



27 February 2024

Appendix 4D

Half- yearly report
Period ended 31 December 2023

EUROZ HARTLEYS GROUP LIMITED

ABN 53 000 364 465

Results for announcement to the market

Extracts from this report for announcement to the market

	31 Dec 23	31 Dec 22	Change \$	Change %
Revenue from ordinary activities	\$39,744,560	\$40,069,823	(\$325,263)	(0.8%)
Profit/(loss) from ordinary activities after tax attributable to members	\$1,040,050	\$3,072,634	(\$2,032,584)	(66.2%)
Net Profit/(loss) for the period attributable to members	\$1,040,050	\$3,072,634	(\$2,032,584)	(66.2%)
Net Tangible Assets per share	\$0.49	\$0.48		2.1%
Dividends and Distributions	Amount per security		Franked amount per security	
Interim Dividend	1.75 cents		1.75 cents	
Record date for determining entitlements to the interim dividend				5 Feb 2024
Dividend payable date				16 Feb 2024
The Company's dividend reinvestment plan was NOT applicable to the interim dividend.				

Results commentary for announcement to the market

The Directors of Euroz Hartleys Group Limited announce a net profit after tax (attributable to members) of \$1.0 million for the 6 months to 31 December 2023 (2022: \$3.1 million).

Euroz Hartleys Limited ("Euroz Hartleys") is Western Australia's leading stockbroking and wealth management business and we are pleased to report modest profitability during subdued market conditions.

Brokerage income for the half-year was \$14.9 million versus \$11.8 million for the previous corresponding half-year reporting period. Wealth management fees for the half-year were \$9.4 million versus \$9.0 million for the previous corresponding half-year reporting period. Corporate Finance revenues for the half-year were \$13.2 million versus \$18.1 million in the previous corresponding half-year reporting period. Equity Capital Market ("ECM") raisings were \$495.9 million versus the corresponding half year of \$666.8 million.



The Group's combined Funds Under Management ("FUM") as at 31 December 2023 was \$3.67 billion increasing from \$3.4 billion as at 30 June 2023. This reflects our ongoing focus to build recurring revenue streams.

Our cash¹ (excluding restricted cash in client trust account), other financial assets at fair value and investments at fair value as at 31 December 2023 was \$83.1 million (30 June 2023: \$94.5 million) with zero debt, continues to support our activities, differentiates us from many of our competitors and provides confidence to our significant adviser network and their large client base.

We congratulate all staff for their significant and successful efforts in our recent move from two separate buildings to one premium location at QV1. Our people remain our most important asset and we strongly believe that the positive team environment that we have built forms a solid foundation for the business.

We remind investors that our second half-year performance and final dividend will be dependent on market sentiment, commodity prices and ECM activity.

For further information please contact:

Andrew McKenzie
Executive Chairman
M: 0438755727
E: amckenzie@eurozhartleys.com

This announcement is authorised for release by the Board of Euroz Hartleys Group Limited.

Reporting period

The financial information contained in this report is for the six-month period ended 31 December 2023. This document should be read in conjunction with the Interim Financial Report and any public announcements made in the period by Euroz Hartleys Group Limited in accordance with the continuous disclosure requirements of the Corporations Act 2001 and ASX Listing Rules.

Note 1: Cash excluding restricted cash in client trust account.

Euroz Hartleys Group Limited

ABN 53 000 364 465

Financial Report

For the half year ended 31 December 2023

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EUROZ HARTLEYS GROUP LIMITED
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2023

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**EUROZ HARTLEYS GROUP LIMITED
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2023**

DIRECTORS' REPORT

The Directors submit the financial report of the consolidated group Euroz Hartleys Group Limited and its controlled entities ("Group") for the half-year ended 31 December 2023.

