Annual Report
2024

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Contents

Free Thinkers United

At Enero we're different and we like it that way. We're for the ambitious, those who dare to challenge conventions. We're for those who like to be at the cutting edge, shaping the future.

We are united by a structured framework, strong business foundations and a progressive mindset. This is how we believe unconventional ideas can be effectively executed for growth.

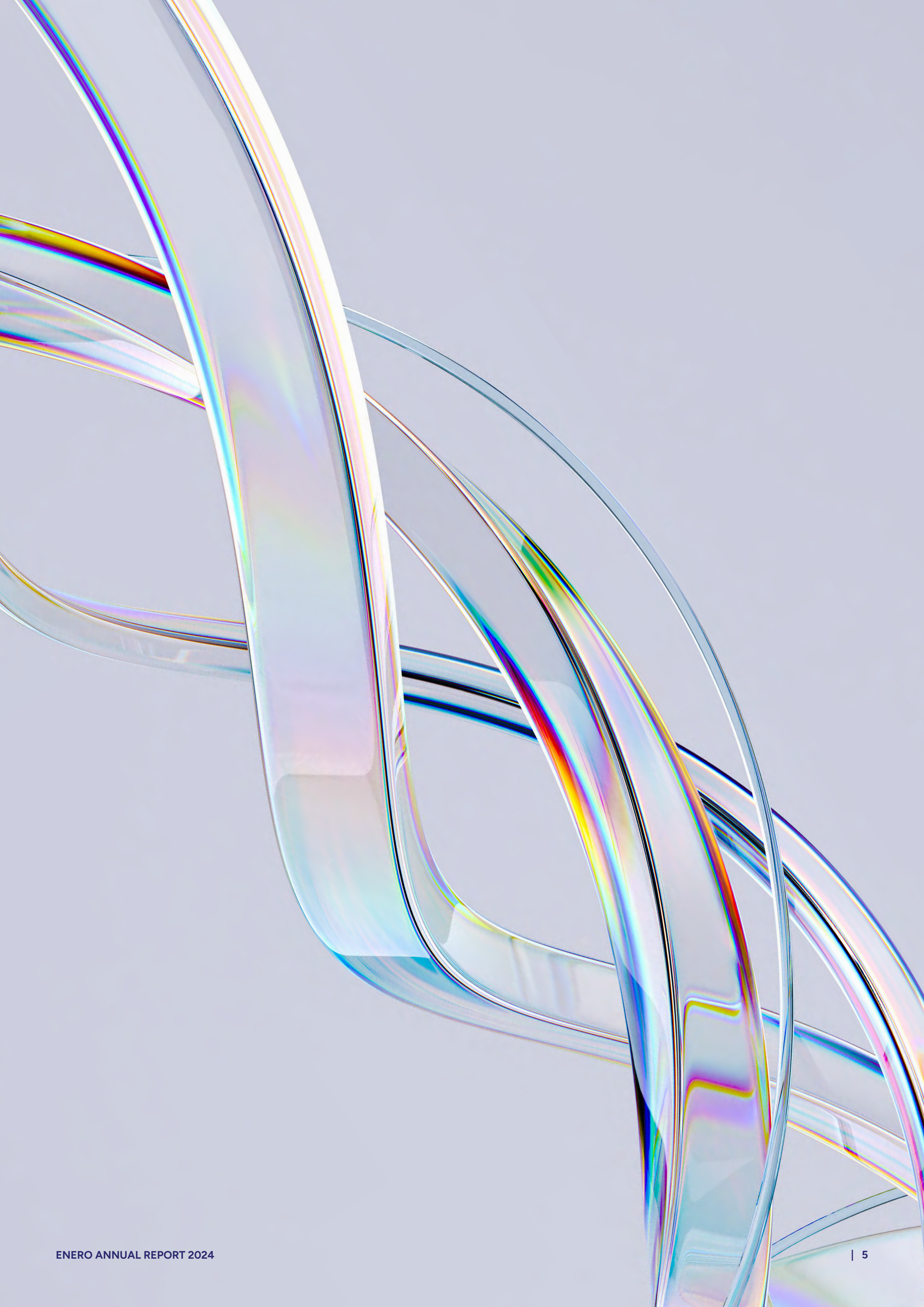
We are a global group of marketing and technology agencies. We operate in the high-growth industries of Technology, Healthcare and Consumer Practice. We utilise innovative and independent thinking to deliver impactful, strategic business solutions for our clients. We attract world-class specialists, each with the capabilities and mindset to solve important problems for high-growth clients around the world.

With 650+ employees operating from 16 cities across the world's most influential markets. This international footprint and scale means we're connected to global bands that have a big impact on the world, but we also have the aptitude and ability to leverage local knowledge and insights.

Our agility, mix of innovative capabilities and specialist expertise is why we are always at the forefront of what's next.

We have the heart of an indie and the head of an engineer. Fusing world-beating, creative, strategic precision with wild imagination. We have less grip and more flow. We are united by free thinking.

WE ARE ENERO.
FREE THINKERS UNITED.



A letter from our Chair

Dear Shareholders

I am pleased to present Enero's Annual Report for the financial year ended 30 June 2024 (FY24).

As an international group of marketing and communications companies, Enero continued to deliver industry-leading brand marketing capabilities for blue-chip clients worldwide. Operating in 16 cities worldwide, with 650+ employees, we successfully delivered globally integrated solutions at scale with deep local market expertise.

CONTRASTING PERFORMANCES ACROSS ENERO BUSINESSES IN FY24

Global macroeconomic and technology sector headwinds impacted Enero's FY24 earnings. As a result, net revenue was down 22% to $189.7 million, while EBITDA[1] dropped 53% to $37.4 million. Net profit[1] fell 58% to $10.3 million with EPS[1] of 11.3 cents.

A look at the Group's broader results reveals that our Australian-based businesses performed well, buoyed by several new client wins for Orchard and BMF. We grew net revenue in the Australia and Asia region, which contributed to a significant increase in EBITDA when compared with FY23.

Enero's internationally-based agencies were significantly impacted by slower market growth, longer sales cycles and continued macroeconomic uncertainty, particularly in the technology sector. We met these headwinds, by focusing on factors we can influence, including a disciplined approach to costs, headcount and operational cash generation.

In FY24, Enero continued to expand our global tech communications consultancy, the Hotwire Group, by launching our first AI proprietary tool focused on generative AI optimisation. This has accelerated the transformation of Hotwire's reputation, relationships and revenue service offerings to clients globally.

STRATEGIC REVIEW OF OBMEDIA

The aim of the Board's strategic review of our controlling share of OBMedia is to maximise ongoing shareholder value for both the short and long term. This process currently remains on foot and we'll share the outcomes with shareholders on completion.

CAPITAL MANAGEMENT STRATEGY

The Board continues to believe that Enero is undervalued by the market relative to its financial performance and potential. Accordingly, in FY24 we used our strong free cash flow for a share buyback. The Company's strong balance sheet and ongoing capital management will remain a key Board focus.

Enero's clear capital management strategy reflects the Board's ongoing commitment to delivering increasing shareholder returns, and signifies our confidence in the Group's value and growth opportunities.

STRONG NET CASH POSITION

Alongside the Group's capital management strategy, Enero's strong net cash position of $38.2 million at 30 June 2024 provides us with robust financial flexibility.

[1] *Before significant items*

FY24 DIVIDEND OF 5 CENTS PER SHARE FULLY FRANKED

The Board declared total dividends for FY24 of 5 cents per share (cps), fully franked. This reflects Enero's financial performance, strong balance sheet and attractive growth opportunities. This equals a 44% dividend payout ratio.

I would like to thank my fellow Board members for their ongoing efforts and expertise. On behalf of the Board, I would also like to thank our talented and tireless Executive Leadership team for their continued dedication and commitment to our business, as well as our many accomplished employees for their resilience and dedication to our clients throughout FY24.

Lastly, to our loyal shareholders, thank you for your continued support and belief in our long-term vision and strategy for the Group.

Yours sincerely

Ann Sherry AO
Chair

A letter from our CEO

Dear Shareholders

I am pleased to share Enero's FY24 progress on behalf of the entire Enero team.

The fiscal year was one of ongoing transition and portfolio refinement, despite the challenging international technology sector impacting Enero's FY24 results.

Firstly, I want to express my deep appreciation to our amazing team of 650+ people around the world. Your dedication to continue to serve Enero's clients and your ongoing commitment, resilience and teamwork over the past year has been truly remarkable.

Throughout FY24, our Australian businesses continued to thrive, while internationally, we worked hard to position Hotwire for long-term growth as the world's preeminent communications consultancy.

We continued the transformation and streamlining of our business portfolio by divesting CPR, our government relations and PR business in Melbourne, and launched a strategic review of OBMedia.

A FOCUSED, UNIFIED AGENCY

Enero's business success stems from our deep and enduring client relationships, world-class talent and strategically relevant market-leading capabilities.

Within this context, we updated our business segments to better reflect our operational strategy and portfolio synergies. To best represent our agency businesses worldwide we launched our Technology, Healthcare and Consumer (THC) Practice to deepen our focus on our three global verticals and maximise synergy and growth opportunities. Our standalone advertising technology business OBMedia has been separated into its own segment.

We've also made significant progress in integrating GetIT and ROI·DNA into the Hotwire Group. At the start of FY24, GetIT was rebranded to Hotwire Asia, while ROI·DNA has been embedded into the global Hotwire Group family. All of our agencies continue to modernise, strengthen and diversify their capabilities.

MARKET CONDITIONS REMAIN CHALLENGING

FY24 saw a continuation of FY23's macroeconomic headwinds, which have particularly impacted the global technology industry. This has resulted in significant client restructuring and the continuation of conservative decision making, which has impacted project timelines and reduced the scope of some of our projects.

Net revenue in the Technology, Healthcare and Consumer Practice declined 6% to $143.5 million, and EBITDA[1] dropped 9% to $22.8 million. Margins[1] remained largely the same at 16% and our agencies saw contrasting performances. Enero's Australian-based BMF and Orchard, delivered double digit revenue growth and expanded its margins, while the US-led Hotwire Group continued to be challenged by the technology sector.

Expenses[1] in the THC Practice dropped 5%, reflecting cost reduction initiatives undertaken in FY23 H2 and FY24 H2, predominately in the Hotwire Group. We anticipate the FY24 H2 initiatives will improve margins into FY25 for the Hotwire Group.

Despite FY24's challenges our agencies continued to invest in new products, capabilities and services, and to win accolades for their leading work.

BMF's world-class credentials for creative effectiveness continued to be recognised with 16 Effie nominations – the most of any agency in the country. The winners are expected to be announced in October 2024.

Orchard continues to outperform in the healthcare sector, expanding its success in the growing medical education space, and winning a global PMEA award for pharmaceutical marketing excellence.

Meanwhile Hotwire launched its first proprietary AI tool, GAIO.tech.

[1] *Before significant items*

This tool is the first in a series of AI technology and consulting solutions to help global brands integrate AI into their marketing and communications strategies. Hotwire continued to build on its reputation, relationships and revenue offering, while its data and analytics team won 'Gold' at the prestigious AMEC Awards.

We continued to win new clients within our key Technology, Healthcare and Consumer verticals such as Equinix, eHarmony, Boehringer Ingelheim, Lilly and more recently the Endeavour Group. We also continued to drive revenue synergies across borders by expanding our relationships with Palo Alto and Pure Storage.

FY24 saw OBMedia's net revenue decline 8% to $46.2 million, excluding traffic which was proactively halted in FY23 Q4, while EBITDA[1] was down 17% to $23.5 million on the same basis. OBMedia was not immune from mid-FY24's market-wide softness, but saw some recoveries in the final quarter.

GROWING ENERO'S BASE OF SCALABLE CLIENTS IN AN IMPROVING MARKET

In this tough environment, we've focussed on growing our suite of market leading services, embedding Enero as a trusted service provider with key clients. This approach positions Enero well for the opportunities offered by a recovering market. Our significant progress towards this in FY24 includes:

- 66% of our THC Practice revenue now comes from clients who work with more than one THC Practice brand or country. This provides more opportunities to engage and generate committed and recurring revenue streams.

- We grew the number of large clients and clients of scale, with 34 THC Practice clients generating over $1 million in revenue in FY24, up from 27 in FY23.

[1] *Before significant items*

THANK YOU

Finally, I want to say thank you to the executive team for your tireless dedication and the Enero Board for its ongoing guidance and support towards achieving our ambitions for global growth.

Most importantly, I'd like to thank our shareholders for their ongoing support of our strategy and Enero's talented global team. Our long-term strategy to evolve and modernise our business portfolio means Enero is better positioned than ever to capitalise on improving market conditions as macroeconomic pressures ease.

We continue to believe in the power of independent thinking within a structured framework. Our unique approach simply liberates ideas, allowing them to flourish and drive growth for our clients. We are united by free thinking, and this will be our key to keeping a step ahead in FY25's rapidly evolving market.

Yours sincerely

Brent Scrimshaw
Chief Executive Officer

Board of Directors

ANN SHERRY AO
INDEPENDENT
NON-EXECUTIVE DIRECTOR

Ann was appointed as Chair and Non-Executive Director on 1 January 2020 and is a member of the Remuneration and Nomination Committee.

Ann is a Director of National Australia Bank (ASX: NAB), Chair of its Customer Committee and a member of its Remuneration Committee. Ann is the Chancellor of Queensland University of Technology, Chair of UNICEF Australia, Chair of Port of Townsville and Chair of Queensland Airports Limited.

Ann is the former Chair and was Chief Executive Officer (CEO) of Carnival Australia for a decade. Prior to that, Ann was at Westpac for 12 years, with roles as CEO of Bank of Melbourne and CEO of Westpac New Zealand and Pacific Banking.

Ann was named the overall winner of the AFR 100 Women of Influence in 2015.

BRENT SCRIMSHAW
CHIEF EXECUTIVE OFFICER
EXECUTIVE DIRECTOR

Brent was appointed CEO and Executive Director of the Enero Group (ASX: EGG) on 1 July 2020.

Brent is a creative and global business leader with specific expertise leading consumer brands, marketing technology, media and publishing, technology enabled business, retail and global sports. Brent built his career at Nike Inc including his most recent roles as Vice President/ Chief Executive Western Europe, Vice President and Chief Marketing Officer EMEA, based in Amsterdam and GM Regional USA, based in New York City.

He has also held other senior leadership roles in Europe, the USA and Asia Pacific in General Management and Marketing. Brent was a part of Nike's global commercial operations leadership team contributing to the development of the Nike Inc worldwide commercial strategy in Europe, the USA, China and Japan.

Brent is a Non-Executive Director of ASX-Listed KMD Brands Limited (ASX: KMD) (Kathmandu, Rip Curl and Oboz Footwear) and was previously a Non-Executive Director of Catapult Group International Limited, Fox Head Inc in California, USA, Rhinomed Limited and the Melbourne International Arts Festival.

ANOUK DARLING
INDEPENDENT
NON-EXECUTIVE DIRECTOR

Anouk was appointed as a Non-Executive Director on 6 February 2017 and is a member of the Audit and Risk Committee and the Remuneration and Nomination Committee.

Anouk is recognised as one of Australia's leading brand builders, with strategic digital, technology and marketing capability.

Anouk is also a reputable business leader with private equity and M&A experience having worked with Allegro Funds as an operating partner over a four-year period. Anouk is currently serving as Non-Executive Director of South Australian-based Discovery Holiday Parks, owned by the Australian Retirement Trust.

Previous board roles held include ASX-listed Macquarie Telecom (ASX: MAQ). Anouk is currently CEO of Scape, Australia's largest developer, owner and operator of Purpose-Built Student Accommodation. Anouk's commitment to better living experiences is further supported by her work as a board member of the Property Council of Australia and Chair of the Student Accommodation Council.

IAN ROWDEN INDEPENDENT NON-EXECUTIVE DIRECTOR

Ian Rowden is an independent Non-Executive Director who was appointed on 21 November 2018. He serves as the Chair of the Remuneration and Nomination Committee.

Ian has a wealth of experience as a CEO and senior executive, having held various positions in commercial, strategy, M&A, marketing and operational leadership.

He has worked with notable companies such as The Coca-Cola Company, The Callaway Golf Company, Wendy's International, Saatchi & Saatchi and The Virgin Group.

Currently, Ian is a Non-Executive Director of Reliance Worldwide Corporation (ASX: RWC), Guzman Y Gomez (ASX: GYG), Dulux Group International (UK), and formerly a Director of QMS Media and Virgin Galactic. Additionally, Ian chairs the Murdoch Children's Research Institute Marketing Council, is a partner and investment advisory board member for Innovate Partners (a USA-based private equity/venture capital firm) and is a senior advisor to Bowery Capital. He is based in the USA.

DAVID BRAIN INDEPENDENT NON-EXECUTIVE DIRECTOR

David was appointed as a Non-Executive Director on 10 May 2018 and is a member of the Audit and Risk Committee.

David has over 25 years' experience in public relations and integrated communications. At Edelman (the world's largest public relations firm), David was a Director of the Group Supervisory Board and member of its global management board.

During 13 years at Edelman, he was CEO of the EMEA region and latterly, CEO of APACMEA.

Prior to working at Edelman, David was Co-CEO of Weber Shandwick UK and Managing Director at Burson-Marsteller UK. He has also worked in Corporate Affairs at Visa International and as a planner in advertising.

David is Chair of parking technology company Parkable, Chair of child poverty charity Share My Super, Advisory board member of The Spinoff, and Co-founder of research start-up Stickybeak.

LOUISE HIGGINS INDEPENDENT NON-EXECUTIVE DIRECTOR

Louise was appointed as a Non-Executive Director on 10 September 2021 and is the Chair of the Audit and Risk Committee.

Louise is the Executive General Manager Strategy and Transformation Australia Retail, Suncorp Integration at ANZ Bank.

Louise began her executive career in London with law firm Freshfields Bruckhaus Deringer, followed by seven years at the BBC. Louise has worked at Australia's Macquarie Bank as an Associate Director, COO for NOVA Entertainment with responsibility for performance of the Nova and Smooth radio networks and as Chief Financial and Strategy Officer for the Australian Broadcasting Corporation to oversee significant technology transformation.

Louise has a diverse, non-executive career from Commercial Radio Australia, Visit Victoria, Qudos Bank and Canteen Australia.

Financial Highlights

Net Revenue
down 22%

$189.7m

EBITDA[1]
down 53%

$37.4m

EBITDA Margin[1]
down 13ppts

20%

[1] *Before significant items*

Net Profit
After Tax Before
Significant Items
down 58%

$10.3m

Earnings Per
Share Before
Significant Items
down 57%

11.3cps

FY24 Dividends

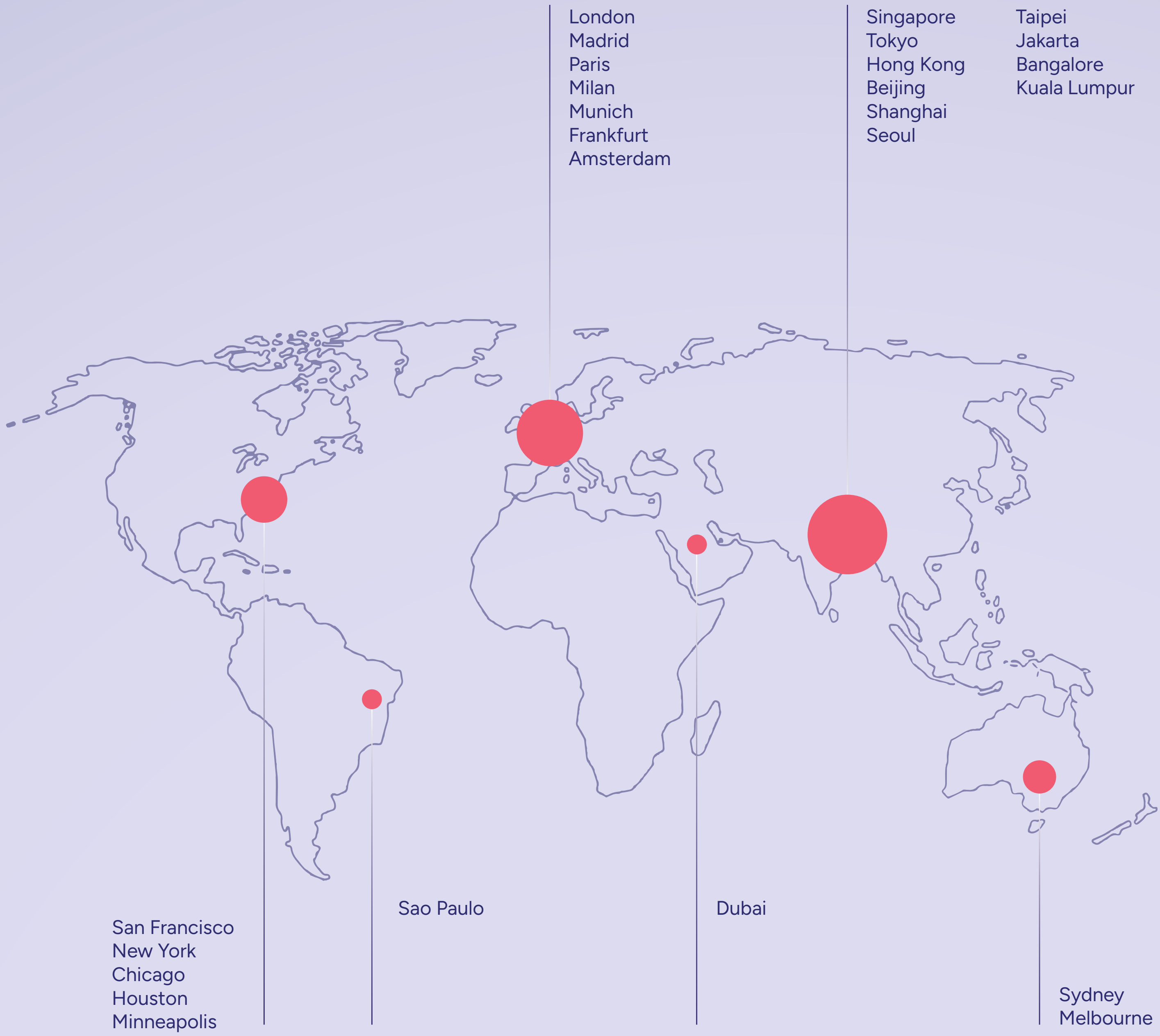
5.0cps

Geographical Results

Enero has offices around the world, with affiliates in key markets where we have client relationships.

Reflects 51% economic interest in OBMedia

	Net Revenue FY24	Net Revenue FY23	EBITDA FY24	EBITDA FY23
USA	42%	52%	47%	73%
UK and Europe	18%	16%	14%	7%
Australia and Asia	40%	32%	39%	20%


London
Madrid
Paris
Milan
Munich
Frankfurt
Amsterdam
Singapore
Tokyo
Hong Kong
Beijing
Shanghai
Seoul
Taipei
Jakarta
Bangalore
Kuala Lumpur
San Francisco
New York
Chicago
Houston
Minneapolis
Sao Paulo
Dubai
Sydney
Melbourne

Client Analysis

GLOBAL PERSPECTIVES DIRECT ACCESS

With offices in 16 cities across the most influential markets, our global reach and scale give us a strategic perspective and connects us to global brands with big global impact.

This provides us with direct access to clients wherever they are, the ability to capitalise on local insights, and connects us to bigger, global budgets.

REVENUE DIVERSIFICATION

We diversify our revenue across both industry and geography. Technology and Telco (predominately B2B) account for the largest share of revenue in FY24 at 44%.

Other key strategic focus areas included:

- digital media (14%)
- retail (13%)
- healthcare (10%).

As a global marketing services business, we derived over 60% of our total revenue from outside of Australia.

A softer tech market and the sale of the CPR business in October saw Technology, Healthcare and Consumer (THC) Practice revenue drop 6% compared to 2023. Meanwhile, our proactive traffic quality management in FY23 Q4 saw OBMedia revenue fall 48%.

In FY24, the Enero agency revenue model enjoyed a healthy mix of projects (43%) and retainers (57%) across our agencies.

With our emphasis on coordinated services across our agency brands, 66% of our THC Practice revenue now comes from clients working across more than one practice brand or country. This is up from 47% in FY23.

Technology and Telco	Digital Media	Retail
44%	14%	13%
Healthcare	Services	Transportation, Airlines and Auto
10%	8%	3%
Finance	Consumer Goods	Other
3%	1%	4%

Reflects 51% economic interest in OBMedia

Technology, Healthcare and Consumer Practice

FY23 **$152.1m**

FY24 Net Revenue down 6%

$143.5m

FY23 **$25.1m**

FY24 EBITDA[1] down 9%

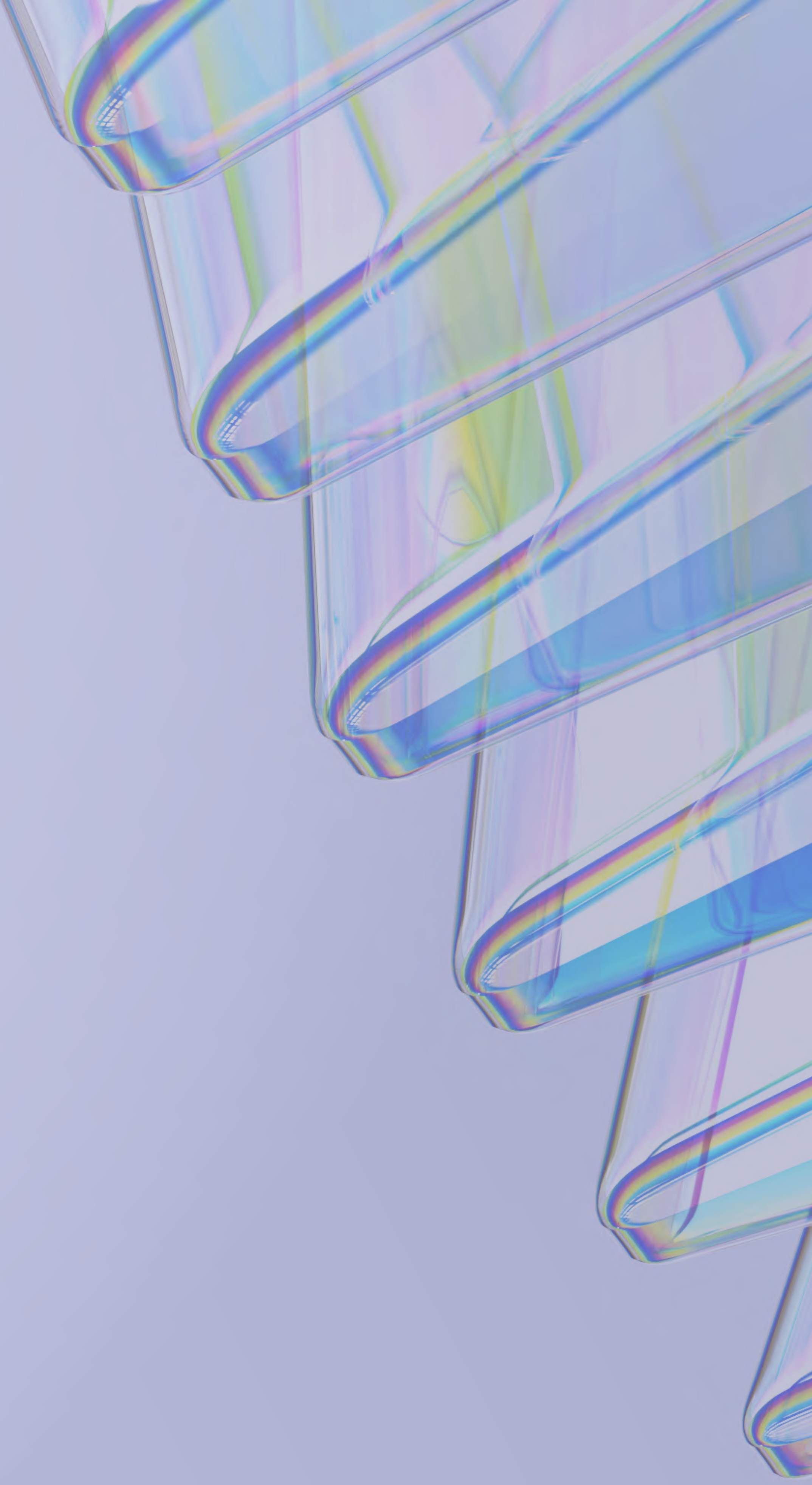
$22.8m

FY23 **16%**

FY24 EBITDA margin[1] flat

16%

[1] *Before significant items*



Focused expertise, proven results

Enero's strength lies in our industry expertise. Each of our agencies are specialists with world-class experts in each of our three high-growth verticals – technology, healthcare and consumer. This focused expertise means we have deep industry knowledge and the ability to provide tailored, innovative solutions that are commercially and creatively impactful. Our industry expertise and specialism delivers lasting client relationships and ensures ongoing success for both our clients and our agencies.

