

hipages Group Holdings Ltd

ABN 67 644 430 839

Reporting period	The half-year ended 31 December 2024
Previous reporting period	The half-year ended 31 December 2023

Results for announcement to market

		31 December 2024 A\$'000	Change A\$'000	Change %	31 December 2023 A\$'000
Revenue					
Revenue from ordinary activities	up	40,596	3,680	10	36,916
Revenue from other activities	down	3	(491)	(99)	494
Total revenue	up	40,599	3,189	9	37,410
Net profit for the period attributable to members	down	73	(3,632)	(98)	3,705
Net tangible assets					
		\$ per share	\$ per share	%	\$ per share
Net tangible asset backing per ordinary security ¹	up	0.015	0.025	>100	(0.010)

Dividends

No dividend will be paid for the half-year ended 31 December 2024

1. Net tangible assets represents net assets less right-of-use assets, intangible assets and deferred tax assets.

Review of operations

A review of the Group's operations during the half-year ended 31 December 2024 and the results of those operations are included in the 31 December 2024 Directors' Report.

Change in ownership of controlled entities and associates

Controlled entities: Other than the incorporation of a wholly owned subsidiary (5 Star Tradies Limited) in New Zealand there have been no changes in ownership of controlled entities during the half-year ended 31 December 2024.

Associated Entities: There have been no changes in ownership of associated entities during the half-year ended 31 December 2024.

Dividend reinvestment plans

There are no dividend reinvestment plans in place.

Appendix 4D continued

Additional Appendix 4D disclosures

Additional Appendix 4D disclosures can be found in the attached Interim Financial Report and the Directors' Report for the half-year ended 31 December 2024. This report should be read in conjunction with the Annual Report for the year ended 30 June 2024.

This report is based on the Interim Financial Report for the half-year ended 31 December 2024 which has been reviewed by PwC with the Independent Auditor's Review Report included in the Interim Financial Report.

Interim Financial Report

for the half-year ended 31 December 2024



hipages Group Holdings Ltd
ABN 67 644 430 839

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Directors' Report

The Directors of hipages Group Holdings Ltd present their report together with the Consolidated Interim Financial Statements of hipages Group Holdings Ltd (referred to hereafter as hipages, the Company or the Group) consisting of hipages Group Holdings Ltd and the entities it controlled at the end of, or during the half-year ended 31 December 2024 and the Independent Auditor's Report thereon.

Directors

The names of the Directors of hipages Group Holdings Ltd in office during the half-year ended 31 December 2024 and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Inese Kingsmill	Chair and Non-Executive Director	Appointed 1 October 2020 (Appointed 25 August 2022 as Chair)
Roby Sharon-Zipser	CEO and Executive Director	Appointed 18 September 2020
Adir Shiffman	Non-Executive Director	Appointed 7 July 2023
Kate Hill	Non-Executive Director	Appointed 25 August 2023
Kate Mills	Non-Executive Director	Appointed 1 December 2022
Nicholas Gray	Non-Executive Director	Appointed 2 October 2020

Company secretaries

Kylie Quinlivan	Appointed 28 October 2021
Lucy Thompson	Appointed 22 December 2022

Principal activities

hipages Group (ASX:HPG) is Australia and New Zealand's #1 platform to connect homeowners and tradies. Nearly 5 million Australians and New Zealanders have used hipages to change the way they find, hire and manage trusted tradies, providing more work to 35,000 subscribed trade businesses on the Group's platforms, hipages (Australia) and hipages New Zealand (Builderscrack).

hipages Group is headquartered in Sydney, Australia and has offices in Melbourne, Australia and Christchurch, New Zealand. The Group is driven by its purpose to transform the trade industry by creating software solutions that help tradies grow their businesses.

There were no significant changes in these activities during the first half of the 2024/2025 financial year (H1 FY25).

