



Enero Group Limited
ABN 97 091 524 515
Half Year Report
Appendix 4D
Half Year ended 31 December 2024

Results for announcement to the market

Enero Group Limited (the “Company”) and its controlled entities (the “Group”) results for announcement to the market are detailed below.

The current reporting period is 1 July 2024 to 31 December 2024.

The previous corresponding reporting period is 1 July 2023 to 31 December 2023.

Key information

In thousands of AUD

	31 December 2024	31 December 2023	% Change	Amount Change
Revenues from ordinary activities	397,688	417,089	-4.65%	(19,041)
Profit/ (loss) from ordinary activities after tax attributable to members	(817)	(12,348)	93.38%	11,531
Profit/ (loss) for the period attributable to members	(817)	(12,348)	93.38%	11,531

Dividends	Amount per security	Total amount AUD'000	Payment date
Fully franked final dividends (2024)	2.0 cents	1,815	3 October 2024
Fully franked interim dividends (2025) ¹	1.5 cents	1,361	11 April 2025

At the date of this report, there are no dividend reinvestment plans in operation.

This Appendix 4D should be read in conjunction with the Enero 2024 Annual Report and the accompanying 2025 Half Year Financial Report.

The remainder of the information requiring disclosure to comply with listing rule 4.2A.3 is contained in the attached Interim Financial Report for the half year ended 31 December 2024 and the additional information set out below.

Additional Information

	Current period	Previous corresponding period
Net tangible asset backing per ordinary share (dollars) ²	0.18	0.03

Explanation of results

Please refer to the attached Interim Financial Report for the half year ended 31 December 2024 and Market Presentation for commentary and further information with respect to the results.

¹Record date for determining entitlement to the 2025 interim dividend is 20 March 2025

²Derived by dividing net assets less intangible assets by total issued shares of 90,735 (2023: 91,347 shares).



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Audit qualification or review

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

**Enero Group Limited
and its controlled entities**

ABN 97 091 524 515

**Interim Financial Report
For the half year ended 31 December 2024**

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Enero Group Limited

Financial Report - half year ended 31 December 2024

Directors' Report

The Directors of Enero Group Limited (the Company) present their report, together with the consolidated interim financial statements of the Group, being the Company and its controlled entities, for half year ended 31 December 2024 and the Independent Auditor's Review Report thereon.

Directors

The Directors of the Company at any time during or since the end of the half year are:

Ann Sherry AO – Independent Non-Executive Chair (Resigned 17 October 2024)

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

Brent Scrimshaw – Chief Executive Officer (Resigned 20 February 2025)

Brent was appointed as Chief Executive Officer and Executive Director of the Company on 1 July 2020.

Anouk Darling – Independent Non-Executive Director

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

David Brain – Independent Non-Executive Director

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

Ian Rowden – Independent Non-Executive Chair (Appointed as Chair on 18 October 2024)

Ian was appointed as a Non-Executive Director of the Company on 21 November 2018. Ian is the Chair of the Remuneration and Nomination Committee.

Louise Higgins – Independent Non-Executive Director

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

Principal activities

The principal activities of the Group during the half 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.

Group operating and financial review

The Group achieved Net Revenue of \$88.3 million, a decrease of 12% (2023: \$100.4 million) compared to the prior half year. Technology, Healthcare and Consumer (THC) Practice revenue decreased 8% with continued challenging technology market impacting Hotwire Group and macro-economic uncertainty in Australia impacting BMF and Orchard. The sale of the CPR business in October 2023 also contributed to the revenue decline in THC Practice. Net Revenue in OBMedia decreased 23%, impacted by continued challenging Ad Tech market conditions. Net Revenue decreased across all geographical regions.

The Group achieved EBITDA before significant items of \$15.7 million, a decrease of 31% (2023: \$23.0 million) compared to the prior half year. The EBITDA result was driven by revenue and partially offset by cost reduction of 6% delivered through cost initiatives implemented primarily in FY24 Q4 in both Technology, Healthcare and Consumer (THC) Practice and OBMedia with continued management of costs in the half across the Group.

Net profit after tax before significant items was \$3.2 million, a decrease of 52% (2023: \$6.7 million) compared to prior half year driven by the decline in EBITDA.

In the current half year, the operating businesses generated approximately 66% (2023: 68%) of its Net Revenue and 68% (2023: 70%) of its EBITDA from international markets.

Significant items

During the half year ended 31 December 2024, the Group recognised \$2.6m of restructuring costs relating to the OBMedia strategic review and redundancy costs mainly in Hotwire Group and a fair value loss of \$1.4 million relating to revaluation of future contingent consideration due to improved expectations for ROI DNA performance.

