Rules 4.2A.3

Appendix 4D

Half Year Report

Name of entity

MAXIPARTS LIMITED

ABN 58 006 797 173	Half Year Ended 31 December 2024

Results for announcement to the market (All comparisons to half-year ended 31 December 2023)

				$A'000
Revenues from continuing activities	up	22.5%	to	136,908
Net profit/(loss) after tax (including significant items) attributable to members of the Company	up	839.1%	to	3,719

Refer to the attached Directors' Report regarding commentary on revenue, earnings (including underlying results) and business outlook.

Dividends

Dividend	Amount per security	Franked amount per security
Interim Dividend – Ordinary shares	3.05	3.05
Previous corresponding period: Interim dividend – Ordinary shares	2.57	2.57
Record date for determining entitlements to the dividend.	27 February 2025	
Date dividend payable	20 March 2025	

Dividend reinvestment plan

MaxiPARTS operates a Dividend Reinvestment Plan ('DRP'), which provides shareholders with the opportunity to utilise all or part of their dividends to purchase shares in the Company. The DRP will be in operation for the FY25 interim dividend at nil discount to the market price. The last day for elections under the DRP being 28th February 2025.

Net tangible assets

	31 Dec 24	30 June 24
Net Tangible Assets (cents per share)	120.02	116.74

Control gained over entities

N/A

Details of associates and joint venture

N/A

Review status

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

Attachments

The interim financial report of the Group for the half-year ended 31 December 2024 is attached.

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Directors' Report for the half-year ended 31 December 2024

The Directors of MaxiPARTS Limited submit herewith the condensed consolidated financial statements for the half-year ended 31 December 2024. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

The names of the Directors of the Company during or since the end of the half-year are:

Ms Mary Verschuer (Chair since 12 May 2023, Director since 24 January 2019)
Mr Peter Loimaranta (Managing Director since 6 September 2021)
Mr Gino Butera (Director since 17 September 2021)
Ms Debra Stirling (Director since 29 August 2022)
Mr Frank Micallef (Director since 24 February 2023)
Mr Brendan York (Director since 18 July 2024)

Principal activities

The principal activities of the Group during the year consisted of distribution and sale of commercial Truck and Trailer Parts (MaxiPARTS Operations); and distributor of workshop consumables, predominately focused on automotive and commercial vehicle workshops (Förch Australia).

Group results summary

$'000	Dec 2024	Dec 2023
Revenue	136,908	111,733
EBITDA (excluding significant items) [1]	**13,750**	**10,682**
Depreciation and Interest	(6,918)	(5,392)
NPBTA (excluding significant items) [1]	**6,832**	**5,290**
Amortisation	(401)	(235)
Significant items *	-	(734)
NPBT from continuing operations	**6,431**	**4,321**
Income tax expense	(2,097)	(1,514)
NPAT from continuing operations	**4,334**	**2,807**
NPAT from discontinued operations	(493)	(2,382)
Profit for the year	**3,841**	**425**

* Significant items relate to one-off transaction and integration costs for the acquisitions.

1 EBITDA excluding significant items and NPBTA excluding significant items are non-AASB financial measures per RG 230, which have not been subject to audit by the Group's external auditors. These measures are presented to enable understanding of the underlying performance of the Group by users.

Review of operations

MaxiPARTS revenue of $136.9m increased by $25.2m, or 22.6%, over revenue from the prior corresponding period (pcp) of $111.7m. MaxiPARTS Operations revenue of $126.9m increased by $22.0m, or 21.0% and Förch Australia revenues of $10.5m increased by $3.5m, or 48.8%, over pcp, which includes the inclusion of the Förch Brisbane acquisition that was completed on 30 November 2023. As previously communicated in the Group's outlook, the group's trading for the half was consistent with H2 FY24 with the east coast market being softer consistent with general economic activity, and a more buoyant west coast market.

MaxiPARTS reported a net profit before tax from continuing operations of $6.4m for the period, this represented an increase of $2.1m from $4.3m in the pcp. When adjusting for significant items in the pcp of ($0.7m) and an adjusted profit of $5.1m for the pcp, the Group reported a $1.4m increase, or 27.2%, in net profit before tax from continuing operations.

