MAAS Group Holdings Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	MAAS Group Holdings Limited
ABN:	84 632 994 542
Reporting period:	For the half-year ended 31 December 2022
Previous period:	For the half-year ended 31 December 2021

2. Results for announcement to the market

				$'000
Revenues from ordinary activities	up	83.3%	to	361,509
Profit from ordinary activities after tax attributable to the owners of MAAS Group Holdings Limited	up	62.1%	to	23,681
Profit for the half-year attributable to the owners of MAAS Group Holdings Limited	up	62.1%	to	23,681

	31 Dec 2022 Cents	31 Dec 2021 Cents
Basic earnings per share	7.7	5.2
Diluted earnings per share	7.6	5.2

Dividends

	Amount per security Cents	Franked amount per security Cents
Interim dividend declared for the year ending 30 June 2023	3.0	3.0
Final dividend paid for the year ended 30 June 2022	3.5	3.5

Comments
The profit for the consolidated entity after providing for income tax amounted to $23.681m (31 December 2021: $14.611m).

Reference is made to the *Operating and Financial Review* in the Directors' Report contained in the attached Interim Financial Report for MAAS Group Holdings Limited for the half-year ended 31 December 2022.

3. Net tangible assets

	Reporting period 31 Dec 2022 Cents	Previous period 30 June 2022 Cents
Net tangible assets per ordinary security	138.40	109.10

4. Control gained over entities

For details on the acquisition of subsidiaries refer to note 20.

5. Loss of control over entities

There was no material disposal of subsidiaries during the half-year.

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6. Dividends

Current period

	Amount per security Cents	Franked amount per security Cents
Interim dividend declared for the year ending 30 June 2023	3.0	3.0
Final dividend paid for the year ended 30 June 2022	3.5	3.5

Previous period

	Amount per security Cents	Franked amount per security Cents
Interim dividend for the year ending 30 June 2022	2.0	2.0
Final dividend for the year ended 30 June 2021	3.0	3.0

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7. Dividend reinvestment plans

There is no Dividend Reinvestment Plan (DRP) in relation to the interim dividend for the year ending 30 June 2023 announced on the 23rd February 2023.

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8. Details of associates and joint venture entities

	Reporting entity's percentage holding	
Name of associate/joint venture	**Reporting period** %	**Previous period** %
1990 Elizabeth Property Unit Trust	45.71%	45.71%

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9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable. Australian Accounting Standards are utilised when compiling the financial report.

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10. 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 Interim Financial Report.

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11. Attachments

Details of attachments (if any):

The Interim Financial Report of MAAS Group Holdings Limited for the half-year ended 31 December 2022 is attached.

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12. Signed

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Stephen G Bizzell
Chairman

23 February 2023
Dubbo

MAAS Group Holdings Limited

ABN 84 632 994 542

Interim Financial Report - 31 December 2022

MAAS Group Holdings Limited
Corporate directory
31 December 2022

Directors	Stephen G Bizzell - Non-executive Chairman Wesley J Maas - Managing Director and Chief Executive Officer Stewart A Butel - Non-executive Director Michael J Medway - Non-executive Director David B Keir - Non-executive Director Tanya Gale - Executive Director
Company secretaries	Candice O'Neill Craig G Bellamy
Registered office and Principal place of business	20 L Sheraton Road Dubbo NSW 2830
Auditor	BDO Audit Pty Ltd Level 10, 12 Creek Street Brisbane QLD 4000
Solicitors	Duffy Elliott 148 Brisbane Street Dubbo NSW 2830 Maddocks Angel Place Level 27 123 Pitt Street Sydney NSW 2000
Bankers	Commonwealth Bank of Australia Limited Level 9 201 Sussex Street Sydney NSW 2000 Westpac Banking Corporation Level 3 275 Kent Street Sydney NSW 2000
Stock exchange listing	MAAS Group Holdings Limited shares are listed on the Australian Securities Exchange (ASX code: MGH)
Website	www.maasgroup.com.au

MAAS Group Holdings Limited
Directors' report
31 December 2022

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or 'Group') consisting of MAAS Group Holdings Limited (referred to hereafter as the 'company' or 'paren t entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2022.

Directors

The following persons were directors of MAAS Group Holdings Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Stephen G Bizzell - Chairman
Wesley J Maas - Managing Director and Chief Executive Officer
Stewart A Butel
Michael J Medway
David B Keir
Tanya Gale (appointed 13 October 2022)
Neal M O'Connor (resigned 1 August 2022)

Principal activities

During the financial half-year the principal activities of the consolidated entity consisted of:

- Residential Real Estate
- Commercial Real Estate
- Civil, Construction and Hire
- Manufacturing
- Construction Materials

The Residential Real Estate activities of the consolidated entity for the half-year consisted of residential development, residential construction in Regional New South Wales, Queensland.

The Commercial Real Estate activities of the consolidated entity for the half-year consisted of commercial development, commercial construction and building materials supplies in Regional New South Wales, Queensland and Australian Capital Territory.

The Civil, Construction and Hire activities of the consolidated entity for the half-year consisted of civil, construction and hire of above-ground, underground and specialised electrical equipment, electrical infrastructure services and machinery sales within Australia.

The Manufacturing activities of the consolidated entity for the half-year consisted of the manufacture of equipment and the sale of equipment and spare parts. The consolidated entity conducted its operations from Australia, Vietnam and Indonesia with sales to multiple global jurisdictions.

The Construction Materials activities of the consolidated entity for the half-year consisted of the operation of fixed and mobile plant quarries, crushing services, concrete, transport services and geotechnical services within Australia.

Dividends

Dividends paid during the financial half-year were as follows:

	Consolidated	
	31 Dec 2022 $'000	**31 Dec 2021 $'000**
Final dividend for the year ended 30 June 2022 of 3.5 cents per ordinary share (31 Dec 2021: Final dividend for the year ended 30 June 2021 of 3 cents per ordinary share)	10,830	8,649

On 23 February 2023, the directors declared a dividend of 3 cents. The dividend is fully franked.

Operating and financial review

The profit for the consolidated entity after providing for income tax amounted to $23.681m (31 December 2021: $14.611m).

Reconciliation of profit before income tax (audited) to EBITDA and Adjusted EBITDA (unaudited):

	Consolidated	
	31 Dec 2022 $'000	31 Dec 2021 $'000
Profit before income tax expense	34,572	20,789
Amortisation	3,705	2,010
Depreciation	16,962	11,072
Interest revenue	(120)	(8)
Finance costs	8,696	3,074
EBITDA	63,815	36,937
Transaction costs relating to business combinations	2,336	1,877
Other non-recurring expenses	401	-
Adjusted EBITDA	66,552	38,814

Reconciliation of Adjusted EBITDA to Proforma EBITDA (unaudited):

	Consolidated	
	31 Dec 2022 $'000	31 Dec 2021 $'000
Adjusted EBITDA	66,552	38,814
Pre-acquisition EBITDA of business combinations	-	972
Share-based payment expense	477	352
Fair value movement on contingent consideration	(895)	-
Proforma EBITDA	66,134	40,138

EBITDA, Adjusted EBITDA and Proforma EBITDA are non-IFRS earnings measures which do not have any standardised meaning prescribed by IFRS and therefore may not be comparable to EBITDA presented by other companies. These measures, which are unaudited, are important to management as an additional way to evaluate the consolidated entity's performance.

Adjusted EBITDA excludes the effects of significant items of income and expenditure which may have an impact on the quality of earnings because of isolated or non-recurring events. It also excludes bargain purchases from business combinations. Interest income and finance costs have been allocated to segments, however going forward this type of activity will be driven by a central treasury function and will therefore not be allocated to segments.

Proforma EBITDA is adjusted for the pre-acquisition EBITDA of business combinations where the company is entitled to pre-completion profits and non-operational items during the half year including share-based payments and fair value movement of contingent consideration.

Proforma Revenue is adjusted for the pre-acquisition Revenue of business combinations where the company is entitled to pre-completion revenue. There is no variance between Statutory Revenue and Proforma Revenue in the six months to 31 December 2022 .