The following persons were Directors of Euroz Hartleys Group Limited who held office during or since the end of the half-year:

EXECUTIVE CHAIRMAN

Andrew McKenzie

INDEPENDENT NON-EXECUTIVE DIRECTORS

Robin Romero

Fiona Kalaf

EXECUTIVE DIRECTORS

Ian Parker

Richard Simpson

Jay Hughes (*retired 8 August 2023*)

COMPANY SECRETARY

Anthony Hewett

PRINCIPAL ACTIVITIES

The principal activities of the Group consisted of:

- Stockbroking, Corporate Finance and Wealth Management;
- Funds Management and
- Investing.

OPERATING RESULTS AND REVIEW OF OPERATIONS

The Directors of Euroz Hartleys Group Limited announce a net profit after tax (attributable to members) of \$1.0 million for the 6 months to 31 December 2023 (2022: \$3.1 million).

Euroz Hartleys Limited ("Euroz Hartleys") is Western Australia's leading stockbroking and wealth management business and we are pleased to report modest profitability during subdued market conditions.

Brokerage income for the half-year was \$14.9 million versus \$11.8 million for the previous corresponding half-year reporting period. Wealth management fees for the half-year were \$9.4 million versus \$9.0 million for the previous corresponding half-year reporting period. Corporate Finance revenues for the half-year were \$13.2 million versus \$18.1 million in the previous corresponding half-year reporting period. Equity Capital Market ("**ECM**") raisings were \$495.9 million versus the corresponding half year of \$666.8 million.

The Group's combined Funds Under Management ("**FUM**") as at 31 December 2023 was \$3.67 billion increasing from \$3.4 billion as at 30 June 2023. This reflects our ongoing focus to build recurring revenue streams.

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**EUROZ HARTLEYS GROUP LIMITED
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2023**

DIRECTORS' REPORT (continued)

Our cash (excluding restricted cash in client trust account), other financial assets at fair value and investments at fair value as at 31 December 2023 was \$83.1 million (30 June 2023: \$94.5 million) with zero debt, continues to support our activities, differentiates us from many of our competitors and provides confidence to our significant adviser network and their large client base.

We congratulate all staff for their significant and successful efforts in our recent move from two separate buildings to one premium location at QV1. Our people remain our most important asset and we strongly believe that the positive team environment that we have built forms a solid foundation for the business.

We remind investors that our second half-year performance and final dividend will be dependent on market sentiment, commodity prices and ECM activity.

DIVIDENDS


A fully franked final dividend for the financial year ended 30 June 2023 of \$0.035 per share was paid to shareholders in September 2023, of which \$5.3 million was paid in cash and \$0.5 million was distributed via our dividend reinvestment plan.

In December 2023, the Directors approved a fully franked dividend of 1.75 cents per share. This was provided for as at 31 December 2023 and paid on 16 February 2024.

AUDITOR'S DECLARATION

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 5 of the financial report for the half-year ended 31 December 2023.

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



Andrew McKenzie
Executive Chairman
27 February 2024

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Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Euroz Hartleys Group Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Euroz Hartleys Group Limited for the half-year ended 31 December 2023 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

Trevor Hart

Partner

Perth

27 February 2024



Independent Auditor's Review Report

To the shareholders of Euroz Hartleys Group Limited

Report on the Half-year Financial Report

Conclusion

We have reviewed the accompanying **Half-year Financial Report** of Euroz Hartleys Group Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of Euroz Hartleys Group Limited does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the **Group's** financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- Complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*

The **Half-year Financial Report** comprises:

- Condensed consolidated statement of financial position as at 31 December 2023;
- Condensed consolidated statement of profit or loss and other comprehensive income, Condensed consolidated statement of changes in equity and Condensed consolidated statement of cash flows for the half-year ended on that date;
- Notes 1 to 12 comprising significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The **Group** comprises Euroz Hartleys Group Limited (the Company) and the entities it controlled at half year or from time to time during the Half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our review of the Half-year Financial Report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of the Directors for the Half-year Financial Report

The Directors of the Group are responsible for:

- the preparation of the Half-year Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Half-year Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

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



KPMG



Trevor Hart

Partner

Perth

27 February 2024

EUROZ HARTLEYS GROUP LIMITED
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2023

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
 COMPREHENSIVE INCOME**

	31 December 2023	31 December 2022
Note	\$	\$
Revenue	3 39,744,560	40,069,823
(Loss) / gain on investments	(2,701,401)	1,537,607
Employee benefits expense	(26,251,098)	(28,837,063)
Depreciation and amortisation expenses	(1,611,875)	(1,281,655)
Regulatory expenses	(547,490)	(576,070)
Legal, professional and consultancy expenses	(144,658)	(543,005)
Conference and seminar expenses	(542,186)	(511,749)
Stockbroking and wealth management expenses	(2,780,579)	(2,335,232)
Write off of right of use assets and liabilities	9 81,846	-
Other expenses	(3,289,500)	(2,946,381)
Profit before income tax expense	1,957,619	4,576,275
Income tax expense	(917,569)	(1,503,641)
Profit after income tax expense for the period	1,040,050	3,072,634
Other comprehensive income		
Other comprehensive income, net of tax	-	-
Total comprehensive income for the period	1,040,050	3,072,634
Profit for the period is attributable to:		
Owners of Euroz Hartleys Group Limited	1,040,050	3,072,634
	1,040,050	3,072,634
Total comprehensive income for the period is attributable to:		
Owners of Euroz Hartleys Group Limited	1,040,050	3,072,634
	1,040,050	3,072,634
	Cents	Cents
Basic earnings per share	0.66	1.69
Diluted earnings per share	0.63	1.60

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

EUROZ HARTLEYS GROUP LIMITED
FINANCIAL REPORT AS AT 31 DECEMBER 2023

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	31 December 2023 \$	30 June 2023 \$
CURRENT ASSETS			
Cash and cash equivalents	6	84,291,276	88,155,855
Trade and other receivables		17,428,672	25,136,908
Financial assets at fair value through profit and loss	8	10,104,304	16,130,200
Other current assets		2,240,582	4,207,730
Current tax receivable		2,499,284	1,675,992
Financial assets at amortised cost	8	649,003	-
Total current assets		<u>117,213,121</u>	<u>135,306,685</u>
NON-CURRENT ASSETS			
Financial assets at amortised cost	8	2,438,352	686,296
Investments at fair value through profit and loss	7	1,932,862	2,084,000
Plant and equipment		1,349,946	1,384,911
Deferred tax assets		5,620,960	5,512,310
Intangible assets		38,452,266	38,755,745
Right of use asset	9	13,926,070	1,842,069
Total non-current assets		<u>63,720,456</u>	<u>50,265,331</u>
TOTAL ASSETS		<u>180,933,577</u>	<u>185,572,016</u>
CURRENT LIABILITIES			
Trade and other payables	10	39,878,696	55,475,560
Provisions		9,226,219	9,016,263
Lease liability	9	2,208,277	1,358,111
Total current liabilities		<u>51,313,192</u>	<u>65,849,934</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities		1,745,574	2,267,797
Provisions		380,885	221,819
Lease liability	9	13,043,341	2,194,393
Total non-current liabilities		<u>15,169,800</u>	<u>4,684,009</u>
TOTAL LIABILITIES		<u>66,482,992</u>	<u>70,533,943</u>
NET ASSETS		<u>114,450,585</u>	<u>115,038,073</u>
EQUITY			
Issued capital	11	99,725,548	98,562,525
Share-based payment reserve		9,488,535	9,395,353
Retained earnings		5,236,502	7,080,195
TOTAL EQUITY		<u>114,450,585</u>	<u>115,038,073</u>

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

EUROZ HARTLEYS GROUP LIMITED
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2023