The reportable profit for the period, including discontinued operations, was $3.8m, an increase of $3.4m from $0.4m in the pcp. The Group's discontinued operations reported a loss of ($0.5m) for the period, which included a final impairment of the loan receivable, offset with the release of remaining unused customer warranty and other provisions as a result of the signed settlement deed with ATSG (as announced on 19 November 2024), and legal expenses incurred in relation to the litigation for the period. Furthermore, with the settlement of the legal dispute and end of the supply contract, the Group expects very limited ongoing trading relationship with the Freighter Group, as have been previously disclosed in the outlook for the Group.

Cashflow from operating activities of $8.3m, or $12.0m when excluding cashflows attributed to finance interest, taxes and discontinued operations, was generated from an EBITDA of $13.7m, a cash conversion of 88% (HY24: Operating Cashflow of $4.8m; EBITDA of $10.7m, 45% cash conversion). Working capital movements for the half year were reflective of normal trading conditions and active management along with typical seasonality movements, which sees the Group's inventory higher and trade debtors lower at half year-end close than at the

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end of financial year.

Cashflow from discontinued operations of $1.0m is reflective of the $2.2m funds received from the settlement deed with the Freighter Group, offset with outflows in relation to legal expenses incurred in the period & Queensland Government grant repayment.

The Group reported a closing net debt balance of $10.4m, a decrease from a net debt of $15.9m as at year-ended 30 June 2024. This represents a leverage ratio of 0.4 times, which is well within the Group's capital management targets. The Group's total Loan facility at 30 December 2024 is $28.5m and is drawn to $25.0m, and the loan facility continues to amortise at $0.5m per quarter. The facility is sufficient to support the business in its current form.

The Group recognised a $1.2m Financial Liability (non-cash) for the purchase commitments of minority interest in Förch Australia, representing the estimated value of the remaining 20% ownership stake. The final 20% ownership stake is governed by a put and call option that can be exercised by either party between 2 and 5 years post the completion date of 31 May 2023, and has an agreed valuation methodology, which is detailed further in the notes of these interim accounts.

Significant changes in the state of affairs

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

Outlook

MaxiPARTS, like many other businesses, finds itself navigating a period of heightened unpredictability as a result of both global events and a weaker domestic economy. This has resulted in the softening of general transport activity across the east coast of Australia and an increase in competitive pricing pressures. The West Coast of Australia has continued to remain strong. At this point in time we expect these trends to continue through the second half of the FY25 financial year.

MaxiPARTS remains focused on:

- Revenue and margin improvement initiatives from the Group's recent acquisitions and organic programs anticipated to grow EBITDA margins into low double digits in the medium term.
- Maintaining balance sheet flexibility to respond to market conditions and having an active capital management plan.
- Finalising integration activities from the recent acquisitions, primarily around IT and business systems.
- Driving revenue and profit growth in the Förch Australia segment following investments made in the sales force and distribution centres in FY24.

The Group believes (as demonstrated in the H1 FY25 results) the delivery of the above will continue to strengthen key financial metrics such as EBITDA / EBIT margins, and improve the return on invested capital.

Dividend

A fully franked FY24 final dividend of 2.57 cents per share was paid during the period on 19 September 2024 totalling $1.418m.

A fully franked interim dividend of 3.05 cents per share has been proposed by the directors after reporting date with a record date of 27 February 2025 and a payment date of 20 March 2025 (compared to a 2.57 cents per share interim dividend declared for the H1 FY24 dividend). The Group's Dividend Reinvestment Plan ('DRP') will be in operation for the 2025 interim dividend at nil discount to the market price. The financial effect of this dividend has not been brought to account in the financial statements for the half-year ended 31 December 2024 and will be recognised in subsequent financial reports.

Auditor's independence declaration

The independence declaration of our auditor, HLB Mann Judd, in accordance with s.307C of the Corporations Act 2001 is set out on page 5 for the half year ended 31 December 2024 and forms part of the Directors' report.

Rounding of amounts

The parent entity has applied the relief available to it in ASIC Corporations (Rounding in Financial/Directors Reports) Instrument 2016/191 and accordingly, amounts in the interim condensed consolidated financial statements and the Directors' Report have been rounded to the nearest thousand dollars unless specifically stated to be otherwise.