Review of operations

MAAS Group delivered a strong result for the six months to 31 December 2022 with consolidated proforma revenue increasing by 68% to $361.4m (HY22 $215.8m). This increase was driven by a combination of organic growth and acquisitions with all operating segments contributing strongly to this growth. Proforma EBITDA increased by 65% to $66.1m (HY22 $40.1m), underpinned by the contribution from acquisitions and valuation adjustments relating to the ongoing delivery of the commercial property development pipeline. The Group delivered this strong result despite weather related disruptions and continuing heads winds in the residential property segment due to high inflation and ongoing interest rate increases.

The financial position of the Group improved during the six months to 31 December 2022 with total assets increasing $318.7m to $1,267.6m (30 June 2022: $949.0m) and net assets increasing $134.5m to $590.4m (30 June 2022: $456.0m). Net assets increased due to a combination of capital raising and net profit after tax for the period. Further details in relation to the capital raising are detailed below in Significant Changes in the State of Affairs.

The Group continued to expand its operations through acquisitions in the six months to 31 December 2022 with the completion of three acquisitions:

- Schwarz Excavations Pty Ltd (Schwarz), Civil, Construction & Hire segment (Central Queensland) - further enhances the Group's capabilities in the Central Queensland region, offering synergies with existing operations and assets.
- Clermont Quarries, Construction Materials segment (Central Queensland) - four hard rock quarries complimenting the existing operations and capability in the region.
- Dandy Premix Quarries Pty Ltd (Dandy), Construction Materials segment (Sth East Melbourne) - integrated construction materials business in south east Melbourne operating five concrete plants, a sand quarry and a hard rock quarry. This acquisition represents the entry into the Victorian market for the Group.

Further details on the acquisitions in the period are set out in note 20 to the financial statements.

On 1 July 2022, the Group separated the Real Estate segment into Residential Real Estate and Commercial Real Estate. The Group now reports across five operating segments aligned to how information is reported to the Chief Operating Decision Makers.

Construction Materials
Proforma revenue in the Construction Materials segment increased by 85% to $89.0m (HY22 $48.2m) with proforma EBITDA increasing by 54% to $17.5m (HY22 $11.4m). This growth was underpinned by increases in both quarry and concrete volumes from both existing operations and acquisitions and was delivered despite the impact of significant wet weather across the Group's operating regions and increasing fuel costs.

The significant wet weather events during the period impacted revenues through the delay of projects and decreased production efficiency resulting in higher costs. Higher fuel costs also had an adverse impact on the segment result during the period. The Group continues to manage inflationary risks through regular customer pricing reviews and continued focus on leveraging procurement across the Group. While wet weather remains a material risk, the Group is expecting more favourable weather and improved operating conditions for the remainder of FY23, consistent with short to medium term weather forecasting.

Civil, Construction & Hire
Proforma revenue in the Civil, Construction & Hire segment increased by 51% to $178.9m (HY22 $118.5m) with proforma EBITDA increasing by 21% to $30.0m (HY22 $24.7m). The growth was driven by a combination of organic growth of existing operations and acquisitions with both Garde and Schwarz Excavations contributing during HY23.

The Civil, Construction & Hire segment was also impacted by the significant wet weather across the Group's operating regions during the period and by increased fuel costs. The significant wet weather impacted revenues through the delay of projects and negatively impacted productivity for the period. While wet weather remains a material risk, the Group is expecting more favourable weather and improved operating conditions for the remainder of FY23, consistent with short to medium term weather forecasting.

Residential Real Estate
Proforma revenue in the Residential Real Estate segment increased by 56% to $44.3m (HY22 $28.5m) with proforma EBITDA increasing 81% to $5.0m (HY22 $2.8m). The growth includes the increased house build activity following the acquisition of Brett Harvey Designs and higher lot delivery, including the expansion of the Build to Rent portfolio and associated fair value recognition.

Increased uncertainty continued in residential real estate during the period, arising from numerous successive increases in interest rates by the Reserve Bank of Australia (RBA) and the inflationary impacts on build costs. The combination of the higher interest rates and the frequency of increases has dampened market conditions in the segment, causing an increased time to covert sales from inquiry to settlement. The uncertainty in this segment is expected to continue throughout FY23 and impact overall performance in comparison to FY22. Offsetting this is the strong pipeline of house construction starts providing stable workflow for the housing construction division during HY23 which is expected to continue through the remainder of FY23. The inflationary pressure on housing construction costs continues to be a risk to the industry. The acquisition by MGH of a building supplies business in FY22 has assisted in mitigating this risk through improved supply chains and procurement practices.

Commercial Real Estate
Proforma revenue in the Commercial Real Estate segment increased by 91% to $58.7m (HY22 $30.7m) with proforma EBITDA increasing by 353% to $19.9m (HY22 $4.4m). The result was driven by the expansion of the construction and building supplies activities through acquisitions completed in FY22 and ongoing delivery of the commercial development pipeline resulting in the recognition of valuation increases of $13.2m (HY22:NIL) as the projects reached key milestones.

Increased uncertainty continued in broader real estate markets during the period, arising from numerous successive increases in interest rates by the RBA and the inflationary impacts on build costs. The combination of a higher interest rate environment has dampened market conditions in some areas of the Commercial Real Estate industry, although some asset classes, such as industrial property, remain resilient from these headwinds with strong demand remaining. The headwinds in this segment are likely to continue throughout FY23, but given the broadness of the asset classes within the segment, it is unlikely to materially impact the segment. The inflationary pressure on construction costs continues to be a risk to the industry. The acquisition by MGH of a building supplies business in FY22 has assisted in mitigating this risk through improved supply chains and procurement practices.

Manufacturing
Proforma revenue in the Manufacturing segment increased by 66% to $15.2m (HY22 $9.2m) with proforma EBITDA increasing by 326% to $2.9m (HY22 $0.7m). Improved operating conditions as the external supply market normalises post COVID and realisation of operational efficiencies in both production and sales has resulted in the improved performance of this division. These improvements are expected to continue in the remainder of FY23 as the global recovery of supply chains from the impacts of COVID continue to gain momentum.

Principal Risks

MAAS Group has identified a range of risks that exist across the operations and is committed to building a strong risk management culture to ensure that the Group continues to deliver on its vision and strategy.

- **Wet Weather** – MAAS Group activities have and can be impacted by extreme weather events, including prolonged periods of rain. These weather events can impact both productivity and access to work sites, resulting in delayed revenue and increased costs.
- **Workforce Management and Skilled Labour** - MAAS Group is dependent on its ability to attract and retain employees in order to run and grow the business. The market for labour is highly competitive and there is no guarantee that the Group will be able to identify, recruit and retain the employees required to operate the business at current levels and / or to enable the growth of the business in accordance with its plans.
- **Health & Safety** – MAAS Group operates in environments where inherent safety risk arise in the normal course of business. The Group operates across a diverse network of site locations and physical equipment which includes the operation of large light and heavy vehicle fleet where there is an ongoing risk of accidents which could cause injury or death.
- **Economic Conditions** - The RBA has continued to increase interest rates at a rapid pace over the last twelve months and the Group anticipates further rises over the course of 2023. The Group, particularly in the Residential and Commercial Real Estate segments, operate in segments where customer demand may be impacted by negative economic sentiment, and this may delay the timing of the Group's sales and / or impact selling prices or carrying values. The Group also relies on external suppliers for the delivery of its services and has been and may be impacted by supply chain interruptions and cost inflation.
- **Capital Management** - MAAS Group's continued ability to effectively implement its strategy over time may depend in part on its ability to raise additional funds and/or refinance its existing debt. As MAAS Group's business grows, it may require additional working capital.
- **Competition and loss of revenue** - The industries in which MAAS Group operates are highly competitive and are expected to remain so. Any increase in competition could result in loss of market share, reduced operating margins, and price reductions. Although the Company has a sound track record in securing new contracts and competing effectively, there can be no assurance that any or all of its businesses will continue to perform in the future.
- **Acquisitions** – MAAS Group has and will continue to pursue strategic acquisitions to deliver on its strategic plan. To finance any future acquisitions, the Group may procure additional debt and/or seek to raise equity capital, which may further dilute the holdings of shareholders. There can be no assurance that MAAS Group will be able to identify suitable candidates for successful acquisitions at acceptable prices, or successfully execute acquisitions and integration of targets once identified.