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued Capital	Retained Earnings	Share based payment reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2023	98,562,525	7,080,195	9,395,353	115,038,073
Profit for the period	-	1,040,050	-	1,040,050
Total comprehensive income for the period	-	1,040,050	-	1,040,050
<i>Transactions with owners, recorded directly in equity</i>				
Shares issued during the period	467,837	-	-	467,837
Vested shares under Performance Rights Plan	1,238,744	-	(1,238,744)	-
Treasury shares	(543,558)	-	-	(543,558)
Share-based payments	-	-	1,331,926	1,331,926
Dividends to equity holders (ii)	-	(2,883,743)	-	(2,883,743)
Total contributions by and distributions to owners	1,163,023	(2,883,743)	93,182	(1,627,538)
Balance at 31 December 2023	99,725,548	5,236,502	9,488,535	114,450,585
	Issued Capital	Retained Earnings	Share based payment reserve	Total
	\$	\$	\$	\$
Balance at 1 July 2022	136,740,320	47,552,553	8,917,497	193,210,370
Profit for the period	-	3,072,634	-	3,072,634
Total comprehensive income for the period	-	3,072,634	-	3,072,634
<i>Transactions with owners, recorded directly in equity</i>				
Return of capital (i)	(39,998,187)	-	-	(39,998,187)
Vested shares under Performance Rights Plan	3,639,833	-	(3,639,833)	-
Treasury shares	26,042	-	-	26,042
Share-based payments	-	-	2,348,136	2,348,136
Dividends to equity holders (ii)	-	(44,060,578)	-	(44,060,578)
Total contributions by and distributions to owners	(36,332,312)	(44,060,578)	(1,291,697)	(81,684,587)
Balance at 31 December 2022	100,408,008	6,564,609	7,625,800	114,598,417

(i) Return of capital related to the \$40 million equal capital reduction and share cancellation paid in December 2022 as part of the Group's strategic cash and capital management initiative. This resulted in the simultaneous cancellation of 16.85% of the issued capital.

(ii) December 2023 dividends to equity holders relate to fully franked half-year interim dividend of \$0.0175 per share paid to shareholders in February 2024. December 2022 dividends to equity holders comprised of \$40 million fully franked special dividend of \$0.2027 per share paid to shareholders in October 2022 as part of the Group's strategic cash and capital management initiative and \$4.1 million fully franked December 2022 half year dividend of \$0.025 per share paid in February 2023.

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

EUROZ HARTLEYS GROUP LIMITED
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2023

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	31 December 2023	31 December 2022
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	49,327,922	45,089,659
Payments to suppliers and employees (inclusive of goods and services tax)	<u>(47,576,533)</u>	<u>(40,346,585)</u>
	1,751,389	4,743,074
Proceeds from sale of trading shares	6,182,624	3,651,823
Payments for trading shares	(1,168,317)	(401,774)
Interest received	1,695,026	961,568
Income taxes paid net of refund	<u>(2,371,734)</u>	<u>(12,736,039)</u>
Net cash inflow / (outflow) from operating activities	<u>6,088,988</u>	<u>(3,781,348)</u>
Cash flows from investing activities		
Payment into investment fund	-	(2,000,000)
FinClear Services security deposit	-	350,000
Term deposit	(2,388,352)	-
Payments for property, plant and equipment	<u>(965,174)</u>	<u>(119,849)</u>
Net cash outflow from investing activities	<u>(3,353,526)</u>	<u>(1,769,849)</u>
Cash flows from financing activities		
Return of capital (i)	-	(39,998,186)
Receipts / (payments) for treasury shares	(543,558)	26,042
Dividends paid (ii)	(5,284,557)	(56,729,828)
Repayment of lease liabilities	(710,187)	(618,637)
Interest paid on lease liabilities	<u>(61,739)</u>	<u>(93,606)</u>
Net cash outflow from financing activities	<u>(6,600,041)</u>	<u>(97,414,215)</u>
Net decrease in cash and cash equivalents	<u>(3,864,579)</u>	<u>(102,965,412)</u>
Cash and cash equivalents at 1 July (Note 6)	<u>88,155,855</u>	<u>190,667,525</u>
Cash and cash equivalents at 31 December (Note 6)	<u>84,291,276</u>	<u>87,702,113</u>

(i) Return of capital related to the \$40 million equal capital reduction and share cancellation paid in December 2022 as part of the Group's strategic cash and capital management initiative. This resulted in the simultaneous cancellation of 16.85% of the issued capital.