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

Peter Loimaranta
Managing Director

Melbourne, 20 February 2025

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DIRECTORS' DECLARATION

In the opinion of the Directors of MaxiPARTS Limited ("the Company"):

1 the interim condensed consolidated financial statements and notes set out on pages 6 to 16, are in accordance with the Corporations Act 2001 including:

(a) 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

(b) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and

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

Signed for and on behalf of the Board in accordance with a resolution of Directors made pursuant to s.303(5) of the Corporations Act 2001.

Mary Verschuer
Chair

Peter Loimaranta
Managing Director

Melbourne, 20 February 2025

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Auditor's independence declaration

As lead auditor for the review of the interim consolidated financial report of MaxiPARTS Limited ("the Company") and its controlled entities ("the Group") for the half-year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(b) any applicable code of professional conduct in relation to the review.

This declaration is in respect of the Company and the entities it controlled during the period.

HLB Mann Judd
Chartered Accountants

Jude Lau
Partner

Melbourne
20 February 2025

hlb.com.au

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Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd (VIC) Partnership is a member of HLB International, the global advisory and accounting network

MaxiPARTS LIMITED

ABN 58 006 797 173

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2024

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

	Note	Consolidated 31 Dec 24 $'000	31 Dec 23 $'000
Continuing Operations			
Revenue	2(a)	136,908	111,733
Changes in inventories of finished goods and work in progress		3,560	7,107
Raw materials and consumables used		(94,782)	(82,443)
Other income		156	230
Employee and contract labour expenses	2(b)	(24,961)	(19,550)
Depreciation and amortisation expenses	2(c)	(5,185)	(4,032)
Finance costs	2(c)	(2,134)	(1,595)
Other expenses	2(d)	(7,131)	(7,129)
Profit before income tax from continuing operations		**6,431**	**4,321**
Income tax expense	3(b)	(2,097)	(1,514)
Profit from continuing operations		**4,334**	**2,807**
Profit/(Loss) from discontinued operations net of tax	5(a)	(493)	(2,382)
Profit for the period		**3,841**	**425**
Total comprehensive income for the period		**3,841**	**425**
Profit attributable to:			
Equity holders of the parent		3,719	396
Non-controlling interests		122	29
Total comprehensive income attributable to:			
Equity holders of the parent		3,719	396
Non-controlling interests		122	29
Earnings / (Loss) per share:			
Basic and Diluted earnings per share (cents per share) – Total attributable to owners		6.73	0.80
Basic and Diluted earnings per share (cents per share) - Continuing operations		7.62	5.63
Basic and Diluted earnings per share (cents per share) - Discontinued operations		(0.89)	(4.83)

The condensed consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes to the interim condensed consolidated financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Note	31 Dec 24 $'000	30 Jun 24 $'000
Current Assets			
Cash and cash equivalents		14,598	13,627
Trade and other receivables		32,308	35,200
Inventories		70,198	67,095
Other		3,092	1,451
Financial asset	5(c)	-	3,201
Total Current Assets		**120,196**	**120,574**
Non-Current Assets			
Property, plant and equipment		5,681	6,106
Intangible assets		37,193	37,594
Right of use asset		33,828	35,285
Deferred tax assets		11,208	12,714
Total Non-Current Assets		**87,910**	**91,699**
Total Assets		**208,106**	**212,273**
Current Liabilities			
Trade and other payables		34,206	34,669
Current tax liability		127	152
Provisions		5,417	6,546
Lease liability		7,240	6,826
Financial liability	8	1,243	-
Interest bearing loans and borrowings	4	2,000	2,000
Total Current Liabilities		**50,233**	**50,193**
Non-Current Liabilities			
Interest bearing loans and borrowings	4	23,000	27,500
Provisions		932	756
Lease liability		30,358	31,837
Total Non-Current Liabilities		**54,290**	**60,093**
Total Liabilities		**104,523**	**110,286**
Net Assets		**103,583**	**101,987**
Equity			
Issued capital	6	99,368	99,075
Other reserves		2,489	2,366
Accumulated Loss		(80,942)	(74,956)
Profits Reserve		81,885	73,598
Equity attributable to equity holders of the Company		**102,800**	**100,083**
Non-controlling interests	8	783	1,904
Total Equity		**103,583**	**101,987**

The condensed consolidated statement of financial position is to be read in conjunction with the notes to the interim condensed consolidated financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