MAAS Group Holdings Limited
Directors' report
31 December 2022

Significant changes in the state of affairs
The consolidated entity acquired the following businesses during the half year for a total consideration of $133.916m (refer note 20):

Business	*Segment*	*Activities and location*
Schwarz	CCH	Provider of plant hire, rail maintenance, civil construction and haulage services in Rockhampton and Central Queensland.
Clermont Quarries	CM	Hard rock quarries and sand quarries in the Isaac region of Central Queensland
Dandy	CM	Integrated construction materials business in south-east Melbourne operating five concrete plants, a sand quarry and a hard rock quarry.

CCH - Civil, Construction & Hire
CM - Construction Materials

MAAS Group Holdings Limited issued 28,235,799 new ordinary shares during the half-year, resulting in issued share capital increasing from $432.530m to $543.938m (refer note 15). The share capital increase is represented by cash proceeds of $107.402m from capital raises (net of transaction costs), a DRP of $1.507m and $2.499m as part consideration for businesses acquired during the period.

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year outside of those disclosed in note 3.

Matters subsequent to the end of the financial half-year
The Directors declared a fully franked final dividend of 3 cents per share on 23 February 2023.

Apart from the dividend declared as discussed above, no other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

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

Rounding of amounts
The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

____
Stephen G Bizzell
Chairman

____
Wesley J Maas
Managing Director and Chief Executive Officer

23 February 2023
Dubbo

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Australia

DECLARATION OF INDEPENDENCE BY T R MANN TO THE DIRECTORS OF MAAS GROUP HOLDINGS LIMITED

As lead auditor for the review of MAAS Group Holdings Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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

T R Mann
Director

BDO Audit Pty Ltd

Brisbane, 23 February 2023

MAAS Group Holdings Limited
Contents
31 December 2022

MAAS Group Holdings Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2022

	Note	Consolidated 31 Dec 2022 $'000	Consolidated 31 Dec 2021 $'000
Revenue	5	361,389	197,202
Other income	6	4,494	1,785
Interest revenue		120	8
Net fair value gain on investment properties	9	15,491	-
Expenses			
Purchase of raw materials and consumables used and changes in inventories		(190,405)	(91,995)
Expected credit losses of trade receivables		(2,599)	(239)
Employee benefits expense		(79,327)	(42,463)
Amortisation expense		(3,705)	(2,010)
Depreciation expense		(16,962)	(11,072)
Transaction costs relating to business combinations		(2,336)	(1,877)
Legal, audit, accounting and consultants		(2,748)	(1,334)
Motor vehicle and plant expenses		(8,383)	(4,995)
Insurance and registration		(3,138)	(3,026)
Repairs and maintenance		(15,872)	(9,915)
Rent - short-term and low-value leases		(424)	(369)
Travel and accommodation		(2,505)	(1,507)
Other expenses		(9,822)	(4,330)
Finance costs		(8,696)	(3,074)
Total expenses		(346,922)	(178,206)
Profit before income tax expense		34,572	20,789
Income tax expense		(10,891)	(6,178)
Profit after income tax expense for the half-year attributable to the owners of MAAS Group Holdings Limited		23,681	14,611
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		22	449
Other comprehensive income for the half-year, net of tax		22	449
Total comprehensive income for the half-year attributable to the owners of MAAS Group Holdings Limited		23,703	15,060
		Cents	**Cents**
Basic earnings per share	23	7.7	5.2
Diluted earnings per share	23	7.6	5.2

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

MAAS Group Holdings Limited
Consolidated statement of financial position
As at 31 December 2022

	Note	Consolidated 31 Dec 2022 $'000	Consolidated 30 June 2022 $'000
Assets			
Current assets			
Cash and cash equivalents		89,889	52,452
Trade and other receivables	7	83,112	84,692
Contract assets		27,000	26,785
Inventories	8	107,597	87,895
Income tax refund due		3,291	-
Non-current assets classified as held for sale		2,280	-
Other assets		11,192	13,644
Total current assets		324,361	265,468
Non-current assets			
Inventories	8	130,863	77,599
Investments accounted for using the equity method		8,761	8,761
Investment properties	9	164,497	124,600
Property, plant and equipment	10	480,838	323,225
Intangibles	11	140,854	137,160
Deferred tax		17,434	11,985
Other assets		30	155
Total non-current assets		943,277	683,485
Total assets		1,267,638	948,953
Liabilities			
Current liabilities			
Trade and other payables	12	82,278	67,411
Contract liabilities		16,017	19,979
Borrowings and lease liabilities	13	52,868	57,908
Income tax		-	1,162
Employee benefits		8,743	7,273
Provisions	14	8,741	3,434
Other - deferred consideration payable		-	1,261
Total current liabilities		168,647	158,428
Non-current liabilities			
Borrowings and lease liabilities	13	433,599	272,231
Deferred tax		59,763	48,509
Employee benefits		1,045	499
Provisions	14	14,116	13,335
Total non-current liabilities		508,523	334,574
Total liabilities		677,170	493,002
Net assets		590,468	455,951

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

MAAS Group Holdings Limited
Consolidated statement of financial position
As at 31 December 2022

	Note	Consolidated 31 Dec 2022 $'000	30 June 2022 $'000
Equity			
Issued capital	15	543,938	432,530
Other equity	16	13,113	3,354
Reserves	17	(107,057)	(107,556)
Retained profits		140,474	127,623
Total equity		590,468	455,951

Refer to note 20, *Business combinations*, for details of the restatement of the comparative period for finalisation of provisional accounting for a business combination.

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

MAAS Group Holdings Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2022

Consolidated	Issued capital $'000	Other equity $'000	Reserves $'000	Retained profits $'000	Total equity $'000
Balance at 1 July 2021	279,636	3,354	(109,186)	80,597	254,401
Profit after income tax expense for the half-year	-	-	-	14,611	14,611
Other comprehensive income for the half-year, net of tax	-	-	449	-	449
Total comprehensive income for the half-year	-	-	449	14,611	15,060
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs	137,396	-	-	-	137,396
Share-based payments	-	-	352	-	352
Dividends paid (note 18)	-	-	-	(8,649)	(8,649)
Balance at 31 December 2021	417,032	3,354	(108,385)	86,559	398,560

Consolidated	Issued capital $'000	Other equity $'000	Reserves $'000	Retained profits $'000	Total equity $'000
Balance at 1 July 2022	432,530	3,354	(107,556)	127,623	455,951
Profit after income tax expense for the half-year	-	-	-	23,681	23,681
Other comprehensive income for the half-year, net of tax	-	-	22	-	22
Total comprehensive income for the half-year	-	-	22	23,681	23,703
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 15)	111,408	-	-	-	111,408
Share-based payments	-	-	477	-	477
Deferred consideration (note 16)	-	9,759	-	-	9,759
Dividends paid (note 18)	-	-	-	(10,830)	(10,830)
Balance at 31 December 2022	543,938	13,113	(107,057)	140,474	590,468

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

MAAS Group Holdings Limited
Consolidated statement of cash flows
For the half-year ended 31 December 2022

	Note	Consolidated 31 Dec 2022 $'000	Consolidated 31 Dec 2021 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		400,580	215,790
Payments to suppliers and employees (inclusive of GST)		(335,591)	(179,776)
Interest received		120	8
Interest and other finance costs paid		(8,367)	(2,835)
Income taxes paid		(10,208)	(5,477)
Net cash from operating activities before payments for land held for development and resale and development costs (inclusive of GST)		46,534	27,710
Payments for land held for development and resale and development costs (inclusive of GST)		(77,276)	(28,494)
Net cash used in operating activities		(30,742)	(784)
Cash flows from investing activities			
Payment for purchase of businesses, net of cash acquired	20	(111,825)	(15,481)
Payments for investment property		(24,429)	(50,334)
Payments for property, plant and equipment		(50,142)	(30,244)
Payments for intangibles		(112)	-
Payments for deposits		-	(4,676)
Proceeds from disposal of investment property		2,180	-
Proceeds from disposal of property, plant and equipment		15,138	4,686
Proceeds from deposits		448	-
Net cash used in investing activities		(168,742)	(96,049)
Cash flows from financing activities			
Proceeds from issue of shares		108,190	87,252
Proceeds from borrowings		169,221	92,623
Repayment of borrowings		(25,918)	(58,923)
Payment of lease liabilities		(3,071)	(5,081)
Payment for contingent and deferred consideration (long term)		(1,390)	(1,329)
Share issue transaction costs		(788)	(1,311)
Dividends paid		(9,323)	(2,636)
Net cash from financing activities		236,921	110,595
Net increase in cash and cash equivalents		37,437	13,762
Cash and cash equivalents at the beginning of the financial half-year		52,452	17,996
Cash and cash equivalents at the end of the financial half-year		89,889	31,758

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover MAAS Group Holdings Limited as a consolidated entity consisting of MAAS Group Holdings Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is MAAS Group Holdings Limited's functional and presentation currency.

