PEOPLEIN LIMITED

Appendix 4D and Consolidated Financial Statements

For the half-year ended 31 December 2023

ABN: 39 615 173 076

ASX Code: PPE

PEOPLEIN LIMITED

Appendix 4D – Half Year Financial Report

for the six months ended 31 December 2023

1. Report period ("current period"): 6 months ended 31 December 2023
   Previous corresponding period: 6 months ended 31 December 2022

2. Results for announcement to the market

	Up/Down	Movement %	1H FY 2024 $ '000	1H FY 2023 $ '000
Revenues from ordinary activities	Up	1.03%	602,747	596,626
Profit after tax from ordinary activities attributable to Owners of PeopleIn Ltd	Down	60.32%	5,719	14,414

Whilst revenue increased slightly against the first half of 2023, profit was significantly down. This was as a result of a shift towards lower margin work in particular growth in the Food Industries People business which attracts lower margins relative to the rest of the Group.

Dividends

	Amount per Share (Cents)	Franked Amount per Share (Cents)	Tax Rate for Franking Credit
Dividends			
Period ended 31 December 2023			
Interim dividend	3.0	3.0	30%
Financial year ended 30 June 2023			
Interim dividend	7.0	7.0	30%
Final dividend	7.0	7.0	30%
	14.0	14.0	30%

Interim Dividend for 31 December 2023

Date the interim 2024 dividend is payable: 4 April 2024

Record date to determine entitlements to the dividend: 5 March 2024

Date interim dividend was declared: 26 February 2024

Note that this dividend has not been provided for in the financial statements given it was declared on 26 February 2024.

Final Dividend for 30 June 2023

Date the final 2023 dividend is payable: 29 September 2023

Record date to determine entitlements to the dividend: 1 September 2023

Date final dividend was declared: 25 August 2023

2. Results for announcement to the market (cont.)

Interim Dividend for 31 December 2022

Date the interim 2023 dividend is payable:	24 March 2023
Record date to determine entitlements to the dividend:	27 February 2023
Date interim dividend was declared:	17 February 2023

3. Dividend Reinvestment plan

The Dividend Reinvestment Plan was in operation for the dividend paid during the period. Participating shareholders were entitled to be allotted the number of shares (rounded to the nearest whole number) which the cash dividend would purchase at the relevant issue price. The relevant issue price was at a 3% discount on the market price (calculated as the daily volume weighted average market price over the 10 trading days commencing on the second trading day following the relevant record date).

4. Net tangible assets per security

	31 December 2023 Amount per share (Cents)	30 June 2023 Amount per share (Cents)
Net tangible assets backing per ordinary share	(59.27)	(66.21)

5. Entities over which control has been gained or lost during the period

There have been no entities join or leave the group during the reporting period:

There were no other significant changes to the group during the reporting period.

6. Details of Associates

On 11 March 2021, First People Group Pty Ltd, a subsidiary of People In Limited, entered into a shareholders' agreement with Partners On Country Pty Ltd and On Country People Pty Ltd. Partners On Country Pty Ltd is a joint venture company of which First People Group Pty Ltd owns 50%. This investment is accounted for by using the equity method.

Name of entity	Country of Incorp - oration	Ownership interest held by the Group		Nature of relationship	Measurement method	Share of operating profits, net of tax	
		31 December 2023	30 June 2023			31 December 2023 $000	31 December 2022 $000
Partners on Country Pty Ltd	Australia	50%	50%	Joint Venture	Equity method	99	33

Additional supporting information supporting Appendix 4D disclosure requirements can be found in the Director's report and the consolidated statements for the period ended 31 December 2023. This report is based on the consolidated financial statements for the 6 months ended 31 December 2023 which have been audited by BDO.

This report is made in accordance with a resolution of the directors and is signed off on behalf of the Directors.

Glen Richards
Chairman

26 February 2024

PeopleiN

Interim Financial Report

For the half year ended
31 December 2023

PEOPLEIN LIMITED

ACN 615 173 076

This interim financial report does not include all the notes of the type normally included in annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by PeopleIn Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001.*

Releases, financial reports and other information are available on our website: www.peoplein.com.au

The financial statements were authorised for issue by the Directors on 26 February 2024. The Directors have the power to amend and reissue the financial statements.

Corporate Information

AUSTRALIAN BUSINESS NUMBER
ABN 39 615 173 076

DIRECTORS
Glen Richards
Elizabeth Savage
Vu Tran
Elisabeth Mannes
Thomas Reardon

COMPANY SECRETARY
Jane Prior

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS
Level 6, 540 Wickham Street,
Fortitude Valley QLD 4006
Phone: +61 7 3238 0800

COUNTRY OF INCORPORATION
Australia

SHARE REGISTRY
Link Market Services Limited
Level 12, 680 George Street,
Sydney NSW 2000
Phone: +61 1300 554 474

SOLICITORS
Talbot Sayer
Level 27, Riverside Centre,
123 Eagle Street,
Brisbane QLD 4000
Phone: +61 7 3160 2900

AUDITORS
BDO Audit Pty Ltd
Level 10, 12 Creek Street,
Brisbane QLD 4000
Phone: +61 7 3237 5999
Fax: +61 7 3221 9227

Directors' Report

For the half year ended 31 December 2023

The Directors of PeopleIn Limited present their report together with the financial statements of the consolidated entity, being PeopleIn Limited ('the Company or PeopleIN') and its controlled entities ('Group') for the half year ended 31 December 2023.

Directors and company secretary details

The Directors of PeopleIn Limited during the half year and up to the date of this report, unless otherwise stated:

Glen Richards	Non-Executive Chairman	
Elizabeth Savage	Non-Executive Director	
Vu Tran	Non-Executive Director	
Elisabeth Mannes	Non-Executive Director	Appointed 27 November 2023
Declan Sherman	Executive Director	Resigned 27 November 2023
Thomas Reardon	Executive Director	
Jane Prior	Company Secretary	

Principal Activity

The principal activities of the Group during the financial period were the provision of staffing, business services and operational services. Services provided by the Group include workforce management, recruiting, on-boarding, contracting, rostering, timesheet management, payroll, and workplace health and safety management.

There have been no significant changes in the nature of these activities during the period.

Review of operations and financial results

Overview

As flagged in August, and during PeopleIN's AGM in November, FY24 is proving to be a challenging year, with softening economic conditions, due in part to higher interest rates, and the significant decline in business confidence across multiple sectors.

The staffing industry is being directly impacted by this decline and several of our peers reported substantial reductions in their earnings in FY23, with further reductions in both revenue and profit in H1 FY24. PeopleIN delivered more than 8% organic growth in FY23, well above most of its competitors and in H1 FY24 delivered a record revenue performance, with an increase to $602.7 million, up 1% compared to the first half of FY23, reflecting the strength and effectiveness of its robust sales culture. However, PeopleIN is, of course, not immune to deteriorating wider economic conditions and has been impacted with many of its private clients reducing demand, especially for high-margin and permanent roles, and delaying investment decisions, including in health. PeopleIN's normalised EBITDA in H1 was $20,254,000 which is 37.69% down from H1 FY23 primarily due to a shift towards lower-margin work and a reduction in permanent recruitment. At PeopleIN we've also been driving efficiencies to realign our cost base and reduce overheads.

We expect the wider market downturn to be relatively short-lived, especially in health, and expect higher margin demand to start to improve in FY25. An improvement in business confidence, and continued low unemployment rate (less than 6%) as projected, will drive this improvement. The quality of our team, sector diversity, and strong cash position will enable PeopleIN to trade through this challenging economic climate and ensure that, when conditions improve, it can return to a strong organic growth footing. It has an experienced and commercial leadership team that is focused on revenue opportunities, sales, cash collection, and ensuring the business is running as efficiently as possible.

