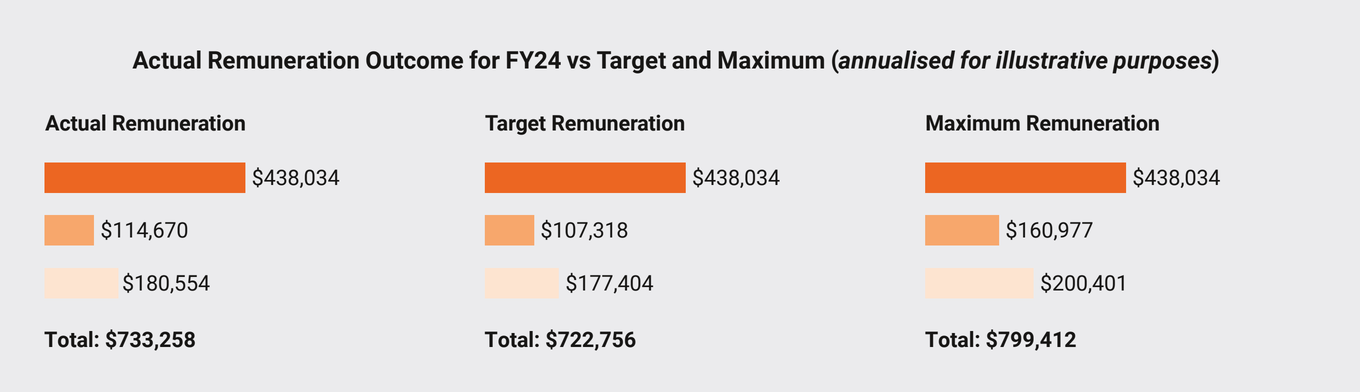
The following table summarises the remuneration decision outcomes for the CEO and the CFOO for the year ended 30 June 2024. The remuneration detailed in the following tables is aligned with current year performance and is useful in understanding current year pay and its alignment with performance, in comparison to the statutory disclosures in section 5.2 Executive KMP Performance and Remuneration Outcomes.

Roby Sharon-Zipser – Chief Executive Officer Term as KMP: Full Year



Actual Remuneration Outcome for FY24 vs Target and Maximum (*annualised for illustrative purposes*)

Jaco Jonker – Chief Finance and Operations Officer Term as KMP: Full Year



Actual Remuneration Outcome for FY24 vs Target and Maximum (*annualised for illustrative purposes*)

■ **TFR**[1] ■ **Cash Incentive**[2] ■ **Equity Incentive**[3,4]

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1. TFR refers to Total Fixed Remuneration. It includes both annual base salary and superannuation. TFR has been annualised for illustration purposes with base salary effective from 1 September 2023.
2. The current target cash:equity ratio of variable remuneration (excluding TFR) for the CEO and CFOO is 38:62.
3. The equity incentive illustrated above comprises:
   (a) STI – 30% deferred component and (b) LTI – 100% equity. In respect of the STI equity realisation is conditional upon continued employment until 30 June 2025. In respect of the LTI equity, this has been shown as fully realised but realisation is subject to performance conditions over the three-year performance period and continued employment. Further details related to the STI and LTI performance conditions are set out in section 3.2.
4. Maximum remuneration includes the additional STI incentive opportunity of up to 50% (representing a total maximum STI of 52.5% of TFR) which may be awarded for over-achievement of revenue and individual performance targets (see section 3.2).

3. Executive Remuneration Philosophy and Framework

hipages' team members are at the heart of our success, enabling us to achieve our purpose, vision and long-term business objectives. Our remuneration philosophy and framework aim to incentivise and reward the achievement of hipages' annual business objectives whilst also ensuring long-term value creation for shareholders.

3.1. Alignment of Remuneration Strategy with Business Strategy

The Board has established a remuneration strategy and principles with the objective to drive and support the achievement of the hipages business strategy.

To achieve this alignment, the Executive Remuneration Framework comprises Total Fixed Remuneration (TFR) which includes base salary and superannuation, an annual short-term incentive (STI) plan comprising cash and deferred equity components and a long-term incentive (LTI) comprising 100% equity with a three-year performance period to drive long-term shareholder value.

Executives' performance is assessed by the CEO (and for the CEO, by the Board) and rewarded by a STI on achievement of quarterly and annual key performance indicators (KPIs) that are approved by the Board to ensure alignment with business strategy.

3.1. Alignment of Remuneration Strategy with Business Strategy continued

Executive KMP Annual Remuneration Package

Market competitive to attract and retain high calibre talent	**Simple and transparent**	**Reflects hipages' strategy and values**	**Aligned with shareholder value creation**	**Rewards sustainable over-performance and discourages poor performance**	**Recognises the value of non-financial drivers in longer-term value creation**

<table>
<tr><td>Fixed Remuneration</td><td colspan="3">Executive Variable Remuneration</td></tr>
<tr><td>Cash</td><td colspan="3">Cash and Equity</td></tr>
<tr><td>TFR:
Base salary plus superannuation</td><td colspan="3">The outcome for the FY24 Executive Short-term Incentive Plan was based on the achievement of financial, strategic, tradie and employee priorities.
Performance over the financial year was measured against financial and non-financial performance targets.
Incentive outcomes were determined having regard to the target incentive opportunity and individual performance, ultimately at the discretion of the Board.</td></tr>
<tr><td>TFR is set considering:
• skills, capabilities, experience and performance
• business performance, scarcity of talent, economic climate and market conditions
• external comparator groups made up of companies of similar size and complexity</td><td>• 70% of the Short-term Incentive Plan outcome is provided in cash
• 30% of the Short-term Incentive Plan outcome is provided in deferred equity (performance rights)
• Short-term Incentive deferred equity performance rights are granted after the end of the performance period and vest in 12 months, subject to continued employment</td><td>• 100% of the Long-term Incentive Plan outcome is allocated in equity (performance rights)
• Long-term Incentive equity is granted at the beginning of the performance period and vests in three years, subject to continued employment and an rTSR performance condition</td><td>• Performance rights are forfeited if employment ceases prior to the vesting date*
• Vested but unexercised performance rights may be forfeited in cases of misconduct or fraud</td></tr>
<tr><td rowspan="2">Market competitive</td><td colspan="3">Recognises sustainable performance in the medium to longer term</td></tr>
<tr><td>Rewards annual performance, providing specific focus on strategic priorities</td><td>Recognises the criticality of strategic non-financial measures as drivers of longer-term value creation</td><td>Focuses on achieving longer-term superior performance for stakeholders</td></tr>
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* See section 3.2(a) and 3.2(b) for full details on forfeiture conditions.

3.2. FY24 Executive KMP Annual Incentive Plans

(a) Short-term Incentive (STI) Plan

What is the Executive KMP STI opportunity?	The STI opportunity for Executive KMP is 35% of TFR with a maximum incentive payable of 150% of on-target quantum.
What form is the STI?	The STI is awarded 70% cash and 30% deferred equity. The deferred equity component of the STI is awarded as performance rights which vest with a value equivalent to ordinary shares on a 1:1 basis pursuant to the HMEP rules. The vesting of these performance rights is deferred for a further 12 months, such that they will vest on the 30th of June of the following year, subject to continued employment. The performance rights will lapse where the performance conditions have not been met or if vested, have not been exercised within five years of vesting. The performance rights will also be forfeited on cessation of employment (unless the Board exercises its discretion) or in the case of serious misconduct or fraud.
What is the STI performance period?	The STI performance period is a single financial year.
When is the STI awarded?	The STI is awarded at the end of the financial year after performance is measured.
How is the STI linked to performance?	The STI plan has four core metrics that operate independently of each other (two financial and two non-financial). Of the four core metrics, three of these metrics relate to Company performance against targets approved by the Board. The fourth core metric relates to individual performance.

Remuneration Report continued

3.2. FY24 Executive KMP Annual Incentive Plans continued

How is performance measured for the STI?

The following scorecard determines the STI outcome for Executive KMP:

KPI Type	Annual KPI Metric	Weighting	Threshold Minimum	Threshold Maximum	Incentive Component Maximum
Financial	Operating Revenue target	30%	98.77%	101.23%	Up to an additional 20% of the total incentive amount payable
	EBITDA target	30%	90%	110%	Up to an additional 10% of the total incentive amount payable
Non-Financial	Engagement targets Comprising: • Tradie • Homeowner • Employee	20% • 10% • 5% • 5%	85%	100%	Between 85% to 100% of 20% incentive amount payable (on a straight- line calculation between minimum and maximum thresholds)
	Individual target	20%	75%	120%	Up to an additional 20% of total incentive amount payable
	Total weighting	**100%**		**Maximum STI**	**150%**

Operating Revenue refers to revenue from ordinary activities. The threshold is a range between 10% less and 10% above the target operating revenue growth. If the operating revenue target is over-achieved up to 101.23%, then an additional 20% of the total annual incentive plan is payable on a sliding scale.

If the EBITDA target is over-achieved up to 110%, then an additional 10% of the total annual incentive plan is payable on a sliding scale.

There is no over-achievement component for the engagement metrics.

Over-achievement of individual goals is discretionary as assessed by the CEO for the Executives and by the Chair for the CEO and up to an additional 20% of the total annual incentive plan is payable on a sliding scale based on this assessment.

Total annual incentive payable is capped at 150% of annual incentive.

3.2. FY24 Executive KMP Annual Incentive Plans continued

How is it paid?	At the end of the financial year, after audited financial results are completed and the Board has assessed and approved individual performance outcomes, an annual short-term incentive quantum is determined, paid in cash and deferred equity. For the deferred equity component, executive KMP will be granted performance rights. – Performance rights must be held by the participant (or a nominee as approved by the Board), with no ability to hedge or borrow against unexercised rights. – The performance rights will vest fully on 30 June the following year after the grant, subject to continued service. – Subject to hipages Security Trading Policy, vested rights can be exercised by participants at their election, during specified exercise windows from vesting until the expiry date of five (5) years following the grant. – Performance rights do not carry any 'dividend' entitlements or voting rights. – Performance rights may be settled in cash equivalent value, if determined by the Board at the time of vesting.
How is performance measured?	Performance measures (KPIs) selected reflect financial, strategic and operational objectives relevant to the level and function of the role that are central to achievement of the business plan and strategy and building shareholder value. Financial measures selected are measures against which the Executive and the Board assess the short-term (annual) financial performance of hipages. Strategic and operational objectives are assigned to each Executive KMP to drive specific outcomes considered to be of strategic importance to hipages within that individual's level of responsibility. These objectives are determined by the CEO and the Board in accordance with the process set out in the Remuneration Governance (section 7). The Board retains final discretion over annual incentive payments and awards to ensure outcomes appropriately reflect performance and achieve the objectives of the annual incentive scheme. The financial and non-financial metrics are set annually by the Board and are based on business performance, core strategic and operational objectives and the strategy for the next financial year.
What happens if an Executive ceases employment?	If an Executive KMP ceases employment with hipages during the performance period other than by way of dismissal or resignation (e.g. death, total and permanent disablement, redundancy, retrenchment or retirement with prior written consent of the Board), then the Executive KMP will usually be entitled to a pro-rata cash payment and allocation of equity based on assessment of performance according to the eligible period served up until the termination date. Where termination occurs by way of dismissal or resignation before the end of the financial year, no annual incentive is awarded for that year. Similarly unvested LTI and STI equity awards are forfeited, unless otherwise determined by the Board.
When do performance rights lapse?	The performance rights will lapse where the performance conditions have not been met or if vested, have not been exercised within five years of vesting. The performance rights will also be forfeited on cessation of employment (unless the Board exercises its discretion otherwise) or in the case of serious misconduct or fraud.

3.2. FY24 Executive KMP Annual Incentive Plans continued

(b) Long-term Incentive (LTI)

What is the Executive KMP LTI opportunity?	The LTI opportunity for KMP Executives is 30% of TFR allocated as performance rights based on a fair value performed using a Monte Carlo simulation approach performed by an independent third party.
What is the form of the LTI?	The LTI is awarded as performance rights which vest at a value equivalent to ordinary shares on a 1:1 basis pursuant to HMEP rules.
When do performance rights vest?	These performance rights will vest at the end of a three-year performance period, subject to continued employment during the performance period and hipages' Total Shareholder Return (TSR) equaling or exceeding at least 50% of the TSR for its Comparative Peer Group, with the level of out-performance determining the proportion of performance rights that vest.
What is the LTI performance period?	The LTI performance period is three years with no re-testing.
When is the LTI awarded?	The LTI is awarded at the beginning of the performance period, and vests subject to the fulfilment of the performance measures and service conditions.
How is the LTI linked to performance?	The rTSR is based on a bespoke Software-as-a-Service (SaaS) and technology company peer group with a range of market capitalisation. The group is a blend of best-in-class and broader businesses that are both larger and smaller than hipages. The comparator group includes Adore Beauty Group Limited, Ansarada Group Limited, Airtasker Limited, Booktopia Group Limited, Bigtincan Holdings Limited, Catapult Group International Ltd, Dubber Corporation Limited, Freelancer Limited, Kogan.Com Ltd, OFX Group Limited, Redbubble Limited, Readytech Holdings Limited, Siteminder Limited, Temple & Webster Group Ltd, Whispir Limited, Xero Limited and ZIP Co Limited. This allows for a benchmark of hipages' performance against companies who are seeking similar investors and talent. The comparator group will be reviewed from time to time as deemed necessary.
Dividends and voting rights	Performance rights do not carry dividend or voting rights prior to vesting and exercise. Shares allocated on exercise of rights carry the same dividend and voting rights as other shares.

(b) Long-term Incentive (LTI) continued

What are the performance measures applied to the LTI?	To determine relative TSR (rTSR) performance, companies in the Comparative Peer Group (including hipages) are ranked from highest to lowest in accordance with their TSR for the relevant performance period. The percentile ranking of hipages is used to determine LTI vesting levels. The following vesting schedule will apply to the rTSR performance measure: (see table below) The Board has discretion to amend the performance target, the Comparator Peer group and/or how rTSR is measured and modified for events which are considered outside management's control.

hipages TSR ranking against comparator group:	The proportion of the award which vest is:
Below the 50th percentile	0%
At the 50th percentile	50% vesting
Between the 50th and 75th percentiles	Straight-line vesting between 50% and 75%
At or above the 75th percentile	100%

What happens if an Executive ceases employment?	If an Executive KMP ceases employment with hipages during the performance period other than by way of dismissal or resignation (e.g. death, total and permanent disablement, redundancy, retrenchment or retirement with prior written consent of the Board), then the Executive KMP will usually be entitled to a pro-rata cash payment and allocation of equity (as the case requires) based on assessment of performance according to the eligible period served up until the termination date. Where termination occurs by way of dismissal or resignation before the end of the financial year, no annual incentive is awarded for that year. Similarly unvested LTI and STI equity awards are forfeited, unless otherwise determined by the Board.
When do performance rights lapse?	The performance rights will lapse where the performance conditions have not been met or if vested, have not been exercised within five years of vesting. The performance rights will also be forfeited on cessation of employment (unless the Board exercises its discretion otherwise) or in the case of serious misconduct or fraud.

4. Link between hipages Group Performance, Shareholder Wealth and Executive Remuneration

A key underlying principle of hipages' KMP Executive Remuneration Framework is that executive remuneration outcomes should be linked to business and individual performance. Understanding hipages' performance over the financial year ended 30 June 2024, and the longer term, will provide shareholders and other interested stakeholders with important context when reviewing our remuneration framework and outcomes in more detail over the coming pages of this report.

Outlined below we show hipages' performance; and in sections 5 and section 6 the KMP remuneration outcomes.

4.1. hipages' Performance

The table below summarises key indicators of hipages Group's performance by financial year for the past five years:

Key Financials[1]		FY24	FY23	FY22	FY21	FY20
Recurring revenue	**$'000**	**72,089**	62,931	58,238	52,664	42,200
Reported revenue	**$'000**	**75,813**	67,007	61,859	55,806	46,939
EBITDA[2]	**$'000**	**16,756**	9,424	10,085	5,063	6,034
NPAT[3]	**$'000**	**3,563**	(5,144)	(910)	(6,199)	(4,157)
Total Tradie ARPU[4]	**$**	**2,079**	1,872	1,707	1,536	1,194
Subscription tradies at 30 June[5]	**000's**	**36.7**	35.7	34.6	31.2	27.9
Closing share price at 30 June[6]	**$**	**1.03**	0.76	1.00	3.62	–
DPS[7]	**cents**	**–**	–	–	–	–

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1. In respect of the years FY19 and FY20, the Key Financials represent pro forma historical financial information. This information was previously presented in the Prospectus of the Company dated 21 October 2020. The pro forma information has been derived from the historical Statutory Financial Information adjusted for certain transactions.
2. Earnings Before Interest, Tax, Depreciation and Amortisation. EBITDA excluding significant items, for the year ended 30 June 2024 is $16,387 million (30 June 2023: $12.285 million).
3. Net Profit/(Loss) after Tax.
4. Average Annual Revenue Per Unit Tradie (Tradie ARPU) is the annual operating revenue (total revenue from ordinary activities) divided by the average of the opening and closing number of total hipages tradies and paying Builderscrack tradies for the period. Group ARPU of $2,079 at 30 June 2024 is a blended result of hipages ARPU of $2,199 and Builderscrack ARPU of $964. ARPU is a non-IFRS measure which represents a key operational metric used by the Group to measure performance.
5. Subscription tradies includes 3,644 hipages New Zealand (Builderscrack) paying tradies. Subscription tradies is a non-IFRS measure which represents a key operational metric used by the Group to measure performance.
6. The Company listed on the ASX in November 2020 at a listing price of $2.45, share price data is consequently available from FY21 onwards only.
7. Dividend Per Share.

5. Executive KMP Performance Outcomes

5.1. Statutory Remuneration

The table below has been prepared in accordance with the requirements of the Corporations Act and relevant Australian Accounting Standards. The figures provided under the share-based payments component are based on accounting values and do not reflect actual amounts received by Executive KMP in FY24.