TECHNOLOGY

HOTWIRE is a global specialist in technology PR, communications and marketing. It partners with top technology brands to scale and support their businesses. With 350+ experts across 11 countries, Hotwire excels at the intersection of technology and humanity, delivering unparalleled success in reputation management, relationship building and revenue generation. For 25+ years, Hotwire has been transforming tech innovators into world-changing businesses working with brands such as Honeywell, Palo Alto, eBay, Sony, Meta and Samsung. In addition. Hotwire won new clients including Fujitsu, Telstra Global, HubSpot, Uber and more. Hotwire has expanded its expertise into tech-plus consulting services, with a strong focus on data, analytics and AI. Hotwire's data and analytics team won the Gold Award at the AMEC Awards. Its innovative tools for Discord and ABB have delivered faster and smarter insights. Hotwire's launch of GAIO.tech, a proprietary AI tool, further cements its role at the forefront of tech communications and as a leader in optimising a brands' presence in AI chatbots.

ROI·DNA drives revenue growth for leading brands worldwide, creating bespoke account-based marketing (ABM) experiences and future-proofing websites for fast-growing businesses. Strategic partnerships with 6sense, Google and Drift have generated over $12 billion in revenue for tech innovators like Elastic, Salesforce and AWS. With a strong focus on AI integration, the agency's ability to secure major clients like Amazon Business, Cisco, Pure Storage and Portworx underscores its ongoing success in driving its clients' digital presence and revenue.

HEALTHCARE

ORCHARD, a leading specialist in healthcare marketing, recorded significant growth, securing 14 new clients. Committed to its 'Invent Better' ethos, Orchard's specialist expertise spans medical education, digital strategy, data and creative services – supported by Australia's largest in-house medical science team. This depth of specialist knowledge makes Orchard a preferred partner for major health and medication launches across the healthcare spectrum – engaging everyone from GPs and specialists to patient groups and professional bodies like the Royal Australian College of General Practitioners (RACGP).

Throughout FY24 Orchard won both a prestigious PMEA Award for excellence in patient engagement and a PRIME Award for marketing innovation, reinforcing its position as the most awarded agency network in the healthcare sector.

Over the past three years, Orchard has been instrumental in launching noteworthy medications onto Australia's Pharmaceutical Benefits Scheme (PBS) and it continues to set new standards in healthcare marketing and patient engagement. Orchard's client roster includes Lifehealthcare, Jazz Pharmaceuticals and Boehringer Ingelheim.

CONSUMER

BMF is renowned as one of Australia's most effective creative agencies. Driven by its philosophy of 'The Long Idea', its world-class advertising and cut-through ideas that impact culture. As a world-class specialist in advertising, behaviour change, strategy, social content, innovation and high-quality production, BMF works with globally renowned consumer brands including ALDI Australia, Tennis Australia, George Western Foods, Tourism Tasmania and the Australian Federal Government, to build strong, lasting connections between celebrated brands and their customers.

In FY24 BMF won over 70 awards, including a Gold Effie for Strategy and Insights and the title of 'Most Awarded Social Agency' at the London International Awards.

BMF's commitment to rigorous creativity and specialist focus on consumer brands saw the agency win several high-profile clients in FY24 including Alinta Energy, Stan and the Department of Health. From encouraging Australians to 'Shop ALDI First' to driving record attendance at the Australian Open, BMF continues to influence public behaviour. Its impactful ways of working and effective outcomes led BMF to win B&T's Culture Award, Campaign Asia's Culture Award and Mumbrella's TV Ad of the Year.

Case Study

BMF

Tennis Australia

Delivering the most successful AO on record

CHALLENGE
Delivering an idea for Tennis Australia which will maximise AO attendance and drive long-term brand health

As a pinnacle of sport in Australia, a healthy Australian Open (AO) is critical for the long-term health of tennis.

However, participation in the AO understandably struggled during the Covid-19 pandemic. In 2022, the success of Aussie players at the AO, like Ash Barty, drove greater interest. Then in 2023 brand health reverted to 2019 levels.

To combat this, BMF's challenge was to get Australians to re-engage emotionally with tennis and grow the attendance to one of Australia's best sporting events, the AO.

STRATEGY
Create greater emotional attachment to tennis by bringing it closer to our cultural identity

An audience segmentation analysis showed high value audience segments were distinguished by a greater emotional attachment to tennis. They really 'felt' tennis either individually or as a lifestyle statement.

However, our target audience segments only had a functional relationship with tennis, meaning that tennis could easily be replaced.

We found that the common denominator among our target audience segments was their identity as Australians, which presented an opportunity to create greater emotional engagement.

To align the AO with this cultural identity, we found an overlap in the tension between playfulness and competitiveness.

From this tension, our insight was born. Australians are renowned for being relaxed, easy going and not taking themselves too seriously, but collectively they take sport very seriously.

Whether it's a professional or a local sport event, we're all in. Australians love to win. This tension is reflected in the nature of the AO. A brand with highs and lows of elite competitive tennis at its heart, surrounded by a relaxed, playful and inclusive social culture. The AO is a friendlier tournament, but still a fiercely competitive 'slam'. A hard-fought, sweaty, intense, exciting battle for total supremacy.

EXECUTION
Hits Different

The AO isn't like tennis anywhere else in the world, even though the rules might be the same. Even the most serious players lighten up, the fans can feel it, and this lifts everyone into waves of breathless excitement. This feeling vibrates around Melbourne Park as the sun shines, the music pumps and the spritzes flow. The victories here are harder fought and the rallies more punishing.

Call it fun or call it fire. Whatever that mix is, tennis 'Down Under' creates a feeling not felt anywhere else because Tennis in Australia Hits Different.

We launched a heavy-hitting film which created an animated world of colourful characters, competitive

intensity and a distinctly modern Australian brand, made for worldwide audiences.

The campaign also lived across OOH, social and digital media – shaping the AO experience itself.

From a complete takeover of Melbourne International Airport to spatial design across Melbourne Park, in-stadium soundtracks, merchandise and partnership activations, the 'Hits Different' campaign worked as hard in the real world as on-screen.

Social stickers and TikTok games that rewarded audiences with ticket discounts brought a fresh energy and a playful pop-cultural stickiness to Australia's summer of tennis and helped drive engagement with individuals.

RESULTS
Delivering the most successful AO on record

"The results are outstanding. After two years of solid growth we've continued to be impressed by the numbers and momentum we're seeing."

Kathleen Orlowski, Play Tennis Marketing Manager, Tennis Australia

23.2%

Record-breaking two-week attendance record with 1,020,763 fans through the gates over 15 days. 23.2% increase year-on-year (YOY).

+21%

More than 1.43 million people attended events across the entire Australian Summer of Tennis.

Case Study

Boehringer Ingelheim

Driving diagnosis through medical education

CHALLENGE
Around 638k Australians suffer from Chronic Obstructive Pulmonary Disease (COPD), but many go undiagnosed or are incorrectly diagnosed

Many GPs struggle with a specialised breathing test – known as spirometry – which is vital to accurately diagnosing the condition, as it is often complex and difficult to interpret. Compounding this, spirometry use had also dropped off dramatically during the Covid-19 pandemic and not recovered. Additionally, GP access to spirometry equipment varied between practices, so some cases were likely going undiagnosed.

With this in mind, Orchard's challenge was to improve both the diagnosis process and ongoing management of chronic COPD through medical education. We needed to show Australian GPs how to better diagnose and manage COPD.

STRATEGY
Combine GP education on spirometry with an innovative device loan program

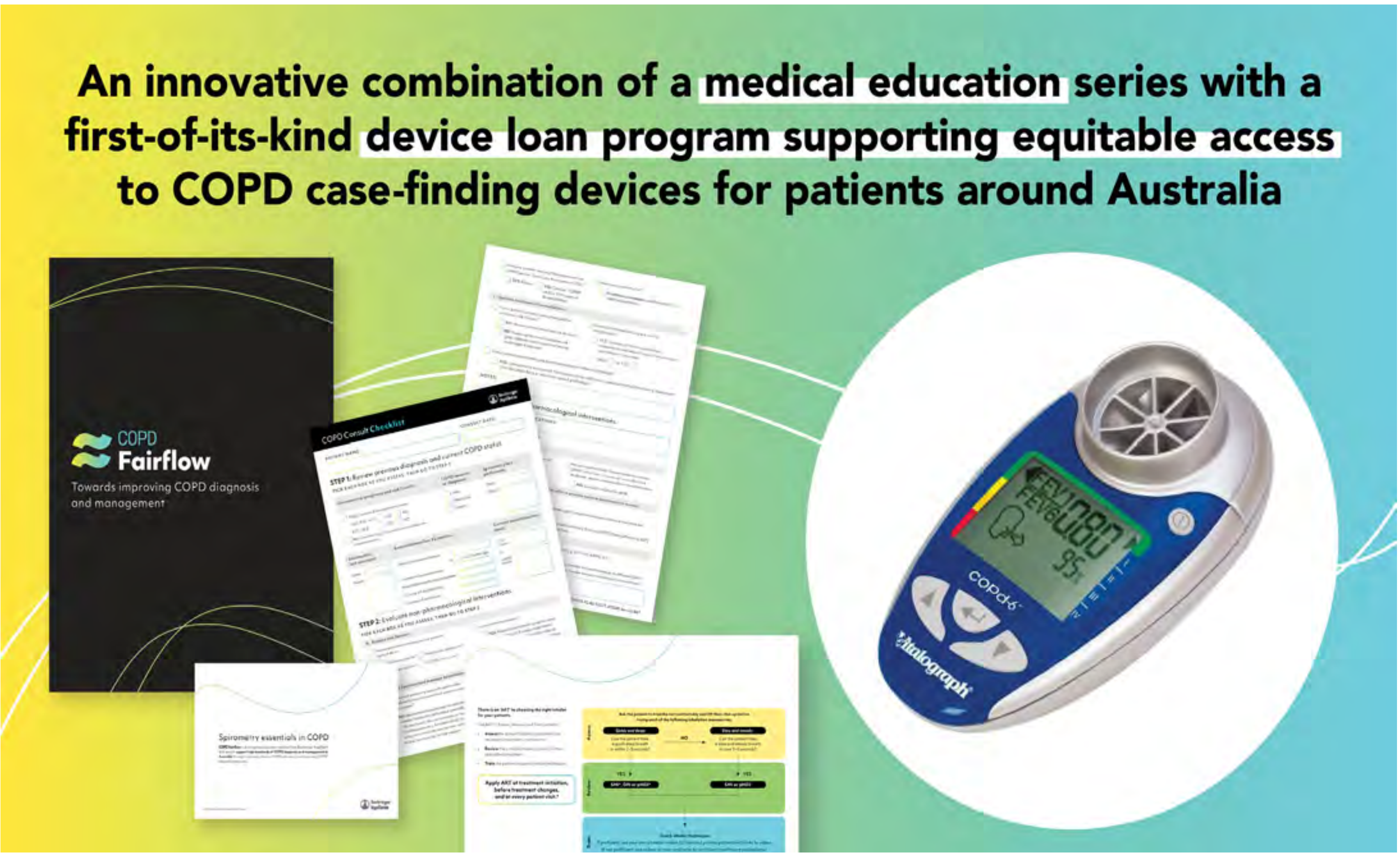
Education improves GPs' understanding of COPD and their ability to interpret spirometry results, but limited access to spirometry equipment was proving to be a challenge. To combat this, we decided to combine our educational approach with a strategy to provide better access to COPD diagnosis equipment – ideally, something simple and easy to use.

EXECUTION
Face-to-face education with a simpler, hand-held device loan program

We created the 'COPD Fairflow' program which combined face-to-face education with the first ever device loan scheme to improve GP access to diagnostic tools.

Sponsored by Boehringer Ingelheim, the program involved the use of COPD case-finding devices – simpler to use than spirometers – which can quickly and easily assess if a patient might have COPD. Patients assessed as being at risk could then be sent to an external spirometry service to confirm the diagnosis. Under the program, GPs without direct access to spirometry equipment could apply to borrow COPD case-finding devices for several months at a time.

GPs who attended our COPD Fairflow program learned about case-finding, spirometry interpretation and local COPD management guidelines. We also created print and online resources which GPs received for ongoing support. The program resulted in COPD screenings for many Australians who might otherwise have remained untested, and potentially, undiagnosed.



RESULTS

~2500

The program enabled ~2500 COPD screenings.

1350

120 meetings were held with 1350 attendees.

98%

98% of GPs rated the education meeting “excellent” or “very good”.

96%

96% of participating GPs said the education program would impact how they diagnosed and managed COPD.

98%

98% said they “learnt something new”.

Case Study

HOTWIRE US

eBay

Driving impact of recommerce through multiplatform engagement

CHALLENGE
Tailoring messages across channels

Digital is not just about amplifying a message; it's about fine-tuning it for every channel. As we entered our third year working with eBay on their annual Recommerce Report, we understood the changing dynamics needed to effectively promote insights on the circular economy and ultimately drive impact and reach.

While our core report promotion has mostly focused on communications and media relations, this year we broadened our reach with paid media, to find more people who could benefit from the findings.

It was crucial to get the message just right, especially when targeting the ever-changing preferences of Gen Z and Millennials.

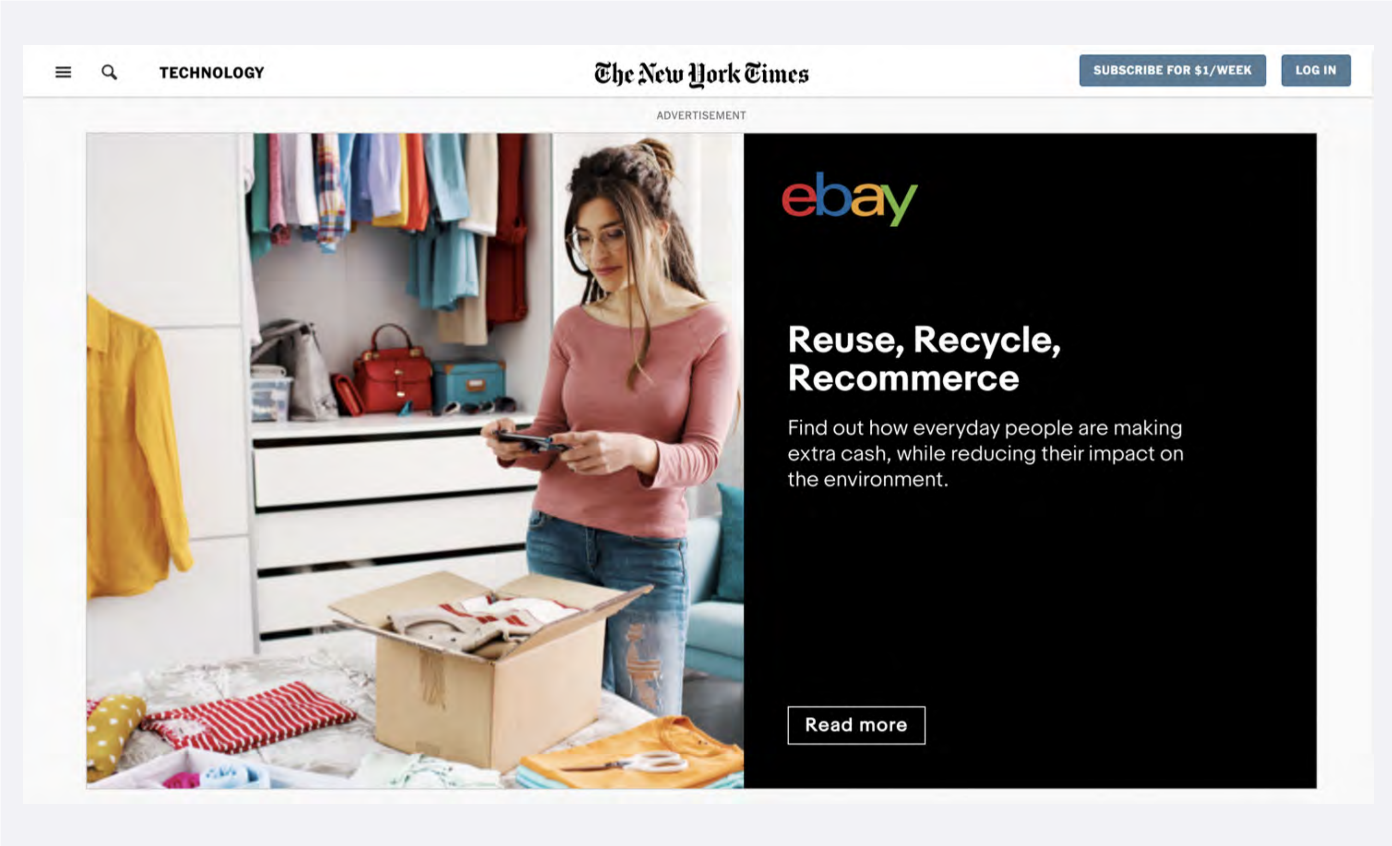
STRATEGY
A multi-channel targeted experimentation

We tailored our strategy across eBay's corporate touchpoints: earned and paid media, LinkedIn, eBay Newsroom on X and TikTok. Our approach was meticulous and ensured we targeted the audience segments which best aligned with the Recommerce narrative.

We experimented with various ad formats and pitted static images against video creatives on LinkedIn and X. After exploring multiple publication partnerships, we partnered with The New York Times (NYT) whose ad formats, especially the Messaging Flex XL display unit, provided the right canvas for the Recommerce story.

EXECUTION
Multi-platform engagement and education

We orchestrated multiple campaigns for LinkedIn and X, tested different images and videos, gauged audience engagement and drove web traffic. We aimed our TikTok strategy at Gen Z for sustained engagement and brand loyalty – instead of driving users to a landing page, we drew in new followers by educating and engaging them. Our NYT partnership leveraged the publishers Messaging Flex XL display unit to tell a compelling Recommerce story and drive traffic to eBay's report for maximum impact.



RESULTS

342k+

LinkedIn delivered 342k+ impressions and a 0.75% engagement rate.

1.1m+

X's audience delivered 1.1m+ impressions.

70%

As a further testament to our community building efforts, 70% of new followers belonged to Gen Z.

41.3%

TikTok's audience provided a staggering 41.3% engagement rate with 75%+ of this from a Gen Z audience.

0.9%

Our NYT collaboration managed 680k impressions and funnelled nearly 6k visitors to the Recommerce Report landing page, with a noteworthy click-through rate of 0.87% *(0.3% above the NYT benchmark).*

Case Study

HOTWIRE UK/EUROPE

Sony

Helping Sony become the “next big thing in tech”

CHALLENGE
Driving awareness with key partnerships

Sony Semiconductor Solutions (Sony), needed help with both launching and creating a narrative for its AITRIOS software platform across the US and Europe. However, AITRIOS only had Japanese customers and lacked awareness in the US.

Hotwire needed to drive awareness and momentum by aligning both the US and European launches with key events and partnerships. The goals included:

- expanding reach to a broader audience within developer, retail and smart cities’ audiences
- establishing relationships with key influencers in key verticals
- building a positive perception following the launch of AITRIOS at the NRF by highlighting cutting-edge proofs of concept and their compatibility.

STRATEGY
Maximising strategic media engagement and event integration

After a quick onboarding, Hotwire leveraged NRF 2023’s (the retail industry’s big conference) newsworthiness to schedule media interviews and booth demos. Leveraging Sony’s Silicon Valley presence, Hotwire targeted developers through key events, partnerships and awards including TinyML and VentureBeat Transform. Hotwire highlighted partnerships with the City of San Jose and The TinyML Foundation to emphasise the impact visual AI has on retail and smart cities.

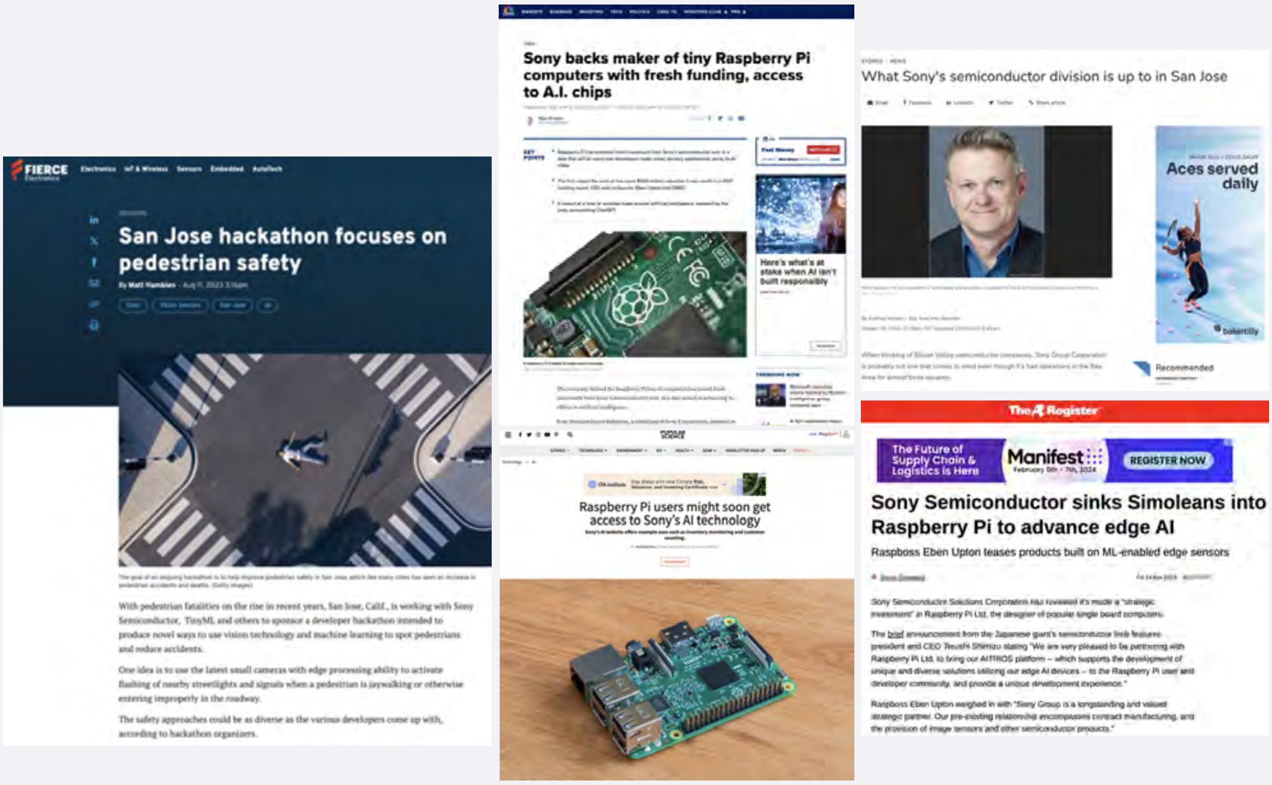
For Europe, the team leveraged Sony’s investment in British company Raspberry Pi, highlighting how Raspberry Pi’s customers could use AITRIOS technology. Strategies included targeted media outreach, onsite product demos and event coordination for key stakeholders.

EXECUTION
Leveraging media engagement and partnerships

The launch at NRF played a key role in media engagement and relationship-building. Briefings and exclusive product demos were aimed at top influencers in retail and developer media, while the TinyML Summit was identified as a valuable media opportunity. In collaboration with the City of San Jose, Sony launched a Hackathon focused on using visual AI to address traffic safety. Held in the Bay Area, this event positioned Sony as a leader in visual AI applications. In addition, Hotwire connected Sony’s executive team with the media by arranging interviews with key influencers from The New Stack and Silicon Valley Business Journal.

The team’s global announcement of Sony’s Raspberry Pi’s partnership resulted in a media response that exceeded initial expectations. Interviews were made with top-tier media in the US for Sony and in the UK for Raspberry Pi. This generated over 105 stories and was the top trending news on Techmeme. This paved the way for Sony’s attendance at key European events such as Hannover Messe 2023.

All this opened the door for Sony’s win in the Fast Company Next Big Things in Tech, particularly in the “Next Big Thing in AI and Data” category.



RESULTS

120+

Hotwire's work secured 120+ interviews across tier-one business, developer and retail media, along with 20+ media briefings and relationship-building opportunities with influential journalists. Wall Street Journal, Bloomberg and CNBC covered Sony's AITRIOS which increased brand awareness and interest.

1000+

Sony's prominent displaying of the Fast Company Next Big Thing in AI and Data trophy at the NRF event helped them pass the target of 1,000+ on-site leads and facilitate introductions to 10+ new media contacts.

Effectiveness

Partner testimonials and industry expert feedback further validated AITRIOS's effectiveness. The strategic integration of the platform launch with industry events and partnerships highlighted Sony as a leader in retail technology and smart cities.

Case Study

HOTWIRE APAC

Palo Alto

Turning cybersecurity threats into a superhero adjacent universe

CHALLENGE
Global reach, personalised cybersecurity engagement

Cortex by Palo Alto is a cybersecurity platform offering threat prevention, detection and response services using AI and automation to provide comprehensive security solutions.

In the world of Business-to-Business (B2B) security, innovative content marketing ideas are few and far between, and originality is rare.

Palo Alto Networks wanted to engage audiences with important information about cybersecurity. The idea had to resonate with multiple geographies, languages, cultures and media consumption habits. It had to scale, at pace, and yet personalise with care.

We needed to make security operations scintillating.

STRATEGY
Turning cybersecurity threats into a superhero adjacent universe

We needed to create a content-led idea that would be appropriate for multiple geographies and languages – so we created an idea big enough to house the most epic battle of our time: the fight for cybersecurity. Set in a futuristic corporate 'techiverse' we created an idea that would appeal to senior level decision makers in Security Operations Centres (SOC).

After reading this epic adventure of good versus evil, readers would then be invited to visit the Cortex site.

EXECUTION
Cybersecurity heroes defend Cortex City

Cortex City came to life both as a unique comic book and an animated series, all of which highlighted the dangers of poor cybersecurity and the juxtaposing safety the Cortex Suite represented.

Utilising classic comic book visual and verbal language – threats, prevention, detection and response capabilities – we personified these attributes as a diverse cast of characters – each fighting against the monstrous SOCzilla!

Inclusivity and diversity were paramount principles to ensure our characters resonated with all backgrounds. Comic book tropes kept the storyline moving and lifted the epic tale into an action adventure. Each figure played a pivotal role in the narrative and each member of the FutureSOC team, represented a Cortex product and took centre stage roles to save the SOC. Through this immersive comic book story, readers learned the powers of the Cortex product suite, became invested in the characters and were keen to find out more.

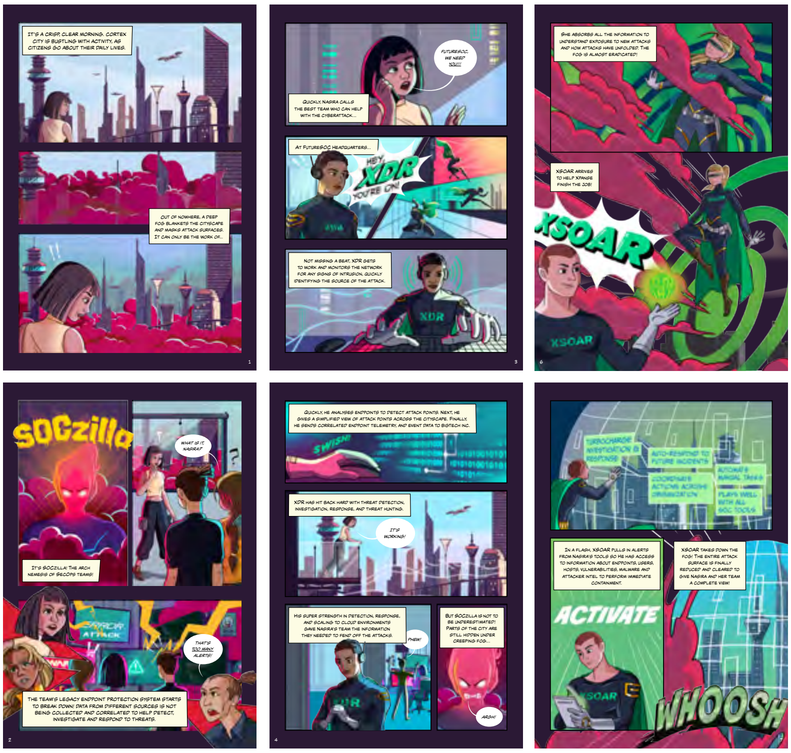
We launched the product across multiple Asia-Pacific markets, translated it into six languages, used omnichannel debuts across billboards, in-app games, social media, email marketing, taxi screens and animated videos. Characters appeared at industry events such as the MNSEC Conference 2023 (Ulaanbaatar, Mongolia), GovWare 2023 (Singapore), Security Days 2023 Tokyo (Japan) and Japan Ignite and Taiwan Ignite. In Japan, we launched the product with billboard ads in Omotesando and video ads in taxis. In China, we created a custom in-app game on WeChat that boosted social engagement and awareness, directing interest to localised webinars.