Review of operations

Key Financial and Operating Metrics¹

Summary of Group performance	31 December 2024 \$'000	31 December 2023 \$'000	Change %
Revenue			
Revenue from ordinary activities	40,596	36,916	10%
Revenue from other activities	3	494	(99%)
Total revenue	40,599	37,410	9%
Statutory EBITDA²	8,683	8,720	(0%)
Add back items which are one off in nature:			
Write back of deferred consideration related to historical acquisition of New Zealand subsidiary (Builderscrack)	–	(369)	100%
EBITDA before significant items	8,683	8,351	4%
EBITDA margin	21%	22%	(1 ppt)
Statutory net profit after tax	73	3,705	(98%)
Add back items which are one off in nature:			
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)	100%
Net profit after tax, excluding items one off in nature	73	257	(72%)
Net cash inflows from operating activities	9,400	9,039	4%
Free cash flow³	1,215	(63)	>100%

1. 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 financial statements reviewed by PwC for the half-year by removing the impact of certain one-off items.

2. EBITDA: Earnings Before Interest, Tax, Depreciation and Amortisation.

3. Free cash flow refers to operating cash flow less lease repayments, less payments for intangible assets and property, plant and equipment. Cash flows related to M&A activities and bank guarantee payments or releases are not considered part of free cash flow calculations.

Review of operations continued

	31 December 2024	31 December 2023	Change
	\$'000	\$'000	%
Cash	21,202	17,918	18%
Cash and funds on deposit	22,472	19,068	18%

Key Operational Metrics	31 December 2024	31 December 2023	Change
			%
MRR (\$m) ⁴	6.84	5.98	14%
Subscription tradies (000's) ⁵	34.92	35.41	(1%)
ARPU (\$) ⁶	2,267	2,075	9%

H1 FY25 Performance Overview

The six months to 31 December 2024 (H1 FY25), was a period of strong delivery for the hipages Group.

Marketplace activity is near record levels, with connection volume increasing as both tradie supply and homeowner demand remaining in balance. Double-digit MRR growth was driven by increased ARPU, showing the pricing power of the Group's enhanced platform offering.

The Group's efficient operating model and disciplined approach to investing for growth and capability delivered a second consecutive half year of positive free cash flow.

- Continued growth in recurring revenue:** Revenue from ordinary activities was \$40.596 million for the six months ended 31 December 2024, up 10% pcp⁷ (H1 FY24: \$36.916 million). Total recurring revenue grew by 11% pcp to \$39.182 million, with record H1 tradie connections, ongoing platform enhancements and the Group's subscription model driving MRR growth of 14% to \$6.8 million (H1 FY24: \$6.0 million). This included the impact of the non-renewal of a NSW Department of Education contract that removed \$0.660 million of annual recurring revenue.
- Subscription tradie count:** Tradie subscribers were 34,920 (H1 FY24: 35,414) at period end, with 1% growth in Australia to 32,297 (H1 FY24: 31,800) more than offset by New Zealand, where a transition to a full subscription model at higher price points from a hybrid model (partly commission based) had the expected impact of reducing the number of overall tradies by (27%) to 2,623 (H1 FY24: 3,600), while significantly increasing the ARPU of the rebased subscription tradies.
- Continued ARPU growth:** ARPU grew by 9% pcp to \$2,267 (H1 FY24: \$2,075) driven by new subscription pricing packages and ascensions. hipages Australia ARPU was up 8% pcp to \$2,374 (H1 FY24: \$2,195) and hipages New Zealand ARPU increased 18% pcp to \$1,149 (H1 FY24: \$971), reflecting both the benefit of the transition to a full subscription model and the significant upside opportunity ahead.
- Robust EBITDA margin:** EBITDA before significant items was up 4% pcp to \$8.683 million (H1 FY24: \$8.351 million). The EBITDA margin of 21% (H1 FY24: 22%) reflected new planned tradie related brand marketing to compliment the typically more homeowner focused campaigns over H1. The half also reflected investment in new creative assets that were developed to support above the line brand marketing initiatives over FY25 and beyond, with overall marketing investment expected to reduce in H2.
- Free cash flow generation:** Positive free cash flow of \$1.215 million resulted in total cash and funds on deposit increasing to \$22.472 million.