Enero Group Limited

Financial Report - half year ended 31 December 2024

Directors' Report (continued)

A summary of the Group's results is below:

In thousands of AUD

	6 months to 31 Dec-2024	6 months to 31 Dec-2023
Net Revenue ¹	88,281	100,436
EBITDA before significant items ²	15,746	22,977
Depreciation and amortisation	(5,001)	(5,094)
EBIT before significant items	10,745	17,883
Net finance (costs)/ income	(178)	(488)
Present value interest charge	(494)	(681)
Profit before tax before significant items	10,073	16,714
Income tax expense	(3,479)	(4,918)
Profit after tax before significant items	6,594	11,796
Non-controlling interests	(3,356)	(5,061)
Net profit after tax before significant items	3,238	6,735
Significant items ³	(4,055)	(19,083)
Net loss after tax attributable to equity owners	(817)	(12,348)
Cents per share		
Earnings per share (basic)	(0.90)	(13.45)
Earnings per share (basic) – pre significant items	3.57	7.33

Reconciliation of EBITDA² to statutory profit after tax

In thousands of AUD

	6 months to 31 Dec-2024	6 months to 31-Dec-2023
Net Revenue ¹	88,281	100,436
EBITDA ²	15,746	22,977
Depreciation of right-of-use assets	(2,202)	(2,203)
Depreciation of plant and equipment	(541)	(893)
Amortisation of intangibles	(2,258)	(1,998)
Net finance (costs)/income	(178)	(488)
Present value interest charge	(494)	(681)
Significant items ³	(4,258)	(19,117)
Statutory profit/ (loss) before tax	5,815	(2,403)
Income tax expense	(3,276)	(4,884)
Statutory profit/ (loss) after tax	2,539	(7,287)

1. Gross revenue in accordance with AASB 15 less directly attributable cost of sales.

2. As defined in the basis of preparation section on page 5.

3. Significant items are explained in Note 4.

Directors' Report (continued)

Segment performance

In thousands of AUD

	Technology, Healthcare and Consumer Practice	OB Media	Total Segments	Support office(i)	Share based payments charge(ii)	Total
2024						
Net Revenue ¹	68,663	19,618	88,281	–	–	88,281
EBITDA ²	10,929	9,361	20,290	(4,279)	(265)	15,746
EBITDA ² margin	15.9%	47.7%	23.0%	–	–	17.8%
2023						
Net Revenue ¹	74,808	25,628	100,436	–	–	100,436
EBITDA ²	13,500	13,923	27,423	(3,892)	(554)	22,977
EBITDA ² margin	18.0%	54.3%	27.3%	–	–	22.9%

Geographical performance

In thousands of AUD

	Australia and Asia	UK and Europe	USA	Support office(i)	Share based payments charge(ii)	Total
2024						
Net Revenue ¹	30,847	14,911	42,523	–	–	88,281
EBITDA ²	4,896	1,947	13,447	(4,279)	(265)	15,746
EBITDA ² margin	15.9%	13.1%	31.6%	–	–	17.8%
2023						
Net Revenue ¹	33,489	16,152	50,795	–	–	100,436
EBITDA ²	6,939	3,379	17,105	(3,892)	(554)	22,977
EBITDA ² margin	20.7%	20.9%	33.7%	–	–	22.9%

1. Gross revenue in accordance with AASB 15 less directly attributable cost of sales.

2. As defined in the basis of preparation section on page 5.

(i) Support office represents head office overheads.

(ii) Share-based payment charge in the consolidated interim income statement.

Capital management

Cash flow – Operating activities

Cash inflows from operating activities was \$10.6 million (2023: \$20.1 million). The decrease in inflows is primarily attributable to the decrease in revenue and lower income tax payments. The Group converted 86% of EBITDA to cash for the half year ended 31 December 2024 (2023: 105%).

Cash flow – Investing activities

Cash outflows for investing activities was \$4.4 million (2023: \$4.1 million). The increase in outflows was due to a slight increase in purchases for PPE.

Cash flow – Financing activities

Cash outflows for financing activities \$7.2 million (2023 \$12.7 million). The decrease in outflows was due to a reduction in dividends paid and completion of share buy-back program in April 2024. For the half year ended 31 December 2024, \$1.8 million (2023: \$4.1 million) in dividends were paid to Enero Group Limited shareholders in addition to \$3.0 million (2023: \$4.6 million) in dividends paid to minority shareholders of controlled subsidiaries. Other movements included loan repayment of \$0.5 million (2023: \$0.5 million net drawdown).

Enero Group Limited

Financial Report - half year ended 31 December 2024

Directors' Report (continued)

Contingent consideration liabilities

At as 31 December 2024 the Company's estimated contingent consideration liabilities was \$3.4 million.

