2023

The Market Herald

2023: RETURN TO **PROFITABILITY**

ANNUAL REPORT

THE MARKET HERALD (ASX:TMH)
AND ITS CONTROLLED ENTITIES
ACN 611 717 036

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

Level 11, BGC Centre
28 The Esplanade, Perth WA 6000
(ASX:TMH)

investors@themarketherald.com.au

themarketherald.com.au

Contents

Introduction	**03**
Directors' Report	**04**
Consolidated Statement of Profit or Loss and Other Comprehensive Income	**16**
Consolidated Statement of Financial Position	**17**
Consolidated Statement of Changes in Equity	**18**
Consolidated Statement of Cash Flows	**19**
Notes to the Consolidated Financial Statements	**20**
Directors’ Declaration	**55**
Independent Auditor’s Report	**56**
Auditor’s Independence Declaration	**60**
ASX Additional Information	**61**

Corporate Directory

Directors

Alec Christopher Pismiris

Gavin John Argyle

Twila Jensen
(appointed 10 January 2023)

Jagdip Sangha
(resigned 20 December 2022)

Colin Edward Chenu
(resigned 10 January 2023)

Company Secretary

Ben Donovan

Registered and Principal Office

Level 11, BGC Centre
28 The Esplanade,
Perth WA 6000

Bankers

Westpac Banking Corporation
109 St Georges Terrace,
Perth WA 6000

National Bank of Canada
600, De La Gauchetière Ouest,
Rez-de-Chaussée,
Montréal (Québec) H3B 4L2

Commonwealth Bank of Australia
Tower 1, 201 Sussex Street,
Sydney NSW 2000

Solicitors

Clayton Utz Lawyers
Level 27, QV1 Building,
250 St Georges Terrace,
Perth WA 6000

Auditor

RSM Australia Partners
Level 32 Exchange Tower,
2 The Esplanade,
Perth WA 6000

INTRODUCTION

The Board of The Market Herald Limited is pleased to present the financial results for the Group for the financial year ended 30 June 2023.

The Group experienced a year of strong revenue growth following the acquisition of Gumtree Australia and related entities Autotrader Australia and Carsguide in October 2022. Total revenues for the year increased by 217% to $81,616,368 (30 June 2022: $25,778,718).

The strategic importance of Gumtree Group to the TMH Group is evident in these results. Gumtree is Australia's leading classifieds platform for buying, selling, and finding a wide range of products and services including cars, jobs, furniture, and pets. Both Carsguide and Autotrader have leading positions in the segments they operate in. Over 6.5 million Australians connect each and every month using the three Gumtree Group platforms.

RETURNING TO PROFITABILITY

Over the past 12 months the Group has focused on refining its strategy, its operations and pathways to future growth with profitability being its primary focus.

The Group has successfully delivered on these initiatives with total EBITDA from continuing operations to increase by $13.9 million to $12.0 million (from negative $1.9 million in 2022) and Profit before Tax to grow by $8.9 million to $6.0 million in 2023 (from negative $2.9 million in 2022).

This turnaround is testament to the strategy endorsed by the Board and its new management team.

This has been a fundamentally important year for the Group which has prioritised business activities on achieving profitability.

The Market Herald HotCopper Gumtree Stockhouse

Directors' Report

The directors submit their report for The Market Herald Limited ("The Market Herald" or "the Company") and its controlled entities ("the Group") for the financial year ended 30 June 2023.

Directors

The names of the directors in office at any time during, or since the end of, the year are set out below. Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Names, qualification, experience and special responsibilities

Mr Alec Christopher Pismiris

Title: Chairman

Mr Pismiris has over 30 years of experience in the securities, finance and mining industries. Since 1990, Mr Pismiris has served as a director and company secretary for various ASX listed companies as well as a number of unlisted public and private companies. Mr Pismiris completed a Bachelor of Commerce degree at the University of Western Australia, is a member of the Australian Institute of Company Directors and a fellow of The Governance Institute of Australia. Mr Pismiris has participated numerous times in the processes by which boards have assessed the acquisition and financing of a diverse range of assets and has participated in and become familiar with the range of evaluation criteria used and the due diligence processes commonly adopted in the commercial assessment of corporate opportunities.

Mr Pismiris' other current directorships include Agrimin Limited, Bubalus Resources Limited, and Sunshine Metals Limited.

Mr Pismiris was formerly a director of Lanthanein Resources Limited, Javelin Minerals Limited and Pacton Gold Inc. (TSX-V).

Mr Gavin John Argyle

Title: Non-Executive Director

Mr Argyle is an experienced senior executive who has worked in Australian capital markets for more than 25 years. In 2006, Mr Argyle co-founded Capital Investment Partners (CIP), a successful Perth-based investment bank providing capital raising and corporate advisory services to small and mid-capitalised ASX-listed companies. He has been managing director of CIP since 2008.

Mr Argyle holds a Bachelor of Commerce from the University of Western Australia and an MBA from the Wharton School at the University of Pennsylvania.

Other current directorships: None

Former directorships (last 3 years): None

Ms Twila Jensen (appointed 10 January 2023)

Title: Executive Director

Twila Jensen is a seasoned business leader with over 20 years of Capital Markets experience, with proven track record of driving growth and overseeing operations.

Ms. Jensen strategic acumen and dynamic leadership played a pivotal role in navigating Stockhouse through significant growth phases, culminating in the successful acquisition of Stockhouse Publishing Ltd in 2019 by The Market Herald Limited.

Rising from Vice President of Sales and Marketing of Stockhouse Publishing to Chief Operating Officer of The Market Herald Limited, she has consistently led high-performing teams and delivered results.

Ms. Jensen is a graduate of the Canadian Securities Course and has acted as an Independent Director for numerous publicly listed companies in Canada.

Other current directorships: None

Ms. Jensen was formerly a director of Rock Edge Resources Ltd., First American Uranium Inc., Durango Resources Inc., Golden Lake Exploration Inc., American Copper Development Corporation and 79 Resources Ltd.

Mr Jagdip Sangha (resigned 20 December 2022)

Title: Managing Director

Mr Sangha has worked over 25 years in media, publishing and financial services. Mr Sangha held executive roles with Fairfax Media, NTL/Virgin Media, Vivendi Media, and PricewaterhouseCoopers. Mr Sangha holds a Marketing Masters (MA) from Kingston University Business School in London, UK.

Other current directorships: None

Former directorships (last 3 years): None

Mr Colin Edward Chenu (resigned 10 January 2023)

Title: Non-Executive Director

Mr Chenu is a graduate of the University of Western Australia, with a Bachelor of Law, and is admitted to practice in the Supreme Court of Western Australia and the High Court of Australia. He has practised law in Western Australia for more than 30 years as a barrister and solicitor, in a wide range of commercial litigious and non-litigious work. He currently practises as a barrister at Francis Burt Chambers.

Other current directorships: None

Former directorships (last 3 years): Sunshine Metals Limited

Directors (continued)

Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company Secretary

Mr Ben Donovan

Mr Donovan is a member of the Governance Institute of Australia and provides corporate advisory, IPO and consultancy services to a number of companies. Mr Donovan is currently a company secretary of several ASX listed and public unlisted companies and has gained experience across resources, agritech, biotech, media and technology industries. He has extensive experience in listing rules compliance and corporate governance, having served as a Senior Adviser at the ASX in Perth for nearly 3 years, where he managed the listing of nearly 100 companies on the ASX. In addition, Mr Donovan has experience in the capital markets having raised capital and assisted numerous companies on achieving an initial listing on the ASX, as well as for a period of time, as a private client adviser at a boutique stockbroking group.

Interests in the shares and options of the Company and related bodies corporate

As at the date of this report, the interests of the directors in the shares and options of the Company were:

	Number of ordinary shares	Number of options
A Pismiris (1)	2,810,000	-
G Argyle (1)	18,786,482	-
T Jensen	-	-

(1) Refer to announcement from Takeover Panel dated 19 May 2023 regarding changes to director holdings.

Principal activities

The Market Herald Limited is a group of businesses with three main offerings, each having a leading role in their relevant segments:

1) Digital classifieds:

We operate one of the largest classifieds businesses in Australia with a powerful portfolio of complimentary brands: Gumtree, Carsguide and Autotrader ("Gumtree Group").

a. Gumtree is the largest and oldest iconic Australian online horizontal marketplace with over 500 million pageviews per month. Annual listed GMV amounts to AUD 40 billion.[1]

b. CarsGuide is Australia's largest Auto Editorial website featuring new car reviews, news and advice. Offering rich and relevant content for 2.0 million monthly car buyers, CarsGuide is also home to 70,000+ live listings on our dedicated dealer classifieds marketplace.

c. Autotrader is the dedicated classifieds marketplace that puts Australian car buyers first. Connecting 0.6 million prospective car buyers each month with Australian dealers, Autotrader delivers transparent listings, dealership locations and advanced research tools.

Gumtree, Carsguide, and Autotrader is a highly attractive marketplace ecosystem with highly complementary brands, reaching 1 in 3 Australians each month. Total monthly unique users amount to 6.5 million.

2) Digital business and news communities:

We operate one of the largest digital business and news communities in Australia and Canada, reaching a combined audience of 3 million investors on platform with over 52 million pageviews per month (45 million in Australia and 7 million in Canada).

3) Digital Investor Relations and Consulting:

The Market Herald Limited serves affluent audiences in each of our markets. To help our clients effectively engage with this audience, we launched Advisir, a digital strategy consulting business.

(1) Company data – February 2023

Operating and financial review

The Board of The Market Herald Limited is pleased to present the financial results for the Group for the financial year ending 30 June 2023. The Group experienced a year of strong revenue growth following the acquisition of Gumtree AU Pty Ltd and its subsidiaries Carsguide Autotrader Media Solutions Pty Ltd and Gumtree IP AUS Holding Ltd ("Gumtree Group") in October 2022. Total revenues for the year increased by 217% to $81,616,368 (30 June 2022: $25,778,718).

The strategic importance of Gumtree Group to the TMH Group is evident in these results. Gumtree is Australia's leading classifieds platform for buying, selling, and finding a wide range of products and services including cars, jobs, furniture, and pets. Both Carsguide and Autotrader have leading positions in the segments they operate in. Over 6.5 million Australians connect each and every month using the three Gumtree Group platforms.

"Returning to profitability"

The continuing operations of the Group performed well in the year end 30 June 2023 with a significant part of total profitability coming from the newly acquired businesses. In the year ended 30 June 2022 the classifieds business performance was still impacted by the COVID related restrictions, which have largely ended. In the year ended 30 June 2023 the total business has seen the first effects of challenging macroeconomic conditions which impacted consumer sentiment and advertising demand.

Over the past 12 months the Group has focused on refining its strategy, its operations and pathways to future growth with profitability being its primary focus.

The Group has successfully delivered on these initiatives with total EBITDA from continuing operations to increase by $13.9 million to $12.0 million (from negative $1.9 million in 2022) and Profit before Tax to grow by $8.9 million to $6.0 million in 2023 (from negative $2.9 million in 2022). These results include the one-off expenses associated with the acquisition of the Gumtree Group, with the Takeovers Panel process and with the restructuring of the discontinued operations.

This turnaround is testament to the strategy endorsed by the Board and its new management team.

Other key milestones of The Market Herald Limited in FY2023 include:

- Completed a comprehensive evaluation of its business units after which management decided to discontinue long-term underperforming and loss-making activities;
- Successfully refinanced the vendor loan note with Adevinta through a new facility with the Commonwealth Bank of Australia ("CBA"); and
- Appointed a new management team with in-depth knowledge of Classifieds and Capital Markets.

This has been a fundamentally important year for the Group which has prioritised business activities on achieving profitability.

2023 Financial Year Results (1)

Financial Performance Income Statement	30-Jun-23 $	30-Jun-22 $	Change $	Percentage Change %
Total revenue	**81,616,368**	**25,778,718**	**55,837,650**	**217%**
EBITDA from continuing operations	12,013,918	(1,884,890)	13,898,806	737%
EBITDA from discontinued operations	(95,973)	32,821	(128,794)	-392%
Profit/(loss) before Tax from continuing operations (2)	5,990,562	(2,890,446)	8,881,008	307%
Profit/(loss) before Tax from discontinued operations (3)	(589,801)	(331,574)	(258,227)	78%

(1) Gumtree group was acquired on 4 October 2022 and the financial results are included in the current year from that date.

(2) Includes total one-off costs in the year of $3.8 million related to internal restructuring ($1.3 million), legal fees in relation to Takeover Panel queries ($0.7 million) and acquisition costs in relation to the acquisition of Gumtree Group ($1.8 milllion).

(3) Discontinued operations relate to the Subscribacar activity which was discontinued during the year following the strategic review.

Shareholders can find further information on the financial results in the "2023 Financial Results" discussion section of this Directors Report.

For the financial year ended 30 June 2023, cash receipts from customers was $100,027,974 for the year, representing a growth of 257% from the previous year (30 June 2022: $28,036,383).

Dividend

As the Group continues to progress its strategy, it will continue to invest operating cashflows into strategic growth, and the Board has elected not to declare a dividend in relation to the 2023 financial year (30 June 2022: $Nil).

It is the intention of the Board to profitably grow and expand the business, and to ensure shareholders benefit from that growth and expansion through capital growth in valuation of The Market Herald Limited's share price, and availability of returns for distribution. To this end, the Board will continue to update shareholders on its strategic progress and look forward to welcoming those of you who can join us at the 2023 Annual General Meeting, details of which will shortly be announced.

Key risks identified and mitigating actions

Risk: Significant decline in new listings

Significant decline in new listings on our Classifieds sites posted by businesses and consumers, would result in a disparity between buyers and seller's expectations. This could as a result impact our overall financial performance and growth.

Mitigating action:

Incremental investments in marketing activities (e.g. Paid and Search Engine Optimisation) to increase total volume of listings on our platforms. Further investments in our product and technology to improve user experience.