Short-term benefits				Long-term benefits	Post-employment benefits	Share-based payments			
	Salary package[1] $	Short-term incentive entitlement[2] $	Other short-term benefits[3] $	Annual and long service leave[4] $	Superannuation benefits[5] $	Performance rights[6] $	Total remuneration $	Proportion of remuneration that is performance based %	Proportion of remuneration that consists of rights %
Year ended 30 June 2024									
Roby Sharon-Zipser[7]	**615,000**	**163,256**	**8,844**	**15,110**	**27,500**	**172,680**	**1,002,390**	**34%**	**17%**
Jaco Jonker[8]	**408,753**	**114,670**	**8,844**	**9,169**	**27,500**	**119,169**	**688,105**	**34%**	**17%**
	1,023,753	**277,926**	**17,688**	**24,279**	**55,000**	**291,849**	**1,690,495**	**34%**	**17%**
Year ended 30 June 2023									
Roby Sharon-Zipser[7]	575,375	76,869	8,800	42,157	27,500	219,806	950,507	31%	23%
Jaco Jonker[8]	225,149	32,040	5,331	14,250	15,380	35,804	327,954	20%	11%
Melissa Fahey[9]	238,257	–	4,021	–	16,007	(50,900)	207,385	(25%)	(25%)
	1,038,781	108,909	18,152	56,407	58,887	204,710	1,485,846	21%	14%

1. Salary package refers to base salary, excluding superannuation, annual leave and long service leave.
2. The short-term incentive entitlement represents a payment in respect of the current year performance outcomes. In respect of the year ended 30 June 2024, the amount was finally determined on 22 August 2024 after performance reviews were completed and approved by the Board.
3. Other short-term benefits include the non-monetary benefit related to a car park provided by the Company.
4. Annual leave and long service leave represents the movement in the executive's leave entitlement provisions between the respective reporting dates.
5. Superannuation benefits represent amounts paid or payable related to services received during the year.
6. Performance rights represent the accrued expenses amortised over the vesting period.
7. The Total Fixed Remuneration for Roby Sharon-Zipser increased from $627,500 to $645,500 from 1 September 2023, inclusive of a fixed $27,500 superannuation entitlement. Included in performance rights remuneration are performance rights granted under the new annual STI and LTI incentive plans described in section 3.2.
8. The Total Fixed Remuneration for Jaco Jonker increased from $425,425 to $438,034 from 1 September 2023, inclusive of a superannuation entitlement for the year ended 30 June 2024. Included in performance rights remuneration is an expense associated with performance rights related to the new annual STI and LTI incentive plans described in section 3.2 as well as a sign-on equity grant of $35,000 which was issued after he satisfied his initial probation period. The performance rights associated with the sign-on grant vested in full on 23 May 2024.
9. Melissa Fahey resigned from hipages effective 31 January 2023.

5.2. Executive KMP Performance and Remuneration Outcomes

Short-term Incentive Performance Outcomes

The following table provides a summary of Executive KMP financial and non-financial objectives and outcomes for the 2024 financial year.

STI Performance Outcome

Category	Objective	Achievement Percentage Incentive Payable	Comments
Financial (30%)	Operating Revenue target	32.37%	The operating revenue target for FY24 was over-achieved.
Financial (30%)	EBITDA target	32.35%	The EBITDA target for FY24 was over-achieved.
Non-Financial (20%)	Engagement targets: – Tradie – Homeowner – Employee	0% 5% 0% 5%	The homeowner engagement target was achieved, and the weighting was 5% (with no over-achievement factor). Unfortunately, the tradie engagement target and the employee engagement targets were not achieved and the minimum threshold of 85% for both were also not achieved.
Non-Financial (CEO) (20-40%)	Individual Strategic Discretionary	16.51/20 plus 17/20 33.51%	Roby achieved 83% of his individual strategic goals for FY24 and 85% discretionary for over-achievement (up to 20% of total incentive possible as discretionary).
Non-Financial (CFOO) (20-40%)	Individual Strategic Discretionary	18.13/20 plus 19/20 37.13%	Jaco achieved 91% of his individual strategic goals for FY24 and 95% discretionary for over-achievement (up to 20% of total incentive possible as discretionary).
Total Incentive Payable	CEO CFOO	103.23% 106.85%	Roby achieved 103.23% out of a maximum 150% possible. Jaco achieved 106.85% out of a maximum 150% possible.

5.2. Executive KMP Performance and Remuneration Outcomes continued

Remuneration outcomes

The following table sets out the annual short-term incentive outcomes for the Executive KMP for FY24 based on achievement of financial and non-financial objectives.

Executive KMP STI Outcome

Executives	Actual Annual Short-term Incentive	Comments
CEO	$163,256	Cash
	$69,967	Deferred Equity Value
CFOO	$114,670	Cash
	$49,144	Deferred Equity Value

5.3. CEO Remuneration Update

The CEO received a remuneration increase of 3% in September 2023. It is envisaged there will be a modest base increase in September 2024 at the time of the annual salary review in line with the salary budget for the Company.

Both hipages Group and Roby Sharon-Zipser, CEO & Co-Founder, reached a 20-year anniversary in July 2024. The Board acknowledges over the past 20 years Roby has successfully led through multiple business challenges including pivoting to a get-quotes business model, transitioning to a full subscription model, surviving and indeed thriving through the COVID-19 pandemic (including a successful IPO) and most recently restructuring the businesses technology infrastructure to evolve to a platform model. The successful management of these challenges has resulted in a more robust and resilient business. Roby continues to lead a strong strategic plan and vision and remains committed to fully realising the full potential of hipages Group.

Underpinning these achievements Roby has ensured excellence in compliance, corporate governance and Company culture. A recent independent review of the hipages Group operations reported excellent levels of compliance across key areas of the business including security, regulatory, workplace health and safety, legal and financial. The Company has grown and established five office locations across four countries, and Roby has ensured that the employee engagement, diversity, equality and belonging performance has been maintained and improved.

5.4. Other Transactions and Loans with Executive KMP

There are no loans or other transactions with Executive KMP.

6. Non-Executive Director Remuneration

The Board sets Non-Executive Director (NED) remuneration at a level which enables the attraction and retention of Directors of the highest calibre, while incurring a cost which is acceptable to shareholders. The remuneration of the Non-Executive Directors is determined by the Board on recommendation from the Remuneration and Nominations Committee within a maximum NED fee pool.

Non-Executive Directors receive a fee which includes any statutory superannuation contributions.

6.1. Fee Pool

Under the Constitution, the Board may decide the total amount paid to each Director as remuneration for their services as a Director. Under the Constitution and the ASX Listing Rules, the total amount of fees payable to all Non-Executive Directors for their services must not exceed, in aggregate in any financial year, the fee pool approved by shareholders, which is currently $900,000.

Non-Executive Director Fees – FY24

	Notes	Chair fee $	Member fee $
Board	1, 2	225,000	100,000
Audit and Risk Committee	3, 4	20,000	5,000
Remuneration and Nominations Committee	3, 4	20,000	5,000

1. Board Chair fee is $225,000, having increased from $215,000 effective 1 September 2023. This comprises a $175,000 cash component and a $50,000 Director equity component.
2. Board member fees are $100,000 comprising a $70,000 cash component and a $30,000 Director equity component. The equity component is payable to Independent Non-Executive Directors only.
3. Committee Chair fees are $20,000 cash per annum increasing from $10,000 effective 1 September 2023.
4. Committee member fees were $5,000 for financial year FY24 effective 1 September 2023.

6.1. Fee Pool continued

Non-Executive Director Fees – Proposed increases FY25

Following the annual review to compare to the market, it was determined to increase the Committee member fee to $10,000 cash (excluding for the Board Chair (all committees) and Committee Chairs (for the same committee)) to maintain competitiveness in Director remuneration. Existing equity components of the Director fees remain unchanged. The total annual cost increase of these changes is $15,000.

Non-Executive Director fees will increase, effective 1 September 2024, as follows:

	Notes	Chair fee $	Member fee $
Board	1	225,000	100,000
Audit and Risk Committee	2, 3	20,000	10,000
Remuneration and Nominations Committee	2, 3	20,000	10,000

FY25 Director Fee Pool

After the annual remuneration review is processed on 1 September 2024, the annualised Board fees will be $665,000, well within the existing $900,000 fee pool.

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1. From 1 September 2024, Board Chair fee and Board member fee remain unchanged.
2. Board member fee increases from $5,000 to $10,000.
3. From 1 September 2024 Committee Chair fee remains unchanged.

6.2. Statutory Non-Executive Directors' Remuneration Outcomes

The table below has been prepared in accordance with the requirements of the Corporations Act and relevant Australian Accounting Standards. The figures provided under the equity component are based on accounting values and do not reflect actual cash amounts received by Non-Executive Directors in FY24.

Non-Executive KMP	Fees paid in cash $	Director equity component $	Non-monetary benefits $	Superannuation $	Total remuneration $	Proportion of remuneration that consists of equity %
Year ended 30 June 2024						
Inese Kingsmill[1]	156,561	50,000	–	16,531	223,092	22%
Nicholas Gray[3]	74,167	–	–	–	74,167	–
Kate Hill[4]	73,413	25,479	–	3,125	102,017	25%
Kate Mills	83,664	30,000	–	8,624	122,288	25%
Adir Shiffman[4]	65,645	29,507	–	7,221	102,373	29%
Stacey Brown[2]	11,227	6,493	–	1,235	18,955	34%
Chris Knoblanche[2]	9,843	(43,892)	–	1,083	(32,966)	133%
	474,520	**97,587**	**–**	**37,819**	**609,926**	
Year ended 30 June 2023						
Inese Kingsmill	140,527	46,932	–	14,755	202,214	23%
Stacey Brown	72,398	30,000	–	7,602	110,000	27%
Nicholas Gray	70,000	–	–	–	70,000	–
Chris Knoblanche	73,954	165,538	–	7,765	247,257	67%
Kate Mills	42,232	17,342	–	4,134	63,708	27%
	399,111	259,812	–	34,256	693,179	

1. The remuneration package of Inese Kingsmill, Chair of hipages Group is $225,000 per annum inclusive of superannuation, comprising $175,000 per annum in cash and superannuation as well as a Director Equity Entitlement (non-performance related) of $50,000 per annum, vesting immediately after grant. Further details are described in section 6.3. The cash component increased by $10,000 effective 1 September 2023 from $165,000 to $175,000.
2. On 25 August 2023 both Chris Knoblanche and Stacey Brown retired as Directors of the hipages Board. They both received their equity component to the value of $30,000 as described in section 6.3. This grant related to services provided prior to retirement and was expensed in both FY23 and FY24.

   In respect of Chris Knoblanche's services as Chair up until 25 August 2022 he was awarded deferred equity, however Tranche 3 of his 2nd anniversary entitlement valued at $50,000 was forfeited during the current financial year. These rights were previously expensed in full, therefore the forfeiture results in a negative share-based payment expense.
3. Nicholas Gray joined the Board of hipages Group on 2 October 2020. Nicholas is not remunerated by hipages due to being a Nominee Director of News Corp Australia, however hipages reimburses News Corp Australia an amount equal to the cash component of Non-Executive Director remuneration that would have been paid to Nicholas.
4. Kate Hill and Adir Shiffman joined the Board during the current financial year and the Director equity expense component reflects the pro-rata associated expense.

6.3. Non-Executive Directors' Remuneration Details

Equity Entitlement

In addition to Director fees paid in cash, with the exception of Nicholas Gray, as a shareholder appointed Director, Non-Executive Directors are eligible for equity on an annual basis to align their interests with other shareholders and with other Directors' remuneration in the technology industry. The amounts are not sufficiently material to impact Director independence and nor does the quantum have a material dilutive impact. In addition, the grant of equity conserves cash reserves. The equity entitlement component of remuneration is not linked to Board performance.

Director Equity Entitlements will be granted annually to the Chair and each Non-Executive Director, other than Nicholas Gray, as part of their remuneration arrangements. The equity entitlement is share rights every year, in addition to the cash component of the Director's salary. Under the Director Equity Entitlement:

- The Board Chair is granted the right to be issued $50,000 worth of rights annually on the first anniversary of the appointment date, with no vesting conditions; and
- Each Non-Executive Director (with the exception of Nicholas Gray) is granted the right to be issued $30,000 worth of rights annually on the first anniversary of the appointment date, with no vesting conditions.

The Plan Rules applicable to the HMEP (refer to section 3.2) also apply to Director Equity Entitlements. All grants of Director Equity Entitlements and the issue of shares thereunder are subject to the Company's Securities Trading Policy as well as the Corporations Act and the ASX Listing Rules.

Calculation of the number of shares provided under the Director Equity Entitlements

The number of shares which will be provided in respect of a grant of Director Equity Entitlements will depend on the prevailing market price of hipages' shares at the time of the grant. hipages will apply the following formula to calculate the number of shares which will be provided under the Director Equity Entitlements:

Number of shares = Value of the vested Director Equity Entitlement (or a vested tranche)/5-day VWAP price

The '5-day VWAP price' represents the price per share equal to its volume weighted average price (VWAP) calculated over five consecutive trading days ending the day prior to grant date.

hipages will retain the discretion to satisfy the vesting of Director Equity Entitlements by a new issue of shares or the transfer of shares acquired on-market.

6.4. Other Transactions and Loans with Non-Executive Directors

There are no loans or other transactions with Non-Executive Director KMP.

7. Remuneration Governance

The Board annually reviews hipages' remuneration principles, practices, strategy and approach to ensure they support hipages' long-term business strategy and are appropriate for a listed company of our size, industry and nature. Robust governance processes for remuneration matters have been put in place.

The Board takes guidance and reviews recommendations from the RNC and makes decisions on remuneration strategy and outcomes for Non-Executive Directors, Executive KMP and the Executives.

7.1. Role of the Remuneration and Nominations Committee

The Board has delegated to the Remuneration and Nominations Committee (RNC) the responsibility for reviewing and making remuneration and Non-Executive and Executive nominations-related recommendations to the Board.

The RNC consists of Non-Executive Directors: Kate Mills (Committee Chair), Inese Kingsmill, Adir Shiffman and Nicholas Gray. The CEO, the Chief People and Culture Officer, external advisors and other Directors and Executives attend meetings as required at the invitation of the Committee Chair.

The RNC has remunerations governance responsibility for:

- the ongoing appropriateness and relevance of the remuneration framework for the Board Chair, the Board Committees and the Non-Executive Directors;
- the ongoing appropriateness of the remuneration framework for the Executive team, any changes to the framework, and the implementation of the framework including any shareholder approvals required; and
- facilitation of a mechanism for the selection and appointment practices of the Company as well as ensuring a diversity and inclusion lens is applied to remuneration across the business.

Further detail on the Remuneration and Nominations Committee's responsibilities is set out in its Charter, which is reviewed annually and is available on the hipages website at: www.hipages.com.au > *About hipages Group > Investor Centre > Corporate Governance.*

7.2. Review of Executive KMP and Other Senior Executive Remuneration

Decision area	CEO	RNC	BOARD
KPIs	• Sets each Executive's quarterly and annual performance KPIs.	• Reviews the CEO's recommendations and provides appropriate recommendations to the Board. • Recommends to the Board the CEO's quarterly and annual KPIs.	• Reviews the RNC's recommendations and approves or amends.
Performance Outcomes	• Provides appropriate recommendations to the RNC regarding Executive incentive payments based on actual performance outcomes against approved KPIs.	• Assesses both the CEO's recommendations and the CEO's own quarterly and annual performance and remuneration outcomes against agreed targets, formulating a recommendation to the Board.	• Approves current year incentive payments.
Fixed and Variable Remuneration	• Provides appropriate recommendations to the RNC of the amount of fixed and variable remuneration of the Executive team for the future measurement period, considering general performance, market conditions and other external factors.	• Provides appropriate recommendations to the Board of the amount of the CEO's fixed and variable remuneration for the future measurement period, considering general performance, market conditions and other external factors.	• Approves the remuneration and remuneration structure for future measurement periods including incentive targets.

7.3. Review of Director Remuneration

The Board seeks to set the fees for the Non-Executive Directors at a level that provides hipages with the ability to attract and retain Directors of the highest calibre, while incurring a cost that is acceptable to shareholders.

During FY24, the Board policy was that the Board Chair and Independent Non-Executive Directors receive remuneration for their services as Directors. There is an established remuneration framework for Board Director remuneration which is reviewed annually for market competitiveness.

Non-Executive Director (NED) remuneration is additionally governed by resolutions passed at an annual general meeting of shareholders. The Group's next AGM is scheduled to take place on 7 November 2024, and the Board will not be seeking shareholder review of NED remuneration as the changes proposed for FY25 are minor and overall fees are well within the previously shareholder-approved NED Fee Pool.

7.4. Use of Independent Remuneration Consultants

Remuneration consultants are engaged from time to time to provide independent information and guidance on remuneration for executives, facilitate discussion, conduct benchmarking and provide commentary on several remuneration matters. Any advice provided by external advisors is used as a guide and is not a substitute for the considerations and procedures of the Board and Remuneration and Nominations Committee.

Ernst & Young (EY) is the Group's primary remuneration advisor on executive remuneration matters. In FY24, EY provided market practice, remuneration data and trends for the RNC to consider. EY was paid $37,500 for all services provided to the Group.

The RNC also accessed the salary benchmarking survey data of AON Radford and paid $15,546 for this information.

7.5. hipages' Share Trading Policy

The Share Trading Policy imposes trading restrictions on all employees who are considered to be in possession of 'inside information' and additional restrictions in the form of trading windows for senior executives. Board members, senior executives and members of the broader management team are prohibited from trading in hipages shares during specific periods prior to the announcement of the half-year and full-year results. This policy applies equally to shares received as part of remuneration. The Securities Policy is available on the hipages website at: www.corporate.hipages.com.au/about-us/governance.

7.6. hipages Board Discretion and Financial Audit

To strengthen the governance of the remuneration strategy, the Board has complete discretion in determining any and all Executive incentive allocations. In addition, approval requests for Executive incentive payments do not get tabled to the Board until after the full financial year external audit has been completed and reviewed by the Audit and Risk Committee (ARC).

8. Equity Instrument and other disclosures relating to KMP

8.1. Shareholdings

Non-Executive Director and Executive KMPs or their related parties directly or indirectly held shares in hipages as detailed below.