RESULTS

25%↑

Cortex registered a 25% YOY increase in customers and the main FutureSOC character *(the XSIAM product)* recorded a pipeline of US$600m+.

Firms like GigaOm and KuppingerCole have since recognised Cortex solutions as ground breaking and intuitive, and Mitre and Cortex received requests for demos from three major accounts in the semiconductor, technology and telecommunications sectors.



Case Study

ROI·DNA

BeyondTrust

Using AI to drive revenue acceleration

CHALLENGE
Leveraging AI to scale and accelerate revenue strategy

BeyondTrust, a global leader in Privileged Access Management, sought a strategic partner to scale and accelerate its revenue strategy. To do this BeyondTrust partnered with ROI·DNA to transition from traditional sales and marketing methods to a more targeted, AI-driven approach. This approach would focus on account-based engagement using digital advertising channels, ABM gifting and field marketing events.

STRATEGY
Reimagining BeyondTrust's demand generation

ROI·DNA identified critical issues hindering BeyondTrust's growth, including team silos and an outdated go-to-market (GTM) strategy. To overcome these challenges, ROI·DNA reimagined BeyondTrust's demand generation approach, delivering results without having to increase BeyondTrust's ad spend.

Services deployed:

- GTM strategy
- Channel audits
- SEO *(search engine optimisation)* audit
- MarTech audit
- Competitive analysis
- Media mix
- Creative
- DAS *(Digital Advertising Services)*
- SEM *(Search Engine Marketing)*
- Programmatic via 6sense
- LinkedIn
- Publisher direct.

EXECUTION
Leveraging technology to democratise data and report on meaningful metrics

To unify BeyondTrust's team, ROI·DNA democratised data usage across the organisation. By shifting away from traditional Marketing Qualified Leads (MQLs) and embracing revenue-oriented metrics such as pipeline won and high-intent engagement, ROI·DNA ensured that BeyondTrust was better aligned with its business goals. Leveraging 6sense technology, ROI·DNA also unlocked data transparency, enabling BeyondTrust to fully commit to intent-based advertising. As a result, BeyondTrust achieved the following:

- break down silos and dramatically reorganised the way the team approached content and demand generation
- enhanced the revenue engine and gained confidence to invest in predictable growth
- approached revenue generation as one unified team rather than separate sales and marketing teams, with marketing contributing more to pipeline-generation efforts
- reported on impactful metrics: pipeline and activities proven to contribute to pipeline – contact requests, trials and product demos.

RESULTS
Driving revenue-accelerating results

Having access to a deep bench of experts from ROI·DNA was a game changer for BeyondTrust. ROI·DNA's team brought extensive experience with the same tools and platforms BeyondTrust was using, allowing them to identify efficiencies and streamline processes. This expertise empowered the BeyondTrust team to move quickly and confidently, achieving roadmap milestones ahead of schedule – without risking mistakes.

ROI·DNA'S PARTNERSHIP WITH BEYONDTRUST PRODUCED REVENUE-ACCELERATING RESULTS, INCLUDING:

32%

increase in high-intent leads

55%

increase in marketing-sourced pipeline

62%

increase in marketing-sourced Average Conversion Value

OBMedia

OBMedia is a 51% owned AdTech business in Enero Group's global portfolio. In partnership with the world's largest search engines, OBMedia acquires, qualifies and monetises high-intent customers on behalf of advertisers. OBMedia delivers this through broad and long-standing relationships with digital publishers and media buyers and proprietary technology powered by AI, machine learning and data science.

OBMedia's audience procurement and their ongoing focus on traffic optimisation and conversion allows them to deliver significant ROI for online advertisers.

FY23 **$89.5m**

FY24 Net Revenue
down 48%

$46.2m

FY23 **$65.4m**

FY24 EBITDA[1]
down 64%

$23.5m

FY23 **73%**

FY24 EBITDA margin[1]
down 22ppts

51%

[1] *Before significant items*

Case Study

Adtech

Powering digital advertising growth with Adtech

CHALLENGE

Search-based advertisers seek cost-effective, high-intent audiences to drive business growth.

STRATEGY

OBMedia is a digital advertising technology platform that delivers high-quality/high-intent internet traffic to search-based advertisers using proprietary technology, exclusive partnerships and deep data analytics expertise. OBMedia is focused on:

- delivering engaging and relevant content to valuable audiences via digital publishers, ad networks and social media platforms
- using its proprietary, advanced data science techniques to accurately understand consumer intent
- profitably connecting high-quality audiences with advertiser's sites.

EXECUTION

OBMedia's competitive advantage is its proprietary technology, data science, automation and partnerships. These combine to deliver outstanding value to both advertisers and publishers. Its key differentiations are:

Leading media buying technology to provide the most relevant ads for target audiences.

Powerful technology stack with real-time data, system resiliency and rapid new product development.

Deep data science powering responsive campaign analytics, real-time campaign optimisation and end-to-end conversion tracking.

FY24 saw OBMedia continue to drive growth for its partners. This was enabled by improving campaign optimisation and platform development to acquire more targeted traffic, expansion in traffic acquisition sources, as well as the continued development of its AI-powered media buying platform. Simultaneously, OBMedia has further refined its fraud monitoring capabilities to maintain its detection rates and the trust of its key partners.

Environmental, Social and Governance

At Enero we recognise that investors, customers and our community are looking for partners with responsible business practices, both financial and non-financial. Environmental, Social and Governance (ESG) issues and opportunities impact the success of any organisation and ours is no exception. At the core of our ethos is social good, so pursuing ESG responsibility is a natural next step.

We understand our responsibilities as an influencer of culture and behaviours and our key role in creating a more sustainable world. We will continue making decisions that drive positive impact and promote responsible outcomes.

WORKING WITH VALUES-ALIGNED CLIENTS

As a marketing services business, collaborating with like-minded clients and partners allows us to harness our innovation and creativity to tackle some of society's most pressing challenges. Our decision to partner with clients is driven by our desire to make a positive impact on the world.

The work of our agencies in FY24 positively addressed societal challenges, improved the lives of the marginalised and under-represented communities and had a positive impact on the social fabric of Australia.

BMF launched eight national behaviour change campaigns including rallying a nation to stop elder abuse; helping Australians give up smoking and vaping for good; launching an Algorithm of Disrespect to help parents understand the hidden trends of gender-based violence on social media; and giving parents the tools to prevent child sexual abuse.

Meanwhile, Orchard created a digital tool to shorten the time to it takes to diagnose endometriosis from six years to six weeks by educating GPs on the visual metaphors women use to describe endometriosis pain.

In 2024, we continued to assess our revenue by sector and remain committed to guiding our agencies in making values-driven decisions about clients and projects. To support greater transparency, we will continue to monitor and report our revenue by client sector.

ENVIRONMENTAL

Last year, we committed to measuring our global footprint across carbon emissions, energy use, waste, and water collectively for Enero corporate and our holdings. As we navigated a challenging macroeconomic environment, this work remains ongoing, and we recognise the need for additional resources to drive meaningful progress.

With a globally dispersed workforce remote work has become more common, particularly in the Hotwire Group. This raises the issue of the environmental impact of office relocations. The need to reconnect with clients and staff worldwide saw business travel tick up slightly, but we have been diligent in limiting travel to the most essential journeys. Our Environment Policy outlines our environmental commitments for both home and office work.

We remain dedicated to tracking our impact and are working with advisors to prepare climate-related risk assessments and financial disclosures in compliance with Australian Sustainability Reporting Standards. Standards, which we will report on next year.

On the following pages you'll find a summary of other ESG highlights for this past fiscal year

Environmental, Social and Governance (continued)

SOCIAL

Our success as a service company comes from our diverse, global team working collaboratively with clients, communities and industries. We are deeply committed to supporting our people, fostering inclusion, celebrating diversity and empowering everyone to succeed.

We've divided our FY24 social efforts into four areas:

1. Diversity, Equity, Inclusion and Belonging
2. Learning and Development
3. Health and Wellbeing
4. Community and Industry Impact.

DIVERSITY, EQUITY, INCLUSION AND BELONGING (DEIB)

DEIB is integral to our recruitment, talent development, employee programs and partnerships. In FY24, we continued to advance these efforts globally.

Our hiring managers undergo interview training to ensure fair candidate assessments and the elimination of bias. They also learn about the importance of diverse and inclusive hiring and the impact of unconscious bias.

Enero is deeply committed to reconciliation with Australia's Aboriginal and Torres Strait Islander (ATSI) people. As highlighted by our ongoing partnership with Reconciliation Australia for our INNOVATE Reconciliation Action Plan (RAP). Our RAP nurtured, developed and encouraged Group-wide inclusion of ATSI creative talent, partners and advisors. Most importantly, our RAP aims to improve inclusion across the entire marketing services industry.

Our internal RAP committee led our efforts to build on existing strategies, like our CareerTrackers partnership and National Aborigines and Islanders Day Observance Committee (NAIDOC) Week and National Reconciliation Week, deepening our understanding and recognition with ATSI cultures. The 'Yarning sessions' we hosted with external consultants and elders during NAIDOC Week, showed all of us how we can best contribute to national reconciliation individually and as a business. We will continue this work into FY25 and beyond, supporting indigenous suppliers through our 'Supply Nation' membership.

In Australia, we welcomed three interns into our agencies and departments as part of our ongoing partnership with CareerTrackers who provide First Nations' university students with work placement opportunities. In the UK, Hotwire continued its partnership with the 10,000 Black Interns program by hosting four interns for six-week placements.

Hotwire in the USA continued to focus on its employee driven community groups, 'Empowered Societies', to reinforce its DEIB mission and goals. The eight Empowered Societies engaged USA team members to steer the agenda and drive progress in each Empowered Society's goals.

Another FY24 highlight was the award-winning Hotwire Ignite Possibility Program. Hotwire provided $1 million USD in pro-bono brand marketing and public relations services to tech and tech-enabled organisations led by, or that are supporting, underserved communities. Highlights this year included:

- SEO audit for the Children's Creativity Museum
- free Google Ads workshops
- FOODe's media strategy for the launch of its food experience app
- a thought leadership framework for ReRent.

In Europe, Hotwire partnered with Fobbs to reshape how leaders are portrayed in UK schools and helped Mentalis with a Google Ads campaign and media relations.

LEARNING AND DEVELOPMENT (L&D)

We remained committed to developing our leaders and their teams over FY24, significantly investing in capability development at Enero and our businesses.

Enero had 2,813 training touchpoints in FY24 (4,735+ learning hours). Our global focus is reflected by the fact that 46% were for international businesses and 54% were for Australian businesses.

Our ADVANCE Leadership Program highlighted inclusive leadership and the importance of wellbeing in creating high performance teams and played a pivotal role in enhancing leadership capabilities. Over a nine-week program, we equipped 82 Group leaders with human-centered skills and confidence to lead high performing teams.

Our 'The Leadership Circle' helped build self-confidence in leaders through inventory and executive coaching. 12 senior Group leaders cultivated strong, capable leadership skills to empower and create high performing teams.

We expanded our Enero Academy program with new offerings and inspiring content. We launched a new series called 'Leadership Unplugged', which highlighted leaders across the Group and offered a space for authentic conversations and connections.

Finally, our 'Academy' channel focused heavily on DEIB, hosting curated learning sessions for both NAIDOC Week and an in-person Q&A panel to commemorate International Women's Day, featuring five female leaders across each of our Australian businesses.

In-person Q&A hosted by five female leaders from across Enero's Australian businesses

HEALTH AND WELLBEING

Enero prioritises our global team's health and wellbeing, using our expertise to promote wellness at work and in the broader community.

Over FY24, our L&D team implemented programs on resilience, on having a growth mindset and thriving at work. We expanded our Mental Health Training by accrediting 40 global Mental Health First Aiders to provide colleagues with immediate support. Leading mental health speaker Mitch Wallis joined us for 'R U OK Day', in our Sydney office to deliver a powerful keynote presentation on how to have effective support conversations.

We also partnered with CU Health, enhancing overall mental and physical wellbeing by offering Australia-based employees' access to virtual health services, including psychologists, GPs, dietitians and health coaches.

Enero is committed to fostering a safe working environment for all employees. All employees must complete annual 'Respect at Work' training, ensuring everyone understands relevant legislation and can foster a workplace free from bullying, discrimination and harassment.

Environmental, Social and Governance (continued)

Additionally, we launched a Psychological Safety training initiative, starting with leaders, to promote psychological safety within teams. This will continue into FY25.

To support employees' work-life balance, Enero supported various benefits in FY24 including work-life balance. Across the Group, Orchard implements 'Summer Fridays', encouraging early logoffs during the summer. Hotwire promotes 'Wellbeing Afternoons', making Fridays meeting free year-round. BMF offers wellness app subscriptions and rewards through its Bravo recognition platform.

COMMUNITY AND INDUSTRY IMPACT

Enero actively engages with under-represented communities to promote social and environmental justice.

FY24 saw us continue our commitment to community health and wellbeing by partnering with the Australian Red Cross to champion its Lifeblood campaign through blood donations at the Pyrmont Mobile Bus.

Our generous team raised awareness and funds for the Cancer Council by dedicating their time and cooking skills to successfully take part in Australia's 'Biggest Morning Tea'.

Our Kids Club program promoted a family-inclusive workplace with a day of school holiday child-care and activities to support our working parents.

At Orchard, the 'No Guts, No Glory' initiative continued to unite team members to support health challenges, charities, and causes and used their digital creativity to create an endometriosis prototype.

Meanwhile, BMF continued to mentor and judge industry work, reinforcing our dedication to nurturing new talent. In addition, the BMF team made a concerted effort to take part in D&AD Shift, an internship program aimed at recruiting diverse talent.

Our annual Employee Opinion Survey gathered insights on diversity, wellbeing and development. We also maintained policies to protect employees in vulnerable situations, ensuring their wellbeing and work-life balance.

GOVERNANCE

Enero is adapting to an evolving modern governance landscape. Our governance framework integrates leadership, Board practices, and operational management to generate sustainable value. This approach leverages advanced technology and data-driven insights to enhance performance, maintain investor confidence, foster stakeholder engagement and drive meaningful outcomes. We're bringing modern governance to life in the following ways:

Digital Transformation and Integrated Technology

We've digitised our Board processes and partnered with Automic Registry to implement a comprehensive, cloud-native platform. This brings together secure document sharing, registry services, employee share plan management and Board management into a single solution. It provides better access for auditors, streamlines our processes, enhances security, and offers a seamless experience for shareholders, employees and Board members.

ESG Integration

We've woven ESG considerations into our planning and risk assessment. It's our way of committing to responsible business practices.

Cyber Resilience

We're strengthening our cyber resilience as a key part of our governance strategy. This includes regular risk assessments, advanced threat detection, and a Board supervised cybersecurity committee. We're also implementing robust data protection measures and employee training.

Continuous Learning

Our Board members are committed to ongoing education with a special focus on emerging technologies such as AI and cybersecurity. Regular training sessions cover AI ethics, potential industry applications, emerging cyber threats, and relevant regulatory developments. This knowledge empowers our Board to make informed decisions about AI integration, strengthen our cyber defences and ensure compliance.

Transparency

We keep our stakeholders informed through our primary digital channels including email, our website and the Automic platform. Key announcement emails cover Enero developments.

Our commitment to modern governance drives continuous evolution of our practices. This approach equips us to navigate changing business landscapes, foster sustainable growth, and maximise long-term shareholders' value, while maintaining the highest corporate governance standards.

LOOKING AHEAD

This is the start of our journey to scale our impact. We will continue delivering client growth while staying true to our values. We're excited about the journey ahead and the promising opportunities.

On the following pages you'll find the financial report for year ended 30 June 2024

Financial Report

year ended 30 June 2024

Directors' Report

The Directors present their report, together with the consolidated financial statements of Enero Group Limited (the **Company**) and of the Group, being the Company and its controlled entities, for the year ended 30 June 2024; and the independent auditor's report thereon.

Directors
The Directors in office as at the date of this report are:

Name	Role	Independent	Appointed	Length of service (at 30 June 2024)
Ann Sherry	Non-Executive Chair	Yes	1 January 2020	4 years and 6 months
Anouk Darling	Non-Executive Director	Yes	6 February 2017	7 years and 4 months
Ian Rowden	Non-Executive Director	Yes	21 November 2018	5 years and 7 months
David Brain	Non-Executive Director	Yes	10 May 2018	6 years and 1 month
Louise Higgins	Non-Executive Director	Yes	10 September 2021	2 year and 9 months
Brent Scrimshaw	Executive Director	No	1 July 2020	4 years

The biographical details of the current Directors included on pages 10 and 11 set out information about the Directors' qualifications, experience, responsibilities and other directorships.

Company Secretary
Cathy Hoyle is the Group General Counsel and was appointed Company Secretary on 8 March 2021. Cathy is a practising Solicitor in New South Wales Australia, a Graduate of the Australian Institute of Company Directors, and holds several degrees including a Master of Laws from the Australian National University.

Committee Membership
At the date of this report, the Company has an Audit and Risk Committee and a Remuneration and Nomination Committee.

Members of these Committees were:

Audit and Risk Committee

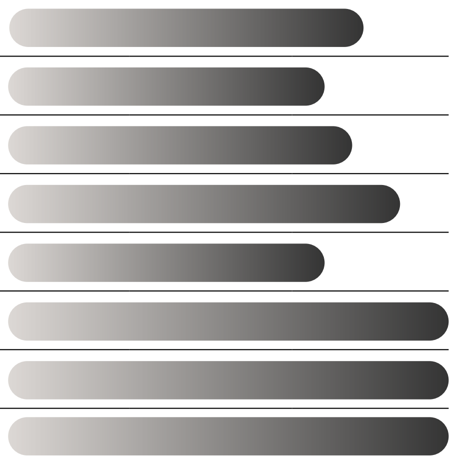
Louise Higgins (Chair)
Anouk Darling
David Brain

Remuneration and Nomination Committee

Ian Rowden (Chair)
Ann Sherry
Anouk Darling

Board Matrix
In determining the composition of the Board, the Remuneration and Nomination Committee ensures that the Board has an optimal size and mix of skills to facilitate efficient and appropriate decision-making. The Board reviewed its board skills matrix during FY2024. The objective of the review was to clearly outline the skillset required at Board level to determine the Company's ongoing strategy.

Skills & Experience		Collective Experience
		Moderate / Experienced / Expert
Governance	Knowledge and experience in establishing and overseeing governance frameworks, policies, and processes.	
Risk Management	Expertise in identifying, managing, and overseeing material risks, along with the capability to monitor risk and ensure compliance.	
Financial and Capital Management Experience	Expertise in financial accounting and reporting, capital allocation, and debt and equity capital management, including investor relations.	
Industry Experience	Understanding of the market sectors relevant to the Group.	
Leadership	Executive and business leadership experience at a senior level.	
Strategic Vision and Direction	Expertise in the development, establishment, and execution of strategic vision and direction.	
People and Remuneration	Experience in managing people, including incentive arrangements, corporate culture, leadership assessment and workforce and succession planning.	
Technology and Innovation	Expertise in technological strategies, innovation, and prioritising digital technology, data, and analytics.	



Principal activities

The principal activities of the Group during the course of the financial year were integrated marketing and communication services, including strategy, market research and insights, advertising, public relations, communications planning, design, events management, direct marketing and programmatic media.

Corporate Governance

The Directors recognise the requirement for, and have adhered to the principles of corporate governance.

A copy of the Company's full 2024 Corporate Governance Statement, which provides detailed information about governance, and a copy of the Company's Appendix 4G which sets out the Company's compliance with the recommendations in the fourth edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Principles), are available on the corporate governance section of the Company's website at http://www.enero.com/investor-centre/governance.

Operating and Financial Review

Information relating to the operating and financial review of the Company and its strategy is outlined on pages 50 to 55 and forms part of this Directors' Report.

Directors' meetings

The number of Directors' meetings (including meetings of committees of Directors) and the number of meetings attended by each of the Directors of the Company during the financial year were:

	Board meetings		Audit and Risk Committee meetings		Remuneration and Nomination Committee meetings	
	A	B	A	B	A	B
Ann Sherry	6	6	–	–	2	2
Brent Scrimshaw	6	6	4	4	2	2
Anouk Darling	6	6	4	4	2	2
Ian Rowden	5	6	–	–	2	2
David Brain	6	6	4	4	–	–
Louise Higgins	6	6	4	4	–	–

A = Number of meetings attended.

B = Number of meetings held during the time the Director held office or was a member of the Committee during the year

Directors' interests

The relevant interests of each Director in the shares or SARs issued by the Group, as notified by the Directors to the Australian Securities Exchange in accordance with section 205G(1) of the *Corporations Act 2001*, at the date of this report, are as follows:

Director	Ordinary shares	Share Appreciation Rights
Ann Sherry	50,000	Nil
Brent Scrimshaw	491,134	2,558,334
Anouk Darling	34,991	Nil
Ian Rowden	95,000	Nil
David Brain	120,500	Nil
Louise Higgins	12,699	Nil
Total	**804,324**	**2,558,334**

Events subsequent to balance date

Transactions or events subsequent to the balance date, were:

- the Directors have declared a final dividend, with respect to ordinary shares, of 2.0 cents per share, fully franked. The final dividend will have a record date of 20 September 2024 and a payment date of 3 October 2024.

Except for these events there has not arisen, in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Likely developments

The Group will continue to focus on its strategy outlined in the operating and financial review. The Group will specifically focus on new business conversion and organic revenue growth to increase Net Revenue. The Group will also continue to assess acquisition, divestment and capital deployment opportunities as they arise to complement the key operating business brands.

Indemnification and insurance of officers and auditors

Indemnification

The Company has agreed to indemnify the following current Directors of the Company: Ann Sherry, Brent Scrimshaw, Anouk Darling, Ian Rowden, David Brain, Louise Higgins and Company Secretary Cathy Hoyle against liabilities to another person (other than the Company or a related body corporate) that may arise from their positions as Directors, Secretaries or Executives of the Company and its controlled entities, subject to the *Corporations Act 2001*, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any liabilities, including costs and expenses. The Company has also agreed to indemnify the current Directors and Secretaries of its controlled entities for all liabilities to another person (other than the Company or a related body corporate) that may arise from their position, except where the liability arises out of conduct involving a lack of good faith. The agreements stipulate that the Company will meet the full amount of any such liabilities, including costs and expenses.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young Australia during or since the financial year.

Insurance premiums

During the financial year, the Company has paid insurance premiums in respect of Directors' and Officers' liabilities, for current Directors and Officers, covering the following:

- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal; and
- other liabilities that may arise from their position, with the exception of conduct involving a willful breach of duty or improper use of information or position to gain a personal advantage.

The Directors have not included details of the amount of the premium paid in respect of the Directors' and Officers' liability and legal expenses insurance contracts, as such disclosure is prohibited under the terms of the contracts.

Issue of shares and Share Appreciation Rights (SARs)

Shares issued on exercise of SARs

On 14 September 2023, the Company issued 32,984 (2023: 820,120) ordinary shares to employees exercising share appreciation rights under the Company's Share Appreciation Rights Plan (SARP), which was approved by shareholders at the Company's Annual General Meeting (AGM). The issue price of these shares was $1.60 and these shares rank equally with existing shareholders.

Share Appreciation Rights

Share Appreciation Rights issued

During the year ended 30 June 2024, a total of 4,550,000 Share Appreciation Rights (30 June 2023: 4,425,000) were issued to senior employees of the Group under the existing Share Appreciation Rights Plan.

Unissued shares under Share Appreciation Rights Plan

At the date of this report, unissued shares of the Company under the Share Appreciation Rights Plan are:

Expiry date	Number of SARs	Strike price VWAP (for the 20 business days prior to the grant)
30 September 2024	1,275,004	$3.02
30 September 2024	1,266,667	$2,85
30 September 2025	1,266,666	$2.85
30 September 2024	1,443,667	$1.60
30 September 2025	1,443,667	$1.60
30 September 2026	1,442,666	$1.60
Total	8,138,337	

These SARs in the table above do not entitle the holder to participate in any share issue of the Company.

Dividends

Dividends declared and paid by the Company to members since the end of the previous financial year were:

	Cents per share	Total amount AUD '000	Date of payment
Fully franked:			
2024 Interim dividend	3.0	2,741	12 April 2024
2023 Final dividend	4.5	4,139	3 October 2023

Subsequent to the balance sheet date, the Directors have declared a final dividend, with respect to ordinary shares, of 2.0 cents per share – fully franked with a payment date of 3 October 2024. The financial effect of this dividend has not been brought to account in the consolidated financial statements for the year ended 30 June 2024 but will be recognised in the subsequent financial period.

For further details refer to Note 18 Capital and reserves in this annual report.

Environmental regulation and performance
The Board believes that the Group has adequate systems in place for the management of its environmental requirements and is not aware of any significant breach of those requirements as they apply to the Group.

Non-audit services
During the year EY the Group's auditor, has not performed other services in addition to the audit and review of the consolidated financial statements.

Details of the amounts paid to the auditor of the Company, EY, and its related practices, for the statutory audit have been disclosed in Note 32 Auditor's remuneration of the notes to the consolidated financial statements.

Auditor independence
The Lead Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 119, and forms part of the Directors' Report for the year ended 30 June 2024.

Rounding off
The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and, in accordance with that Class Order, amounts in the consolidated financial statements and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Remuneration Report
The Remuneration Report on pages 56 to 63 forms part of this Directors' Report.

Signed on behalf of the Directors in accordance with a resolution of the Directors:

Ann Sherry AO
Chair
Sydney, 13 September 2024

Operating and financial review

Strategy and operations of the Group

Enero Group is a global company of forward-thinking marketers, technologists and leaders navigating a world of constant change and disruption. The Group achieves this through an international network of marketing, communications and advertising technology companies with over 650 employees (at the date of this report) in 11 countries.

Enero's vision is to leverage our specialist advantage and agility in marketing services and be famous for our progressive capabilities. We achieve this through deep knowledge and experience in key industries, which delivers growth for our clients, transforming their brands with creative, technology and data solutions. Our industries of focus are Technology, Healthcare and Growth Consumer, all of which are supported by long-term positive macroeconomic growth trends. We differentiate against our competitors through our integrated offering combined with our deep industry specialism, and our agility to capitalise on new developments in our dynamic sector.

Enero Group remains optimistic about the growth potential of our business across all regions. We are also responding rapidly to changes in our business, reducing cost to match revenues and maintain margins. We remain responsive to changing macroeconomic conditions, and our long-term perspective will ensure that we capitalise on opportunities to evolve and transform the Group as conditions improve.