Cash and Debt

In thousands of AUD	31-Dec-2024	30-Jun-2024
Cash and cash equivalents	48,341	46,703
Interest bearing liabilities	(2,500)	(3,000)
Contingent consideration liabilities	(3,429)	(5,499)
Net cash³	42,412	38,204

3. Net cash excludes lease liabilities recognised accordance with AASB 16 *Leases* as they are considered operational liabilities.

The Group had \$42.4 million (June 2024: \$38.2m) in net cash as at 31 December 2024.

Debt facility

During the half year ended 31 December 2024, the Group repaid down AU\$0.5 million (June 2024: \$0.5m net drawdown) of the loan balance and paid interest of \$0.3 million.

Basis of preparation

The Directors' Report includes Net Revenue and EBITDA, which are measures used by the Directors and management in assessing the ongoing performance of the Group. Net Revenue is equal to statutory Gross Profit and 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 3.

Dividends

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

	Amount per security	Total amount AUD'000	Payment date
Fully franked final dividend (2024)	2.0 cents	1,815	3 October 2024

Subsequent to the interim reporting date, the Directors have declared an interim dividend, with respect to ordinary shares, of 1.5 cents per share, fully franked. The interim dividend will have a record date of 20 March 2025 and a payment date of 11 April 2025. The financial effect of this dividend has not been brought to account in the financial statements for the half year ended 31 December 2024 but will be recognised in the subsequent financial period.

Enero Group Limited

Financial Report - half year ended 31 December 2024

Events subsequent to balance date

There has not arisen, in the interval between the end of half 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 the future financial period.

Lead Auditor's Independence Declaration

The Lead Auditor's Independence Declaration under section 307C of the *Corporations Act 2001* is set out on page 26 and forms part of the Directors' Report for the half year ended 31 December 2024.

Rounding off

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 this Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

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

Dated at Sydney this 26th day of February 2025.

A handwritten signature in black ink, appearing to be 'Ian Rowden', with a stylized, cursive script.

Ian Rowden
Chair

Enero Group Limited

Financial Report - half year ended 31 December 2024

**Consolidated interim income statement
for the half year ended 31 December 2024**

In thousands of AUD	Note	2024	2023
Gross revenue	3	397,688	417,089
Directly attributable costs of sales		(309,407)	(316,653)
Gross profit		88,281	100,436
Other income		50	46
Employee expenses		(62,621)	(67,390)
Occupancy costs		(712)	(676)
Travel expenses		(558)	(936)
Communication expenses		(1,317)	(1,029)
Compliance expenses		(1,598)	(1,337)
Depreciation and amortisation expense		(5,001)	(5,094)
Administration expenses		(5,779)	(6,137)
Finance income		134	162
Finance costs		(806)	(1,331)
Fair value (loss)/ gain	4	(1,387)	8,763
Impairment loss and reassessment of useful life	4	(273)	(25,281)
Loss on disposal	10	–	(2,154)
Restructuring costs	4	(2,598)	(445)
Profit/ (loss) before income tax		5,815	(2,403)
Income tax expense	5	(3,276)	(4,884)
Profit/ (loss) for the half year		2,539	(7,287)
Attributable to:			
Equity holders of the parent		(817)	(12,348)
Non-controlling interests		3,356	5,061
		2,539	(7,287)
Basic earnings per share (AUD cents)	6	(0.90)	(13.45)
Diluted earnings per share (AUD cents)	6	(0.90)	(13.45)

The notes on pages 12 to 22 are an integral part of these consolidated interim financial statements.

Enero Group Limited**Financial Report - half year ended 31 December 2024****Consolidated interim statement of comprehensive income
for the half year ended 31 December 2024**

In thousands of AUD	Note	2024	2023
Profit/ (loss) for the half year		2,539	(7,287)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations		14,082	(4,215)
Total items that may be reclassified subsequently to profit or loss		14,082	(4,215)
Other comprehensive income/ (loss) for the half year, net of tax		14,082	(4,215)
Total comprehensive income/ (loss) for the half year		16,621	(11,502)
Attributable to:			
Equity holders of the parent		12,790	(16,377)
Non-controlling interests		3,831	4,875
		16,621	(11,502)

The notes on pages 12 to 22 are an integral part of these consolidated interim financial statements.