The Group reported a statutory net profit of \$73,300 (H1 FY24: \$3.705 million), with the prior year having benefited from a non-recurring gain on disposal of PropTech Labs \$3.079 million and the reversal of a deferred consideration liability for Builderscrack \$0.369 million.

4. MRR: Monthly Recurring Revenue at 31 December 2024 (exclusive of GST) is \$6.84 million (H1 FY24: \$5.98 million). In the H1 FY24 ASX 4D, MRR was reported as \$6.6 million which was inclusive of GST. MRR is now reported as exclusive of GST.

5. Subscription tradies refers to tradies committed to a subscription product with hipages Australia or hipages New Zealand.

6. ARPU: Average Annual Revenue Per User (Tradie ARPU) is the annual operating revenue (total revenue from ordinary activities) divided by the average of the opening and closing number of total tradies for the period. hipages' Group ARPU of \$2,267 is a blended result of hipages' ARPU of \$2,374 and hipages New Zealand ARPU of \$1,149.

7. pcp: previous corresponding period.

H1 FY25 Operational Highlights

The Group continued to progress its strategic evolution from an online marketplace to a single tradie platform, reaching a significant milestone after migrating more than 32,000 tradie customers onto the single tradie platform during the half. This migration to a single tradie platform is expected to increase tradie retention and tradie engagement, with the early signs positive.

Following completion of the platform migration in the first half of the year, all tradies will be moved onto new subscription packages through the end of the 2025 calendar year as their contracts renew, providing a platform for further ARPU growth.

Additional feature rollouts and functionality are planned for the second half of the 2025 financial year.

The transition to a full subscription model for hipages New Zealand (Builderscrack) during the half year sets the business up for continued ARPU growth and margin expansion.

Net Cash

The Group reported strong positive statutory operating cash flows of \$9.400 million (31 December 2023: \$9.039 million). Cash outflows from investing activities was \$7.410 million (31 December 2023, net cash inflow of: \$1.897 million).

The Group generated positive free cash flow of \$1.215 million over the half (31 December 2023: (\$0.063 million)), marking a significant improvement over the previous corresponding period. At 31 December 2024 cash and funds on deposit was \$22.472 million (30 June 2024: \$21.266 million) and no debt.

FY25 Outlook

After delivering 10% ordinary operating revenue growth alongside two significant tech migrations in H1, the Group has updated its FY25 revenue target to \$83–\$84 million for the full year.

The Group's confidence in achieving this target is underpinned by the key technology and subscription migrations being complete and initiatives in place to drive increased engagement and retention in H2.

Expectations remain for EBITDA margin expansion of 1–2 percentage points from FY24 to 23%–24%, with increased confidence in the outlook for free cash flow resulting in a range of \$5–\$6 million, reflecting the power and flexibility of the Group's operating model.

Material business risks

Risk categories	Key business risks and impact	Mitigation and monitoring strategies
Marketplace performance	Failure to attract new tradies If hipages is unable to attract new tradies to the platform at the pricing level hipages currently expects, this may adversely impact hipages' financial performance and growth.	<ul style="list-style-type: none">• Continue to invest in technology to evolve the hipages platform and consolidate online market leading position in the tradie segment.• Look to enhance offering by adding new adjacent services in the tradie ecosystem.
	Tradie retention on the platform If significant numbers of tradies are not retained, this may adversely impact hipages' operations and financial performance.	<ul style="list-style-type: none">• Continue to evolve to a SaaS model through a single tradie platform including hipages tradiecore job management solution and associated expansion services.• Look to enhance the offering by adding new functionality and adjacent services in the tradie ecosystem.

