creditclear
digital payment technology

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APPENDIX 4D & INTERIM FINANCIAL STATEMENTS

for the Half-Year 31 December 2024

ABN: 48 604 797 033
ASX Code: CCR

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Appendix 4D – Half-Yearly report

Reporting Period

Reporting period: For the half-year ended 31 December 2024
Previous period: For the half-year ended 31 December 2023

Results for Announcement to the Market

Key Information

	Half-year Ended 31 December 2024 $000	Half-year Ended 31 December 2023 $000	% Change
Revenue from ordinary activities	23,249	20,030	16%
Loss after tax from ordinary activities attributable to owners	(2,174)	(2,102)	3%
Net loss attributable to owners	(2,174)	(2,102)	3%

Dividends

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

Dividend Reinvestment Plans

Not applicable.

Net tangible assets per security

	Half-year Ended 31 December 2024 $/Share	Half-year Ended 31 December 2023 $/Share
Net tangible assets per security	0.03	0.03

Control Gained or Lost over Entities in the Half-year

Not applicable

Investments in Associates and Joint Ventures

Not applicable

Audit qualification or review

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

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

Signed

Michael Doery
Director

Directors' Report

Your directors submit the financial report of Credit Clear Limited (the company) and the entities it controlled (the consolidated group) for the half-year ended 31 December 2024.

Directors

The following persons were directors during the period and up to the date of this report, unless otherwise stated:
Paul Dwyer
Hugh Walter Robertson
Andrew Smith
Michael Doery
Jodie Bedoya – appointed 1 September 2024

Principal Activities

The principal activities of the Group during the financial period were the provision of debt resolution services and the ongoing technology development and implementation of the Company's digital collection platform. The Group also provides commercial legal expertise as part of the full end to end collections management service.

Dividends

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

Review of Operations

Revenue from customers for the six months ending 31 December 2024 increased 16% to $23.249 million (December 2023 $20.030 million). The improvement was driven by increasing revenues from both existing and new clients. New clients signed during the period remained strong with a good number of clients being onboarded.

Earnings/losses before interest, tax depreciation and amortisation (EBITDA) was a profit of $1.078 million (December 2023 $0.974 million), while cash generated from operation grew to $2.465 million (December 2023 $1.643 million) a 50% increase on the prior corresponding period. The Board and Executives continue to focus on developing digital collections technology to enhance the customer experience and optimise receivables management in combination with providing traditional collection services to our clients. This hybrid approach of digital and traditional has proven to achieve better collection results for our clients. This is also driving new client acquisitions which continued to be successful during the period.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial period.

Matters subsequent to the end of the financial period

No matters or circumstances have arisen since the end of the financial period which significantly affect or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

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Directors' Report

Rounding of Amounts

The Consolidated Group has applied the relief available to it in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and accordingly certain amounts in the financial report and the directors' report have been rounded off to the nearest $1,000.

Auditors Independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporation Act 2001 is set out immediately after this directors' report.

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

Michael Doery
Director

Andrew Smith
Director

Date: 26 February 2025

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Auditor's Independence Declaration

As lead auditor for the review of Credit Clear Limited 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 Credit Clear Limited and the entities it controlled during the period.

Ben Gargett
Partner
PricewaterhouseCoopers

Melbourne
26 February 2025

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

	Note	Consolidated Group	
		Half-year Ended 31 December 2024	Half-year Ended 31 December 2023
		$000	$000
Revenue from customers		23,249	20,030
Other income		13	154
Employee benefits expense		(12,838)	(11,533)
Legal Fees		(200)	18
Consultancy Fees		(625)	(469)
Professional service fees		(1,369)	(1,392)
Service delivery fees		(3,921)	(3,205)
Share based payments	6	(1,074)	(822)
Other expenses		(2,157)	(1,807)
EBITDA		**1,078**	**974**
Depreciation and amortisation expense		(3.322)	(3,252)
EBIT		**(2,244)**	**(2,278)**
Interest Income		281	282
Interest Expense		(194)	(201)
Loss before income tax		**(2,157)**	**(2,197)**
Income tax benefit/(expense)	4	(17)	95
Net loss for the period		**(2,174)**	**(2,102)**
Other comprehensive income/(loss)		-	-
Total comprehensive loss for the period attributable to the owners of Credit Clear Limited		**(2,174)**	**(2,102)**

