

THE RPM GROUP

RPM Automotive Group Limited

ABN 34 002 527 906

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Appendix 4D

Half-year ended 31st December 2023

(Previous corresponding period: Half-year ended 31st December 2022)

HALF-YEAR INFORMATION GIVEN TO THE ASX UNDER LISTING RULE 4.2A

RPM AUTOMOTIVE GROUP LIMITED **ABN 34 002 527 906**

Reporting period

Half-year ended 31 December 2023	Half-year ended 31 December 2022

The information contained in this report should be read in conjunction with the most recent annual financial report.

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RESULTS FOR ANNOUNCEMENT TO THE MARKET

						Current Period A$,000
Revenue from ordinary activities			Up	**2.07%**	to	**56,892**
Profit from ordinary activities after income tax attributable to members	Up	**73.90%**	From	**1,246**	to	**2,167**
Net profit for the period attributable to members	Up	**73.90%**	From	**1,246**	to	**2,167**

Dividends per Share

	Amount per Share		Franked Amount per Share	
Final	**Nil**	cents	**Nil**	cents
Interim	**Nil**	cents	**Nil**	cents

Record date for determining entitlements to dividends

Explanations on the results for announcement to the market

Refer Director's Report and Note 1 to the Financial Statements for the Half Year ended 31 December 2023

Net Tangible Assets per Ordinary Share (NTA Backing)

31 December 2023		31 December 2022	
3.79	cents	**3.81**	cents

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DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

Equity Accounted Associates and Joint Venture Entities

% OWNERSHIP INTEREST		CONTRIBUTION TO NET PROFIT	
Current Period %	Previous Corresponding Period %	Current Period	Previous Corresponding Period
		A$,000	A$,000

Aggregate Share of Profits (Losses) of Associates and Joint Venture Entities

Groups' Share of Associate' and Joint Venture Entities':	Current Period	Previous Period
	A$,000	A$,000
Profit (Loss) from ordinary activities before tax	-	-
Income tax on ordinary activities	-	-
Profit (Loss) from ordinary activities after tax	-	-
Extraordinary items net of tax	-	-
Net profit/(loss)	-	-
Adjustments	-	-
Share of net profit/(loss) of associates and joint venture entities	-	-

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DIVIDEND AND CAPITAL RETURN

DIVIDEND PER SHARE

	Amount per share	Franked amount per share at Nil% tax	Amount per share of foreign source dividend
	cents	cents	cents
Final			
- current period	-	-	-
- previous corresponding period	-	-	-
Interim			
- current period	-	-	-
- previous corresponding period	-	-	-
Special			
- current period	-	-	-
- previous corresponding period	-	-	-
RETURN OF CAPITAL PER SHARE			
- current period	-	-	-
- previous corresponding period	-	-	-

TOTAL DIVIDEND AND CAPITAL RETURN

	Current Period A$'000	Previous Period A$'000
Interim - paid/payable on	-	-
Final - paid/ payable on	-	-
Special - paid/payable on	-	-

SHARE DIVIDEND REINVESTMENT PLAN

There is no dividend reinvestment plan.

The last date for receipt of election notices for participation in any dividend reinvestment plans — Not Applicable

ACCOUNTING STANDARDS

AASB134 "Interim Financial Reporting" has been used in compiling the information contained in this Appendix 4D

AUDIT DISPUTES OR QUALIFICATIONS

There is no audit dispute or qualification

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RPM Automotive Group Limited

ABN 34 002 527 906

ASX Half-year Report
31st December 2023

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- Notes to the Financial Statements

Directors Declarations

Independent Auditor's Review Report to the Members of RPM Automotive Group Limited.

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DIRECTORS' REPORT

The Board of Directors of RPM Automotive Group Limited is pleased to present their report on the consolidated entity for the half-year ended 31st December 2023.

1. Directors

The following persons were the Directors of RPM Automotive Group Limited during the whole of the half-year and up to the date of this report:

Mr Lawrence Jaffe (Chairman) - Appointed 23 Jan 24
Mr Clive Finkelstein (Chief Executive Officer & Managing Director)
Mr Grant Carman (Non-Executive Director)
Mr Guy Nicholls (Chief Operating Officer)
Mr Alex Goodman - Resigned 22 Nov 23

DIRECTORS' REPORT (cont.)