Risk categories	Key business risks and impact	Mitigation and monitoring strategies
	<p>Material reduction in jobs</p> <p>If hipages has a material reduction in the number of jobs posted by consumers 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.</p>	<ul style="list-style-type: none"> Invest in brand and marketing activities like creative advertising and SEO⁸ to drive consumer jobs on the hipages platform. Tactically reallocate performance marketing spend to drive more job volumes when required.
	<p>Growth and profitability dependent on active community</p> <p>If either tradies do not renew their subscriptions to the platform, and/or homeowners do not post jobs in the quantities that have previously posted, the activity of the marketplace will decline and may adversely impact the Company's financial performance.</p>	<ul style="list-style-type: none"> Invest in brand, product and technology on both the tradie and homeowner sides of our marketplace.
<p>Technology and data</p>	<p>Technology</p> <p>If hipages technology experiences downtime or system failures for a prolonged period, the Company may not be able to provide its services, and this may have an adverse impact to revenue. Further, if hipages does not develop innovative technology, it may lose market share to its competitors.</p>	<ul style="list-style-type: none"> Continued investment in technology to enhance the platform for long-term growth. Teams experiment with and incorporate new technology such as AI to optimize existing processes and value to tradies and homeowners.
	<p>Cybersecurity and data protection</p> <p>Whilst hipages has systems in place to secure its data, cyberattacks could compromise or breach these safeguards.</p>	<ul style="list-style-type: none"> The Company's security program applies a risk-based approach to tackle current and emerging cyber security threats and vulnerabilities. Regular assessment of cybersecurity controls, monitoring of third-party providers, targeted internal and external penetration testing and externally facilitated tabletop exercises.
<p>Macroeconomic deterioration</p>	<p>Significant deterioration in macroeconomic conditions</p> <p>A significant deterioration in macroeconomic conditions may cause softer homeowner demand as well as cause tradies to reduce marketing spend, resulting in hipages attracting fewer new tradies, higher tradie churn and less jobs.</p>	<ul style="list-style-type: none"> The subscription model provides recurring revenue which helps smooth volatility. Countercyclicality of model means softer homeowner demand may balance the marketplace and increase 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.

8. SEO: Search Engine Optimisation.

Dividends

No dividend has been proposed or paid during the current half-year or previous half-year.

Subsequent events

No other matter or circumstance has arisen since 31 December 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 8.

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



Inese Kingsmill
Chair

Sydney
20 February 2025



Roby Sharon-Zipser
CEO and Executive Director

Auditor's Independence Declaration



Auditor's Independence Declaration

As lead auditor for the review of hipages Group Holdings Ltd for the half-year ended 31 December 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 review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

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

A handwritten signature in black ink, appearing to read 'Louise Harknett', is written over a light grey horizontal line.

Louise Harknett
Partner
PricewaterhouseCoopers

Sydney
20 February 2025

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Consolidated Interim Financial Statements

for the half-year ended 31 December 2024



hipages Group Holdings Ltd
ABN 67 644 430 839

Consolidated Statement of Profit or Loss

For the half-year ended 31 December 2024

	Notes	31 December 2024 \$'000	31 December 2023 \$'000
Revenue			
Revenue from ordinary activities		40,596	36,916
Other revenue		3	494
Total revenue	2.2	40,599	37,410
Other income		–	369
Expenses excluding interest, tax, depreciation and amortisation			
Employee benefits expenses		(16,209)	(15,064)
Marketing related expenses		(9,409)	(7,721)
Operations and administration expenses		(5,052)	(4,689)
Impairment of trade receivables		(1,247)	(1,575)
Net other income/(expenses)		1	(10)
Total expenses excluding interest, tax, depreciation and amortisation		(31,916)	(29,059)
Earnings before interest, tax, depreciation and amortisation (EBITDA)		8,683	8,720
Depreciation and amortisation	2.3	(9,077)	(8,266)
(Loss)/profit before interest and income tax		(394)	454
Finance income		409	217
Finance expenses		(139)	(161)
Net finance income		270	56
Share of loss of equity-accounted investment, net of tax	3.4	–	(44)
Gain on disposal of equity-accounted investment, net of tax	3.4	–	3,079
(Loss)/profit before income tax		(124)	3,545
Income tax benefit		197	160
Profit for the period		73	3,705
Profit for the period, attributable to the members of the Group		73	3,705
		Cents	Cents
Earnings per share attributable to the ordinary equity holders of the Group:			
Basic earnings per share		0.05	2.78
Diluted earnings per share		0.05	2.68