MAAS Group Holdings Limited is an ASX listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

20L Sheraton Road
Dubbo
NSW 2830

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 23 February 2023. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2022 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.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

This half year financial report presents reclassified comparative information where required for consistency with the current half year's presentation.

Rounding of amounts
The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

New or amended Accounting Standards and Interpretations adopted
The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these new or amended Accounting Standards and Interpretations did not have a material impact to the financial statements.

New standards and interpretations not yet adopted
Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the consolidated entity. These standards are not expected to have a material impact on the consolidated entity in the current or future reporting periods and on foreseeable future transactions.

Note 3. Significant changes in the current reporting period

The financial performance of the consolidated entity was particularly affected by the following events and transactions during the six months to 31 December 2022.

Note 3. Significant changes in the current reporting period (continued)

Consolidated revenue has increased by $164.187m during the half-year due to a combination of organic growth and business combinations. Refer to note 5 for further detail on revenue.

Expenditure increased during the period driven by $72.900m from businesses acquired, $60.300m by revenue mix, fuel costs and weather impacts and $3.700m in isolated project losses and provision for expected credit loss.

The Group acquired Schwarz Excavations, Clermont Quarries & Dandy Premix during the half-year. The total consideration for these businesses was $133.916m comprising both cash and scrip consideration. These acquisitions enhance our Groups capabilities in their respective regions, providing new opportunities and synergies for existing operations. Refer to note 20 for further detail on the fair value of net assets acquired on business combinations.

Land held for development and resale increased by $53.962m in the half-year. This investment represents the continued development and expansion of residential and commercial Inventory in Dubbo, Orange, Rockhampton, Tamworth, Griffith, Mudgee and Tweed Heads. Operating cash flows prior to these acquisitions resulted in operational cash inflows of $46.534m which reduced to an operating cash outflow of $30.742m after the above-mentioned development activities.

Investment Properties increased in the half year by $39.897m. This increase was driven by the continued expansion of the commercial and residential investment portfolio with acquisitions of strategic objectives including the Quest Dubbo site for $16.527m and Self-Storage facilities for $4.511m. The significant portion of investment properties are held at fair value at 31 December 2022, this resulted in $15.491m of fair value movements recognised in the profit and loss during the half year. Independent valuers performed reviews on Commercial Real Estate sites where fair value movements were recognised. External observable inputs drove valuations on Residential Real Estate where fair value movements were recognised. Of the total fair value movement, $10.635m related to the RAAF Base Dubbo site. This movement, supported on a direct comparison basis, represented the development, construction and master planning investment that has taken place since acquisition of the site in August 2021. Refer to note 9 for further detail on investment properties.

The Group issued 28,235,799 new ordinary shares during the half-year, resulting in issued share capital increasing from $432.530m to $543.938m (refer note 15). The share capital increase is represented by cash proceeds of $107.402m from capital raises (net of transaction costs), a DRP of $1.507m and $2.499m as part consideration for businesses acquired during the period.

A banking amendment in November 2022 resulted in an increase in banking facility limits from $500.000m to $600.000m. During the period the Group's drawn institutional and vendor debt increased by $141.848m which was used for both growth and acquisition purposes. Refer to note 13 for further details.

Note 4. Operating segments

Identification of reportable operating segments

During the half year, management has split the Real Estate segment into 2 segments: residential and commercial. The current reportable segments are: Residential Real Estate; Commercial Real Estate; Civil, Construction and Hire; Manufacturing; and Construction Materials. The 31 December 2021 half-year comparatives have been restated to reflect these changes. The reportable segments of the business are as follows:

Note 4. Operating segments (continued)

Segment	**Description of segment**
1. Residential Real Estate	Develops, invests, builds and sells residential land and housing
2. Commercial Real Estate	Commercial Construction: builds and constructs commercial developments Commercial Development and Investment: delivers commercial property and industrial developments, and investing in commercial real estate
3. Civil, Construction and Hire	Civil Construction: civil infrastructure construction, roads, dams and mining infrastructure Plant Hire and Sales: above and underground plant hire for major infrastructure and tunnelling projects Electrical Services: electrical infrastructure, communications and specialised services Underground Equipment Hire and Repair: hires, maintains, rebuilds and sells second-hand mobile equipment for civil tunnelling and underground hard rock mining
4. Manufacturing	Manufacturing, sales and distribution of underground construction and mining equipment and parts
5. Construction Materials	Quarries: supply of quarry materials to construction projects Crushing and Screening: mobile crushing and screening for quarries, civil works and mining Geotechnical services
Other	This includes head office.

The operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are 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.

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.

The information reported to the CODM is on a monthly basis.

Intersegment transactions
Intersegment transactions were made at market rates. Intersegment transactions are eliminated on consolidation.

Note 4. Operating segments (continued)

Operating segment information

Consolidated - 31 Dec 2022	Residential Real estate $'000	Commercial Real Estate $'000	Civil, Construction and Hire $'000	Manufacturing $'000	Construction Materials $'000	Other $'000	Eliminations and adjustments $'000	Total $'000
Revenue								
Sales to external customers	44,208	47,586	164,598	14,960	84,136	-	-	355,488
Intersegment sales	-	8,553	13,112	-	3,185	-	(24,850)	-
Total sales revenue	44,208	56,139	177,710	14,960	87,321	-	(24,850)	355,488
Other revenue	139	2,518	1,226	212	1,655	151	-	5,901
Interest revenue	10	1	18	8	2	81	-	120
Total revenue	44,357	58,658	178,954	15,180	88,978	232	(24,850)	361,509
Adjusted EBITDA*	5,009	19,941	29,975	2,939	17,506	(7,303)	(1,515)	66,552
Depreciation and amortisation	(8)	(355)	(12,033)	(315)	(7,486)	(470)	-	(20,667)
Interest revenue	10	1	18	8	2	81	-	120
Finance costs	(606)	(24)	(1,281)	(201)	(830)	(5,754)	-	(8,696)
Transaction costs relating to business combinations	-	-	(8)	-	-	(2,328)	-	(2,336)
Other non-recurring expenses	-	-	-	-	-	(401)	-	(401)
Profit/(loss) before income tax expense	4,405	19,563	16,671	2,431	9,192	(16,175)	(1,515)	34,572
Income tax expense								(10,891)
Profit after income tax expense								23,681
Assets								
Segment assets	188,109	238,295	354,086	54,385	374,997	59,535	(1,769)	1,267,638
Total assets								1,267,638
Liabilities								
Segment liabilities	34,400	48,669	147,532	12,544	96,491	332,904	4,630	677,170
Total liabilities								677,170

* Adjusted EBITDA excludes the effects of significant items of income and expenditure which may have an impact on the quality of earnings because of isolated or non-recurring events.