Earnings per share

	Cents	Cents
	$	$
– basic earnings per share (cents)	(0.005)	(0.005)
– diluted earnings per share (cents)	(0.005)	(0.005)

The accompanying notes form part of these financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Note	Consolidated Group As at 31 December 2024 $000	As at 30 June 2024 $000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		13,826	13,145
Trust Funds		6,713	5,671
Trade and other receivables		6,477	6,235
Other assets		733	930
TOTAL CURRENT ASSETS		27,749	25,981
NON-CURRENT ASSETS			
Financial Assets		891	961
Right of use assets		4,164	4,003
Property, plant and equipment		391	307
Intangible assets		44,904	46,832
TOTAL NON-CURRENT ASSETS		50,350	52,103
TOTAL ASSETS		78,099	78,084
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		5,437	5,470
Lease liabilities		1,164	1,071
Provisions		2,528	2,396
Other liabilities		6,804	6,201
TOTAL CURRENT LIABILITIES		15,933	15,138
NON-CURRENT LIABILITIES			
Lease liabilities		3,344	3,203
Provisions		550	469
TOTAL NON-CURRENT LIABILITIES		3,894	3,672
TOTAL LIABILITIES		19,827	18,810
NET ASSETS		58,272	59,274
EQUITY			
Issued capital	5	101,878	101,323
Reserves		5,775	5,158
Accumulated losses		(49,381)	(47,207)
TOTAL EQUITY		58,272	59,274

The accompanying notes form part of these financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

Consolidated Group	Note	Ordinary Share Capital	Retained Earnings	Reserves	Total
		$000	$000	$000	$000
Balance at 1 July 2023		**99,684**	**(42,710)**	**4,313**	**61,287**
Comprehensive income/(loss)					
Loss for the period		-	(2,102)	-	(2,102)
Total comprehensive income/(loss) for the period		**-**	**(2,102)**	**-**	**(2,102)**
Transactions with owners, in their capacity as owners, and other transfers					
Share based payments		-	-	709	709
Shares issued during the period		716	-	-	716
Issue of ordinary shares as consideration for a business combination, net of transaction costs and tax		600	-	-	600
Total transactions with owners and other transfers		**1,316**	**-**	**709**	**2,025**
Balance at 31 December 2023		**101,000**	**(44,812)**	**5,022**	**61,210**
Balance at 1 July 2024		**101,323**	**(47,207)**	**5,158**	**59,274**
Comprehensive income/(loss)					
Loss for the period		-	(2,174)	-	(2,174)
Total comprehensive income/(loss) for the period		**-**	**(2,174)**	**-**	**(2,174)**
Transactions with owners, in their capacity as owners, and other transfers					
Share based payments		-	-	617	617
Shares issued during the period		555	-	-	555
Total transactions with owners and other transfers		**555**	**-**	**617**	**1,172**
Balance at 31 December 2024		**101,878**	**(49,381)**	**5,775**	**58,272**

The accompanying notes form part of these financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

	Consolidated Group	
	Half-year Ended 31 December 2024	Half-year Ended 31 December 2023
	$000	$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	24,864	22,454
Payments to suppliers and employees	(22,486)	(20,866)
Interest received	281	252
Interest paid	(194)	(197)
Net cash (used in)/generated by operating activities	2,465	1,643
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(183)	(61)
Payment for acquisition of business, net of cash acquired	-	(481)
Capitalised development costs	(623)	(657)
Receipts - other	42	-
Net cash (used in)/generated by investing activities	(764)	(1,199)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares, net of transaction costs	-	500
Proceeds from borrowings	-	648
Repayment of funding arrangements	(259)	-
Repayment of lease liabilities	(761)	(551)
Net cash (used in)/generated by financing activities	(1,020)	597
Net increase in cash held	681	1,041
Cash and cash equivalents at beginning of period	13,145	12,002
Cash and cash equivalents at end of period	13,826	13,043

The accompanying notes form part of these financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 December 2024

General information

The financial statements cover Credit Clear Limited (the company) as a consolidated entity consisting of Credit Clear Limited and the entities it controlled at the end of, or during, the period. The financial statements are presented in Australian dollars, which is Credit Clear Limited's functional and presentation currency.

The Company is a listed public company limited by shares, incorporated and domiciled in Australia.