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

Consolidated Statement of Comprehensive Income

For the half-year ended 31 December 2024

	31 December 2024 \$'000	31 December 2023 \$'000
Profit for the period attributable to members of the Group	73	3,705
Other comprehensive income		
<i>Items that may be reclassified to profit or loss:</i>		
Foreign currency translation differences for foreign operations	(56)	47
Other comprehensive (loss)/profit net of tax	(56)	47
Total comprehensive profit, attributable to owners of hipages Group Holdings Ltd	17	3,752

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

Consolidated Statement of Financial Position

As at 31 December 2024

	Notes	31 December 2024 \$'000	30 June 2024 \$'000
ASSETS			
Current assets			
Cash	3.1	21,202	20,116
Trade and other receivables		1,438	1,480
Other assets		1,768	1,248
Current tax asset		19	–
Total current assets		24,427	22,844
Non-current assets			
Other assets		20	–
Funds on deposit	3.1	1,270	1,150
Other investments		371	371
Property, plant and equipment		889	883
Right-of-use asset		8,329	8,162
Intangible assets	3.2	29,342	30,401
Total non-current assets		40,221	40,967
Total assets		64,648	63,811
LIABILITIES			
Current liabilities			
Trade and other payables		7,430	7,580
Contract liabilities		3,596	3,545
Provisions		2,191	2,166
Lease liabilities		1,777	1,571
Current tax liability		–	45
Total current liabilities		14,994	14,907
Non-current liabilities			
Provisions		899	791
Lease liabilities		8,064	8,126
Deferred tax liability		995	1,229
Total non-current liabilities		9,958	10,146
Total liabilities		24,952	25,053
Net assets		39,696	38,758
EQUITY			
Issued capital	3.3	320,430	320,430
Reserves	3.3	(218,724)	(219,589)
Accumulated losses	3.3	(62,010)	(62,083)
Total equity		39,696	38,758

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

Consolidated Statement of Changes in Equity

For the half-year ended 31 December 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 2023		319,378	(226,612)	8,589	(1,509)	(65,646)	34,200
Profit for the period, attributable to the members of the Group		–	–	–	–	3,705	3,705
Transactions with owners in their capacity as owners:							
Employee share-based payments expense	3.3	–	–	770	–	–	770
New shares issued to existing shareholders	3.3	47	–	(47)	–	–	–
Foreign currency translation differences	3.3	–	–	–	47	–	47
Balance at 31 December 2023		319,425	(226,612)	9,312	(1,462)	(61,941)	38,722
Balance at 1 July 2024		320,430	(226,612)	8,995	(1,972)	(62,083)	38,758
Profit for the period, attributable to the members of the Group		–	–	–	–	73	73
Transactions with owners in their capacity as owners:							
Employee share-based payments expense	3.3	–	–	921	–	–	921
Foreign currency translation differences	3.3	–	–	–	(56)	–	(56)
Balance at 31 December 2024		320,430	(226,612)	9,916	(2,028)	(62,010)	39,696

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

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.

Consolidated Statement of Cash Flows

For the half-year ended 31 December 2024

Notes	31 December 2024 \$'000	31 December 2023 \$'000
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	43,413	39,965
Payments to suppliers and employees (inclusive of GST)	(34,458)	(31,168)
	8,955	8,797
Interest received	534	135
Income taxes (paid)/refunded	(89)	107
Net cash flows from operating activities	9,400	9,039
Cash flows from investing activities		
Proceeds from disposal of equity interest in associate	–	8,400
Payments for property, plant and equipment	(185)	(72)
Payments for intangible assets	(7,105)	(7,468)
(Payment)/release of bank guarantee funds related to leased property	(120)	1,037
Net cash flows (used in)/from investing activities	(7,410)	1,897
Cash flows from financing activities		
Payment of principal portion of lease liabilities	(771)	(1,405)
Payment of interest related to lease liabilities	(124)	(157)
Net cash flows used in financing activities	(895)	(1,562)
Net increase in cash and cash equivalents		
Cash and cash equivalents at the beginning of the period	20,116	8,540
Effects of exchange rate changes on cash and cash equivalents	(9)	4
Cash and cash equivalents at end of the period	21,202	17,918
3.1		

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

Notes to the Consolidated Interim Financial Statements

For the half-year ended 31 December 2024

1. Basis of preparation

1.1. Reporting entity

These Consolidated Interim 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 half-year ended 31 December 2024 and were authorised for issue in accordance with a resolution of the Directors on 20 February 2025.