Ordinary shares – Number	Balance at the beginning of the financial year 01-Jul-23	Awarded as remuneration	Rights converted to shares	Other changes	Commenced/ (ceased) being a KMP	Balance at the end of the financial year 30-Jun-24
Non-Executive Directors						
Inese Kingsmill[1]	24,609	–	–	48,000	–	**72,609**
Adir Shiffman	–	–	–	–	–	**–**
Kate Hill	–	–	–	–	–	**–**
Kate Mills	–	–	–	–	–	**–**
Chris Knoblanche[2]	239,074	–	–	–	(239,074)	**–**
Stacey Brown[2]	71,309	–	–	–	(71,309)	**–**
Executive Director						
Roby Sharon-Zipser[3]	8,987,848	–	116,052	–	–	**9,103,900**
Senior Executive						
Jaco Jonker	–	–	–	–	–	**–**
	9,322,840	**–**	**116,052**	**48,000**	**(310,383)**	**9,176,509**

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1. During the year ended 30 June 2024, Inese Kingsmill acquired 23,000 ordinary shares on-market and two close family members (as defined in AASB124, *Related Party Disclosures*) acquired a further 22,000 and 3,000 ordinary shares on-market. Total ordinary shares acquired on-market by Inese and her close family members is 48,000.
2. Chris Knoblanche and Stacey Brown retired as Directors of hipages Group and ceased being KMP during the year ended 30 June 2024.
3. During the period Roby Sharon-Zipser exercised 116,052 rights which converted to shares in hipages.

8.2. Rights to Ordinary Shares

Non-Executive Directors and Executive KMPs or their related parties directly or indirectly held rights to ordinary shares in hipages as summarised below.

Rights – Number	Balance at the beginning of the financial year 01-Jul-23	Awarded as remuneration	Rights converted to shares	Forfeited/ Lapsed	Ceased being a KMP	Balance the end of the 30-Jun-24
Non-Executive Directors						
Inese Kingsmill	–	70,844	–	–	–	**70,844**
Adir Shiffman	–	–	–	–	–	**–**
Kate Hill	–	–	–	–	–	**–**
Kate Mills	–	43,795	–	–	–	**43,795**
Nicholas Gray	–	–	–	–	–	**–**
Chris Knoblanche	158,876	62,452	–	(22,945)	(198,383)	**–**
Stacey Brown	–	34,428	–	–	(34,428)	**–**
Executive Director						
Roby Sharon-Zipser	248,410	317,797	(116,052)	–	–	**450,155**
Senior Executive						
Jaco Jonker	135,422	204,063	–	–	–	**339,485**
	542,708	**733,379**	**(116,052)**	**(22,945)**	**(232,811)**	**904,279**

Non-Executive Directors, with the exception of Nicholas Gray, a shareholder appointed Director, are granted equity entitlements as part of their annual remuneration. Further details are set out in section 6, Non-Executive Director Remuneration.

The rights to shares issued have various grant dates, fair values and vesting dates. The table below provides a detailed breakdown of ach grant date, fair value and the number of rights actually vested and exercisable for each KMP.

8.2. Rights to Ordinary Shares continued

Grant designation	Grant date	Expiry date	Fair value at Grant date $	Balance at 01-Jul-23	Awarded as remuneration	Rights converted to shares/ exercised during the year	Lapsed/ forfeited during the year	Ceased being a KMP	Balance at 30-Jun-24	Vested during FY24	Total number of performance rights vested and exercisable at 30-Jun-24	% of performance rights vested as at 30-Jun-24	Maximum value yet to vest[1] $	Vesting details
Non-Executive Directors														
Inese Kingsmill[2]														
FY23	01-Sep-23	01-Sep-28	1.49	–	18,091	–	–	–	**18,091**	18,091	18,091	100%	–	Fully vested
FY24	01-Sep-23	01-Sep-28	0.95	–	52,753	–	–	–	**52,753**	52,753	52,753	100%	–	Fully vested
Total				–	70,844	–	–	–	**70,844**	70,844	70,844	–	–	
Kate Mills[3]														
FY23	06-Dec-23	06-Dec-28	0.69	–	43,795	–	–	–	**43,795**	43,795	43,795	100%	–	Fully vested
Total				–	43,795	–			**43,795**	43,795	43,795			
Chris Knoblanche[4]														
IPO	11-Nov-20	01-Oct-25	2.45	18,935	-	–	–	(18,935)	**–**	–	–	–	–	N/A
FY21	14-Jan-22	14-Jan-27	2.18	71,104	-	–	–	(71,104)	**–**	–	–	–	–	N/A
FY22	09-May-22	09-May-27	–	68,837	-	–	(22,945)	(45,892)	**–**	–	–	–	–	N/A
FY23	01-Sep-23	01-Sep-28	1.49	–	30,801	–	–	(30,801)	**–**	–	–	–	–	N/A
FY24	01-Sep-23	01-Sep-28	0.95	–	31,651	–	–	(31,651)	**–**	–	–	–	–	N/A
Total				158,876	62,452	–	(22,945)	(198,383)	**–**	–	–	–	–	

1. Maximum value of the performance rights yet to vest has been determined as the amount of grant date fair value of the rights that is yet to be expensed.
2. During the current year, Inese Kingsmill was awarded two entitlements of rights; 18,091 rights were granted in respect to her tenure as a member of the Board up to 25 August 2022 and 52,753 rights were awarded in respect of her tenure as Chair of the hipages Board up to 25 August 2023.
3. Kate Mills was awarded her annual equity entitlement in respect of tenure as a member of the Board.
4. During the current year, Chris Knoblanche was awarded two equity entitlements of rights; 30,801 rights comprising a pro-rata entitlement awarded in respect of his tenure as Chair and his annual entitlement as a member of the Board after he stepped down as Chair.

8.2. Rights to Ordinary Shares continued

Grant designation	Grant date	Expiry date	Fair value at Grant date $	Balance at 01-Jul-23	Awarded as remuneration	Rights converted to shares/ exercised during the year	Lapsed/ forfeited during the year	Ceased being a KMP	Balance at 30-Jun-24	Vested during FY24	Total number of performance rights vested and exercisable at 30-Jun-24	% of performance rights vested as at 30-Jun-24	Maximum value yet to vest[1] $	Vesting details
Stacey Brown[5]														
FY23	05-Oct-22	05-Oct-27	1.31	22,826	–	(22,826)	–	–	**–**	–	–	–	–	N/A
FY24	05-Oct-23	05-Oct-28	0.87	–	34,428	–	–	(34,428)	**–**	–	–	–	–	N/A
Total				22,826	34,428	(22,826)	–	(34,428)	**–**	–	–	–	–	
Executive Director														
Roby Sharon-Zipser[6]														
FY21	01-Oct-21	01-Oct-26	3.47	28,483	–	(28,483)	–	–	**–**	28,483	–	–	–	Fully vested
FY22	05-Dec-22	30-Sep-27	1.03	87,887		(43,288)	–	–	**44,599**	43,288	–	–	11,205	30-Jun-25
FY23–STI	01-Dec-23	30-Jun-25	0.67	–	44,281	(44,281)	–	–	**–**	44,281	–	–	–	Fully vested
FY23–LTI	03-Feb-23	20-Jan-28	0.69	132,040		–	–	–	**132,040**	–	–	–	30,369	30-Jun-25
FY24–LTI	01-Dec-23	30-Jun-26	0.48	–	273,516	–	–	–	**273,516**	–	–	–	87,525	30-Jun-26
Total				248,410	317,797	(116,052)	–	–	**450,155**	116,052	–	–	129,099	
Senior Executive														
Jaco Jonker[7]														
Sign On	23-May-23	23-May-28	0.76	45,903		–	–	–	**45,903**	45,903	45,903	100%	–	Fully vested
FY23–STI	29-Sep-23	30-Jun-25	0.83	–	18,456	–	–	–	**18,456**	18,456	18,456	100%	–	Fully vested
FY23–LTI	03-Feb-23	20-Jan-28	0.69	89,519		–	–	–	**89,519**	–	–	–	23,732	30-Jun-25
FY24 LTI–rTSR	29-Sep-23	30-Jun-26	0.67	–	185,607	–	–	–	**185,607**	–	–	–	82,905	30-Jun-26
Total				135,422	204,063	–	–	–	**339,485**	64,359	64,359		106,637	

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5. Stacey Brown was awarded her annual equity entitlement, in respect of tenure as a member of the Board. There will be no further equity entitlements for Stacey following her retirement as a member of the Board.
6. Performance rights awarded to Roby Sharon-Zipser are in respect of the FY23 STI plan and the FY24 LTI Plan.
7. Performance rights awarded to Jaco Jonker are in respect of the FY23 STI plan and the FY24 LTI Plan.

9. Executive KMP Contractual Arrangements

All Executive KMP are permanent employees and have employment agreements determining fixed remuneration and performance-based variable incentives. The following table summarises the contractual arrangements:

Contract details

	Roby Sharon-Zipser	Jaco Jonker
Base pay per contract, inclusive of superannuation	$645,500	$438,034
Incentive Mix:		
• **STI Target, inclusive of superannuation and deferred equity**	$225,925	$153,312
• **LTI Target**	$193,650	$131,410
Other benefits	Car parking is provided to both, each valued at $8,844 per annum (annualised, inclusive of GST).	
Notice	The termination notice period is six months' written notice by either party.	
Severance	In respect of the CEO, any severance payment of six months' Base Pay applies where termination is initiated by hipages together with the notice period which may be worked or paid in lieu at the discretion of hipages Group.[1] In respect of the CFOO, a severance payment would be based on the National Employment Standards for length of service where termination is initiated by hipages together with the notice period which may be worked or paid in lieu at the discretion of hipages Group.[1]	
Restraints	For a period of up to 12 months in respect of both the CEO and CFOO following termination of employment, they will be subject to a restraint, which will prohibit them from, directly or indirectly: – Engaging in or performing any work in competition with the part of the business of hipages in which they worked in the 12 months preceding the termination of their employment. – Canvassing, soliciting, or enticing away the business or custom of any client, or providing products or services to any client, with whom they (or a person reporting to them) has performed work or had dealings in the 12 months preceding the termination of employment. – Inducing or encouraging any client, supplier, employee, agent, officer, contractor, partner, advisor or consultant with whom they (or a person reporting to them) has performed work or had dealings in the 12 months preceding the termination of employment, to terminate or otherwise alter their business relationship with hipages. These restraints are expressed to apply to a range of geographic areas of different sizes, namely Australia and New Zealand; Australia: New South Wales; and within two kilometres of the Sydney CBD.	

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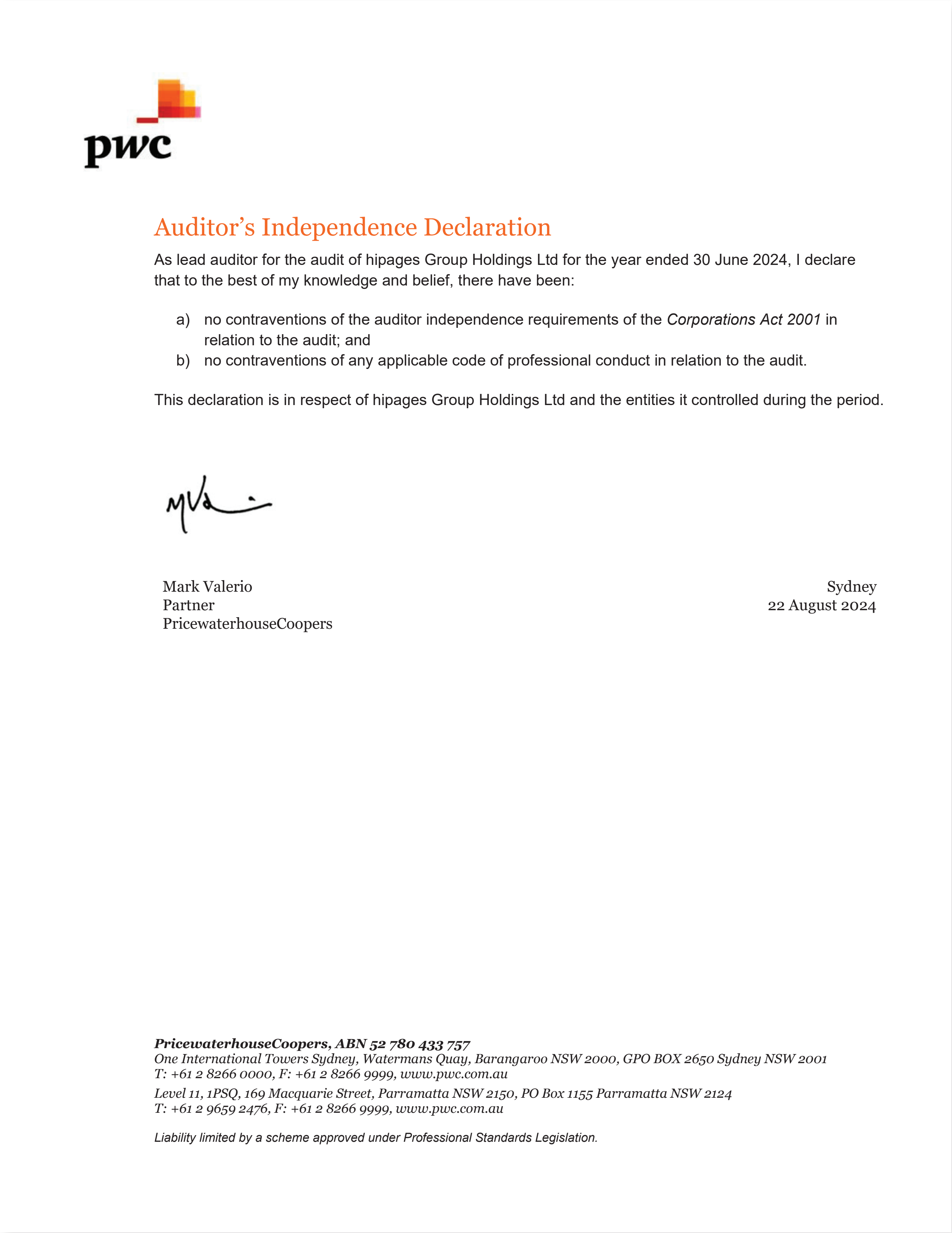
[1] Other than for serious misconduct or unsatisfactory performance.

Auditor's Independence Declaration



Auditor's Independence Declaration

As lead auditor for the audit of hipages Group Holdings Ltd for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been:

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

This declaration is in respect of hipages Group Holdings Ltd and the entities it controlled during the period.

Mark Valerio
Partner
PricewaterhouseCoopers

Sydney
22 August 2024

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Consolidated Financial Statements

for the year ended 30 June 2024

hipages Group Holdings Ltd
ABN 67 644 430 839

Consolidated Statement of Profit or Loss

For the year ended 30 June 2024

	Notes	30 June 2024 $'000	30 June 2023 $'000
Revenue			
Revenue from ordinary activities		**75,312**	65,893
Other revenue		**501**	1,114
Total revenue	2.2	**75,813**	67,007
Other income	3.7	**369**	369
Expenses excluding interest, tax, depreciation and amortisation			
Employee benefits expenses	4.1	**(28,875)**	(25,845)
Marketing related expenses		**(16,341)**	(15,514)
Operations and administration expenses		**(11,361)**	(10,863)
Impairment of trade receivables		**(2,838)**	(2,619)
Impairment on New Zealand subsidiary (Builderscrack)	3.5	**–**	(3,100)
Net other expenses		**(11)**	(11)
Total expenses excluding interest, tax, depreciation and amortisation		**(59,426)**	(57,952)
Earnings before interest, tax, depreciation and amortisation (EBITDA)		**16,756**	9,424
Depreciation and amortisation	2.3	**(16,879)**	(14,354)
Loss before interest and income tax		**(123)**	(4,930)
Finance income		**610**	173
Finance expenses		**(304)**	(377)
Net finance income/(expense)	2.4	**306**	(204)
Share of loss of equity-accounted investment, net of tax	6.3	**(44)**	(408)
Gain on disposal of equity-accounted investment, net of tax	6.3	**3,079**	–
Profit/(loss) before income tax		**3,218**	(5,542)
Income tax benefit	2.6	**345**	398
Profit/(loss) for the period		**3,563**	(5,144)
Profit/(loss) for the period, attributable to the members of the Group		**3,563**	(5,144)

		Cents	Cents
Earnings per share attributable to the ordinary equity holders of the Group:			
Basic earnings per share	2.5	**2.67**	(3.92)
Diluted earnings per share	2.5	**2.58**	(3.92)

The above Consolidated Statement of Profit or Loss should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2024

	Notes	30 June 2024 $'000	30 June 2023 $'000
Profit/(loss) for the period attributable to members of the Group		**3,563**	(5,144)
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Foreign currency translation differences for foreign operations		**(34)**	209
Loss on revaluation of investment	3.3	**(429)**	–
Other comprehensive profit/(loss) net of tax		**(463)**	209
Total comprehensive profit/(loss), attributable to owners of hipages Group Holdings Ltd		**3,100**	(4,935)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

For the year ended 30 June 2024

	Notes	30 June 2024 $'000	30 June 2023 $'000
ASSETS			
Current assets			
Cash and cash equivalents	3.1	**20,116**	8,540
Funds on deposit	3.1	**1,150**	2,187
Trade and other receivables	3.2	**1,480**	1,655
Other assets	3.3	**1,248**	1,728
Current tax asset		**–**	151
Total current assets		**23,994**	14,261
Non-current assets			
Other investments	3.3	**371**	800
Equity-accounted investment	6.3	**–**	5,365
Property, plant and equipment	3.4	**883**	1,332
Right-of-use assets	3.6	**8,162**	9,943
Intangible assets	3.5	**30,401**	30,514
Total non-current assets		**39,817**	47,954
Total assets		**63,811**	62,215
LIABILITIES			
Current liabilities			
Trade and other payables	3.7	**7,580**	8,199
Contract liabilities	3.8	**3,545**	3,220
Provisions	3.9	**2,166**	2,444
Lease liabilities	3.6	**1,571**	2,149
Current tax liability		**45**	–
Total current liabilities		**14,907**	16,012
Non-current liabilities			
Provisions	3.9	**791**	740
Lease liabilities	3.6	**8,126**	9,563
Deferred tax liability	2.6	**1,229**	1,700
Total non-current liabilities		**10,146**	12,003
Total liabilities		**25,053**	28,015
Net assets		**38,758**	34,200
EQUITY			
Issued capital	5.3	**320,430**	319,378
Reserves	5.4	**(219,589)**	(219,532)
Accumulated losses	5.5	**(62,083)**	(65,646)
Total equity		**38,758**	34,200

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

Consolidated Statement of Changes in Equity

For the year ended 30 June 2024

Attributable to owners of hipages Group Holdings Ltd

	Notes	Contributed equity $'000	Capital reorganisation reserve $'000	Share-based payments reserve $'000	Translation and other reserves[1] $'000	Accumulated losses $'000	Total $'000
Balance at 1 July 2022		317,639	(226,612)	8,291	(1,718)	(60,502)	37,098
Loss for the period, attributable to the members of the Group		–	–	–	–	(5,144)	(5,144)
Transactions with owners in their capacity as owners:							
Employee share-based payments expense		–	–	1,741	–	–	1,741
New shares issued for share-based payment	5.4	1,279	–	(1,279)	–	–	–
New shares issued to existing shareholders	5.4	91	–	(91)	–	–	–
Cash-settled share-based payments		–	–	(73)	–	–	(73)
Contributions of equity, net of transaction costs		369	–	–	–	–	369
Foreign currency translation differences		–	–	–	209	–	209
Balance at 30 June 2023		319,378	(226,612)	8,589	(1,509)	(65,646)	34,200
Balance at 1 July 2023		**319,378**	**(226,612)**	**8,589**	**(1,509)**	**(65,646)**	**34,200**
Profit for the period, attributable to the members of the Group		**–**	**–**	**–**	**–**	**3,563**	**3,563**
Transactions with owners in their capacity as owners:							
Employee share-based payments expense		**–**	**–**	**1,458**	**–**	**–**	**1,458**
New shares issued for share-based payment	5.4	**1,052**	**–**	**(1,052)**	**–**	**–**	**–**
Fair value changes for equity investment	5.4	**–**	**–**	**–**	**(429)**	**–**	**(429)**
Foreign currency translation differences		**–**	**–**	**–**	**(34)**	**–**	**(34)**
Balance at 30 June 2024		**320,430**	**(226,612)**	**8,995**	**(1,972)**	**(62,083)**	**38,758**

1. Translation and other reserves incorporate foreign exchange movements as well as movements related to fair value assessments related to assets measured at fair value through other comprehensive income movement, refer to Note 5.4, Reserves.