Risk: Prolonged website downtime or system failure

If any of the Group's websites experience a downtime or systems failures for a prolonged period, the business may not be able to provide its services which would have a negative impact on revenue and customer perception.

Mitigating action:

The Group continues to invest in technology to strengthen the platform and prepare for long-term growth.

Significant changes in the state of affairs

During the year, the Group acquired Gumtree AU Pty Ltd and its subsidiaries Carsguide Autotrader Media Solutions Pty Ltd and Gumtree IP AUS Holding Ltd ("Gumtree Group"). The acquisition of the Gumtree Group represents a significant change in the state of affairs of the Company, and its financial statements reflect the impact of this transaction.

There have been no other significant changes in the Group's state of affairs during the course of the year ended 30 June 2023.

Review of financial condition

The Group remains well-capitalised with cash and cash equivalents of $12,677,020, an increase of 166% from the previous year (30 June 2022: $4,768,749) and financial assets of $8,097,034 (30 June 2022: $10,649,864) as at 30 June 2023.

Significant events after the balance date

The Company progressed a comprehensive evaluation of its business units in FY2023. Following this strategic review, the management team decided to discontinue the Subscribacar activity. Following years of underperformance without a clear turn-around plan the Company is winding down these operations.

On 4 July 2023 the Company entered into a deed of cross guarantee arrangement with its subsidiaries Gumtree AU Pty Ltd and Carsguide Autotrader Media Solutions Pty Ltd. Relief under this deed will be applicable from financial year ending 30 June 2024.

No other matters or circumstances have arisen since 30 June 2023 that have significantly affected or may significantly affect:

- the Group's operations in future financial years; or
- the results of those operations in future financial years; or
- the Group's state of affairs in future financial years.

Likely developments and expected results of operations

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

Environmental regulation

The Group is not subject to any particular or specific environmental regulation in any of the jurisdictions in which it operates and therefore is not required to present further details in relation to environmental regulation.

Shares under options and performance rights

Performance rights

Unissued ordinary shares of the Company under performance rights at the date of this report are as follows:

On 5 May 2023, Mr Tommy Logtenberg was provided with an incentive plan with the following details:

- Number of performance rights: 1,449,275
- Grant date: 2 August 2023
- Vesting date: The performance rights will vest 12 months from the date of the successful refinancing of the Gumtree Vendor Loan Note. This event has occurred during the year.
- Expiration date: 12 months from vesting date

Vesting conditions:

- Subject to the successful refinancing of the Gumtree Vendor Loan Note and repayment of monies owed to Adevinta; and
- Remaining employed, or otherwise engaged, by the Company or one of its subsidiaries for a continuous period up to and including the Vesting Date.

Apart from the above, there are no other unissued ordinary shares under options and performance rights at the date of this report.

Shares issued on the exercise of options and performance rights

Options

The following ordinary shares of the Company were issued during the year ended 30 June 2023 and up to the date of this report on the exercise of options granted:

Date options granted	Exercise price	Number of shares issued
6 November 2019	$0.2500	559,536
9 December 2020	$0.2555	1,250,000

Apart from the above, there are no other shares issued on the exercise options and performance rights at the date of this report.

Indemnification and insurance of directors

During or since the financial year, the Company has paid premiums in respect of a contract insuring all the directors of The Market Herald Limited against legal costs incurred in defending conduct other than:

a) a wilful breach of duty, and

b) a contravention of section 182 or 183 of the *Corporations Act 2001*, as permitted by section 199B of the *Corporations Act 2001*.

Details of the amount of the premium paid in respect of insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract.

Indemnification and insurance of auditors

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company, RSM Australia Partners, or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Directors' meetings

The number of meetings of directors held during the year and the number of meetings attended, including by phone or video, by each director were as follows:

	Held	Attended
A Pismiris	9	9
G Argyle	9	9
T Jensen	5	5
J Sangha	4	2
C Chenu	4	4

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Non-audit services

Details of the amounts paid or payable to the auditors for non-audit services provided during the financial year by the auditors are outlined in note 32.

The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Officers of the company who are former partners of RSM Australia Partners

There are no officers of the company who are former partners of RSM Australia Partners.

Auditor

RSM Australia Partners continues in office in accordance with section 327 of the *Corporations Act 2001*.

Auditor's independence declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out in this Annual Report, located immediately following the Independent Auditor's Report.

Remuneration Report (Audited)

The Group's remuneration policy is structured for the purpose of motivating executive directors and senior management to pursue the long-term growth and success of the Group and demonstrating a clear relationship between executive directors' and senior management's performance and remuneration.

The Board's sets the level and structure of remuneration for executive directors and senior management, for the purpose of balancing the Group's competing interests of attracting and retaining executive directors and senior management and not paying excessive remuneration.

Executive directors' remuneration is structured to reflect short and long-term performance objectives appropriate to the Group's circumstances and goals. Executive directors' and senior management's remuneration packages involve a balance between fixed and incentive pay, reflecting short and long-term performance objectives appropriate to the Group's circumstances and goals.

The remuneration structures take into account the capability and experience of the key management personnel and the Group's performance including:

- the successful implementation of new revenue streams for development into operations;
- the Group's earnings;
- the growth in share price and delivering enhancement of shareholder value; and
- the amount of incentives within each key management person's remuneration.

At the 2022 Annual General Meeting of Shareholders held on 28th November 2022, 99.99% of the shareholders of The Market Herald Limited voted to adopt the 2022 Remuneration Report by ordinary resolution passed by way of show of hands.

Executive remuneration

Principles of remuneration

Remuneration packages include a mix of fixed and variable remuneration and short and long-term performance-based incentives.

Fixed remuneration

Fixed remuneration consists of base remuneration as well as employer contributions to superannuation funds, as required by law. Remuneration levels are reviewed annually by the Board through a process that considers individual performance and overall performance of the Group.

Performance linked remuneration

Performance linked remuneration includes short-term and long-term incentives and is designed both to reward key management personnel for meeting or exceeding their financial and personal objectives and to keep the Group competitive in the marketplace.

The long-term incentive ('LTI') has been provided as options over ordinary shares of the Company that were issued when the Company completed its listing on the Australian Securities Exchange ('ASX') in September 2016.

Short-term incentive bonus

Remuneration for certain individuals is directly linked to the performance of the Group. A portion of cash bonus and incentive payments are dependent on defined revenue and earnings targets being met. The remaining portion of cash bonus and incentive payments are paid to key management personnel at the discretion of the Board based on individual performance for the year. The full Board reviews and confirms the cash incentive to be paid to each individual. Discretionary payments thus provide the Board with flexibility to reward individual performance.

Long-term incentive

Options are issued at the discretion of the Board and provides for key management personnel to receive varying numbers of options for no consideration. The actual number of options issued depends on the seniority and responsibility of the executive concerned.

For executive options, the performance conditions and vesting periods of the options are set so as to provide a realistic incentive to each executive and to reflect the executive's contribution to the Group and enhancement of value for all shareholders.

No options were issued during the 2023 financial year (nil in 2022 financial year).

Use of remuneration consultants

During the financial year, the Group did not engage any remuneration consultants (nil in 2022 financial year).

Consequences of performance on shareholder wealth

The Board considers that the most effective way to increase shareholder wealth is to increase revenue and profits through existing channels and the development of new revenue streams through website enhancements, product development and possible strategic partnerships.

The Board considers that the Group's LTI schemes incentivise key management personnel to successfully develop new revenue streams by providing rewards that are directly correlated to delivering value to shareholders through share price appreciation.

The factors that are considered relevant to affect total shareholder returns as required to be disclosed by the *Corporations Act 2001* are summarised in the following table.

	2023	2022	2021	2020	2019
Revenue from continuing operations ($000's)	81,616	25,779	23,001	12,035	4,252
Net profit/(loss) after tax ($000's)	4,352	(4,621)	10,837	(348)	(35)
EBITDA from continuing operations ($000's)	12,014	(1,885)	15,760	3,512	258
Share price at year-end ($'s)	0.275	0.39	0.61	0.18	0.175
Basic earnings per share (cents)	1.61	(2.39)	5.71	(0.22)	(0.03)

No dividend was paid during the 2023 financial year (nil in 2022 financial year).

Remuneration Report (Audited) (continued)

Directors' and executive officers' remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the Group are set out in the following tables.

The key management personnel of the Group consisted of the following directors of The Market Herald Limited:
- Alec Christopher Pismiris – Chairman
- Gavin John Argyle – Non-Executive Director
- Twila Jensen – Executive Director (appointed 10 January 2023) and Chief Operations Officer (appointed 1 January 2023)
- Jagdip Sangha – Managing Director (resigned 20 December 2022)
- Colin Edward Chenu – Non-Executive Director (resigned 10 January 2023)

And the following persons:
- Tommy Logtenberg – Chief Executive Officer (Appointed 1 December 2022)

Details of the nature and amount of each major element of remuneration of each director and key management person of the Group for the year ended 30 June 2023 are as follows.

Directors		A Pismiris	G Argyle(1)	T Jensen(2)	J Sangha(3)	C Chenu(4)	T Logtenberg(5)	Total
Short-term								
Salary & fees	$	60,000	-	224,116	474,624	19,000	292,536	**1,070,276**
Bonus/ Incentive	$	-	-	125,000	-	-	198,899 (6)	**323,899**
Other (7)	$	-	-	29,856	37,810	-	-	**67,666**
Total	$	60,000	-	378,972	512,434	19,000	491,435	**1,461,841**
Long term benefits								
Employee entitlements	$	-	-	-	-	-	-	**-**
Post-employment								
Superannuation benefits	$	-	-	6,902	18,969	-	37,076	**62,947**
Termination benefits	$	-	-	-	250,000	-	-	**250,000**
Share-based payments	$	-	-	-	-	-	54,636	**54,636**
Total	$	60,000	-	385,874	781,403	19,000	583,147	**1,829,424**
Proportion of fixed remuneration	%	100%	-	58%	61%	100%	50%	**-**
Proportion of remuneration performance related	%	-	-	32%	-	-	43%	**-**
Value of options as proportion of remuneration	%	-	-	-	-	-	9%	**-**

(1) Nil fees for the year ended 30 June 2023.

(2) Appointed as Chief Operating Officer on 1 January 2023 and Executive Director 10 January 2023.

(3) Resigned as managing director 20 December 2022 and terminated 15 March 2023.

(4) Resigned as non-executive director 10 January 2023.

(5) Appointed as Chief Executive Officer 1 December 2022.

(6) In addition to the amounts disclosed above, T Logtenberg was also awarded $250,000 cash bonus for his role in the sale of Gumtree Group during the year, which has been excluded above as it does not form part of his key management person remuneration.

(7) Relates to payments of leave balances accrued.

Remuneration Report (Audited) (continued)

Directors' and executive officers' remuneration (continued)

Details of the nature and amount of each major element of remuneration of each director and key management person of the Group for the year ended 30 June 2022 are as follows.

Directors		J Sangha	A Pismiris	G Argyle[2]	C Chenu	Total
Short-term						
Salary & fees	$	1,076,923[1]	60,000	-	36,000	**1,172,923**
Bonus/ Incentive	$	150,000	-	-	-	**150,000**
Total	$	1,226,923	60,000	-	36,000	**1,322,923**
Long term benefits						
Employee entitlements	$	-	-	-	-	**-**
Post-employment						
Superannuation benefits	$	23,568	-	-	-	**23,568**
Termination benefits	$	-	-	-	-	**-**
Share-based payments	$	-	-	-	-	**-**
Total	$	1,250,491	60,000	-	36,000	**1,346,491**
Proportion of fixed remuneration	%	88%	100%	-	100%	**-**
Proportion of remuneration performance related	%	12%	-	-	-	**-**
Value of options as proportion of remuneration	%	-	-	-	-	**-**

(1) Includes $76,923 accrued annual leave.

(2) Nil fees for the year ended 2022.

Non-executive directors

Total remuneration for all non-executive directors was set at $400,000 per annum (approved 22 April 2016). The levels of fees set were based on a review involving reference to fees paid to other non-executive directors of comparable companies at the time. Directors' fees are paid monthly in arrears. Members of the board of directors are entitled to performance-related remuneration. Directors' fees cover all main board activities. Additional services provided outside of board duties attract a separate daily rate agreed by the full Board. There is no board retirement scheme and there is currently no intention to establish such a scheme.

Annual directors' fees currently agreed to be paid by the Company are $60,000 to the Chairman and $36,000 to the other non-executive directors. Superannuation payments (if applicable) are not included in these amounts.

Analysis of bonuses included in remuneration

Short-term incentive cash bonuses were awarded and paid as remuneration in the year ended 30 June 2023 as follows:

Ms Twila Jensen's contract includes a cash bonus component for FY2023 that is dependent on the completion of the restructuring of the Stockhouse and Perth operations in the period, with a total achievable amount of $125,000 that was fully achieved. Ms Jensen's contract also includes a portion for FY2024 that is dependent on the achievement of revenue, EBITDA and the percentage of equity-settled contracts entered by the group. Total achievable amount is $600,000 in FY24.

Mr Tommy Logtenberg's contract includes an incentive bonus of $125,000 for FY2023 that is set by the Board based on their absolute discretion, of which the total amount was fully achieved. Mr Logtenberg is also entitled to the Annual Variable Incentive (AVI) Scheme, where he is eligible for corporate bonus calculated at 25% of his annual base salary (maximum payment $125,000). Total amount achieved in FY2023 was $73,898.

In addition, Mr Logtenberg was also awarded $250,000 cash bonus for his role in the sale of Gumtree Group during the year.

There are no other contracts in place that includes a STI.