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

1.2. Basis of preparation

These Consolidated Interim Financial Statements for the half-year period ended 31 December 2024:

- have been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001, compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 Interim Financial Reporting;
- 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.

As at 31 December 2024, the Group had net assets of \$39.696 million (30 June 2024: \$38.758 million).

The Consolidated Interim Financial Report does not include all the notes of the type normally included in an annual report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by hipages Group Holdings Ltd during the interim period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Comparative figures: Certain reclassifications have been made to comparative balances to conform with the current year presentation.

Changes in accounting policies are set out in Note 1.4, Changes in significant accounting policies.

1.3. Key accounting estimates

In preparing these Consolidated Interim Financial Statements, the judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the Consolidated Financial Report as at and for the year ended 30 June 2024. These include:

- Revenue lead credits and lead utilisation
- Capitalisation of internally generated software
- Valuation and carrying amount of intangible assets
- Estimation of useful lives of intangible assets

Estimates and underlying assumptions are reviewed on an ongoing basis.

Notes to the Consolidated Financial Statements continued

For the half-year ended 31 December 2024

1.4. Changes in significant accounting policies

The accounting policies applied in these Consolidated Interim Financial Statements are consistent with those adopted and disclosed in the Group's Annual Financial Report for the financial year ended 30 June 2024.

New accounting standards adopted by the Company

A number of amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 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.

2. Business performance

2.1. Segment information

Description of segments

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 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 full-service tradie SaaS platform.
New Zealand Builderscrack online tradie platform	MyQuote Limited, trading as 'Builderscrack' (hipages New Zealand) is New Zealand's leading online tradie marketplace, connecting tradies with residential and commercial consumers through its platform.

2.1. Segment information continued

Segment information

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 as per Note 2.2, Revenue.

Major customers

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

Segment result

The CODM assesses performance based on a measure of EBITDA (Earnings before interest, tax, depreciation and amortisation) and free cash flow. Further, when assessing performance, the CODM considers the effects of segment non-recurring expenditure where appropriate.

Information about reportable segments	Australia 6 months ended		New Zealand 6 months ended		Total operations 6 months ended	
	31-Dec-24 \$'000	31-Dec-23 \$'000	31-Dec-24 \$'000	31-Dec-23 \$'000	31-Dec-24 \$'000	31-Dec-23 \$'000
	Revenue	38,795	35,220	1,801	1,696	40,596
Other revenue	3	494	–	–	3	494
Total revenue	38,798	35,714	1,801	1,696	40,599	37,410
Segment EBITDA	8,367	8,218	316	502	8,683	8,720
Free cash flow¹	987	(397)	228	334	1,215	(63)

	Balance as at		Balance as at		Balance as at	
	31-Dec-24 \$'000	30-Jun-24 \$'000	31-Dec-24 \$'000	30-Jun-24 \$'000	31-Dec-24 \$'000	30-Jun-24 \$'000
	Segment assets	57,519	56,046	7,129	7,765	64,648
Segment liabilities	22,687	22,717	2,265	2,336	24,952	25,053

Reconciliation of EBITDA to profit after tax	31-Dec-24	31-Dec-23
	\$'000	\$'000
EBITDA	8,683	8,720
Depreciation and amortisation	(9,077)	(8,266)
Net finance income	270	56
Share of loss in associate	–	(44)
Gain on disposal of associate, net of tax	–	3,079
Income tax benefit	197	160
Profit after tax	73	3,705

1. Free cash flow is defined as Operating cash flow less lease repayment, less payments for intangible assets and property, plant and equipment. Cash flows related to M&A activities and bank guarantee payments or releases are not considered part of free cash flow calculations.