The Federal Government has proposed an Industrial Relations Reform Bill. This is a complex bill that is creating confusion for some. However, this Bill will likely create an opportunity for PeopleIN, as a large and reputable labour hire business, given it has the established infrastructure and capability to solve these types of complexity for its clients. Those that have limited internal human resources/industrial relations resources are particularly likely to require PeopleIN's services in this regard.

Directors' Report (cont.)
For the half year ended 31 December 2023

Review of operations and financial results (cont.)

The Pacific Australia Labour Mobility (PALM) Scheme represents an existing example of clients opting to use PeopleIN to source talent, rather than do so directly, due to the high level of complexity and numerous requirements of the scheme (even though this may cost them more). PeopleIN's Pacific workers are permanent employees and it continues to grow its participation in the PALM Scheme. PeopleIN has recently been approved to start recruiting PALM workers into the aged care sector further expanding its competitive advantage. It's also working with the Government on obtaining approval for the NDIS and early learning sectors as well. Medium to long-term PALM prospects are promising and a contributing factor to PeopleIN's confidence that organic growth will accelerate when business confidence improves.

Another exciting growth opportunity for the business is expansion into the Defence sector. PeopleIN is well placed to service this sector, given its sovereignty status and a large pool of candidates to deploy across Australia, including in regional areas as the Federal and US Governments look to increase their spending on infrastructure and capability acquisition in Australia.

Health and Community

PeopleIN continues to secure Government work, but higher margin private sector work was lower in Q1 as clients held on spending where possible. It did experience a small rebound on these hours in December, and in H1 it reduced operating costs via a restructure of the Health and Community business, converting to a national management structure in order to drive efficiency and optimise the employment of candidates.

Part of the restructure included improving its systems so that it's better able to pursue national tenders. PeopleIN also had an excellent response to its continuing You + AUS campaign, and now has a significant pipeline of international nursing candidates. Its NDIS business is performing well and there continues to be opportunity to expand this offering geographically.

The streamlining of its processes, and its advanced status in terms of international resources, mean PeopleIN is well positioned to support its clients as their investment confidence, and needs, increase again. It expects to start seeing improvements in FY25.

Professional Services

Professional Services has also been restructured to drive work-winning and cost efficiencies. Perigon and Halcyon Knights (HK) have been brought together under a common management team, a further benefit of which will be greater collaboration.

Decreased general business confidence has impacted permanent technology recruitment, particularly compared to H1 FY23 which was very strong.

Perigon, however, continues to perform above acquisition levels thanks to its diversity. Project Partners is growing and has secured a number of major national accounts that will also support Perigon and HK's growth.

We expect tough conditions to continue throughout H2 for professional services in general, and particularly in permanent recruitment, but predict the business will recover in FY25 as business confidence improves.

Industrial and Specialist Services

PeopleIN continues to win industrial work and, unlike many of its competitors, has grown its revenue in this sector.

The ISS division delivered record hours in H1 FY23. The subsequent drop in business confidence has impacted the higher margin and discretionary spending part of the division (non-operational high-volume businesses). The hospitality business has also been impacted by cost-of-living pressures (discretionary spend risk).

PeopleIN sales teams continue to utilise its strong market-positive brand and reliable sourcing strategies to win clients and grow market share. Meat and other food processing, as well as construction hours, continue to increase.

Furthermore, management has continued to drive cost efficiencies across the division.

Directors' Report (cont.)
For the half year ended 31 December 2023

Financial Results

The revenue of the Group for the financial period was $602,747,000 (Dec 2022: $596,626,000), representing an increase of 1%.

EBITDA and NPATA is how the board and management assess the performance of the Group. This is further adjusted by normalisation adjustments being non-recurring expenses and non-cash expenses including costs associated with acquisitions, fair value movement in equity investments and contingent consideration, costs of employee options and performance rights and the associated tax deduction of these expenses. The Directors believe that this presentation is useful to investors to understand the Group results and show how the Group would have performed had these types of transactions not occurred.

All normalisation adjustments in the calculation of the normalised NPAT and EBITDA are unaudited.

The following reconciles statutory profit before tax to EBITDA and normalised EBITDA.

	31 December 2023 $000	31 December 2022 $000
Statutory Profit Before Tax	**4,716**	**19,867**
Depreciation and amortisation	8,394	8,144
Finance costs	3,834	2,790
EBITDA	**16,944**	**30,801**
Normalisation adjustments:		
Performance rights costs	61	31
Transaction/Restructure costs	1,057	404
Write-off of receivables	2,500	-
Fair value movement in contingent consideration[1]	(2,720)	(641)
Share based payments expense	2,808	2,557
Non-controlling interests	(396)	(646)
Normalised EBITDA	**20,254**	**32,506**

[1] The contingent consideration will be cash settled except for Vision Surveys QLD of which 25% will be settled through the issue of shares. The fair value adjustments of the contingent consideration resulted in an overall gain on fair value. This primarily related to the Food Industry People Group acquisition, as the expected contingent consideration amount was significantly reduced due to a holdback payment no longer required to be paid.

The profit before income tax expense of the Group for the financial period was $4,716,000 (2022: $19,867,000). The profit of the Group for the financial period after providing for income tax amounted to $5,719,000 (2022: $14,414,000), representing a decrease of 60.32%.

Whilst total revenue has grown, there has been a decrease in profit from prior period. This can primarily be attributed to an increase in volume of lower margin roles, in particular strong growth in Food Industry People Group which attracts lower margins relative to the rest of the Group, and lower permanent placements as a result of a slow down in the technology sector.

Directors' Report (cont.)
For the half year ended 31 December 2023

Financial Results (cont.)

Normalised net profit after taxation and before amortisation (NPATA) which represents the statutory NPAT adjusted for costs associated with acquisitions, costs of employee options, fair value measurement in contingent consideration, write-off of historic receivables and performance rights and the associated tax deduction of these expenses and amortisation.

	31 December 2023 $000	31 December 2022 $000
Statutory NPAT	**5,719**	**14,414**
Performance rights costs	61	31
Transaction/Restructure costs	1,057	404
Write-off of receivables	2,500	-
Fair value movement in contingent consideration	(2,720)	(641)
Share based payments expense	2,808	2,557
Tax adjustment	12	81
Non-controlling interests	(396)	(646)
Normalised NPAT	**9,041**	**16,200**
Amortisation	4,620	4,589
Normalised NPATA	**13,661**	**20,789**

Operating cash flow was negative during the period resulting in $17,218,000 (Dec 2022: $19,516,000 positive) in net cash out flows from operating activities. This was adversely impacted by $9,068,000 of payments that missed the cut off for 30 June 2023 and abnormally high cash collections on 30 June 2023 ($14,010,000) due to it being a Friday. Additionally, the business model of Food Industry People Group requires a large volume of expenses to be paid upfront in relation to transporting candidates in country. With growth in this business this, has also decreased operating cashflows.

Capital expenditure on plant and equipment and intangibles (Software) of $4,626,000 (2022: $5,342,000) has decreased slightly due to lower growth in number of surveyors in Vision Surveys QLD business. $973,000 (Dec 2022: $1,700,000) related to Vision Surveys QLD and $2,995,000 (Dec 2022: $2,050,000) related to the systems upgrade. The outflow for purchase of subsidiaries relates to the settlement of contingent consideration.

Net inflows from financing activities of $11,766,000 (2022: $228,000) related to the net result of repayment of borrowings and the additional capital received during the period from additional commercial bills and drawdowns on our working capital facility to fund contingent consideration payments. Additionally, fully franked dividends totalling $6,559,000 were paid during the period (2022: $6,021,000).