(ii) December 2023 dividends paid relates to June 2023 fully franked final dividend of \$0.035 per share paid to shareholders in September 2023. December 2022 dividends paid comprised of \$16.7 million fully franked June 2022 final dividend of \$0.085 per share paid to shareholders in August 2022 and \$40 million fully franked special dividend of \$0.2027 per share paid to shareholders in October 2022 as part of the Group's strategic cash and capital management initiative.

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

EUROZ HARTLEYS GROUP LIMITED
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2023
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Statement of significant accounting policies

The half-year financial report is a general-purpose financial report prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 Interim Financial Reporting and IAS 34 Interim Financial Reporting.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2023. Selected explanatory notes are included to explain significant events and transactions since 30 June 2023 annual report.

Euroz Hartleys Group Limited is a company limited by shares, incorporated and domiciled in Australia and whose shares are publicly traded on the Australian Securities Exchange ("ASX").

This half-year financial report was approved by the Board of Directors for issue on 27 February 2024.

(a) Basis of preparation

The half-year financial report has been prepared on the basis of historical cost modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. Cost is based on the fair values of the consideration given in exchange for assets.

The half-year financial report is presented in Australian Dollars, which is the consolidated Group's functional currency. All amounts have been rounded to the nearest dollar, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the consolidated group's annual financial report for the financial year ended 30 June 2023.

The half-year financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and realisation of assets and the settlement of liabilities in the normal course of business.

(b) Estimates

The preparation of the half-year financial report requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the half-year financial report, significant judgment made by management in applying the consolidated group's accounting policies and key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements as at and for the year ended 30 June 2023.

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**EUROZ HARTLEYS GROUP LIMITED
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2023**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Note 2: Segment information

The Group has identified its operating segments based on the internal reports that are reviewed and used by the executive team (the chief operating decision makers) in assessing performance and in allocating resources. The Group's reportable segments have been determined to be:

Private Wealth

Private Wealth refers to private wealth advisers who work with high net wealth individuals, companies, Self-Managed Superannuation Funds (SMSF) and other clients. Private wealth advisers provide a broad investment offering of stockbroking and corporate services for clients. The wealth management team provides strategic investment advice, superannuation advice, investment management and portfolio administration services.

Wholesale

Wholesale refers to the Institutional Dealing, Research and Corporate Finance team who work with companies and other institutional clients. The Institutional Dealing team provides quality advice, idea generation, site visits, and roadshows highly focused on resources, mining services and small to mid-cap Western Australia (WA) industrials. Working with the Institutional team is the Research team which has extensive coverage of ASX listed industrials, resources and energy companies. The Corporate Finance team specialises in Equity Capital Markets (ECM), Mergers and Acquisitions (M&A) and strategic Corporate Advisory.

Funds Management

Westoz Funds Management (WFM), a wholly owned subsidiary of Euroz Hartleys Group Limited has an Australian Financial Services Licence (AFSL). Currently WFM is managing the mandate for Westoz Resources Fund Limited, an unlisted public company available to sophisticated and professional investors.

Other

Other refers to income and expenses that does not fall within the segments described above.

Due to the nature of the business providing financial services to the clients driven by the employees, management does not consider asset and liabilities separation to be an appropriate measure of segments.

Basis of accounting for purpose of reporting by operating segments

The accounting policies used by the Group in reporting segments internally are consistent with those adopted in the financial statements of the consolidated group, unless otherwise stated.