Notes to the Consolidated Financial Statements continued

For the half-year ended 31 December 2024

2.2. Revenue

Revenue	31 December 2024 \$'000	31 December 2023 \$'000
Ordinary activities		
Contracts with customers – recurring revenue	39,182	35,162
Contracts with customers – transactional revenue	1,414	1,754
Total revenue from ordinary activities	40,596	36,916
Other activities		
Rental income	3	494
Total revenue from other activities	3	494
Total revenue	40,599	37,410

Recurring revenue is subscription-based revenue and is recognised as performance obligations are satisfied.

Transactional revenue is recognised when the performance obligations are satisfied.

Rental income related to sublease income, this has now ceased in full.

2.3. Depreciation and amortisation

	31 December 2024 \$'000	31 December 2023 \$'000
Depreciation		
Plant and equipment	128	136
Leasehold improvements	47	269
Right-of-use assets	800	1,174
Total depreciation	975	1,579
Amortisation		
Software and other intangibles	277	271
Capitalised development	7,668	6,256
Brand and tradie relationships	157	160
Total amortisation	8,102	6,687
Total depreciation and amortisation	9,077	8,266

3. Capital and financing

3.1. Cash and funds on deposit

	31 December 2024 \$'000	30 June 2024 \$'000
Current asset		
Cash		
Cash at bank and in hand	7,802	10,716
Term deposits	13,400	9,400
Total cash	21,202	20,116
Non-current asset		
Funds on deposit		
Funds on deposit (bank guarantees)	1,270	1,150
Total cash and funds on deposit	22,472	21,266

Cash

Total cash includes money held on short-term (90 days 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) includes \$1.150 million (30 June 2024: \$1.030 million) held as bank guarantees for the lease of office premises in Sydney and Melbourne.

Notes to the Consolidated Financial Statements continued

For the half-year ended 31 December 2024

3.2. Intangible assets

	31 December 2024	30 June 2024
	\$'000	\$'000
Goodwill	1,711	1,721
Brands and tradie relationships	3,736	3,934
Capitalised development	23,248	23,822
Software and other intangibles	647	924
Closing net book value	29,342	30,401

As noted in the 30 June 2024 audited financial statements, the calculation of Value-In-Use (VIU) (Australia CGU) and Fair Value Less Costs of Disposal (FVLCD) (NZ CGU) is most sensitive to the following assumptions: cash flows, discount rate and long-term growth rate. Management will continue to monitor these.

3.3. Contributed Equity

Issued capital

	31 December 2024	30 June 2024	31 December 2024	30 June 2024
Ordinary shares	Number	Number	\$'000	\$'000
Balance at the beginning of the financial year	134,045,376	133,110,322	320,430	319,378
New shares issued to Employee Share Trust	–	935,054	–	1,052
Balance at the end of the period	134,045,376	134,045,376	320,430	320,430

As at 31 December 2024 1,194,128 ordinary shares (30 June 2024: 2,736,958) were held in trust for participants of the hipages' employee incentive scheme. Employees have an opportunity to exercise vested Rights to hipages' ordinary shares during scheduled exercise windows. No new ordinary shares have been issued to the Employee Share Trust during the half-year ended 31 December 2024 (for the 12 months ended 30 June 2024: 935,054).

3.3. Contributed Equity continued

Reserves

	31 December 2024	30 June 2024
	\$'000	\$'000
Capital reorganisation reserve		
Balance at the beginning of the financial year	(226,612)	(226,612)
Balance at the end of the period	(226,612)	(226,612)
Share-based payments reserve		
Balance at the beginning of the financial year	8,995	8,589
Share-based payments expense	921	1,458
Shares acquired by the Employee Share Trust	–	(1,052)
Balance at the end of the period	9,916	8,995
Translation and other reserves		
Balance at the beginning of the financial year	(1,972)	(1,509)
Fair value changes in equity investment	–	(429)
Foreign currency translation differences	(56)	(34)
Balance at the end of the period	(2,028)	(1,972)
Total reserves	(218,724)	(219,589)

Accumulated losses

	31 December 2024	30 June 2024
	\$'000	\$'000
Accumulated losses		
Balance at the beginning of the financial year	(62,083)	(65,646)
Profit after tax for the period	73	3,563
Accumulated losses at the end of the period	(62,010)	(62,083)

Dividends

No dividends were paid during the half-year ended 31 December 2024 (31 December 2023: nil) and no interim dividends have been declared.