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 26 February 2024.

NOTE 1: BASIS OF PREPARATION

These general purpose interim financial statements for the half-year reporting period ended 31 December 2024 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The Group is a for- profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Credit Clear Limited and its controlled entities (referred to as the "Consolidated Group" or "Group"). As such, it does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report of the Group for the year ended 30 June 2024, together with any public announcements made during the following half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

The Group has considered the implications of new or amended Accounting Standards, but determined that their application to the financial statements is either not relevant or not material.

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NOTE 2: ACQUISITION OF DRA GROUP ENTITIES

On 1 December 2023, Credit Clear Limited acquired a 100% interest in Debt Recoveries Australia Pty Ltd, ADC Legal Pty Ltd and Nova Team Solutions Inc which resulted in obtaining control of the DRA Group. This acquisition was accounted for on a provisional basis at 31 December 2023 and 30 June 2024. The acquisition was subsequently finalised during the period with no further adjustments.

The following table shows the assets acquired, liabilities assumed and the purchase consideration at the acquisition date

	1 December 2023 Fair Value $
- Cash	900,000
- Shares issued in Credit Clear Limited	600,000
- Net cash adjustment payable (paid post half-year end)	175,456
Total purchase consideration	**1,675,456**
Assets or liabilities acquired:	
Cash	415,563
Trust funds - clients	138,986
Trade receivables	153,372
Prepayments	85
Other assets	75,271
Fixed Assets	7,578
Trade payables	(61,370)
Sundry payables and accrued expenses	(144,842)
Employee provisions	(134,737)
Tax Payable	(186,872)
Deferred tax liability	(95,000)
Provision for office makegood	(20,000)
Identifiable assets acquired and liabilities assumed	**148,034**
Purchase consideration	1,675,456
Less: Identifiable net assets acquired	(148,034)
Intangible Assets Acquired	**1,527,422**

The Group undertook an internal valuation to calculate the identifiable intangible assets acquired on acquisition of the DRA Group on 1 December 2023. The valuation determined that the Group's intangible asset balances before amortisation are as follows:

Customer List	380,000
Goodwill	1,147,422
Intangible Assets Acquired	**1,527,422**

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NOTE 3: OPERATING SEGMENTS

Identification of reportable operating segments

The group has identified its operating segments to be the two major areas of services provided to customers; Receivable Collections and Legal Services.

Receivable Collections: represents the provision of receivable collection services using a combination of technology solutions and traditional collection methods.

Legal Services: provides specialised credit legal services, which when combined with the Receivables Collections business, allows the company to provide a full end to end service offering for its clients.

Head Office is not an operating segment, it represents Group overheads, corporate head office, Group tax balances, financing, payroll and treasury functions.

Revenue Categorisation

Revenue is generated by the Group and is categorised into the reportable segments disclosed below.

These operating segments are based on the internal reports that are reviewed and used by the Chief Executive Officer (who is identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments in reporting to the CODM. The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

	Collections		Legal Services		Head Office		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	$000	$000	$000	$000	$000	$000	$000	$000
Revenue								
External sales	21,398	16,828	1,851	3,202	-	-	23,249	20,030
Other Income	13	154	-	-	-	-	13	154
Total segment revenue	21,411	16,982	1,851	3,202	-	-	23,262	20,184
EBITDA	4,933	4,464	752	317	(4,607)	(3,807)	1,078	974
Depreciation and Amortisation	(3,314)	-	(8)		-	(3,252)	(3,322)	(3,252)
Interest revenue	3	-	-		278	282	281	282
Interest expense	(178)	-	(8)		(8)	(201)	(194)	(201)
Segment net profit/(loss) before tax	1,444	4,464	736	317	(4,337)	(6,978)	(2,157)	(2,197)
Tax benefit/(expense)					(17)	95	(17)	95
Net profit/(loss) after tax	1,444	4,464	736	317	(4,354)	(6,883)	(2,174)	(2,102)
Segment assets	62,561	15,249	1,712	824	13,826	61,741	78,099	77,814
Segment liabilities	17,704	15,160	2,123	1,444	-	-	19,827	16,604
Net assets/(liabilities)	44,857	89	(411)	(620)	13,826	61,741	58,272	61,210

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NOTE 4: INCOME TAX EXPENSE

The Group has an unrecognised deferred tax asset totalling $3,026,492 (December 2023: $4,854,211). The group has not recognised a deferred tax asset in excess of deferred tax liabilities on the basis that they are not considered probable of utilisation at period end, on the basis that group has not yet generated taxable profits to apply against these accumulated losses.