The Group balance sheet has remained steady, with net assets at $162,193,000 (June 2023: $159,995,000). This is mainly reflective of retained earnings during the year.

PeopleIn Limited had $106,705,000 (excluding lease liabilities, June 2023: $85,442,000) in total borrowings at 31 December 2023 and $26,367,000 (June 2023: $39,868,000) in cash at 31 December 2023. The utilisation of PeopleIN's lending facilities increased during the half year with additional drawdowns of $22,484,000 on the working capital facility to fund the operating cash flow shortfall discussed above and $3,500,000 in commercial bills to fund contingent consideration payments. The net debt position at 31 December 2023 was $80,338,000 (June 2023: $45,575,000), excluding lease liabilities. The net debt (excluding leases) to normalised EBITDA (rolling twelve months) ratio was 1.65 times (June 2023: 0.75 times).

Directors' Report (cont.)
For the half year ended 31 December 2023

Future Prospects and Outlook

Challenging economic conditions, driven by high inflation and interest rates, will continue to impact PeopleIN, along with most businesses in Australia and globally in the short term. However, as interest rates start to decline and in turn business confidence improves, PeopleIN is well positioned to return to a growth footing due to the long-term demand for PeopleIN workers, its diversity and size, commitment to efficiency, as well as its dedicated staff and their pursuit of sales opportunities.

Risks

PeopleIN's economic performance and prospects are, of course, subject to risks which may impact the business including any continued downturn in the employment market, increase in competition, further change in the regulatory environment, reliance on key personnel, workplace health and safety, reliance on its industrial agreements, change in how on-costs or benefits are assessed for its employees and change in client circumstances or technology risks. PeopleIN assesses/reports on its key risks regularly, both as an executive team and at the board level, to ensure we have mitigation measures in place. The reporting depicts the risk, any mitigation measures and actions. The above risks are part of our business operations and therefore relevant controls are in place to ensure that the risk is reduced to within the risk appetite of the board.

PeopleIN also regularly considers the potential impact of global climate change on its business. Whilst PeopleIN is dedicated to improving its environmental impact wherever possible, including via Timberwolf's extensive land regeneration. There are no current short to medium-term, specific climate risks posing significant risks to operations.

Significant Changes in the State of Affairs

In September 2023, 104,604 shares were issued in settlement of contingent consideration relating to historical acquisitions.

In August, October and November 2023, 1,434,952 shares were issued due to the conditions attached to performance rights being satisfied. The shares were issued to numerous employees, including related entities of key management personnel of the Group.

There was an issue of 627,861 shares under the dividend reinvestment plan during the period.

There have been no other significant changes in the state of affairs during the financial year that could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

Events Arising Since the End of the Reporting Period

A dividend of 3.0 cents per share was declared on 26 February 2024.

There are no other significant matters or circumstances that have arisen since the end of the financial period that have significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future periods.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 9 and forms part of this Directors' Report.

Directors' Report (cont.)
For the half year ended 31 December 2023

Rounding of Amounts

The company is of a kind referred to ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with the instrument.

This report is signed in accordance with a resolution of the board of Directors of PeopleIn Limited.

Glen Richards
Chairman

Date: 26 February 2024

Auditor's Independence Declaration

Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 10, 12 Creek Street
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

DECLARATION OF INDEPENDENCE BY N I BATTERS TO THE DIRECTORS OF PEOPLEIN LIMITED

As lead auditor of PeopleIn Limited for the half-year ended 31 December 2023, 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 PeopleIn Limited and the entities it controlled during the period.

N I Batters
Director

BDO Audit Pty Ltd

Brisbane, 26 February 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 31 December 2023

	Note	Half year 31 December 2023 $000	 31 December 2022 $000
Revenue from contracts with customers and other revenue	**2**	602,747	596,626
Other income	**2**	2,788	671
Employee benefits expense		(569,864)	(548,838)
Occupancy expenses		(1,121)	(2,129)
Depreciation and amortisation expense		(8,394)	(8,144)
Other expenses	**2**	(17,704)	(15,635)
Finance costs		(3,834)	(2,790)
Share of profit of equity-accounted investees, net of tax		98	106
Profit before income tax expense		**4,716**	**19,867**
Income tax (expense) / benefit		1,003	(5,453)
Profit for the half year		**5,719**	**14,414**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations, net of tax		14	151
		14	151
Total comprehensive profit for the half year		**5,733**	**14,565**
Profit for the half year is attributable to:			
Owners of PeopleIn Limited		5,323	13,768
Non-controlling interests		396	646
		5,719	**14,414**
Total comprehensive profit for the half year is attributable to:			
Owners of PeopleIn Limited		5,337	13,919
Non-controlling interests		396	646
		5,733	**14,565**
Basic profit per share attributable to the shareholders of PeopleIn Limited			
Basic profit per share (cents per share)	**3**	5.18	13.75
Diluted profit per share attributable to the shareholders of PeopleIn Limited			
Diluted profit per share (cents per share)	**3**	5.06	13.39

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

Consolidated Statement of Financial Position
As at 31 December 2023

	Note	31 December 2023 $000	30 June 2023 $000
Current assets			
Cash and cash equivalents	**4**	26,367	39,868
Trade and other receivables	**6**	129,097	120,299
Current tax receivable		4,682	-
Other current assets		15,681	3,510
Total current assets		**175,827**	**163,677**
Non-current assets			
Trade and other receivables	**6**	124	224
Investment in joint venture		23	25
Property, plant and equipment		28,088	29,755
Intangible assets	**7**	201,622	203,187
Total non-current assets		**229,857**	**233,191**
Total assets		**405,684**	**396,868**
Current liabilities			
Trade and other payables		65,707	66,586
Contingent consideration	**13**	10,745	13,242
Financial liabilities	**8**	61,429	33,670
Current tax liabilities		-	853
Employee benefits		26,762	25,379
Total current liabilities		**164,643**	**139,730**
Non-current liabilities			
Contingent consideration	**13**	393	7,144
Financial liabilities	**8**	71,164	79,389
Deferred tax liabilities		6,076	9,285
Employee benefits		1,215	1,325
Total non-current liabilities		**78,848**	**97,143**
Total liabilities		**243,491**	**236,873**
Net assets		**162,193**	**159,995**
Equity			
Share capital	**9**	108,992	107,635
Retained earnings		36,281	38,084
Reserves		13,625	10,873
		158,898	156,592
Non-controlling interests		3,295	3,403
Total equity		**162,193**	**159,995**

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

Consolidated Statement of Cash Flows
For the half-year ended 31 December 2023

	Note	Half year 31 December 2023 $000	31 December 2022 $000
Cash flows from operating activities			
Receipts from customers		654,797	637,815
Payments to suppliers and employees		(660,979)	(613,515)
Interest received		69	22
Finance costs paid		(3,365)	(1,301)
Income taxes paid		(7,740)	(3,505)
Net cash provided by (used in) operating activities	4(a)	**(17,218)**	**19,516**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		5	9
Purchase of property, plant and equipment		(1,558)	(3,088)
Purchase of intangible assets		(3,068)	(2,344)
Payment of contingent consideration for acquisition of subsidiaries	5	(3,813)	(5,040)
Payments to equity accounted investments loan		270	(318)
Proceeds from disposal of subsidiaries (net of cash disposed)		-	111
Dividends received from equity accounted investments		101	50
Net cash (used in) investing activities		**(8,063)**	**(10,620)**
Cash flows from financing activities			
Proceeds from borrowings	4(c)	25,982	12,907
Repayments of borrowings	4(c)	(4,720)	(3,560)
Repayment of lease liabilities	4(c)	(2,937)	(3,097)
Dividends paid		(6,559)	(6,021)
Net cash provided by / (used in) financing activities		**11,766**	**229**
Net change in cash and cash equivalents held		**(13,515)**	**9,125**
Effects of foreign exchange on cash		14	148
Cash and cash equivalents at the beginning of the half year		39,868	26,977
Cash and cash equivalents at end of the half year		**26,367**	**36,250**