Remuneration Report (Audited) (continued)

Analysis of bonuses included in remuneration (continued)

Key management personnel	Bonus awarded	Rationale
2023		
Tommy Logtenberg	$250,000	Sale of Gumtree Group
Tommy Logtenberg	$198,898	Bonus and Incentive Payment
Twila Jensen	$125,000	Bonus and Incentive Payment
2022		
Jagdip Sangha	$150,000	Bonus and Incentive Payment

The proportion of the cash bonus paid/payable or forfeited is as follows:

	Cash bonus paid/payable		Cash bonus forfeited	
	2023	2022	2023	2022
Directors:				
A Pismiris	-	-	-	-
G Argyle	-	-	-	-
T Jensen (1)	100%	-	0%	-
J Sangha (2)	-	100%	-	0%
C Chenu (3)	-	-	-	-
Other Key Management Personnel:				
T Logtenberg (4)	100%	-	0%	-

(1) Appointed as director 10 January 2023.

(2) Resigned as managing director 20 December 2022 and terminated 15 March 2023.

(3) Resigned as non-executive director 10 January 2023.

(4) Appointed as Chief Executive Officer 1 December 2022.

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	**Twila Jensen**
Title:	Chief Operating Officer
Agreement commenced:	1 January 2023
Details:	Base salary for the year ended 30 June 2023 of $440,000 plus applicable superannuation if required, 2 months notice period by the company and 90 days termination notice by the director and cash bonus based on KPI.

Name:	**Tommy Logtenberg**
Title:	Chief Executive Officer
Agreement commenced:	1 December 2022
Details:	Base salary for the year ended 30 June 2023 of $500,000 plus superannuation, 1 month termination notice by either party, non-solicitation and non-compete clauses.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Remuneration Report (Audited) (continued)

Share-based compensation

Performance Rights

On 5 May 2023, Mr Tommy Logtenberg was provided with an incentive plan with the following details:

- Number of performance rights: 1,449,275
- Grant date: 2 August 2023
- Vesting date: The performance rights will vest 12 months from the date of the successful refinancing of the Gumtree Vendor Loan Note. This event has occurred during the year.
- Expiration date: 12 months from vesting date

Vesting conditions:

- Subject to the successful refinancing of the Gumtree Vendor Loan Note and repayment of monies owed to Adevinta; and
- Remaining employed, or otherwise engaged, by the Company or one of its subsidiaries for a continuous period up to and including the Vesting Date.

The Board resolution was completed on 2 August 2023 therefore the fair value of the performance rights was deemed to be $463,768 based on the share price at that date, with $54,636 recognised as share-based payment expense in the current year.

The number of performance rights granted was determined having regard to the satisfaction of performance measures as described above. The performance rights vest based on the provision of service over the vesting period whereby the executive becomes beneficially entitled to the performance right on vesting date. The performance rights are held by the holder as from the vesting date. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such performance rights.

Option and performance right holdings of Key Management Personnel

2023	Held at 1 July 2022	Granted as remuneration during 2023	Exercised	Expired	Held on appointment/ termination/ resignation	Held at 30 June 2023	Vested and exercisable at 30 June 2023
Directors							
J Sangha^	13,038,461	-	-	(1,500,000)	11,538,461	-	-
A Pismiris	750,000	-	(750,000)	-	-	-	-
G Argyle	-	-	-	-	-	-	-
C Chenu	500,000	-	-	-	500,000	-	-
T Jensen	-	-	-	-	-	-	-
T Logtenberg	-	-	-	-	-	-	-
	14,288,461	-	(750,000)	(1,500,000)	12,038,461	-	-

^ Mr Sangha's 11,538,461 options are related to the in-substance options issued in relation to the limited recourse loan facility of $1,500,000. This was subsequently exercised on 23 June 2023 as part of the settlement of the limited recourse facility.

Shareholdings of Key Management Personnel

2023	Held at 1 July 2022	Purchases / other acquisitions	Sales / other disposals	Net change other	Held on appointment/ termination/ resignation	Held at 30 June 2023
Directors						
J Sangha	13,538,461	-	-	-	13,538,461	-
A Pismiris	1,500,000	1,310,000	-	-	-	2,810,000
G Argyle	8,400,000	12,660,501	(1,974,017)	(300,000)	-	18,786,484
C Chenu	1,225,000	490,000	-	-	1,715,000	-
T Jensen	-	-	-	-	-	-
T Logtenberg	-	45,000	-	-	-	45,000
	24,663,461	14,505,501	(1,974,017)	(300,000)	15,253,461	21,641,484

Remuneration Report (Audited) (continued)

Other transactions and balances with KMP and their related parties

Details and terms and conditions of other transactions and balances with KMP and their related parties:

As of 30 June 2023, the interest receivable balance owing from Mr Jagdip Sangha is nil (30 June 2022: $75,287). This is in relation to the drawdown of the limited recourse loan facility of $1,500,000 on 27 December 2019 which attracts an interest rate of 2% per annum. The purpose of the loan is to fund the acquisition of shares in The Market Herald Limited. The loan can be repaid at any time but Mr Jagdip Sangha must repay any amount outstanding to the Group on the earlier to occur of the following:

- Five years of the first draw-down date under the loan facility;
- 30 days of termination of employment; or
- Seven days after the provision of written notice of the Group following the occurrence of an event of default

During the year, at the Company's request the loan and interest accrued has been repaid by Mr Jagdip Sangha through the return of shares.

On 14 September 2022 the Company completed a rights issue in which Capital Investment Partners Pty Ltd were the underwriters. Total underwriting fees paid by the Company was $954,342.

On 26 March 2023 the Company completed a rights issue of which Capital Investment Partners received $43,225 as part of the sub-underwriters fees.

Capital Investment Partners Pty Ltd is controlled by Mr Gavin Argyle.

End of Remuneration Report

This directors' report is signed in accordance with a resolution of the directors:

Alec Pismiris
Director
22 September 2023

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 30 June 2023

	Note	2023 $	2022 $
Revenue from continuing operations	4	81,616,368	25,778,718
Other income	5	1,713,805	98,219
Expenses			
Employee and director benefits expense	7(a)	(34,808,471)	(10,466,477)
Share based payments expense	25	(54,636)	-
Commission paid		(2,149,067)	(1,360,679)
Depreciation and amortisation		(1,826,773)	(528,891)
Finance cost	7(c)	(4,196,583)	(476,665)
Acquisition expenses	6	(1,779,374)	-
Other expenses	7(b)	(32,524,707)	(15,934,671)
Profit/(loss) before income tax expense from continuing operations		5,990,562	(2,890,446)
Income tax expense	8(b)	(1,190,807)	(1,334,300)
Profit/(loss) after income tax expense from continuing operations		4,799,755	(4,224,746)
Loss after income tax expense from discontinued operations	9	(447,926)	(395,981)
Profit/(loss) after income tax expense for the year		4,351,829	(4,620,727)
Other comprehensive income/(loss)			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax):			
Net loss on equity instruments designated at fair value through other comprehensive income, net of tax		(506,236)	(1,180,146)
Amounts that may be subsequently reclassified to profit or loss (net of tax):			
Foreign currency translation		487,773	949,398
Other comprehensive loss		(18,463)	(230,748)
Total comprehensive income/(loss) for the year		4,333,366	(4,851,475)
Total profit/(loss) for the year is attributable to:			
Continuing operations		4,799,755	(4,224,746)
Discontinued operations		(447,926)	(395,981)
Total comprehensive income for the year is attributable to:			
Continuing operations		4,781,292	(4,455,494)
Discontinued operations		(447,926)	(395,981)
Earnings/(loss) per share from continuing operations attributable to members			
Basic (loss)/earnings per share (cents)	23	1.77	(2.19)
Diluted (loss)/earnings per share (cents)	23	1.77	(2.19)
Earnings/(loss) per share from discontinued operations attributable to members			
Basic (loss)/earnings per share (cents)	23	(0.17)	(0.20)
Diluted (loss)/earnings per share (cents)	23	(0.17)	(0.20)
Earnings/(loss) per share attributable to members			
Basic (loss)/earnings per share (cents)	23	1.61	(2.39)
Diluted (loss)/earnings per share (cents)	23	1.61	(2.39)

Consolidated Statement of Financial Position as at 30 June 2023

	Note	2023 $	2022 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	10	12,677,020	4,768,749
Trade and other receivables	11	5,208,044	2,385,424
Financial assets	17	6,803,612	9,778,317
Contract assets	12	5,786,185	-
Other current assets	13	2,795,148	618,396
		33,270,009	17,550,886
Non-current assets classified as held for sale	14	3,499,745	-
TOTAL CURRENT ASSETS		**36,769,754**	**17,550,886**
NON-CURRENT ASSETS			
Plant and equipment	14	858,197	5,095,343
Intangibles	15	124,400,530	25,780,186
Right-of-use assets	19	2,824,650	631,870
Financial assets	17	1,293,422	871,547
Other receivables	11	-	78,627
Other assets	13	-	216,726
Deferred tax assets	8	1,197,959	-
TOTAL NON-CURRENT ASSETS		**130,574,758**	**32,674,299**
TOTAL ASSETS		**167,344,512**	**50,225,185**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	18	11,705,387	1,155,493
Lease liabilities	19	971,094	299,338
Provisions	20	3,828,577	775,406
Contract liabilities	21	3,341,600	4,067,883
Interest bearing liabilities	28	10,613,360	7,557,071
Current tax liabilities		1,745,678	1,453,204
TOTAL CURRENT LIABILITIES		**32,205,696**	**15,308,395**
NON-CURRENT LIABILITIES			
Interest bearing liabilities	28	37,943,791	-
Deferred tax liabilities	8	20,659,483	5,366,751
Lease liabilities	19	2,052,219	394,707
TOTAL NON-CURRENT LIABILITES		**60,655,493**	**5,761,458**
TOTAL LIABILITIES		**92,861,189**	**21,069,853**
NET ASSETS		**74,483,323**	**29,155,332**
EQUITY			
Issued capital	22	63,253,173	22,313,184
Reserves	22	(9,225,938)	(8,442,880)
Retained earnings		20,456,088	15,285,028
TOTAL EQUITY		**74,483,323**	**29,155,332**

Consolidated Statement of Changes in Equity for the Year Ended 30 June 2023

	Note	Share Capital $	Distribution reserve $	Share based payments reserve $	Financial assets at FVOCI reserve $	Foreign currency translation reserve $	Retained earnings $	Total $
Balance at 1 July 2022		**22,313,184**	**(10,184,223)**	**1,708,975**	**(1,180,146)**	**1,212,514**	**15,285,028**	**29,155,332**
Profit/(loss) for the year		-	-	-	-	-	4,351,829	4,351,829
Other comprehensive loss		-	-	-	(506,236)	487,773	-	(18,463)
Total comprehensive loss for the year		**-**	**-**	**-**	**(506,236)**	**487,773**	**4,351,829**	**4,333,366**
Exercise of options	22	458,634	-	-	-	-	-	458,634
Issue of shares, net of transaction costs		40,481,355	-	-	-	-	-	40,481,355
Share based payments		-	-	54,636	-	-	-	54,636
Settlement of limited recourse loan		-	-	(819,231)	-	-	819,231	-
Balance at 30 June 2023		**63,253,173**	**(10,184,223)**	**944,380**	**(1,686,382)**	**1,700,287**	**20,456,088**	**74,483,323**
Balance at 1 July 2021		**21,397,079**	**(10,184,223)**	**1,708,975**	**-**	**263,116**	**19,905,755**	**33,090,702**
Loss for the year		-	-	-	-	-	(4,620,727)	(4,620,727)
Other comprehensive loss		-	-	-	(1,180,146)	949,398	-	(230,748)
Total comprehensive loss for the year		-	-	-	(1,180,146)	949,398	(4,620,727)	(4,851,475)
Exercise of options	22	916,105	-	-	-	-	-	916,105
Balance at 30 June 2022		**22,313,184**	**(10,184,223)**	**1,708,975**	**(1,180,146)**	**1,212,514**	**15,285,028**	**29,155,332**

Consolidated Statement of Cash Flows for the Year Ended 30 June 2023

	Note	2023 $	2022 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST)		100,027,974	28,036,383
Payments to suppliers and employees (inclusive of GST)		(81,482,789)	(22,733,936)
Receipt from government grants		-	8,781
Interest received		150,951	37,068
Income tax (paid)		(3,135,930)	(1,480,318)
Transaction costs for business combination		(1,779,374)	-
Net cash provided by operating activities	10	13,780,832	3,867,978
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of financial instruments		(7,674,379)	(12,718,476)
Proceeds from sale of financial instruments		8,178,538	7,909,448
Purchase of plant, equipment, and intangible assets		(808,826)	(3,520,833)
Proceeds from sale of plant, equipment, and intangible assets		1,143,238	50,523
Payment for acquisition, net of cash acquired	16	(86,892,828)	(1,575,902)
Payment for security deposit		-	(84,464)
Net cash used in investing activities		(86,054,257)	(9,939,704)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares, net of transaction costs		40,939,989	916,105
Payment of lease liabilities		(1,174,732)	(313,683)
Loan repayment		(2,226,000)	(2,177,716)
Loan drawdown		46,000,000	-
Interest paid		(3,798,464)	(430,208)
Net cash provided by/(used in) financing activities		79,740,793	(2,005,502)
Net increase/(decrease) in cash held		7,467,368	(8,077,228)
Net foreign exchange difference		440,903	(328,150)
Cash and cash equivalents at beginning of financial year		4,768,749	13,174,127
Cash and cash equivalents at end of financial year	10	12,677,020	4,768,749

Notes to the Consolidated Financial Statements for the Year Ended 30 June 2023

1. Corporation information

The consolidated financial report of The Market Herald Limited (the "Company") and its controlled entities (collectively referred to as the "Group") for the year ended 30 June 2023 was authorised for issue in accordance with a resolution of the directors on 22 September 2023.