Enero Group considers the following to be the most relevant risks to the business achieving its strategic, operational and financial targets:

Potential risk	Risk description	Group's mitigating actions
Evolving needs of clients	Changing requirements of clients' marketing needs may render our services redundant or unsuitable.	Enero Group continues to invest in the evolution of our capabilities, both through internal investment as well as strategic acquisitions. The Enero Board and management team monitor the evolution of the markets in which we operate, dynamically adjusting the Group's strategy as required. We also work to limit customer concentration, such that the loss of any single customer would not significantly impact the Group's financial performance.
Uncertain economic conditions	Global macroeconomic conditions may impact demand for marketing services and therefore reduce the Group's revenue performance.	Enero Group is a diversified portfolio of businesses, both geographically and in terms of the types of marketing services offered. This helps us to remain resilient to economic volatility. The Group also owns businesses that have relatively low fixed costs, allowing us to manage the cost base of the business in accordance with our revenue performance. We are constantly monitoring and managing our business to key internal cost ratios to ensure we can deliver strong shareholder returns even in the face of volatile market conditions. We also continue to develop capabilities that differentiate us versus our competitors, ensuring we are preferred suppliers, and enabling us to augment and enhance client teams that may have been impacted by cost reduction initiatives. Certain businesses in the Group, such as OBMedia, may also have countercyclical elements, where decreasing revenues may be mitigated by decreasing costs of sales.
Supply chain	Suppliers no longer provide critical services/products to the Group, for commercial, financial (bankruptcy etc.) or geopolitical reasons.	Enero has a diversified portfolio of supplier relationships with different contract maturity dates to mitigate the impact of losing individual suppliers. Most of our suppliers are service providers with commoditised offerings, which ensures we are minimally exposed to market price fluctuations and can find new suppliers with relative ease. We can source suppliers globally (particularly in the pandemic era of virtual working), limiting our geopolitical risk. Our global scale makes us a valuable customer for our suppliers, which also mitigates commercial risk to

Potential risk	Risk description	Group's mitigating actions
		these relationships. We regularly review our supplier relationships to identify risks and ensure they remain commercially attractive relationships. OBMedia's supply chain includes a diversified group of publishers, agencies, social media platforms, ad networks, media buyers and other traffic sources. We use processes and technology to assess traffic quality from these sources. We proactively manage our publisher traffic and relationships to ensure quality traffic is sourced.
Employee attraction and retention	The Group finds it difficult to attract and/or retain key talent. As a talent-based business, a significant loss of key talent over a short period could impact the Group's financial performance.	As a talent-based business, Enero believes employee attraction and retention is a key source of competitive differentiation. As such, we actively invest in talent and culture, both through Enero's global People and Culture Centre of Excellence, as well as within the individual businesses of the Group. We empower each business in the Group to develop a unique culture that suits the talent market they operate in, ensuring each business is best situated to achieve its People and Culture strategy and goals. Enero invests heavily in in-house and external recruitment capabilities, a global Learning and Development platform, progressive and dynamic workplace practices and a strong focus on Diversity, Equity and Inclusion initiatives that are tailored to each market we operate in. We conduct short-term and long-term succession and organisational planning for key roles. We also regularly measure the satisfaction of the Group's employees and seek feedback on areas of improvement. The Nomination and Remuneration Committee of the Board works closely with the CEO and Chief People and Culture Officer on the development and execution of the Group's People and Culture strategy.
Business continuity	The Group may be exposed to a range of different risks that may adversely affect the day-to-day operations of the business.	Enero regularly reviews potential business continuity risks such as Work, Health and Safety risks (WHS), IT and Cybersecurity risks, and Regulatory and Governance risks. We have developed plans to mitigate and minimise the impact of all of these risks, as well as others. The Audit and Risk Committee of the Board periodically reviews the Group's Business Continuity, Disaster Recovery and Crisis Management plans.
Acquisition success	Acquisitions may not deliver expected value to shareholders, either through commercial underperformance, integration difficulty or operational issues.	As a portfolio business, Enero has extensive experience acquiring and integrating new businesses into the Group. We conduct extensive due diligence to minimise commercial and operational risk, as well as developing integration plans prior to closing M&A transactions, to ensure we capitalise on the benefits of our acquisitions. Where appropriate, we may appoint dedicated project managers to assist with integration efforts. Enero reports on the performance of acquired businesses and integration progress to the Board. We support our acquired businesses on an ongoing basis through the Enero Centres of Excellence, enabling them to continually enhance their business and deliver results for clients.

Potential risk	Risk description	Group's mitigating actions
Regulatory risk	The Group may be exposed to certain regulatory risks where policy or legal developments impact our success.	Enero Group operates in a relatively low regulation industry (marketing services), noting that we do not own or sell media assets (at the time of this report). We regularly monitor for regulatory changes in our operating markets, and we engage with relevant regulators and industry bodies as necessary.
Governance processes	Insufficient governance and oversight of the Group's systems and processes could create an environment where we act or perform in a way that does not meet shareholder expectations.	As a publicly listed company, Enero Group has dedicated resources that regularly review our systems and processes to ensure we operate at the standard expected by shareholders. We regularly conduct compliance training for employees to ensure adherence to Group policies.
Legal risk	The Group may be subjected to a lawsuit that impacts business operations or financial performance.	Enero Group has experienced and dedicated internal Legal resources to ensure that all our businesses are operating within the correct legal framework for their respective jurisdictions. The Group's Legal Centre of Excellence provides both leadership and support in legal issues, including dispute management, contracting, employment matters and M&A.
IT and Cybersecurity risk	The Group may be subject to cybersecurity breaches, or may not operate in the way required by certain IT regulations or business practices, leading to financial, data or business continuity impacts.	Enero regularly reviews data and privacy regulations to ensure our systems and processes are up to date with best practice. We invest in modern cloud infrastructure and backup systems to deliver consistently high levels of service. Enero's IT Centre of Excellence operates as a central resource for the Group to provide thought leadership, support and ensure best-practice operations. The Group regularly conducts cybersecurity risk assessments and training, and tracks progress against outstanding issues until they are mitigated.

Financial performance for the year

The Group achieved Net Revenue of $189.7 million, a decrease of 21.5% (2023: $241.6 million) compared to the prior reporting period. Net Revenue declined in both OBMedia and Technology, Healthcare and Consumer Practice segments.

Advertising technology platform OBMedia Net Revenue declines were due to market-wide weakness and proactive reduction of traffic in FY23 Q4. Current macroeconomic environment conditions impacting the technology sector and the sale of the CPR business in October 2023 impacted Net Revenue in the Technology, Healthcare and Consumer Practice. This decline was partially offset by organic Net Revenue growth in both Healthcare and Consumer verticals. Geographically, organic Net Revenue growth was achieved in Australia & Asia whilst the USA and UK & Europe saw a decline.

The Group achieved EBITDA of $37.4 million, a decrease of 52.6% (2023: $78.8 million) compared to the prior reporting period. The EBITDA margin decreased from 32.6% in 2023 to 19.7% in 2024. This decrease in EBITDA and EBITDA margin was driven by

- Lower EBITDA and EBITDA margins in OBMedia driven by revenue decline with cost savings implemented in FY24 Q1 as part of the proactive management of traffic and further savings in FY24 Q4 in response to continued market-wide weakness;
- lower EBITDA with flat EBITDA margins in the Technology, Healthcare and Consumer Practice segment due to continued weak macroeconomic conditions in the technology sector with additional cost savings implemented in Q4;
- partly offset by a reduction in Corporate Costs driven by FY23 cost initiatives and continued management of costs throughout the year.

The net profit after tax before significant items attributable to equity owners was $10.3 million, compared to $24.4 million in the prior year, driven by EBITDA decline; lower net finance costs due to debt repayments; lower present value interest charge relating to contingent consideration unwind and leases; and higher effective tax rate due to higher US effective tax rate and change in profit mix.

The statutory net loss after tax to equity owners was ($44.2) million, compared to a net profit of $56.5 million in the prior year. In the current year, the Group incurred an impairment loss of $70.8 million; restructuring costs and other of $4.9 million and loss on sale of business of $2.2 million partly offset by a fair value gain of $22.4 million relating to revaluation of future contingent consideration (2023: the Group incurred a fair value gain of $34.6 million relating to revaluation of future contingent consideration partially offset by restructuring costs and other of $3.4 million).

In the current year, the operating businesses generated approximately 66% of their Net Revenue and 64% of their EBITDA from international markets.

A summary of the Group's results is below:

In thousands of AUD	2024	2023
Net Revenue[1]	189,712	241,643
EBITDA[2]	37,358	78,841
Depreciation and amortisation	(9,914)	(10,069)
EBIT	27,444	68,772
Net finance costs	(634)	(1,582)
Present value interest charge	(1,524)	(2,543)
Profit before tax	25,286	64,647
Income tax expense	(6,600)	(15,243)
Profit after tax	18,686	49,404
Non-controlling interests	(8,399)	(25,002)
Net profit after tax before significant items	10,287	24,402
Significant items (net of tax and NCI)[3]	(54,474)	32,072
Net (loss)/profit after tax attributable to equity owners	(44,187)	56,474
Cents per share		
Earnings per share (basic) – pre significant items	11.3	26.4
Earnings per share (basic)	(48.3)	61.1

1. Gross revenue recognised in accordance with AASB 15 less directly attributable cost of sales.
2. EBITDA, as defined in the basis of preparation section on page 54.
3. Significant items are explained on page 54 and Note 5.

Reconciliation of EBITDA to statutory profit after tax

In thousands of AUD	2024	2023
Net Revenue[1]	189,712	241,643
EBITDA[2]	37,358	78,841
Depreciation of right-of-use assets	(4,402)	(4,253)
Depreciation of plant and equipment	(1,460)	(2,077)
Amortisation of intangibles	(4,052)	(3,739)
Net finance costs	(634)	(1,582)
Present value interest charge	(1,524)	(2,543)
Loss on sale of controlled entities[3]	(2,154)	–
Incidental acquisition costs[3]	(392)	(216)
Restructuring costs[3]	(4,539)	(3,135)
Impairment loss[3]	(70,827)	–
Contingent consideration fair value gain/(loss)[3]	22,421	34,648
Statutory profit before tax	(30,205)	95,944
Income tax expense	(6,933)	(14,468)
Statutory profit after tax	(37,138)	81,476

1. Gross revenue recognised in accordance with AASB 15 less directly attributable cost of sales.
2. EBITDA, as defined in the basis of preparation section on page 54.
3. Significant items are explained on page 54 and Note 5.

Significant items

2024

- The Group recognised an impairment loss of $70,827,000 relating to ROI DNA and GetIT intangibles and impairment of right of use asset relating to the CPR disposal
- The Group recognised a contingent consideration fair value gain of $22,421,000 relating to a change in the best estimate of future contingent consideration payable to the vendors of ROI DNA and GetIT.
- The Group incurred $4,539,000 of restructuring costs relating to a restructuring process to mitigate costs across the Group. The majority of the costs related to redundancy costs in OBMedia relating to rebase of revenue and deployment of enhanced software tools; and in the agencies across the group, which continued to further streamline their teams across multiple geographies.
- The Group recognised a $2,154,000 loss on sale of business relating to the CPR disposal on 31 October 2023
- The Group incurred incidental costs of $392,000 relating to the CPR disposal and the OBMedia strategic review

2023

- The Group recognised a contingent consideration fair value gain of $34,648,000 relating to a change in the best estimate of future contingent consideration payable to the vendors of McDonald Butler Associates, ROI DNA and GetIT.
- The Group incurred $3,135,000 of restructuring costs relating to a restructuring process to mitigate costs across the Group. The majority of the costs related to redundancy costs in the agencies across the group, which continued to further integrate its communication and marketing services businesses into a single account management team.
- The Group incurred incidental costs of $216,000 relating to acquisition of ROI DNA Inc. and GetIT Pte Ltd.

Geographical performance

In thousands of AUD	2024	2023
Net Revenue[1]		
Australia and Asia	66,355	64,462
UK and Europe	30,652	31,265
USA	92,705	145,916
Total Operating units	189,712	241,643
EBITDA[2]		
Australia and Asia	13,527	11,856
UK and Europe	4,918	4,145
USA	27,881	74,505
Total Operating units	46,326	90,506
Support office	(7,882)	(9,164)
Share-based payments charge	(1,086)	(2,501)
Total Group	37,358	78,841

In thousands of AUD	2024	2023
EBITDA[2] margin		
Australia and Asia	20.4%	18.4%
UK and Europe	16.0%	13.3%
USA	30.1%	51.1%
Total Operating units	24.4%	37.5%
Total Group	19.7%	32.6%

1. Gross revenue recognised in accordance with AASB 15 less directly attributable cost of sales.
2. EBITDA, as defined in the basis of preparation section on page 54.

Acquisitions

2024

There were no additions by the Group for the year ended 30 June 2024.

2023

The Group completed the acquisition of ROI DNA Inc. and GetIT Pte Ltd on 1 July 2022. Refer to Note 23 Acquisitions for details.

Disposals

2024

The Group completed the disposal of Communications and Public Relations (CPR) on the 31st October 2023. Refer to Note 24 Disposals for details.

2023

There were no disposals by the Group for the year ended 30 June 2023.

Basis of preparation

This Report includes Net Revenue and EBITDA, which are measures used by the Directors and management in assessing the ongoing performance of the Group. EBITDA is a non-IFRS measure and has not been audited or reviewed.

EBITDA is calculated as profit before interest, taxes, depreciation, amortisation, and any significant items. EBITDA is reconciled in the table on page 53.

Cash and Debt

In thousands of AUD	2024	2023
Cash and cash equivalents	46,703	52,432
Interest bearing liabilities	(3,000)	(8,735)
Contingent consideration liabilities	(5,499)	(30,740)
Net cash[1]	38,204	12,957

1. Net cash excludes lease liabilities recognised as a result of the adoption of AASB16 *Leases* as they are considered operational liabilities.

The Group had $38.2 million (2023: $13.0m) in net cash as at 30 June 2024.

Capital management

The Group's capital management strategy aims to balance returns to shareholders through dividends, funding acquisition and investment opportunities, as well as maintaining adequate cash reserves for existing businesses. The Group continues to seek acquisition opportunities that are aligned with Group strategy from a geographical or expansion of services perspective.

Cash flow – Operating activities

Cash inflows from operating activities was $27.0 million (2023: $61.5 million). The decrease in inflows is primarily attributable to EBITDA decline. The Group converted 88% of EBITDA to cash for the year ended 30 June 2024 (2023: 102%).

Cash flow – Investing activities

Cash outflows from investing activities was $4.6 million (2023: $35.7 million). The decrease in outflows was primarily due to acquisitions completed during the prior year.

Cash flow – Financing activities

Net cash outflows from financing activities was $28.1 million, primarily due to $6.9 million (2023: $12.1 million) in dividends paid to Enero Group Limited shareholders in addition to $8.3 million (2023: $26.3 million) in dividends paid to minority shareholders of controlled entities. Other movements included loan repayments of $5.7 million (2023: $28.9m) and share buy-backs of $2.6m performed during the year.

Contingent consideration liabilities

The Company entered into contingent consideration arrangements in relation to its acquisition of McDonald Butler Associates, ROI DNA and GetIT.

As at 30 June 2024, the Company's estimated contingent consideration liability is $5.5 million (2023: $30.7 million).

Reconciliation of carrying amounts of contingent consideration payable:

In thousands of AUD	
30 June 2023	30,740
Payments made	(3,927)
Fair value gain recognised in relation to McDonald Butler Associates, ROI DNA and GetIT	(22,421)
Present value interest unwind and foreign exchange movements	1,107
30 June 2024	5,499
Maturity profile (at present value):	
FY2025	3,740
FY2026	1,759
Total	5,499

Refer to Note 23 Acquisitions for further information.

Remuneration Report – Audited

Contents

1 Introduction

The Directors of Enero Group Limited present this Remuneration Report for the Group for the year ended 30 June 2024. The information provided in the Remuneration Report has been audited as required by section 308(3C) of the *Corporations Act 2001* and forms part of the Directors' Report.

The Remuneration Report outlines practices and specific remuneration arrangements that apply to Key Management Personnel (KMP) in accordance with the requirements of the *Corporations Act 2001* and explains how the Company's financial performance has driven remuneration outcomes.

2 Key Management Personnel (KMP) disclosed in this report

KMP comprise the Directors of the Company and Executives. The KMP covered in this Remuneration Report are those people having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. The table below outlines the KMP at any time during the financial year; and unless otherwise indicated, they were KMP for the entire year.

Name	Role
Non-Executive Directors	
Ann Sherry	Non-Executive Director (Chair)
Anouk Darling	Non-Executive Director
Ian Rowden	Non-Executive Director
David Brain	Non-Executive Director
Louise Higgins	Non-Executive Director
Executives	
Brent Scrimshaw	Chief Executive Officer
Carla Webb-Sear	Chief Financial Officer
Fiona Chilcott	Chief People and Culture Officer (Resigned 1 September 2023)

3 Remuneration Governance

The Board has established the Remuneration and Nominations Committee ('Committee'). It is responsible for making recommendations on remuneration matters to the Board on:

- the over-arching executive remuneration framework;
- operation of the incentive plans which apply to Executives including key performance indicators and performance hurdles;
- remuneration levels of Company Executives;
- appointment of the Chief Executive Officer, senior Executives and Directors themselves; and
- Non-Executive Director fees.

The Committee's objective is to ensure that remuneration policies and structures are fair, competitive to attract suitably qualified candidates, reward the achievement of strategic short-term and long-term objectives and achieve long-term value creation for shareholders.

The Corporate Governance Statement (available in the Corporate Governance section of the Company's website) provides further information on the role of the Committee.

The Remuneration and Nomination Committee operates independently of the Enero Executive team and engages directly with remuneration advisers.

4 Executive Remuneration policy and framework

The objective of the Group's executive reward framework is to attract, motivate and retain employees with the required capabilities and experience to ensure the delivery of business strategy aligning with the interests of shareholders.

The framework aligns executive reward with the achievement of strategic objectives resulting in remuneration structures taking into account:

- the responsibility, performance and experience of key management personnel;
- the Key Management Personnel's ability to control the relevant Company's performance; and
- the Group's performance, including:
  - the Group's earnings with profit a core component of remuneration design;
  - the growth in share price and delivering constant returns on shareholder wealth; and
  - the Group's achievement of strategic objectives.

For Company Executives, the remuneration framework currently has the following components:

- fixed remuneration: comprising base pay, benefits and superannuation;
- short-term incentive: comprising an annual cash bonus; and
- long-term incentive: equity-based Share Appreciation Rights Plan.

In structuring the remuneration mix for each role, the Board aims to balance fixed and variable remuneration to best achieve short-term and long-term performance outcomes.

4(a) Fixed remuneration

Fixed remuneration consists of base remuneration (which is calculated on a total cost-to-Company basis and includes fringe benefits tax charges related to employee benefits), as well as employer contributions to superannuation and pension funds.

Remuneration levels are reviewed annually by the Remuneration and Nomination Committee through a process that considers the responsibility, performance and experience of the individual and the overall performance of the Group and ensures competitive market salaries are provided. An Executive's remuneration may also be reviewed on promotion.

There are no guaranteed fixed remuneration increases included in any Executive contracts.

4(b) Performance-linked remuneration

Performance-linked remuneration includes both short-term incentives (**STI**) and long-term incentives (**LTI**) and is designed to reward KMPs, Executives and key leadership for meeting or exceeding financial, strategic and personal targets.

The official measures are EBITDA and EPS for STI as outlined in the table

The STI for the CEO and Company Executives align Executives with the creation of shareholder value through driving EBITDA improvements and Earnings per Share (EPS).

A component of the STI is also subject to the achievement of pre-determined KPIs for the individual.

Short-term incentives (STI):

The purpose of STI is to motivate and reward Executives for contributing to the delivery of annual business performance as assessed against financial and non-financial measures.

Participant	Performance measures and rationale
CEO	The STI is an annual maximum short-term incentive payment of 125% of the fixed remuneration determined by the achievement of EBITDA hurdles and Earnings Per Share pre significant items (EPS) growth hurdles set by the Remuneration and Nomination Committee. The hurdles are set each financial year determined by reference to business priorities. A component of the STI is also subject to the achievement of pre-determined KPIs for the individual. Where the STI opportunity exceeds 80%, a portion of the STI award may be deferred up to 25% in the form of restricted ordinary shares. Any restricted shares will be held in trust for a period determined by the Board at the time of issue.
Company Executive	The STI is an annual cash-based maximum short-term incentive payment of 100% for the CFO and 70% for all other Company Executives of the fixed remuneration determined by the achievement of EBITDA hurdles and Earnings Per Share pre significant items (EPS) growth hurdles set by the Remuneration and Nomination Committee. The hurdles are set each financial year determined by reference to business priorities. A component of the STI is also subject to the achievement of pre-determined KPIs for the individual.

The STIs are paid in cash following the end of the financial year and approval from the Remuneration and Nomination Committee. The Company Executives are not contractually entitled to the STI in their respective employment agreements and the Remuneration and Nomination Committee retains discretion to withdraw or amend the STI at any time.

The Remuneration and Nomination Committee has the discretion to take into account any significant items in determining whether the financial KPIs have been achieved, where it is considered appropriate for linking remuneration reward to Company performance.

Long-term incentives (LTI):

The purpose of the LTI is to align Executive remuneration with long-term shareholder value and the performance of the Group. The LTI is provided as an equity-based incentive in the Company under the terms of the Share Appreciation Rights Plan (SARP).

Description	The SAR Plan grants rights to shares in the Company on the achievement of appreciation in the Company's share price over the vesting period. Enero's Board may determine whether or not the grant of rights is conditional on the achievement of performance hurdles (including service conditions), and if so the nature of those hurdles. No dividends or voting rights are attached to the SARs.
Eligibility	The plan allows for the Board to determine who is entitled to participate in the SARP and it may grant rights accordingly.
Performance period	The performance period for the LTI is generally three years, with SAR vesting in equal tranches of 1/3 each year over the performance period.
Rights	The exercise of each right will entitle the rights holder to receive a fraction of an ordinary share based on a conversion formula of E = (A – B) / A, where: – E is the share right entitlement; – A is the volume weighted average price (**VWAP**) for the Company's shares for the 20 business days prior to the vesting date of the rights; and – B is the VWAP for the Company's shares for the 20 business days before the rights were granted. If A – B is less than or equal to zero, the share right will not vest and will immediately lapse on the applicable vesting date. The number of shares to be granted will equal the number of SARs awarded multiplied by the above conversion formula. Rights expire at 15 business days after the relevant vesting date or the termination of the individual's employment.
Other conditions	Cessation of employment will result in the lapsing of any unvested SARs. One share right shall never convert into more than one share in the capital of the Company. The Board may exercise discretion on early vesting of rights in the event of a change of control of the Group.

Refer to the table below for a summary of SARs on issue.

Refer to Section 8 (Share-based payments) of the Remuneration Report for further information regarding the SARs.

Summary of Share Appreciation Rights on issue:

Issue date	21 October 2021	21 October 2022	30 October 2023
SARs issued	4,525,000	4,425,000	4,550,000
Participants	Senior Executives	Senior Executives	Senior Executives
VWAP for the 20 business days prior to the grant (B)	$3.02	$2.85	$1.60
Vesting dates: 20 business days after the release of the Group financial report for the year ended:			
Tranche 1 (1/3)	30 June 2022	30 June 2023	30 June 2024
Tranche 2 (1/3)	30 June 2023	30 June 2024	30 June 2025
Tranche 3 (1/3)	30 June 2024	30 June 2025	30 June 2026
Last expiry date	30 September 2024	30 September 2025	30 September 2026
Outstanding SARs as at 30 June 2024	1,275,004	2,533,333	4,330,000

5 Executive service agreements

It is the Group's policy that service contracts for Key Management Personnel are in force either for a fixed period, with an extension period negotiable after completion of the initial term, or on a rolling basis. The agreements are capable of termination, acknowledging appropriate notice periods, and the Group retains the right to terminate the contract immediately for contractual breach by the Executive or by making payment in lieu of notice.

The service agreements outline the components of remuneration paid to the Key Management Personnel. Remuneration levels are reviewed annually by the Remuneration and Nomination Committee or in accordance with the terms of the service agreements.

Summary terms for current service agreements for Key Management Personnel:

Key Management Personnel	Duration of contract	Notice period on termination by Group	Notice period on resignation by Key Management Personnel	Termination payment on termination by Group (i) (ii) (iii) (iv)	Termination payment on resignation by Key Management Personnel (i) (ii) (iv)
Chief Executive Officer	30 June 2026	6 months	6 months	6 months base salary	6 months base salary
Chief Financial Officer	Rolling	6 months	6 months	6 months base salary	6 months base salary

(i) In addition to termination payments, Key Management Personnel are also entitled to receive, on termination of their employment, their statutory entitlements of accrued annual and long service leave, together with any superannuation benefits.

(ii) Includes any payment in lieu of notice.

(iii) No termination payment is due if termination is for serious misconduct.

(iv) Executives are entitled to a pro-rata STI payment on termination, except for termination for serious misconduct.

Remuneration details of Executives are set out in Section 7 Directors' and Executive Officers' remuneration.

6 Non-Executive Directors

The Company's Constitution provides that the Non-Executive Directors are each entitled to be paid such remuneration from the Company as the Directors decide for their services as Director, but the total amount provided to all Non-Executive Directors for their services must not exceed in aggregate in any financial year the amount fixed by the Company in a general meeting. This amount has been fixed by the Company at $750,000 for the financial year ended 30 June 2024. Total remuneration paid to Non-Executive Directors for the year ending 30 June 2024 amounted to $590,000 (30 June 2023: $552,500), which is 78.7% (30 June 2023: 73.7%) of the annual aggregate cap.

The remuneration of Non-Executive Directors does not include any performance-based pay and they do not participate in any equity-based incentive plans. Directors may be reimbursed for travelling and other expenses incurred in attending to the Company's affairs. Directors may be paid such additional or special remuneration as the Directors decide is appropriate where a Director performs extra services or makes special exertions for the benefit of the Company.

The following Non-Executive Director fees (inclusive of superannuation) have been applied in the years ended 30 June 2024 and 30 June 2023:

	2024 $	2023 $
Base fees – annual		
Chair	150,000	150,000
Other Non-Executive Directors	100,000	100,000
Committee fees – annual		
Audit and Risk Committee – Chair	20,000	20,000
Remuneration and Nomination Committee – Chair	20,000	20,000

Remuneration details of Non-Executive Directors are set out in Section 7 Directors' and Executive Officers' remuneration.

7 Directors' and Executive Officers' remuneration

7(a) Directors' and Executive Officers' short-term cash benefits, post-employment benefits, other long-term remuneration and equity-based remuneration

Details of the nature and amount of each element of the remuneration of each Director of the Company, and each of the Executives of the Company who are KMPs, are shown in the table below:

		Short-term benefits			Post-employment	Long-term benefits		Share-based payments		
		Salary and fees $	Cash STI[i] $	Annual leave[ii] $	Superannuation $	Long service leave[ii] $	Termination benefit $	Value of Share Appreciation Rights (LTI)[iii] $	Total $	Proportion of total remuneration performance related[iv] %
Non-Executive Directors										
Ann Sherry	2024	150,000	–	–	–	–	–	–	150,000	–
	2023	142,500	–	–	–	–	–	–	142,500	–
Anouk Darling	2024	100,000	–	–	-	–	–	–	100,000	–
	2023	93,750	–	–	-	–	–	–	93,750	–
Ian Rowden	2024	120,000	–	–	–	–	–	–	120,000	–
	2023	111,250	–	–	–	–	–	–	111,250	–
David Brain	2024	100,000	–	–	–	–	–	–	100,000	–
	2023	93,750	–	–	–	–	–	–	93,750	–
Louise Higgins	2024	120,000	–	–	–	–	–	–	120,000	–
	2023	111,250	–	–	–	–	–	–	111,250	–
Executive Director										
Brent Scrimshaw Director and CEO	2024	846,762	327,810	30,244	27,399	5,044	–	488,068	1,725,327	47.29
	2023	823,408	424,350	5,931	25,292	4,648	–	719,365	2,002,994	57.10
Executives										
Carla Webb-Sear Chief Financial Officer	2024	445,101	141,750	5,870	27,399	2,541	–	235,709	858,370	43.97
	2023	424,209	189,000	(11,464)	25,292	2,133	–	323,377	952,547	53.79
Fiona Chilcott [A] Chief People and Culture Officer	2024	65,902	–	1,307	6,850	22,516	126,354	(523,277)	(300,348)	174.22
	2023	386,494	172,950	2,120	25,292	7,319	–	283,355	877,530	52.00

[A] Fiona Chilcott resigned effective 1 September 2023

(i) The short-term incentive bonus is for performance during the 30 June 2024 and 30 June 2023 financial year using the criteria set out on page 57. The table above includes the expense incurred during the financial year for the bonuses awarded. Refer to the table on page 61 for the bonuses awarded.

(ii) Amounts represent movements in employee leave entitlements, with a negative balance representing an overall reduction in the employee leave provision compared with the prior year.

(iii) Share Appreciation Rights are calculated at the date of grant using the Monte Carlo simulation model. The fair value is allocated to each reporting period on a straight-line basis over the period from the service commencement date to the vesting date.