	Note	Issued capital	Accumulated loss	Profits reserve*	Other reserves	Total	Non-controlling interests	Total
		$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2024		99,075	(74,956)	73,598	2,366	100,083	1,904	101,987
Comprehensive income for the period								
Profit for the period		-	-	3,719	-	3,719	122	3,841
Total comprehensive income for the period		**-**	**-**	**3,719**	**-**	**3,719**	**122**	**3,841**
Transactions with owners recorded directly in equity								
Dividend reinvestment		293	-	(293)	-	-	-	-
Transfer to accumulated losses		-	(5,986)	5,986	-	-	-	-
Share-based payment transactions		-	-	-	123	123	-	123
Financial liability of minority interest in Förch Australia	8					-	(1,243)	(1,243)
Dividends paid		-	-	(1,125)	-	(1,125)	-	(1,125)
Total transactions with owners		**293**	**(5,986)**	**4,568**	**123**	**(1,002)**	**(1,243)**	**(2,245)**
Balance at 31 December 2024		**99,368**	**(80,942)**	**81,885**	**2,489**	**102,800**	**783**	**103,583**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

	Issued capital	Accumulated loss	Profits reserve*	Other reserves	Total	Non-controlling interests	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2023	81,766	(74,956)	73,784	2,825	83,419	1,469	84,888
Comprehensive income for the period							
Profit for the period	-	-	396	-	396	29	425
Total comprehensive income for the period	**-**	**-**	**396**	**-**	**396**	**29**	**425**
Transactions with owners recorded directly in equity							
Dividend reinvestment	398	-	(398)	-	-	-	-
Transfer to accumulated losses	-	(3,744)	3,744	-	-	-	-
Issue of share capital, net of expenses	16,189	-	-	-	16,189	-	16,189
Share-based payment transactions	-	-	-	126	126	-	126
Dividends paid	-	-	(1,137)	-	(1,137)	-	(1,137)
Capital contribution from non-controlling interests	-	-	-	-	-	411	411
Total transactions with owners	**16,587**	**(3,744)**	**2,209**	**126**	**15,178**	**411**	**15,589**
Balance at 31 December 2023	**98,353**	**(78,700)**	**76,389**	**2,951**	**98,993**	**1,909**	**100,902**

* Amounts transferred to/from the profits reserve characterise profits available for distribution as dividends in future years and reflects the amounts transferred by individual entities in the Group and is therefore not necessarily equivalent to the consolidated Group loss for the period.

The condensed consolidated statement of changes in equity is to be read in conjunction with the notes to the interim condensed consolidated financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

		31 Dec 24 $'000	31 Dec 23 $'000
Cash flows from operating activities			
Receipts from customers		154,307	129,329
Payments to suppliers and employees		(142,280)	(125,290)
Income tax paid		(405)	(84)
Net cash used in operating activities - discontinued operations	5(b)	(1,168)	(544)
Interest and other costs of finance paid		(2,134)	(1,595)
Net cash provided by operating activities		**8,320**	**1,816**
Cash flows from investing activities			
Payments for property, plant and equipment		(430)	(780)
Acquisition of Independant Parts Pty Ltd, net of cash acquired		-	(28,935)
Acquisition of Förch Brisbane and Förch Mandurah		-	(2,140)
Proceeds on sale of property, plant and equipment		86	-
Proceeds from legal settlement	5(b)	2,200	-
Net cash provided by/(used in) investing activities		**1,856**	**(31,855)**
Cash flows from financing activities			
Repayment of borrowings		(4,500)	-
Proceeds from borrowings		-	15,000
Cash contributions from non-controlling interests		-	411
Issue of share capital, net of expenses		-	16,189
Dividends paid		(1,125)	(1,137)
Repayment of leases		(3,580)	(2,359)
Net cash (used in)/provided by financing activities		**(9,205)**	**28,104**
Net increase/(decrease) in cash		971	(1,935)
Cash and cash equivalents at beginning of year		13,627	13,952
Cash and cash equivalents at end of the period		**14,598**	**12,017**

The condensed consolidated statement of cash flows is to be read in conjunction with the notes to the interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

1. Statement of Compliance and Material Accounting Policies

Reporting entity

MaxiPARTS Limited (the "Company"), is a company domiciled in Australia and its registered office is 22 Efficient Drive, Truganina, Victoria. The interim condensed consolidated financial statements of the Company as at and for the six months ended 31 December 2024 comprising the Company and its subsidiaries (together referred to as the "Group").