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

Consolidated Statement of Cash Flows

For the year ended 30 June 2024

	Notes	30 June 2024 $'000	30 June 2023 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		**81,393**	71,870
Payments to suppliers and employees (inclusive of GST)		**(62,551)**	(56,058)
		18,842	15,812
Interest received		**399**	146
Income taxes refunded/(paid)		**73**	(245)
Interest paid		**(4)**	(16)
Net cash flows from operating activities	3.1	**19,310**	15,697
Cash flows from investing activities			
Payments for purchase of business net of cash acquired		**–**	(414)
Proceeds from disposal of equity interest in associate	6.3	**8,400**	525
Payments for property, plant and equipment	3.4	**(180)**	(540)
Payments for intangible assets	3.5	**(14,547)**	(15,408)
Proceeds from divestments		**–**	250
Release of bank guarantee	3.1	**1,037**	–
Other		**–**	84
Net cash flows used in investing activities		**(5,290)**	(15,503)
Cash flows from financing activities			
Proceeds from issue of shares	5.3	**1,004**	1,279
Payments for shares acquired by the hipages Employee Share Trust	5.4	**(1,004)**	(1,279)
Payment of principal portion of lease liabilities	3.6	**(2,439)**	(3,139)
Proceeds from reimbursement of office refurbishment costs		**–**	600
Cash settlement of share-based payments		**–**	(42)
Net cash flows used in financing activities		**(2,439)**	(2,581)
Net increase/(decrease) in cash and cash equivalents		**11,581**	(2,387)
Cash and cash equivalents at the beginning of the period		**8,540**	10,907
Effects of exchange rate changes on cash and cash equivalents		**(5)**	20
Cash and cash equivalents at the end of the period	3.1	**20,116**	8,540

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

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

1. Basis of preparation

1.1. Reporting entity

These consolidated financial statements are for the Group consisting of hipages Group Holdings Ltd (the 'Company' or 'parent entity') and its subsidiaries (together referred to as the 'Group' or 'Consolidated Entity' and individually as 'Group Entities') for the year ended 30 June 2024 and were authorised for issue in accordance with a resolution of the Directors on 22 August 2024.

hipages Group is a for-profit entity and is Australia and New Zealand's (ANZ's) #1 platform to connect homeowners and tradies, through its platforms hipages (Australia) and hipages New Zealand (Builderscrack).

The Group has continued its strategic evolution from marketplace to platform with the integration of the job management solution 'tradiecore' in the hipages app in April 2024.

The registered office is located at Level 10, 255 Pitt Street, Sydney, Australia.

1.2. Basis of preparation

These general-purpose financial statements:

- have been prepared in accordance with Australian Accounting Standards (AASBs) and interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001;
- comply with International Financial Reporting Standards (IFRSs) as issued by the International Standards Board (IASB);
- have been prepared on a going concern basis;
- have been prepared under the historical cost convention except for the revaluation of financial assets and liabilities (including derivative instruments) measured at fair value through other comprehensive income; and
- are presented in Australian dollars with amounts rounded off in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 to the nearest thousand dollars, or in certain cases, the nearest dollar.
- include a Consolidated Entity Disclosure Statement (CEDS) which has been prepared in accordance with the *Corporations Act 2001* and includes information for each entity that was part of the Group as at the end of the financial year in accordance with AASB 10 *Consolidated Financial Statements*.

  Section 295 (3A)(vi) of the *Corporation Act 2001* defines tax residency as having the meaning in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency. In determining tax residency, the Group had regarded the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

As at 30 June 2024, the Group had net assets of $38.758 million (30 June 2023: $34.200 million).

Changes in accounting policies are set out in Note 7.4, Other significant accounting policies.

1.3. Key accounting estimates

In preparing these financial statements, management is required to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continuously evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity that are believed reasonable in the circumstances, and are reviewed on an ongoing basis. The areas involving a higher degree of judgement and use of an estimate are described in the relevant notes. These include:

- Revenue lead credits and lead utilisation (refer to Note 2.2, Revenue)
- Capitalisation of internally generated software (refer to Note 3.5, Intangible assets)
- Valuation and carrying amount of intangible assets (refer to Note 3.5, Intangible assets)
- Estimation of useful lives of assets (refer to Note 3.5, Intangible assets)
- Recognition of deferred tax assets (refer to Note 2.6, Income tax)

2. Business performance

2.1. Segment information

Accounting policy

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Makers (CODM), being the Chief Executive Officer and the Chief Finance and Operations Officer. The results of operating segments are reviewed regularly by the CODM to assess the performance of the business and to make decisions about resources to be allocated to the segment.

Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Operating segments that exhibit similar long-term economic characteristics, and have similar products, processes, customers, distribution methods and regulatory environments, are aggregated into segments. The Group has two reportable segments, as summarised below:

Australia: **hipages online tradie platform**	hipages is Australia's #1 platform to connect homeowners and tradies. The Australian business has continued its strategic evolution from marketplace to platform with the integration of the job management solution 'tradiecore' in the hipages app in April 2024.
New Zealand: **Builderscrack online tradie platform**	MyQuote Limited, trading as 'Builderscrack' is New Zealand's leading online tradie marketplace, connecting tradies with residential and commercial homeowners through its platform.

Segment revenue

The revenue from external customers reported to the CODM is measured in a manner consistent with that in the Consolidated Statement of Profit or Loss. There are no sales between segments. Segment revenue reconciles to total revenue provided in Note 2.2, Revenue.

Major customers

The Group did not derive 10% or more of its revenues from any single external customer.

2.1. **Segment information** continued

Segment result

The CODM assesses performance based on a measure of EBITDA (Earnings before interest, tax, depreciation and amortisation).

Information about reportable segments

	Australia 12 months ended		New Zealand 12 months ended		Total operations 12 months ended	
	30-Jun-24 $'000	**30-Jun-23 $'000**	**30-Jun-24 $'000**	**30-Jun-23 $'000**	**30-Jun-24 $'000**	**30-Jun-23 $'000**
Revenue	**71,911**	63,236	**3,401**	2,657	**75,312**	65,893
Other revenue	**501**	1,114	**–**	–	**501**	1,114
Total revenue	**72,412**	64,350	**3,401**	2,657	**75,813**	67,007
Segment EBITDA (exclusive of impairment charge)	**15,798**	11,974	**958**	550	**16,756**	12,524
Impairment of goodwill associated with the Builderscrack business	**–**	–	**–**	(3,100)	**–**	(3,100)
Segment EBITDA (inclusive of impairment charge)	**15,798**	11,974	**958**	(2,550)	**16,756**	9,424
Depreciation and amortisation[1]	**(14,690)**	(12,385)	**(2,189)**	(1,969)	**(16,879)**	(14,354)
Segment profit/(loss) before interest and tax	**1,108**	(411)	**(1,231)**	(4,519)	**(123)**	(4,930)
Net financing (expense)/benefit	**313**	(194)	**(7)**	(10)	**306**	(204)
Income tax benefit	**–**	–	**345**	398	**345**	398
Segment profit/(loss) after tax	**1,421**	(605)	**(893)**	(4,131)	**528**	(4,736)
Share of loss in associates	**(44)**	(408)	**–**	–	**(44)**	(408)
Gain on disposal of associates, net of tax	**3,079**	–	**–**	–	**3,079**	–
Net profit/(loss) after tax	**4,456**	(1,013)	**(893)**	(4,131)	**3,563**	(5,144)

	Balance as at		Balance as at		Balance as at	
	30-Jun-24 $'000	**30-Jun-23 $'000**	**30-Jun-24 $'000**	**30-Jun-23 $'000**	**30-Jun-24 $'000**	**30-Jun-23 $'000**
Segment assets	**56,046**	53,018	**7,765**	9,197	**63,811**	62,215
Segment liabilities	**22,717**	25,174	**2,336**	2,841	**25,053**	28,015

1. For the New Zealand segment, depreciation and amortisation includes $1.668 million (30 June 2023: $1.650 million) in respect of acquired identifiable intangible assets.

2.2. Revenue

Accounting policy

AASB 15 *Revenue from Contracts with Customers* establishes a framework for revenue recognition. It is based on the principle that revenue is recognised when control of a good or service transfers to a customer (tradie), either over time or at a point in time, depending on when performance obligations are satisfied.

The following represents the two identified performance obligations:

- *the right for tradies to access potential leads/jobs:* Tradies have a right to have their business(es) advertised on the Group's online tradie platform and/or have access to potential leads. The Group will advertise the tradies' business(es) on its online directories and make it available to appear in public searches made by homeowners online seeking trade services. If a job is requested by a homeowner in a responding geographical area and trade skill as the tradie, they will be notified of the lead and have access to the lead/job. For tradies with certain packages, they also have the right to access various job management tools and other features of the hipages tradiecore platform. The services within the job management tools and features within the new platform are highly interdependent, and therefore are not accounted for as separate performance obligations.
- *the right to respond to these leads:* Tradies are notified of leads/job posts and have the right to respond. Tradies will use any lead credits they have purchased separately or that are included in their subscription when responding to leads. The Group will provide the tradie with the homeowner's contact details to be able to quote for the job.

These are recognised over time and point in time respectively.

Consideration that is fixed or highly probable is included in the transaction price allocated to the performance obligation. The predominant billing structure for these performance obligations is either a bundled upfront fee, an upfront fee or ongoing subscription fee.

The revenue from bundled upfront fees is allocated between the two performance obligations and recognised accordingly. The allocation is based on their stand-alone selling prices, and any discount is proportionately allocated.

Revenue for the right for tradies to access potential leads is recognised over the subscription period agreed with the tradie (which in most cases is six or 12 months).

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the tradie and payment by the tradie exceeds one year. Consequently, the Group does not adjust any of the transaction prices for the time value of money.

Key estimate and judgement: Revenue lead credits and lead utilisation

Lead credits are used by tradies to respond to leads. Lead credits are included in subscription packages or can be purchased separately as add-on lead packs. Revenue is recognised as the performance obligations are satisfied, specifically when the tradies utilise the lead credits in accordance with the terms of the contract. The historical rate of lead credit utilisation is used to estimate:

- the future lead credit usage; and
- timing of usage, in order to assess timing of the revenue recognition resulting from its product offering.

2.2. **Revenue** continued

Revenue	30 June 2024 $'000	30 June 2023 $'000
Ordinary activities		
Contracts with customers – recurring revenue		
Recognised over time	**72,089**	62,931
Contracts with customers – transactional revenue		
Recognised over time	**1,396**	1,015
Recognised at a point in time	**1,827**	1,947
Total revenue from ordinary activities	**75,312**	65,893
Other activities		
Rental income	**501**	1,114
Total revenue from other activities	**501**	1,114
Total revenue	**75,813**	67,007

Recurring revenue is subscription-based revenue and is recognised over time as performance obligations are satisfied. Transactional revenue is recognised at a point in time or over time when the performance obligations are satisfied.

Rental income related to a sublease arrangement where the Group acted as an intermediate lessor for several subleases. These sub leases ceased during the year ended 30 June 2024.

2.3. Depreciation and amortisation

	30 June 2024 $'000	30 June 2023 $'000
Depreciation		
Plant and equipment	**267**	271
Leasehold improvements	**316**	608
Right-of-use assets	**1,943**	2,429
Total depreciation	**2,526**	3,308
Amortisation		
Software and other intangibles	**569**	256
Capitalised development intangibles	**13,464**	10,473
Brand and tradie contracts	**320**	317
Total amortisation	**14,353**	11,046
Total depreciation and amortisation	**16,879**	14,354

2.4. Net finance expense

Accounting policy

Finance income: Interest income is recognised as it accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Finance expense: Interest expense is recognised as it accrues and becomes payable. Interest expense also includes hipages' lease liability interest.

	30 June 2024 $'000	30 June 2023 $'000
Finance income		
Interest income calculated using the effective interest method	**610**	173
Total finance income	**610**	173
Finance expense		
Interest and finance charges paid/payable	**(41)**	(59)
Finance Costs – lease liability interest	**(263)**	(318)
Total finance expenses	**(304)**	(377)
Net finance income/(expense)	**306**	(204)

2.5. Earnings per share (EPS)

Accounting policy

The Group presents basic and diluted EPS in the Consolidated Statement of Profit or Loss.

Basic earnings per share: calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share: adjusts the figures used in determining the basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with the dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Potential ordinary shares: performance rights granted to employees under the employee share plans are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The rights to shares have not been included in the determination of basic earnings per share. Details relating to rights to shares are set out in Note 4.2, Share-based payment arrangements.

	30 June 2024 $'000	30 June 2023 $'000
Earnings used in calculating earnings per share		
Basic and diluted profit/(loss) attributable to the ordinary equity holders of the Company	**3,563**	(5,144)

	30 June 2024 Number	30 June 2023 Number
Weighted average number of shares used as denominator		
Issued ordinary shares	**134,045,376**	133,110,322
Impact of shares issued during the period	**(785,903)**	(1,931,085)
Weighted average number of ordinary shares	**133,259,473**	131,179,237
Dilutive impact of share-based payments	**4,616,647**	3,155,202
Total weighted average number of ordinary shares and potential ordinary shares used in EPS calculation	**137,876,120**	134,334,439

	30 June 2024 Cents	30 June 2023 Cents
Earnings per share attributable to the ordinary equity holders of the Company[1]		
Basic earnings per share	**2.67**	(3.92)
Diluted earnings per share	**2.58**	(3.92)

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[1] To calculate EPS for 30 June 2023, when the Group was loss making, the weighted average number of ordinary shares used for both basic and diluted EPS was 131,179,237.

2.6. Income tax

Accounting policy

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses and unused tax offsets only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amounts of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

hipages and its subsidiaries are not part of any income tax consolidated group as described under AASB Interpretation 1052. The Board has made a decision to form a tax consolidated group effective 1 July 2023 and the notification to the Australian Taxation Office will be made prior to the lodgement of the tax returns for the Australian Group entities for the year ended 30 June 2024. Tax accounting has been applied on this basis.

Accounting policy: GST and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the Consolidated Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

2.6. **Income tax** continued

Key estimate and judgement: Recognition of deferred tax assets

The Group has not recognised deferred tax assets relating to carry forward tax losses or unused tax offsets. The utilisation of carry forward tax losses is dependent upon the extent to which they can be utilised and on the ability of the entity to satisfy certain tests at the time the losses are recouped.

Income tax expense/(benefit)	**30 June 2024 $'000**	**30 June 2023 $'000**
Current tax		
Current tax expense	**124**	68
Deferred tax		
Deferred tax benefit	**(469)**	(466)
Total income tax benefit	**(345)**	(398)

Numerical reconciliation of income tax expense/(benefit) to prima facie tax payable	**30 June 2024 $'000**	**30 June 2023 $'000**
Profit/(loss) before tax	**3,218**	(5,542)
Total profit/(loss) before income tax expense	**3,218**	(5,542)
Income tax expense/(benefit) calculated at 30%	**965**	(1,663)
Tax effect of amounts that are not deductible/(taxable) in calculating income tax:		
Share-based payments	**437**	518
Non-deductible contingent consideration remeasurement	**(111)**	(111)
Non-deductible entertainment and other expenses	**51**	21
Amortisation expense on business acquisition intangible asset	**56**	197
Non-deductible impairment of goodwill	**–**	930
Derecognition of DTA	**1,680**	1,115
Brought forward tax loss/R&D credit benefit used	**(3,146)**	(1,372)
R&D expenditure for software development	**2,318**	–
Share of profit/(loss) of equity-accounted investees	**(26)**	81
Proptech Labs (B+A) Sale – DTL unwind	**(346)**	(119)
Impact of differential tax rates	**33**	33
Other tax adjustments	**5**	(28)
Adjustment recognised for prior periods[1]	**(2,261)**	–
Total income tax benefit reported in the Consolidated Statement of Profit or Loss	**(345)**	(398)

The Group's consolidated effective tax rate for the year ended 30 June 2024 was 0% (30 June 2023: 0%). This is due to the availability of carry forward tax losses and tax offsets.

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[1] Adjustment recognised for prior periods represents the revision to the opening deferred tax balances for capitalised software development expenditure due to the submission of the Research and Development (R&D) tax incentive claim for the year ended 30 June 2023, which occurred after the finalisation of the prior year financial statements.

2.6. **Income tax** continued

Deferred tax assets	**30 June 2024 $'000**	**30 June 2023 $'000**
The balance comprises temporary differences attributable to:		
Employee benefits	**1,021**	972
Capital raising costs	**457**	920
Doubtful debts	**541**	374
Accrued expenses	**313**	411
Leasehold assets	**568**	622
Lease liabilities	**2,749**	3,315
Intangible assets	**(18)**	(11)
Deferred tax assets not recognised to the extent of deferred tax liabilities	**(925)**	(3,771)
Total deferred tax assets	**4,706**	2,832
Deferred tax liabilities		
Intangible assets	**(3,671)**	(1,741)
Right-of-use-assets	**(2,264)**	(2,791)
Total deferred tax liabilities	**(5,935)**	(4,532)
Net deferred tax	**(1,229)**	(1,700)

Tax losses	**30 June 2024 $'000**	**30 June 2023 $'000**
Unused tax losses for which no deferred tax asset has been recognised	**7,727**	22,405
Potential tax benefit @ 30%	**2,318**	6,721
Research and Development tax incentive		
Unused Research and Development offset for which no deferred tax asset has been recognised – potential tax benefit	**7,046**	2,914

Research and development tax incentive

Unused R&D offset of $7.046 million represents the offset available for the period ended 30 June 2023. Additional tax offset is expected to be available following the submission of the R&D claim in respect of the year ended 30 June 2024.