The Market Herald Limited is a for-profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The Group is principally engaged in the provision of digital classifieds, maintaining digital business communities, producing digital business news and providing digital investor relations and consulting services. The Group's principal place of business is in Perth, Western Australia, Australia. Further information on the nature of the operations and principal activities of the Group is provided in the directors' report. Information on the Group's structure is provided in Note 34. Information on other related party relationships of the Group is provided in Note 31.

2. Significant accounting policies

2.1 Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report has been prepared on an accrual basis and is based on historical costs except for certain financial assets measured at fair value.

The financial report is presented in Australian dollars (AUD).

(a) Compliance with International Financial Reporting Standards

The consolidated financial statements of The Market Herald Limited also comply with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(b) New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

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

2.2 Basis of consolidation and accounting policies applied

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption, and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement(s) with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

(a) Foreign currency translation

Functional and presentation currency

The functional currency of each entity in the Group is determined with reference to the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in Australian dollars, which is also the Company's functional currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates

2. Significant accounting policies (continued)

2.2 Basis of consolidation and accounting policies applied (continued)

(a) *Foreign currency translation (continued)*

Transactions and balances (continued)

at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

(b) *Plant and equipment*

All plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Repairs and maintenance are charged to the profit or loss during the reporting period in which they are incurred.

Depreciation is calculated over the estimated useful life of the asset as follows

	Method	Depreciation rate
Plant and equipment	Reducing Balance	7%-50%
Motor Vehicles	Straight Line	20%
Leasehold improvements	Reducing Balance	33%

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

(c) *Impairment of non-financial assets*

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value (less costs of disposal) and value in use.

For the purposes of assessing impairment, assets are grouped together at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(d) *Discontinued operations*

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

(e) *Cash and cash equivalents*

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments 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 changes in value.

(f) *Trade and other receivables*

The Group classifies receivables as financial assets at amortised cost if both of the following conditions are met: -

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Trade receivables that do not contain significant financing component are initially recognised at the transaction price determined under the revenue policy. Other receivables are initially measured at fair value less transaction costs. Receivables at amortised cost are subsequently measured using the effective interest (EIR) method, less an allowance for expected credit losses. The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. The Group considered a financial asset in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in fill before taking into account any credit enhancement held by the Group. A receivable is written off when there is no reasonable expectation of recovering the contractual cash flow.

(g) *Intangible assets*

Software development

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

(a) the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;

(b) its intention to complete and its ability and intention to use or sell the asset;

(c) how the asset will generate future economic benefits;

(d) the availability of resources to complete the asset; and

(e) the ability to measure reliably the expenditure during development.

2. Significant accounting policies (continued)

2.2 Basis of consolidation and accounting policies applied (continued)

(g) *Intangible assets (continued)*

Software development (continued)

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of development cost is based on a straight-line method over a 3-10 year period and matched to the future economic benefits over the useful life of the project. The amortisation period and amortisation method of intangible assets are reviewed at least at each balance date.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Brands

Brands acquired in business combination are not amortised. Instead, brands are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on trademark are taken to profit or loss and are not subsequently reversed.

Trademarks

Trademark is not amortised. Instead, trademark is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on trademark are taken to profit or loss and are not subsequently reversed.

Customer relationship

Customer relationship acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 1.25 years.

(h) *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(i) *Revenue from contracts with customers*

Revenue from contracts with customers is recognised when control of the services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services.

Classified revenue

All revenues related to fees for listing items and also to feature the listing are generally recognised at the point in time of the classifieds listing.

Dealer sales revenue

Software and website subscription services revenue is earned from fees that give customers access to software and website applications. These revenues are recognised over time as they are delivered and consumed concurrently over the contractual term.

Advertising revenue

Revenue from advertising arrangements (including “pay per view” advertising arrangements) where an advertisement is running for a period of time on the site is recognised as over time because the customer simultaneously receives the benefits provided by the entity’s performance as the entity performs its obligations.

Investor relations revenue

Revenue from investor relations services and advertisements is recognised in accordance with the nature of the service and the terms of the agreement with the customer.

Revenue is recognised over time when the service or advertisement is for a specific period of time and does not involve individual performance obligations. For example, services and advertisements with contractual terms spanning a fixed period will be recognised over that period on a straight-line basis, reflecting the continuous provision of services.

Revenue is recognised at a point in time when there are specific performance obligations associated with the service or advertisement. For instance, revenue from a sponsored email campaign sent to a database of verified opt-in email recipients will be recognised at the point in time when the email is sent and delivered to the recipients.

(j) *Contract assets*

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

(k) *Goods and services tax (GST)*

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation

2. Significant accounting policies (continued)

2.2 Basis of consolidation and accounting policies applied (continued)

(k) Goods and services tax (GST) (continued)

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 inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented in the Consolidated Statement of Cash Flows 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.

(l) Trade and other payables

These amounts represent liabilities for goods or services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(m) Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

The Group records its best estimate of these items based upon the latest information available and management's interpretation of enacted tax laws. Whilst the Group believes it has adequately provided for the outcome of these matters based on the most probable outcome, future results may include favourable or unfavourable adjustments as assessments are made, or resolved.

Deferred tax

Deferred tax is provided using the full liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(n) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(o) Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave is recognised and measured using the projected unit credit valuation method up to the reporting date. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies.

Superannuation

Contributions made by the Group to employee superannuation funds, which are defined contribution plans, are charged as an expense when incurred.

(p) Equity Investments

Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instrument)

Upon initial recognition, the Group elected to classify irrevocably its equity investments as equity instruments designated at fair value through OCI. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established. Equity instruments

2. Significant accounting policies (continued)

2.2 Basis of consolidation and accounting policies applied (continued)

(p) Equity Investments (continued)

designated at fair value through OCI are not subject to impairment assessment.

The Group's investments were irrevocably designated at fair value through OCI as the Group considers these investments to be strategic in nature and contribute towards facilitating a trusted relationship with the customer.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

(q) Financial liabilities

Financial liabilities are classified, at initial recognition, as payables. All financial liabilities are recognised initially at fair value. The Group's financial liabilities include trade and other payables.

They are subsequently measured at amortised cost using the effective interest method. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

(r) Fair value measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying amount of financial assets and financial liabilities approximate their fair values. For financial instruments carried at fair value, the Company uses various methods in estimating fair value. The methods comprise:

Level 1 – the fair value is calculated using quoted prices in an active market.

Level 2 – the fair value is estimated using inputs other than quoted prices included in the Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

(s) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at balance date.

(t) Share-based payments

The Company provides benefits to individuals acting as, and providing services similar to employees (including Directors) of the Company in the form of share based payment transactions, whereby individuals render services in exchange for shares or rights over shares ('equity settled transactions').

The cost of these equity settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by using the Binomial valuation model.

In valuing equity settled transactions no account is taken of any performance conditions, other than conditions linked to the value of the shares of The Market Herald Limited ('market conditions').

The cost of the equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of the market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised at the beginning and end of the period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of the modification.

The cost of equity-settled transactions with non-employees is measured by reference to the fair value of goods and services received unless this cannot be measured reliably, in which case the cost is measured by reference to the fair value of the equity instruments granted.

The dilutive effect, if any, of outstanding options is reflected in the computation of earnings/(loss) per share (see note 23).

(u) Earnings per share

Basic earnings/loss per share is calculated as net profit or loss attributable to members of the Company, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares of the Company, adjusted for any bonus element.

Diluted earnings/loss per share is calculated as net profit or loss attributable to members of the

2. Significant accounting policies (continued)

2.2 Basis of consolidation and accounting policies applied (continued)

(u) Earnings per share (continued)

Company, adjusted for:

- costs of servicing equity (other than dividends);
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses;
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; and
- divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(v) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost during the effective interest method.

(w) Finance costs

Finance costs are expensed in the period in which they are incurred.

(x) Leases

Group as a lessee

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identifiable asset for a period of time in exchange for consideration.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term, as follows:

- Property lease 5 years

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Leases of low-value assets

The lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term lease and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(y) Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired. The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date. Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable

2. Significant accounting policies (continued)

2.2 Basis of consolidation and accounting policies applied (continued)

(y) *Business combinations (continued)*

net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

(z) *AASB Interpretation 23 Uncertainty over Income Tax Treatment*

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 Income Taxes. It does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately.
- The assumptions an entity makes about the examination of tax treatments by taxation authorities.
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.
- How an entity considers changes in facts and circumstances.

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty needs to be followed. The Group applies significant judgement in identifying uncertainties over income tax treatments. Since the Group operates in a complex multinational environment, it assessed whether the Interpretation had an impact on its consolidated financial statements. Upon adoption of the Interpretation, the Group considered whether it had any uncertain tax positions, particularly those relating to transfer pricing. The Company's and the subsidiaries' tax filings in different jurisdictions and the taxation authorities may challenge those tax treatments. The interpretation did not have an impact on the consolidated financial statements of the Group.

(aa) *Significant accounting judgements estimates and assumptions*

The directors made estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and assumptions made have been described below.

Key judgements

Revenue from contracts with customers

Allocation of the transaction price to multiple performance obligations – the transaction price is allocated to performance obligations based on a relative standard alone selling price basis using the standard list price for individual services.

Key estimates

Business combinations

As discussed in note 2.2 (y), business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the Group taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Impairment of non-financial assets

The Group assess at each reporting date whether there are any indications that an asset or CGU may be impaired. Indicators that were considered but not limited to are such as whether there have been significant changes with an adverse effect on the entity have occurred during the year or will occur in subsequent years in the technological, market economic or legal environment in which the entity operates. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is higher of its fair value less costs of disposal and its value in use. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. Variations to expected future cash flows, and timing thereof, could result in significant changes in the recoverable amount, which in turn could impact future financial results.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and

2. Significant accounting policies (continued)

2.2 Basis of consolidation and accounting policies applied (continued)

(aa) Significant accounting judgements estimates and assumptions (continued)

Key estimates (continued)

Allowance for expected credit losses (continued)

judgement. The most relevant category applicable to the Group is the trade receivables where the ECL calculation is calculated based on the lifetime ECL using a provision matrix, grouped based on days overdue. The ECL assumptions include historical observed default rates and has incorporated forward looking assumptions. Further details of the accounting policy on ECLs of the Group's trade receivables is disclosed in note 11.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using the relevant valuation technique. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

3. Segment information

Identification of reportable operating segments

For management purposes the Group is organised into four operating segments, which includes the operation of the Australian classified business, being "Gumtree", the Australian digital community and the Market Herald websites, being "The Market Herald" segment, Canadian digital community, being "Stockhouse" segment, and car leasing business, being "Subscribacar segment". All significant operating decisions are based upon analysis of the Group as four segments. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Maker ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Consolidated	2023 $	2022 $
Geographical markets:		
Australia customers	60,548,822	7,067,045
Overseas customers	21,067,546	18,711,673
Total revenue from contracts with customers	**81,616,368**	**25,778,718**

All non-current assets are in Australia and Canada.

3. Segment information (continued)

Consolidated - 2023	The Market Herald $	Stockhouse $	Subscribacar $	Gumtree $	Total $
Revenue					
Revenue from contracts with customers	5,194,783	11,469,102	2,582,307	64,952,483	84,198,675
Other revenue	34,420	63,223	-	53,308	150,951
Total Segment revenue	5,229,203	11,532,325	2,582,307	65,005,791	84,349,626
Intersegment eliminations					-
Total revenue					84,349,626
EBITDA	**(6,669,934)**	**(428,161)**	**(95,973)**	**19,112,013**	**11,917,945**
Depreciation and amortisation					(2,320,601)
Finance costs					(4,196,583)
Profit before income tax expense					5,400,761
Income tax expense					(1,048,932)
Profit after income tax expense					**4,351,829**
Assets					
Segment assets	16,101,903	36,628,747	4,149,450	133,383,556	190,263,656
Intersegment eliminations					(22,919,144)
Total assets					167,344,512
Liabilities					
Segment liabilities	(60,136,036)	(18,217,255)	(5,073,501)	(32,011,154)	(115,437,946)
Intersegment eliminations					22,576,757
Total liabilities					(92,861,189)

Consolidated - 2022	The Market Herald $	Stockhouse $	Subscribacar $	Total $
Revenue				
Revenue from contracts with customers	7,225,635	18,553,083	2,112,972	27,891,690
Other revenue	1,060,362	-	-	1,060,362
Total Segment revenue	8,285,997	18,553,083	2,112,972	28,952,052
Intersegment eliminations				(1,060,362)
Total revenue				27,891,690
EBITDA	**(3,893,207)**	**2,008,317**	**32,821**	**(1,852,069)**
Depreciation and amortisation				(893,286)
Finance costs				(476,665)
Loss before income tax expense				(3,222,020)
Income tax expense				(1,398,707)
Loss after income tax expense				**(4,620,727)**
Assets				
Segment assets	7,437,098	39,804,320	4,954,439	52,195,857
Intersegment eliminations				(1,970,672)
Total assets				50,225,185
Liabilities				
Segment liabilities	13,736,420	20,192,868	5,522,531	39,451,819
Intersegment eliminations				(18,381,966)
Total liabilities				21,069,853

4. Revenue from Contracts with Customers

Set out below is the disaggregation of the Group's revenue from contracts with customers:

Consolidated	2023 $	2022 $
From continuing operations		
Revenue from contracts with customers		
Advertising revenue	19,602,921	-
Classified revenue	17,632,808	-
Dealer sales revenue	27,716,754	-
Investor relations revenue	16,663,885	25,778,718
Total revenue from contracts with customers	**81,616,368**	**25,778,718**
Timing of revenue recognition		
Point in time	22,932,552	12,897,981
Over time	58,683,816	12,880,737
Total revenue	**81,616,368**	**25,778,718**

5. Other income

Consolidated	2023 $	2022 $
Other income	150,951	89,438
Gain on foreign exchange movement	1,562,854	-
Government grants	-	8,781
	1,713,805	**98,219**

6. Acquisition Expenses

	2023 $	2022 $
Legal fees	1,172,597	-
Consulting fees	235,000	-
Insurance	371,777	-
	1,779,374	**-**

Acquisition expenses were incurred in relation to the acquisition of Gumtree AU Pty Ltd and its subsidiaries by the Group during the year (Note 16).