Enero Group Limited

Financial Report - half year ended 31 December 2024

**Consolidated interim statement of changes in equity
for the half year ended 31 December 2024**

In thousands of AUD	Attributable to owners of the Company						Non- controlling interests	Total equity
	Share capital	Retained profits / (Accumulated losses)	Profit appropriation reserve	Share based payment reserve	Foreign currency translation reserve	Total		
Opening balance at 1 July 2023	117,815	65,306	15,636	7,900	4,990	211,647	7,173	218,820
(Loss)/ profit for the half year	–	(12,348)	–	–	–	(12,348)	5,061	(7,287)
Other comprehensive income for the half year, net of tax	–	–	–	–	(4,029)	(4,029)	(186)	(4,215)
Total comprehensive (loss)/ income	–	(12,348)	–	–	(4,029)	(16,377)	4,875	(11,502)
Transactions with owners recorded directly in equity:								
Shares issued to employees on exercise of Share Appreciation Rights	52	–	–	(52)	–	–	–	–
Dividends paid to equity holders	–	–	(4,139)	–	–	(4,139)	(4,648)	(8,787)
Share buy-back	(1,596)	–	–	–	–	(1,596)	–	(1,596)
Share-based payment expense	–	–	–	554	–	554	–	554
Closing balance at 31 December 2023	116,271	52,958	11,497	8,402	961	190,089	7,400	197,489
Opening balance at 1 July 2024	115,262	15,913	13,962	8,934	3,115	157,186	5,894	163,080
(Loss)/ profit for the half year	–	(817)	–	–	–	(817)	3,356	2,539
Other comprehensive income for the half year, net of tax	–	–	–	–	13,607	13,607	475	14,082
Total comprehensive (loss)/ income	–	(817)	–	–	13,607	12,790	3,831	16,621
Transactions with owners recorded directly in equity:								
Dividends paid to equity holders	–	–	(1,815)	–	–	(1,815)	(3,028)	(4,843)
Share-based payment expense	–	–	–	266	–	266	–	266
Closing balance at 31 December 2024	115,262	15,096	12,147	9,200	16,722	168,427	6,697	175,124

The notes on pages 12 to 22 are an integral part of these consolidated interim financial statements.

Enero Group Limited

Financial Report - half year ended 31 December 2024

**Consolidated interim statement of financial position
as at 31 December 2024**

In thousands of AUD	Note	31-Dec-2024	30-Jun-2024
Assets			
Cash and cash equivalents		48,341	46,703
Trade and other receivables		71,439	77,953
Other assets		8,759	7,534
Income tax receivable		801	–
Total current assets		129,340	132,190
Deferred tax assets		1,867	2,174
Plant and equipment		1,864	1,789
Right-of-use assets		12,813	14,611
Other assets		286	271
Intangible assets	7	160,775	149,852
Total non-current assets		177,605	168,697
Total assets		306,945	300,887
Liabilities			
Trade and other payables		97,962	101,378
Contingent consideration payable	8	3,429	3,740
Lease liabilities		4,511	4,149
Employee benefits		5,478	5,577
Income tax payable		3,167	1,072
Interest bearing liabilities		2,500	3,000
Total current liabilities		117,047	118,916
Contingent consideration payable	8	–	1,759
Lease liabilities		10,041	11,598
Employee benefits		1,120	1,167
Deferred tax liabilities		3,613	4,367
Total non-current liabilities		14,774	18,891
Total liabilities		131,821	137,807
Net assets		175,124	163,080
Equity			
Share capital	11	115,262	115,262
Other reserves		25,922	12,049
Profit appropriation reserve		12,147	13,962
Retained profits		15,096	15,913
Total equity attributable to equity holders of the parent		168,427	157,186
Non-controlling interests		6,697	5,894
Total equity		175,124	163,080

The notes on pages 12 to 22 are an integral part of these consolidated interim financial statements.

Enero Group Limited

Financial Report - half year ended 31 December 2024

**Consolidated interim statement of cash flows
for the half year ended 31 December 2024**

In thousands of AUD	Note	2024	2023
Cash flows from operating activities			
Cash receipts from customers		413,245	417,008
Cash paid to suppliers and employees		(399,689)	(392,243)
Cash generated from operations		13,556	24,765
Interest received		134	161
Income taxes paid		(2,372)	(4,329)
Interest paid		(686)	(542)
Net cash from operating activities		10,632	20,055
Cash flows from investing activities			
Sale of controlled entities		–	112
Acquisition of plant and equipment		(554)	(323)
Contingent consideration paid	8	(3,881)	(3,927)
Net cash used in investing activities		(4,435)	(4,138)
Cash flows from financing activities			
Payment of lease liabilities		(1,905)	(2,824)
Drawdown of bank loans		–	3,000
Repayment of bank loans		(500)	(2,496)
Dividends paid to equity holders of the parent		(1,815)	(4,139)
Dividends paid to non-controlling interests in controlled entities		(3,028)	(4,648)
Payment for Share buy-back		–	(1,596)
Net cash used in financing activities		(7,248)	(12,703)
Net decrease)/ increase in cash and cash equivalents		(1,051)	3,214
Effect of exchange rate fluctuations on cash held		2,689	(1,125)
Cash and cash equivalents at 1 July		46,703	52,433
Cash and cash equivalents at 31 December		48,341	54,522

The notes on pages 12 to 22 are an integral part of these consolidated interim financial statements.