(iv) Percentages are based on total remuneration, including equity, cash, post-employment benefits and other compensation.

(v) Executives receive salary continuance insurance cover. There are no other benefits offered by the Company.

7(b) Performance-related remuneration

Details of the Company's policy in relation to the proportion of remuneration that is performance-based are discussed on page 57.

7(c) STI included in remuneration

Details of the vesting profile of the short-term incentive bonuses awarded as remuneration to each Executive of the Company and the Group, who are classified Key Management Personnel, are discussed below.

Short-term incentive bonus[i]	Maximum STI $	Actual STI included in remuneration $[iii]	Actual STI as % of maximum STI	STI forfeited as % of maximum STI	Actual STI as a % of fixed remuneration[ii]	% vested in year
Company Executives						
Brent Scrimshaw (125%)	1,092,701	327,810	30%	70%	38%	100%
Carla Webb-Sear (100%)	472,500	141,750	30%	70%	30%	100%

(i) Amounts included in remuneration for the financial year represent the amount that vested in the financial year based on the achievement of specified performance criteria as discussed in Section 4(b) Performance-linked remuneration and are approved following the completion of the reporting period audit.

(ii) Fixed remuneration is salary plus superannuation.

(iii) Actual STI included in remuneration includes any superannuation contribution amounts.

Annual performance for the CEO is assessed against the following measures in determining the percentage of fixed remuneration payable as STI:

Measure	Weighting	Target	Outcome	Outcome as % of target
Financial (80% of STI)				
EBITDA	40%	$62.5 million	$37.4 million	59.8%
EPS Growth	60%	10%	(179%)	(1790%)
Non-financial (20% of STI)				
Strategy and Culture		Delivery of measure	Met	–

Annual performance for Company Executives is assessed against the following measures in determining the percentage of fixed remuneration payable as STI:

Measure	Weighting	Target	Outcome	Outcome as % of target
Financial (80% of STI)				
EBITDA	60%	$62.5 million	$37.4 million	59.8%
EPS Growth	40%	10%	(179%)	(1790%)
Non-financial (20% of STI)				
Strategy and Culture		Delivery of measure	Met	–

The Remuneration and Nomination Committee has reviewed the financial performance as well as the achievement of strategic directives which took place during the financial year. The Remuneration and Nomination Committee exercised its discretion on current financial year outcomes determined by the achievement of strategic directives such as the successful delivery of growth in clients over a set target, diversification of revenue, cost saving targets achieved and progress made on portfolio transformation.

8 Share-based payments

8(a) Share-based payment arrangements granted as remuneration

Details of SARs that were granted as compensation to each Key Management Personnel during the reporting period are as follows:

	Type of rights granted during 2024	Number of rights granted during 2024	Grant date	Fair value per right at grant date $	VWAP (for the 20 business days prior to the grant) $	Expiry date[i]
Company Executives						
Brent Scrimshaw	SAR	1,275,000	30 Oct 2023	0.19 – 0.34	1.60	30 Sept 2026
Carla Webb-Sear	SAR	625,000	30 Oct 2023	0.19 – 0.34	1.60	30 Sept 2026

(i) The vesting date of the SARs is 20 business days after the release of the Group's financial report for the relevant financial year which is assumed to be 15 September. The last expiry date of the rights is 15 days after the relevant vesting date for the year. This is estimated to be around, but no later than, 30 September each year.

b) Analysis of share-based payments granted as remuneration

Details of the vesting profiles of the rights granted as remuneration to a Director of the Company, and each of the KMPs, are shown below:

	Number of rights granted	Type of rights granted	Grant date	% vested in year	% lapsed in year	% exercised in year	% remaining to vest	Vesting date[i]
Company Executives								
Brent Scrimshaw								
	1,250,000	SAR	21 Oct 2020	33	–	33	–	15 Sep 2021, 15 Sep 2022, 15 Sep 2023
	1,300,000	SAR	21 Oct 2021	–	33	–	33	15 Sep 2022, 15 Sep 2023 and 15 Sep 2024
	1,275,000	SAR	21 Oct 2022	–	33	–	66	15 Sep 2023, 15 Sep 2024 and 15 Sep 2025
	1,275,000	SAR	30 Oct 2023	–	–	–	100	15 Sep 2024, 15 Sep 2025 and 15 Sep 2026
Carla Webb-Sear	650,000	SAR	21 Oct 2021	–	33	–	33	15 Sep 2022, 15 Sep 2023 and 15 Sep 2024
	624,999	SAR	21 Oct 2022	–	33	–	66	15 Sep 2023, 15 Sep 2024 and 15 Sep 2025
	625,000	SAR	30 Oct 2023	–	–	–	100	15 Sep 2024, 15 Sep 2025 and 15 Sep 2026

(i) The vesting date of the SARs is 20 business days after the release of the Group's financial report for the relevant financial year which is assumed to be 15 September.

8(c) Analysis of movements in rights and value of rights exercised

The movement during the reporting period in the number of rights over ordinary shares in Enero Group Limited held, directly, indirectly or beneficially, by each KMP, including their related entities, and value of rights exercised during the year, is as follows:

	Granted held at 1 Jul 2023	Granted as remuneration in year	Expired	Cancelled	Exercised	Granted held at 30 Jun 2024	Vested during the year	Vested and exercisable at 30 Jun 2024	Value of rights granted during the year $	Value of rights exercised during the year $
Director										
Brent Scrimshaw	2,558,335	1,275,000	(858,333)	–	(416,668)	2,558,334	416,668	–	343,443	159,584
Executives										
Carla Webb-Sear	1,058,333	625,000	(425,000)	–	–	1,258,333	–	–	168,354	–
Fiona Chilcott	925,001	–	–	(925,001)	–	–	–	–	–	–

No share-based payments held by KMP are vested but not exercisable at 30 June 2024.

No share-based payments were held by KMP related parties.

No terms of equity-settled share-based payment transactions (including rights granted as compensation to Key Management Personnel) have been altered or modified by the issuing entity during the reporting period or the prior period.

9 Directors' and Executive Officers' holdings of shares

The movement during the reporting period in the number of ordinary shares in Enero Group Limited, held directly, indirectly or beneficially, by each KMP, including their related parties, is as follows:

	Held at 1 July 2023	Purchases	Issued as remuneration	Received on exercise of rights	Sales	Held at 30 June 2024
Directors						
Ann Sherry	50,000	–	–	–	–	50,000
Brent Scrimshaw	474,804	–	–	16,330	–	491,134
Anouk Darling	34,991	–	–	–	–	34,991
Ian Rowden	80,000	15,000	–	–	–	95,000
David Brain	120,500	–	–	–	–	120,500
Louise Higgins	12,699	–	–	–	–	12,699
Executives						
Carla Webb-Sear	17,175	–	–	–	–	17,175

10 Loans to Key Management Personnel

No loans to Key Management Personnel and their related parties were made during the year or were outstanding at the reporting date.

11 Remuneration and Group performance

The Remuneration and Nomination Committee has given consideration to the Group's performance and consequences on shareholder wealth in the current financial year and the four previous financial years. Financial performance from operations of the current and last four financial years is indicated in the following table:

	30 June 2024	30 June 2023	30 June 2022	30 June 2021	30 June 2020
Metric					
Net Revenue ($'000)	189,712	241,643	193,426	160,634	135,825
EBITDA[1] ($'000)	37,358	78,841	66,196	49,904	29,230
EBITDA[2] margin (%)	19.7%	32.6%	34.2%	31.1%	21.5%
Net profit/(loss) to equity holders ($'000)	(44,187)	56,474	25,387	(402)	10,707
Net profit to equity holders pre significant items ($'000)	10,287	24,402	27,112	22,835	12,881
Earnings Per Share pre significant items [3]	11.3	20.3	30.9	26.4	15.0
Earnings Per Share pre significant items growth (%)	(44.3%)	(34%)	17%	76%	6%
Earnings Per Share basic (cps)	(48.3)	61.1	28.9	(0.5)	12.5
Total Dividends Per Share (cps)	5.0	11.0	12.5	14.9	6.0
Opening share price (1 July) ($)	1.46	2.90	2.56	1.36	1.49
Closing share price (30 June) ($)	1.24	1.46	2.90	2.51	1.40

1. EBITDA, as defined in the basis of preparation section on page 54.
2. EBITDA margin is EBITDA divided by Net Revenue.
3. Earnings per Share pre significant items is using earnings before significant items noted in Note 5.

The Remuneration and Nomination Committee has determined appropriate remuneration structures which correlate remuneration of KMPs with future shareholder wealth.

The Remuneration and Nomination Committee considers the achievement of financial targets (EBITDA hurdles and EPS growth hurdles) as well as non-financial measures (strategic objectives) in setting the short-term incentives. Short-term incentives have been set by the Remuneration and Nomination Committee based on achievement of certain EBITDA and EPS targets, which align remuneration with increases in profitability.

Longer-term profitability, changes in share price and return of capital are factors the Remuneration and Nomination Committee takes into account in assessing the LTI. The SAR plan aligns remuneration with share price performance because it only rewards KMPs for increases in the share price over the vesting period in addition to completing a service period.

End of Remuneration Report.

Consolidated Income Statement for the year ended 30 June 2024

In thousands of AUD	Note	2024	2023
Gross revenue	3	804,474	740,207
Directly attributable costs of sales	3	(614,762)	(498,564)
Net Revenue		189,712	241,643
Other income		142	106
Employee expenses		(133,442)	(141,647)
Occupancy costs		(1,409)	(1,568)
Travel expenses		(1,652)	(2,013)
Communication expenses		(2,026)	(2,364)
Compliance expenses		(2,329)	(3,348)
Depreciation and amortisation expenses		(9,914)	(10,069)
Administration expenses		(11,638)	(11,968)
Impairment loss		(70,827)	-
Loss on disposal of controlled entities	24	(2,154)	-
Incidental acquisition costs		(392)	(216)
Contingent consideration fair value gain/(loss)	14	22,421	34,648
Finance income		400	307
Finance costs	4	(2,558)	(4,432)
Restructuring costs		(4,539)	(3,135)
(Loss)/Profit before income tax		(30,205)	95,944
Income tax expense	6	(6,933)	(14,468)
(Loss)/Profit for the year		(37,138)	81,476
Attributable to:			
Equity holders of the parent		(44,187)	56,474
Non-controlling interests		7,049	25,002
		(37,138)	81,476
Basic earnings per share (AUD cents)	19	(48.3)	61.1
Diluted earnings per share (AUD cents)	19	(48.3)	60.7

The notes on pages 69 to 111 are an integral part of this consolidated financial statements.

Consolidated Statement of Comprehensive Income for the year ended 30 June 2024

In thousands of AUD	Note	2024	2023
(Loss)/Profit for the year		(37,138)	81,476
Other comprehensive income			
Total items that will not be reclassified subsequently to profit or loss		–	–
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations		(1,879)	7,610
Total items that may be reclassified subsequently to profit or loss		(1,879)	7,610
Other comprehensive (loss)/income for the year, net of tax		(1,879)	7,610
Total comprehensive (loss)/income for the year		(39,017)	89,086
Attributable to:			
Equity holders of the parent		(46,062)	63,792
Non-controlling interests		7,045	25,294
		(39,017)	89,086

The notes on pages 69 to 111 are an integral part of this consolidated financial statements.

Consolidated Statement of Changes in Equity for the year ended 30 June 2024

		Attributable to owners of the Company							
In thousands of AUD	Note	Share capital	Retained profits/ (Accumulated losses)	Profit appropriation reserve	Share-based payment reserve	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
Opening balance at 1 July 2022		104,861	8,832	27,690	8,089	(2,328)	147,144	8,182	155,326
Profit for the year		–	56,474	–	–	–	56,474	25,002	81,476
Other comprehensive income for the year, net of tax		–	–	–	–	7,318	7,318	292	7,610
Total comprehensive income for the year		–	56,474	–	–	7,318	63,792	25,294	89,086
Transactions with owners recorded directly in equity:									
Shares issued to vendors of ROI DNA and GetIT	18	10,857	–	–	–	–	10,857	–	10,857
Shares issued to employees on exercise of Share Appreciation Rights	18	2,690	–	–	(2,690)	–	–	–	–
Share buy-back	18	(593)	–	–	–	–	(593)	–	(593)
Dividends paid to equity holders	18	–	–	(12,054)	–	–	(12,054)	(26,303)	(38,357)
Share-based payment expense		–	–	–	2,501	–	2,501	–	2,501
Closing balance at 30 June 2023		117,815	65,306	15,636	7,900	4,990	211,647	7,173	218,820
Opening balance at 1 July 2023		117,815	65,306	15,636	7,900	4,990	211,647	7,173	218,820
Loss for the year		–	(44,187)	–	–	–	(44,187)	7,049	(37,138)
Other comprehensive income for the year, net of tax		–	–	–	–	(1,875)	(1,875)	(4)	(1,879)
Total comprehensive loss for the year		–	(44,187)	–	–	(1,875)	(46,062)	7,045	(39,017)
Transactions with owners recorded directly in equity:									
Shares issued to employees on exercise of Share Appreciation Rights	18	52	–	–	(52)	–	–	–	–
Transfer to profit appropriation reserve		–	(5,206)	5,206	–	–	–	–	–
Share buy-back	18	(2,605)	–	–	–	–	(2,605)	–	(2,605)
Dividends paid to equity holders	18	–	–	(6,880)	–	–	(6,880)	(8,324)	(15,204)
Share-based payment expense		–	–	–	1,086	–	1,086	–	1,086
Closing balance at 30 June 2024		115,262	15,913	13,962	8,934	3,115	157,186	5,894	163,080

The notes on pages 69 to 111 are an integral part of this consolidated financial statements.

Consolidated Statement of Financial Position as at 30 June 2024

In thousands of AUD	Note	2024	2023
Assets			
Cash and cash equivalents	7	46,703	52,432
Trade and other receivables	8	77,953	74,801
Other assets	9	7,534	7,744
Income tax receivable	6	-	3,298
Total current assets		132,190	138,275
Deferred tax assets	6	2,174	1,582
Plant and equipment	10	1,789	2,567
Right-of-use assets	11	14,611	12,980
Other assets	9	271	169
Intangible assets	12	149,852	227,683
Total non-current assets		168,697	244,981
Total assets		300,887	383,256
Liabilities			
Trade and other payables	13	101,378	98,316
Contingent consideration payable	14	3,740	4,316
Lease liabilities	15	4,149	4,264
Employee benefits	16	5,577	5,857
Income tax payable	6	1,072	161
Interest bearing liabilities	17	3,000	–
Total current liabilities		118,916	112,914
Contingent consideration payable	14	1,759	26,424
Lease liabilities	15	11,598	9,878
Employee benefits	16	1,167	1,027
Deferred tax liabilities	6	4,367	5,458
Interest bearing liabilities	17	–	8,735
Total non-current liabilities		18,891	51,522
Total liabilities		137,807	164,436
Net assets		163,080	218,820
Equity			
Share capital	18	115,262	117,815
Other reserves		12,049	12,890
Profit appropriation reserve		13,962	15,636
Retained earnings		15,913	65,306
Total equity attributable to equity holders of the parent		157,186	211,647
Non-controlling interests		5,894	7,173
Total equity		163,080	218,820

The notes on pages 69 to 111 are an integral part of this consolidated financial statements.

Consolidated Statement of Cash Flows for the year ended 30 June 2024

In thousands of AUD	Note	2024	2023
Cash flows from operating activities			
Cash receipts from customers		817,213	744,505
Cash paid to suppliers and employees		(784,212)	(663,778)
Cash generated from operations		33,001	80,727
Interest received		391	307
Income taxes paid		(4,822)	(17,704)
Interest paid		(1,606)	(1,850)
Net cash (used in)/from operating activities	7	26,964	61,480
Cash flows from investing activities			
Proceeds from sale of plant and equipment		–	11
Acquisition of plant and equipment	10	(748)	(1,087)
Acquisition of a business, net of cash acquired	23	–	(32,000)
Sale of controlled entities, net of cash disposed	24	112	–
Contingent consideration paid	14	(3,927)	(2,671)
Net cash (used in)/from investing activities		(4,563)	(35,747)
Cash flows from financing activities			
Payment of lease liabilities	15	(4,528)	(6,053)
Bank loan repayment		(5,749)	(28,915)
Dividends paid to equity holders of the parent	18	(6,880)	(12,054)
Dividends paid to non-controlling interests in controlled entities		(8,324)	(26,303)
Payments for share buy-back	18	(2,605)	(593)
Net cash (used in)/from financing activities		(28,086)	(73,918)
Net (decrease)/ increase in cash and cash equivalents		(5,685)	(48,185)
Effect of exchange rate fluctuations on cash held		(44)	1,875
Cash and cash equivalents at 1 July		52,432	98,742
Cash and cash equivalents at 30 June		46,703	52,432

The notes on pages 69 to 111 are an integral part of this consolidated financial statements.

Notes to the Consolidated Financial Statements for the year ended 30 June 2024

Notes to the Consolidated Financial Statements for the year ended 30 June 2024

1. Basis of preparation

In preparing these consolidated financial statements, the notes have been grouped into sections under certain key headings. Each section sets out the accounting policies applied together with any key judgements and estimates used.

(a) Reporting entity
Enero Group Limited (the **Company**) is a for-profit Company domiciled in Australia. The consolidated financial statements of the Company as at and for the year ended 30 June 2024 comprise the Company and its subsidiaries (together referred to as the 'Group'). The consolidated financial statements for the year ended 30 June 2024 were authorised for issue in accordance with a resolution of the Directors on 13 September 2024.

(b) Statement of compliance
The consolidated financial statements are a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ('**AASB**s') (including Australian Interpretations) adopted by the Australian Accounting Standards Board ('**AASB**') and the *Corporations Act 2001*. The consolidated financial statements comply with International Financial Reporting Standards (**IFRS**) and interpretations (**IFRIC**s) adopted by the International Accounting Standards Board (**IASB**).

(c) Basis of preparation
(i) Basis of measurement
The consolidated financial statements are prepared on the historical cost basis except for the items as described in Note 1(c)(iv).

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and, in accordance with that Class Order, amounts in the consolidated financial statements and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

(ii) Going concern
The consolidated financial statements have been prepared on a going concern basis which assumes the Group will continue its operations and be able to meet its obligations as and when they become due and payable. This assumption is based on an analysis of the Group's ability to meet its future cash flow requirements using its projected cash flows from operations and existing cash reserves held as at 30 June 2024.

(iii) Use of estimates and judgements
The preparation of consolidated financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods if affected.

Further information about critical accounting estimates and judgements made is included in the following notes:

- 14. Contingent consideration payable
- 21. Impairment of non-financial assets
- 23. Acquisitions

(iv) Measurement of fair values
A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level of input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- 20. Financial instruments
  (Contingent consideration payable)
- 23. Acquisitions
- 31. Share-based payments

(d) Foreign currency
(i) Functional and presentation currency
The consolidated financial statements are presented in Australian dollars, which is the Company's functional currency.

(ii) Foreign currency transactions
Transactions in foreign currencies are translated to the respective functional currencies of Group at the foreign exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the respective functional currencies of the Group at the foreign exchange rate ruling at that date. Foreign exchange differences arising on retranslation are recognised in the consolidated income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at

1. Basis of preparation (continued)

the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

(iii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to Australian dollars at foreign exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated to Australian dollars at rates approximating the foreign exchange rates ruling at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve (**FCTR**) in equity. When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to the consolidated income statement as part of the profit or loss on disposal.

Foreign exchange gains and losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented within equity in the FCTR.

(e) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST, unless GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority, is included as a current asset or liability in the consolidated statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the taxation authority, are presented as operating cash flows.

(f) Changes in accounting policies

The accounting policies provided throughout Notes 1 to 31 of this report have been applied consistently to all periods presented in the consolidated financial statements.

Several other amendments and interpretations apply for the first time in FY24, but do not have an impact on the financial report of the Group.

(g) New standards and interpretations not yet adopted

A number of new accounting standards (including amendments and interpretations) have been issued but were not effective as at 30 June 2024. The following are the pronouncements that the Group has elected not to early adopt in these financial statements:

- Amendments to AASB 16: Lease liability in sale and leaseback
- Amendments to AASB 101: Classification of Liabilities as Current or Non-current
- Amendments to AASB 107 and AASB 7: Disclosures of Supplier Finance Arrangement
- AASB 18 Presentation and Disclosure in Financial Statements

The impact of the above standards are yet to be assessed by the Group.

(h) The notes to the consolidated financial statements

The notes include information which is required to understand the consolidated financial statements and is material and relevant to the operations, financial position and performance of the Group. Information is considered material and relevant 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 relates to an aspect of the Group's operations that is important to its future performance.

The notes are organised into the following sections:

- Key numbers: provides a breakdown of individual line items in the consolidated financial statements that the Directors consider most relevant and summarises the accounting policies, judgements and estimates relevant to understanding these line items;
- Capital: provides information about the capital management practices of the Group and shareholder returns for the year;
- Risk: discusses the Group's exposure to various financial risks, explains how these affect the Group's financial position and performance and outlines what the Group does to manage these risks;
- Group structure: explains aspects of the Group structure and changes during the year;
- Unrecognised items: provides information about items that are not recognised in the consolidated financial statements but could potentially have a significant impact on the Group's financial position and performance; and
- Other items: provides information on items which require disclosure to comply with Australian Accounting Standards and other regulatory pronouncements; however are not considered critical in understanding the financial performance or position of the Group.

2. Operating segments

The Group defines its operating segments based on the manner in which services are provided in the operational geographies and on internal reporting regularly reviewed by the Enero Executive team on a monthly basis, who are the Group's chief operating decision makers (CODM).

Revenues are all derived from services which are similar in nature and outputs, operate in similar economic environments and have a comparable customer mix. The Group's service offering includes integrated marketing and communication services, including strategy, market research and insights, advertising, public relations, communications planning, design, events management, direct marketing, and programmatic media.

Followings management's review of the business portfolio at the beginning of the current reporting period, it was decided to separate OBMedia into its own segment.

The business portfolio is separated into the following two segments to better assess its performance, make decisions on resource allocation and report both to the CODM:

- *Technology, Healthcare and Consumer Practice*: This includes public relations and communications consultancy Hotwire Group (including strategic B2B sales and marketing agencies ROI DNA and GetIT), creative agency BMF and digital agency Orchard.
- *OBMedia*: customer acquisition platform OB Media.

Applicable comparative numbers have been restated due to the change in segment.

The measure of reporting to the Enero Executive team is on an EBITDA basis (defined below), which excludes significant items which are separately presented because of their nature, size and expected infrequent occurrence and does not reflect the underlying trading of the operations.

In relation to segment reporting, the following definitions apply to operating segments:

EBITDA is calculated as profit before interest, taxes, depreciation, amortisation and any significant items.

2024 In thousands of AUD	Technology, Healthcare and Consumer Practice	OBMedia	Total segments	Unallocated	Eliminations	Consolidated
Gross revenue	192,110	612,364	804,474	–	–	804,474
Directly attributable costs of sales	(48,590)	(566,172)	(614,762)	–	–	(614,762)
Net Revenue	143,520	46,192	189,712	–	–	189,712
Other income	128	–	128	14	–	142
Operating expenses	(120,799)	(22,718)	(143,517)	(8,979)	–	(152,496)
EBITDA	22,849	23,474	46,323	(8,965)	–	37,358
Depreciation of right-of-use assets						(4,402)
Depreciation of plant and equipment and amortisation of intangibles						(5,512)
Significant items [2]	(53,511)	(1,980)	(55,491)			(55,491)
Net finance costs						(2,158)
Profit before income tax						(30,205)
Income tax expense						(6,933)
Profit for the year						(37,138)
Goodwill [3]	115,874	15,222	131,096	–	–	131,096
Other intangibles	18,337	419	18,756	–	–	18,756
Assets excluding intangibles	104,081	66,599	170,680	33,906	(53,551)	151,035
Total assets	238,292	82,240	320,532	33,906	(53,551)	300,887
Total liabilities	91,892	55,094	146,986	44,372	(53,551)	137,807
Amortisation of intangibles	3,869	183	4,052	–	–	4,052
Depreciation	5,669	99	5,768	94	–	5,862
Capital expenditure	625	47	672	75	–	747
Impairment	(70,827)	–	(70,827)	–	–	(70,827)
Gain on contingent consideration	22,421	–	22,421	–	–	22,421

2. Operating segments (continued)

2023 – Restated 3 In thousands of AUD	Technology, Healthcare and Consumer Practice	OBMedia	Total segments	Unallocated	Eliminations	Consolidated
Gross revenue	205,370	534,837	740,207	–	–	740,207
Directly attributable costs of sales	(53,261)	(445,303)	(498,564)	–	–	(498,564)
Net Revenue	152,109	89,534	241,643	–	–	241,643
Other income	106	–	106	–	–	106
Operating expenses	(127,151)	(24,092)	(151,243)	(11,665)	–	(162,908)
EBITDA	25,064	65,442	90,506	(11,665)	–	78,841
Depreciation of right-of-use assets						(4,253)
Depreciation of plant and equipment and amortisation of intangibles						(5,816)
Significant items 1	31,297	–	31,297	–	–	31,297
Net finance costs						(4,125)
Profit before income tax						95,944
Income tax expense						(14,468)
Profit for the year						81,476
Goodwill 2	190,070	15,222	205,292	–	–	205,292
Other intangibles	22,020	371	22,391	–	–	22,391
Assets excluding intangibles	76,839	66,813	143,652	30,860	(18,939)	155,573
Total assets	288,929	82,406	371,335	30,860	(18,939)	383,256
Liabilities	69,540	53,628	123,168	60,207	(18,939)	164,436
Total liabilities	69,540	53,628	123,168	60,207	(18,939)	164,436
Amortisation of intangibles	3,694	45	3,739	–	–	3,739
Depreciation	5,870	77	5,947	383	–	6,330
Capital expenditure	894	103	997	90	–	1,087
Gain on contingent consideration	34,648	–	34,648	–	–	34,648

1. Significant items are explained on page 54 and in Note 5.
2. A reallocation of goodwill to OB Media has been performed using a relative value approach as a result of the change in segment.
3. Segments have changed from July 2023 and the comparatives have been restated accordingly.

Geographical segments
The operating segments are managed on a world-wide basis. However, there are three geographic areas of operation.

Geographical information

In thousands of AUD	Australia and Asia	UK and Europe	USA	Support Office(i)	Unallocated intangibles(ii)	Total
2024						
Net Revenue	66,355	30,652	92,705	–	–	189,712
EBITDA	13,527	4,918	27,881	(8,968)	–	37,358
EBITDA margin	20.4%	16.0%	30.1%	–	–	19.7%
Non-current assets	8,128	7,062	3,655	–	149,852	168,697

In thousands of AUD	Australia and Asia	UK and Europe	USA	Support Office(i)	Unallocated intangibles(ii)	Total
2023						
Net Revenue	64,462	31,265	145,916	–	–	241,643
EBITDA	11,856	4,145	74,505	(11,665)	–	78,841
EBITDA margin	18.4%	13.3%	51.1%	–	–	32.6%
Non-current assets	10,127	6,366	805	–	227,683	244,981

(i) Support office includes the share-based payment charge in the consolidated income statement.
(ii) Goodwill and other intangibles are allocated to the reportable segments. However, as the reportable segments are managed at a global level they cannot be allocated across geographical areas.

2. Operating segments (continued)

Major Customer
Revenue from 1 customer (2023: 2 customer) represents more than 10% of Group's total revenue, with a breakdown by segment provided below:

Percentage of Group's total revenue	2024	2023
Technology, Healthcare and Consumer Practice	–	–
OBMedia	23.4	37.2
	23.4	37.2

Accounting policy
The Group determines and presents operating segments based on the information that is provided internally to the Enero Executive team, who are the Group's chief operating decision makers (CODM).

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' results are regularly reviewed by the Group's CODM to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CODM include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis.

Unallocated items comprise corporate overheads: costs associated with the centralised management and governance of Enero Group Limited, such as share-based payments charge, interest-bearing loans, costs of borrowings and related expenses, and corporate head office assets and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire assets that are expected to be used for more than one period.

3. Revenue

Nature of our services

The Group provides marketing and communication services to a broad range of customers across three key geographic regions – Australia & Asia, UK & Europe, and USA. The Group is a fee-for-service business where each operating business generates revenue from time spent on a particular project or delivering to agreed outcomes. The Group provides a comprehensive range of services across its continuing businesses, with technology communications consultancy, brand transformation consultancy and digital advertising and marketing services capabilities delivered through the Technology, Healthcare and Consumer Practice segment and its advertising technology platform capabilities delivered through the OBMedia segment.