Note 4. Operating segments (continued)

Consolidated - 31 Dec 2021	Residential Real Estate $'000	Commercial Real Estate $'000	Civil, Construction and Hire $'000	Manufacturing $'000	Construction Materials $'000	Other $'000	Eliminations and adjustments $'000	Total $'000
Revenue								
Sales to external customers	24,944	13,457	102,746	8,919	44,280	-	-	194,346
Intersegment sales	-	1,229	14,943	235	2,882	-	(19,289)	-
Total sales revenue	24,944	14,686	117,689	9,154	47,162	-	(19,289)	194,346
Other revenue	121	841	837	(1)	1,058	-	-	2,856
Interest revenue	6	1	1	-	-	-	-	8
Total revenue	25,071	15,528	118,527	9,153	48,220	-	(19,289)	197,210
Adjusted EBITDA*	2,625	3,566	24,668	690	11,356	(3,418)	(673)	38,814
Depreciation and amortisation	(3)	(120)	(8,259)	(640)	(4,191)	-	131	(13,082)
Interest revenue	6	1	1	-	-	-	-	8
Finance costs	(269)	(9)	(986)	(184)	(554)	(1,072)	-	(3,074)
Transaction costs relating to business combinations	(73)	-	-	-	(253)	(1,551)	-	(1,877)
Profit/(loss) before income tax expense	2,286	3,438	15,424	(134)	6,358	(6,041)	(542)	20,789
Income tax expense								(6,178)
Profit after income tax expense								14,611
Consolidated - 30 June 2022								
Assets								
Segment assets	185,524	149,146	308,906	47,312	236,283	24,429	(2,647)	948,953
Total assets								948,953
Liabilities								
Segment liabilities	57,152	33,262	126,715	13,061	72,832	187,822	2,158	493,002
Total liabilities								493,002

* Adjusted EBITDA excludes the effects of significant items of income and expenditure which may have an impact on the quality of earnings because of isolated or non-recurring events.

Note 5. Revenue

	Consolidated	
	31 Dec 2022 $'000	**31 Dec 2021 $'000**
Revenue from contracts with customers		
Construction - civil infrastructure (i)	65,783	30,374
Construction - residential (i)	27,883	11,690
Construction - commercial (i)	35,530	14,681
Electrical service (i)	42,203	20,044
Repairs (i)	1,613	877
Sale of goods - plant, equipment, parts, building materials, road-base and aggregates (ii)	124,354	69,565
Land development and resale (ii)	16,339	13,259
Geotechnical services (ii)	11,559	9,244
	325,264	169,734
Other revenue		
Equipment and machinery hire	30,224	24,612
Management fees	187	-
Dividends and trust distributions	31	-
Rent	2,044	593
Other revenue	3,639	2,263
	36,125	27,468
Revenue	361,389	197,202

(i) Revenue recognised over time
(ii) Revenue recognised at a point in time

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Note 5. Revenue (continued)

Disaggregation of revenue
Included in the following tables are reconciliations of the disaggregated revenue and other income with the consolidated entity's reportable segments (refer note 4).

	Residential Real Estate $'000	Commercial Real Estate $'000	Civil, Construction and Hire $'000	Manufacturing $'000	Construction Materials $'000	Eliminations $'000	Total $'000
31 Dec 2022							
Construction - civil infrastructure	-	-	78,012	-	-	(12,229)	65,783
Construction - residential	27,883	-	-	-	-	-	27,883
Construction - commercial	-	40,850	-	-	-	(5,320)	35,530
Electrical service	-	-	42,203	-	-	-	42,203
Repairs	-	-	1,613	-	-	-	1,613
Sale of goods - plant, equipment, parts, building materials, road-base and aggregates	-	15,275	25,755	14,960	74,782	(6,418)	124,354
Land development and resale	16,325	14	-	-	-	-	16,339
Geotechnical services	-	-	-	-	11,559	-	11,559
Revenue from contracts with customers	44,208	56,139	147,583	14,960	86,341	(23,967)	325,264
Equipment and machinery hire	-	-	30,127	-	980	(883)	30,224
Total sales revenue per segment	44,208	56,139	177,710	14,960	87,321	(24,850)	355,488
Other revenue	139	2,518	31,353	212	2,635	(732)	36,125
Equipment and machinery hire disclosed in sales revenue per segment	-	-	(30,127)	-	(980)	883	(30,224)
Total other revenue per segment	139	2,518	1,226	212	1,655	151	5,901
Total Revenue	44,347	58,657	178,936	15,172	88,976	(24,699)	361,389

Note 5. Revenue (continued)

	Residential Real Estate $'000	Commercial Real Estate $'000	Civil, Construction and Hire $'000	Manufacturing $'000	Construction materials $'000	Eliminations $'000	Total $'000
31 Dec 2021							
Construction - civil infrastructure	-	-	45,836	-	-	(15,462)	30,374
Construction - residential	11,690	-	-	-	-	-	11,690
Construction - commercial	-	14,681	-	-	-	-	14,681
Electrical service	-	-	20,044	-	-	-	20,044
Repairs	-	-	877	-	-	-	877
Sale of goods - plant, equipment, road-base and aggregates	-	-	26,351	9,154	37,104	(3,044)	69,565
Land development and resale	13,254	5	-	-	-	-	13,259
Geotechnical services	-	-	-	-	9,244	-	9,244
Revenue from contracts with customers	24,944	14,686	93,108	9,154	46,348	(18,506)	169,734
Equipment and machinery hire	-	-	24,581	-	814	(783)	24,612
Total sales revenue per segment	24,944	14,686	117,689	9,154	47,162	(19,289)	194,346
Other revenue	121	841	25,418	(1)	1,872	(783)	27,468
Equipment and machinery hire disclosed in sales revenue per segment	-	-	(24,581)	-	(814)	783	(24,612)
Total other revenue per segment	121	841	837	(1)	1,058	-	2,856
Total Revenue	25,065	15,527	118,526	9,153	48,220	(19,289)	197,202

Refer to note 4 regarding change in reportable segments during the half-year. The 31 December 2021 half-year comparatives have been restated to reflect these changes.

Note 6. Other income

	Consolidated 31 Dec 2022 $'000	Consolidated 31 Dec 2021 $'000
Net gain on disposal of property, plant and equipment	1,533	1,505
Net gain on disposal of investment property	1,603	-
Insurance recoveries	142	187
Net reimbursement of expenses	321	93
Fair value gain on remeasurement of contingent consideration (note 14)	895	-
Other income	4,494	1,785

Note 7. Trade and other receivables

	Consolidated	
	31 Dec 2022 $'000	**30 June 2022 $'000**
Current assets		
Trade receivables	81,333	76,827
Less: Allowance for expected credit losses	(2,643)	-
	78,690	76,827
Other receivables	4,146	7,109
GST receivable	276	756
	83,112	84,692

Note 8. Inventories

	Consolidated	
	31 Dec 2022 $'000	**30 June 2022 $'000**
Current assets		
Raw materials - at cost	8,603	6,868
Finished goods - at cost	35,891	27,560
Land held for development and resale	24,158	23,460
Machines held for resale - at cost	38,945	30,007
	107,597	87,895
Non-current assets		
Land held for development and resale	130,863	77,599
	238,460	165,494

Note 9. Investment properties

	Consolidated 31 Dec 2022 $'000	Consolidated 30 June 2022 $'000
Non-current assets		
Investment properties - at fair value	117,904	69,849
Investment properties under construction - at cost	46,593	54,751
	164,497	124,600

Reconciliation

Reconciliation of the written down values at the beginning and end of the current and previous financial periods are set out below:

	31 Dec 2022 $'000	30 June 2022 $'000
Opening balance	124,600	25,843
Additions	24,429	72,856
Additions through business combinations	-	16,171
Transfer (to)/from non-current assets held for sale	(2,280)	1,280
Fair value gain - commercial real estate assets	13,208	14,515
Fair value gain - residential real estate build-to-rent assets	2,283	4,328
Transfer from/(to) inventory	2,118	(10,393)
Transfer from property, plant and equipment (note 10)	716	-
Disposals	(577)	-
Closing balance	164,497	124,600