3. Working capital and operating assets

3.1. Cash and cash equivalents

Accounting policy

Cash and cash equivalents include cash at bank and in hand, term deposits, funds on deposit (bank guarantees).

Term deposits and funds on deposit all have original maturity dates of nine months or less and are readily convertible to known amounts of cash with 31 days notice and which are subject to an insignificant risk of changes in related interest income at maturity.

The Group's exposure to interest rate risk is discussed in Note 5.1, Financial risk management.

	30 June 2024 $'000	30 June 2023 $'000
Cash and cash equivalents		
Cash at bank and in hand	**10,716**	8,540
Term deposits (short-term)	**9,400**	–
Total cash and cash equivalents	**20,116**	8,540
Funds on deposit		
Funds on deposit (bank guarantees)	**1,150**	2,187
Total cash and cash equivalents and funds on deposit	**21,266**	10,727

Cash and cash equivalents

Total cash and cash equivalents include money held on short-term (nine months or less) term deposits which are readily convertible to known amounts of cash with 31 days notice.

Funds on deposit

Funds on deposit (bank guarantees) include $1.030 million (30 June 2023: $2.067 million) held as bank guarantees for the lease of the Company's Sydney office premises. During the year ended 30 June 2024, a bank guarantee of $1.037 million (30 June 2023: nil) was released. Further information is set out in Note 5.8, Contingencies.

3.1. Cash and cash equivalents continued

Reconciliation of cash flows from operating activities

Profit/(loss) for the period	**3,563**	(5,144)
Adjustments to reconcile profit/(loss) to net cash flows:		
Depreciation and amortisation	**16,879**	14,354
Share-based payments	**1,458**	1,741
Finance costs	**263**	318
Share of loss in Associates	**44**	408
Gain on disposal of equity-accounted investment	**(3,079)**	–
Impairment of New Zealand subsidiary	**–**	3,100
Deferred consideration adjustment of New Zealand subsidiary	**(369)**	(369)
Income tax benefit	**(345)**	(398)
(Profit)/loss on disposal of fixed assets	**(1)**	5
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	**175**	206
(Increase)decrease in other current assets	**480**	(114)
(Increase)/decrease in other non-current assets	**–**	105
Increase/(decrease) in trade creditors	**71**	830
Increase/(decrease) in contract liabilities	**325**	216
Increase/(decrease) in provisions	**(227)**	684
Cash generated from operations	**19,237**	15,942
Taxes paid	**73**	(245)
Net cash flows from operating activities	**19,310**	15,697

3.2. Trade and other receivables

Accounting policy

Trade receivables: Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade and other receivables expected to be settled within 12 months of the balance sheet date are classified as current, otherwise they are classified as non-current.

A simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance, has been applied in calculation of the expected credit losses. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables: Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Fair value of trade receivables: Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

3.2. Trade and other receivables continued

	30 June 2024 $'000	30 June 2023 $'000
Trade receivables	**3,074**	2,880
Less: Allowance for expected credit loss	**(1,805)**	(1,249)
Trade receivables net of allowances for expected credit loss	**1,269**	1,631
Other receivables	**211**	24
Total trade and other receivables	**1,480**	1,655

Other receivables represent unbilled revenue and interest receivables on term deposits.

Expected credit loss provision

Ageing of the Group's trade receivables at the reporting date is as follows:	30 June 2024 $'000	30 June 2023 $'000
Past due 1 – 29 days	**991**	1,041
Past due 30 – 59 days	**384**	359
Past due 60 – 89 days	**295**	278
Past due 90 days or more	**1,404**	1,202
Total trade receivables	**3,074**	2,880

Expected credit loss rate % and allowance for expected credit loss by ageing category:	30 June 2024		30 June 2023	
	%	$'000	%	$'000
Past due 1 – 29 days	**21%**	**212**	4%	44
Past due 30 – 59 days	**52%**	**199**	40%	143
Past due 60 – 89 days	**70%**	**207**	50%	138
Past due 90 days or more	**85%**	**1,187**	77%	924
Total allowance for expected credit loss		**1,805**		1,249

Reconciliation of movement – Expected credit loss provision	30 June 2024 $'000	30 June 2023 $'000
Opening net book amount	**1,249**	813
Provisions made during the year	**2,838**	2,619
Receivables written off during the year as uncollectible	**(2,282)**	(2,183)
Total expected credit loss provision	**1,805**	1,249

3.3. Other assets and investments

Accounting policy

Investments and other financial assets: Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition. These are strategic investments, and the Group considers this classification more relevant. Financial assets are carried at fair value and are measured by the fair value measurement hierarchy referred to in Note 5.2, Fair value measurements.

On disposal of these equity investments, any related balance within the Translation and other reserves which incorporates fair value movements is reclassified to retained earnings.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

	30 June 2024 $'000	30 June 2023 $'000
Other assets – current		
Deposits and prepayments	**1,248**	1,624
Lease receivable (subleases)	**–**	104
Total other assets – current	**1,248**	1,728

Other investments	Fair value at 30 June 2024 $'000	Fair value at 30 June 2023 $'000
Other investment	**371**	800

The other investment relates to a 2.58% ownership interest in Rated People. Rated People is an unlisted technology platform based in the UK connecting homeowners with local tradespeople. The Group measures this investment at fair value through other comprehensive income. During the year ended 30 June 2024 a $0.429 million fair value adjustment was recognised where the fair value of the investment decreased through other comprehensive income (30 June 2023: nil), refer to additional disclosure in Note 5.2, Fair value measurements.

3.4. Property, plant and equipment

Accounting policy

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Consolidated Statement of Profit or Loss during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives. The depreciation rate for each class of assets is:

- Plant and equipment 25%
- Leasehold improvement 25% or over the lease term

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Consolidated Statement of Profit or Loss. When revalued assets are sold, the amounts included in other reserves in respect of those assets are transferred to retained earnings.

	30 June 2024 $'000	30 June 2023 $'000
Property, plant and equipment – at cost		
Leasehold improvements	**3,527**	3,782
Plant and equipment	**1,776**	1,670
Less accumulated depreciation		
Leasehold improvements	**(3,047)**	(2,994)
Plant and equipment	**(1,373)**	(1,126)
Total property, plant and equipment	**883**	1,332
Comprising		
Leasehold improvements	**480**	788
Plant and equipment	**403**	544
Total property, plant and equipment	**883**	1,332

3.4. Property, plant and equipment continued

Reconciliation of movement	Plant and equipment $'000	Leasehold improvements $'000	Total $'000
Balance 1 July 2022	975	756	1,731
Additions	201	385	586
Depreciation	(271)	(608)	(879)
Disposal	(5)	–	(5)
Transferred[1]	(368)	254	(114)
Foreign exchange movement	12	1	13
Closing balance 30 June 2023	544	788	1,332
Balance 1 July 2023	**544**	**788**	**1,332**
Additions	**127**	**8**	**135**
Depreciation	**(267)**	**(316)**	**(583)**
Foreign exchange movement	**(1)**	**–**	**(1)**
Closing balance 30 June 2024	**403**	**480**	**883**

3.5. Intangible assets

Accounting policy

Goodwill: Goodwill arises on the acquisition of a business. Goodwill represents the excess of the cost of an acquisition over the fair value of the share of identifiable assets acquired at the date of acquisition. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less accumulated impairment losses. Goodwill is allocated to Cash-Generating Units (CGUs) for the purpose of impairment testing. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Brands, tradie relationships, and homeowner database: Acquired brands, tradie relationships and the homeowner database represent intangible assets acquired that are separately identified and fair valued at acquisition date. Acquired brands, tradie relationships and the homeowner database are amortised on a straight-line basis over their useful lives, which has been assessed to be a 10 to 15-year period.

Research: Research costs are expensed in the period in which they are incurred.

Capitalised development: Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised from the point at which the asset is ready for use on a straight-line basis over the period of their expected benefit, being three years. Internally capitalised labour costs are treated as an investing cash flow in the consolidated statement of cash flows.

Software: Software assets include purchased software which are amortised on a straight-line basis, over the period of their expected benefit, being three years.

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1. Items in a plant and equipment in progress account were transferred upon completion to the leasehold improvements $254,000 and software $114,000 as of full year ended 30 June 2023. Refer to Note 3.5 for the amount reclassified into software.

3.5. Intangible assets continued

Key estimate and judgement: Carrying value of intangible assets

Useful lives: Residual values and useful lives are reviewed and adjusted if appropriate at each financial year end. Estimation of useful lives has been based on historic experience. Any changes to useful lives may affect prospective amortisation rates and asset carrying values.

Impairment: If an indicator of impairment exists, the recoverable amount of the asset is determined. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's Fair Value Less Costs of Disposal (FVLCD) and Value-In-Use (VIU).

Carrying value of goodwill: Goodwill is monitored by management at the level of operating segment identified in Note 2.1, Segment information. The Company tests whether goodwill attributable to a CGU has been impaired on an annual basis, or more frequently if events or changes in circumstances indicate that they might be impaired. The recoverable amount of CGUs is based on VIU calculations in the case of the Australian CGU and FVLCD in the case of the NZ CGU, Builderscrack. These calculations require assumptions and discounting future cash flows. The assumptions are based on the best estimates at the time of performing the valuation.

The calculations use cash flow projections based on financial budgets approved by management covering a four-to five-year period. Cash flows beyond this period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

Impairment of non-financial assets other than goodwill: All assets are assessed for impairment at each reporting date by evaluating whether indicators of impairment exist in relation to the continued use by the Group. The Group makes use of information on the long-term strategy and growth rates of the markets in which the Group operates. The Group assesses impairment at each reporting date by evaluating conditions specific to the Group. Impairment triggers include technological changes or adverse economic circumstances which may impact future revenue streams.

	30 June 2024 $'000	**30 June 2023 $'000**
Goodwill	**1,721**	1,743
Brands and tradie relationships	**3,934**	4,269
Capitalised development	**23,822**	23,115
Software and other intangibles	**924**	1,387
Closing net book value	**30,401**	30,514

3.5. Intangible assets continued

Reconciliation of movement	Goodwill $'000	Capitalised development $'000	Brands and tradie relationships $'000	Software and other intangibles $'000	Total $'000
Opening balance at 1 July 2022	4,768	19,719	4,502	622	29,611
Additions	–	13,807	–	908	14,715
Amortisation expense	–	(10,473)	(317)	(256)	(11,046)
Transferred from plant and equipment[1]	–	–	–	114	114
Impairment of goodwill associated with the New Zealand CGU	(3,100)	–	–	–	(3,100)
Effect of movement in exchange rates	75	62	84	(1)	220
Closing balance at 30 June 2023	1,743	23,115	4,269	1,387	30,514
Opening balance at 1 July 2023	**1,743**	**23,115**	**4,269**	**1,387**	**30,514**
Additions	**–**	**14,169**	**–**	**106**	**14,275**
Amortisation expense	**–**	**(13,464)**	**(320)**	**(569)**	**(14,353)**
Effect of movement in exchange rates	**(22)**	**2**	**(15)**	**–**	**(35)**
Closing balance at 30 June 2024	**1,721**	**23,822**	**3,934**	**924**	**30,401**

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the Group's CGUs as described in Note 2.1, Segment information and the carrying value is assessed for impairment at this level.

Australia – Management has considered and assessed key valuation assumptions as well as reasonable possible changes to the key assumptions and has not identified any instance that could cause the carrying amount of the Australian CGU comprising the hipages online tradie platform to exceed its recoverable amount and result in an impairment charge. On this basis, no impairment charge has been recorded for the year ended 30 June 2024 (30 June 2023: nil).

The recoverable amount of the hipages CGU was calculated based on a VIU model at 30 June 2024 using a discounted cash flow model. The major inputs and assumptions used in performing the assessment that require judgement are summarised below.

New Zealand – Management has considered and assessed key valuation assumptions as well as reasonable possible changes to the key assumptions and has not identified any instance that could cause the carrying amount of the NZ CGU comprising hipages New Zealand 'Builderscrack' to exceed its estimated recoverable amount and result in an impairment charge. On this basis no impairment charge has been recorded for the year ended 30 June 2024 (30 June 2023: $3.100 million).

The recoverable amount of the hipages New Zealand CGU was calculated on the basis of FVLCD using a discounted cash flow model. The major inputs and assumptions used in performing the assessment that require judgement are summarised below.

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[1] Items in a plant and equipment in progress account were transferred upon completion to software $114,000 as at full year ended 30 June 2023. Refer to Note 3.4, Property plant and equipment.

3.5. **Intangible assets** continued

		Australia – On demand home improvement tradesperson platform		New Zealand – Builderscrack	
		30 June 2024	**30 June 2023**	**30 June 2024**	**30 June 2023**
Cash flow forecast period	Years	**4 years**	4 years	**5 years**	5 years
Terminal growth rate	%	**2.5**	2.5	**2.5**	2.5
Discount rate	%	**11.0**	11.0	**14.0**	14.0
Carrying value of goodwill	$'000	**785**	785	**936**	958

The key assumptions and values assigned represent management's assessment of future trends in the Australian and New Zealand market and have been based on historical data from both external and internal sources. These 'best estimates' are at the time of performing the valuation, being 30 June 2024. The calculation of VIU (Australian CGU) and FVLCD (New Zealand CGU) is most sensitive to the following assumptions:

- Cash flows: Future cash flow expectations have been adjusted to reflect the impact of the current macro environment which impacted the current year results. The cash flow projections cover the specified period after which a terminal growth rate is applied as reflected above.
- Discount rates: Discount rates represent the market specific rate, taking into consideration the time value of money and individual risks that have not been incorporated in the cash flow estimates.
- Long-term growth rate estimates: Growth rates are based on industry research and publicly available market data related to the relevant geographical area. Over the extended forecast period, growth rate assumptions are above the terminal growth rate as the Group operates in a high-growth industry. The terminal growth rate was determined based on management's estimate of the long-term revenue, EBITDA and cash flow growth rates and is consistent with assumptions that a market participant would make.

It is recognised that changes in key assumptions such as interest rates and operating conditions may cause the recoverable amounts of the CGUs to fall below their carrying amounts. Any reasonable possible changes to the key assumptions is not expected to result in an impairment charge.

3.6. Lease accounting

Accounting policy: Lease accounting

The Group leases commercial office premises. The leases are typically for fixed periods and may include extension options. In applying AASB 16 a right-of-use asset representing the right to use the underlying asset and a corresponding lease liability representing the obligation to make lease payments are recognised at the date at which the leased asset is available for use by the Group.

Right-of-use assets: hipages recognises right-of-use assets at the commencement date of the lease when the underlying asset is available for use. Right-of-use assets are measured at cost, comprising:

- the initial measurement of the lease liability;
- any lease payments made in advance of the lease commencement date less incentives received;
- any initial direct costs; and
- an estimate of any costs to dismantle and remove the asset at the end of the lease.

hipages depreciates the right-of-use asset on a straight-line basis from lease commencement date to the earlier of the end of the lease term or the end of the useful life of the right-of-use asset, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

3.6. Lease accounting continued

In addition, an assessment of the right-of-use assets for impairment will be conducted when indicators of impairment exist.

Lease liabilities: At the commencement of the lease, the lease liability is measured at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate at the time the lease was entered into.

Lease payments included in the measurement of the lease liability comprise:

- fixed payments less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- exercise price of a purchase option when the exercise of the option is reasonably certain to occur; and
- any anticipated termination penalties.

Lease liabilities are measured at amortised cost using the effective interest method.

Subsequent to initial measurement, the liability is reduced for payments made and increased for interest incurred.

The liability is remeasured to reflect lease modification or reassessment or if there are changes to in-substance fixed payments. When the lease liability is remeasured, a corresponding adjustment is made to the value of the right-of-use asset.

Subleases: hipages previously acted as intermediate lessor on several subleases. These subleases have now expired.

Extension and termination options are included in the Group's property lease. In determining the lease term which forms part of the initial measurement of the right-of-use asset and lease liability, management considers all facts and circumstances that create economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The following factors are normally the most relevant when assessing the extension options on the property leases:

- If there are penalties to terminate (or not extend), the Group is reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend.
- Otherwise, the Group considers other factors including historical lease duration and the costs and business disruption required to replace the leased premises.

3.6. Lease accounting continued

Amounts recognised in the Consolidated Statement of Financial Position

	30 June 2024 $'000	30 June 2023 $'000
Right-of-use assets		
Buildings	**13,844**	20,892
Less accumulated depreciation	**(5,682)**	(10,949)
Total right-of-use assets	**8,162**	9,943
Reconciliation of movement		
Balance at the beginning of financial year	**9,943**	12,312
Additions arising on lease modification	**164**	–
Depreciation	**(1,943)**	(2,429)
Foreign exchange movement and other	**(2)**	60
Balance at the end of financial year	**8,162**	9,943

	30 June 2024 $'000	30 June 2023 $'000
Lease liabilities		
Current	**1,571**	2,149
Non-current	**8,126**	9,563
Total lease liabilities	**9,697**	11,712
Maturity analysis – undiscounted		
Less than one year	**1,792**	2,405
One to two years	**1,860**	1,762
Two to five years	**5,909**	5,704
Over five years	**814**	2,753
Total undiscounted lease liabilities at the end of financial year	**10,375**	12,624

Amounts recognised in the Consolidated Statement of Profit or Loss

	30 June 2024 $'000	30 June 2023 $'000
Interest on lease liabilities	**(263)**	(318)
Depreciation of right-of-use assets	**(1,943)**	(2,429)

Amounts recognised in the Consolidated Statement of Cash Flows

	30 June 2024 $'000	30 June 2023 $'000
Total cash outflow for leases	**(2,439)**	(3,139)

3.7. Trade and other payables

Accounting policy

Trade and other payables represent liabilities for goods and services provided prior to the end of the financial year that are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

These balances are classified as non-current if the Group has the substantive right to defer settlement for at least 12 months at the end of the reporting period; otherwise they are classified as current.