The duration of the Group's time or project-based customer contracts is typically from one up to five months, with stand-ready ("retainer") contracts typically lasting up to one year and which may be cancelled with notice periods in accordance with respective contracts. In substantially all cases, the Group is the principal in the arrangements with its customers. In some customer arrangements, we act as an agent and arrange, at the customer's direction, for third parties to perform certain services.

In thousands of AUD	2024	2023
Gross revenue from the rendering of services	804,474	740,207
Directly attributable costs of sales	(614,762)	(498,564)
Net Revenue	189,712	241,643

Disaggregation of revenue

Consulting revenue (excluding revenue from advertising technology platform) by type of contract	2024	2023
Fixed Fee retainers	49%	47%
Variable retainers (% of total digital advertising spend)	8%	11%
Project based retainers (can be fixed fee or time and cost recovery)	43%	42%
Total	100%	100%

Revenue by timing of performance obligations	2024	2023
Point in time	76%	72%
Recognised over time	24%	28%
Total	100%	100%

Revenue is further disaggregated by primary geographical markets in the following table, which reconciles to the revenue of the Group's segments (see Note 2).

	2024		2023	
In thousands of AUD	Technology, Healthcare and Consumer Practice	OBMedia	Technology, Healthcare and Consumer Practice	OBMedia
Australia and Asia	102,865	–	102,941	–
UK and Europe	40,730	–	43,867	–
USA	48,515	612,364	58,562	534,837
Total	192,110	612,364	205,370	534,837

Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

In thousands of AUD	Note	2024	2023
Trade receivables	8	77,642	72,423
Contract assets – Work in progress	9	3,273	3,506
Contract liabilities – Unearned revenue	13	(25,205)	(20,222)
		55,710	55,707

3. Revenue (continued)

Contract assets:
The contract assets relate to the Group's work in progress for accrued fees recognised upon satisfaction of performance obligations and rechargeable disbursements at the period end which are not invoiced. The contract assets are transferred to receivables upon invoicing to the customer. There were no significant impairment losses to contract assets recorded in either the current or prior year.

Contract liabilities:
The contract liabilities relate to the Group's unearned revenue for consideration received from advance billings to customers prior to the satisfaction of performance obligations in accordance with the terms of the customer contracts.

Given the short-term nature of customer contracts in the Group, it is expected that both contract assets will be recovered and contract liabilities will be settled within 12 months from reporting date. Revenue recognised in the current year that was included in the contract liability balance as at 30 June 2023 amounted to $20,222,000. Revenue recognised in the current year from performance obligations satisfied (or partially satisfied) as at prior year end was not material.

Accounting policy
Revenue is recognised when a customer obtains control of promised goods or services (the performance obligation) in an amount that reflects the consideration we expect to receive in exchange for those goods or services (the transaction price). We measure revenue by estimating the transaction price based on the consideration specified in the customer arrangement. Revenue is recognised as the performance obligations are satisfied. Our customer contracts are primarily fees for service on either a project or a rate per hour basis. Revenue is recorded net of sales, use and value added taxes.

Performance obligations
In substantially all our service categories, the performance obligation is to provide advisory and consulting services at an agreed-upon level of effort to accomplish the specified engagement. Our customer contracts are comprised of diverse arrangements involving fees based on an agreed fee or rate per hour for the level of effort expended by our employees and reimbursement for third-party costs that we are required to include in revenue when we control the vendor services related to these costs and we act as principal.

The transaction price of a contract is allocated to each distinct performance obligation based on its relative stand-alone selling price and is recognised as revenue when, or as, the customer receives the benefit of the performance obligation. Customers typically receive and consume the benefit of our services as they are performed. Some of our customer contracts provide that we are compensated for services performed to date and allow for cancellation by either party on short notice, typically 1 to 3 months, without penalty.

Generally, our short-term contracts, which normally take 1 to 3 months to complete, are performed by a single agency and consist of a single performance obligation. As a result, we do not consider the underlying services as separate or distinct performance obligations because our services are highly interrelated, occur in close proximity, and the integration of the various components of a marketing message is essential to overall service. In certain of our long-term customer contracts, which have a term of up to one year, the performance obligation is a stand-ready obligation, because we provide a constant level of similar services over the term of the contract.

Revenue recognition methods
Point in time
A substantial portion of our revenue is recognised at a point in time. This refers to the revenue recognised by OB Media. Gross Revenue is calculated in near real time using API reports from Google, Bing and other automated feeds.

Over time
A portion of our revenue is recognised over time, as the services are performed, because the customer receives and consumes the benefit of our performance throughout the contract period, or we create an asset with no alternative use and are contractually entitled to payment for our performance to date in the event the customer terminates the contract for convenience. For these customer contracts, other than when we have a stand-ready obligation to perform services, revenue is recognised over time using input measures that correspond to the level of staff effort expended to satisfy the performance obligation on a rate per hour or equivalent basis or output measures that correspond to the stage of completion of the deliverables. For customer contracts when we have a stand-ready obligation to perform services on an ongoing basis over the life of the contract, typically for periods up to one year, where the scope of these arrangements is broad and there are no significant gaps in performing the services, we recognise revenue using a time-based measure resulting in a straight-line revenue recognition. From time to time, there may be changes in the customer service requirements during the term of a contract and the changes could be significant. These changes are typically negotiated as new contracts covering the additional requirements and the associated costs, as well as additional fees for the incremental work to be performed. As a result, the Group's customer arrangements do not typically include variable consideration provisions and therefore, variable consideration amounts do not need to be estimated when determining the transaction price for its contracts.

3. Revenue (continued)

Principal vs agent
The Group incurs a number of third party out-of-pocket costs on behalf of customers, including direct costs and incidental, or out-of-pocket costs. Third-party direct costs incurred in connection with the creation and delivery of advertising or marketing communication services include, among others: purchased media, studio production services, specialised talent, including artists and other freelance labour, event marketing supplies, materials and services, promotional items, market research and third-party data and other related expenditures. Out-of-pocket costs include, among others: transportation, hotel, meals and telecommunication charges incurred by us in the course of providing our services.

Billings related to out-of-pocket costs are included in revenue since we control the goods or services prior to delivery to the customer. However, the inclusion of billings related to third-party direct costs in revenue depends on whether we act as a principal or as an agent in the customer contract.

In substantially all of our customer arrangements, we act as principal when contracting for third-party services on behalf of our customers because we control the specified goods or services before they are transferred to the customer and we are responsible for providing the specified goods or services, or we are responsible for directing and integrating third-party vendors to fulfill our performance obligation at the agreed upon contractual price. In such arrangements, we also take pricing risk under the terms of the customer contract. When we act as principal, we include billable amounts related to third-party costs in the transaction price and record revenue over time at the gross amount billed, including out-of-pocket costs, consistent with the manner that we recognise revenue for the underlying services contract.

When we act as an agent and arrange, at the customer's direction, for third parties to perform certain services, we do not control the goods or services prior to the transfer to the customer. As a result, revenue is recorded net of these costs, equal to the amount retained for our fee or commission.

4. Finance costs

In thousands of AUD	2024	2023
Interest and finance costs	1,033	1,889
Contingent consideration present value interest	941	2,311
Lease present value interest	584	232
Finance costs	2,558	4,432

Foreign exchange loss of $293,000 (2023: loss of $199,000) has been recognised in the consolidated income statement and has been included in administration expenses.

Accounting policy
(i) Interest income
Interest income is recognised as it accrues to the related financial asset using the effective interest method.

(ii) Interest and finance costs
Finance costs are recognised in the consolidated income statement using the effective interest method. They include interest on financial guarantees, amortisation of ancillary costs incurred in connection with financing arrangements and finance lease interest.

(iii) Contingent consideration present value interest
Present value interest is recognised in the consolidated income statement using the effective interest method and includes the effective interest cost relating to contingent consideration liabilities recognised in business combinations.

(iv) Lease present value interest
Present value interest is recognised in the consolidated income statement using the effective interest method and includes the effective interest cost relating to lease liabilities recognised for contracts that contain leases.

5. Significant items

The net profit after tax includes the following significant items, which by size and nature or incidence are relevant in explaining the financial performance of the Group:

In thousands of AUD	2024	2023
Contingent consideration fair value gain [i]	22,421	34,648
Impairment loss [ii]	(70,827)	–
Loss on disposal [iii]	(2,154)	–
Restructuring costs and other [iv]	(4,931)	(3,351)
Total significant items before tax	(55,491)	31,297
Income tax benefit on significant items	953	775
Prior year tax expense [v]	(1,286)	–
Total significant items after tax	(55,824)	32,072

[i] Fair value adjustments in FY24 relate to gains on contingent consideration true up due to lower earnings expectations relating to ROI DNA, MBA GetIT
[ii] Impairment loss of $70,827,000 relating to ROI DNA and GetIT intangibles and impairment of right of use asset relating to the CPR disposal. See Note 21.
[iii] $2.2m loss on sale of business relates to CPR disposal on 31 October 2023. See Note 24.
[iv] Restructuring costs related to a restructuring process to mitigate costs across the Group. The majority of the costs related to redundancy costs in the agencies across the group, which continued to further integrate its communication and marketing services businesses into a single account management team. Additionally, this included $392,000 relating to the CPR disposal and the OBMedia strategic review.
[v] The net prior year tax expense amount of $1,286,000 is in relation to a risk-assessed adjustment for US taxes in prior years due to the growth in our operations offset by an additional tax deduction in US.

6. Income tax expense and deferred tax

Income tax expense

Recognised in the consolidated income statement

In thousands of AUD	2024	2023
Current tax expense		
Current year	7,545	14,821
Adjustments for prior years	771	(194)
	8,316	14,627
Deferred tax expense		
Origination and reversal of temporary differences	(1,383)	(159)
	(1,383)	(159)
Income tax expense in the consolidated income statement	6,933	14,468
Numerical reconciliation between tax expense and pre-tax accounting profit		
(Loss)/Profit for the year	(37,138)	81,476
Income tax expense	6,933	14,468
(Loss)/Profit before income tax	(30,205)	95,944
Income tax expense using the Company's domestic tax rate of 30% (2023: 30%)	(9,062)	28,783
Increase/(decrease) in income tax expense due to:		
Share-based payment expense	310	–
Unwind of present value interest	282	682
Impairment	21,248	—
Contingent consideration fair value (gain)/loss	(6,726)	(10,399)
Incidental acquisition costs	189	65
Loss on disposal of controlled entities	646	–
Effect of lower tax rate on overseas incomes	(986)	(4,161)
Under/(over) provision for tax in previous years	771	(194)
Utilisation of tax losses previously unrecognised	(549)	–
Other non-deductible/(assessable) items	810	(308)
Income tax expense on pre-tax net profit	6,933	14,468

6. Income tax expense and deferred tax (continued)

Current taxes

The Group has a net current tax payable of $1,072,000 at 30 June 2024 (2023: net current tax receivable $3,137,000).

Deferred taxes

Recognised deferred tax assets and liabilities are attributable to the following:

In thousands of AUD	2024	2023
Deferred tax assets		
Employee benefits	1,651	1,643
Accruals and income in advance	1,227	279
Leases	203	154
Plant and equipment	157	42
Others	72	519
Gross deferred tax assets before set-off	3,310	2,637
Set-off	(1,136)	(1,055)
Net deferred tax assets	**2,174**	1,582

In thousands of AUD	2024	2023
Deferred tax liabilities		
Identifiable intangibles	(4,718)	(5,767)
Plant and equipment	(39)	(41)
Work in progress	(797)	(705)
Others	51	–
Gross deferred tax liabilities before set-off	(5,503)	(6,513)
Set-off	1,136	1,055
Net deferred tax liability	**(4,367)**	(5,458)

Movement in deferred tax balances

The movement in deferred tax balances during the year was all recognised in the consolidated income statement.

Deferred tax assets not recognised

Deferred tax assets have not been recognised in respect of the following items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits:

In thousands of AUD	2024	2023
Revenue losses	3,986	2,745
Capital losses	235,333	235,324
Gross tax losses carried forward	239,319	238,069

These tax losses do not have an expiry date.

Accounting policy

Income tax on the profit or loss for the year comprises current and deferred tax. Current and deferred tax is recognised in the consolidated income statement except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill, the initial recognition of assets or liabilities that affect neither the accounting nor the taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities,

6. Income tax expense and deferred tax (continued)

but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available, against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

7. Cash and cash equivalents

In thousands of AUD	2024	2023
Cash at bank and on hand	45,946	51,667
Bank short-term deposits	757	765
Cash and cash equivalents in the consolidated statement of financial position and the consolidated statement of cash flows	46,703	52,432

For cash flow presentation purposes, cash and cash equivalents include cash on hand, and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. The Group has pledged short-term deposits amounting to $684,000 for indemnity guarantee facilities (see Note 17 Interest bearing liabilities).

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 20 Financial risk management/financial instruments.

Reconciliation of cash flows from operating activities

(i) Reconciliation of cash

For the purpose of the consolidated statement of cash flows, cash includes cash on hand and at bank and short-term deposits at call, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the Consolidated statement of cash flows is reconciled to the related items in the consolidated statement of financial position as follows:

In thousands of AUD	2024	2023
Cash assets	45,946	52,432
(ii) Reconciliation of profit after income tax to net cash provided by operating activities		
(Loss)/Profit after income tax	(37,138)	81,476
Add/(less) non-cash items:		
Loss on disposal of controlled entities	2,154	–
Impairment	70,827	–
Loss on sale of plant and equipment	54	16
Share-based payments expense	1,086	2,501
Depreciation of plant and equipment	1,460	2,077
Depreciation of right-of-use assets	4,402	4,253
Amortisation of identifiable intangibles	4,052	3,739
Contingent consideration fair value (gain)/loss	(22,421)	(34,648)
Contingent consideration present value interest	941	2,311
Lease present value interest	–	232
Accrued interest and fees on bank loan	11	37
Decrease/(increase) in income taxes payable (net)	4,210	(3,285)
(Increase)/decrease in deferred tax (net)	(1,683)	(172)
Net cash provided by operating activities before changes in assets and liabilities	27,955	58,537
Changes in assets and liabilities:		
Increase in trade and other receivables	(3,436)	(4,661)
Decrease/(Increase) in work in progress	234	(213)
Increase in prepayments	(131)	(948)
Decrease in other assets	5	233
(Decrease)/Increase in payables and accruals	(2,536)	14,177
Increase/(Decrease) in unearned income	4,982	(5,122)
Decrease in employee benefits	(109)	(523)
Net cash from operating activities	26,964	61,480

8. Trade and other receivables

In thousands of AUD	Note	2024	2023
Current			
Trade receivables		77,642	72,423
Less: provision for impairment loss	20	(221)	(617)
		77,421	71,806
Other receivables		532	2,995
Total trade and other receivables		77,953	74,801

No interest is charged on trade receivables. The Group's exposure to credit and currency risk and impairment losses related to trade and other receivables is disclosed in Note 20 Financial risk management/financial instruments.

9. Other assets

In thousands of AUD	2024	2023
Current		
Work in progress	3,273	3,506
Prepayments	3,892	3,760
Other current assets	369	478
	7,534	7,744
Non-current		
Deposits	271	169
	271	169

10. Plant and equipment

In thousands of AUD	Computer equipment	Office furniture and equipment	Plant and equipment	Leasehold improvements	Total
2024					
Cost	4,954	1,980	174	4,622	11,730
Accumulated depreciation	(3,750)	(1,659)	(174)	(4,358)	(9,941)
Net carrying amount	1,204	321	–	264	1,789
Reconciliations of the carrying amounts of each class of plant and equipment:					
Carrying amount at the beginning of the year	1,552	423	–	592	2,567
Additions	600	82	–	66	748
Depreciation	(923)	(147)	–	(390)	(1,460)
Effect of movements in exchange rates	(3)	(6)	–	(4)	(13)
Disposals	(22)	(31)	–	–	(53)
Carrying amount at the end of the year	1,204	321	–	264	1,789

2023					
Cost	5,243	2,136	174	4,672	12,225
Accumulated depreciation	(3,691)	(1,713)	(174)	(4,080)	(9,658)
Net carrying amount	1,552	423	–	592	2,567
Reconciliations of the carrying amounts of each class of plant and equipment:					
Carrying amount at the beginning of the year	1,575	266	7	1,352	3,200
Additions	690	301	–	96	1,087
Acquired through business combinations (Note 23)	259	4	–	17	280
Depreciation	(1,038)	(163)	(1)	(875)	(2,077)
Effect of movements in exchange rates	66	17	–	21	104
Disposals	–	(2)	(6)	(19)	(27)
Carrying amount at the end of the year	1,552	423	–	592	2,567

Accounting policy

(i) Recognition and measurement

Plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses (see Note 21 Impairment of non-financial assets). The cost of the asset also includes the cost of replacing parts on an item of plant and equipment when it is probable that the future economic benefits embodied within the item will flow to the Group and the cost of the item can be measured reliably. Additionally, the carrying amount of the replaced part is derecognised.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. All other costs are charged to the consolidated income statement as incurred. Where parts of an item of plant and equipment have different useful lives, they are accounted for as separate items of plant and equipment.

(ii) Derecognition

An item of property, plant and equipment is derecognised when it is sold or otherwise disposed of, or when its use is expected to bring no future economic benefits. Gains and losses on derecognition are determined by comparing the proceeds with the carrying amount and recognised within 'Administration expenses' in the consolidated income statement.

(iii) Depreciation

Depreciation is charged to the consolidated income statement on a straight-line basis over the assets' estimated useful lives. The major categories of plant and equipment were depreciated in the current and, where applicable, comparative period as follows:

Computer equipment	25% to 40%
Office furniture and equipment	10% to 25%
Plant and equipment	10% to 25%
Leasehold improvements	Life of lease

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

11. Right-of-use assets

In thousands of AUD	2024	2023
Property leases		
Cost	27,807	24,196
Accumulated depreciation	(13,196)	(11,216)
Net carrying amount	14,611	12,980
Reconciliations of the carrying amounts of right-of-use assets:		
Carrying amount at the beginning of the year	12,980	5,950
Additions	6,255	5,129
Acquisition through business combinations (Note 23)	–	239
Impairment	(104)	–
Re-measurement of lease liabilities	36	5,536
Depreciation	(4,402)	(4,253)
Effect of movements in exchange rates	(154)	379
Carrying amount at the end of the year	14,611	12,980

During the current year, the Group recognised $207,000 (2023: $61,000) occupancy costs in the consolidated income statement in relation short-term leases that have a lease term of 12 months or less.

Accounting policy

The Group leases many assets, including properties and office equipment. At the inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group assesses if a contract conveys the right to control the use of an identified asset if:

- the contract involves the use of an identified asset;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of cost to dismantle and remove the underlying asset less any lease incentive received. The right-of-use asset is subsequently measured at cost less any accumulated depreciation and impairment losses (see Note 21 Impairment of non-financial assets) and adjusted for certain re-measurements of lease liability. The assets are depreciated over the term of the lease on a straight-line basis.

The lease liability is initially measured at the present value of the lease payments (fixed payments less any lease incentives receivable and variable lease payments) that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate for the same term as the underlying lease. Generally, the Group uses its incremental borrowing rate as the discount rate. Lease liability is re-measured when there is a change in future lease payments arising from a change in an index rate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the consolidated income statement if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected to use the exemption not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The payments associated with these leases are recognised as occupancy costs on a straight-line basis over the lease term.

12. Intangible assets

In thousands of AUD	Goodwill	Contracts and customer relationships	Website and Software	Total
2024				
Cost	131,952	29,911	2,021	163,884
Accumulated amortisation	(856)	(12,780)	(396)	(14,032)
Net carrying amount	131,096	17,131	1,625	149,852
Reconciliations of the carrying amounts of intangibles:				
Carrying amount at the beginning of the year	205,292	20,917	1,474	227,683
Additions	–	–	503	503
Impairment	(70,693)	(29)	–	(70,722)
Disposals	(2,641)	–	–	(2,641)
Amortisation	–	(3,694)	(358)	(4,052)
Effect of movements in exchange rates	(862)	(63)	6	(919)
Carrying amount at the end of the year	131,096	17,131	1,625	149,852
2023				
Cost	206,246	30,011	1,519	237,776
Accumulated amortisation	(954)	(9,094)	(45)	(10,093)
Net carrying amount	205,292	20,917	1,474	227,683
Reconciliations of the carrying amounts of intangibles:				
Carrying amount at the beginning of the year	112,236	2,428	–	114,664
Acquired through business combinations	88,297	22,183	1,519	111,999
Amortisation	–	(3,694)	(45)	(3,739)
Effect of movements in exchange rates	4,759	–	–	4,759
Carrying amount at the end of the year	205,292	20,917	1,474	227,683

Amortisation charge

The amortisation charge of $4,052,000 (2023: $3,739,000) is recognised in the depreciation and amortisation expense in the consolidated income statement.

Goodwill CGU group allocation

In thousands of AUD	**2024**	**2023**
Cash Generating Unit (CGU):		
Technology, Healthcare and Consumer Practice (THC)[1]	98,738	101,074
OB Media[2]	15,222	–
Creative technology and Data[2]	–	15,921
ROI DNA	17,135	80,603
GetIT	–	7,694
Net carrying amount	131,095	205,292

[1] This CGU has been re-named from prior year where it was 'Brand Transformation'

[2] The Group implemented a new segment structure resulting in change in composition of its CGU group. Accordingly carrying value of goodwill (previously fully allocated to Creative Technology and Data CGU) was reallocated to OBMedia CGU and Technology, Healthcare and Consumer Practice CGU using a relative value approach. Under this approach relative value of goodwill is determined by reference to value-in-use of CGUs as at the date of re-organisation. The Group completed an assessment for impairment before the reallocation of goodwill using the same assumptions as those applied by the Group in its financial report for the year ended 30 June 2023 and concluded that the recoverable amount of CGUs exceeded the carrying value.

OBMedia has been separated into its own CGU and the agencies have been grouped into Technology, Healthcare and Consumer Practice CGU, ROI DNA CGU and GetIT CGU however, the re-organisation had no impact on ROI DNA and GetIT CGUs. The decrease in the goodwill carrying value as compared to the prior reporting period is due to the impairment booked in respect of the ROI DNA and GetIT GCUs and the relative value of goodwill relating to the disposal of CPR.

12. Intangible assets (continued)

Accounting policy

(i) Goodwill

Goodwill acquired in a business combination is initially measured at cost. Cost is measured as the cost of the business combination minus the net fair value of the acquired and identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is allocated to cash-generating units expected to benefit from synergies created by the business combination. Goodwill is not amortised, but instead is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

(ii) Other intangible assets

Other intangible assets acquired separately are measured on initial recognition at cost. The other intangible assets acquired in business combinations are mainly customer relationships and customer contracts. The cost of these assets is their fair value at date of acquisition based on valuation techniques generally using the excess earnings method. Following initial recognition, intangible assets are carried at cost less amortisation and any impairment losses.

Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

(iii) Amortisation

Intangible assets other than goodwill are amortised on a straight-line basis over their estimated useful lives from the date they are available for use. Customer contracts and relationships are amortised over a four to six-year period.

Amortisation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

(iv) Impairment

Refer to Note 21 Impairment of non-financial assets for further details on impairment.

13. Trade and other payables

In thousands of AUD	2024	2023
Current		
Trade payables	55,140	53,633
Other payables and accrued expenses	21,033	24,461
Unearned revenue	25,205	20,222
	101,378	98,316

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 20 Financial risk management/financial instruments.

14. Contingent consideration payable

In thousands of AUD	2024	2023
Current		
Contingent consideration payable	3,740	4,316
Non-current		
Contingent consideration payable	1,759	26,424
Total	5,499	30,740
Reconciliations of the carrying amounts of contingent consideration payable:		
Carrying amount at the beginning of the year	30,740	10,113
Recognised in business combinations (Note 23)	–	53,467
Re-assessment of contingent consideration	(22,421)	(34,648)
Unwind of present value interest	941	2,311
Effect of movements in exchange rates	166	2,168
Contingent consideration paid	(3,927)	(2,671)
Carrying amount at the end of the year	5,499	30,740

During the current year, the Group recognised a contingent consideration fair value gain of $22,421,000 (2023: gain of $34,648,000) relating to a change in the best estimate of future contingent consideration payable to the vendors of ROI DNA and GetIT.

Accounting policy
Contingent consideration payable is initially recognised at fair value in connection with a business combination. The liability is discounted using a market interest rate for the liability and a present value interest charge is recognised in the consolidated income statement as the discount unwinds. Any change in estimate of contingent consideration payable is recognised in the consolidated income statement as a fair value gain or loss during the period when the estimate is revised.

Key estimates

There is uncertainty around the actual payments that will be made as the payments are subject to the performance of ROI DNA and GetIT subsequent to the reporting date. Factors which could vary the amount of contingent consideration payable due include a net revenue, EBITDA and EBIT threshold for future payments, the basis of the average net revenue over the contingent consideration period and purchase price cap . Actual future payments may differ from the estimated liability. A sensitivity analysis for Contingent consideration payable is disclosed in Note 20 Financial risk management/financial instruments.

Level 3 fair values
Refer to Note 20.

15. Lease liabilities

This note provides information about the contractual terms of the Group's leases. For more information about the Group's exposure to interest rate risk, liquidity risk and foreign currency risk, see Note 20 Financial risk management/financial instruments.

In thousands of AUD	2024	2023
Current		
Lease liabilities	4,149	4,264
Non-current		
Lease liabilities	11,598	9,878
Total	15,747	14,142

Reconciliations of the carrying amounts of lease liabilities:		
Carrying amount at the beginning of the year	14,142	8,597
Additions	6,255	5,139
Acquired controlled entities	-	239
Re-measurement of lease liabilities	36	5,535
Repayments	(5,112)	(6,053)
Present value interest relating to lease liabilities	584	232
Effect of movements in exchange rates	(158)	453
Carrying amount at the end of the period	15,747	14,142

Accounting policy

Refer to Note 11.

16. Employee benefits

In thousands of AUD	2024	2023
Aggregate liability for employee benefits, including on-costs		
Current		
Annual leave	4,555	4,677
Long service leave	1,022	1,180
	5,577	5,857
Non-current		
Long service leave	1,167	1,027

The Group has recognised $2,576,000 (2023: $2,532,000) as an expense in the consolidated income statement for defined contribution plans during the reporting period.

Accounting policy

Provision is made for employee benefits including annual leave and long service leave for employees.

(i) Long-term employee benefits

The Group's net obligation in respect of long-term service benefits, other than superannuation and pension plans, is the amount of future benefit that employees have earned in return for their service provided up to the reporting date. The obligation is calculated using expected future increases in wage and salary rates, including related on-costs and expected settlement dates, and is discounted using the rates attached to the high quality corporate bonds which have maturity dates approximating to the terms of the Group's obligations.

(ii) Wages, salaries, annual leave and non-monetary benefits

Liabilities for employee benefits for wages, salaries and annual leave, that are due to be settled within 12 months of the reporting date, represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay as at reporting date, including related on-costs.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the obligation can be reliably estimated.

(iii) Termination benefits

Termination benefits are charged to the consolidated income statement when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are charged to the consolidated income statement if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

17. Interest bearing liabilities

In thousands of AUD	2024	2023
Current		
Unsecured bank loan	3,000	–
Non-current		
Unsecured bank loan	–	8,735

Financing arrangements
The Group has access to the following lines of credit:

In thousands of AUD	2024 Total Credit	2024 Utilised	2023 Total Credit	2023 Utilised
Bank loan (cash advance)	50,000	3,000	50,000	8,735
Indemnity guarantee	3,151	1,678	3,351	2,031
Credit card	1,361	300	1,345	306
	54,512	4,978	54,696	11,072

The Group was in compliance with all covenants as at 30 June 2024.

All finance facilities are negotiated by the Company on behalf of the Group. The carrying amount of amounts drawn on facilities as at the reporting date equates to face value.

Cash advance facility
The cash advance facility is an unsecured revolving multi-currency general-purpose facility with Westpac Banking Corporation (Westpac). The bank loan matures in June 2025 at a commercial interest rate. In the case of funds drawn in AUD, the interest rate is Bank Bill Swap rate (BBSY) plus margin. In the case of funds drawn in USD, the interest rate is Secured Overnight Funding Rate (SOFR) plus a credit adjustment spread.