Note 10. Property, plant and equipment

	Consolidated 31 Dec 2022 $'000	Consolidated 30 June 2022 $'000
Non-current assets		
Quarry land	96,911	43,582
Less: Accumulated amortisation	(1,185)	(901)
	95,726	42,681
Land and buildings - at cost	57,717	39,329
Less: Accumulated depreciation	(4,902)	(4,404)
	52,815	34,925
Hire equipment and machinery - at cost	122,660	123,307
Less: Accumulated depreciation	(26,965)	(26,000)
	95,695	97,307
Plant and equipment - at cost	203,426	140,817
Less: Accumulated depreciation	(33,230)	(30,170)
	170,196	110,647
Motor vehicles - at cost	35,918	24,872
Less: Accumulated depreciation	(9,899)	(8,052)
	26,019	16,820
Assets under construction - at cost	40,387	20,845
	480,838	323,225

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Quarry land $'000	Land and buildings $'000	Hire equipment and machinery $'000	Plant and equipment $'000	Motor vehicles $'000	Assets under construction $'000	Total $'000
Balance at 1 July 2022	42,681	34,925	97,307	110,647	16,820	20,845	323,225
Additions	195	565	14,150	4,871	3,415	27,932	51,128
Additions through business combinations (note 20)	53,169	19,660	-	55,744	8,515	1,090	138,178
Disposals	-	-	(10,253)	(1,778)	(975)	(599)	(13,605)
Transfers to investment property	-	(716)	-	-	-	-	(716)
Transfers to inventory	-	-	-	(371)	-	-	(371)
Exchange differences	-	(50)	-	11	-	-	(39)
Transfers in/(out)	-	-	(35)	8,491	203	(8,659)	-
Depreciation expense	(319)	(1,569)	(5,474)	(7,419)	(1,959)	(222)	(16,962)
Balance at 31 December 2022	95,726	52,815	95,695	170,196	26,019	40,387	480,838

Note 11. Intangibles

	Consolidated	
	31 Dec 2022	**30 June 2022**
	$'000	**$'000**
Non-current assets		
Goodwill - at cost	87,805	86,002
Brand names - at cost	30,572	30,572
Customer contracts/relationships - at cost	15,430	14,230
Less: Accumulated amortisation	(7,268)	(5,138)
	8,162	9,092
Extraction rights - at cost	16,898	13,786
Less: Accumulated amortisation	(4,047)	(2,516)
	12,851	11,270
Other intangibles - at cost	1,626	224
Less: Accumulated amortisation	(162)	-
	1,464	224
	140,854	137,160

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	Goodwill	Brand names	Customer contracts/ relationships	Extraction rights	Other intangibles	Total
Consolidated	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2022	86,002	30,572	9,092	11,270	224	137,160
Additions	-	-	-	112	-	112
Additions through business combinations (note 20)	1,803	-	1,200	3,000	-	6,003
Reclassification	-	-	-	-	1,284	1,284
Amortisation expense	-	-	(2,130)	(1,531)	(44)	(3,705)
Balance at 31 December 2022	87,805	30,572	8,162	12,851	1,464	140,854

Note 12. Trade and other payables

	Consolidated	
	31 Dec 2022	**30 June 2022**
	$'000	**$'000**
Current liabilities		
Trade payables	56,560	48,616
Other payables, accruals and statutory charges	25,718	18,795
	82,278	67,411

Note 13. Borrowings and lease liabilities

	Consolidated	
	31 Dec 2022 $'000	**30 June 2022 $'000**
Current liabilities		
Secured:		
Bank loans	2,704	3,984
Multi-option facility	-	10,000
Vendor financing	8,193	17,411
Chattel mortgages	25,110	16,522
Lease liabilities - plant & equipment and motor vehicles	14,418	7,258
Unsecured:		
Loans - other	213	472
Lease liabilities - land and buildings	2,230	2,261
	52,868	57,908
Non-current liabilities		
Secured:		
Bank loans	298,048	175,235
Multi-option facility	8,000	-
Project facilities	17,913	9,913
Vendor financing	7,726	7,561
Chattel mortgages	66,735	50,171
Lease liabilities - plant & equipment and motor vehicles	7,627	16,312
Unsecured:		
Lease liabilities - land and buildings	27,550	13,039
	433,599	272,231
	486,467	330,139

In November 2022, the company received approval for an additional increase of its banking facility limits from $500.000m to $ 600.000m with an $85.000m increase to the term loan, a $15.000m increase to the equipment finance facility, and no increase to the multi-option cash advance and bank guarantee facility.

Additionally, MGH retains the consent of its Australian banking group to source separate commercial property funding of up to $200.000m in aggregate from financiers for commercial property projects, which is in addition to the credit approved Corporate Debt facilities noted above. As at 31 December 2022, $17.913m is drawn (30 June 2022: $9.913m).

Note 14. Provisions

	Consolidated	
	31 Dec 2022 $'000	30 June 2022 $'000
Current liabilities		
Warranties	353	98
Contingent consideration	8,229	3,256
Other provisions	159	80
	8,741	3,434
Non-current liabilities		
Contingent consideration	14,116	13,335
	22,857	16,769

Of the total contingent consideration to be settled at 31 December 2022, $8.229m is to be settled in equity and $14.052m is to be settled in future cash payments. Refer to note 19 for further detail on the calculation of contingent consideration.

Movements in provisions

Movements in each class of provision during the current financial half-year, are set out below:

	Warranties $'000	Contingent consideration $'000	Other provisions $'000	Total $'000
Carrying amount at the beginning of the half-year	98	16,591	80	16,769
Additional provisions recognised	255	-	79	334
Additions through business combinations (note 20)	-	6,778	-	6,778
Fair value gain	-	(895)	-	(895)
Payments	-	(129)	-	(129)
Carrying amount at the end of the half-year	353	22,345	159	22,857

Note 15. Issued capital

	Consolidated			
	31 Dec 2022 Shares	30 June 2022 Shares	31 Dec 2022 $'000	30 June 2022 $'000
Ordinary shares - fully paid	325,399,895	297,164,096	543,938	432,530

Note 15. Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	$'000
Balance	1 July 2022	297,164,096		432,530
Shares issued under the Share Purchase Plan (b)	19 July 2022	636,364	$5.50	3,500
Conditional placement - outstanding commitments	19 July 2022	18,181	$5.50	100
Shares issued to Founder and management (a)	3 August 2022	1,287,500	$4.00	5,150
Institutional placement (a)	3 August 2022	8,750,000	$4.00	35,000
Shares issued under the Share Purchase Plan (b)	22 August 2022	1,601,325	$4.00	6,405
Shares issued under the Dividend Reinvestment Plan (c)	12 October 2022	453,816	$3.32	1,507
Shares issued as consideration for the acquisition of Dandy (note 20)	19 December 2022	979,863	$2.55	2,499
Shares issued to Founder and management (a)	23 December 2022	14,508,750	$4.00	58,035
Transaction costs arising on share issues, net of tax				(788)
Balance	31 December 2022	325,399,895		543,938

(a) Share placement
On 3 August 2022, MGH issued 8,750,000 fully paid ordinary shares in the company at $4.00 per share to institutional and professional investors under the Institutional Placement announced on 29 July 2022. MGH also issued 1,287,500 fully paid ordinary shares at $4.00 per share in the company under the first tranche of the Founder and Management Placement announced on 29 July 2022. The second tranche of 14,508,750 ordinary shares in the company was issued on 23 December 2022.

(b) Share Purchase Plan
On 19 July 2022, MGH issued 636,364 fully paid ordinary shares in the company at an issue price of $5.50. These were the remaining shares to be issued to investors pursuant to outstanding commitments to subscribe for the Share Purchase Plan Shortfall previously announced and approved at the 2021 Annual General Meeting of 9 November 2021.

On 29 July 2022, as part of its capital raising, the company announced a Share Purchase Plan (SPP), and on 22 August 2022 MGH issued 1,601,325 fully paid ordinary shares in the company at an issue price of $4.00 per share in terms of the SPP. The SPP was not underwritten.