2. Review of Operations

During the half year the Company has incorporated and expanded the RPM Group businesses with the acquisition of Chapel Corner Tyres while also focusing on consolidating and fine-tuning its existing operations.

For the six months ended 31st December 2023, the Company recorded income from operations of $56,891,562, Net Profit from operations before tax of $2,658,324 and EBITDA of $5,356,454.

EBITDA is broken down as follows:

	$
Profit after tax per accounts	2,166,597
Addback:	
Income tax expense	491,727
Interest and finance charges	851,680
Depreciation and amortisation	1,846,450
EBITDA	**5,356,454**

Net Debt is broken down as follows:

	$
Total Borrowings	34,859,787
Less:	
Cash and cash equivalents	3,977,930
Deferred Acquisition Payments	3,969,324
Convertible Note	5,813,369
Net Debt	**21,099,164**

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DIRECTORS' REPORT (cont.)

Over the past six months, sales revenue has been steady and in-line with forecast budgets, while we have seen an improvement in gross margin over the period. Our strategy of consolidating brands to maximise brand awareness at a state and national level, in-filling our existing network with a wider product range, investing in systems and analytics to drive further cross selling, and using our growing economies of scale, has resulted in a 420bps increase in margin % against the previous corresponding period.

A focus on optimising resources and controlling operating expenses in a difficult trading environment has improved profitability and operating cash flow.

With new projects being introduced in H2 we look forward to a stronger second half of FY24.

3. Auditor's independence declaration

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is set on the next page

4. Rounding

Amounts presented are rounded to the nearest $1.00 AUD

This report has been made in accordance with a resolution of the Directors.



Mr Lawrence Jaffe
Chairman



Mr Clive Finkelstein
Managing Director

27th February 2024

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AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF RPM AUTOMOTIVE GROUP LIMITED

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

a. no contraventions of the auditor independence requirements as set out in 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.





Nexia Melbourne Audit Pty Ltd
Melbourne

Benjamin Bester
Director

Dated this 27th day of February 2024

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Registered Audit Company 291969

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RPM Automotive Group Limited

ABN 34 002 527 906

Financial Statements for the Half Year Ended 31st December 2023

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR 31 DECEMBER 2023

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	Consolidated Half Year Ended	
	31 December 2023	31 December 2022
	$	$
Revenue	**56,891,562**	**55,735,091**
Cost of goods sold	(37,020,601)	(38,631,573)
Gross profit	**19,870,961**	**17,103,518**
Other income	76,446	1,759,336
Loss/Profit on sale of business unit	(21,328)	-
Administrative expense	(10,108,248)	(9,218,059)
Depreciation and amortisation expense	(1,846,450)	(1,731,510)
Occupancy expense	(538,453)	(469,946)
Other expenses	(3,922,924)	(4,832,487)
Operating profit	**3,510,004**	**2,610,852**
Finance income	17,591	4,713
Finance costs	(869,271)	(1,081,671)
Net finance costs	**(851,680)**	**(1,076,958)**
Profit from operations before income tax	**2,658,324**	**1,533,894**
Income tax expense	(491,727)	(288,018)
Profit from operations after income tax	**2,166,597**	**1,245,876**
Net result for the year from discontinued operations	(95,269)	-
Total comprehensive income for the year	**2,071,328**	**1,245,876**
Earnings per share		
Profit per share attributable to ordinary equity holders of the parent (basic and diluted)	**1.13**	**0.76**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE HALF-YEAR 31 DECEMBER 2023

	Note	Consolidated Half Year Ended 31 December 2023 $	30 June 2023 $
Assets			
Current assets			
Cash and cash equivalents		3,977,930	4,382,962
Trade and other receivables		16,334,612	17,597,733
Inventories	4	27,961,672	25,122,473
Other assets		945,619	668,908
Assets and disposal group classified as held for sale		1,395,716	1,397,883
Total current assets		**50,615,549**	**49,169,959**
Non-current assets			
Trade and other receivables		501,612	550,252
Right of use assets		8,455,719	8,695,205
Deferred tax assets		1,556,451	1,247,418
Property, plant and equipment		8,969,016	7,484,310
Intangible assets		41,065,522	38,938,193
Total non-current assets		**60,548,320**	**56,915,378**
Total assets		**111,163,869**	**106,085,337**

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE HALF-YEAR 31 DECEMBER 2023