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

Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2023

	Share Capital $000	Retained earnings $000	Share options reserve $000	Foreign currency reserve $000	Other reserve $000	Total Equity $000	Non-controlling interests $000	Total Equity $000
Balance at 1 July 2022	**101,534**	**32,756**	**5,480**	**(83)**	**70**	**139,757**	**2,594**	**142,351**
Comprehensive Income								
Profit for the half year	-	13,768	-	-	-	13,768	646	14,414
Other comprehensive income, net of tax	-	-	-	151	-	151	-	151
Total comprehensive income for the half year	**-**	**13,768**	**-**	**151**	**-**	**13,919**	**646**	**14,565**
Transfer from reserves								
Transactions with owners in their capacity as owners								
Employee share-based payment options	-	-	2,557	-	-	2,557	-	2,557
Contingent consideration equity settled	4,456	-	-	-	-	4,456	-	4,456
Dividends paid	-	(6,537)	-	-	-	(6,537)	(362)	(6,899)
Dividends reinvested	879	-	-	-	-	879	-	879
	5,335	(6,537)	2,557	-	-	1,355	(362)	993
Balance at 31 December 2022	**106,869**	**39,987**	**8,037**	**68**	**70**	**155,031**	**2,878**	**157,909**

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

Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2023

	Share Capital $000	Retained earnings $000	Share options reserve $000	Foreign currency reserve $000	Other reserve $000	Total Equity $000	Non-controlling interests $000	Total Equity $000
Balance at 1 July 2023	107,635	38,084	10,765	38	70	156,592	3,403	159,995
Comprehensive Income								
Profit for the half year	-	5,323	-	-	-	5,323	396	5,719
Other comprehensive income, net of tax	-	-	-	14	-	14	-	14
Total comprehensive income for the half year	**-**	**5,323**	**-**	**14**	**-**	**5,337**	**396**	**5,733**
Transactions with owners in their capacity as owners								
Transfer from reserves	-	70	-	-	(70)	-		-
Employee share-based payment options	-	-	2,808	-	-	2,808	-	2,808
Contingent consideration equity settled (Refer to Note 9)	214	-	-	-	-	214	-	214
Dividends paid (Refer to Note 9)	-	(7,196)	-	-	-	(7,196)	(504)	(7,700)
Dividends reinvested	1,143	-	-	-	-	1,143	-	1,143
	1,357	(7,126)	2,808	-	(70)	(3,031)	(504)	(3,535)
Balance at 31 December 2023	**108,992**	**36,281**	**13,573**	**52**	**-**	**158,898**	**3, 295**	**162,193**

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

Notes to the Financial Statements for the half-year ended 31 December 2023

Corporate information

These consolidated interim financial statements as at and for the six months ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the 'Group'). They have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001.*

PeopleIn Limited is a Public Company, incorporated and domiciled in Australia.

Basis of preparation

These half year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial statements. Accordingly, these half year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2023 and any public announcements made by PeopleIn Limited during the half year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Note that during the half year ended 31 December 2023, the Group has applied the ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the directors' report and financial report. This was not applied for the year ended 30 June 2023.

New standards, interpretations and amendments adopted by the Group

The same accounting policies and methods of computation have generally been followed in these half year financial statements as compared with the most recent annual financial statements. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The adoption of any new and revised Standards and Interpretations did not have any material impact on the amounts recognised in the financial statements of the Group for the current or prior periods.

Key judgements and estimates

The preparation of the interim financial report required management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported assets and liabilities, income and expenses. The significant judgements made by management in applying Group accounting policies were same as those applied to the annual financial report for the year ended 30 June 2023. Judgements and estimates which are material to the interim financial report relate to:

Note 5: Acquisition of subsidiaries / Intangible assets	Page 21
Note 6: Trade and other receivables	Page 22
Note 10: Share based payments	Page 27
Note 13: Contingent consideration	Page 33

The notes to the financial statements

The notes include information which is required to understand the financial statements and is material and relevant to the operations, financial position and performance of the Group. Information is considered relevant and material if for example:

- the amount in question is significant because of its size or nature;
- it is important for understanding the results of the Group;
- it helps to explain the impact of significant changes in the Group's business for example, acquisitions and impairment write-downs; or
- it is related to an aspect of the Group's operations that is important to its future performance.

Notes to the Financial Statements for the half-year ended 31 December 2023

Note 1: Segment Reporting

AASB 8 Operating Segments

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker to allocate resources to the segment and to assess their performance. As a result, the Group segments the business into three divisions, Industrial and Specialist Services, Professional Services and Health and Community. There is no material difference between the segmentation of the Group's turnover by division. The Group's operations comprise one class of business, that of qualified, professional and skilled recruitment. The Group's CEO, which is regarded as the chief operating decision maker, uses Earnings before Tax, Interest, Depreciation and Amortisation (EBITDA) by segment as its measure of profit in internal reports, rather than net profit after tax (NPAT). The Group's CEO considers EBITDA for the purpose of making decisions about allocating resources. The Group does not report items below EBITDA by segment in its internal management reporting. The full detail of these items can be seen in the Group Consolidated Statement of Profit or Loss and Other Comprehensive Income on page 10.

	Revenue		EBITDA	
	31 December 2023 $000	31 December 2022 $000	31 December 2023 $000	31 December 2022 $000
	H1 FY24	H1 FY23	H1FY24	H1 FY23
Industrial and Specialist Services	459,972	434,104	11,471	20,678
Health and Community	72,281	77,126	3,427	5,724
Professional Services	70,494	85,393	3,183	8,209
Unallocated	-	3	(1,137)	(3,810)
Total	602,747	596,626	16,944	30,801

There is an increase in revenue and a reduction in EBITDA in Industrial and Specialist Services. This is as a result of increased volume in lower margin roles, especially growth in Food Industry People Group which attracts lower margins, and one off write-off of historic costs that have been recouped from previous owners (reflected in fair value gain on contingent consideration that is included under unallocated). Health and Community have seen a decline in revenue and EBITDA as a result of a decline in hours year on year and lower margin work. Professional services has seen a decline in revenue and EBITDA primarily due to a decrease in demand for permanent recruitment in the technology business. Unallocated relates to holding and head companies and the administration company which encompasses the fair value adjustments to contingent consideration and costs of the corporate services function.

Reconciliation of EBITDA to Statutory Profit after tax

	31 December 2023 $000	31 December 2022 $000
EBITDA	**16,944**	**30,801**
Income tax expense	1,003	(5,453)
Depreciation and amortisation	(8,394)	(8,144)
Finance costs	(3,834)	(2,790)
Statutory profit after tax	5,719	14,414

Net trade receivables

For the purpose of monitoring performance and allocating resources from a balance sheet perspective, the Group's CEO monitors trade receivables net of provisions for impairments only on a segment by segment basis. These are monitored on a constant currency basis for comparability through the year. These are shown below and reconciled to the totals as shown in note 6. The increase in net trade receivables in relation to Industrial and Specialist Services is due to revenue growth, in particular driven by Food Industry People Group.

Notes to the Financial Statements for the half-year ended 31 December 2023

Note 1: Segment Reporting (cont.)