**Notes to the consolidated interim financial statements
for the half year ended 31 December 2024**

1. Statement of significant accounting policies

a. Reporting entity

Enero Group Limited (the Company) is a for-profit company domiciled in Australia. The consolidated interim financial report of the Company as at and for the half year ended 31 December 2024 comprises the Company and its subsidiaries (together referred to as the Group).

The consolidated annual financial report of the Group as at and for the year ended 30 June 2024 is available at www.enero.com.

b. Statement of compliance and basis of preparation

The consolidated interim financial statements are general purpose financial statements which have been prepared in accordance with AASB 134 *Interim Financial Reporting*, the *Corporations Act 2001* and IAS 34 *Interim Financial Reporting*.

The consolidated interim financial statements are presented in Australian dollars and have been prepared on the historical cost basis, except for contingent consideration payables and share-based payment transactions which are stated at their fair value.

The consolidated interim financial statements do not include all the information required for a full annual financial report and should be read in conjunction with the consolidated annual financial report of the Group as at and for the year ended 30 June 2024 and any public announcements made by the Company during the half year in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001* and ASX Listing Rules.

The accounting policies applied by the Group in these consolidated interim financial statements are the same as those applied by the Group in its Annual Report as at and for the year ended 30 June 2024.

The consolidated interim financial statements were approved and authorised for issue by the Board of Directors on 26 February 2025.

c. Rounding of amounts

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 this financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

d. New Standards and interpretations

New accounting standards, interpretations and amendments adopted by the Group

There were no new accounting standards, interpretations and amendments significantly impacting the Group in the half year ended 31 December 2024.

Standards issued but not yet effective

Certain new accounting standards, amendments and interpretations have been issued that are not yet effective for the half year ended 31 December 2024. The Group intends to adopt the following new or amended standards and interpretations, if applicable, when they become effective with no significant impact being expected on the Consolidated Financial Statements of the Group:

- Amendments to AASB 121: The Effects of Changes in Foreign Exchange Rates
- AASB 18: Presentation and Disclosure in Financial Statements

**Notes to the consolidated interim financial statements
for the half year ended 31 December 2024 (continued)**

e. Use of estimates and judgements

The preparation of the Group's Consolidated Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in an outcome that requires a material adjustment to the carrying amount of assets and liabilities in future periods. The Group's material judgements and estimates were disclosed in Note 1 within the Group's 2024 Consolidated Financial Statements. The key estimates and assumptions which are most significant to the Consolidated Financial Statements for the half year ended 31 December 2024 are disclosed in note

- 7. Intangibles
- 8. Contingent consideration payable

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 Board, CEO and CFO on a monthly basis, who are the Group's chief operating decision makers (CODM).

Revenues are all derived from services which are similar in the 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.

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.

The measure of reporting to the Enero Executive team is on an EBITDA basis (defined below), which excludes significant and non-operating 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.

2. Operating segments (continued)

6 months to 31-Dec-2024 In thousands of AUD	Technology, Healthcare and Consumer Practice	OBMedia	Total segments	Unallocated	Eliminations	Consolidated
Gross revenue	98,343	299,345	397,688	–	–	397,688
Directly attributable cost of sales	(29,680)	(279,727)	(309,407)	–	–	(309,407)
Gross profit¹	68,663	19,618	88,281	–	–	88,281
Other income	60	–	60	(10)	–	50
Operating expenses	(57,794)	(10,257)	(68,051)	(4,534)	–	(72,585)
EBITDA	10,929	9,361	20,290	(4,544)	–	15,746
Depreciation of plant and equipment and right-of-use assets						(2,743)
Amortisation of intangibles						(2,258)
Net finance costs						(672)
Significant items ²	(2,019)	(10)	(2,029)	(2,229)	–	(4,258)
Profit before income tax						5,815
Income tax expense						(3,276)
Profit for the half year						2,539
As at 31 December 2024						
Goodwill	127,222	15,222	142,444	–	–	142,444
Other intangibles	17,996	335	18,331	–	–	18,331
Assets excluding intangibles	110,776	62,583	173,359	32,784	(59,973)	146,170
Total assets	255,994	78,140	334,134	32,784	(59,973)	306,945
Liabilities	90,481	49,351	139,832	51,962	(59,973)	131,821
Total liabilities	90,481	49,351	139,832	51,962	(59,973)	131,821