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EUROZ HARTLEYS GROUP LIMITED
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2023
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Note 2: Segment information (continued)

Segment performance

	Private Wealth	Wholesale	Funds Management	Other	Total
	\$	\$	\$	\$	\$
31 December 2023					
Brokerage	10,420,942	4,494,553	-	-	14,915,495
Underwriting and placement fees	3,245,079	9,515,429	-	-	12,760,508
Performance and management fees	-	-	131,290	-	131,290
Wealth management fees	9,457,704	3,718	-	-	9,461,422
Corporate advisory	-	398,000	-	-	398,000
Interest received	-	-	31,151	1,664,319	1,695,470
Dividends received	-	-	-	70,000	70,000
Other revenue	76,932	18,844	-	216,599	312,375
Total segment revenue	23,200,657	14,430,544	162,441	1,950,918	39,744,560
Segment net operating profit / (loss) after tax	(1,488,280)	202,527	(94,118)	2,419,921	1,040,050
	Private Wealth	Wholesale	Funds Management	Other	Total
	\$	\$	\$	\$	\$
31 December 2022					
Brokerage	9,578,156	2,252,449	-	-	11,830,605
Underwriting and placement fees	4,312,712	11,640,035	-	-	15,952,747
Performance and management fees	-	-	21,500	-	21,500
Wealth management fees	9,014,032	7,814	-	-	9,021,846
Corporate advisory	-	2,186,430	-	-	2,186,430
Interest received	-	-	5,848	957,646	963,494
Other revenue	32,162	60,799	-	240	93,201
Total segment revenue	22,937,062	16,147,527	27,348	957,886	40,069,823
Segment net operating profit / (loss) after tax	(1,034,173)	2,691,665	(244,437)	1,659,579	3,072,634

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EUROZ HARTLEYS GROUP LIMITED
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2023
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Note 3: Revenue

	31 December 2023	31 December 2022
	\$	\$
Brokerage	14,915,495	11,830,605
Underwriting and placement fees	12,760,508	15,952,747
Performance and management fees	131,290	21,500
Wealth management fees	9,461,422	9,021,846
Corporate advisory fees	398,000	2,186,430
Interest received	1,695,470	963,494
Dividends and trust distributions received	70,000	-
Other revenue	312,375	93,201
	<u>39,744,560</u>	<u>40,069,823</u>

Note 4: Dividends payable

	31 December 2023	31 December 2022
	\$	\$
Fully franked ordinary interim dividend of 1.75 cents (2022: 2.5 cents) per share franked at the tax rate of 30% (2022: 30%). This has been recognised as a provision in the condensed consolidated statement of financial position at 31 December 2023.	<u>2,884,396</u>	<u>4,101,002</u>

Note 5: Contingent liabilities and assets

The parent entity and consolidated group had contingent liabilities at 31 December as follows:

	31 December 2023	30 June 2023
	\$	\$
Secured guarantees in respect of leases of a controlled group entity:		
Westpac Banking Corporation	3,185,168	796,816
Bankwest	649,003	636,295
	<u>3,834,171</u>	<u>1,433,111</u>

The consolidated group has a deposit with FinClear Services Pty Ltd as part of Euroz Hartleys Limited international trading and settlement arrangements. This deposit totalled \$50,000 at reporting date (30 June 2023: \$50,000).

The group has no contingent assets at the reporting date.

EUROZ HARTLEYS GROUP LIMITED
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Note 6: Cash and cash equivalents

	31 December 2023	30 June 2023
	\$	\$
Cash at bank and on hand	68,883,460	74,119,850
Restricted cash:		
Cash margin account	2,140,677	2,180,899
Client trust account	<u>13,267,139</u>	<u>11,855,106</u>
Total restricted cash	<u>15,407,816</u>	<u>14,036,005</u>
Total cash and cash equivalents	<u>84,291,276</u>	<u>88,155,855</u>

The cash margin account is held by the Australian Securities Exchange (ASX) as a margin requirement to cover possible market participant default and is adjusted each day to reflect the Company's current obligation to the clearing house at ASX. Client trust bank balances are segregated client funds and not available for general use by the Group.