(c) Dividend Reinvestment Plan
In accordance with the terms of the Dividend Reinvestment Plan (DRP) relating to the 2022 final dividend, the issue price of shares under the DRP was $3.32 per share with 453,816 shares issued under the DRP to shareholders who elected to participate. The DRP was not underwritten.

Share buy-back
On 20 December 2022, the company announced to the market that the Board of Directors had approved an on-market share buy-back of up to 10% of the company's issued ordinary share capital within 12 months. The timing and number of shares to be purchased under the share buyback will depend on the prevailing share price, market conditions and the Group's capital position and requirements over the 12 months. The Group's Australian Banking Group has provided credit approval for the company to undertake the share buyback.

Note 16. Other equity

	Consolidated 31 Dec 2022 $'000	Consolidated 30 June 2022 $'000
Deferred consideration	13,113	3,354

Note 16. Other equity (continued)

The deferred consideration represents the value of the shares to be issued to the vendors of:
- Amcor on the second anniversary of the acquisition
- Dandy on the first, second and third anniversaries of the acquisition
- Schwarz on the first, second and third anniversaries of the acquisition

Movements
Movements in other equity during the current financial half-year, are set out below:

	Consolidated 31 Dec 2022 $'000
Balance at the beginning of the half-year	3,354
Shares to be issued to the vendor of Schwarz (note 20)	3,762
Shares to be issued to the vendor of Dandy (note 20)	5,997
Balance at the end of the half-year	13,113

Note 17. Reserves

	Consolidated	
	31 Dec 2022 $'000	30 June 2022 $'000
Foreign currency reserve	242	220
Share-based payments reserve	1,598	1,121
Business combinations under common control	(109,000)	(109,000)
Transactions with non-controlling interests	103	103
	(107,057)	(107,556)

Movements in reserves
Movements in each class of reserve during the current financial half-year are set out below:

Consolidated	Foreign currency reserve $'000	Share-based payments reserve $'000	Business combinations under common control $'000	Transactions with non-controlling interests $'000	Total $'000
Balance at 1 July 2022	220	1,121	(109,000)	103	(107,556)
Foreign currency translation	22	-	-	-	22
Share based payment expenses	-	477	-	-	477
Balance at 31 December 2022	242	1,598	(109,000)	103	(107,057)

Note 18. Dividends

Dividends paid during the financial half-year were as follows:

	Consolidated	
	31 Dec 2022 $'000	**31 Dec 2021 $'000**
Final dividend for the year ended 30 June 2022 of 3.5 cents per ordinary share (31 Dec 2021: Final dividend for the year ended 30 June 2021 of 3 cents per ordinary share)	10,830	8,649

On 23 February 2023, the directors declared a dividend of 3 cents. The dividend is fully franked.

Note 19. Fair value measurement

Fair value hierarchy

The following tables detail the consolidated entity's financial assets and financial liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

Consolidated - 31 Dec 2022	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial liabilities				
Contingent consideration	-	-	(22,345)	(22,345)
Total liabilities	-	-	(22,345)	(22,345)

Consolidated - 30 June 2022	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial liabilities				
Contingent consideration	-	-	(16,591)	(16,591)
Total liabilities	-	-	(16,591)	(16,591)

There were no transfers between levels during the financial half-year and there were no financial assets measured or disclosed at fair value.

Valuation techniques for fair value measurements categorised within level 2 and level 3

- Contingent consideration

Where there are EBITDA hurdles the fair value of the contingent cash consideration has been estimated using present value techniques, by discounting the probability-weighted estimated future cash outflows. The fair value of the contingent share consideration has been estimated based on the probability of achieving future hurdles which impacts the number of shares to be issued, using the share price (at acquisition date and reporting date). Refer to note 14 for movements in contingent consideration.

Note 19. Fair value measurement (continued)

Level 3 assets and liabilities
Movements in level 3 financial instruments during the current financial half-year are set out below:

Consolidated	Contingent consideration $'000
Balance at 1 July 2022	(16,591)
Gains recognised in profit or loss	895
Additions through business combinations (note 20)	(6,778)
Disposals/settlements	129
Balance at 31 December 2022	(22,345)
Total gains for the previous half-year included in profit or loss that relate to level 3 assets held at the end of the previous half-year	-
Total gains for the current half-year included in profit or loss that relate to level 3 assets held at the end of the current half-year	895

The level 3 assets and liabilities unobservable inputs and sensitivity are as follows:

Description	**Unobservable inputs**	**Range (weighted average)**	**Sensitivity**
Contingent consideration	Expected EBITDA	$630,000 - $22,500,000	The estimated fair value would increase/(decrease) if EBITDA Hurdle result was exceeded/(underperformed)
	Number of shares	0 - 3,117,368	The estimated fair value would increase/(decrease) if the number of shares issued increased/(decreased)

Note 20. Business combinations

(a) Business combinations

Summary of acquisition

Acquisition of Schwarz

On 1 July 2022, the consolidated entity entered into an agreement to acquire Schwarz Excavations Pty Ltd (Schwarz) for an initial cash payment of $34.159m. 913,194 Consideration shares are to be issued in equal share tranches annually over the next three years to the value of $3.762m. Further cash consideration may be payable, contingent on Schwarz achieving certain EBITDA targets for the three financial years following completion up to $3.000m. The acquisition completed on 22 July 2022. Schwarz is a provider of plant hire, rail maintenance, civil construction and haulage services in Rockhampton and Central Queensland. The Schwarz business operates in the Civil, Construction & Hire segment. In accordance with accounting standards, the acquisition has been completed on a provisional basis and finalisation of the assessment of fair values of the identifiable assets and liabilities acquired may result in adjustments to the amounts disclosed in the table below.

Acquisition of Clermont Quarries

On 1 August 2022, the consolidated entity entered into an agreement to acquire four hard rock quarries and two sand quarries in the Isaac region of Central Queensland for a cash payment of $14.525m These quarries primarily service the areas surrounding Clermont, Middlemount, and Dysart, and are expected to produce in excess of 350,000 tonnes of quarry materials per annum. The acquisition was completed on 20 September 2022. The Clermont Quarries business operates in the Construction Materials segment. In accordance with accounting standards, the acquisition has been completed on a provisional basis and finalisation of the assessment of fair values of the identifiable assets and liabilities acquired may result in adjustments to the amounts disclosed in the table below.

Acquisition of Dandy

On 16 December 2022, the consolidated entity completed the acquisition of Dandy Premix. The consideration formed a cash payment of $66.196m and the issue of 3,331,533 shares in MGH. 979,863 of the Consideration Shares were issued on 19 December 2022, with the remaining 2,351,670 Consideration Shares to be issued in equal share tranches annually over the next three years. Further cash consideration may be payable, contingent on the approval of a permit across Dandy's immediate operating area up to $5.000m. An additional payment up to $22.000m may be payable, related to vendor led negotiations, applications, and approvals for Work Plans in Dandy’s operating area over the course of the next 5 - 9 years. This is an independent transaction from the business combination with no amount recognised on acquisition. Dandy is an integrated construction materials business in south-east Melbourne operating five concrete plants, a sand quarry and a hard rock quarry. The Dandy Premix business operates in the Construction Materials segment. In accordance with accounting standards, the acquisition has been completed on a provisional basis and finalisation of the assessment of fair values of the identifiable assets and liabilities acquired may result in adjustments to the amounts disclosed in the table below.