6 months to 31-Dec-2023 In thousands of AUD	Technology, Healthcare and Consumer Practice	OBMedia	Total segments	Unallocated	Eliminations	Consolidated
Gross revenue	99,224	317,865	417,089	–	–	417,089
Directly attributable cost of sales	(24,416)	(292,237)	(316,653)	–	–	(316,653)
Gross profit¹	74,808	25,628	100,436	–	–	100,436
Other income	41	–	41	5	–	46
Operating expenses	(61,349)	(11,705)	(73,054)	(4,451)	–	(77,505)
EBITDA	13,500	13,923	27,423	(4,446)	–	22,977
Depreciation of plant and equipment and right-of-use assets						(3,096)
Amortisation of intangibles						(1,998)
Net finance costs						(1,169)
Significant items ²	(18,953)	(164)	(19,117)	–	–	(19,117)
Loss before income tax						(2,403)
Income tax expense						(4,884)
Loss for the half year						(7,287)
As at 30 June 2024						
Goodwill	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
Liabilities	91,892	55,094	146,986	44,372	(53,551)	137,807
Total liabilities	91,892	55,094	146,986	44,372	(53,551)	137,807

1. Gross profit represents Net Revenue, which is gross revenue less directly attributable costs of sales

2. Significant items are explained in Note 4.

2. Operating segments (continued)

Major Customers

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

Percentage of Group's total revenue	6 months to 31-Dec-24	6 months to 31-Dec-23
Technology, Healthcare and Consumer Practice	10.3	–
OBMedia	21.9	24.2
	32.2	24.2

3. Revenue

The Group's operations and main revenue streams are those described in its Annual Report for the year ended 30 June 2024.

Disaggregation of revenue

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

In thousands of AUD	6 months to 31-Dec-24	6 months to 31-Dec-23
Primary geographical markets		
USA	323,569	345,084
Australia and Asia	54,373	51,726
UK and Europe	19,746	20,279
Total	397,688	417,089

Disaggregation of revenue

Consulting revenue (excluding revenue from advertising technology platform) by type of contract	6 months to 31-Dec-24	6 months to 31-Dec-23
Fixed Fee retainers	51%	48%
Variable retainers (% of total digital advertising spend)	9%	9%
Project based retainers (can be fixed fee or time and cost recovery)	40%	43%
Total	100%	100%

Revenue by timing of performance obligations	2024	2023
Point in time	75%	76%
Recognised over time	25%	24%
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).

In thousands of AUD	2024		2023	
	Technology, Healthcare and Consumer Practice	OBMedia	Technology, Healthcare and Consumer Practice	OBMedia
Australia and Asia	54,373	–	51,725	–
UK and Europe	19,746	–	20,279	–
USA	24,224	299,345	27,220	317,865
Total	98,343	299,345	99,224	317,865

4. 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	6 months to 31-Dec-24	6 months to 31-Dec-23
Primary geographical markets		
Fair value (loss)/ gain ⁽ⁱ⁾	(1,387)	8,763
Impairment loss and reassessment of useful life ⁽ⁱⁱ⁾	(273)	(25,281)
Loss on disposal ⁽ⁱⁱⁱ⁾	–	(2,154)
Restructuring costs ^(iv)	(2,598)	(445)
Total significant items before tax	(4,258)	(19,117)
Income tax benefit on significant items	203	34
Total significant items after tax	(4,055)	(19,083)

⁽ⁱ⁾ Fair value adjustments in FY25 H1 relate to contingent consideration true up due to higher earnings expectations relating to ROI DNA.

⁽ⁱⁱ⁾ Reassessment of useful life relates to accelerated amortisation of GetIT customer relationships. Impairment loss for prior year relates to \$1.7m impairment of GetIT goodwill, \$23.2m impairment of ROI DNA goodwill and \$0.4m impairment of right of use asset relating to the CPR disposal.

⁽ⁱⁱⁱ⁾ \$2.2m loss on sale of business in prior year relates to CPR disposal on 31 October 2023.

^(iv) \$2.6m of restructuring costs includes costs incurred relating to the OBMedia strategic review and redundancies mainly in the Hotwire Group in FY25 H1.