Trade and other payables – current	30 June 2024 $'000	30 June 2023 $'000
Trade payables	**1,798**	2,104
GST payable	**294**	930
Payroll accruals	**1,343**	1,247
Deferred consideration	**–**	369
Other payables	**4,145**	3,549
Total trade and other payables – current	**7,580**	8,199

Deferred consideration of $0.369 million payable in respect of the acquisition of the New Zealand subsidiary was not paid and has been written back to the Consolidated Statement of Profit or Loss as Other Income during the year ended 30 June 2024 (30 June 2023: $0.369 million).

Refer to Note 5.1 for further information with respect to financial risk management.

3.8. Contract liabilities

Accounting policy

Contract liabilities represent unsatisfied revenue performance obligations which expect to be recognised in future accounting periods as described in Note 2.2, Revenue.

Contract liabilities – current	30 June 2024 $'000	30 June 2023 $'000
Unsatisfied performance obligations		
Deferred revenue	**3,545**	3,220
Total contract liabilities – current	**3,545**	3,220

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was $3.545 million (30 June 2023: $3.220 million) and is expected to be recognised as revenue during the reporting period ended 30 June 2025. On the basis the entire amount is settled within 12 months of reporting date it is recorded as a current liability.

Contract liabilities are settled following the delivery of service by the Group as described in Note 2.2, Revenue; contract liabilities are unlikely to result in a cash outflow.

3.9. Provisions

Accounting policy: Provisions

Provisions

Provisions are recognised when hipages has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Long-term employee benefit obligations

The liability for long service leave and annual leave that is not expected to be settled within 12 months after the end of the financial year in which the employees render the related services is recognised in the provision for employee benefits and measured at the present value of the expected future payments to be made in respect of services provided by the employees up to the end of the reporting period. Consideration is given to future wage and salary levels, experience of employee departures and period of service. The expected future payments are discounted using market yields at the end of the reporting period on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflow.

	30 June 2024 $'000	30 June 2023 $'000
Provisions – current		
Employee benefits	**2,166**	2,026
Other provisions	**–**	418
Total provisions – current	**2,166**	2,444
Provisions – non-current		
Employee benefits	**468**	418
Other provisions	**323**	322
Total provisions – non-current	**791**	740
Total provisions	**2,957**	3,184
Reconciliation of movement – Employee benefits		
Balance at the beginning of financial year	**2,444**	2,179
Provisions made during the year	**2,213**	2,210
Provisions used during the year	**(2,023)**	(1,945)
Total employee benefits provision	**2,634**	2,444
Reconciliation of movement – Other		
Balance at the beginning of financial year	**740**	321
Provisions made during the year	**–**	419
Provisions used during the year	**(417)**	–
Total other provisions	**323**	740
Total provisions	**2,957**	3,184

Employee benefits provisions include liabilities for annual leave and long service leave.

4. People

4.1. Employee benefits

Accounting policy

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date, are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liabilities for long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Superannuation expense

Contributions to superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Share-based compensation benefits are provided to employees. Further information is set out in Note 4.2, Share-based payment arrangements.

Employee benefits expensed	30 June 2024 $'000	30 June 2023 $'000
Salary costs	**24,615**	21,458
Superannuation expense	**2,802**	2,646
Share-based payment expense	**1,458**	1,741
Total employee benefits expense	**28,875**	25,845

Annual leave and long service leave

Provisions for employee annual leave and long service leave are set out in Note 3.9, Provisions.

Superannuation

Obligations for contributions to superannuation plans are recognised as an expense in the Consolidated Statement of Profit or Loss as incurred. The Group makes contributions to complying superannuation plans nominated by individual employees. The Group contributes at least the amount required by law.

4.2. Share-based payment arrangements

Equity-settled share-based compensation benefits are provided to employees in the form of rights to shares in exchange for the rendering of services.

> **Accounting policy**
>
> Equity-settled transactions are awards of rights to shares that are provided to employees in exchange for services.
>
> The cost of equity-settled transactions is measured at fair value on the grant date. Fair value is determined using the share price at grant date together with vesting conditions.
>
> The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.
>
> If equity-settled awards are modified, as a minimum, an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based payment expense as at the date of modification.
>
> If the non-vesting condition is within the control of the Company or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Company or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

a. Description of plans

Current plans

The hipages management equity plans for senior management and Directors: Management Equity Plan (HMEP) as well as the Employee Equity Plan (HEEP) were both designed to assist in the attraction, motivation and retention of eligible employees, senior management and Directors. These plans were designed to align participants' performance with the interests of shareholders by providing participants the opportunity to receive shares through the granting of performance rights under and pursuant to their respective terms.

In addition to the HMEP, a one-off IPO Incentive plan was established in FY21 for several senior executives for their efforts in the Company achieving a successful listing on the ASX. All rights under this plan have fully vested and are exercisable during Company-wide exercise windows.

The management incentive plan structure separates the Short-term Incentive (STI) and the Long-term Incentive (LTI). The STI incorporates a cash bonus based on a 12-month performance period, as well as a 12-month deferred equity component.

The LTI plan is an annual award of rights, however the vesting of the rights is subject to a relative Total Share Return (rTSR) over a three-year performance period and vests at the end of that three-year period subject to performance.

Both plans incorporate a service condition, and rights will only vest subject to continued employment.

Legacy plans

Certain employees and ex-employees are participants under legacy equity plans of the Group ('Legacy Equity Plans'). The Legacy Plans have ceased to operate; no new entitlements have been issued or granted pursuant to the Legacy Equity Plans.

4.2. Share-based payment arrangements continued

b. Expenses arising from share-based payment transactions recognised in profit or loss

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. Total expenses recognised in the Consolidated Statement of Profit or Loss during the year ended 30 June arising from share-based payment transactions are as follows:

Share-based payment expense	30 June 2024 $'000	30 June 2023 $'000
Rights issued under HMEP	**950**	934
Rights issued under HEEP	**410**	417
Rights issued to Non-Executive Directors	**98**	260
IPO incentive plan	**–**	130
Total share-based payment expense	**1,458**	1,741

An expense arising from the proposed deferred Short-term incentive (STI) grant related to FY24 Company performance has been recognised in the Statement of Profit or Loss during the year ended 30 June 2024. In relation to the prior period grants, an expense continues to be recognised over the relevant vesting period.

c. Reconciliation of outstanding share rights

hipages Management Equity Plan (HMEP) – Performance Rights

Grant date	Expiry date	Balance at the start of the year Number	Granted Number	Forfeited/ Lapsed Number	Exercised Number	Balance at the end of the year Number
Movement for the 12 months ended 30 June 2024						
01-Jan-20	**01-Jan-25**	**178,215**	**–**	**–**	**(178,215)**	**–**
01-Jul-20	**01-Jul-25**	**111,490**	**–**	**(2,585)**	**(77,871)**	**31,034**
01-Oct-21	**01-Oct-26**	**261,646**	**–**	**(19,177)**	**(196,060)**	**46,409**
14-Jan-22	**14-Jan-27**	**71,104**	**–**	**–**	**–**	**71,104**
09-May-22	**09-May-27**	**68,837**	**–**	**(22,945)**	**–**	**45,892**
30-Sep-22	**30-Sep-27**	**541,487**	**–**	**(23,605)**	**(271,261)**	**246,621**
03-Feb-23	**20-Jan-28**	**746,521**	**–**	**(83,538)**	**–**	**662,983**
01-Sep-23	**01-Sep-28**	**–**	**133,296**	**–**	**–**	**133,296**
14-Sep-23	**14-Sep-28**	**–**	**1,696,519**	**(196,995)**	**(144,108)**	**1,355,416**
05-Oct-23	**27-Sep-28**	**–**	**34,428**	**–**	**–**	**34,428**
06-Dec-23	**06-Dec-28**	**–**	**43,795**	**–**	**–**	**43,795**
12-Dec-23	**27-Nov-28**	**–**	**317,797**	**–**	**–**	**317,797**
		1,979,300	**2,225,835**	**(348,845)**	**(867,515)**	**2,988,775**

4.2. Share-based payment arrangements continued

hipages Management Equity Plan (HMEP) – Performance Rights continued

Grant date	Expiry date	Balance at the start of the year Number	Granted Number	Forfeited/ Lapsed Number	Exercised Number	Balance at the end of the year Number
Movement for the 12 months ended 30 June 2023						
01-Jan-20	01-Jan-25	403,626	–	(42,634)	(182,777)	178,215
01-Jul-20	01-Jul-25	208,366	–	–	(96,876)	111,490
01-Oct-21	01-Oct-26	324,651	–	–	(63,005)	261,646
14-Jan-22	14-Jan-27	71,104	–	–	–	71,104
09-May-22	09-May-27	68,837	–	–	–	68,837
05-Oct-22	05-Oct-27	–	22,826	–	(22,826)	–
30-Sep-22	30-Sep-27	–	595,105	–	(53,618)	541,487
03-Feb-23	03-Feb-28	–	768,244	(21,723)	–	746,521
		1,076,584	1,386,175	(64,357)	(419,102)	1,979,300

hipages Management Equity Plan

Senior management has the opportunity to participate in a management equity plan and thereby receive performance rights issued pursuant to the rules of the HMEP plan.

Further details are available in the Remuneration Report.

IPO Incentive Plan – Performance Rights

Grant date	Expiry date	Balance at the start of the year Number	Granted Number	Forfeited Number	Exercised Number	Balance at the end of the year Number
Movement for the 12 months ended 30 June 2024						
11-Nov-20	**11-Nov-25**	**244,048**	**–**	**–**	**(91,836)**	**152,212**
		244,048	**–**	**–**	**(91,836)**	**152,212**
Movement for the 12 months ended 30 June 2023						
11-Nov-20	11-Nov-25	616,089	–	–	(372,041)	244,048
		616,089	–	–	(372,041)	244,048

IPO Incentive grants to management

The Company awarded a one-off grant of performance rights to the hipages senior executive team to reward their efforts in the Company achieving a successful listing on the ASX. The plan vested in two equal tranches:

- 50% on the 1st anniversary of the hipages IPO, 12 November 2021.
- 50% on the 2nd anniversary, 12 November 2022.

These performance rights have been expensed in full in prior periods and are now exercisable during Company-wide exercise windows.

4.2. Share-based payment arrangements continued

hipages Employee Equity Plan (HEEP) – Performance Rights

Grant date	Expiry date	Balance at the start of the year Number	Granted Number	Forfeited/ Lapsed Number	Exercised Number	Balance at the end of the year Number
Movement for the 12 months ended 30 June 2024						
01-Jul-20	**30-Jun-25**	**169,192**	**–**	**–**	**(149,419)**	**19,773**
01-Oct-21	**30-Sep-26**	**53,173**	**–**	**–**	**(19,049)**	**34,124**
15-Nov-21	**14-Nov-26**	**16,883**	**–**	**–**	**(15,697)**	**1,186**
16-Feb-22	**15-Feb-27**	**29,947**	**–**	**–**	**(17,411)**	**12,536**
13-May-22	**12-May-27**	**55,161**	**–**	**–**	**(42,705)**	**12,456**
10-Jun-22	**09-Jun-27**	**18,492**	**–**	**–**	**(18,492)**	**–**
16-Sep-22	**15-Sep-27**	**66,467**	**–**	**–**	**(48,406)**	**18,061**
31-Jan-23	**31-Jan-28**	**242,927**	**–**	**(24,673)**	**(151,279)**	**66,975**
23-May-23	**23-May-28**	**45,903**	**–**	**–**	**–**	**45,903**
27-Jul-23	**17-Jul-28**	**–**	**683,625**	**(115,923)**	**(77,863)**	**489,839**
06-Feb-24	**23-Jan-29**	**–**	**59,559**	**–**	**–**	**59,559**
		698,145	**743,184**	**(140,596)**	**(540,321)**	**760,412**
Movement for the 12 months ended 30 June 2023						
01-Jul-20	30-Jun-25	217,013	–	(47,821)	–	169,192
01-Oct-21	30-Sep-26	75,069	–	(21,896)	–	53,173
15-Nov-21	14-Nov-26	26,635	–	(9,752)	–	16,883
16-Feb-22	15-Feb-27	32,763	–	(2,816)	–	29,947
13-May-22	12-May-27	68,664	–	(13,503)	–	55,161
10-Jun-22	09-Jun-27	20,742	–	(2,250)	–	18,492
16-Sep-22	15-Sep-27	–	84,890	(18,423)	–	66,467
31-Jan-23	31-Jan-28	–	274,329	(31,402)	–	242,927
23-May-23	23-May-28	–	45,903	–	–	45,903
		440,886	405,122	(147,863)	–	698,145

hipages Employee Equity Plan

Performance rights have been granted to employees during the current year.

A share-based payment expense arising from the share-based payment equity grant is recognised in the profit or loss from the date the grant is communicated to employees and is recognised over the vesting period, subject to continued employment.

Participants may exercise rights during exercise windows once the rights are fully vested, and no consideration is payable by participants to exercise performance rights.

4.2. Share-based payment arrangements continued

Legacy plan – ESP3 – Performance Rights

Grant date	Expiry date	Balance at the start of the year Number	Forfeited/ Lapsed Number	Exercised Number	Balance at the end of the year Number
Movement for the 12 months ended 30 June 2024					
1-Jul-18	**30-Jun-25**	**66,007**	**–**	**(66,007)**	**–**
1-Jul-19	**30-Jun-25**	**167,702**	**–**	**(55,948)**	**111,754**
		233,709	**–**	**(121,955)**	**111,754**
Movement for the 12 months ended 30 June 2023					
1-Jul-18	30-Jun-25	118,614	–	(52,607)	66,007
1-Jul-19	30-Jun-25	242,393	–	(74,691)	167,702
		361,007	–	(127,298)	233,709

All ESP3 performance rights are fully vested and are exercisable during Company-wide exercise windows.

Legacy plans ESP1 and ESP2 – Ordinary Shares

Grant date	Expiry date	Balance at the start of the year Number	Forfeited Number	Sale Number	Balance at the end of the year held by the ESP Trust Pty Ltd Number
Movement for the 12 months ended 30 June 2024					
1-Jul-14	**30-Jun-18**	**1,478,752**	**–**	**(21,019)**	**1,457,733**
1-Jul-15	**30-Jun-19**	**191,997**	**–**	**–**	**191,997**
		1,670,749	**–**	**(21,019)**	**1,649,730**
Movement for the 12 months ended 30 June 2023					
1-Jul-14	30-Jun-18	1,478,752	–	–	1,478,752
1-Jul-15	30-Jun-19	191,997	–	–	191,997
		1,670,749	–	–	1,670,749

5. Capital and financial risk management

5.1. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is the responsibility of the Chief Executive Officer and the Chief Financial and Operations Officer and under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure to the Group and appropriate procedures, controls and risk limits.

a. Credit risk

Credit risk arises from cash and cash equivalents and funds on deposit. Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

Credit risks also refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including setting appropriate credit limits. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Consolidated Statement of Financial Position and notes to the financial statements. The Group does not hold any collateral.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all tradies of the Group based on recent sales experience, historical collection rates and forward-looking information that is available. The expected credit losses to trade receivables have been disclosed in Note 3.2, Trade and other receivables.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 300 days.

b. Liquidity risk

Liquidity risk is the risk that the Group will not have sufficient liquidity to meet its financial obligations as they fall due.

The Group manages liquidity risk by continually monitoring forecast and actual cash flow and matching maturity profiles of financial assets and liabilities and ensuring adequate cash reserves are available.

5.1. **Financial risk management** continued

Contractual cash flows

The following tables detail the Group's contractual maturity for its financial instrument liabilities. The cash flows are the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the Consolidated Statement of Financial Position.

Contractual cash flows	Note	Total $'000	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Weighted average interest rate %
Consolidated – 2024							
Non-interest bearing							
Trade and other payables	3.7	**7,580**	**7,580**	**–**	**–**	**–**	**–**
Lease liabilities	3.6	**10,375**	**1,792**	**1,860**	**5,909**	**814**	**2.5%**
Total cash flows		**17,955**	**9,372**	**1,860**	**5,909**	**814**	**–**
Consolidated – 2023							
Non-interest bearing							
Trade and other payables	3.7	8,199	8,199	–	–	–	–
Lease liabilities	3.6	12,624	2,405	1,762	5,704	2,753	2.5%
Total cash flows		20,823	10,604	1,762	5,704	2,753	–

c. Capital management

The Group's objective when managing capital is to maintain an optimal capital structure to maximise shareholder returns allowing flexibility to pursue strategic initiatives within its prudent capital structure.

The ability of the Group to pay future dividends or conduct any form of capital return to shareholders is periodically reviewed by the Board together with the Group's future funding requirements.

d. Market risk

- *Interest rate risk*

  The Group has no significant associated interest rate risk. At the end of the financial year, the Group had no interest rate hedging or derivatives in place.

- *Price risk*

  The Group is not exposed to any significant price risk.

- *Foreign currency risk*

  The Group operates predominantly in Australia. The majority of the Group's transactions are carried out in Australian dollars. The Group's main contracts are on fixed rates in Australian dollars and hence it is not exposed to significant foreign exchange fluctuations during contracted terms.

  At the end of the financial year, the Group had no foreign exchange hedges in place. The AUD equivalent of financial instruments denominated in foreign currencies is set out below (United States Dollars: USD, Philippine Pesos: PHP and New Zealand Dollars: NZD).

5.1. Financial risk management continued

AUD equivalent of financial instruments denominated in foreign currency	USD $'000	PHP $'000	NZD $'000	Total AUD $'000
Financial assets – 2024				
Cash	**1**	**52**	**669**	**722**
Trade receivables	**–**	**–**	**91**	**91**
Financial liabilities – 2024				
Trade creditors	**164**	**–**	**38**	**202**
Financial assets – 2023				
Cash	1	55	242	298
Trade receivables	–	–	116	116
Financial liabilities – 2023				
Trade creditors	79	–	70	149

- *Sensitivity analysis*

  The analysis below reflects management's view of possible movements in relevant foreign currencies against the Australian dollar. The table summarises the range of possible outcomes that would affect the Group's net profit and equity as a result of foreign currency movements:

	Impact on post-tax benefit		Impact on other components of equity	
	30 June 2024 $'000	30 June 2023 $'000	30 June 2024 $'000	30 June 2023 $'000
NZD/AUD exchange rate – increase 10% (2023 – 10%) *	**72**	29	**(610)**	(860)
NZD/AUD exchange rate – decrease 10% (2023 – 10%) *	**(72)**	(29)	**716**	1,051
USD/AUD exchange rate – increase 10% (2023 – 10%) *	**(16)**	(8)	**–**	–
USD/AUD exchange rate – decrease 10% (2023 – 10%) *	**16**	8	**–**	–
PHP/AUD exchange rate – increase 10% (2023 – 10%) *	**5**	6	**–**	–
PHP/AUD exchange rate – decrease 10% (2023 – 10%) *	**(5)**	(6)	**–**	–

* Holding all other variables constant.