7. Expense items

This note provides a breakdown of material expense items shown in the statement of profit or loss and other comprehensive income relating to continuing operations:

Consolidated		2023 $	2022 $
(a)	**Employee and director benefits expense**		
	Wages and salaries	28,092,371	8,677,492
	Superannuation and social benefits	2,824,454	448,930
	Director fees	97,000	96,000
	Other employee expenses	3,794,646	1,244,055
		34,808,471	**10,466,477**
(b)	**Other expenses**		
	Consultancy costs	3,433,638	1,252,243
	Site monitoring and hosting	357,632	241,568
	Flights and accommodation	980,982	256,978
	Marketing and advertising	6,957,504	762,908
	Office software	11,088,454	1,015,879
	Market data	908,822	796,497
	Accounting, audit, and tax fees	726,830	318,918
	Loss on revaluation of financial assets at FVTPL	1,631,149	7,806,374
	Loss on disposal of financial assets at FVTPL	998,484	520,297
	IT Cost	589,586	321,459
	Insurance	471,503	159,434
	Legal fees	1,900,333	229,667
	Bad debt expense	298,463	447,371
	Rental expense	346,897	221,170
	Other	1,834,430	1,583,908
		32,524,707	**15,934,671**
(c)	**Finance expense**		
	Interest and finance charges paid/payable on borrowings	4,061,502	430,208
	Interest and finance charges paid/payable on lease liabilities	135,081	46,457
		4,196,583	**476,665**

8. Income tax expense

Consolidated		2023 $	2022 $
a.	**Major components of income tax expense are:**		
	Consolidated profit or loss		
	Current tax:		
	Current income tax charge	54,741	2,511,659
	Deferred tax:		
	Relating to origination and reversal of temporary differences in the current period	2,140,624	(1,112,952)
	Adjustment for change in tax rate	(188,484)	-
	Adjustment for prior period	137,837	-
	Deferred tax asset not previously recognised	(1,095,786)	-
		1,048,932	1,398,707
b.	**The prima facie tax on profit/(loss) from ordinary activities before income tax is reconciled to the income tax as follows:**		
	Accounting profit/(loss) before income tax	5,400,761	(3,222,020)
	Income tax expense at the statutory income tax rate of 30% (2022: 25%)	1,620,228	(805,505)
	Adjusted tax effect for:		
	Adjustments in respect of current income tax and deferred tax of previous years	(409,095)	790,009
	Adjustment for changes in tax rate	(188,484)	-
	Non-deductible expenses and non-taxable revenue	686,442	948,498
	Deferred tax asset not recognised in prior period	(1,095,786)	-
	Deferred tax asset not recognised in current period	-	1,095,786
	Other	435,627	(630,081)
		1,048,932	1,398,707

8. Income tax expense (continued)

Consolidated	2023 $	2022 $
c. Deferred tax		
Deferred tax relates to the following:		
The balance comprises temporary differences attributable to:		
Carried forward tax losses	1,197,959	2,068,188
Intangibles	(21,543,223)	(5,883,983)
Investments	187,398	186,879
Property, plant and equipment	(1,076,878)	(1,390,269)
Deferred tax asset not recognised in current period	-	(1,095,786)
Section 40-880 costs	224,824	26,446
Non-capital losses	431,801	313,692
Other	1,116,595	408,082
Net deferred tax liability	(19,461,524)	(5,366,751)
Movements for the year recognised in profit or loss:		
Opening balance at 1 July	(5,366,751)	(6,215,580)
Foreign exchange movement	(193,210)	(298,578)
Tax benefit during the year recognised in profit or loss	(2,138,166)	2,235,844
Adjustment for change in tax rate	188,484	3,264
Deferred tax asset not recognised in current period	-	(1,095,786)
Deferred tax asset not recognised in prior period	1,095,786	-
Deferred tax liability on acquisition	(12,909,830)	-
Adjustments to deferred tax of prior periods	(137,837)	4,085
Net deferred tax liability	(19,461,524)	(5,366,751)
Presented in the statement of financial position as follows:		
Deferred tax liabilities	(20,659,483)	(5,366,751)
Deferred tax assets	1,197,959	-
Net balance	(19,461,524)	(5,366,751)

d. Recognised temporary differences

At 30 June 2023, there were $1,197,959 recognised temporary differences in relation to carried forward tax losses (30 June 2022: $1,095,786).

Tax consolidation legislation

The Market Herald Limited and its wholly-owned Australian controlled entities implemented the tax consolidation legislation as of 12 September 2016.

The Market Herald Limited is the head entity of the tax consolidated group. Members of the tax consolidated group have entered into a tax sharing agreement that provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement on the basis that the possibility of default is remote.

The Group has applied the separate taxpayer within a group approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, The Market Herald Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Members of the tax consolidated group have entered into a tax funding agreement. Under the funding agreement, the funding amount for each Member shall be determined as the Member's appropriate share of the Group liabilities and/or Group assets recognised for the period in accordance with the 'separate taxpayer with a group' approach, adjusting appropriately for transactions between Members.

9. Discontinued operations

Description

The Company progressed a comprehensive evaluation of its business units in FY2023. Following this strategic review, the management team decided to discontinue the Subscribacar activity. Following years of underperformance without a clear turn-around plan the Company is winding down these operations.

Financial performance information

Consolidated	2023 $	2022 $
Revenue from continuing operations	2,582,307	2,112,972
Other income	-	4,733
Total revenue	2,582,307	2,117,705
Employee benefit expense	(898,255)	(601,343)
Depreciation and amortisation	(493,828)	(364,395)
Impairment expense	(212,908)	-
Other expenses	(1,567,117)	(1,483,541)
Total expenses	(3,172,108)	(2,449,279)
Loss before income tax expense	(589,801)	(331,574)
Income tax benefit/(expense)	141,875	(64,407)
Loss after income tax expense from discontinued operations	(447,926)	(395,981)

Cash flow information

Consolidated	2023 $	2022 $
Net cash from operating activities	379,170	34,748
Net cash from/(used in) investing activities	341,636	(3,107,815)
Net cash (used in)/from financing activities	(690,126)	3,150,245
Net increase in cash and cash equivalents from discontinued operations	30,680	77,178

10. Cash and cash equivalents

Consolidated	2023 $	2022 $
Cash at bank and on hand	12,677,020	4,768,749

Cash at bank and on hand earns interest at floating rates based on daily bank deposit rates.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the amounts above at 30 June 2023. The carrying value of the cash and cash equivalents approximates fair value.

The Group's exposure to credit risk for financial assets and liabilities is disclosed in note 26.

Reconciliation from the profit/(loss) after tax to the net cash flows from operations

Consolidated	2023 $	2022 $
Net profit/(loss) after tax	4,351,829	(4,620,727)
Adjusted for non-cash items:		
Depreciation and amortisation	2,320,601	893,286
Share based payments expense	54,636	-
Expected credit losses	298,463	491,714
Loss on revaluation of financial assets at FVTPL	1,631,149	7,806,374
Loss on disposal of financial assets at FVTPL	998,484	520,297
Interest expense of lease liabilities	57,587	46,457
Capitalised loan expense	(3,129,014)	-
Impairment on fixed asset	212,908	-
Gain on disposal of plant and equipment	(63,524)	(4,733)
Foreign exchange movement	(1,427,444)	44,584
Finance cost	4,138,996	-
Adjustments for assets and liabilities:		
Movement in trade and other receivables	8,419,792	(824,106)
Movement in financial asset	(1,087,198)	-
Movement in contract asset	840,781	-
Movement in other assets	(470,156)	(416,485)
Movement in trade and other payables	3,858,591	(74,657)
Movement in provisions	(4,554,241)	152,908
Movement in contract liabilities	(726,283)	(495,553)
Movement in income taxes payable	(2,974,571)	767,220
Movement in deferred taxes payable	1,029,446	(848,809)
Net cash flows from operating activities	**13,780,832**	**3,437,770**

11. Trade and other receivables

Consolidated	2023 $	2022 $
CURRENT		
Trade receivables at amortised cost	6,679,821	2,211,789
Allowance for expected credit losses	(1,691,746)	(517,050)
Other receivables	219,969	690,685
	5,208,044	2,385,424
NON-CURRENT		
Other receivables	-	78,627
	-	78,627

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Trade receivables are generally due for settlement within 30 days and are non-interest bearing. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date. Collectability of trade receivables is reviewed on an ongoing basis. The Group's impairment and other accounting policies for trade receivables are outlined in Note 2.2(f).

A credit loss arises when the Group does not expect an amount to be paid in full by considering the due date, amount, and recent sales experience.

Set out below is the movement in the allowance for expected credit losses account for trade receivables:

Date	2023 $	2022 $
Opening Balance	517,050	578,538
Increase in allowance	1,174,696	(61,488)
Closing Balance	**1,691,746**	**517,050**

As at 30 June 2023, the ageing analysis of trade receivables, net of allowance for expected credit losses is as follows:

	Total $	Current $	< 30 $	31–60 $	61–90 $	90-180 $	180-270 $	>270 $
30 June 2023								
Expected credit loss rate		14.68%	11.60%	10.88%	27.70%	58.89%	54.89%	96.13%
Gross trade receivables	**6,679,821**	3,880,239	1,130,449	371,578	155,918	202,375	278,674	660,588
Expected credit loss	**(1,691,746)**	(569,761)	(131,160)	(40,446)	(43,191)	(119,169)	(152,966)	(635,053)
Allowance for expected credit losses	**(1,691,746)**							

As at 30 June 2022, the ageing analysis of trade receivables, net of allowance for expected credit losses is as follows:

	Total $	Current $	< 30 $	31–60 $	61–90 $	90-180 $	180-270 $	>270 $
30 June 2022								
Expected credit loss rate		0.00%	1.82%	10.24%	26.79%	22.24%	39.97%	66.97%
Gross trade receivables	2,211,789	840,744	350,286	119,755	53,150	99,896	144,278	603,680
Expected credit loss	517,050	-	6,359	12,268	14,237	22,222	57,661	404,303
Allowance for expected credit losses	517,050							

12. Contract assets

Consolidated	2023 $	2022 $
Contract assets	5,786,185	-
Reconciliation		
Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:		
Opening balance	**-**	**-**
Acquired on business combination (Note 16)	6,626,966	-
Additions	5,759,636	-
Cumulative catch-up adjustments	(115,112)	-
Transfer to trade receivables	(6,485,305)	-
Closing balance	5,786,185	-

13. Other assets

Consolidated	2023 $	2022 $
CURRENT		
Prepayments	2,165,152	280,057
Other assets	424,905	338,339
Security deposit	205,091	-
	2,795,148	618,396
NON-CURRENT		
Security deposit	-	216,726
	-	216,726

The Group's exposure to credit risk for financial assets and liabilities is disclosed in note 26. The carrying value of the other assets approximates fair value.

14. Plant and equipment

Consolidated	2023 $	2022 $
Equipment		
Gross carrying value – at cost	3,271,824	771,940
Accumulated depreciation	(2,596,077)	(376,834)
Net carrying amount at 30 June	675,747	395,106
Net carrying amount at 1 July	395,106	290,281
Additions	108,090	283,903
Addition due to business combination	690,803	-
Disposals	(518)	-
Depreciation	(518,083)	(179,078)
Foreign exchange difference	349	-
Net carrying amount at 30 June	675,747	395,106
Leasehold Improvements		
Gross carrying value – at cost	905,468	163,686
Accumulated depreciation	(723,018)	(75,090)
Net carrying amount at 30 June	182,450	88,596
Net carrying amount at 1 July	88,596	29,038
Additions	26,699	81,747
Addition due to business combination	165,446	-
Depreciation	(98,832)	(22,189)
Foreign exchange difference	541	-
Net carrying amount at 30 June	182,450	88,596
Motor Vehicle		
Gross carrying value – at cost	-	5,197,771
Accumulated depreciation	-	(586,130)
Net carrying amount at 30 June	-	4,611,641
Net carrying amount at 1 July	4,611,641	1,868,222
Additions	674,036	3,153,604
Disposals	(1,079,196)	(45,790)
Depreciation	(493,828)	(364,395)
Impairment	(212,908)	-
Transfer to non-current assets classified as held for sale (a)	(3,499,745)	-
Net carrying amount at 30 June	-	4,611,641
Total net carrying amount as at 30 June	858,197	5,095,343

(a) The motor vehicles transferred to non-current assets held for sale relate to its business unit, Subscribacar, which management has decided to discontinue during the year. These motor vehicles are currently held for sale and expected to be sold within 12 months.

15. Intangibles

Consolidated	2023 $	2022 $
Software development		
Gross carrying value – at cost	788,277	788,277
Accumulated depreciation	(746,772)	(695,882)
Net carrying amount at 30 June	41,505	92,395
Software development		
Net carrying amount at 1 July	92,395	143,286
Depreciation	(50,890)	(50,891)
Net carrying amount at 30 June	41,505	92,395

Intangibles arising from business combinations AASB 3

Consolidated	2023 $	2022 $
Trademarks		
Net carrying amount at 1 July	21,792,529	20,779,848
Foreign exchange difference	153,138	1,012,681
Net carrying amount	21,945,667	21,792,529
Goodwill		
Net carrying amount at 1 July	3,895,262	3,714,251
Foreign exchange difference	27,372	181,011
Net carrying amount	3,922,634	3,895,262
Brands		
Net carrying amount at 1 July	-	-
Addition from business combination (Note 16)	52,059,644	-
Net carrying amount	52,059,644	-
Intangible assets – provisionally acquired		
Net carrying amount at 1 July	-	-
Addition from business combination (Note 16)	46,431,080	-
Net carrying amount	46,431,080	-
Total intangible assets arising from business combination	**124,359,025**	**25,687,791**
Total intangible assets	**124,400,530**	**25,780,186**

15. Intangibles (continued)

Trademarks and goodwill acquired through business combinations have been allocated to "Stockhouse Publishing Limited" cash-generating unit. The recoverable amount of the Group's intangibles has been determined by a value-in-use calculation using a discounted cash flow model, based on a 5-year projection period together with a terminal value approved by management. Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive.