Notes to the Consolidated Financial Statements continued

For the half-year ended 31 December 2024

3.4. Equity-accounted investees

The company has nil equity-accounted investments. During the half-year ended 31 December 2023, the Group disposed in entirety its 19.53% investment in PropTech Labs (previously known as Bricks and Agent) for \$8.400 million. The gain on the equity-accounted investment was \$3.079 million.

Reconciliation of movement in carrying amount of equity-accounted investment	31 December 2024 \$'000	For the period ended on the date of disposal \$'000
Opening carrying amount	–	5,365
Profit for the period	–	88
Amortisation of fair value uplift on acquisition of associate	–	(132)
Fair value of asset contribution for new shares issued/new capital contribution	–	–
Divested ownership interest	–	(5,321)
Closing carrying amount	–	–

Summarised statement of comprehensive income	31 December 2024 \$'000	For the period ended on the date of disposal \$'000
Revenue	–	2,724
Profit from continuing operations	–	450
Group's share in %	–	19.53%
Group's share in \$	–	88
Amortisation of fair value uplift on acquisition of associate	–	(132)
Gain on disposal of equity interest in associate	–	3,079
Profit for the period	–	3,035
Total comprehensive profit	–	3,035

The comprehensive profit 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	6 months ended 31 December 2024 \$'000	12 months ended 30 June 2024 \$'000
Ownership interest – opening	–	19.53%
Dilution following share issue	–	–
Dilution following exercise of option	–	–
Dilution following non-participation in capital raise	–	–
Equity interest disposed	–	(19.53%)
Closing equity interest	–	–

4. Other disclosures

4.1. Fair value measurements

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 Group holds one Level 3 investment. The details of which are set out in the 30 June 2024 audited financial statements.

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

4.2. Contingencies

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.

4.3. Events occurring after the reporting period

There have been no events subsequent to the balance date that would have a material effect on the Group's Interim Financial Statements as at 31 December 2024.

Notes to the Consolidated Financial Statements continued

For the half-year ended 31 December 2024

4.4. 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.

Parent entity and ultimate controlling entity changes

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

Subsidiaries and associated entities

There have been no changes in controlled entities during the half-year ended 31 December 2024.

Key management personnel changes

There have been no other changes to Key Management Personnel (KMP) during the half-year ended 31 December 2024.

Loans to/from related parties

There are no loans to or from related parties (30 June 2024: nil).

Other related party transactions

The director services provided by Nicholas Gray, a News Corp appointed Non-Independent Director, has been paid up to 30 June 2023. Director fees for the year ended 30 June 2024 and for the period ended 31 December 2024 are payable and have been accrued in full.

Directors' Declaration

For the half-year ended 31 December 2024

In the opinion of the Directors of hipages Group Holdings Ltd (the Company):

- (a) the Consolidated Interim Financial Statements and notes of hipages Group Holdings Ltd for the half-year ended 31 December 2024 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the six-month period ended on that date;
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Inese Kingsmill

Chair

Sydney

20 February 2025



Roby Sharon-Zipser

CEO and Executive Director

Independent Auditor's Report



Independent auditor's review report to the members of hipages Group Holdings Ltd

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of hipages Group Holdings Ltd (the Company) and the entities it controlled during the half-year (together the Group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of comprehensive income, consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration.

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

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

Basis for conclusion

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

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

Responsibilities of the directors for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report, 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 half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that

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

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

PricewaterhouseCoopers

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'Louise Harknett', written over a light grey horizontal line.

Louise Harknett
Partner

Sydney
20 February 2025

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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 Secretary

Kylie Quinlivan

Lucy Thompson

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