5. Income tax expense

Recognised in the consolidated interim income statement

In thousands of AUD	6 months to 31-Dec-24	6 months to 31-Dec-23
Current tax expense		
Current year	3,308	5,255
Adjustments for prior years	463	658
	3,771	5,913
Deferred tax expense		
Origination and reversal of temporary differences	(495)	(1,029)
	(495)	(1,029)
Income tax expense in the consolidated interim income statement	3,276	4,884
Numerical reconciliation between tax expense and pre-tax accounting profit		
Profit/ (loss) for the half year	2,539	(7,287)
Income tax expense	3,276	4,884
Profit/ (loss) before income tax	5,815	(2,403)
Income tax expense using the Company's domestic tax rate of 30% (2023: 30%)	1,744	(721)
Increase/ (decrease) in income tax expense due to:		
Share-based payment expense	80	151
Fair value loss/ (gain)	416	(2,629)
Loss on disposal of subsidiaries	–	646
Impairment charges	–	7,584
Restructuring costs	605	–
Contingent consideration present value interest	17	127
Effect of lower tax rate on overseas income	(29)	(409)
Under/ (over) provision for tax in prior years	513	658
Effect of losses not previously recognised	148	(162)
Other (non-assessable)/non-deductible items	(218)	(361)
Income tax expense on pre-tax net profit	3,276	4,884

Enero Group Limited

Financial Report - half year ended 31 December 2024

6. Earnings per share

	6 months to 31-Dec-24	6 months to 31-Dec-23
Profit attributable to equity holders of the parent		
In thousands of AUD		
Profit/ (loss) for the half year	2,539	(7,287)
Non-controlling interests	(3,356)	(5,061)
Loss for the half year attributable to equity holders of the parent	(817)	(12,348)

Weighted average number of ordinary shares

In thousands of shares

Weighted average number of ordinary shares – basic	90,735	91,826
Shares issuable under equity-based compensation plans ¹	–	–
Weighted average number of ordinary shares – diluted	90,735	91,826

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.

Earnings per share

Basic (AUD cents)	(0.90)	(13.45)
Diluted (AUD cents)	(0.90)	(13.45)

7. Intangible assets

In thousands of AUD	Goodwill	Contracts and customer relationships	Website and Software	Total
31-Dec-2024				
Cost	144,712	31,794	2,427	178,933
Accumulated amortisation	(2,268)	(15,042)	(848)	(18,158)
Net carrying amount	142,444	16,752	1,579	160,775
Reconciliations of the carrying amounts of intangible assets:				
Carrying amount at the beginning of the year	131,096	17,131	1,625	149,852
Additions	–	–	405	405
Amortisation	–	(2,120)	(410)	(2,530)
Effect of movements in exchange rates	11,348	1,741	(41)	13,048
Carrying amount at 31 December 2024	142,444	16,752	1,579	160,775

Goodwill Cash Generating Unit (CGU) allocation

In thousands of AUD	31-Dec-2024
Cash Generating Unit (CGU):	
Technology, Healthcare and Consumer Practice	103,391
OBMedia	15,222
ROI DNA	23,831
GetIT	–
Net carrying amount	142,444

8. Contingent consideration payable

In thousands of AUD	31-Dec-2024	30-Jun-2024
Current		
Contingent consideration payable	3,429	3,740
Non-current		
Contingent consideration payable	–	1,759
Total	3,429	5,499

In thousands of AUD	6 months to 31-Dec-2024	12 months to 30-Jun-2024
Reconciliations of the carrying amounts of contingent consideration payable:		
Carrying amount at the beginning of the period	5,499	30,740
Re-assessment of contingent consideration	1,387	(22,421)
Unwind of present value interest	109	941
Effect of movements in exchange rates	315	166
Contingent consideration paid	(3,881)	(3,927)
Carrying amount at the end of the period	3,429	5,499

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 a purchase price cap. Actual future payment may differ from the estimated liability.

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 interim statement of financial position, as well as the significant unobservable inputs used.

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.	<ul style="list-style-type: none"> - Forecast performance indicator. - Risk-adjusted discount rate: 5.59% (30 June 2024: 5.05% - 6.17%) 	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> - the forecast performance indicators are higher (lower); or - the risk-adjusted discount rates were lower (higher).

Sensitivity analysis

Reasonably possible changes at 31 December 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	171	(171)
Movement of 10% in forecast performance indicator	343	(343)
Movement of 15% in forecast performance indicator	514	(514)

9. Interest bearing liabilities

In thousands of AUD	31-Dec-2024	30-Jun-2024
Current		
Unsecured bank loan	2,500	3,000

Financing arrangements

The Group has access to the following lines of credit:

In thousands of AUD	31-Dec-2024 Total Credit	31-Dec-2024 Utilised	30-Jun-2024 Available	30-Jun-2024 Utilised
Bank loan (cash advance)	50,000	2,500	50,000	3,000
Indemnity guarantee	3,153	1,685	3,151	1,678
Credit card	1,353	348	1,361	300
	54,506	4,533	54,512	4,978

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 fair 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 AUD, the interest rate is Bank Bill Swap rate (BBSY) plus margin. In the case of 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 \$0.7 million for indemnity guarantee facilities at 31 December 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.