The following key assumptions were used in the discounted cash flow model for Stockhouse Publishing Ltd:

- 13.86% pre-tax discount rate (30 June 2022: 20.4%);
- 4% per annum projected revenue growth rate (30 June 2022: 15%);
- 2.5% cash flow growth rate for terminal value (30 June 2022: 2.5%);
- 4% per annum increase in operating costs and overheads (30 June 2022: 15%).

The discount rate of 13.86% pre-tax reflects management's estimate of the time value of money and the Group's weighted average cost of capital adjusted for the division, the risk free rate and the volatility of the share price relative to market movements. Management believes the projected 4% revenue growth rate is reasonable, based on the current growth rate. There were no other key assumptions for Stockhouse Publishing Ltd. Based on the above, the recoverable amount of Stockhouse Publishing Ltd exceeded the carrying amount by $9,010,192.

Sensitivity

As disclosed in note 2, judgements and estimates in respect of impairment testing of non-financial assets have been made. Should these judgements and estimates not occur the resulting non-financial asset carrying amount may decrease. The sensitivities are as follows:

- Revenue growth would need to decrease to negative 14.1% for Stockhouse Publishing Ltd before intangibles would need to be impaired, with all other assumptions remaining constant.
- The pre-tax discount rate would be required to increase to 19.2% for Stockhouse Publishing Ltd before intangibles would need to be impaired, with all other assumptions remaining constant.

16. Business Combinations

On 4 October 2022, the Group acquired 100% of the shares in Gumtree AU Pty Ltd and its subsidiaries Carsguide Autotrader Media Solutions Pty Ltd and Gumtree IP AUS Holding Ltd ("Gumtree Group") from Adevinta Oak Holdings B.V.

The acquisition was initially funded by a vendor loan of approximately USD$44.7 million (AUD$68.76 million) and a 2:5 entitlement raise of AUD$26.6 million (before costs). The vendor loan has a term ending 31 May 2023 and 8% interest per annum. At 16 January 2023, the interest rate increased to 9.5% interest per annum effective 1 April 2023 and 10% per annum effective 1 May 2023.

Subsequent to this, a completion adjustment of USD$3,122,352 was determined based on working capital adjustments, reducing the total consideration from USD$60.9million (AUD$93.7million) to USD$57.8 million (AUD$89.0million), and reducing the repayment of the vendor loan to USD$41.6million.

The repayment of the vendor loan was subsequently settled through cash repayment of AUD$16.6million and refinancing of the loan through Commonwealth Bank of Australia ("CBA") on 26 May 2023 of AUD$46million. The settlement also resulted in AUD$1.3million realised foreign exchange gain on total repayment to Adevinta.

The acquired business contributed revenues of $64,952,483 and profit before tax of $17,485,418, to the Group for the period from 4 October 2022 to 31 December 2022. If the acquisition occurred on 1 July 2022 the full year contributions would have been revenues of $86,107,292. Profit before tax is not disclosed due to different reporting structure of the previous owner.

The following table summarises the consideration paid and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date.

	AU$
Cash and cash equivalents	750,002
Trade receivables	11,379,005
Contract assets	6,626,966
Other current assets	1,489,870
Plant and equipment	856,249
Right of use assets	3,316,219
Intangible assets – Brands	52,059,644
Intangible assets – provisionally acquired	46,431,080
Trade payables	(6,691,303)
Current tax liabilities	(3,267,045)
Provisions	(7,607,412)
Lease Liability	(3,446,413)
Deferred tax liability	(12,909,830)
Net assets acquired	88,987,032
Acquisition-date fair value of the total consideration transferred	88,987,032
Representing:	
Cash paid to vendor	25,027,035
Vendor Loan	62,615,795
Realised gain on foreign exchange difference	1,344,202
Total consideration	88,987,032
Acquisition costs expensed to profit or loss (Note 6)	1,779,374
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	88,987,032
Less: Realised gain on foreign exchange difference	(1,344,202)
Less: Cash acquired	(750,002)
Net cash used	86,892,828

The fair values of the Gumtree Group business assets and liabilities have been measured provisionally. If new information is obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the amounts above, the accounting for the acquisition will be revised.

17. Financial assets

Consolidated	2023 $	2022 $
CURRENT		
Fair value through profit or loss – listed and unlisted shares	3,711,051	5,984,925
Fair value through profit or loss – options and debentures	3,092,561	3,793,392
	6,803,612	**9,778,317**
NON-CURRENT		
Fair value through other comprehensive income – listed shares	423,505	871,547
Fair value through profit or loss – Interest rate swaps	212,917	-
Other financial assets	657,000	-
	1,293,422	**871,547**
	8,097,034	**10,649,864**

18. Trade and other payables

Consolidated	2023 $	2022 $
Trade payables	6,341,713	136,834
GST payable	337,140	173,748
Sundry payables and accrued expenses	5,026,534	844,911
Net carrying amount at 30 June	**11,705,387**	**1,155,493**

a) Trade and other payables are non-interest bearing and are unsecured. Balances are usually settled within 30 days of recognition.

b) The carrying amounts of trade and other payables approximate their fair values, due to their short-term nature.

19. Leases

Amounts recognised in the statement of financial position and profit or loss

Set out below are the carrying amounts of the Group's right-of-use asset (ROU) and lease liabilities and the movements during the year:

Consolidated	2023 $	2022 $
Assets		
Non-current : Right-of-use assets	2,824,650	631,870
Total assets	**2,824,650**	**631,870**
Liabilities		
Current : Lease liabilities	971,094	299,338
Non-current : Lease liabilities	2,052,219	394,707
Total liabilities	**3,023,313**	**694,045**
ROU Asset – Property		
Balance at 1 July	631,870	451,355
Additions	-	455,670
Addition on business combination (Note 16)	3,316,219	-
Depreciation expense	(1,123,439)	(275,155)
ROU asset as at 30 June	**2,824,650**	**631,870**
Lease liabilities		
Carrying amount at 1 July	694,045	505,599
Lease reassessment	-	455,671
Addition on business combination (Note 16)	3,446,413	-
Interest expense	57,587	(46,457)
Payments	(1,174,732)	(220,768)
Lease liabilities as at 30 June	**3,023,313**	**694,045**

20. Provisions

Consolidated	2023 $	2022 $
CURRENT		
Employee benefits (a)	3,426,759	775,406
Other payroll provisions	401,818	-
	3,828,577	**775,406**

a) Employee benefits

The provision for employee benefits relates to the Group's liability for annual leave. The current portion for this provision includes the total amount accrued for annual leave entitlements. Based on past experience, the Group expects the full amount of annual leave to be settled within the next 12 months.

21. Contract Liabilities

Contract liabilities relates to the deferred portion of term contract revenues where the contract term extends past the balance date. Revenue is released from the statement of financial position and recognised in the statement of profit or loss when the product or services have been delivered. The remaining performance obligations are expected to be satisfied within 1 year.

Consolidated	2023 $	2022 $
Contract liabilities	3,341,600	4,067,883
	3,341,600	4,067,883

Date		2023 $	2022 $
1 July	Opening balance	4,067,883	4,563,436
	Advance payments received:	11,919,511	17,514,245
	Revenue recognised in the period from:		
	• Amounts included in the contract liabilities at the beginning of the period relating to continuing operations	(3,816,189)	(4,478,658)
	• Amounts included in the contract liabilities at the beginning of the period relating to discontinued operations	(43,476)	(32,086)
	• Advance payments applied to current period to continuing operations	(8,273,489)	(12,134,953)
	• Advance payments applied to current period relating to discontinued operations	(512,640)	(1,364,101)
30 June	Closing balance	3,341,600	4,067,883

22. Equity

(i) Issued capital

	30 June 2023 Number	30 June 2022 Number	30 June 2023 $	30 June 2022 $
(a) Share capital				
Ordinary shares	320,972,581	195,229,035	63,253,173	22,313,184

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(b) Movement in share capital

Date	Details	No. of shares	$
1 July 2021	**Shares on issue**	**191,472,617**	**21,397,079**
4 August 2021	Options exercised	279,768	69,942
12 October 2021	Options exercised	576,650	144,163
10 December 2021	Options exercised	300,000	72,000
16 February 2022	Options exercised	2,600,000	630,000
30 June 2022	**Shares on issue**	**195,229,035**	**22,313,184***
30 August 2022	Options exercised	419,652	104,913
27 September 2022	Placement	74,788,852	25,433,369
6 October 2022	Placement	3,470,587	1,180,000
26 October 2022	Options exercised	139,884	34,971
2 February 2023	Options exercised	1,250,000	318,750
27 February 2023	Entitlement offer	45,674,571	15,529,354
	Share issue cost		(1,661,368)
30 June 2023	**Shares on issue**	**320,972,581**	**63,253,173****

* Total exercise of options in financial year ended 30 June 2022 is $916,105
** Total exercise of options in financial year ended 30 June 2023 is $458,634

During the year there were shares returned to the Company in relation to settlement of limited recourse loans with employees. These shares are being held on behalf of the Company and have not been sold or cancelled as at 30 June 2023. In accordance with the Corporations Act 2001, s.259B, the Company will dispose of the shares within the 12-month requirement.

Date	No. of shares
Shares on issue	316,204,868
Shares held by the company	4,767,713
Total shares on issue	320,972,581

(c) Capital risk management

For the purpose of the Group's capital management, capital includes issued capital and retained earnings attributable to the equity holders of the parent. The primary objectives of the Group when managing its capital are to safeguard its ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a capital structure balancing the interests of all shareholders.

The Board considers capital management initiatives that are in the best interests of the Group and shareholders from time to time, including undertaking capital raisings, share buy-backs, capital reductions and the payment of dividends.

The Group has a debt facility with National Bank of Canada and the Commonwealth Bank of Australia. Please refer to note 28 for further information.

22. Equity (continued)

(ii) Reserves

Consolidated	2023 $	2022 $
Share based payments reserve	944,380	1,708,975
Financial assets at fair value through other comprehensive income reserve	(1,686,382)	(1,180,146)
Foreign currency translation reserve	1,700,287	1,212,514
Distribution reserve	(10,184,223)	(10,184,223)
	(9,225,938)	(8,442,880)

Share based payment reserve

The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 25 for further details of these plans.

Distribution reserve

The reserve represents the distribution paid to shareholders of Report Card in relation to the Group reorganisation in 2016 and upon the listing of The Market Herald Limited.

Fair value reserves of financial assets at FVOCI

The reserve represents the unrealised gains and losses arising from changes in the fair value of these assets and are recognised in equity in the period in which they arise.

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

23. Earnings/(loss) per share (EPS)

Basic EPS is calculated by dividing the profit/(loss) for the year attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares on issue during the year.

Diluted EPS is calculated by dividing the profit/(loss) attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares on issue during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the income and share data used in the basic and diluted EPS computations:

Consolidated	2023 Number	2022 Number
Weighted average number of ordinary shares used in the calculation of basic earnings/(loss) per share	270,663,193	193,263,356
Effects of dilution from share options	-	-
Weighted average number of ordinary shares used in the calculation of diluted earnings/(loss) per share	270,663,193	193,263,356
	$	$
Profit/(loss) after income tax attributable to continuing operations	4,799,755	(4,224,746)
Loss after income tax attributable to discontinued operations	(447,926)	(395,981)
Profit/(loss) after income tax attributable to the owners of the Group	4,351,829	(4,620,727)

23. Earnings/(loss) per share (EPS) (continued)

	2023 Cents	2022 Cents
Earnings/(loss) per share from continuing operations attributable to members		
Basic earnings per share	1.77	(2.19)
Diluted earnings per share	1.77	(2.19)
Loss per share from discontinued operations attributable to members		
Basic earnings per share	(0.17)	(0.20)
Diluted earnings per share	(0.17)	(0.20)
Earnings/(loss) per share attributable to members		
Basic earnings per share	1.61	(2.39)
Diluted earnings per share	1.61	(2.39)

24. Dividend paid or provided for

No dividend was declared and paid during the year (30 June 2022: $Nil).

25. Share based payments

Options

The following table illustrates the outstanding options granted, exercised and cancelled during the year:

	Number	Weighted average exercise price ($)
Outstanding at 1 July 2021	18,884,183	$0.19
Options exercised	(3,756,418)	$0.24
Outstanding at 30 June 2022	15,127,765	$0.13
Options exercised	(559,536)	$0.25
Options expired	(279,768)	$0.25
Options exercised	(1,250,000)	$0.26
Options expired	(1,500,000)	$0.26
Options exercised*	(11,538,461)	$0.13
Outstanding at 30 June 2023	-	-
Exercisable at 30 June 2023	-	-

* 11,538,461 in-substance option award in relation to the $1,500,000 loan to Jagdip Sangha in previous years. This loan could be repaid by cash or surrendering the shares at market price equivalent to the loan amount. This was settled in the current year at the Company's request and the loan plus interest accrued repaid.

The options issued to directors and other key management personnel during the year was Nil (2022: Nil).

The weighted average remaining contractual life for share-based payment options outstanding at 30 June 2023 was nil (2022: 1.97 years).