Note 7: Investments at fair value through profit and loss

	2023	2022
	\$	\$
Opening fair value – 1 July	2,084,000	-
Additions (i)	70,000	2,000,000
Fair value (losses) / gains	<u>(221,138)</u>	<u>25,317</u>
Closing balance – 31 December	<u>1,932,862</u>	<u>2,025,317</u>

- (i) Investments at fair value through profit and loss relates to Euroz Hartleys Group Limited's 8% investment in Westoz Resources Fund Limited ("WRFL"). WRFL is an unlisted investment fund whose purpose is to generate positive returns and returning dividends to investors through the trading of stocks generally associated with the resources sector in Western Australia. The manager of the fund is Westoz Funds Management ("WFM") a wholly owned subsidiary of Euroz Hartleys Group Limited.

WRFL is measured at fair value in accordance with Group policies as disclosed in the annual report. At each reporting date, the Group will review the carrying amount of the investment to determine whether there is an indication of impairment. If any indication exists, then the investment's recoverable amount is estimated, being the higher of value in use and fair value less costs of disposal. An impairment loss will be recognised if the carrying amount of the asset exceeds its recoverable amount and is recognised in profit or loss.

Note 8: Fair value measurement

The following table details the consolidated group's fair value of financial instruments categorised by the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). Techniques, such as estimated discounted cash flows and Black-Scholes model are used to determine fair value for the financial instruments.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Note 8: Fair value measurement (continued)

	31 December 2023	Note	Carrying amount		Fair value				
			Mandatorily at FVTPL (ii)	Financial assets / liabilities at amortised cost	Total	Level 1	Level 2	Level 3	Total
			\$	\$	\$	\$	\$	\$	\$
Current financial assets									
Cash and cash equivalents (i)		6	-	84,291,276	84,291,276	-	-	-	-
Trade and other receivables (i)			-	17,428,672	17,428,672	-	-	-	-
Other financial assets			10,104,304	-	10,104,304	556,684	9,438,620	109,000	10,104,304
Financial assets (i)			-	649,003	649,003	-	-	-	-
Non - Current financial assets									
Financial assets (i)			-	2,438,352	2,438,352	-	-	-	-
Investments at fair value		7	1,932,862	-	1,932,862	-	1,932,862	-	1,932,862
Current financial liabilities									
Trade and other payables (i)		10	-	(39,878,696)	(39,878,696)	-	-	-	-
			12,037,166	64,928,607	76,965,773	556,684	11,371,482	109,000	12,037,166

(i) Balances are measured at amortised cost and their carrying amount approximates fair value

(ii) Fair value through profit and loss (FVTPL)

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FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2023
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Note 8: Fair value measurement (continued)

	Note	Carrying amount		Fair value				
		Designated at FVTPL at (ii)	Financial assets / liabilities at amortised cost	Total	Level 1	Level 2	Level 3	Total
30 June 2023		\$	\$	\$	\$	\$	\$	\$
Current financial assets								
Cash and cash equivalents (i)	6	-	88,155,855	88,155,855	-	-	-	-
Trade and other receivables (i)		-	25,136,908	25,136,908	-	-	-	-
Other financial assets		16,130,200	-	16,130,200	5,728,629	10,048,436	353,135	16,130,200
Non - Current financial assets								
Financial assets (i)		-	686,296	686,296	-	-	-	-
Investments at fair value	7	2,084,000	-	2,084,000	-	2,084,000	-	2,084,000
Current financial liabilities								
Trade and other payables (i)	10	-	(55,475,560)	(55,475,560)	-	-	-	-
		18,214,200	58,503,499	76,717,699	5,728,629	12,132,436	353,135	18,214,200