Note 20. Business combinations (continued)

Details of the acquisition are as follows:

	Clermont Quarries	Schwarz	Dandy	Total
	Fair value	Fair value	Fair value	Fair value
	$'000	$'000	$'000	$'000
Cash and cash equivalents	-	2,961	94	3,055
Trade receivables	-	2,050	348	2,398
Income tax refund due	-	1,013	-	1,013
Inventories	1,833	-	527	2,360
Prepayments	-	186	683	869
Other current assets	-	1,970	-	1,970
Quarry land	2,729	-	50,440	53,169
Land and buildings	-	4,620	15,040	19,660
Plant and equipment	6,991	28,373	29,985	65,349
Intangibles	3,000	1,200	-	4,200
Trade and other payables	-	(2,407)	(423)	(2,830)
Deferred tax liability	-	(1,804)	(950)	(2,754)
Employee benefits	(28)	(266)	(1,012)	(1,306)
Lease liability	-	-	(15,040)	(15,040)
Net assets acquired	14,525	37,896	79,692	132,113
Goodwill	-	1,803	-	1,803
Acquisition-date fair value of the total consideration transferred	14,525	39,699	79,692	133,916
Representing:				
Cash paid or payable to vendor	14,525	34,159	66,196	114,880
MAAS Group Holdings Limited shares issued to vendor	-	-	2,499	2,499
MAAS Group Holdings Limited shares to be issued to vendor in future periods (Deferred Consideration)	-	3,762	5,997	9,759
Cash contingent consideration	-	1,778	5,000	6,778
	14,525	39,699	79,692	133,916
Cash used to acquire business, net of cash acquired:				
Acquisition-date fair value of the total consideration transferred	14,525	39,699	79,692	133,916
Less: cash and cash equivalents	-	(2,961)	(94)	(3,055)
Less: shares issued by company as part of consideration	-	-	(2,499)	(2,499)
Less: shares to be issued in future periods (Deferred Consideration)	-	(3,762)	(5,997)	(9,759)
Less: contingent consideration	-	(1,778)	(5,000)	(6,778)
Net cash used	14,525	31,198	66,102	111,825

Note 20. Business combinations (continued)

Revenue and profit contribution

If the acquisitions had occurred on 1 July 2022, the consolidated results for the half year ended 31 December 2022 would have been as follows:

	Revenue $'000	Net profit for the period after tax $'000
Schwarz	23,646	2,330
Dandy	37,054	3,373
	60,700	5,703
Other consolidated entities	339,523	20,837
	400,223	26,540

The amounts in the above table have been calculated using the results of each subsidiary and adjusting them for:

- differences in the accounting policies between the consolidated entity and the subsidiary, and
- the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets had applied from 1 July 2022, together with the consequential tax effects.

The acquired businesses contributed the following revenues and net profit to the consolidated entity from the dates of their respective acquisitions to 31 December 2022:

	Revenue $'000	Net profit for the period after tax $'000
Schwarz	20,248	2,681
Dandy	1,618	163
	21,866	2,844

It is impractical to isolate the post-acquisition revenue and net results for the period for Clermont Quarries given the acquisition has been operationally consumed within Regional Quarries Australia Pty Ltd.

Acquired receivables

	Fair value of acquired receivables $'000	Gross contractual amount due $'000	Loss allowance recognised on acquisition $'000
Schwarz	2,050	(2,050)	-
Dandy	348	(348)	-
	2,398	(2,398)	-

Note 20. Business combinations (continued)

Acquisition-related costs

Acquisition-related costs were not directly attributable to the issue of shares are disclosed separately in the statement of profit or loss and other comprehensive income as *Transaction costs relating to business combinations:*

	$'000
Acquisition costs	2,336

(b) Summary of acquisition - finalisation of provisional accounting

On 19 May 2022, the consolidated entity entered into an agreement to purchase the shares of DPG Civil Pty Ltd and its subsidiaries (Garde).

For 30 June 2022, this business combination had initially been accounted for on a provisional basis in accordance with AASB 3 *Business combinations*. Therefore the fair value of assets acquired and liabilities assumed were initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and therefore may have an impact on the assets and liabilities, depreciation and amortisation reported.

The consolidated entity has finalised the accounting for this business combination and in doing so adjusted assets and liabilities shown in the table below. These adjustments resulted in an increase in goodwill being recognised. As noted above the finalisation accounting is retrospective and therefore the adjustment impacts the 30 June 2022 financial year. These adjustments had no impact on the 30 June 2022 statement of profit or loss and other comprehensive income.

Details of the fair value of the net assets acquired as recorded on a provisional basis and the final position as impacting the fair value of net assets acquired as at 30 June 2022, are as follows:

	Provisional fair value $'000	Movement $'000	Final fair value $'000
Cash and cash equivalents	2,263	-	2,263
Trade receivables	5,107	(436)	4,671
Income tax refund due	814	71	885
Prepayments	116	(4)	112
Other current assets	1,939	(1,459)	480
Property, plant and equipment	10,960	654	11,614
Intangibles	12,960	-	12,960
Deferred tax asset	2,166	(1,311)	855
Trade and other payables	(2,518)	(2,729)	(5,247)
Current tax liability	(14)	(1)	(15)
Deferred tax liability	(2,601)	1,315	(1,286)
Employee benefits	(380)	(26)	(406)
Lease liability	(2,132)	(654)	(2,786)
Net identifiable assets acquired	28,680	(4,580)	24,100
Goodwill	9,538	4,518	14,056
Fair value of the total consideration transferred	38,218	(62)	38,156

Note 21. Events after the reporting period

The Directors declared a fully franked final dividend of 3 cents per share on 23 February 2023.

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 22. Cash flow information

Reconciliation of profit after income tax to net cash used in operating activities

	Consolidated	
	31 Dec 2022 $'000	31 Dec 2021 $'000
Profit after income tax expense for the half-year	23,681	14,611
Adjustments for:		
Depreciation and amortisation	20,667	13,082
Net gain on disposal of property, plant and equipment	(1,533)	(1,505)
Net fair value gain on investment properties	(15,491)	-
Share-based payments	477	352
Net gain on disposal of investment property	(1,603)	-
Fair value adjustments to contingent consideration	(895)	-
Increase in allowance for expected credit losses	2,643	-
Amortisation of borrowing costs	329	239
Unwinding of interest on vendor financing	-	576
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	985	(490)
Increase in contract assets	(215)	(7,584)
Increase in inventories	(72,353)	(22,484)
Increase in deferred tax assets	(5,449)	(1,959)
Decrease/(increase) in prepayments	(240)	495
Decrease in other operating assets	3,535	1,048
Increase/(decrease) in trade and other payables	12,578	(3,478)
Increase/(decrease) in contract liabilities	(3,962)	2,900
Increase/(decrease) in provision for income tax	(3,440)	18
Increase in deferred tax liabilities	8,500	3,199
Increase in employee benefits	710	205
Increase/(decrease) in other provisions	334	(9)
Net cash used in operating activities	(30,742)	(784)

Non-cash investing and financing activities

	Consolidated	
	31 Dec 2022 $'000	31 Dec 2021 $'000
Right-of-use additions (land & buildings)	565	1,030
Dividend reinvestment plan share issues	1,507	6,012
Share based payments	477	352
Partial settlement of business combinations through the issue of shares	2,499	45,443
Acquisition of investment property through vendor finance	-	6,650
Acquisition of land held for resale through vendor finance	-	600

Note 23. Earnings per share

	Consolidated	
	31 Dec 2022 $'000	31 Dec 2021 $'000
Profit after income tax attributable to the owners of MAAS Group Holdings Limited	23,681	14,611

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	308,119,357	280,240,310
Adjustments for calculation of diluted earnings per share:		
Share to be issued to the vendors of Dandy and Schwarz	3,264,864	-
Shares to be issued to the vendor of Amcor on second anniversary of the acquisition	707,547	707,547
Share rights granted to employees of Macquarie Geotechnical Pty Ltd to be issued in three equal tranches on the third, fourth and fifth anniversaries of the acquisition	1,346,687	1,346,687
Weighted average number of ordinary shares used in calculating diluted earnings per share	313,438,455	282,294,544

	Cents	Cents
Basic earnings per share	7.7	5.2
Diluted earnings per share	7.6	5.2

MAAS Group Holdings Limited
Directors' declaration
31 December 2022

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the financial half-year ended on that date; and

- 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.

____
Stephen G Bizzell
Chairman

____
Wesley J Maas
Managing Director and Chief Executive Officer

23 February 2023
Dubbo

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of MAAS Group Holdings Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of MAAS Group Holdings Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, 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 accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the half-year ended on that date; and

(ii) 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 and 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.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be 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 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.

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 Group’s financial position as at 31 December 2022 and its financial 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.

BDO Audit Pty Ltd

BDO

TMann

T R Mann
Director

Brisbane, 23 February 2023