5.2. Fair value measurements

Accounting policy

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances, and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Unless otherwise stated, the carrying amounts of financial assets and liabilities of the Group approximate their fair value.

The Group measures and recognises in the Consolidated Statement of Financial Position on a recurring basis certain assets and liabilities at fair value in accordance with AASB 13 *Fair Value Measurement*. The fair value must be estimated for recognition and measurement in accordance with the following hierarchy:

Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
Level 3	Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of cash and cash equivalents, trade and other receivables, trade and other payables and borrowings approximate their carrying amounts due to their short-term nature and the impact of discounting not being significant.

5.2. Fair value measurements continued

The Group measures and recognises unlisted securities at fair value on a recurring basis; fair value is presented below.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
30 June 2024				
Assets				
Financial assets at fair value through OCI (unlisted securities)	–	–	**371**	**371**
Liabilities				
Current – Contingent consideration[1]	–	–	–	–
30 June 2023				
Assets				
Financial assets at fair value through OCI (unlisted securities)	–	–	800	800
Liabilities				
Current – Contingent consideration[1]	–	–	(369)	(369)

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfer has occurred. There were no transfers between Levels 1, 2 and 3 for recurring fair value measurements during the year.

The fair value of financial instruments that are not traded in an active market, including the investment in the unlisted security (refer to Note 3.3, Other assets and investments) is determined using valuation techniques. These valuation techniques maximise the use of observable market data. A revenue multiple of 1.66 (30 June 2023: 2.2 revenue multiple) and application of an illiquidity discount was applied to measure the fair value. Based on the data available management performed an assessment and concluded the fair value at 30 June 2024 of $0.371 million is appropriate (30 June 2023: $0.800 million).

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[1] The fair value of the contingent consideration financial instrument related to the fair value of the cash component of the contingent consideration payable in respect of the acquisition of hipages New Zealand (trading as Builderscrack). The contingent consideration has been fair valued, with $0.369 million derecognised as a payable on the basis of management estimate.

5.3. Issued capital

Accounting policy

Ordinary shares are classified as issued capital and form part of equity. Incremental costs directly attributable to the issue of new shares or options are shown as a deduction, net of tax, from the proceeds.

Ordinary shares	30 June 2024 Number	30 June 2023 Number	30 June 2024 $'000	30 June 2023 $'000
Balance at the beginning of the financial year	**133,110,322**	131,005,489	**319,378**	317,639
New shares issued to existing shareholders	**–**	69,290	**–**	91
New issue of shares as part of consideration for an acquisition	**–**	101,310	**–**	369
New shares issued to Employee Share Trust[1]	**935,054**	1,934,233	**1,052**	1,279
Balance at the end of the financial year	**134,045,376**	133,110,322	**320,430**	319,378

All shares have been issued, are fully paid and have no par value.

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[1] Issue of shares to the Employee Share Trust relates to hipages share-based payment arrangements; the Employee Share Trust acquires shares to satisfy its obligations as performance rights vest as described in Note 4.2, Share-based payment arrangements.

5.4. Reserves

Capital reorganisation reserve	30 June 2024 $'000	30 June 2023 $'000
Balance at the beginning of the financial year	**(226,612)**	(226,612)
Capital reorganisation	**–**	–
Balance at the end of the financial year	**(226,612)**	(226,612)

Share-based payments reserve		
Balance at the beginning of the financial year	**8,589**	8,291
Share-based payments expense	**1,458**	1,741
Shares acquired by the Employee Share Trust	**(1,052)**	(1,279)
Cash-settled employee share rights	**–**	(73)
New shares issued to existing shareholders	**–**	(91)
Balance at the end of the financial year	**8,995**	8,589

Translation and other reserves		
Balance at the beginning of the financial year	**(1,509)**	(1,718)
Fair value changes in equity investment	**(429)**	–
Foreign currency translation differences	**(34)**	209
Balance at the end of the financial year	**(1,972)**	(1,509)
Total reserves	**(219,589)**	(219,532)

5.5. Accumulated losses

Accumulated losses	30 June 2024 $'000	30 June 2023 $'000
Balance at the beginning of the financial year	**(65,646)**	(60,502)
Profit/(loss) after tax for the financial year	**3,563**	(5,144)
Accumulated losses at the end of the financial year	**(62,083)**	(65,646)

5.6. Dividends

> **Accounting policy**
>
> Dividends are recognised when declared during the financial year and no longer at the discretion of the Group.

No dividends were paid during the year ended 30 June 2024 (30 June 2023: nil) and no final dividends have been declared.

5.7. Commitments

The Group has no significant capital expenditure commitments as at 30 June 2024 (30 June 2023: nil).

5.8. Contingencies

Claims	The Group has various commercial legal claims common to businesses of its type that constitute contingent liabilities, none of which are deemed material to the Group's financial position.
Guarantees	The Company has provided bank guarantees of $1.150 million (30 June 2023: $2.187 million) in relation to the lease of office premises and in respect of a credit card facility. These guarantees give rise to liabilities in the Group if it does not meet its obligations under the terms of the lease and the facility. During the year, a bank guarantee of $1.037 million held in respect of leased office space was released. Further details are set out in Note 3.1, Cash and cash equivalents.

6. Group structure

6.1. Parent entity information

Accounting policy

The financial information for the parent has been prepared on the same basis as the Consolidated Financial Statements.

Investments in subsidiaries and associates are accounted for at cost. Dividends received from associates are recognised in the parent entity's profit or loss rather than being deducted from the carrying amount of these investments.

Summary of financial information	30 June 2024 $'000	30 June 2023 $'000
ASSETS		
Current assets	**8,765**	6,041
Non-current assets	**178,456**	181,120
Total assets	**187,221**	187,161
LIABILITIES		
Current liabilities	**9**	378
Non-current liabilities	**–**	–
Total liabilities	**9**	378
Net assets	**187,212**	186,783
EQUITY		
Issued capital	**320,430**	319,378
Reserves	**(3,202)**	(2,198)
Accumulated losses	**(130,016)**	(130,397)
Total equity	**187,212**	186,783
Profit/(loss) for the year	**382**	(4,888)
Total comprehensive profit/(loss)	**382**	(4,888)

Guarantees entered into by the parent entity

The parent entity has not provided unsecured financial guarantees. Refer to Note 6.4 for further information relating to the Deed of Cross Guarantee.

Commitments and contingencies

The parent entity has no significant expenditure commitments as at 30 June 2024 (30 June 2023: nil).

The Group has various commercial legal claims common to businesses of its type that constitute contingent liabilities, none of which are deemed material to the Group's financial position.

Refer to Note 5.7, Commitments and Note 5.8, Contingencies for further information.

6.2. Interests in subsidiaries

Accounting policy

Subsidiaries are those entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of greater than 50% of the voting rights. The existence of potential voting rights that are currently exercisable or convertible is considered when assessing whether the Group controls the entity.

Subsidiaries are consolidated from the date control is transferred to the Group. The purchase method of accounting is used to account for the acquisition of subsidiaries by the Company. Intercompany transactions, balances and unrealised gains and losses on transactions between companies are eliminated.

The parent's interests in subsidiaries at 30 June 2024 are set out below. The share capital consisting of ordinary shares is held directly by the Group and the proportion of ownership interest held equals the voting rights held by the Group. The country of incorporation is also their principal place of business.

					30 June 2024	**30 June 2023**
Name	**Note**	**Country of incorporation**	**Tax Residency**	**Classification/ Entity Type**	**% Ownership interest**	
Parent entity						
hipages Group Holdings Ltd	1	Australia	Australia	Company		
Controlled entities						
hipages Group Pty Ltd	1	Australia	Australia	Company	**100%**	100%
hipages Administration Pty Ltd		Australia	Australia	Company	**100%**	100%
hipages Pty Ltd		Australia	Australia	Company	**100%**	100%
Ninety Nine Pty Ltd		Australia	Australia	Company	**100%**	100%
Tradie Business Solutions Pty Ltd		Australia	Australia	Company	**100%**	100%
Home Improvement Pages Pty Ltd		Australia	Australia	Company	**100%**	100%
hipay Pty Ltd		Australia	Australia	Company	**100%**	100%
hipages ESP Pty Ltd		Australia	Australia	Company	**100%**	100%
hipages Personnel Pty Limited		Australia	Australia	Company	**100%**	100%
hipages Philippines Pty Limited		Australia	Australia	Company	**100%**	100%
MyQuote Limited		New Zealand	New Zealand	Company	**100%**	100%

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1. These controlled entities are a party to a Deed of Cross Guarantee between those Group entities and the Company pursuant to ASIC Corporations (wholly owned Companies) Instrument 2016/785 and are not required to prepare and lodge Financial Statements and Directors' Reports as described in Note 6.4, Deed of cross guarantee. The Company and those entities are the 'Closed Group'.

6.3. Interest in associates

Accounting policy

The Group's interest in equity-accounted investees comprises interest in associates.

Associates are those entities in which the Group has significant influence, but no control over the financial or operating policies. Interests in associates are accounted for using the equity method. They are recognised initially at cost which includes transaction costs. Subsequent to initial recognition, the Consolidated Financial Statements include the Group's share of profit or loss and other comprehensive income of equity-accounted investees until the date significant influence ceases.

At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is evidence, the Group recognises the loss as an impairment expense in the Consolidated Statement of Profit or Loss.

Significant influence: Prior to its disposal, the Group had determined it had significant influence over Proptech Labs and should thus account for the entity using the equity accounting method. This determination was made on the basis that in addition to holding a 19.53% equity entitlement, through the shareholder agreement, the Group has one seat on the Board of Proptech Labs (previously known as Bricks and Agent) and participates in financial and operating decision making.

During the period the Group disposed in entirety 19.53% investment in PropTech Labs (previously known as Bricks and Agent) for $8.400 million. The gain on the disposal of the equity-accounted investment was $3.079 million.

Summarised financial information for associates **Summarised balance sheet**	**30 June 2024 $'000**	**30 June 2023 $'000**
Current assets	–	773
Non-current assets	–	15,975
Current liabilities	–	(4,701)
Non-current liabilities	–	(2,428)
Net assets (100%)	–	9,619
Group's share in %	–	19.53%
Group's share in $	–	1,879
Goodwill	–	1,833
Acquired intangibles	–	1,653
Carrying amount	–	5,365

Reconciliation of movement in carrying amount of equity-accounted investment	**30 June 2024 $'000**	**30 June 2023 $'000**
Opening carrying amount	**5,365**	6,298
Profit/(loss) for the period	**88**	(271)
Amortisation of fair value uplift on acquisition of associate	**(132)**	(459)
Fair value of asset contribution for new shares issued/new capital contribution	–	1,182
Divested ownership interest	**(5,321)**	(1,385)
Closing carrying amount	–	5,365

6.3. **Interest in associates** continued

Summarised financial information of Proptech Labs

The following table summarises the financial information of Proptech Labs as included in its own financial statements, up to the date of disposal adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in Proptech Labs.

Summarised statement of comprehensive income	**30 June 2024 $'000**	**30 June 2023 $'000**
Revenue	**2,724**	3,907
Loss from continuing operations	**(450)**	(1,354)
Group's share in %	**19.53%**	19.53%
Group's share in $	**88**	(271)
Amortisation of fair value uplift on acquisition of associate	**(132)**	(459)
Gain on disposal of equity interest in associate	**3,079**	322
Profit/(loss) for the period	**3,035**	(408)
Total comprehensive profit/(loss)	**3,035**	(408)

The comprehensive profit/(loss) from the Associate is for the period of 1 July 2023 up to the date of disposal during November 2023.

Disposal of equity interest in associate	**30 June 2024 %**	**30 June 2023 %**
Ownership interest – opening	**19.53**	25.00
Dilution following share issue	**–**	(3.75)
Dilution following exercise of option	**–**	(1.25)
Dilution following non-participation in capital raise	**–**	(0.47)
Equity interest disposed	**(19.53)**	–
Closing equity interest	**–**	19.53

	30 June 2024 $'000	**30 June 2023 $'000**
Commitments – Associates		
Share of commitments to provide funding for the associate's capital commitments	**–**	–
Contingent liabilities – Associates		
Share of contingent liabilities incurred jointly with other investors of the associate	**–**	–

6.4. Deed of cross guarantee

hipages Group Holdings Ltd and hipages Group Pty Ltd are parties to a deed of cross guarantee under which each entity guarantees the debts of the other. By entering the deed, the wholly owned subsidiary has been relieved from the requirement to prepare a financial report and a Directors' report under ASIC Corporations (wholly owned Companies) Instrument 2016/785 issued by the Australian Securities and Investment Commission.

The deed was first entered in June 2021.

The parties to the deed represent a 'Closed Group' for the purposes of the ASIC Instrument and are listed in Note 6.2, Interests in subsidiaries.

Consolidated Statement of Profit or Loss of the Closed Group

	30 June 2024 $'000	30 June 2023 $'000
Revenue		
Revenue from ordinary activities	**27,627**	32,160
Other revenue	**501**	1,114
Total revenue	**28,128**	33,274
Other income	**369**	369
Expenses excluding interest, tax, depreciation and amortisation		
Employee benefits expenses	**(27,626)**	(24,802)
Marketing related expenses	**(673)**	(792)
Operations and administration expenses	**(1,334)**	(2,070)
Impairment on New Zealand subsidiary (Builderscrack)	**–**	(5,603)
Net other income/(expenses)	**(11)**	366
Total expenses excluding interest, tax, depreciation and amortisation	**(29,644)**	(32,901)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**(1,147)**	742
Depreciation and amortisation	**(2,371)**	(3,543)
Loss before interest and income tax	**(3,518)**	(2,801)
Finance income	**598**	169
Finance expenses	**(287)**	(363)
Net finance income/(expense)	**311**	(194)
Share of loss of equity-accounted investees, net of tax	**(44)**	(408)
Gain on disposal of equity-accounted investment, net of tax	**3,079**	–
Loss before income tax	**(172)**	(3,403)
Income tax expense	**–**	–
Loss for the year	**(172)**	(3,403)

6.4. Deed of cross guarantee continued

Consolidated Statement of Financial Position of the Closed Group

	30 June 2024 $'000	30 June 2023 $'000
ASSETS		
Current assets		
Cash and cash equivalents	**18,582**	8,102
Funds on deposit	**1,150**	2,187
Trade and other receivables	**205**	121
Other assets	**1,224**	1,681
Total current assets	**21,161**	12,091
Non-current assets		
Other investments	**371**	800
Investment in subsidiary	**6,065**	6,065
Equity-accounted investment	**–**	5,365
Property, plant and equipment	**769**	1,204
Right-of-use assets	**7,547**	9,199
Intangible assets	**807**	2,150
Intercompany receivables	**42,079**	43,626
Total non-current assets	**57,638**	68,409
Total assets	**78,799**	80,500
LIABILITIES		
Current liabilities		
Trade and other payables	**2,827**	3,187
Contract liabilities	**–**	46
Provisions	**2,105**	2,406
Lease liabilities	**1,440**	2,027
Total current liabilities	**6,372**	7,666
Non-current liabilities		
Provisions	**750**	700
Lease liabilities	**7,651**	8,965
Total non-current liabilities	**8,401**	9,665
Total liabilities	**14,773**	17,331
Net assets	**64,026**	63,169
EQUITY		
Issued capital	**320,430**	319,378
Reserves	**(219,115)**	(219,092)
Accumulated losses	**(37,289)**	(37,117)
Total equity	**64,026**	63,169

7. Other disclosures

7.1. Auditor's remuneration

	30 June 2024 $	30 June 2023 $
Audit and review services		
Auditors of the Group – PwC	**440,045**	409,000
Assurance services		
ASX Appendix 4C review	**–**	6,000
Total remuneration of PricewaterhouseCoopers Australia	**440,045**	415,000

In respect of non-audit services provided, Directors are satisfied that the provision of these non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

7.2. Related party transactions

The Group has identified the parties it considers to be related and the transactions conducted with those parties. Other than those disclosed below, no other related party transactions have been identified.

a. Parent entity and ultimate controlling entity

hipages Group Holdings Ltd (the Company) is the ultimate controlling entity.

b. Subsidiaries

There have been no changes in controlled entities during the year ended 30 June 2024.

c. Compensation of KMP

Compensation of key management personnel	30 June 2024 $'000	30 June 2023 $'000
Salary and short-term benefits	**1,795**	1,565
Long-term benefits	**24**	56
Post-employment benefits	**93**	93
Share-based payments	**390**	472
Total compensation to key management personnel	**2,302**	2,186

d. Loans to/from related parties

There are nil outstanding balances receivable from or payable to related parties (30 June 2023: nil).

7.2. Related party transactions continued

e. Other related party transactions

There have been no significant changes in the nature or amount of related party transactions of the Group during the year ended 30 June 2024.

The Company has a website hosting arrangement in place with the Elephant Room, which is a business owned by Adam Sharon-Zipser, the brother of the hipages CEO, Roby Sharon-Zipser. The arrangement is on normal commercial terms and conditions. Total fees paid to Elephant Room during the year ended 30 June 2024 were $850 (30 June 2023: $3,100).

News Corp is a substantial shareholder. The Company made no payment to News Corp for advertising and administration services during the year ended 30 June 2024 (30 June 2023: $16,246). As at 30 June 2024, there was $30,000 (30 June 2023: $12,545) accrued in respect of unbilled work performed related to administration services. The Company paid News Corp $191,973 for Director services provided by Nicholas Gray, a News Corp appointed Non-Independent Director during the year ended 30 June 2024 for the period from October 2020 through to 30 June 2023 (30 June 2023: nil). Director fees for the year ended 30 June 2024 are payable and have been accrued in full.

7.3. Events occurring after the reporting period

On 29 July 2024, the Group signed a five-year lease agreement in respect of office premises in Melbourne on normal commercial terms and conditions. It is anticipated the lease will be recognised as a finance lease in accordance with accounting standards.

There have been no other events subsequent to the balance date that would have a material effect on the Group's financial statements as at 30 June 2024.