	Net trade receivables	
	31 December 2023	**30 June 2023**
	$000	**$000**
Industrial and Specialist Services	82,818	65,089
Health and Community	11,162	10,008
Professional Services	11,417	14,326
Unallocated	-	18
Total	**105,397**	**89,441**

Note 2: Profit or loss information

Revenue and other revenue

	Half year	
	31 December 2023	**31 December 2022**
	$000	**$000**
Revenue from contracts with customers		
Recognised/measured at a point in time		
Contract hire revenue	571,493	552,497
Planting revenue	2,418	2,483
Facilities maintenance revenue	8,963	9,069
Recruitment revenue	12,903	21,396
Consultancy and other sales revenue	1,465	3,037
	597,242	**588,482**
Recognised over time		
Facilities project maintenance revenue	4,782	5,967
Total revenue from contracts with customers	**602,024**	**594,449**
Other revenue		
Government subsidies	723	2,177
Total other revenue	**723**	**2,177**
Total revenue and other revenue	**602,747**	**596,626**

Revenue for the half year ended 31 December 2023 is $602,747,000 compared to $596,626,000 in prior half-year. The increase predominantly relates to growth in Food Industry People Group. Permanent recruitment decreased significantly as a result of a slow down in technology business.

Notes to the Financial Statements for the half-year ended 31 December 2023

Note 2: Profit or loss information (cont.)

Other Income

	Half year	
	31 December 2023 $000	31 December 2022 $000
Other income		
Rental income	-	7
Interest revenue – third parties	68	22
Net gain on fair value of contingent consideration [1]	2,720	642
Total other income	**2,788**	**671**

[1] The contingent consideration will be cash settled except for Vision Surveys QLD of which 25% will be settled through issue of shares. The fair value adjustments of the contingent consideration resulted in an overall gain on fair value. This primarily related to Food Industry People Group acquisition, as the expected contingent consideration amount was significantly reduced due to a holdback payment no longer required to be paid.

Expenditure

Total expenditure has increased from $577,536,000 to $603,416,000. These have increased at a greater rate than revenue as a result of growth in lower margin roles as discussed above.

	Half year	
Other expenses include:	31 December 2023 $000	31 December 2022 $000
Impairment of receivables	(107)	866
Net loss on disposal of property, plant and equipment	185	3
Write-off of receivables	2,500	-

Note 3: Earnings per share

	Half year	
	31 December 2023 $000	31 December 2022 $000
Profit attributable to the shareholders of PeopleIn Limited:		
Profit for the half year	5,323	13,768
Weighted average number of ordinary shares used in the calculation of basic profit per share	102,797,817	100,151,918
Adjustments for calculation of diluted earnings per share:		
Options and performance rights	2,385,681	2,699,215
Weighted average number of ordinary shares used in the calculation of diluted profit per share	105,183,498	102,851,133

Notes to the Financial Statements for the half-year ended 31 December 2023

Note 4: Cash and cash equivalents

	31 December 2023 $000	30 June 2023 $000
Cash on hand	1	1
Cash at bank	26,366	39,867
	26,367	**39,868**

Reconciliation of Cash

The above figures are reconciled to the cash at the end of the financial period as shown in the consolidated statement of cashflows as follows:

Cash at bank and in hand	**26,367**	**39,868**

Cash flow information

	Half year 31 December 2023 $000	31 December 2022 $000
(a) Reconciliation of cash flow from operations with profit/(loss) after income tax		
Profit after income tax	5,719	14,414
Non-cash flows in profit:		
Depreciation and amortisation	8,394	8,144
Impairment of receivables	(107)	866
Net (gain)/loss on disposal of property, plant and equipment	185	3
Write-off of receivables	2,500	-
Net gain on fair value of contingent consideration	(2,720)	(641)
Share of profit of equity-accounted investees, net of tax	(98)	(106)
Share based payments expense	2,808	2,557
Changes in assets and liabilities:		
Change in trade and other receivables	(8,860)	(17,656)
Change in other assets	(12,158)	(3,401)
Change in trade and other payables	(410)	7,923
Change in income taxes payable	(5,535)	1,335
Change in deferred taxes payable	(3,208)	613
Change in employee benefits	1,272	5,465
Net cash provided by (used in) operating activities	**(17,218)**	**19,516**

Notes to the Financial Statements for the half-year ended 31 December 2023

Note 4: Cash and cash equivalents (cont.)

Cash flow information (cont.)

(b) Non-cash financing and investing activities

Non-cash acquisitions of plant and equipment through leases of nil (2022: $nil) occurred during the period.
Dividends satisfied by the issue of shares under the dividend reinvestment plan – see note 9.
Options and shares issued to employees under the employee options plan and employee share scheme for no cash consideration – see note 9.
Settlement of acquisitions and contingent consideration through issuance of shares – see note 9.

(c) Cash and Non-Cash Movements in Liabilities arising from Financing Activities

The following table reconciles the cash and non-cash movements in liabilities arising from financing activities.

			Non-cash changes		
	1 July 2023	Net cash flows	Net new leases and disposal of leased assets	On Acquisition	31 December 2023
Financial liabilities	**$000**	**$000**	**$000**	**$000**	**$000**
Credit cards	43	(6)	-	-	37
Working capital facility	19,622	22,484	-	-	42,106
Commercial bills	65,778	(1,216)	-	-	64,562
Lease liabilities	27,616	(2,937)	1,209	-	25,888
	113,059	**18,325**	**1,209**	**-**	**132,593**

			Non-cash changes		
	1 July 2022	Net cash flows	Net new leases and disposal of leased assets	On Acquisition	31 December 2022
Financial liabilities	**$000**	**$000**	**$000**	**$000**	**$000**
Credit cards	141	(60)	-	-	81
Working capital facility	25,504	12,907	-	-	38,411
Commercial bills	72,722	(3,500)	-	-	69,222
Lease liabilities	13,174	(3,097)	15,536	-	25,613
	111,541	**6,250**	**15,536**	**-**	**133,327**

Notes to the Financial Statements for the half-year ended 31 December 2023

Note 5: Acquisition of subsidiaries

Summary of cashflows of acquisitions

	31 December 2023 $000	31 December 2022 $000
Cash paid for subsidiaries acquired		
Visions Surveys QLD Pty Ltd	(696)	(1,425)
Food Industry People Group	(3,117)	(3,615)
Total cash paid for subsidiaries acquired	**(3,813)**	**(5,040)**

The cashflows for Vision Surveys QLD Pty Ltd and Food Industry People Group relate to the payment of contingent consideration made under the original contract.

Key judgements and estimations

Management uses valuation techniques in determining the fair values of the various elements of a business combination. Particularly, the fair value of contingent consideration is dependent on the outcome of many variables that affect future profitability.

Notes to the Financial Statements for the half-year ended 31 December 2023

Note 6: Trade and other receivables

	31 December 2023 $000	30 June 2023 $000
Current		
Trade receivables	106,438	91,212
Allowance for impairment of receivables	(1,041)	(1,771)
	105,397	89,441
Contract assets	17,244	21,910
PALM candidate receivables[1]	5,794	8,437
Other debtors	662	511
	129,097	**120,299**
Non-Current		
Trade receivables	124	224
	124	**224**

1 Movement from 30 June 2023 includes impact of write-offs as disclosed in note 2. This resulted from a reconciliation of historic balances.