As part of the DRA acquisition, a Deferred Tax Liability of $95,000 has been recognised in relation to the acquired customer list assets. Deferred Tax Assets of $95,000 were subsequently also recognised with the benefit reported in the Statement of Profit or Loss.

NOTE 5: EQUITY – ISSUED CAPITAL

	31 Dec 2024 Shares	30 Jun 2024 Shares	31 Dec 2024 $000	30 Jun 2024 $000
Ordinary shares – fully paid	420,530,480	417,697,656	101,878	101,323

Movements in ordinary share capital:

Details	Date	Shares	Issue Price	$000
Balance	1 July 2024	417,697,656		101,323
Employee incentives	9 July 2024	247,458	$0.26	64
Employee incentives	5 September 2024	2,585,366	$0.19	491
Balance		420,530,480		101,878

NOTE 6: SHARE BASED PAYMENTS

The Group established the Credit Clear Limited Equity Incentive Plan on 19 August 2020 as a long-term incentive scheme to recognise talent and motivate employees to strive for Group performance. The purpose of the EIP is to allow the Board to make offers to employees, contractors, non-executive directors and other persons declared by the board to acquire securities in Credit Clear and to otherwise incentivise employees.

Rights and options were issued to the participant at no cost. Each right and option entitle the holder, on vesting, to one share in the company as listed in the tables below. The conversion of rights and options which are issued to management, employees and directors is subject to certain tenure-based or performance-based conditions. The rights and options carry no entitlements to voting rights or dividends of the Group. There were 6,070,575 share rights that vested during the period. The value of these rights amounted to $1,157,451. There were no options that vested during the period.

During the half year ending 31 December 2024, the company issued 618,767 share rights to employees and 10,000,000 options to directors.

Employee share option scheme

The company did not issue any options to employees during the period.

Director share options

Directors are entitled to participate in the share options scheme. They were granted 10,000,000 options during the period. Vesting is based on tenure. Should the tenure not be met, the options which were available for vesting for that respective period shall be considered forfeited.

Options granted to directors are as follows.

Issue Date	Number	Vesting Date	Vesting Condition
20 December 2024	10,000,000	30 November 2026	Service tenure

Management share rights scheme

Managers are entitled to participate in the share rights scheme. Employees were granted a total of 618,767 rights during the period. Vesting is based on business performance and employment tenure. Should the tenure or performance criteria not be met, the rights which were available for vesting for that respective period shall be considered forfeited.
Rights granted to employees are as follows:

Issue Date	Number	Vesting Date	Vesting Condition
5 September 2024	353,581	31 December 2024	Business performance and tenure
5 September 2024	265,186	31 December 2025	Business performance and tenure

NOTE 7: CONTINGENCIES

The Group is not aware of any contingencies as at the date of this report.

NOTE 8: RELATED PARTIES

The fee receivable from Romano Family Holdings in relation to a historic legal matter decreased from $208,333 to $166,667 during the period. Repayments were in accordance with terms of the agreement.

NOTE 9: EVENTS AFTER THE END OF THE INTERIM PERIOD

No matters or circumstances have arisen since the end of the financial period which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

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Directors' Declaration

In accordance with a resolution of the directors of Credit Clear Limited, the directors of the Company declare that:

1. The financial statements and notes, as set out on pages 8 to 16, are in accordance with the *Corporations Act 2001*, including:

   complying with Accounting Standard AASB 134: *Interim Financial Reporting*; and

   giving a true and fair view of the Consolidated Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date.

2. In the directors' opinion there are reasonable grounds to believe that the Entity will be able to pay its debts as and when they become due and payable.

Michael Doery
Director

Dated this 26th day of February 2025

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Independent auditor's review report to the members of Credit Clear Limited

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Credit Clear Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the Condensed Consolidated Statement of Financial Position as at 31 December 2024, the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income, Condensed Consolidated Statement of Changes in Equity and the Condensed 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 Credit Clear Limited 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.

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

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

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

Ben Gargett
Partner

Melbourne
26 February 2025

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