	Note	Consolidated Half Year Ended 31 December 2023 $	30 June 2023 $
Liabilities			
Current liabilities			
Trade and other payables		13,885,947	13,450,314
Lease liabilities - current		2,787,228	2,787,228
Borrowings - current		16,643,995	12,970,787
Deferred acquisition payment		3,969,324	1,756,633
Current tax liabilities		1,181,072	1,189,312
Provisions		2,382,947	2,252,891
Liabilities included in disposal group held for sale		570,569	570,569
Total current liabilities		**41,421,082**	**34,977,734**
Non-current liabilities			
Lease liabilities - non current		6,369,460	6,586,642
Borrowings - non current		14,246,468	19,002,773
Provisions - non current		301,334	247,234
Deferred tax liabilities		304,394	309,047
Total non-current liabilities		**21,221,656**	**26,145,696**
Total liabilities		**62,642,738**	**61,123,430**
Net assets		**48,521,131**	**44,961,907**
Equity			
Issued capital	6	40,426,677	38,942,947
Assets revaluation reserve		227,876	223,710
Retained earnings		7,866,578	5,795,250
Total equity		**48,521,131**	**44,961,907**

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CONSOLIDATED STATEMENT OF CHANGES OF EQUITY FOR THE HALF-YEAR 31 DECEMBER 2023

	Issued Capital	Share Based Payments Reserve	Total Issued Capital	Asset	Retained Earnings	Total Equity
	$	$	$	$	$	$
Balance as at 30 June 2022	33,773,761	441,578	34,215,339	223,710	4,576,665	39,015,714
Profit for the year after tax	-	-	-		1,768,980	1,768,980
Revaluation of assets	-	-	-			-
Discontinued Operations					(550,395)	
Transaction with owners, in their capacity as owners, and other transfers						
Share based payments		114,731	114,731			114,731
Deferred business acquisition			-			-
Discontinued Operations	(709,768)		(709,768)			
Share issued during the year	**5,322,645**		**5,322,645**			**5,322,645**
Total transaction with owners and other transfers	**4,612,877**	**114,731**	**4,727,608**	**-**	**-**	**4,727,608**
Balance as at 30 June 2023	38,386,638	556,309	38,942,947	223,710	5,795,250	44,961,907
Profit from operations after income tax	-	-	-	-	2,166,597	2,166,597
Net result for the year from discontinued operations	-	-	-	-	(95,269)	(95,269)
Revaluation of assets	-	-	-	4,166	-	4,166
Transaction with owners, in their capacity as owners, and other transfers						
Share based payments			-	-	-	-
Deferred business acquisition	1,370,397		1,370,397	-	-	1,370,397
Share issued during the year		113,333	113,333	-	-	113,333
Total transaction with owners and other transfers	1,370,397	113,333	1,483,730	-	-	1,483,730
Balance as at 31 December 2023	39,757,035	669,642	40,426,677	227,876	7,866,578	48,521,131

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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR 31 DECEMBER 2023

	Consolidated	
	31 December 2023	31 December 2022
	$	$
Cash flows from operating activities		
Receipts from customers	56,968,008	55,394,153
Payments to suppliers and employees	(51,590,226)	(54,880,811)
Interest and other income received	17,591	4,713
Borrowing costs paid	(654,774)	(828,243)
Income tax paid	(491,727)	(160,853)
Cash flow from operating activities	**4,248,872**	**(471,041)**
Cash flows from investing activities		
Payment for property, plant and equipment	(1,204,616)	(869,268)
Payment to acquired entities	(1,851,882)	(2,841,492)
Cash flow from investing activities	**(3,056,498)**	**(3,710,760)**
Cash flows from financing activities		
Proceeds / (repayment) of finance lease principal	(235,408)	182,119
Capital payment of lease liabilities	(1,762,631)	(2,264,601)
Proceeds from the issue of shares	1,483,730	1,850,000
Proceeds from borrowings	(1,083,097)	2,011,656
Cash flow from financing activities	**(1,597,406)**	**1,779,174**
Net increase / (decrease) in cash held		
Cash at the beginning of the financial half year	4,382,962	7,047,808
Net cash flow for the year	(405,032)	(2,402,627)
Cash and cash equivalents at end of year	**3,977,930**	**4,645,181**

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR 31 DECEMBER 2023

Note 1: Summary of Significant Accounting Policies

Basis of Preparation

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

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

These interim financial statements were authorised for issue on 27th February 2024.