Key judgements and estimates

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the loss allowance calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Movement in provision for expected credit loss

	31 December 2023 $000	30 June 2023 $000
Opening balance	**(1,771)**	**(992)**
Charge for the year	107	(940)
Amounts written off	623	161
Closing balance	**(1,041)**	**(1,771)**

Credit Risk

The loss allowance as at 31 December 2023 was determined as follows for trade receivables:

31 December 2023	Expected loss rate %	Gross Carrying Amount $000	Loss allowance $000
Not more than 4 months	-	105,136	356
More than 4 months but not more than 6 months	45%	536	241
More than 6 months but not more than 1 year	45%	517	233
More than 1 year	85%	249	211
		106,438	**1,041**
30 June 2023			
Not past due	-	89,498	782
Not more than 6 months past due date	45%	646	291
More than 6 months but not more than 1 year	45%	521	234
More than 1 year past due	85%	546	464
		91,211	**1,771**

The decrease in the provision for expected credit loss is reflective of the decrease in the aged debtors and the resolution/write-off of several debtors that were specifically provided for. The provision as a percentage of gross trade receivables is 0.98% (June 2023: 1.94%). There have been no receivables which have been identified at 31 December as in jeopardy however we have provided based on our group provisioning policy in line with AASB 9.

Notes to the Financial Statements for the half-year ended 31 December 2023

Note 7: Intangible assets

	31 December 2023 $000	30 June 2023 $000
Goodwill – at cost	**149,399**	**149,399**
Brand names – at cost	**21,867**	**21,867**
Customer relationships		
Cost	45,737	45,737
Accumulated amortisation	(26,452)	(22,478)
	19,285	**23,259**
Candidate database		
Cost	5,789	5,789
Accumulated amortisation	(4,604)	(4,198)
	1,185	**1,591**
Mobile application software		
Cost	-	458
Accumulated amortisation	-	(458)
	-	**-**
Website		
Cost	93	88
Accumulated amortisation	(61)	(55)
	32	**33**
Software		
Cost	11,829	9,103
Accumulated amortisation	(2,006)	(2,099)
	9,823	**7,004**
Patents and trademarks		
Cost	52	53
Accumulated amortisation	(21)	(19)
	31	**34**
Total intangible assets	**201,622**	**203,187**

Notes to the Financial Statements for the half-year ended 31 December 2023

Note 7: Intangible assets (cont.)

31 December 2023	**Goodwill**	**Brand names**	**Customer relationships**	**Candidate database**	**Mobile application software**	**Website**	**Software**	**Patents and trademarks**	**Total**
	$000	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**
Balance at 1 July 2023	149,399	21,867	23,259	1,591	-	34	7,004	33	203,187
Foreign exchange movements	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	4	3,064	-	3,068
Disposals	-	-	-	-	-	-	(12)	(2)	(14)
Amortisation expense	-	-	(3,974)	(406)	-	(6)	(233)	-	(4,619)
Balance at 31 December 2023	149,399	21,867	19,285	1,185	-	32	9,823	31	201,622

30 June 2023	**Goodwill**	**Brand names**	**Customer relationships**	**Candidate database**	**Mobile application software**	**Website**	**Software**	**Patents and trademarks**	**Total**
	$000	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**
Balance at 1 July 2022	143,700	21,867	31,277	2,488	37	33	2,594	26	202,022
Adjustments to business combinations	5,699	-	-	-	-	-	-	-	5,699
Restated Balance at 1 July 2022	149,399	21,867	31,277	2,488	37	33	2,594	26	207,721
Additions	-	-	-	-	-	71	4,715	7	4,793
Disposals	-	-	-	-	-	(17)	(97)	-	(114)
Amortisation expense	-	-	(8,018)	(897)	(37)	(53)	(208)	-	(9,213)
Balance at 30 June 2023	**149,399**	**21,867**	**23,259**	**1,591**	**-**	**34**	**7,004**	**33**	**203,187**

Notes to the Financial Statements for the half-year ended 31 December 2023

Note 8: Financial liabilities

	31 December 2023 $000	30 June 2023 $000
Current		
Credit cards	37	43
Working capital facility	42,106	19,622
Commercial bills	13,853	8,267
Lease liabilities	5,433	5,738
Total current financial liabilities	**61,429**	**33,670**
Non-current		
Commercial bills	50,709	57,510
Lease liabilities	20,455	21,879
Total non-current financial liabilities	**71,164**	**79,389**
Total financial liabilities including leases	**132,593**	**113,059**

Facilities

31 December 2023	**Available facility $000**	**Facility used $000**	**Remaining Facility $000**
Credit cards	603	37	566
Asset Finance	1,200	-	1,200
Working capital facility	63,000	42,106	20,894
Commercial bills	72,331	64,562	7,769
	137,134	**106,705**	**30,429**

30 June 2023	**Available facility $000**	**Facility used $000**	**Remaining Facility $000**
Credit cards	807	42	765
Asset Finance	1,200	-	1,200
Working capital facility	63,000	19,622	43,378
Commercial bills	65,778	65,778	-
	130,785	**85,442**	**45,343**

There has been an increase in the commercial bills facility to fund contingent consideration payments.

Security

St George Bank provided the above facilities and as a result has first registered general security over the assets and undertaking of the Group.

Covenants

The following covenants have been imposed by St George Bank:

- Interest Cover Ratio – not less than 2.5 times;
- Financial Debt/EBITDA Ratio – less than 3.0 times.
- Dividend cap no greater than 70% of NPATA unless bank consent is provided.

These covenants were not breached during the reporting period.

Notes to the Financial Statements for the half-year ended 31 December 2023

Note 9: Share capital

	31 December 2023 $000	30 June 2023 $000
103,723,568 (30 June 2023: 101,556,151) fully paid ordinary shares	108,992	107,635

Ordinary Shares

	31 December 2023 Number	30 June 2023 Number	31 December 2023 $000	30 June 2023 $000
At the beginning of the period	101,556,151	98,755,023	107,635	101,534
Dividends reinvested [1]	627,861	528,913	1,143	1,644
Issue of shares on vesting of options [2]	1,434,952	1,031,885	-	-
Contingent consideration equity settled[3]	104,604	1,240,330	214	4,457
Equity settled acquisition	-	-	-	-
At reporting date	**103,723,568**	**101,556,151**	**108,992**	**107,635**

[1] Dividends reinvested 29 September 2023 (June 2023: 30 September 2022 and 24 March 2023).
[2] Issue of shares on vesting of options 1 August 2023, 31 August 2023, 31 October 2023 and 30 November 2023 (June 2023: 01 August 2022, 31 August 2022, 07 November 2022, 01 December 2022, 24 January 2023, 01 March 2023, 03 May 2023).
[3] Issue of ordinary shares 31 August 2023 as settlement of contingent consideration surrounding the acquisition Vision Surveys (June 2023: 1 September 2022).

Dividends

	Half Year	
	31 December 2023 $000	31 December 2022 $000
Dividends provided for or paid during the half year		
Final fully franked dividend relating to 30 June 2023 of 7.0 cents per share (2022: 6.5 cents) paid on 29 September 2023	7,196	6,537
Dividends satisfied by the issue of shares under the dividend reinvestment plan during the year	1,143	879
Dividends not recognised at the end of the reporting period		
Since period end the Directors have recommended the payment of an interim dividend of 3.0 cents per fully paid ordinary share. The aggregate amount of the proposed dividend expected to be paid on 4 April 2024 out of retained earnings at 31 December 2023, but not recognised as a liability at period end, is:	3,112	7,072
Franked dividends		
The interim dividend recommended after 31 December 2023 will be fully franked out of existing franking credits, or out of franking credits arising from the payment of income tax in the year ending 30 June 2023.		
Franking credits available for subsequent reporting periods based on a tax rate of 30%	32,693	25,732

Notes to the Financial Statements for the half-year ended 31 December 2023

Note 10: Share-based payments

The following share-based payment arrangements existed at 31 December 2023.