Indemnity guarantee facility
The indemnity guarantee facility is in place to support financial guarantees for property rental and other obligations. The indemnity guarantees issued by banks other than Westpac are secured by cash deposits held by the issuing bank. The Group has pledged short-term deposits amounting to $684,000 for indemnity guarantee facilities at 30 June 2024.

Credit card facility
The credit card facility is subject to annual review and is subject to application approval and the bank or financial services company's standard terms and conditions.

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 20 Financial risk management/financial instruments.

Accounting policy
Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

18. Capital and reserves

In thousands of AUD	2024	2023
Share capital		
Ordinary shares, fully paid	115,262	117,815

The Company does not have authorised capital or par value in respect of its shares.

Movement in ordinary shares

	2024 Shares	2024 In thousands of AUD	2023 Shares	2023 In thousands of AUD
Balance at beginning of year	92,334,315	117,815	88,045,107	104,861
Shares issued to the employees of the Group on exercise of Share Appreciation Rights(i)	32,984	52	820,120	2,690
Shares issued to vendors of ROI DNA and GetIT(ii)	-	-	3,855,147	10,857
Share buy-back	(1,632,178)	(2,605)	(386,059)	(593)
Balance at end of year	90,735,121	115,262	92,334,315	117,815

(i) Share capital recognised during the year on the exercise of Share Appreciation Rights is based on the VWAP of the Company's shares for the 20 business days prior to the vesting date of the rights of $1.60 (2023: $3.28).

(ii) Share capital recognised on shares issued to vendors of ROI DNA and GetIT.

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder meetings.

Share buy-back

When the Company re-acquires its own ordinary shares as the result of a share buy-back, those shares are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the consolidated income statement and the consideration paid including any directly attributable incremental costs is recognised directly in equity.

On 4 April 2023, the Company announced an on-market buy-back of shares with a maximum number of ordinary Enero shares to be acquired of 8,804,510 which commenced on 1 May 2023. From 1 May 2023 to 30 June 2024 the Company purchased and cancelled 2,018,237 ordinary shares at a total cost of $3,198,124 including brokerage costs at an average of $1.60 excluding brokering costs.

Profit appropriation reserve

The profit appropriation reserve comprises profits appropriated by the parent entity in order to pay dividends.

Foreign currency translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Share-based payment reserve

The share-based payment reserve comprises the cumulative expense relating to the fair value of options, rights and equity plans on issue to Key Management Personnel, senior Executives and employees of the Group less amounts transferred to share capital on exercise of options, rights and equity plans.

Dividends

Dividend declared and/(or) paid by the Company to its members:

	Cents per share	Total amount in thousands of AUD	Date of payment
During the year ended 30 June 2024			
Fully franked final dividend – 2023	4.5	4,139	28 September 2023
Fully franked interim dividend – 2024	3.0	2,741	12 April 2024
Subsequent to the balance sheet date, at the date of this report			
Fully franked final dividend – 2024	2.0	1,815	3 October 2024
During the year ended 30 June 2023			
Fully franked final dividend – 2022	6.5	6,027	4 October 2022
Fully franked interim dividend – 2023	6.5	6,027	15 March 2023

18. Capital and reserves (continued)

Dividend franking account

In thousands of AUD	2024	2023
Franking credits available for future years at 30% to shareholders of Enero Group Limited	996	5,273

The above amounts represent the balance of the franking account at the end of the financial year adjusted for:

- franking credits that will arise from the payment of the current tax liability;
- franking debits that will arise from the payment of dividends recognised as a liability at year end;
- franking credits that will arise from the receipt of dividends recognised as receivables at year end; and
- franking credits that may be prevented from being distributed in subsequent years.

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends and any restrictions to paying dividends.

Accounting policy
(i) Ordinary shares
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of tax effects.

(ii) Dividends
Dividends are recognised as a liability in the period in which they are declared.

(iii) Transaction costs
Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

19. Earnings per share

Profit attributable to equity holders of the parent

In thousands of AUD	2024	2023
(Loss)/Profit for the year	(37,138)	81,476
Non-controlling interests	(7,049)	(25,002)
(Loss)/Profit for the year attributable to equity holders of the parent	(44,187)	56,474

Weighted average number of ordinary shares

In thousands of shares	2024	2023
Weighted average number of ordinary shares – basic	91,422	92,485
Shares issuable under equity-based compensation plans [1]	-	619
Weighted average number of ordinary shares – diluted	91,422	93,104

Earnings per share

In AUD cents	2024	2023
Basic	(48.3)	61.1
Diluted	(48.3)	60.7

Accounting policy
The Group presents basic and diluted earnings per share (**EPS**) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit and loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share rights granted to employees.

[1] In accordance with AASB133, Earnings per share, options that could potentially dilute basic earnings per share have not been included in the calculation of diluted earnings per share shown below because they are anti dilutive for the periods presented. The potential ordinary shares that may be dilutive is 50.

20. Financial risk management/financial instruments

The Group's exposure to financial risks, objectives, policies and processes for managing the risks including methods used to measure the risks, and the management of capital, are presented below.

The Group's activities expose it to the following financial risks:

- credit risk;
- liquidity risk; and
- market risk.

The Group's principal financial instruments comprise cash, receivables, payables, interest-bearing liabilities, contingent consideration payable and other financial liabilities.

The Board has overall responsibility for the oversight of the risk management framework. Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly and modified as appropriate to reflect changes in market conditions and the Group's activities.

The Group considers that there are no changes to the objectives, policies and processes to managing risk and the exposure to risks from the prior reporting period.

Credit risk

Exposure to credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligation, and arises principally from the Group's receivables from customers.

Each subsidiary performs credit analysis of a new customer and standard payment terms are offered only to creditworthy customers.

During the year ended 30 June 2024, the Group entered into transactions with approximately 390 unique customers. The 10 largest customers accounted for 49% of Net Revenue for the year ended 30 June 2024, with one customer accounting for more than 20% of Net Revenue. There are no material credit exposures relating to a single receivable or groups of receivables.

The maximum exposure to credit risk is net of any provisions for impairment of those assets, as disclosed in the consolidated statement of financial position.

The carrying amount of financial assets and contract assets represents the maximum credit exposure. The maximum credit exposure to credit risk at the reporting date was:

		Carrying amount	
In thousands of AUD	**Note**	**2024**	**2023**
Cash and cash equivalents	7	46,703	52,432
Trade and other receivables	8	77,953	74,801
Work in progress	9	3,273	3,506
Deposits	9	271	169
		128,200	130,908

The Group's maximum exposure to trade receivables credit risk at the reporting date was:

		Carrying amount	
In thousands of AUD	**Note**	**2024**	**2023**
Trade receivables	8	77,421	71,806

The Group's credit risk exposure is consistent across the geographic and business segments in which the Group operates.

20. Financial risk management/financial instruments (continued)

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

In thousands of AUD	2024	2023
Balance at 1 July	617	225
Reversal of prior year recognized in income statement	(57)	255
Provision raised during year	–	137
Provision used during year	(339)	–
Balance at 30 June	221	617

Average credit loss for year[(i)]	–	–
Credit loss provision at balance date[(ii)]	0.3%	0.9%

(i) Average credit loss for year is calculated by dividing impairment loss recognised for the year by the gross trade receivables balance.

(ii) Credit loss provision at balance date is calculated by dividing the provision by the gross trade receivable balance.

The average credit loss was assessed at 30 June 2024 and the Group continues to provide for expected credit losses higher than the average credit loss for each financial year.

Impairment losses

The ageing of the Group's trade receivables at the reporting date was:

In thousands of AUD	2024	2023
Not past due	72,538	63,872
Past due and less than 90 days	2,608	7,042
Past due and more than 90 days	2,278	892
Past due, more than 90 days and impaired	218	617
Gross trade receivables	77,642	72,423
Less: Impairment[(i)]	(221)	(617)
Net trade receivables	77,421	71,806

(i) Impairment includes trade receivables specifically impaired of $61,000 (2023: $427,000) plus expected credit losses of $160,000 (2023: $190,000).

Foreign exchange risk

Foreign exchange risk arises from transactions and recognised assets and liabilities and net investments in foreign operations. The Group's general operating policy historically has been to conduct business in the currency of the local area in which businesses of the Group are geographically located, thereby naturally hedging the consideration resulting from client work. Businesses of the Group maintain bank accounts in the currency of these transactions solely for working capital purposes.

The Group is exposed to movements in foreign currency exchange rates in respect of the translation of net assets and income statement of foreign subsidiaries and equity accounted investments. The group does not hedge the translation effect of exchange rate movements on the income statements or balance sheets of foreign subsidiaries, as it regards these as long term investments.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The source and nature of this risk arises from operations and translation risks.

In the current year, the operating businesses generated approximately 66% of their Net Revenue and 64% of their EBITDA from international markets. The Group's reporting currency is Australian dollars. However, the international operations give rise to an exposure to changes in foreign exchange rates, as the majority of its revenues from outside Australia are denominated in currencies other than Australian dollars, most significantly Great British pound (GBP) and US dollar (USD).

The Group's currency risk exposure is predominantly to consolidated Australian dollar translation risk as the majority of transactions denominated in foreign currencies are transacted by entities within the Group with the same functional currency as the relevant transaction. Additionally, as at 30 June 2024, the Group held AUD denominated bank loans of

20. Financial risk management/financial instruments (continued)

AUD 3,000,000 (2023: 8,735,000 (USD 5,800,000)) which were initially drawn in order to fund the acquisition of ROI DNA Inc., a USA based agency. In future financial reporting periods, the Group intends to hedge its exposure to changes in the value of its net investment in its US foreign operations through these borrowings as they are denominated in the same currency as the foreign operation's functional currency.

Market risk

Market risk is the risk relating to changes in market prices, such as foreign exchange rates, interest rates and equity prices, which will affect the Group's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The Group manages liquidity risk by monitoring forecast operating cash flows and committed unutilised facilities (refer to Note 17); and re-estimating the value of contingent consideration liabilities semi-annually. The following are the contractual maturities of financial liabilities, including estimated interest payments.

2024 In thousands of AUD	Carrying amount	Contractual cash flows	Less than 1 year	1 to 5 years	Over 5 years
Non-derivative financial liabilities					
Lease liabilities	15,747	17,036	4,461	11,584	991
Trade and other payables (excluding unearned revenue)	76,173	76,173	76,173	–	–
Contingent consideration payable	5,499	5,474	3,717	1,757	–
Interest bearing liabilities	3,000	3,179	3,179	–	–
	100,419	101,862	87,530	13,341	991

2023 In thousands of AUD	Carrying amount	Contractual cash flows	Less than 1 year	1 to 5 years	Over 5 years
Non-derivative financial liabilities					
Lease liabilities	14,142	15,385	4,827	10,528	30
Trade and other payables (excluding unearned revenue)	78,094	78,094	78,094	–	–
Contingent consideration payable	30,740	30,349	4,516	25,833	
Interest bearing liabilities	8,735	9,149	547	8,602	–
	131,711	132,977	87,984	44,963	30

Liquidity risk in relation to contingent consideration liabilities

There are critical accounting estimates and judgements in relation to contingent consideration liabilities. Refer to Note 14 Contingent consideration payable for further details.

There are no other significant uncertainties in the timing or amounts of contractual liabilities.

Interest rate risk

Interest rate risk refers to the risk that the fair value of the future cash flows of financial instruments will fluctuate because of changes in market interest rates. The Group's borrowings which have a variable interest rate attached give rise to cash flow interest rate risk, as do the Group's lease liabilities. Whilst there is no formal policy in place mandating hedging levels, the Group may hedge the interest rate risk by taking out floating to fixed rate swaps on drawn debt. Such interest rate swaps have the economic effect of converting borrowings from variable rates to fixed rates.

The following considerations are made to material interest rate transactions to ensure that the Group:

- is afforded some protection from significant increases in interest rates, thereby adding some degree of certainty to the financial budgeting process; and
- maintains sufficient interest rate flexibility to participate in normal yield curve environments without unduly paying up for term interest rate hedges; repay debt without significant swap (fixed rate) break costs; and undertake interest rate maturity extension trades as appropriate.

As at 30 June 2024, the Group has not entered into any interest rate swaps to convert the borrowings from variable rate to fixed rates. Accordingly, the Group's interest-bearing liabilities of $3,000,000 at 30 June 2024 (30 June 2023: $8,735,000) are variable rate financial instruments.

20. Financial risk management/financial instruments (continued)

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting dates would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rate, remain constant.

2024 **In thousands of AUD**	**Profit or Loss**		**Equity**	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Interest-bearing liabilities	76	(76)	-	-

2023 **In thousands of AUD**	**Profit or Loss**		**Equity**	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Interest-bearing liabilities	313	(313)	-	-

Capital management

The Group's key sources of capital are available committed facilities and share capital. The Board seeks to maintain a balance between higher returns that might be possible with higher levels of gearing and the advantages afforded by a prudent capital position. The Group also has contingent consideration payable as described in Note 14 Contingent consideration payable.

Fair value measurement:

Level 3 fair values

The following tables show the valuation techniques used in measuring Level 3 fair values for financial instruments measured at fair value in the consolidated statement of financial position, as well as the significant unobservable inputs used. There is uncertainty around the actual payments that will be made as the payments are subject to the performance of ROI DNA and GetIT subsequent to the reporting date. Factors which could vary the amount of contingent consideration payable due include a net revenue, EBITDA and EBIT threshold for future payments, the basis of the average net revenue over the contingent consideration period and purchase price cap. Actual future payments may differ from the estimated liability.

Type	**Valuation technique**	**Significant unobservable inputs**	**Inter-relationship between significant unobservable inputs and fair value measurement**
Contingent consideration payable	Discounted cash flows: The valuation model considers the present value of expected capped payments (payable over 3 years), discounted using a risk-adjusted discount rate. The expected payment is determined by considering forecast performance indicators, the amount to be paid under each scenario and the probability of each scenario.	– Forecast performance indicator. – Risk-adjusted discount rate: 5.05% - 6.17% (30 June 2023: 4.28% - 5.52%)	The estimated fair value would increase (decrease) if: – the forecast performance indicators are higher (lower); or – the risk-adjusted discount rates were lower (higher).

Reconciliation of Level 3 fair values

Refer to Note 14 Contingent consideration payable for a reconciliation of the opening and closing carrying amounts of contingent consideration payable.

20. Financial risk management/financial instruments (continued)

Sensitivity analysis

Reasonably possible changes after 30 June 2024 to one of the significant unobservable inputs, holding other inputs constant, would have the following effects on the fair values of contingent consideration:

In thousands of AUD	Increase	Decrease
Movement of 5% in forecast performance indicator	88	(84)
Movement of 10% in forecast performance indicator	176	(160)
Movement of 15% in forecast performance indicator	264	(229)

Other items

The carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables, interest bearing liabilities and lease liabilities approximates their fair value. The fair value which is determined for disclosure purposes only is calculated as:

- Trade receivables: is the present value of future cash flows, discounted at the market rate of interest at the reporting date.
- Trade and other payables: is the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Accounting policy

Non-derivative financial assets

Non-derivative financial assets are recognised on the date that they are originated. All other financial assets (including assets designated as fair value through the profit and loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

Non-derivative financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Financial assets and liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial assets:

(i) Trade and other receivables

Trade and other receivables are financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money or services directly to a debtor with no intention of selling the receivable.

Trade and other receivables are recognised initially at fair value, plus any directly attributable transaction costs.

Subsequent to initial recognition, trade and other receivables are measured at amortised cost using the effective interest method, less a loss allowance equal to the expected credit loss determined under the expected credit loss assessment for receivables.

(ii) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

Non-derivative financial liabilities

The Group has the following non-derivative financial liabilities: lease liabilities, trade, other payables, contingent consideration payable and borrowings

Non-derivative financial liabilities, other than contingent consideration payable, are recognised initially at fair value, plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

Contingent consideration payable is classified as a financial liability and is measured at fair value through profit or loss. Contingent consideration relating to acquisition of subsidiaries is recognised based on management's best estimate of the liability (up to any relevant cap) at the reporting date. The liability is discounted using a market interest rate for the liability and a present value interest charge is recognised in the consolidated income statement as the discount unwinds. Any change in estimate of contingent consideration payable is recognised in the consolidated income statement as a fair value gain or loss during the period when the estimate is revised.

20. Financial risk management/financial instruments (continued)

Impairment of Financial assets (including receivables)
A financial asset not carried at fair value through profit or loss is assessed on a monthly basis to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, and/or indications that a debtor or issuer will enter bankruptcy.

Expected credit loss assessment for receivables and contract assets

In addition to identifying impairment for specific financial assets, at each reporting date the Group also predicts the expected credit loss based on actual credit loss experience of the past three years. Expected credit losses are recognised in the consolidated income statement and reflected in an allowance account against receivables. An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

Key estimates
Trade receivables are carried at amortised cost less impairment. The impairment of these receivables is an estimate based on:

- evidence suggesting that an event has occurred leading to a negative effect on the estimated future cash inflow; and
- prediction of expected credit loss based on actual credit loss experience of the past three years.

Events subsequent to the reporting date but prior to the signing of the consolidated financial statements which indicate a negative effect are taken into account in the calculation of impairment. Future events may occur which change these estimates of the future cash inflows related to impaired trade receivables.

21. Impairment of non-financial assets

The process of impairment testing is to estimate the recoverable amount of the assets concerned and recognise an impairment loss in the consolidated income statement whenever the carrying amount of those assets exceeds the recoverable amount.

Impairment tests for cash-generating units (CGUs) goodwill
For impairment testing, goodwill is allocated to the Group's operating business units that represent the lowest level within the Group at which goodwill is monitored for internal management purposes and synergies obtained by the business unit.

The aggregation of assets in the CGU continues to be based upon the interdependency of the cash inflows generated from the service offering and synergies obtained by the business unit. ROI DNA and GetIT were acquired on 1 July 2022. Goodwill arising from the acquisition of these new businesses is required to be tested independently of other goodwill amounts as this represents the lowest level at which the performance of the respective businesses is monitored due to the terms of the earn-out agreements. The THC Practice represents a group of CGUs as this is the lowest level at which the goodwill is monitored for internal management purposes.

The challenging macroeconomic environment in the technology sector has impacted near-term performance of ROI DNA and GetIT. The recent performance and the uncertainty around timing of improved market conditions have resulted in an impairment assessment for both CGUs in this reporting period.

The Group recognised an impairment loss of $63,058,000 relating to ROI DNA and $7,664,000 GetIT

The recoverable amount of the CGUs was based on value in use in both the current and prior year. The methodologies and assumptions used for calculating value in use for all of the CGUs have remained materially consistent with those applied in prior years.

Key assumptions
Key assumptions used in the value in use approach to test for impairment relate to projected five year cash flows, the discount rates and the medium-term and long-term growth rates applied to projected cash flows.

Projected cash flows
The projected first year of cash flows is derived from next financial year's risk adjusted budgets. This reflects the best estimate of the CGU's future cash flows at the reporting date. Projected cash flows can differ from future actual cash flows and results of operations. Projected cash flows for year two onwards have then been built off Net Revenue and EBITDA growth for each CGU.

Discount rates
Discount rates are based on the Group's pre-tax weighted average cost of capital (WACC) adjusted if necessary to reflect the specific characteristics of each CGU group and to obtain a post-tax discount rate. Discount rates used are appropriate for the currency in which cash flows are generated and are adjusted to reflect the current view on the appropriate debt equity ratio and risks inherent in assessing future cash flows.

Long-term growth rate into perpetuity
Long-term growth rate is used into perpetuity, based on the expected long-range growth rate for the industry.

Impairment testing key assumptions:

CGU Groups 2024	THC Practice	OBMedia	ROI DNA	GetIT
Post-tax discount rate %	10.6 – 12.2	18.1	15.0	13.0
Long-term perpetuity growth rate %	2.5	2.5	2.5	2.5

CGU Groups 2023	Brand Transformation	Creative Technology and Data	ROI DNA	GetIT
Post-tax discount rate %	10.5 – 11.8	11.0	10.5	10.2
Long-term perpetuity growth rate %	2.5	2.5	2.5	2.5

OBMedia has been separated into its own CGU and the agencies have been grouped into Technology, Healthcare and Consumer (THC) Practice CGU, ROI DNA CGU and GetIT CGU however, the re-organisation had no impact on ROI DNA and GetIT CGUs.

21. Impairment of non-financial assets (continued)

Sensitivity range for impairment testing assumptions

Whilst it is management's view that the assumptions used for growth rates over the forecast period and the long-term and discount rates are reasonable, a sensitivity analysis was performed for each CGU taking into consideration the possible impacts of adverse economic conditions over the forecast period. Specifically, the impact that severe and sustained inflation in key geographies, supply chain issues affecting the distribution of customers' products, or a disruption in the credit markets may have on the key assumptions used in determining each CGU's recoverable amount, being:

- lower projected cash inflows as result of reductions, deferrals or cancellations by customers in terms of their spending on advertising, marketing and corporate communications projects;
- increased operating costs, including those to attract and retain the talent needed to grow revenues at forecast levels; or
- higher discount rates.

The results of this sensitivity analysis were such that any reasonably possible change in these key assumptions upon which each CGU's recoverable amounts were based would not cause the corresponding CGU's carrying amount to exceed its recoverable amount except for ROI DNA and GetIT CGUs.

Management has identified that a reasonably possible change in three key assumptions could cause the carrying amount to exceed the recoverable amount for ROI DNA and GetIT CGUs as shown below:

30-Jun-2024	ROI DNA		GetIT	
In thousands of AUD				
Key Assumption	Change %	Impact	Change %	Impact
Discount rate	+0.5%	(803)	+0.5%	(59)
Revenue growth rate	-5%	(1,783)	-5%	(189)
EBITDA margin rate	-5%	(7,172)	-5%	(1,125)

Accounting policy

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future post-tax cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of assessing impairment, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash-generating unit').

Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of goodwill and then to reduce the carrying amount of the other assets on a pro-rata basis.

At each reporting date, the Group reviews non-financial assets other than goodwill that have been previously impaired for indications that the conditions that resulted in the impairment have reversed.

22. Controlled entities

Particulars in relation to controlled entities:

Name	2024 %	2023 %	Country of incorporation
Parent entity			
Enero Group Limited			
Controlled entities			
Enero Group UK Holdings Pty Limited	100	100	Australia
—Enero Group UK Limited	100	100	UK
Enero Group (US) Pty Limited	100	100	Australia
—Enero Group (US) Inc.	100	100	USA
BMF Holdco Pty Limited	100	100	Australia
BMF Advertising Pty Limited (also as Trustee of The BMF Unit Trust)	100	100	Australia
The BMF Unit Trust	100	100	Australia
Hotwire Integrated Communications Pty Limited (Dormant)	100	100	Australia
Naked Communications Australia Pty Limited (Dormant)	100	100	Australia
Hotwire Australia Pty Limited	100	100	Australia
Orchard Marketing Pty Ltd	100	100	Australia
Alfie Agency Pty Ltd	100	100	Australia
CPR Communications and Public Relations Pty Limited (Disposed)	100	100	Australia
Enero Group Finance Pty Limited	100	100	Australia
Domain Active Holdings Pty Limited	100	100	Australia
—Domain Active Pty Limited	100	100	Australia
The Leading Edge Market Research Consultants Pty Limited (Dormant)	100	100	Australia
—Hotwire Global Communications Pte Ltd	100	100	Singapore
- Hotwire Global Pte Ltd (formerly GetIT Pte Ltd)	100	100	Singapore
- GetIT Japan G.K.	100	100	Japan
- GetIT Comms Sdn Bhd	100	100	Malaysia
- GetIT Communications Private Limited	100	100	India
The Digital Edge Online Consultants Pty Limited (Dormant)	100	100	Australia
Brigade Pty Limited (Dormant)	100	100	Australia
The Hotwire Public Relations Group Limited	100	100	UK
—Hotwire Public Relations GMBH	100	100	Germany
—Hotwire Public Relations SARL	100	100	France
—Hotwire Public Relations SL	100	100	Spain
—Hotwire Public Relations SRL	100	100	Italy
—Hotwire Public Relations Limited	100	100	UK
OBMedia LLC	51	51	USA
—OBMedia Network 1 L.T.D	51	51	Israel
IdealAds LLC	51	51	USA
SiteMath LLC	51	51	USA
—Clicksciences.com LLC	51	51	USA
Orchard Creative Technology Inc.	100	100	USA
Hotwire Public Relations Group LLC	100	100	USA
ROI DNA, Inc	100	100	USA

22. Controlled entities (continued)

<u>Accounting policy</u>
Basis of consolidation
(i) Business combinations
Business combinations are accounted for using the acquisition method. For every business combination, the Group identifies the acquirer, which is the combining entity that obtains control of other combining entities or businesses. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill arising from the business combination is measured at fair value of the consideration transferred including the recognised amount of any non-controlling interests in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Non-controlling interest is measured at its proportionate interest in the identifiable net assets of the acquiree.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination.

A contingent liability of the acquiree assumed in a business combination is recognised only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs incurred in connection with a business combination are expensed as incurred.

(ii) Subsidiaries
Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances, and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

23. Acquisitions

2024

There were no acquisitions for the year ended 30 June 2024.

2023

On 1 July 2022, the Group acquired 100% of the issued capital of ROI DNA Inc. ("ROI DNA"), a USA based strategic B2B sales and marketing agency. The purchase consideration was an upfront payment of $38,306,000 (US$26,400,000) in cash and $9,014,000 (US$6,600,000) of Enero Group Limited shares. The Group agreed to pay the selling shareholders over three years additional consideration up to $82,707,000 based on the acquiree's EBITDA each year. The Group has included $47,887,000 as contingent consideration related to the estimated additional earn-out payments, which represents its fair value at the date of acquisition. At 30 June 2023, the contingent consideration had decreased to $21,556,000 due to lower earnings expectations.

On 1 July 2022, the Group acquired 100% of the issued capital of GetIT Pte Ltd ("GetIT"), a Singapore based specialist B2B technology marketing agency with presence in India, Malaysia and Japan. The purchase consideration was an upfront payment of $2,816,000 (S$2,700,000) in cash and $1,843,000 (S$1,800,000) of Enero Group Limited shares. The Group agreed to pay the selling shareholders over three years additional consideration up to $10,952,000 based on the acquiree's EBIT each year. The Group included $5,580,000 as contingent consideration related to the estimated additional earn-out payments, which represents its fair value at the date of acquisition. At 30 June 2023, the contingent consideration had decreased to $2,969,000 due to lower earnings expectations.

The acquisition of both ROI DNA and GetIT and introduction of revenue services to complement the reputation and relationship services will enable the Group to strategically reposition the Hotwire agency and provide a unique marketplace offering. The acquisitions will also expand its footprint into Asia Pacific and provide further opportunities to support global technology clients.

For the 12 months ended 30 June 2023, ROI DNA contributed net revenue of $27,700,000 and EBITDA of $2,900,000 to the Group's results. GetIT Pte Ltd contributed net revenue of $2,200,000 and EBITDA of $200,000 to the Group's results.

Fair value of the net identifiable assets and liabilities acquired at the date of acquisition for ROI DNA were:

In thousands of AUD	Fair value recognition on acquisition
Cash and cash equivalents	12,108
Trade and other receivables	5,396
Current tax asset	1,415
Other assets	423
Property, plant and equipment	196
Other intangible assets	19,223
Trade and other payables	(2,274)
Unearned revenue	(7,510)
Deferred tax liability	(5,618)
Employee benefits	(810)
Net assets acquired	22,549

Value of goodwill

In thousands of AUD	
Initial consideration	47,320
Estimate of contingent consideration payable	47,887
Total consideration	95,207
Less: Working capital adjustment	(17)
Less: fair value of net assets acquired	(22,549)
Effect of movement in exchange rate	7,962
Value of goodwill	80,603

23. Acquisitions (continued)

Fair value of the net identifiable assets and liabilities acquired at the date of acquisition for GetIT were:

In thousands of AUD	Fair value recognition on acquisition
Cash and cash equivalents	866
Trade and other receivables	934
Other assets	86
Property, plant and equipment	83
Other intangible assets	2,960
Trade and other payables	(833)
Unearned revenue	(341)
Deferred tax liability	(468)
Bank loans	(315)
Net assets acquired	2,972

Value of goodwill

In thousands of AUD	
Initial consideration	4,659
Estimate of contingent consideration payable	5,580
Total consideration	10,239
Less: Working capital adjustment	(352)
Less: fair value of net assets acquired	(2,972)
Effect of movement in exchange rate	779
Value of goodwill	7,694

24. Disposals

2024

On 31 October 2023, the Group entered into a sale agreement to sell the business assets of its public affairs agency, CPR Communications and Public Relations (CPR) to The Civic Partnership (Civic), for consideration of $0.7m. The Group recognised an accounting loss on sale of $2.2m in the consolidated income statement for the year ended 30 June 2024.