Accounting Policies

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

The Group has considered the implications of new and 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: Business Combination

Chapel Corner Tyres

The acquisition of Chapel Corner Tyres strengthens our wholesale platform initially in Victoria, and then nationally. In addition, our aligned strategic ambitions strengthen our competitive position. Chapel Corner Tyres has a great reputation for customer service and a high-calibre team which we can leverage across our national network. Chapel Corner Tyres has a strong passenger wheel and tyre offering, with minimal customer overlap. The strategic plan is to cross-sell the broader product range to an expanded customer base.

Chapel Corner Tyres was originally established in 1976 by Sam and Margot Nash on the corner of Chapel and Inkerman St, in Melbourne. In the last 25 years, the business has been successfully managed and operated by their children, Stephen, Judy and Phillip. Stephen is focused on strategic planning, Judy on operations and Phillip in logistics.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR 31 DECEMBER 2023 (CONT.)

Note 2: Business Combination (Cont)

In 2000, the wholesale division was established. Since then, the business has expanded through a series of exclusive distribution agreements, thus creating a diverse range of quality tyre, wheel and accessories brands, building a reputation for exceptional customer service and innovation in distribution.

The acquisition of Chapel Corner Tyres is strongly aligned to RPM's focused growth strategy, which includes adding scale to the wholesale tyre division operations in Vic Metro. Chapel Corner Tyres has extensive warehousing facilities servicing the Southern Melbourne metro region as well as regional Victoria and provides a strong passenger and 4x4 wheel and tyre offering with minimal customer overlap. This provides significant cross-sell opportunity of the broader RPM product range to an expanded customer base.

Purchase Consideration	**Fair Value**
	Dec 23
Fair value of cash and shares transferred	3,920,814
Less fair value of net identifiable assets acquired	1,863,025
Excess consideration - goodwill on acquisition consideration	**2,057,789**

The fair value of the identifiable assets and liabilities of the company at the date of acquisition	
Assets:	
Cash and cash equivalents	
Accounts receivable	1,222,907
Inventory	2,730,325
Property plant and equipment	1,422,211
Less liabilities:	
Accounts payable	3,368,278
Provisions	144,140
Identifiable net assets at fair value	**1,863,025**

Profit before tax and revenue resulting from the acquisition of Chapel Corner Tyres amount to $331,454 and $5,110,415 respectively are included in the consolidated statements of profit or loss and other comprehensive income for the half year ended 31 December 2023.

The values identified in relation to the acquisition of Chapel Corner Tyres are accounted for on a provisional basis as at 31 December 2023.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR 31 DECEMBER 2023 (CONT.)

Note 3: Operating Segment

The Groups segments represent strategic business units that offer different products and operate in different segments of the automotive aftermarket. They are consistent with the way the CEO monitors and assesses the business performance in order to make decisions about resource allocation across the Group. Performance assessment is based on EBIT (Earnings Before Interest and Tax) and EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation). These measures are different from the profit and loss reported in the consolidated financial statements which is shown after net interest and tax expense. This is because decisions that affect the net interest expenses and tax expense are made at a Group level. It is not considered appropriate to measure segment reporting at the net profit after tax level.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR 31 DECEMBER 2023 (CONT.)

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	Motorsport		Repairs and Roadside		Wheels and Tyres		Performance & Accessories		Consolidated	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022	Total 2023	Total 2022
	$	$	$	$	$	$	$	$	$	$
Sales	**4,490,112**	4,250,643	**20,738,882**	22,024,094	**20,198,790**	18,028,325	**12,858,765**	12,587,318	**56,891,562**	55,735,091
Other Income	**10,244**	(20,704)	**666**	751,493	**1,793**	354,099	**58,544**	72,641	**71,246**	1,759,336
Total Segment Revenue	**4,500,356**	4,229,939	**20,739,547**	22,775,587	**20,200,583**	18,382,424	**12,917,309**	12,659,959	**56,962,808**	57,494,427
Segment Gross Profit	**2,152,867**	2,183,391	**7,301,072**	6,448,794	**5,048,174**	3,512,817	**5,368,847**	5,449,139	**19,870,961**	17,590,812
Segment Gross Profit %	**48%**	51%	**35%**	29%	**25%**	19%	**42%**	43%	**35%**	32%
Segment Expenses	**1,500,903**	1,333,396	**5,783,519**	6,082,020	**3,947,852**	2,463,900	**3,049,306**	3,823,604	**14,514,507**	15,007,787
Segment EBITDA	**651,965**	829,291	**1,517,554**	1,118,267	**1,100,323**	1,403,015	**2,319,541**	1,698,176	**5,356,454**	4,342,361
Net finance costs									**851,680**	1,076,958
Depreciation and amortisation expense									**1,846,450**	1,731,509
Consolidated profit before tax									**2,658,324**	1,533,894
Income tax expense									**491,727**	88,018
Consolidated profit after tax									**2,166,597**	1,245,875