Shares

During the half year ended 31 December 2023, 1,434,952 (2022: 769,655) shares were issued to Directors and employees via the People Infrastructure employee share trust as a result of performance rights and options achieving their conditions and being eligible for exercising. The weighted average shares price at the exercise date was $1.93 (December 2022: $3.56).

Since 3 August 2021, share based payments are being administered by the People Infrastructure employee share trust. Under the terms of the trust deed, PeopleIn Limited is required to provide the trust with the necessary funding for the acquisition of the shares at the time of the issue of shares. No shares were held by the trust as at 31 December 2023.

Options and Performance Rights

The following summarised the options and performance rights granted under the plan.

31 December 2023	**Performance Rights**	**Options**	**Weighted average exercise price**
	No.	**No.**	**$**
Outstanding at beginning of the period	2,865,778	343,170	0.15
Exercised	(1,434,952)	-	-
Forfeited	(29,115)	-	-
Granted	675,261	-	-
Outstanding at year-end	2,076,972	343,170	0.18
Exercisable at year-end	-	343,170	0.13

30 June 2023	**Performance Rights**	**Options**	**Weighted average exercise price**
	No.	**No.**	**$**
Outstanding at beginning of the period	2,020,784	343,170	0.19
Exercised	(1,031,885)	-	-
Forfeited	(44,346)	-	-
Granted	1,921,225	-	-
Outstanding at year-end	2,865,778	343,170	0.15
Exercisable at year-end	-	343,170	0.11

No options or performance rights expired during the periods covered by the above tables.

Under the Group remuneration scheme the majority of the performance rights are granted in August of each year under the annual scheme. There will be further grants of performance rights in the next half of the year, however, not to the same extent.

Notes to the Financial Statements for the half-year ended 31 December 2023

Note 10: Share-based payments (cont.)

Unissued ordinary shares of PeopleIn Limited under option/performance rights (PR) at the end of the reporting period are:

	Date granted	Expiry date	Exercise price of shares	Number 31 December 2023	Number 30 June 2023
Options					
Tranche 4	11 June 2021	11 July 2026	$4.37	343,170	343,170
Total Options				**343,170**	**343,170**
Performance Rights					
Tranche 9	28 October 2019	26 November 2023	$0.00	-	16,668
Tranche 10 – KMP	26 November 2019	26 November 2023	$0.00	-	15,716
Tranche 12	30 July 2020	30 July 2024	$0.00	21,000	42,000
Tranche 24	11 June 2021	31 August 2026	$0.00	343,170	343,170
Tranche 26 – KMP	31 August 2021	31 August 2023	$0.00	-	8,810
Tranche 28	31 August 2021	31 August 2023	$0.00	-	74,095
Tranche 30, 33[1]	31 August 2021	31 August 2024	$0.00	-	58,785
Tranche 37 – KMP	1 November 2021	1 November 2024	$0.00	200,000	200,000
Tranche 38 – KMP	1 November 2021	22 November 2023	$0.00	-	46,688
Tranche 41	24 January 2022	31 August 2024	$0.00	19,416	29,126
Tranche 44, 45	1 March 2022	1 March 2024	$0.00	86,061	86,061
Tranche 46	1 March 2022	1 March 2025	$0.00	25,381	25,381
Tranche 48	1 April 2022	1 April 2024	$0.00	12,853	12,853
Tranche 52, 59, 61, 63, 66	7 September 2022	31 August 2023	$0.00	-	279,395
Tranche 54, 64	7 September 2022	31 August 2024	$0.00	25,240	309,528
Tranche 65	07 September 2022	31 August 2024	$0.00	15,790	39,474
Tranche 60	14 September 2022	31 August 2023	$0.00	-	19,737
Tranche 53, 55, 56	14 September 2022	31 August 2024	$0.00	230,263	411,184
Tranche 57	31 August 2022	31 August 2023	$0.00	-	24,671
Tranche 58, 62	31 August 2022	31 August 2023	$0.00	-	195,723
Tranche 67	31 October 2022	31 October 2023	$0.00	-	132,044
Tranche 68	31 October 2022	31 October 2024	$0.00	31,056	31,056
Tranche 69 – KMP	31 October 2022	25 October 2025	$0.00	50,000	50,000
Tranche 70 – KMP	30 November 2022	30 November 2024	$0.00	32,895	82,237
Tranche 71, 72, 74	28 February 2023	28 February 2024	$0.00	155,910	160,718
Tranche 73	28 February 2023	31 October 2023	$0.00	-	17,982
Tranche 75, 77	30 April 2023	30 April 2024	$0.00	139,921	139,921
Tranche 76	30 April 2023	28 February 2024	$0.00	12,755	12,755
Tranche 78 - 84	31 August 2023	31 August 2024	$0.00	334,431	-
Tranche 85 - KMP	31 August 2023	31 August 2026	$0.00	100,000	-
Tranche 86	31 August 2023	28 February 2024	$0.00	2,168	-
Tranche 87	31 October 2023	31 October 2024	$0.00	15,228	-
Tranche 88 - KMP	30 November 2023	30 November 2026	$0.00	51,020	-
Tranche 89 – 90 - KMP	30 November 2023	30 November 2025	$0.00	172,414	-
Total Performance Rights				**2,076,972**	**2,865,778**
Total under option and performance rights				**2,420,142**	**3,208,948**

1 The board approved the accelerated vesting of these tranches.

Notes to the Financial Statements for the half-year ended 31 December 2023

Note 10: Share-based payments (cont.)

Terms and Conditions of options and performance rights

During the reporting period tranche 78 to 90 were granted. The conditions around these are as follows:

Performance Rights – Tranche 78 to 84, 86 to 87 and 89 to 90

These Performance Rights only have the condition to remain employed. They have been awarded based on the employees satisfying performance criteria during the financial year ended 30 June 2023 and during the half year period. They have a 1 to 2 year vesting period. The purpose of the award is two-fold in that it rewards for performance which has already occurred and also as a retention strategy. Tranche 87 is in relation to the employees opting to receive during the vesting period a reduced cash component of their remuneration in lieu of performance rights.

Performance Rights – Tranche 85

These Performance Rights vest on the 31 August 2026. 50% of the Performance Rights will vest in 3 years on achieving a 10% Total Shareholder Return Compound Annual Growth Rate and the other 50% will vest in three years on achieving a 15% Total Shareholder Return Compound Annual Growth Rate. Additionally, in order to have their Performance Rights vest, the relevant participant must remain employed by PeopleIn Limited at the time of vesting.

Performance Rights – Tranche 88

These Performance Rights vest on the 30 November 2026. 50% of the Performance Rights will vest in 3 years on achieving a 10% Total Shareholder Return Compound Annual Growth Rate and the other 50% will vest in three years on achieving a 10% EPS Compound Annual Growth Rate. Additionally, in order to have their Performance Rights vest, the relevant participant must remain employed by PeopleIn Limited at the time of vesting.

Notes to the Financial Statements for the half-year ended 31 December 2023

Note 10: Share-based payments (cont.)

Fair value of performance rights granted

The assessed fair value at granted date of performance rights granted during the period ended 31 December 2023 are disclosed in the table below. The fair value at grant date is based on the share price at the grant date given the only condition is to remain employed. For Tranche 85 and 88 an independently determined valuation and a Monte Carlo simulation has been adopted to assess market vesting conditions. These models takes into account the exercise price, the term of the performance right, the impact of dilution (where material), the share price at grant date and expected price volatility of the underling share, the expected dividend yield, the risk-free interest rate for the term of the option and the correlations and volatilities of the peer group companies.