Statement of compliance

The interim condensed consolidated financial statements are a general purpose financial report which has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001. Compliance with AASB134 ensures compliance with ISA 34 Interim Financial Reporting.

The interim condensed consolidated financial statements do not include all of the information required for a full annual financial report and should be read in conjunction with the consolidated annual financial report of the Group as at and for the year ended 30 June 2024, and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

These interim condensed consolidated financial statements were approved by the Board of Directors on 20 February 2025.

The Group has applied the relief available to it in ASIC Corporations (Rounding in Financial/Directors Reports) Instrument 2016/191 and, accordingly, amounts in the interim condensed consolidated financial statements have been rounded to the nearest thousand dollars unless specifically stated otherwise.

The financial report contains comparative information that has been adjusted to align with the presentation of the current period, where necessary.

Material accounting policies

The accounting policies applied by the Group in these interim condensed consolidated financial statements are the same as those applied by the Group in its consolidated financial report as at and for the year ended 30 June 2024, unless otherwise stated. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

New accounting standards and interpretations

The Group has adopted all new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current reporting period.

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

Accounting Estimates and Judgements

The preparation of the interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2024. During this period, the Group has bought to account a Financial Liability for the Put / Call option for the final 20% ownership stake in Förch Australia. The measurement of the purchase price for the option is detailed in the agreement between the parties, with the estimates and judgements used for the valuation referred to in note 8(b) of these accounts.

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2. Notes to the Statement of Profit and Loss

a. Revenue

In the following table, revenue from customers is classified by major products and services lines and primary geographical market.

	Consolidated	
	31 Dec 24 $'000	31 Dec 23 $'000
Type of Good or Service		
Sale of parts (point in time sale)	136,908	111,733
Total Group Revenue	**136,908**	**111,733**
Geographical Market		
Australia	136,908	111,733
Total Group Revenue	**136,908**	**111,733**

b. Employee and Contract labour expenses

	Consolidated	
	31 Dec 24 $'000	31 Dec 23 $'000
Employee and contract labour expenses:		
Employee expenses	22,220	17,345
Superannuation expense	2,203	1,600
Contract labour expenses	538	605
Total employee and contract labour expenses	**24,961**	**19,550**

c. Depreciation & Amortisation and Finance Costs

	Consolidated	
	31 Dec 24 $'000	31 Dec 23 $'000
Depreciation and Amortisation		
Depreciation of property, plant and equipment	812	598
Amortisation	401	235
Depreciation of right of use assets	3,972	3,199
Total Depreciation and Amortisation	**5,185**	**4,032**
Finance Costs		
Interest Expenses	1,192	699
Finance lease interest	942	896
Total Finance Costs	**2,134**	**1,595**

d. The following specific items are included in Other expenses

	Consolidated	
	31 Dec 24 $'000	31 Dec 23 $'000
Property - site outgoings and expenses	2,588	1,789
Motor vehicle running costs, travel and other employee related costs	1,842	1,605
Significant items *	-	734
Net foreign exchange loss/(gain)	(222)	191
Other Expenses	2,923	2,810
Total Other Expenses	**7,131**	**7,129**

* Significant items relate to one-off transaction and integration costs for the acquisitions.

3. Income tax (expense) / benefit

	31 Dec 24 $'000	31 Dec 23 $'000
(a) Income tax		
Reconciliation of tax expense		
Prima facie tax payable on profit before tax at 30% (2023: 30%)	(1,718)	(173)
(Add)/deduct tax effect of:		
Non-deductible expenditure	(47)	(209)
(Under)/over provision in prior year	(119)	230
	(166)	21
Income tax expense on consolidated profit or loss	**(1,884)**	**(152)**
(b) Income tax expense is made up of:		
Income tax expense continuing operations	(2,097)	(1,514)
Income tax benefit on discontinued operations	213	1,362
Income tax expense on consolidated profit or loss	**(1,884)**	**(152)**

4. Interest bearing loans and borrowings

	Facility Amount		Utilised		Available	
Consolidated	**Dec-24 $'000**	**Jun-24 $'000**	**Dec-24 $'000**	**Jun-24 $'000**	**Dec-24 $'000**	**Jun-24 $'000**
Loan facility	28,500	29,500	25,000	29,500	3,500	-
Overdraft facility	1,000	1,000	-	-	1,000	1,000
Multi-option facility	2,100	3,100	1,733	2,915	367	185
Corporate card facility	450	300	144	166	306	134
Asset finance	1,000	1,000	350	406	650	594
	33,050	**34,900**	**27,227**	**32,987**	**5,823**	**1,913**