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR 31 DECEMBER 2023 (CONT.)

Note 4: Inventories

	31 December 2023	30 June 2023
	$	$
Current		
Finished products	26,562,518	21,216,715
Goods in transit	968,405	3,591,745
Work in progress	430,749	314,013
Total Inventories	**27,961,672**	**25,122,473**

Note 5: Shareholders Returns

	Consolidated	
	31 December 2023	30 June 2023
	$	$
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:		
Profit per share attributable to ordinary equity holders of the parent (basic and diluted)	2,166,597	1,768,980
Earnings per share	**1.13**	**1.02**
Loss from Discontinued Operations		(0.31)
Underlying Earnings er share from continuing operations		2.17
	Number of Shares	**Number of Shares**
Weighted average number of ordinary shares used in the calculation	191,986,757	172,736,315
Options on issue at year end are not dilutive and hence not used in the calculation of diluted EPS	6,000,000	6,000,000

Diluted earnings per share do not differ from the basis earnings per share and therefore is not separately disclosed.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR 31 DECEMBER 2023 (CONT.)

Note 6: Equity and Reserves

	Consolidated			
	31 December 2023		30 June 2023	
	#	$	#	$
(a) Share capital				
Ordinary shares fully paid	**196,591,597**	**40,426,677**	184,406,999	38,942,947
(b) Movement in ordinary shares on issue				
Beginning of period	**184,406,999**	**38,942,947**	157,581,645	34,215,339
Acquisition of businesses	**11,041,062**	**1,370,397**	8,069,837	1,612,869
Share issued during the year	**-**	**-**	18,181,862	3,000,009
Share based payment reserve	**1,143,536**	**113,333**	573,655	114,730
Exercise of options	**-**	**-**	-	-
Less Capital Raise Costs	**-**	**-**	-	-
Issued Capital	-	-	-	-
End of period	**196,591,597**	**40,426,677**	**184,406,999**	**38,942,947**

(c) Options at 31 December 2023

As at 31 December 2023 there were Nil listed options on issue (June 2023: Nil)

During the year Nil listed options were exercised (June 2023: Nil)

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR 31 DECEMBER 2023 (CONT.)

Note 6: Equity and Reserves (cont.)

Unlisted Options at 31 December 2023

As at 31 December 2023 there were 6,000,000 unlisted options on issue (June 2023: 6,000,000)

	31 December 2023	30 June 2023
	#	#
Beginning of period	6,000,000	26,939,570
Issued during the period	-	-
Exercised during the period	-	(20,939,570)
End of period	**6,000,000**	**6,000,000**

There are 6,000,000 unlisted options which are exercisable at $.435 each with an expiry date of 31 March 2024.

(d) Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on the shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Capital Management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits to other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

Management may in the future adjust the capital structure to take advantage of favourable costs of capital and issue further shares in the market. Management has no current plans to adjust the capital structure other than as disclosed in the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR 31 DECEMBER 2023 (CONT.)

Note 7: Contingent Liabilities

There has been no change in contingent liabilities since the last annual reporting period. We have acquired Chapel Corner Tyres as a wholly owned subsidiary of our wholesale tyre business, RPM Autoparts Pty Ltd and as a part of our due diligence prior to acquisition and subsequent review post acquisition, we are not aware of any contingent liability from the historical operations of this entity and note that any potential contingent liability will be covered under the warranties as part of the contract for sale of assets agreement entered into by the parties.

Note 8: Subsequent Events

The completion of the sale of Formula Offroad is expected in Q3 of FY24.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR 31 DECEMBER 2023 (CONT.)

Note 9: Net result for the year from discontinued operations.