Performance Rights

On 5 May 2023, Mr Tommy Logtenberg was provided with an incentive plan with the following details:

- Number of performance rights: 1,449,275
- Grant date: 2 August 2023
- Vesting date: The performance rights will vest 12 months from the date of the successful refinancing of the Gumtree Vendor Loan Note. This event has occurred during the year.
- Expiration date: 12 months from vesting date

Vesting conditions:

- Subject to the successful refinancing of the Gumtree Vendor Loan Note and repayment of monies owed to Adevinta; and
- Remaining employed, or otherwise engaged, by the Company or one of its subsidiaries for a continuous period up to and including the Vesting Date.

The Board resolution was completed on 2 August 2023 therefore the fair value of the performance rights was deemed to be $463,768 based on the share price at that date, with $54,636 recognised as share-based payments expense in the current year.

26. Financial risk management

The Group's principal financial instruments comprise receivables, payables, equity investments, and cash and cash equivalents which arise directly from its operations.

The Group manages its exposure to key financial risks in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

The main risks arising from the Group's financial instruments are interest rate risk, equity price risk, liquidity risk and credit risk. The Group's senior management is directed by the Board that advises on financial risks and the appropriate financial risk governance framework for the Group. The Group's senior management provides assurance to the Board that the Group's financial risk activities are governed by appropriate policies and procedures that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Risk exposures and responses

Interest rate risk

The Group's main interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the Group to interest rate risk.

The Group's bank loans outstanding, totalling $48,557,151 (2022: $7,557,071), are principal and interest payment loans. For term loan held by Report Card Media Canada Ltd, a subsidiary of the Group, monthly cash outlays of approximately $42,000 (2022: $42,000) per month are required to service the interest payments. For term loan held by Gumtree AU Pty Ltd, a subsidiary of the Group, quarterly payments of approximately $680,000 (2022: nil) are required to service the interest payments.

An official increase/decrease in interest rates of 100 (2022: 100) basis points would have an adverse/favourable effect on profit before tax of $284,480 (2022: $75,571) per annum. The percentage change is based on the expected volatility of interest rates using market data and analysts forecasts. In addition, minimum principal repayments of $8,217,868 (2022: $2,177,700) are due during the year ending 30 June 2024 (2022: 30 June 2023).

Equity price risk

The Group's listed equity instruments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

At balance date, the exposure to the listed equity investments represents the carrying value of the investments as disclosed in note 17. The Group determined that an overall increase/(decrease) of 10% could have an impact of approximately $722,712 increase/(decrease) on the equity attributable to the Group.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily in relation to trade receivables and contract assets) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed based on the customer's financial position, past working experience with the customer (if any) and any other applicable factors. Individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and followed up accordingly.

An impairment analysis of trade receivables and contract assets is performed at each reporting date using a provision matrix to measure expected credit losses at Note 11. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The expected credit loss is based on the lifetime expected credit loss, grouped based on shared credit risk characteristics and the days overdue, and assumptions made to allocate an overall expected credit loss rate. These assumptions include historical collection rates and has incorporated forward looking assumptions.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 10, 11, 12 and 13. The credit risk on liquid funds and security deposits is limited because the counterparties are banks with high credit-ratings assigned by international credit rating agencies. The Group has a concentration of credit risk as all cash and cash equivalents are held with the one counterparty. The Group does not hold collateral as security.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and funding to ensure that the Group can meet its obligations when due. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Group holds the majority of its assets as financial assets and trade receivables with customers who have had no payment issues in the past and hence, does not have any material liquidity risk at the reporting date.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables includes both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying value in the statement of financial position.

26. Financial risk management (continued)

Risk exposures and responses (continued)

Remaining contractual maturities (continued)

	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Consolidated - 2023						
Non-interest bearing						
Trade and other payables	-	11,705,387	-	-	-	11,705,387
Interest-bearing						
Term loan	6.51%	10,613,360	8,344,973	35,972,262	-	54,930,595
Total		22,318,747	8,344,973	35,972,262	-	66,635,982
Consolidated - 2022						
Non-interest bearing						
Trade and other payables	-	1,155,493	-	-	-	1,155,493
Interest-bearing						
Term loan	4.63%	7,557,071	-	-	-	7,557,071
Total		8,712,564	-	-	-	8,712,564

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

27. Fair value measurement

Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

The following table provides the fair value measurement hierarchy of the Group's assets as at 30 June 2023.

	Total	Fair value measurement using		
	$	Quoted prices in active markets (Level 1) $	Significant observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $
Assets				
Ordinary shares at fair value through other comprehensive income (Note 17)	423,505	423,505	-	-
Ordinary shares at fair value through profit or loss (Note 17)	3,711,051	2,897,972	813,079	-
Options and debentures at fair value through profit or loss (Note 17)	3,092,561	68,691	3,023,870	-
Interest rate swap (Note 17)	212,917	212,917	-	-
Other financial assets (Note 17)	657,000	657,000	-	-
	8,097,034	4,260,085	3,836,949	-

27. Fair value measurement (continued)

The following table provides the fair value measurement hierarchy of the Group's assets as at 30 June 2022.

	Total	Fair value measurement using		
	$	Quoted prices in active markets (Level 1) $	Significant observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $
Assets				
Ordinary shares at fair value through other comprehensive income (Note 17)	871,547	871,547	-	-
Ordinary shares at fair value through profit or loss (Note 17)	5,984,925	5,984,925	-	-
Options and debentures at fair value through profit or loss (Note 17)	3,793,392	32,664	3,760,728	-
	10,649,864	6,889,136	3,760,728	-

Assets and liabilities held for sale are measured at fair value on a non-recurring basis.

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Valuation techniques for fair value measurements categorised within level 2

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability. The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured.

Valuation of investments in private companies are based on fair value calculated using the going concern valuation approach using either the market or cost methodology.

Valuation of options and convertible debenture investments are based on fair value calculated using the Black Scholes option pricing model or an integrated valuation model.

28. Interest bearing liabilities

Consolidated	2023 $	2022 $
CURRENT		
Term loan (a)	5,448,044	7,557,071
Term loan (b)	5,165,316	-
	10,613,360	**7,557,071**
NON-CURRENT		
Term loan (b)	37,943,791	-
	37,943,791	**-**
Total interest bearing liabilities	**48,557,151**	**7,557,071**

The weighted average interest rate for the financial year is 6.51% (30 June 2022: 4.63%).

(a) The loan repayments consist of monthly interest only during each of the first six (6) months, followed by straight-line amortisation over the subsequent sixty-six (66) months by way of blended payments of principal and interest.

As at 30 June 2023, there was an increase in the Ratio of interest-bearing debt to EBITDA in Report Card Media Canada Ltd and its controlled entities which resulted in a breach of the debt covenants. As a result, the loan can be called upon for immediate repayment by the bank. The bank has not called on the loan as at the date of signing of these financial statements. As at the date of signing of these financial statements, all loan repayments have been made in accordance with the loan agreement and there are no overdue repayments.

Financing arrangements

At 30 June 2023, the facility limit has been reached, and there is no unused facility limit remaining.

Assets pledged as security

This loan is secured by first-ranking charge on all of the present and after-acquired personal property of the borrower (Report Card Media Canada Ltd) and each of its subsidiaries.

(b) The loan has a term of 3 years and loan repayment involves making payments every quarter that cover both interest and capital, subject to Gross Leverage Ratio (GLR) as at relevant Calculation Date.

No quarterly repayment will be required if the GLR is less than 1.25x. If the GLR is 1.25x or higher, a quarterly payment of $1,000,000 is necessary until the GLR drops below 1.25x. If the GLR is 1.75x or higher, a quarterly payment of $1,500,000 is required until the GLR falls below 1.75x.

Interest is payable every quarter, and calculated as the average BBSY bid rate plus an applicable margin of between 1.9% - 2.2% per annum depending on gross leverage ratio, with half the interest risk hedged via an interest rate swap with CBA.

Financing arrangements

At 30 June 2023, the facility limit has been reached, and there is no unused facility limit remaining.

Assets pledged as security

This loan is secured by first-ranking general security interest over the borrower, Gumtree AU Pty Ltd, and its subsidiaries. The loan is also secured by a fixed charge over all shares and a floating charge over all other assets of the parent entity, The Market Herald Limited and its subsidiaries Report Card Pty Ltd and 708Placements Pty Ltd.

29. Commitments and contingencies

(a) Commitments

The Group had no commitments as at 30 June 2023 and 30 June 2022.

(b) Contingent liabilities

The Group's current processes do not permit 'real time' scrutiny and moderation of postings on its website from its Members. It can be, and has been, the case that some postings contain defamatory material or material that may otherwise give rise to legal claims. In instances where this has occurred, the Group has moved as quickly as practicable to remove such material.

Nonetheless a number of legal actions have been commenced against the Group based on information posted on its website. In a majority of instances, legal claims have involved a party seeking access to information in the possession of the Group in relation to the person who has posted the material, where the intention is to proceed against the poster of material and not the Group. At the date of this report, a number of requests have been made to the Group either directly by the party impacted or by the order of the court to provide identity of postings on its website. The Group is working through these requests and in the Directors opinion that there is no material exposure to the Group arising from these various actual and pending claims.

There have been other instances, occurring less frequently, where the Group is the direct target of a legal complaint. To date, these matters have all been resolved without the commencement of formal legal proceedings against the Group.

There is a risk, however, that if in the future the Group is the direct target of a legal action, this may lead to a ruling from a court which may find that the Group has liability for material posted on its website. Were this to occur, then the Group's exposure to legal liability and potential damages would be significantly increased.

Bank guarantees

At 30 June 2023, the Group has $0.8 million in bank guarantees. The guarantees are provided to the landlords of the Group's office premises in Perth and Sydney and are secured with term deposits.

30. Events after balance sheet date

The Company progressed a comprehensive evaluation of its business units in FY2023. Following this strategic review, the management team decided to discontinue the Subscribacar activity. Following years of underperformance without a clear turn-around plan the Company is winding down these operations.

On 4 July 2023 the Company entered into a deed of cross guarantee arrangement with its subsidiaries Gumtree AU Pty Ltd and Carsguide Autotrade Media Solutions Pty Ltd. Relief under this deed will be applicable from financial year ending 30 June 2024.

Apart from the matter noted above, no other matters or circumstances have arisen since 30 June 2023 that have significantly affected or may significantly affect:

- The Group's operations in future financial years; or
- The results of those operations in future financial years; or
- The Group's state of affairs in future financial years.

31. Related party disclosures

The Group's main related parties are as follows:

a. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Parent entity, is considered key management personnel.

For details of disclosures relating to key management personnel, refer to the Remuneration Report.

b. Other related parties

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

c. Transactions with related parties

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

The following transactions occurred with related parties:

As of 30 June 2023, the interest receivable balance owing from Mr Jagdip Sangha is nil (30 June 2022: $75,287). This is in relation to the drawdown of the limited recourse loan facility of $1,500,000 on 27 December 2019 which attracts an interest rate of 2% per annum. The purpose of the loan is to fund the acquisition of shares in The Market Herald Limited. The loan can be repaid at any time but Mr Jagdip Sangha must repay any amount outstanding to the Group on the earlier to occur of the following:

- Five years of the first draw-down date under the loan facility;
- 30 days of termination of employment; or
- Seven days after the provision of written notice of the Group following the occurrence of an event of default

31. Related party disclosures (continued)

During the year at the Company's request the loan and interest accrued has been repaid by Mr Jagdip Sangha through the return of shares.

On 14 September 2022 the Company completed a rights issue in which Capital Investment Partners Pty Ltd were the underwriters. Total underwriting fees paid by the Company was $954,342.

On 26 March 2023 the Company completed a rights issue of which Capital Investment Partners received $43,225 as part of the sub-underwriters fees.

Capital Investment Partners Pty Ltd is controlled by Mr Gavin Argyle.

There is no outstanding balance receivable or payable to related parties at reporting date.

d) Key management personnel compensation

The totals of remuneration paid to key management personnel (KMP) of the Group during the year are as follows:

Consolidated	2023 $	2022 $
Short-term employee benefits	1,461,841	1,322,923
Post-employment benefits	62,947	23,568
Termination benefits	250,000	-
Share-based payments	54,636	-
	1,829,424	**1,346,491**

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

In addition, Mr Tommy Logtenberg was also awarded $250,000 cash bonus for his role in the sale of Gumtree Group during the year.

32. Auditors' remuneration

Consolidated	2023 $	2022 $
Audit fees		
RSM Australia Partners		
• audit or review of the financial statements	224,500	93,000
PricewaterhouseCoopers		
• audit or review of the financial statements	430,400	-
Dale Matheson Carr-Hilton Labonte LLP		
• audit or review of the financial statements	105,349	97,997
Total audit fees	760,249	190,997
Non-audit fees		
RSM Australia Pty Ltd		
• due diligence services	70,594	75,037
• taxation services	4,900	-
RSM US LLP		
• due diligence services	-	21,799
Dale Matheson Carr-Hilton Labonte LLP		
• tax advisory	20,293	15,244
Total non-audit fees	95,787	112,080
Total auditor's remuneration	**856,036**	**303,077**

33. Parent entity information

The following information relates to the parent entity of the Group, being The Market Herald Limited. The information presented has been prepared using consistent accounting policies as presented in Note 2.

	2023 $	2022 $
Statement of Financial Position		
ASSETS		
Current assets	601,358	396,712
Non-current assets	117,411,877	30,877,567
TOTAL ASSETS	**118,013,235**	**31,274,279**
LIABILITIES		
Current liabilities	1,441,085	330,566
Non-current liabilities	52,669,210	2,972,411
TOTAL LIABILITIES	**54,110,295**	**3,302,977**
EQUITY		
Issued capital	72,597,955	31,657,966
Reserves	944,380	1,708,975
Accumulated losses	(9,639,395)	(5,395,639)
TOTAL EQUITY	**63,902,940**	**27,971,302**

Statement of Profit or Loss and Other Comprehensive Income	2023 $	2022 $
Total loss	(5,595,722)	(671,228)
Total comprehensive loss	**(5,595,722)**	**(671,228)**

Guarantees

The Market Herald Limited is a guarantor, in relation to the debts of its subsidiaries as disclosed in Note 28.