Recognition and measurement

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.

10. Disposal of Subsidiary

2024

There were no disposals for the half year ended 31 December 2024.

2023

On 31 October 2023, the Group entered into a sale agreement to sell the business assets of its public affairs agency, 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 31 December 2023.

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
Plant and equipment	10
Total assets disposed	305
Liabilities	
Trade and other payables	15
Employee benefits	30
Total liabilities disposed	45
Net assets disposed	260
Gain on sale	
In thousands of AUD	
Consideration received	746
Less: relative value of goodwill	(2,640)
Less: net assets disposed	(260)
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

Enero Group Limited

Financial Report - half year ended 31 December 2024

11. Capital and reserves

In thousands of AUD	31-Dec-2024	30-Jun-2024
Share capital		
Ordinary shares, fully paid	115,262	115,262

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

Movement in ordinary shares

	31-Dec-2024		31-Dec-2023	
	Shares	In thousands of AUD	Shares	In thousands of AUD
Balance at beginning of year	90,735,121	115,262	92,334,315	117,815
Shares issued to the employees of the Group on exercise of Share Appreciation Rights ⁽ⁱ⁾	–	–	32,984	52
Share buy-back	–	–	(1,020,453)	(1,596)
Balance at end of the period	90,735,121	115,262	91,346,846	116,271

(i) Share capital recognised during the half year 31 December 2023 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 \$1.58.

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.

Profit appropriation reserve

The profit appropriation reserve comprises profits appropriated by the parent entity.

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 half year ended 31 December 2024			
Fully franked final dividend – 2024	2.0	1,815	3 October 2024
Subsequent to the balance sheet date, at the date of this report			
Fully franked interim dividend – 2025	1.5	1,361	11 April 2025
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

Dividend franking account

In thousands of AUD	31-Dec-2024	30-June-2024
Franking credits available for future years at 30% to shareholders of Enero Group Limited	516	996

The above amounts represent the balance of the franking account at the end of the half 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.

11. Capital and reserves (continued)

Recognition and measurement

(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.

12. 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 is applied to these agreements and there are no known obligations outstanding as at 31 December 2024.

13. Key management personnel and other related party disclosures

In addition to Executive and Non-Executive Directors, there were key management personnel of the Group during the half year.

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, its subsidiaries and key management personnel or their related entities in the current or prior half year.

There were no transactions with the Directors during the current or prior half year.

On 16 September 2024, the company announced the resignation of its Group CFO, Carla Webb-Sear, effective 13 December 2024 and on 1 October 2024, the company announced the resignation of its Group CEO and Executive Director, Brent Scrimshaw, effective 20 February 2025.

The Board of Directors has appointed Ian Ball as Chief Operating Officer, effective 17 February 2025.

14. Subsequent events

Dividend

Subsequent to the half year ended, the Directors have declared an interim dividend, with respect to ordinary shares, of 1.5 cents per share, fully franked. The interim dividend will have a record date of 20 March 2025 and a payment date of 11 April 2025. The financial effect of this dividend has not been brought to account in the financial statements for the half year ended 31 December 2024 but will be recognised in subsequent financial reports.

Except for the events listed above there has not arisen, in the interval between the end of the half 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 the future financial period.

Enero Group Limited

Financial Report - half year ended 31 December 2024

Directors' Declaration

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

1. the consolidated interim financial statements and notes set out on page 7 to 22 are in accordance with the *Corporations Act 2001* including:
 - (a) giving a true and fair view of the Group's financial position as at 31 December 2024 and the performance for the half year ended on that date; and
 - (b) complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Sydney this 26th day of February 2025.

Signed in accordance with a resolution of the Directors:

A handwritten signature in black ink, appearing to be 'Ian Rowden', with a large, stylized initial 'I' and a series of loops and flourishes.

Ian Rowden
Chair



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

Conclusion

We have reviewed the accompanying half-year financial report of Enero Group Limited (the Company) and its subsidiaries (collectively the Group), which comprises the statement of financial position as at 31 December 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, explanatory notes and the directors' declaration.

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

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

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

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

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



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

Ernst & Young

Ernst & Young

J Inglis

Jodie Inglis
Partner
Sydney
26 February 2025



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Auditor's independence declaration to the directors of Enero Group Limited

As lead auditor for the review of the half-year financial report of Enero Group Limited for the half-year ended 31st December 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 review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

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

A handwritten signature in cursive script that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in cursive script that reads 'J Inglis'.

Jodie Inglis
Partner
26 February 2025