Carline Cairns

On the 21 November 2023, the operations of Carline Cairns were discontinued due to chages in the strategic direction of the performance & accessories division. Carline Cairns generated a loss of $97,436 before tax for the half year end 31 December 2023.

Operating profit of Carline Cairns until the date of disposal is summarised as follows:

	31 December 2023	30 June 2023
	$	$
Revenue	239,769	738,298
Cost of goods sold	96,332	275,076
Gross profit	**143,437**	**463,222**
Other income		
Administrative expense	195,342	454,234
Depreciation and amortisation expense	-	-
Occupancy expense	45,531	116,863
Other expenses	-	-
Operating Loss	(97,436)	(107,875)
Finance costs		
Net finance costs	-	-
Profit before income tax	**(97,436)**	**(107,875)**
Income tax expense		
(Loss)/profit for the year from discontinued operations	**(97,436)**	**(107,875)**

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR 31 DECEMBER 2023 (CONT.)

Note 9. Net result for the year from discontinued operations (Cont)

Sale Consideration	**Fair Value**
	Dec-23
Fair value of cash and shares transferred	265,000
Less Employee Emoluments	(16,855)
Less Fair Value of net identifiable assets acquired	(128,000)
Profit on Sale	**120,145**

The fair value of the identifiable assets and liabilities of the Company at the date of acquisition was as follows

Property Plant and Equipment	(128,000)
Total identifiable net assets at fair value	**(128,000)**

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR 31 DECEMBER 2023 (CONT.)

Note 10. Assets and disposal groups classified as held for sale and discontinued operations

Formula Offroad

On the 31 December 2023, Formula Offroad was available for sale and the business unit has been "held for sale" and forms part of the disposal group. Formula Offroad generated a Profit of $2,167 before tax for the half year 31 December 2023.

Operating profit of Formula Offroad until the date of disposal is summarised as follows:

	31 Dec 2023	30 June 2023
	$	$
Revenue	639,028	1,544,937
Cost of goods sold	(249,272)	(421,367)
Gross profit	389,756	1,123,570
Other income	394	954
Administrative expense	(300,916)	(737,770)
Depreciation and amortisation expense	-	-
Occupancy expense	(65,953)	(131,906)
Other expenses	(21,114)	(211,383)
Operating profit	**2,167**	**43,465**
Finance costs	-	-
Net finance costs	-	-
Profit before income tax	**2,167**	**43,465**
Income tax expense		-
Profit/(loss) for the year from discontinued operations	**2,167**	**43,465**

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR 31 DECEMBER 2023 (CONT.)

Note 10. Assets and disposal groups classified as held for sale and discontinued operations

The carrying amounts of assets and liabilities are summarised as follows:

	31 Dec 2023	30 June 2023
	$	$
Trade and other receivables	101,629	103,796
Inventories	731,966	731,966
Property, plant and equipment	554,379	554,379
Intangible assets	9,850	9,850
Assets classified as held for sale	**1,397,824**	**1,399,991**
Trade and other payables	497,134	497,134
Borrowings - current	5,707	5,707
Current tax liabilities	(33,103)	(33,103)
Provisions	81,551	81,551
Borrowings - non current	19,280	19,280
Provisions - non current	-	-
Liabilities classified as held for sale	**570,569**	**570,569**

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DIRECTORS' DECLARATION

In accordance with a resolution of the Directors RPM Automotive Group Limited the Directors of the Company declare that:

1. The financial statements and notes, as set out in the financial report are in accordance with the Corporations Act 2001, Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements including:

I. Complying with Accounting Standard AASB 134 Interim Financial Reporting, and

II. Give a true and fair view of the Consolidated Group's financial position as at 31st December 2023 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 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 Board of Directors.



Mr Lawrence Jaffe
Chairman



Mr Clive Finkelstein
Managing Director

Dated this 27th day of February 2024

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of RPM Automotive Group Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of RPM Automotive Group Limited, which comprises the Consolidated Statement of Financial Position as at 31 December 2023, the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' Declaration.

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

i) giving a true and fair view of RPM Automotive Group Limited's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and

iii) 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*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company, as at the date of this auditor's review report.

Responsibility of the Directors for the Financial Report

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

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Registered Audit Company 291969

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Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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





Nexia Melbourne Audit Pty Ltd
Melbourne

Benjamin Bester
Director

Dated this 27th day of February 2024

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