At 31 December 2024, the Group had the following financing facilities in place:

Australian loan facilities of $33.05m mature as follows, subject to continuing compliance with the terms of the facilities:
– $1m overdraft facility subject to annual renewal and cancellable on demand
– $2.1m multi-option facility subject to annual renewal and cancellable on demand
– $0.45m corporate card facility subject to annual renewal
– $1.0m asset finance facility subject to annual renewal and cancellable on demand
– $28.5m in May 2026 (loan facility), amortising at $0.5m per quarter

Interest rates are variable for the Group's current facilities.

The terms and conditions of the bank facilities contain covenants in relation to adjusted Earnings before interest, tax, depreciation and amortisation and non-recurring expenses and Tangible Asset ratio. All covenants were satisfied as at 31 December 2024 and during the six months ended on that date.

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5. Discontinued Operations

On 31 August 2021, the Group completed the transaction for the sale of the Trailer Solutions business to Australian Trailer Solutions Group Pty Ltd ('ATSG' and now named Freighter Group Pty Ltd). On 19 November 2024 MaxiPARTS announced that it had reached a binding settlement agreement between the parties, resulting in $2.2m to be received by MaxiPARTS, and finalising all legal disputes between the parties. The $2.2m cash was received by MaxiPARTS on the 19 December 2024.

The results of the discontinued operations for the half-year ended 31 December 2024 are present below:

5a. Results of discontinued operation

	31 Dec 24 $'000	31 Dec 23 $'000
Discontinued operation		
Expenses	(706)	(3,744)
Loss before income tax	**(706)**	**(3,744)**
Income tax benefit	213	1,362
Loss from discontinued operation, net of tax	**(493)**	**(2,382)**

The expenses incurred for the period include a final impairment of the loan receivable, recognition of stock obsolesce provision, offset with release of remaining unused customer warranty and other provisions as a result of the signed settlement deed, and legal expenses incurred in relation to the litigation for the period.

5b. Cash flows from discontinued operation

	31 Dec 24 $'000	31 Dec 23 $'000
Discontinued operation		
Net cash used in operating activities	(1,168)	(544)
Net cash provided by investing activities	2,200	-
Net cash provided by/(used in) discontinued operation	**1,032**	**(544)**

Net Cash inflows for the period reflect the $2.2m proceeds from the legal settlement, offset with legal expenses incurred for the period & the Queensland Government grant repayment.

5c. Other receivables in relation to the sale of the Trailer Solutions business

As at 31 December 2024 there is nil Other receivables in relation to the sale of the Trailer Solutions business. The pcp balance of $3.2m has now been addressed in the settlement deed with $2.2m of funds being received and the remaining balance of the loan receivable, has been partially offset with the release of remaining provisions in the accounts in relation to the previously owned Trailer Solutions business.

5d. Other liabilities or contingent liabilities related to the sale of the Trailer Solutions business

A condition of the settlement deed was that MaxiPARTS has 12 months from the date of the deed to sell remaining ATSG Proprietary Parts, after which point the remaining goods are to be disposed of. The deed also specifies limitations on what MaxiPARTS can purchase in this period, with default clauses triggered in the event of a breach. A specific provision of $0.6m has been accounted for in the discontinued operations results for the period to allow for unsold stock after the 12 months. There are no other liabilities or contingent liabilities remaining in relation to the sale of the Trailer Solutions business.

6. Issued Capital

As at 31 December 2024 the Group had the following movement in Issued Capital:

	31 Dec 24		31 Dec 23	
	Number of Ordinary Shares	Share Capital $'000	Number of Ordinary Shares	Share Capital $'000
Issued Ordinary Shares	55,157,839	99,075	47,698,312	81,766
Performance rights vested and exercised	-	-	190,723	-
Dividend reinvestment	158,551	293	149,154	398
Capital raise	-	-	7,002,919	16,189
No. of shares at the end of the period	**55,316,390**	**99,368**	**55,041,108**	**98,353**
Weighted average number of ordinary shares	**55,247,455**		**49,342,213**	

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7. Dividends

Dividends declared and paid during the half-year:

Dividends paid	Cents Per Share	Total Amount* $'000	Date of Payment	Tax Rate for Franking Credit	Percent Franked
2024 Final	2.57	1,418	19-Sep-24	30%	100%

*The 2024 final dividend is made up of $1.13m cash dividend and $0.3m dividend reinvestment.