Contingent liabilities

At 30 June 2023 and 30 June 2022, The Market Herald Limited had no contingent liabilities, other than as stated in note 29.

Contractual commitments

At 30 June 2023, The Market Herald Limited had not entered into any contractual commitments for the acquisition of property, plant and equipment (2022: Nil).

34. Group information

The consolidated financial statements of the Group include:

Name	Principal activity	Country of incorporation	% equity interest 2023	% equity interest 2022
Report Card Pty Ltd	Internet discussion forum	Australia	100	100
Report Card Canada Media Ltd	Internet discussion forum	Canada	100	100
Stockhouse Publishing Ltd	Internet discussion forum	Canada	100	100
Advisir Ventures Ltd	Internet discussion forum	Canada	100	100
The Market Herald Limited Employee Share Trust*	Employee Share Trust	Australia	N/A	N/A
708Placements Pty Ltd	Sophisticated investor services	Australia	100	100
Gumtree AU Pty Ltd	Classified and advertisements	Australia	100	-
Carsguide Autotrader Media Solutions Pty Ltd	Advertising	Australia	100	-
Gumtree IP AUS Holding Ltd	Classified and advertisements	United Kingdom	100	-
Subscribacar Pty Ltd	Advertising and retail leasing services	Australia	100	100
Subscribacar ACT Pty Ltd	Advertising and retail leasing services	Australia	100	100
Subscribacar VIC Pty Ltd	Advertising and retail leasing services	Australia	100	100
Subscribacar NSW Pty Ltd	Advertising and retail leasing services	Australia	100	100
Subscribacar SA Pty Ltd	Advertising and retail leasing services	Australia	100	100
Subscribacar QLD Pty Ltd	Advertising and retail leasing services	Australia	100	100

* The Company is deemed to have control over the Trust. The Trust's sole activities are obtaining shares or rights in the Group and distributing those shares or rights to employees and directors (or their associates) of the Group.

Directors' Declaration

In accordance with a resolution of the Directors of The Market Herald Limited, I state:

1. In the opinion of the directors:
   (a) the financial statements and notes of The Market Herald Limited for the financial year ended 30 June 2023 are in accordance with the *Corporations Act 2001*, including:
      (i) giving a true and fair view of the financial position of the Group as at 30 June 2023 and of its performance, for the year ended on that date; and
      (ii) complying with Accounting Standards and the *Corporations Regulations 2001*;
   (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2; and
   (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the directors by the chief executive officer and chief financial officer in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2023.

On behalf of the board

Alec Pismiris
Director
22 September 2023

RSM Australia Partners

Level 32 Exchange Tower
2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100
F +61 (0) 8 9261 9111

www.rsm.com.au

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
THE MARKET HERALD LIMITED

Opinion

We have audited the financial report of The Market Herald Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is 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 2023 and of its financial performance for the year then ended; and

(ii) 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 (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 confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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 judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed this matter
Revenue, contract assets and contract liabilities Refer to Note 4, 12 and 21 in the financial statements	
As disclosed in the consolidated statement of profit or loss and other comprehensive income, the Group has recognised revenue of $81,616,368 for the year ended 30 June 2023. In addition, as disclosed in the consolidated statement of financial position, the Group had contract assets of $5,786,185 and contract liabilities of $3,341,600 as at 30 June 2023. We determined revenue recognition to be a key audit matter due to the following: • The balances are material to the Group and there are risks associated with management judgements relating to the identification of contracts and performance obligations, determination of the transaction price and the timing of revenue recognition; and • Revenue recognition is a presumed fraud risk under the Australian Auditing Standards.	Our audit procedures included: • Assessing the Group's revenue recognition policies for compliance with accounting standards; • On a sample basis, agreeing revenue transactions to supporting documentation to assess whether the revenue recognition criteria were met; • On a sample of customer contracts, checking that performance obligations have not been satisfied at year end and testing the mathematical accuracy of the contract liabilities balance as at 30 June 2023; • On a sample basis, checking forecasted unbilled revenue to subsequent payment, ensuring performance obligations were satisfied before year end and testing the mathematical accuracy of contract assets balance as at 30 June 2023; • Testing a sample of revenue transactions before and after the reporting date to assess whether revenue is recognised in the correct financial period; and • Assessing the disclosures in the financial statements.
Impairment of intangibles Refer to Note 15 in the financial statements	
As disclosed in the consolidated statement of financial position, the Group had trademarks of $21,945,667 and goodwill of $3,922,634 as at 30 June 2023 arising from the acquisition of Stockhouse Publishing Limited in a prior financial period. We determined this area to be a key audit matter due to the size of the intangibles balance, the requirement to test goodwill annually for impairment and because management's assessment of the recoverable amount of the applicable cash generating unit (CGU) determined on a value-in-use basis involves significant judgements and estimation about the future underlying cash flows of the CGU and the discount rate applied.	Our audit procedures included: • Assessing the methodology used by management to prepare the value in use model by comparison to the requirements of accounting standards; • Challenging the reasonableness of key assumptions used by management in the value in use model to determine the CGU's recoverable amount; • Checking the mathematical accuracy of the value in use model and comparing input data to supporting evidence; • Evaluating the sensitivity of the key assumptions used in the value in use model; and • Assessing the disclosures in the financial statements.

<table>
<tr><th colspan="2">Business Combination – Acquisition of Gumtree AU Pty Ltd and its subsidiaries
Refer to Note 16 in the financial statements</th></tr>
<tr><td>On 4 October 2022, the Group acquired 100% of the shares in Gumtree AU Pty Ltd and its subsidiaries Carsguide Autotrader Media Solutions Pty Ltd and Gumtree IP AUS Holding Ltd.

The transaction was treated as a business combination in accordance with AASB 3 Business Combinations. The provisional purchase price allocation has resulted in intangible assets of $98,490,724 being recognised.

This was considered a key audit matter because the accounting for the transaction is complex and involves significant judgments. These include the recognition and valuation of consideration paid and the determination of the fair value of the assets acquired and liabilities assumed.</td><td>Our audit procedures included:

• Obtaining the purchase agreement and other associated documents to obtain an understanding of the transaction and the related accounting considerations;
• Determination that the acquisition met the definition of a business in accordance with Accounting Standards;
• Assessing management’s determination of the acquisition date, fair value of consideration paid, assets acquired and liabilities assumed; and
• Assessing the appropriateness of disclosures in the financial statements.</td></tr>
</table>

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023 but does not include the financial report and the 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.

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 the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of The Market Herald Limited, for the year ended 30 June 2023, 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.

RSM

RSM AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 22 September 2023

RSM Australia Partners

Level 32 Exchange Tower
2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100
F +61 (0) 8 9261 9111

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of The Market Herald Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

(ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

Perth, WA
Dated: 22 September 2023

TUTU PHONG
Partner

ASX Additional Information

The following additional information is required by the Australian Securities Exchange. The information is current as at 25 August 2023.

(a) Distribution schedule and number of holders of equity securities as at 25 August 2023

Holding Ranges – Ordinary shares	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	33	11,959	0.00%
above 1,000 up to and including 5,000	55	137,108	0.04%
above 5,000 up to and including 10,000	36	291,192	0.09%
above 10,000 up to and including 100,000	72	2,738,911	0.85%
above 100,000	45	317,793,411	99.01%
Totals	**241**	**320,972,581**	**100.00%**

The number of shareholders holding less than a marketable parcel of fully paid ordinary shares as at 25 August 2023 is 50 holding 34,823 shares.

(b) 20 Largest holders of quoted equity securities as at 25 August 2023

The names of the twenty largest holders of fully paid ordinary shares (ASX code: TMH) as at 23 August 2023 are:

Position	Holder Name	Holding	% Issued Capital
1	MR DAVID BRIAN ARGYLE	85,306,127	26.58%
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	76,390,484	23.80%
3	ZERO NOMINEES PTY LTD	33,360,941	10.39%
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	28,843,340	8.99%
5	GAB SUPERANNUATION FUND PTY LTD <GAB SUPERANNUATION FUND A/C>	18,786,482	5.85%
6	ROI CAPITAL INC	16,950,876	5.28%
7	MRS DANIELLE SANGHA <THE COWRIE FAMILY A/C>	9,071,925	2.83%
8	MRS REBECCA CAROLINE ARGYLE	8,819,018	2.75%
9	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	7,423,111	2.31%
10	REPORT CARD PTY LTD	4,767,713	1.49%
11	CITICORP NOMINEES PTY LIMITED	3,292,464	1.03%
12	MANIKATO FINANCIAL SERVICES PTY LTD	2,631,153	0.82%
13	TIRUMI PTY LTD <TIRUMI SUPER FUND A/C>	2,359,708	0.74%
14	RESOURCEFUL INVESTMENTS PTY LTD	2,004,901	0.62%
15	ACP INVESTMENTS PTY LTD	2,000,000	0.62%
16	COMMONWEALTH OF AUSTRALIA	1,769,796	0.55%
17	INGOT CAPITAL INVESTMENTS PTY LTD	1,417,298	0.44%
18	FLUE HOLDINGS PTY LTD	1,284,000	0.40%
19	AJAVA HOLDINGS PTY LTD	1,072,315	0.33%
20	BNP PARIBAS NOMS PTY LTD <DRP>	1,063,500	0.33%
	Total	**308,615,152**	**96.15%**
	Total issued capital - selected security class(es)	**320,972,581**	**100.00%**

Stock Exchange Listing – Listing has been granted for 320,972,581 fully paid ordinary shares of the Company on issue on the Australian Securities Exchange.

(c) Substantial shareholders

Substantial shareholders in The Market Herald Limited and the number of equity securities over which the substantial shareholder has a relevant interest as disclosed in substantial holding notices provided to the Company are listed below:

Holder Name	Holding Balance	% IC
GAB SUPERANNUATION FUND PTY LTD <GAB SUPERANNUATION FUND <A/C> (MR DAVID BRIAN ARGYLE, GAB SUPERANNUATION FUND PTY LTD <GAB SUPERANNUATION FUND <A/C>, GAVIN JOHN ARGYLE, ALEC PISMIRIS, ACP INVESTMENTS PTY LTD, ACP INVESTMENTS PTY LTD <A&L PISMIRIS S/F A/C>, PISMIRIS HOLDINGS PTY LTD, MS KASEY LINNEY, MR ERIC ROSENAL)	143,107,245	44.58%
MR DAVID BRIAN ARGYLE (GAB SUPERANNUATION FUND PTY LTD <GAB SUPERANNUATION FUND <A/C>, GAVIN JOHN ARGYLE, ALEC PISMIRIS, ACP INVESTMENTS PTY LTD, ACP INVESTMENTS PTY LTD <A&L PISMIRIS S/F A/C>, PISMIRIS HOLDINGS PTY LTD	142,324,893	44.34%
ALEC PISMIRIS (MR DAVID BRIAN ARGYLE, GAB SUPERANNUATION FUND PTY LTD <GAB SUPERANNUATION FUND <A/C>, GAVIN JOHN ARGYLE, ALEC PISMIRIS, ACP INVESTMENTS PTY LTD, ACP INVESTMENTS PTY LTD <A&L PISMIRIS S/F A/C>, PISMIRIS HOLDINGS PTY LTD)	142,324,893	44.34%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	76,390,484	23.80%
ZERO NOMINEES PTY LTD	33,360,941	10.39%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	28,843,340	8.99%
KASEY LINNEY (GAB SUPERANNUATION FUND PTY LTD <GAB SUPERANNUATION FUND <A/C>, GAVIN JOHN ARGYLE, KASEY LINNEY, ERIC ROSENAL)	21,542,853	6.71%
ERIC ROSENAL (GAB SUPERANNUATION FUND PTY LTD <GAB SUPERANNUATION FUND <A/C>, GAVIN JOHN ARGYLE, KASEY LINNEY, ERIC ROSENAL)	21,542,853	6.71%
GAB SUPERANNUATION FUND PTY LTD <GAB SUPERANNUATION FUND <A/C>	18,786,482	5.85%
ROI CAPITAL INC	16,950,876	5.28%

(d) Unquoted securities

The number of unquoted securities on issue as at 25 August 2023:

Security	Number on issue
Performance rights issued under employee plan (Chief Executive Officer)	1,449,275

(e) Holder details of unquoted securities

There are no holders above 20% of unquoted securities outside the employee plan.

(f) Voting rights

All fully paid ordinary shares carry one vote per ordinary share without restriction.

Unquoted options have no voting rights.

(g) Company secretary

The Company Secretary is Mr Ben Donovan.

(h) Registered office

The Company's Registered Office is Level 11, BGC Centre, 28 The Esplanade, Perth, AUSTRALIA.

Phone: +61 8 6169 3114

(i) Share registry

The Company's Share Registry is as follows:

Automic Group
Level 2/267 St Georges Terrace,
Perth WA 6000

Phone: 1300 288 664

(j) On-market buy- back

None.

(k) Corporate governance

The Board of The Market Herald Limited is committed to achieving and demonstrating the highest standards of Corporate Governance. The Board is responsible to its shareholders for the performance of the Company and seeks to communicate extensively with shareholders. The Board believes that sound Corporate Governance practices will assist in the creation of shareholder wealth and provide accountability. In accordance with ASX Listing Rule 4.10.3, the Company has elected to disclose its Corporate Governance policies and its compliance with them on its website, rather than in the Annual Report. Accordingly, information about the Company's Corporate Governance practices is set out on the Company's website at https://themarketherald.com.au/investors/

Level 11, BGC Centre
28 The Esplanade, Perth WA 6000
(ASX:TMH)

investors@themarketherald.com.au

themarketherald.com.au