The principal assumptions used in the valuation were:

	Grant date	Issue date	Number of options	Vesting period end	Share price at grant date	Volatility	Performance/Option life	Dividend yield	Fair value at grant date	Exercise price at grant date	Exercisable from	Exercisable to
Tranche 78 - 84	31/08/2023	31/08/2024	334,431	100% 31/08/2024	$2.05	n/a	1 year	n/a	$2.32	$0.00	At end of each vesting period	30 days after the exercise date
Tranche 85 - KMP	31/08/2023	31/08/2026	100,000	100% 31/08/2026	$2.05	37%	3 years	6.8%	50% $0.84 and 50% $0.69	$0.00	At end of each vesting period	30 days after the exercise date
Tranche 86	31/08/2023	28/02/2024	2,168	100% 28/02/2024	$1.51	n/a	6 months	n/a	$3.12	$0.00	At end of each vesting period	30 days after the exercise date
Tranche 87	31/10/2023	31/10/2024	15,228	100% 31/10/2024	$1.51	n/a	1 year	n/a	$1.97	$0.00	At end of each vesting period	30 days after the exercise date
Tranche 88 - KMP	30/11/2023	30/11/2026	51,020	100% 30/11/2026	$1.26	38.9%	3 years	5.56%	50% $0.56 and 50% $1.07	$0.00	At end of each vesting period	30 days after the exercise date
Tranche 89 – 90 - KMP	30/11/2023	30/11/2025	172,414	100% 30/11/2025	$1.26	n/a	2 years	n/a	$2.32	$0.00	At end of each vesting period	30 days after the exercise date

Notes to the Financial Statements for the half-year ended 31 December 2023

Note 10: Share-based payments (cont.)

Expenses arising from share based payment transactions

Total expenses arising from share based payment transactions recognised during the period as a part of employee benefit expenses were as follows:

	Half Year	
	31 December 2023 $000	**31 December 2022 $000**
Options and performance rights issued under employee share plan	2,808	2,557

These amounts have been recognised in equity in the Consolidated Statement of Financial Position as follows:

	31 December 2023 $000	**30 June 2023 $000**
Share capital	-	-
Share based payment reserve	13,573	10,764

Key estimates

The Group uses estimates to determine the fair value of equity instruments issued to Directors, executives and employees. The estimates include volatility, risk free rates and consideration of satisfaction of performance criteria for recipients of equity instruments. Options were issued as outlined above and the cost of these rights represents the valuation and the accounting impact of prior issuances and determinations remains unchanged.

Note 11: Contingent assets and contingent liabilities

The Group has no contingent assets and no contingent liabilities other than contingent consideration.

Notes to the Financial Statements for the half-year ended 31 December 2023

Note 12: Related party transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Parent entity

The parent entity is PeopleIn Limited, which is incorporated in Australia.

Subsidiaries

No new entities have entered the group during the reporting period.

There have been no entities leave the group during the reporting period.

There were no other significant changes to the group during the reporting period.

Other related party transactions

The following related party transactions occurred with entities related to key management personnel:

31 December 2023	Shares Issued – On Market	Shares Issued – Exercise of Options / Performance Rights [1]	Shares Disposed	Options or Performance Rights Issued
Directors				
Glen Richards [2]	384,084	-	-	-
Elizabeth Savage [3]	5,034	-	-	-
Vu Tran [4]	30,000	-	-	-
Elisabeth Mannes	-	-	-	-
Thomas Reardon [5]	250,000	96,030	-	172,414
Senior Executives				
Ross Thompson (CEO)	-	-	-	100,000
Adam Leake (CFO) [6]	9,069	-	-	51,020

[1] These shares were issued as a result of performance rights meeting their conditions.
[2] These shares were an on-market share purchase on 12 December 2023.
[3] These shares were issued as a result of participating in the dividend reinvestment plan.
[4] These shares were an on-market share purchase on 29 August 2023.
[5] These shares were an on-market share purchase on 13 December 2023.
[6] These shares were an on-market share purchase on 14 December 2023.

Other Transactions with Key Management Personnel

The Group provides recruitment and advisory services to Healthia Limited, an entity associated with Glen Richards. The Group received $25,000 (Dec 2022: $143,000) from recruitment and advisory services which has been recognised as revenue. Nil was receivable at half year end (Dec 2022: $45,000).

The Group utilises the online learning platform provided by GO1 Pty Ltd, an entity associated with Vu Tran. The Group made payments of $54,000 to GO1 Pty Ltd during the period (Dec 2022: $54,000) which has been recognised in other expenses. No amount was payable at year end (Dec 22: nil).

There were no other transactions with other related parties during the period.

Notes to the Financial Statements for the half-year ended 31 December 2023

Note 13: Fair value measurement

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

AASB 13 Fair Value Measurement: Disclosures requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The carrying value of a significant portion of all financial assets and financial liabilities approximate their fair values due to their short-term nature and for borrowings with longer terms as a result of them having floating interest rates.

Financial Liabilities at fair value through the profit or loss

	Level 1	Level 2	Level 3
31 December 2023	**$000**	**$000**	**$000**
Contingent consideration	-	-	11,138
Total Financial Liabilities	**-**	**-**	**11,138**
30 June 2023			
Contingent consideration	-	-	20,386
Total Financial Liabilities	**-**	**-**	**20,386**

There were no transfers between the levels of fair value hierarchy during the half year ended 31 December 2023 or the year ended 30 June 2023. There were no other financial assets or liabilities valued at fair value at 31 December 2023 and 30 June 2023.

Reconciliation of Level 3 fair value movements	**Contingent Consideration**
Opening balance at 1 July 2022	30,063
Provisional accounting adjustment	5,291
Repayments	(16,771)
Gains and losses recognised in profit or loss	1,803
Closing balance at 30 June 2023	20,386
Repayments[1]	(4,028)
Non cash settlement	(2,500)
Gains and losses recognised in profit or loss[2]	(2,720)
Closing balance at 31 December 2023	11,138

[1] This has been settled via a combination of cash and equity. Refer to note 9 for shares issued.

[2] The contingent consideration will be cash settled except for Vision Surveys QLD of which 25% will be settled through issue of shares. The fair value adjustments of the contingent consideration resulted in an overall gain on fair value. This primarily related to Food Industry People Group acquisition, as the expected contingent consideration amount was significantly reduced due to a holdback payment no longer required to be paid.

Notes to the Financial Statements for the half-year ended 31 December 2023

Note 13: Fair value measurement (cont.)

Contingent Consideration - Key Estimates

The fair value of contingent consideration related to the acquisition of the Techforce Personnel Pty Ltd, Vision Survey QLD, Perigon Group Pty Ltd and FIP Group Holdings Pty Ltd is estimated using a present value technique. The value is estimated by probability-weighting the estimated future cash outflows, adjusting for risk and discounting. During the half year, the expected contingent consideration was adjusted based on agreed targets and expected share price at the date of payment. The adjustments surrounded the movement in share price and the probability of achieving the targets.

Note 14: Events arising since the end of the reporting period

A dividend of 3.0 cents per share was declared on 26 February 2024.

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

Directors' Declaration

In the opinion of the Directors of PeopleIn Limited (the 'Company'):

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

- the attached financial statements and notes thereto give a true and fair view of the Consolidated entity's financial position as at 31 December 2023 and of its performance for the half year ended on that date; and

- there are reasonable grounds to believe that the Consolidated entity will be able to pay its debts as and when they become due and payable, after taking into consideration the extent to which such debts are limited-recourse in nature or owing to the responsible entity.

Signed in accordance with a resolution of the Directors of PeopleIn Limited.

Glen Richards
Chairman

Date: 26 February 2024

Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 10, 12 Creek St
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of PeopleIn Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of PeopleIn Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, 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 2023 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 2023 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

N I Batters
Director

Brisbane, 26 February 2024