7.4. Other significant accounting policies

a. Foreign currency translation

The Consolidated Financial Statements are presented in Australian dollars, which is the Group's presentation currency. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit or Loss.

Translation differences on assets and liabilities carried at fair value are reported as part of their fair value gain or loss. Translation differences on non-monetary assets and liabilities such as instruments held at fair value through profit or loss are recognised in the profit or loss statement as part of the fair value gain or loss. Translation differences on non-monetary assets are included in the Translation and other reserves within equity.

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows, with all resulting exchange differences recognised in OCI:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position; and
- Income and expenses for each profit or loss statement are translated at average exchange rates.

Goodwill and fair value adjustments arising on acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at the closing rate.

7.4. Other significant accounting policies continued

b. New accounting standards adopted by the Company

The Company has applied the following standards and amendments for the first time for the annual reporting period ending 30 June 2024:

AASB2023-2 Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules.	AASB2023-2 amends AASB112 *Income Taxes* to introduce: • A mandatory temporary exception to accounting for deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD). • Targeted disclosure requirements to help financial statement users better understand an entity's exposure to income taxes arising from the reform.
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	AASB2021-2 amendments provide a definition of and clarifications on accounting estimates and clarify the concept of materiality in the context of disclosure of accounting policies.
AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	The amendments narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences and clarify that the exemption does not apply to transactions such as leases and decommissioning obligations.
AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards	AASB 2022-7 makes editorial corrections to AASB 7 *Financial Instruments Disclosures*, AASB 116, *Property Plant and Equipment*, AASB128 *Investments in Associates and Joint Ventures*, AASB 134 *Interim Financial Reporting*, AASB 1054 *Australian Additional Disclosures* and AASB Practice Statement 2 *Making Materiality Judgements*.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

7.4. Other significant accounting policies continued

c. New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2024 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

AASB 2020-1 Amendments to Australian Accounting Standards –Classification of Liabilities as Current or Non-current	AASB 2020-1 amends AASB 101 *Presentation of Financial Statements* to require a liability be classified as current when companies do not have a substantive right to defer settlement at the end of the reporting period.
AASB 18 Presentation and Disclosure in Financial Statements	AASB 18 *Presentation and Disclosure in Financial Statements* aims to provide greater consistency in presentation of income and cash flow statements, and more disaggregated information. The standard will change how companies present their results on the face of the statement of profit and loss and disclose information in the notes to the financial statements. Certain 'non-GAAP' measures such as management performance measures (MPMs) will form part of the audited financial statements. hipages will assess the implications of AASB 18 which becomes mandatory from 1 January 2027 including the extent of disaggregation required and relevant MPMs and note disclosures.

Consolidated Entity Disclosure Statement

As at 30 June 2024						
Name of entity	**Type of entity**	**Trustee, partner or participant in JV**	**% of share capital**	**Country of incorporation**	**Australian/ foreign resident**	**Foreign jurisdiction**
hipages Group Holdings Ltd	Body Corporate	–	100%	Australia	Australian	n/a
hipages Group Pty Ltd	Body Corporate	–	100%	Australia	Australian	n/a
hipages Administration Pty Ltd	Body Corporate	–	100%	Australia	Australian	n/a
hipages Pty Ltd	Body Corporate	–	100%	Australia	Australian	n/a
Ninety Nine Pty Ltd	Body Corporate	–	100%	Australia	Australian	n/a
Tradie Business Solutions Pty Ltd	Body Corporate	–	100%	Australia	Australian	n/a
Home Improvement Pages Pty Ltd	Body Corporate	–	100%	Australia	Australian	n/a
hipay Pty Ltd	Body Corporate	–	100%	Australia	Australian	n/a
hipages ESP Pty Ltd	Body Corporate	–	100%	Australia	Australian	n/a
hipages Personnel Pty Limited	Body Corporate	–	100%	Australia	Australian	n/a
hipages Philippines Pty Limited	Body Corporate	–	100%	Australia	Australian	n/a
MyQuote Limited	Body Corporate	–	100%	New Zealand	Foreign	New Zealand

Directors' Declaration

In the opinion of the Directors of hipages Group Holdings Ltd:

(1) the financial statements and notes of hipages Group Holdings Ltd for the financial year ended 30 June 2024 are in accordance with the Corporations Act 2001, including:

  (a) complying with Australian Accounting Standards, the Corporations Regulations 2001; and other mandatory professional reporting requirements.

  (b) giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the year ended on that date.

(2) the financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

(3) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(4) the consolidated entity disclosure statement on page 100 is true and correct.

(5) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in Note 6.4 will be able to meet any liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in Note 6.4.

This declaration is made after receiving the declarations required to be made to the Directors by the Chief Executive Officer and the Chief Finance and Operations Officer in accordance with section 295A of the Corporations Act 2001 for the year ended 30 June 2024.

In accordance with a resolution of the Directors.

Inese Kingsmill
Chair

Sydney
22 August 2024

Robert Sharon-Zipser
CEO and Executive Director

Independent Auditor's Report

Independent auditor's report

To the members of hipages Group Holdings Ltd

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of hipages Group Holdings Ltd (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the consolidated statement of financial position as at 30 June 2024
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of profit or loss for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information
- the consolidated entity disclosure statement as at 30 June 2024
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Independence

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 & 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

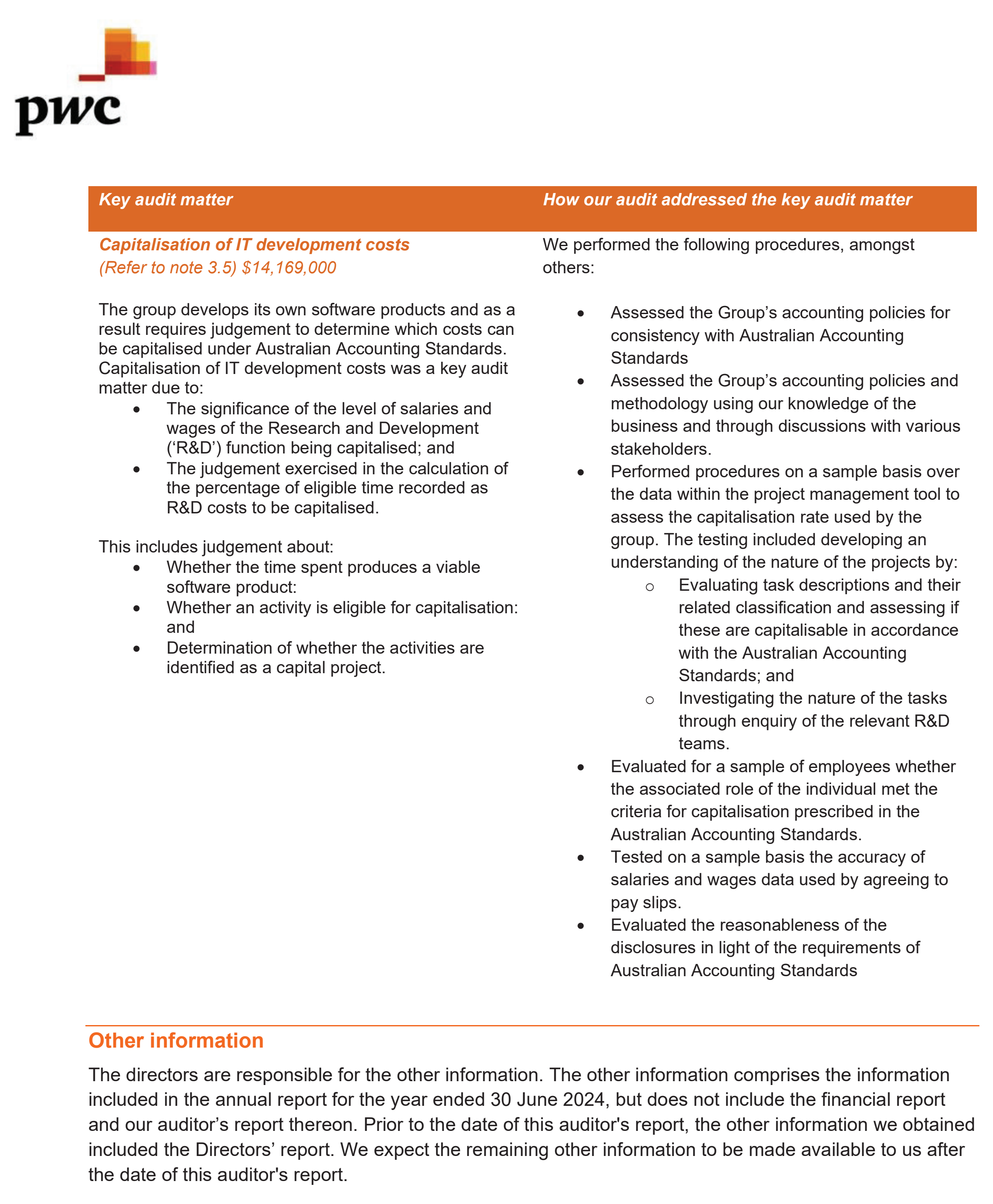
Audit scope	***Key audit matters***
• Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.	• Amongst other relevant topics, we communicated the following key audit matters to the Audit and Risk Committee: – Carrying value of goodwill and indefinite life intangible assets related to the New Zealand – Builderscrack Cash Generating Unit – Revenue recognition for contracts with customers – Capitalisation of IT development costs • These are further described in the *Key audit matters* section of our report.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

Key audit matter	*How our audit addressed the key audit matter*
Carrying value of goodwill and indefinite life intangible assets related to the New Zealand – Builderscrack Cash Generating Unit *(Refer to note 3.5) $936,000* The Group has goodwill and indefinite-lived intangible assets of $936,000 (2023: $958,000) related to the New Zealand – Builderscrack Cash Generating Unit. The recoverable amount was determined using the Fair Value less Cost of Disposal (FVLCD) methodology using a discounted cash flow model ("model"). The carrying value of goodwill and other indefinite-lived intangible assets is contingent on future cash flows. The model prepared by the Group contains a number of significant judgements and estimates ("assumptions") including cash flows, terminal growth rate and discount rates. Given the level of judgement, the impairment testing of New Zealand – Builderscrack goodwill and indefinite-lived intangible assets was considered to be a key audit matter.	To evaluate the Group's assessment of the recoverable amount of the New Zealand - Builderscrack CGU (the CGU), we performed the following procedures amongst others: • Developed an understanding of the key controls associated with the identification of the impairment indicators and the preparation of the discounted cash flow model used to assessed the recoverable amount of the CGU • Assessed whether the allocation of the Group's goodwill and other indefinite-lived intangible assets into CGUs was consistent with our knowledge of the Group's operations and internal reporting. • Assessed whether the carrying value of the CGU included all assets, liabilities and cash flows directly attributable to the CGU. • Recalculated the cash flows of the model to confirm the mathematical accuracy. • Assessed the historical accuracy of the Group's cash flow forecasts by comparing prior budgets to actual performance. • Considered the appropriateness of the significant assumptions, including historical trends at similar businesses and available external evidence. • Evaluated the reasonableness of the disclosures made in Note 3.5, in light of the requirements of Australian Accounting Standards.

Key audit matter	***How our audit addressed the key audit matter***
Revenue recognition for contracts with customers *(Refer to note 2.2) $75,312,000* Revenue recognition was a key audit matter due to its financial significance and the judgements and assumptions with respect to the estimation of deferred revenue for revenue recognised over time.	The procedures employed to gather evidence in respect of revenue recognition included the following, amongst others: • Developed an understanding and evaluated the design effectiveness of the key systems underpinning each of the material revenue streams and the relevant business process controls. • Evaluated the Group's accounting policies for consistency with Australian Accounting Standards. • Evaluated the Group's standalone selling price allocation methodology for each material revenue stream to assess whether the resulting revenue recognition was in accordance with Australian Accounting Standards. • On a sample basis, tested revenue transactions by obtaining key supporting documentation such as customer acceptances to check that the transactions occurred and that they were recognised in accordance with the Group's revenue recognition policy. • Evaluated and tested on a sample basis the completeness and accuracy of the lead credit system generated report which is used by the group to estimate the amount of leads utilised by the customer to determine the amount of deferred revenue recognised. • Evaluated the reasonableness of the disclosures in light of the requirements of Australian Accounting Standards.



Key audit matter	How our audit addressed the key audit matter
Capitalisation of IT development costs *(Refer to note 3.5) $14,169,000* The group develops its own software products and as a result requires judgement to determine which costs can be capitalised under Australian Accounting Standards. Capitalisation of IT development costs was a key audit matter due to: • The significance of the level of salaries and wages of the Research and Development ('R&D') function being capitalised; and • The judgement exercised in the calculation of the percentage of eligible time recorded as R&D costs to be capitalised. This includes judgement about: • Whether the time spent produces a viable software product: • Whether an activity is eligible for capitalisation: and • Determination of whether the activities are identified as a capital project.	We performed the following procedures, amongst others: • Assessed the Group's accounting policies for consistency with Australian Accounting Standards • Assessed the Group's accounting policies and methodology using our knowledge of the business and through discussions with various stakeholders. • Performed procedures on a sample basis over the data within the project management tool to assess the capitalisation rate used by the group. The testing included developing an understanding of the nature of the projects by: ○ Evaluating task descriptions and their related classification and assessing if these are capitalisable in accordance with the Australian Accounting Standards; and ○ Investigating the nature of the tasks through enquiry of the relevant R&D teams. • Evaluated for a sample of employees whether the associated role of the individual met the criteria for capitalisation prescribed in the Australian Accounting Standards. • Tested on a sample basis the accuracy of salaries and wages data used by agreeing to pay slips. • Evaluated the reasonableness of the disclosures in light of the requirements of Australian Accounting Standards

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon. Prior to the date of this auditor's report, the other information we obtained included the Directors' report. We expect the remaining other information to be made available to us after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express an opinion or any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action to take.

Responsibilities of the directors for the financial report

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

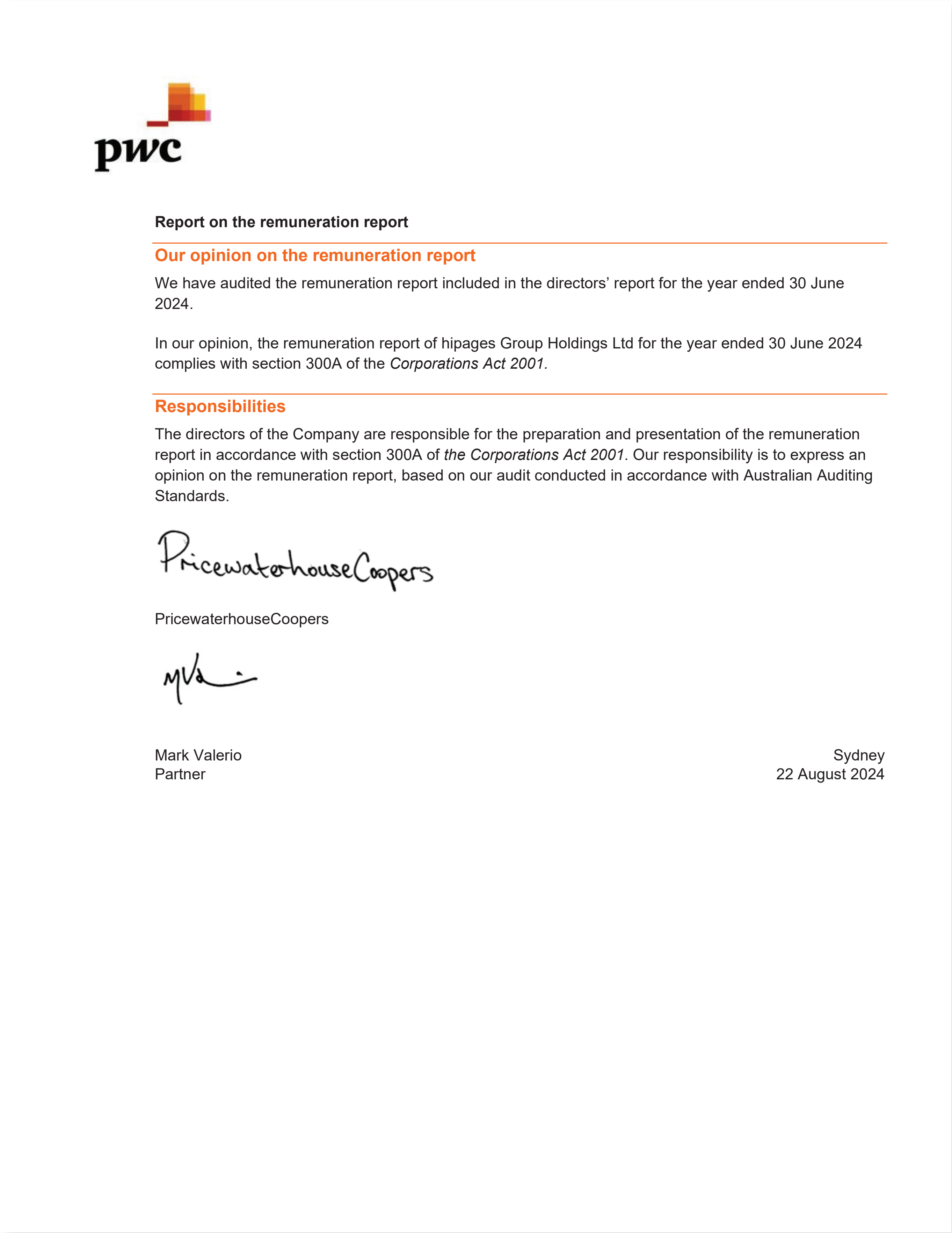
In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Independent Auditor's Report continued



Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2024.

In our opinion, the remuneration report of hipages Group Holdings Ltd for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001.*

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

PricewaterhouseCoopers

Mark Valerio
Partner

Sydney
22 August 2024

Corporate Directory

CEO and Executive Director

Roby Sharon-Zipser

Non-Executive Directors

Inese Kingsmill
Adir Shiffman
Kate Hill
Kate Mills
Nicholas Gray

Chief Finance and Operations Officer

Jaco Jonker

Company Secretaries

Kylie Quinlivan
Lucy Thompson

Registered Office

Level 10, 255 Pitt Street
Sydney NSW 2000

Phone: +61 2 8396 1300
Email: investor@hipagesgroup.com.au

Company Website

www.hipages.com.au

Corporate Website

www.hipagesgroup.com.au

Independent Auditor

PricewaterhouseCoopers
One International Towers Sydney
Watermans Quay
Barangaroo NSW 2000

Share Registry

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Sydney NSW 2000

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