Dividends proposed subsequent to 31 December 2024 and not recognised as a liability:

Dividends proposed	Cents Per Share	Total Amount $'000	Date of Payment	Tax Rate for Franking Credit	Percent Franked
2025 Interim – Ordinary	3.05	1,687	20-Mar-25	30%	100%

8. Non-Controlling Interest and Financial Liability

(a) Equity - Non-controlling interests

	31 Dec 24 $'000	30 Jun 24 $'000
Opening balance	1,904	1,469
Capital contribution from non-controlling interests	-	428
Non-controlling interest profit for the financial year	122	7
Financial liability of minority interest in Förch Australia	(1,243)	-
Closing balance	**783**	**1,904**

(b) Financial Liability - Purchase commitments of minority interest

On 31 May 2023, the Group entered into a Share Sale (Purchase) Agreement to acquire 80% ownership stake in the Förch Australia Pty Ltd ("Förch Australia") business. The two previous major shareholders of Förch Australia each retained 10% ownership of Förch Australia and entered into a Shareholders agreement with MaxiPARTS for the earnout period.

The final 20% ownership stake is governed by a put and call option that can be exercised by either party between 2 and 5 years post completion. The put and call option has an agreed valuation methodology of the 3 year annual average adjusted EBITDA (as calculated at the time of exercising the option) multiplied by the remaining life in years of the Förch Germany agreement (which had an original term of 7 years at acquisition date).

As at 31 December 2024, MaxiPARTS has recognised a Financial Liability for $1.2m for the estimated purchase price of the remaining 20% ownership stake in Förch Australia. The fair value is measured at the present value of the expected redemption price, which is the price that MaxiPARTS expects to pay for the remaining 20%, in the event that the option is triggered at the commencement of the option period. At the time of releasing these accounts, neither party has exercised their option to sell or buy, however it is considered likely that this event will occur inside the next 12 months.

Key Estimates and Judgements:
The value of the liability is determined using the average 3 year adjusted EBITDA results (in accordance with contractual definitions), multiplied by 4.8 year term remaining on the Förch Germany agreement as per the current agreement that is in place (it should be noted that the agreement includes a clause requiring both parties to exercise their best endeavours to renegotiate a full 7 year term before exercising the put and call option). The valuation of the financial liability will change if either one or multiple of the following items change including: the trigger date of the option, the 3 year average EBITDA, or the remaining term of the Förch Germany agreement. In the event that the remaining term of the Förch Germany agreement is extended to a full 7 year term prior to the trigger date of the option, the liability is estimated to be circa $1.9m.

The financial liability is regarded as a level 3 instrument for fair value disclosure as at the period end. It is the group's only level 3 financial instrument, where unobservable inputs were used to determine its fair value.

	31 Dec 24 $'000	30 Jun 24 $'000
Opening balance	-	-
Financial Liability - Purchase commitments of minority interest	1,243	-
Closing balance	**1,243**	**-**

9. Related Party transactions

As at 31 December 2024 the Group had the nil Related Party transactions and balances:

Related Party	Classification	Description	31 Dec 24	31 Dec 23
			$'000	$'000
Peter Burgess	Trade & Other Receivables	Loan for the acquisition of Förch Brisbane and Förch Mandurah	-	205

10. Events Subsequent to Reporting Date

Other than the declaration of the interim dividend, there have been no events subsequent to the reporting date which would have a material effect on the Group's operations, the results of those operations or the Group's state of affairs in future financial years.

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Independent Auditor's Review Report to the Members of MaxiPARTS Limited

Conclusion

We have reviewed the interim financial report of MaxiPARTS Limited ("the Company") and its controlled entities ("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, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, including material accounting policy information, and the directors' declaration, for the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

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

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

Basis 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 Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards*) (the Code) that are relevant to our review of the interim 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* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time 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 interim 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 interim 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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Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the interim 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 interim 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 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 an interim 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.

HLB Mann Judd
Chartered Accountants

Jude Lau
Partner

Melbourne
20 February 2025