Assets and liabilities and cash flow of disposed entity

The major classes of assets and liabilities of the disposed businesses are as follows:

In thousands of AUD	Carrying amounts
Assets	
Trade and other receivables	279
Other assets	16
Goodwill	2,640
Plant and equipment	10
Total assets disposed	2,945
Liabilities	
Trade and other payables	15
Employee benefits	30
Total liabilities disposed	45
Net assets disposed	2,900

Loss on sale

In thousands of AUD	
Consideration received	746
Less: net assets disposed	(2,900)
Less: incidental cost	–
Loss on sale in the consolidated income statement	(2,154)

Net cash received

In thousands of AUD	
Total consideration	746
Less: working capital adjustment	(280)
Less: Deferred consideration	(354)
Reflected in the consolidated statement of cash flows	112

2023

There were no disposals in the year ended 30 June 2023.

25. Parent entity disclosures

As at, and throughout, the financial year ended 30 June 2024, the parent company of the Group was Enero Group Limited.

In thousands of AUD	2024	2023
Result of the parent entity		
Profit/(Loss) for the year	5,206	(5,572)
Other comprehensive income	–	–
Total comprehensive profit/(loss) for the year	5,206	(5,572)
Financial position of the parent entity at year end		
Current assets	18,984	17,164
Total assets	120,262	132,849
Current liabilities	24,399	28,183
Total liabilities	27,835	37,229
Net assets	92,427	95,620
Total equity of the parent entity comprising:		
Share capital	115,262	117,815
Share-based payment reserve	8,934	7,900
Profit appropriation reserve	13,962	15,636
Accumulated losses	(45,731)	(45,731)
Total equity	92,427	95,620

For dividends declared and paid by the Company to members since the end of the previous financial year, refer to Note 18 Capital and Reserves.

Parent entity guarantees in respect of debts of its subsidiaries

The parent entity has entered into a Deed of Cross Guarantee with the effect that the Company guarantees debts in respect of its subsidiaries.

Further details of the Deed of Cross Guarantee, and the subsidiaries subject to the deed, are disclosed in Note 26 Deed of Cross Guarantee.

Contingent liabilities

Indemnities

Indemnities have been provided to Directors and certain Executive Officers of the Company in respect of third parties arising from their positions, except where the liability arises out of conduct involving lack of good faith. No monetary limit applied to these agreements and there are no known obligations outstanding at 30 June 2024.

26. Deed of Cross Guarantee

Pursuant to ASIC Corporations (Wholly owned Companies) Instrument 2016/785, the wholly owned subsidiaries listed below are relieved from the *Corporations Act 2001* requirements for the preparation, audit and lodgment of financial statements and a Directors' Report.

It is a condition of the Instrument that the Company and each of the subsidiaries enter into a Deed of Cross Guarantee. The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the *Corporations Act 2001*. If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that the Company is wound up.

The subsidiaries subject to the Deed are:

– BMF Advertising Pty Ltd
– BMF Holdco Pty Limited.

A consolidated income statement and consolidated statement of financial position, comprising the Company and controlled entities which are party to the Deed, after eliminating all transactions between parties to the Deed of Cross Guarantee, at 30 June 2024, is set out as follows:

Income statement

In thousands of AUD	2024	2023
Gross revenue	68,051	64,213
Directly attributable costs of sales	(33,014)	(32,721)
Net Revenue	35,037	31,492
Other income	14	2
Employee expenses	(33,511)	(30,743)
Occupancy costs	(289)	(244)
Travel expenses	(482)	(572)
Communication expenses	(113)	(398)
Compliance expenses	1,176	(1,419)
Depreciation and amortisation expenses	(1,774)	(2,084)
Administration expenses	(1,937)	(1,983)
Gain on disposal of business	(3,265)	–
Incidental acquisition costs	(449)	(50)
Restructuring costs	(638)	(374)
Impairment	(104)	–
Finance income	369	275
Finance costs	(501)	(389)
Management fees received from subsidiaries	3,199	3,879
Dividends received from subsidiaries	4,405	–
Profit/(Loss) before income tax	1,137	(2,608)
Income tax benefit	310	820
Profit/(Loss) for the year	1,447	(1,788)
Attributable to:		
Equity holders of the Company	1,447	(1,788)

Statement of financial position

In thousands of AUD	2024	2023
Assets		
Cash and cash equivalents	10,108	9,162
Trade and other receivables	10,944	12,209
Income tax receivable	1,340	2,950
Other assets	1,119	1,295
Total current assets	23,511	25,616
Receivables	40,815	45,330
Other financial assets	31,001	35,013
Deferred tax assets	2,111	5,378
Plant and equipment	480	921
Right-of-use assets	5,053	7,296
Intangible assets	16,365	16,333
Total non-current assets	95,825	110,271
Total assets	119,336	135,887
Liabilities		
Trade and other payables	13,933	17,067
Lease liabilities	1,910	2,640
Employee benefits	2,502	2,447
Total current liabilities	18,346	22,154
Lease liabilities	3,260	5,557
Deferred tax liabilities	358	3,966
Employee benefits	665	550
Total non-current liabilities	4,283	10,073
Total liabilities	22,628	32,227
Net assets	96,708	103,660
Equity		
Issued capital	115,262	117,815
Share-based payment reserve	8,934	7,900
Profit appropriation reserve	13,962	15,636
Accumulated losses	(41,450)	(37,691)
Total equity	96,708	103,660

27. Commitments

Leases

Leases as lessee

Commitments for minimum lease payments (undiscounted) in relation to non-cancellable low value leases are payable as follows:

In thousands of AUD	2024	2023
Less than one year	169	68
Between one and five years	4	9
Over five years	–	–
	173	77

The Group leases many assets, including properties and office equipment, under non-cancellable low value leases generally expiring in two to 10 years. Amounts disclosed in the above table relate only to leases exempt from AASB 16 recognition.

28. Contingencies

Contingent liabilities

Indemnities

Indemnities have been provided to Directors and certain Executive Officers of the Company in respect of third parties arising from their positions, except where the liability arises out of conduct involving lack of good faith. No monetary limit has been applied to these agreements and there are no known obligations outstanding at 30 June 2024.

29. Subsequent events

Transactions or events subsequent to the balance date, were:

- the Directors have declared a final dividend, with respect to ordinary shares, of 2.0 cents per share, fully franked. The final dividend will have a record date of 20 September 2024 and a payment date of 3 October 2024.

Except for these events there has not arisen, in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

30. Key Management Personnel and other related party disclosures

In addition to Executive and Non-Executive Directors, the following were Key Management Personnel of the Group at any time during the reporting period:

Name	Position
Carla Webb-Sear	Chief Financial Officer

Other transactions with the Company or its controlled entities

A number of the Key Management Personnel, or their related entities, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

There were no transactions with the Company or its subsidiaries and Key Management Personnel in the current or prior reporting period.

Director related party transactions

There were no related party transactions with any Director during the current or prior reporting period.

Key Management Personnel compensation (including all Directors) is as follows:

In AUD	2024	2023
Short-term employee benefits	2,454,747	2,969,498
Other long-term benefits	30,101	14,100
Post-employment benefits	61,647	75,876
Termination benefits	126,354	–
Share-based payments – Share Appreciation Rights	200,500	1,326,097
Total Key Management Personnel compensation	2,873,349	4,385,571

31. Share-based payments

Equity-based plans

Long-term incentives (**LTI**) were provided as equity-based incentives in the Company under the Share Appreciation Rights Plan (**SARP**) in the current and prior financial years.

Share Appreciation Rights (SARs)

The Share Appreciation Rights Plan is designed to incentivise the Company's Senior Executives and other senior management of the Group.

The fair value of the SARs is measured using the Monte Carlo simulation model. Measurement inputs include share price on measurement date, exercise price of the instruments, expected volatility (based on weighted average historical volatility), weighted average expected life of the instruments (based on historical experience and general rights holder behaviour), expected dividends, and the risk-free interest rate (based on Government bonds). Service conditions attached to the transactions are not taken into account in determining fair value.

The plan allows for the Board to determine who is entitled to participate in the SAR Plan, and it may grant rights accordingly. Enero's Board may determine whether or not the grant of rights is conditional on the achievement of performance hurdles; and if so, the nature of those hurdles.

The exercise of each right will entitle the rights holder to receive a fraction of an ordinary share based on a conversion formula of E = (A – B) / A, where:

- E is the share right entitlement;
- A is the volume weighted average price (**VWAP**) for the Company's shares for the 20 business days prior to the vesting date of the rights; and
- B is the VWAP for the Company's shares for the 20 business days before the rights were granted.

If A – B is less than or equal to zero, the share right will not vest and will immediately lapse on the applicable vesting date.

The number of shares to be granted will equal the number of SARs awarded multiplied by the above conversion formula.

One share right shall never convert into more than one share in the capital of the Company. Rights expire at 15 business days after the relevant vesting date or the termination of the individual's employment. The Board may exercise discretion on early vesting of rights in the event of a change of control of the Group. Refer to the table below for a summary of SARs on issue.

Summary of Share Appreciation Rights on issue:

Issue date	21 October 2021	21 October 2022	30 October 2023
SARs issued	4,525,000	4,425,000	4,550,000
Participants	Senior Executives	Senior Executives	Senior Executives
VWAP for the 20 business days prior to the grant (B)	$3.02	$2.85	$1.60
Vesting dates: 20 business days after the release of the Group financial report for the year ended:			
Tranche 1 (1/3)	30 June 2022	30 June 2023	30 June 2024
Tranche 2 (1/3)	30 June 2023	30 June 2024	30 June 2025
Tranche 3 (1/3)	30 June 2024	30 June 2025	30 June 2026
Last expiry date	30 September 2024	30 September 2025	30 September 2026
Outstanding SARs as at 30 June 2024	1,275,004	2,533,333	4,330,000

31. Share-based payments (continued)

Share Appreciation Rights (SARs)

Summary of rights over unissued ordinary shares

Grant date	Expiry date	VWAP (for the 20 business days prior to the grant)	Weighted average exercise price	Number of Rights outstanding at beginning of year	Rights granted during year	Rights exercised during year	Rights expired during year	Rights forfeited during year	Number of Rights at year end outstanding	Number of Rights at year end vested	Proceeds received	Date issued	Number of shares issued	Expected life (years)
2024														
21 Oct 2020	30 Sep 2023	$1.52	–	908,340	–	841,672	–	66,668	-	–	–	–	32,984	–
21 Oct 2021	30 Sept 2024	$3.02	–	3,016,670	–	–	1,324,999	416,667	1,275,004	–	–	–	–	–
21 Oct 2022	30 Sept 2025	$2.85	–	4,425,000	–	–	1,300,000	591,667	2,533,333	–	–	–	–	0.9–2.9
30 Oct 2023	30 Sep 2026	$1.60	–	–	4,550,000	–	–	220,000	4,330,000	–	–	–	–	0.9–2.9
				8,350,010	4,550,000	841,672	2,624,999	1,295,002	8,138,337	–	–		32,984	

Grant date	Expiry date	VWAP (for the 20 business days prior to the grant)	Weighted average exercise price	Number of Rights outstanding at beginning of year	Rights granted during year	Rights exercised during year	Rights expired during year	Rights forfeited during year	Number of Rights at year end outstanding	Number of Rights at year end vested	Proceeds received	Date issued	Number of shares issued	Expected life (years)
2023														
24 Oct 2019	30 Sep 2022	$2.13	–	416,670	–	416,670	–	-	-	–	–	–	146,087	–
21 Oct 2020	30 Sept 2023	$1.52	–	2,066,670	–	1,033,330	–	125,000	908,340	–	–	–	554,472	–
21 Oct 2021	30 Sept 2024	$3.02	–	4,525,000	-	1,508,330	–	–	3,016,670	–	–	–	119,561	0.9–2.9
21 Oct 2022	30 Sep 2025	$2.85	–	–	4,425,000	-	-	-	4,425,000	–	–	–	–	0.9–2.9
				7,008,340	4,425,000	2,958,330	–	125,000	8,350,010	–	–		820,120	

The number and weighted average exercise price of share rights is as follows:

	VWAP (for the 20 business days prior to the grant) 2024 $	Weighted average exercise price 2024	Number of rights 2024	VWAP (for the 20 business days prior to the grant) 2023 $	Weighted average exercise price 2023	Number of rights 2023
Outstanding at 1 July	2.77	–	8,350,010	2.52	–	7,008,340
Forfeited during the period	2.62	–	(1,295,002)	1.52	–	(125,000)
Exercised during the period	1.52	–	(841,672)	2.37	–	(2,958,330)
Expired during the period	2.94		(2,624,999)	–	–	–
Granted during the period	1.60	–	4,550,000	2.85	–	4,425,000
Outstanding at 30 June	–	–	8,138,337	–	–	8,350,010
Exercisable at 30 June	–	–	–	–	–	–

The SARs outstanding at 30 June 2024 have a VWAP (for the 20 business days prior to the grant) range of $1.60 to $2.21 (30 June 2023: $1.52 to $2.85).

The SARs outstanding at 30 June 2024 have a weighted average contractual life of 0.94 years (30 June 2023: 0.96 years).

The fair value of services received in return for SARs granted is based on the fair value of SARs, measured using the Monte Carlo simulation model.

The total net expenses recognised by the Group for the year ended 30 June 2024 for share-based payment transactions were $1,086,000 (2023: $2,501,000).

The VWAP for the 20 business days prior the date of exercise of SARs on 15 September 2023 was $1.60.

31. Share-based payments (continued)

Inputs for measurement of grant date fair value

The following factors and key assumptions were used in determining the fair value of the SARs on the grant date:

Grant date	Expiry date	Value per SAR $	VWAP (for the 20 business days prior to the grant) $	Price of shares on grant date $	Expected volatility %	Risk-free interest rate %	Dividend yield %	Expected life (years)
21 Oct 2021[(i)]	30 Sept 2024	0.64 – 0.85	3.02	3.38	40-50	0.01-0.36	5.0	0.9–2.9
21 Oct 2022[(ii)]	30 Sept 2025	0.41 – 0.68	2.85	2.80	40-45	0.03-0.04	4.0	0.9–2.9
30 Oct 2023[(iii)]	30 Sept 2026	0.41 – 0.68	1.60	1.56	40-45	0.04-0.05	5.5	0.9–2.9

(i) Grant is in relation to SARs provided to senior employees of the Group which were issued on 21 October 2021. The last expiry date of the rights is 15 days after the relevant vesting date for the year ended 30 June 2024, which is estimated to be around 30 September 2024.

(ii) Grant is in relation to SARs provided to senior employees of the Group which were issued on 21 October 2022. The last expiry date of the rights is 15 days after the relevant vesting date for the year ended 30 June 2025, which is estimated to be around 30 September 2025.

(iii) Grant is in relation to SARs provided to senior employees of the Group which were issued on 30 October 2023. The last expiry date of the rights is 15 days after the relevant vesting date for the year ended 30 June 2026, which is estimated to be around 30 September 2026.

Accounting policy

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related services and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Fair value measurement and key estimates

The grant date fair value of employee share rights is measured using the Monte Carlo simulation model. This value is determined by an appropriately qualified independent expert commissioned by the Directors. Inputs to the determination of fair value are subjective and include the market value of the Company's share price on the grant date, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information) of the Company's share price, the risk-free interest rate, the dividend yield, the expected life of the share rights, the probability of occurrence of certain events and the exercise price. Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value. Certain of these inputs are estimates.

The Directors review the methodology used by the expert and make enquiries with management to satisfy themselves that the factual information used by the expert is correct prior to relying on the expert's opinion.

32. Auditor's remuneration

In AUD	2024	2023
Audit services – auditors of the Company		
EY Australia	643,000	–
KPMG Australia	–	565,000
Overseas KPMG firm	–	335,632
Overseas EY firm	191,500	–
	834,500	900,632
Taxation compliance services:		
Overseas KPMG firm	–	144,000
	1,367,285	1,044,632

Consolidated Entity Disclosure Statement for the year ended 30 June 2024

Name	Entity Type	Body corporate country of incorporation	Body corporate % of share capital held	Country of tax residence
Parent entity		Australia		Australia
Enero Group Limited				
Controlled entities				
Enero Group UK Holdings Pty Limited	Body Corporate	Australia	100	Australia
—Enero Group UK Limited	Body Corporate	UK	100	UK
Enero Group (US) Pty Limited	Body Corporate	Australia	100	Australia
—Enero Group (US) Inc.	Body Corporate	USA	100	USA
BMF Holdco Pty Limited	Body Corporate	Australia	100	Australia
BMF Advertising Pty Limited (Trustee of The BMF Unit Trust)	Body Corporate	Australia	100	Australia
The BMF Unit Trust	Trust	Australia	100	Australia
Hotwire Integrated Communications Pty Limited (Dormant)	Body Corporate	Australia	100	Australia
Naked Communications Australia Pty Limited (Dormant)	Body Corporate	Australia	100	Australia
Hotwire Australia Pty Limited	Body Corporate	Australia	100	Australia
Orchard Marketing Pty Ltd	Body Corporate	Australia	100	Australia
Alfie Agency Pty Ltd	Body Corporate	Australia	100	Australia
Enero Group Finance Pty Limited	Body Corporate	Australia	100	Australia
Domain Active Holdco Pty Limited	Body Corporate	Australia	100	Australia
—Domain Active Pty Limited	Body Corporate	Australia	100	Australia
The Leading Edge Market Research Consultants Pty Limited	Body Corporate	Australia	100	Australia
—Hotwire Global Communications Pte Ltd	Body Corporate	Singapore	100	Singapore
- Hotwire Global Pte Ltd (formerly GetIT Pte Ltd)	Body Corporate	Singapore	100	Singapore
- GetIT Japan G.K.	Body Corporate	Japan	100	Japan
- GetIT Comms Sdn Bhd	Body Corporate	Malaysia	100	Malaysia
- GetIT Communications Private Limited	Body Corporate	India	100	India
The Digital Edge Online Consultants Pty Limited (Dormant)	Body Corporate	Australia	100	Australia
Brigade Pty Limited (Dormant)	Body Corporate	Australia	100	Australia
The Hotwire Public Relations Group Limited	Body Corporate	UK	100	UK
—Hotwire Public Relations GMBH	Body Corporate	Germany	100	Germany
—Hotwire Public Relations SARL	Body Corporate	France	100	France
—Hotwire Public Relations SL	Body Corporate	Spain	100	Spain
—Hotwire Public Relations SRL	Body Corporate	Italy	100	Italy
—Hotwire Public Relations Limited	Body Corporate	UK	100	UK
—McDonald Butler Associates Limited	Body Corporate	UK	100	UK
OBMedia LLC	Body Corporate	USA	51	USA
—OBMedia Network 1 L.T.D	Body Corporate	Israel	51	Israel
Domain Active LLC	Body Corporate	USA	51	USA
IdealAds LLC	Body Corporate	USA	51	USA
SiteMath LLC	Body Corporate	USA	51	USA
—Clicksciences.com LLC	Body Corporate	USA	51	USA
Orchard Creative Technology Inc.	Body Corporate	USA	100	USA
Hotwire Public Relations Group LLC	Body Corporate	USA	100	USA
ROI DNA, Inc	Body Corporate	USA	100	USA

Directors' Declaration

1. In the opinion of the Directors of Enero Group Limited (the **Company**):

   (a) the consolidated financial statements and notes that are set out on pages 69 to 111 and the Remuneration Report set out on pages 56 to 63 in the Directors' Report, are in accordance with the *Corporations Act 2001*, including:

      (i) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and

      (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

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

   (c) the consolidated entity disclosure statement required by section 295(3A) of the Corporations Act is true and correct.

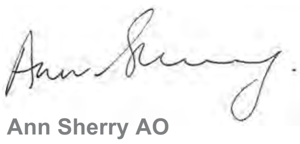
2. There are reasonable grounds to believe the Company and entities identified in Note 26 will be able to meet any obligations or liabilities to which they are or may become subject by virtue of the Deed of Cross Guarantee between the Company and those entities pursuant to *ASIC Corporations (Wholly owned Companies) Instrument 2016/785*.

3. The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2024 pursuant to section 295A of the *Corporations Act 2001*.

4. The Directors draw attention to Note 1(b) to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Dated at Sydney this 13 day of September 2024.

Signed in accordance with a resolution of the Directors:



Ann Sherry AO

Chair

Independent Auditor's Report
to the members of Enero Group Limited

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Independent auditor's report to the members of Enero Group Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Enero Group Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2024 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial report section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

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Impairment assessment of goodwill

Why significant	How our audit addressed the key audit matter
At 30 June 2024, the Group's consolidated statement of financial position includes goodwill with a carrying value $131.1 million, representing 44% of total assets. The directors have assessed goodwill for impairment, recognising $70.8 million of impairment expense in relation to the ROI DNA and GetIT cash generating units (CGUs). As disclosed within Note 21 to the financial statements, the assessment of the impairment of the Group's goodwill incorporated significant judgments and estimates, based upon conditions existing as at 30 June 2024, specifically concerning factors such as forecast cashflows, discount rates and terminal growth rates. The estimates and assumptions which are inherently subjective relate to the sustainability of future performance, market and economic conditions. Accordingly, we considered the impairment testing of goodwill and the related disclosures in the financial report to be a key audit matter.	Our audit procedures included the following: ► Assessed the Group's determination of the CGUs used in the impairment model, based on our understanding of the nature of the Group's business and the economic environment in which the segments operate. We also considered internal reporting of the Group's results to assess how earnings and goodwill are monitored and reported. ► Assessed the cash flow forecasts, assumptions and estimates used by the Group, as disclosed in Note 21 to the financial statements, by evaluating the reliability of the Group's historical cash flow forecasts, our knowledge of the business and corroborating data with external information where possible. ► Evaluated the appropriateness of discount and terminal growth rates applied with involvement from our valuation specialists. ► Tested the mathematical accuracy of the impairment testing models including the consistency of relevant data with latest Board approved forecasts. ► Performed sensitivity analysis on key assumptions including growth rates (including terminal growth rates) and discount rates, for each of the Group's CGUs. ► Assessed the adequacy of the disclosures included in Note 21 to the financial statements.

Revenue Recognition

Why significant	How our audit addressed the key audit matter
The Group generated $804.5 million in revenue from customers across its global operations for the year ending 30 June 2024. The Group derives the majority of its revenue from marketing and communication service fees from customers, which requires analysis of recognition over the related contractual term. As disclosed in Note 3 to the financial statements, the Group's revenue streams are either recognised over time or at a point in time depending on the identified performance obligations that the Group has to the customer. The Group's policy is for consideration received from advance billings to customers prior to the satisfaction	Our audit procedures included the following: • Obtained an understanding of the nature of the various revenue streams and the related revenue recording processes, systems and key controls. • Evaluated the Group's revenue accounting processes and assessed whether the Group's accounting policies complied with the requirements of Australian Accounting Standards. • Assessed the operating effectiveness of relevant controls in place relating to the recognition and measurement of revenue recognised over time. • For revenue recognised over time, used data analytical procedures to corroborate expected

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Page 3

Why significant	How our audit addressed the key audit matter
of performance obligations to be recognised as a contract liability and classified as unearned revenue ($25.2 million). The importance of revenue to the users of the financial statements, and the judgement involved in determining the percentage of completion for revenue recognised over time, this was considered to be a key audit matter.	correlations between revenue, contract liabilities, accounts receivable and cash. • Tested a sample of cash receipts related to revenue transactions and agreed the cash receipt to the underlying customer remittance documentation and bank statement. • Tested a sample of revenue recognised during the year relating to open projects at year end, by agreeing to signed contracts, holding discussions with the account managers, and obtaining support for the percentage of completion, to assess whether revenue was recognised correctly and in the correct period, and the related accrued or contact liability was correctly recognised. • Tested a sample of revenue recognised at a point in time, by obtaining external reports from search engines agreeing the calculation of revenue to contractual agreement, and testing subsequent receipt of payment • Assessed the adequacy of the disclosures included in Notes to the financial statements.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 20X1 annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

a. The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001; and;

b. The consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

i. The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii. The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 56 to 63 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Enero Group Limited for the year ended 30 June 2024, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

J Inglis

Jodie Inglis
Partner
Sydney
13 September 2024

Lead Auditor's Independence Declaration under section 307 of the Corporations Act 2001

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ey.com/au

Auditor's independence declaration to the directors of Enero Group Limited

As lead auditor for the audit of the financial report of Enero Group Limited for the financial year ended 30 June 2024, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Enero Group Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

Jodie Inglis

Jodie Inglis
Partner
13 September 2024

ASX Additional Information

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below. The shareholder information set out below was applicable as at 6 August 2024.

Substantial shareholders

The number of ordinary shares held by substantial shareholders and their associates is set out below:

Shareholder	Number
Regal Funds Management Pty Limited	16,793,169
Perpetual Limited	14,086,349
Perennial Value Management	11,985,597
Irish Global Equity	6,002,926
RG Capital Multimedia Limited	5,220,342

Unquoted equity securities

As at 19 August 2024 there were no options granted over unissued ordinary shares in the Company.

Voting rights

Ordinary shares – refer to Note 18 Capital and reserves.

Distribution of equity security holders:

Range	Number of equity security holders	Ordinary shares	% of issued capital
1 – 1,000	566	275,261	0.30
1,001 – 5,000	561	1,467,994	1.62
5,001 – 10,000	247	1,830,264	2.02
10,001 – 100,000	289	9,060,659	9.99
100,001 and over	44	78,100,943	86.08
	1,707	**90,735,121**	**100.00**

The number of shareholders holding less than a marketable parcel of ordinary shares is 251.

Twenty largest shareholders

Rank	Name	Units	% of issued capital
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	23,318,989	25.70
2	CITICORP NOMINEES PTY LIMITED	13,710,869	15.11
3	UBS NOMINEES PTY LTD	6,882,031	7.58
4	IRISH GLOBAL EQUITY LIMITED	4,335,901	4.78
5	RG CAPITAL MULTIMEDIA LIMITED	3,269,079	3.6
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSI EDA	2,739,289	3.02
7	CH GLOBAL PTY LTD	2,548,301	2.81
8	J P MORGAN NOMINEES AUSTRALIA PTY LTD	1,862,058	2.05
9	WARBONT NOMINEES PTY LTD	1,679,875	1.85
10	IRISH GLOBAL EQUITY LIMITED	1,667,025	1.84
11	NFT SUPER PTY LTD	1,630,102	1.80
12	ECAPITAL NOMINEES PTY LIMITED	1,583,006	1.74
13	CHARLES & CORNELIA GOODE FOUNDATION PTY LTD	1,500,000	1.65
14	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	1,198,753	1.32
15	RG CAPITAL MULTIMEDIA LIMITED	1,159,020	1.28
16	BASELINE VENTURES 2009 LLC	813,893	.90
17	BNP PARIBAS NOMS PTY LTD	1,154,915	0.83
18	BUTTONWOOD NOMINEES PTY LTD	681,172	0.75
19	MRS ANTONIA CAROLINE COLLOPY	588,637	0.65
20	BNP PARIBAS NOMINEES PTY LTD	564,649	0.62
Total		72,487,732	79.89

Corporate Directory

Company Secretary
Catherine Hoyle

Principal Registered Office
Enero Group Limited
Level 2, 100 Harris Street
Pyrmont NSW 2009 Australia
Telephone: +61 2 8213 3031
Email: companysecretary@enero.com

Share Registry
Automic Group
Deutsche Bank, Tower Level 5
126 Phillip St
Sydney NSW 2000

Email: hello@automicgroup.com.au
Telephone: 1300 288 664
Outside Australia: +61 2 9698 5414

Securities Exchange
The Company is listed on the Australian Securities Exchange (ASX Code: EGG).

The home exchange is Sydney.

Other Information
Enero Group Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.

Solicitors
Holding Redlich
Level 65/25 Martin Place
Sydney NSW 2000 Australia

Auditors
EY
200 George St
Sydney NSW 2000 Australia

ABN
97 091 524 515

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General – info@enero.com
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