(i) Balances are measured at amortised cost and their carrying amount approximates fair value

(ii) Fair value through profit and loss (FVTPL)

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Note 9: Right of use asset and liabilities

Euroz Hartleys Group Limited signed a new lease agreement in May 2023 for office space at QV1 located at 250 St Georges Terrace, Perth. The new lease for part of Level 37 and the whole of Level 38 of QV1 is for a period of 10 years commencing on 1 July 2024 with two options to renew for 5 years commencing 1 July 2034 and 1 July 2039. The lease for 2,505 square metres is on normal commercial terms with a market rate incentive.

An assessment of the contract determined that it qualifies as a lease, as it grants the right to control the use of a specific asset for a defined period in exchange for compensation. As a result, the recognition of the right of use asset and lease liability occurred in December 2023 when the office became available for use.

Following the move to QV1, the Group surrendered the leases for the premises at Level 18 Alluvion, 58 Mounts Bay Road, Perth WA and Level 6 Westralia, 141 St Georges Terrace, Perth WA on 31 December 2023. The respective right-of-use assets were fully written off and the lease liabilities were also wound down to the extent of the agreed surrender fee at 31 December 2023. Below is the movement of the right of use assets and liabilities:

	31 December 2023	30 June 2023
	\$	\$
Leased premises	13,958,652	7,716,294
Accumulated amortisation	(57,130)	(4,739,150)
Impairment expense	-	(1,174,911)
	<u>13,901,522</u>	<u>1,802,233</u>
Office equipment	105,056	105,056
Accumulated amortisation	(80,508)	(65,220)
	<u>24,548</u>	<u>39,836</u>
Right of use asset	<u>13,926,070</u>	<u>1,842,069</u>
Lease liability – current	<u>2,208,277</u>	<u>1,358,111</u>
Lease liability – non-current	<u>13,043,341</u>	<u>2,194,393</u>
Reconciliation of right of use asset:		
Balance as at 1 July	1,842,069	4,244,049
Additions	13,958,652	-
Amortisation expense	(407,146)	(1,222,033)
Impairment expense	(1,467,505)	(1,174,911)
Disposal	-	(5,036)
	<u>-</u>	<u>(5,036)</u>
Balance as at 31 December (30 June)	<u>13,926,070</u>	<u>1,842,069</u>

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FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2023
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Note 9: Right of use asset and liabilities (continued)

Reconciliation of right of use lease liability:

	31 December 2023	30 June 2023
	\$	\$
Balance as at 1 July	3,552,504	4,907,275
Additions	13,958,652	-
Disposals	-	(5,036)
Write-off of lease liabilities	(1,549,351)	-
Interest expense	61,739	176,722
Interest paid	(61,739)	(176,722)
Lease payments	<u>(710,187)</u>	<u>(1,349,735)</u>
Balance as at 31 December (30 June)	<u>15,251,618</u>	<u>3,552,504</u>

The following table sets out a maturity analysis of lease liabilities showing the undiscounted lease payments to be paid after the reporting date.

	31 December 2023	30 June 2023
	\$	\$
Less than one year	2,208,277	1,358,091
One to two years	848,999	1,379,300
Two to three years	946,448	535,289
Three to four years	1,090,827	279,824
Four to five years	1,248,125	-
More than 5 years	<u>9,384,882</u>	<u>-</u>
	<u>15,727,558</u>	<u>3,552,504</u>

Note 10: Trade and other payables

	31 December 2023	30 June 2023
	\$	\$
Trade and other payables	2,449,899	1,812,293
Broker payable (i)	25,378,159	32,328,853
Dividend payable	2,884,396	5,753,047
Accruals	<u>9,166,242</u>	<u>15,581,367</u>
	<u>39,878,696</u>	<u>55,475,560</u>

(i) Broker payable relates to outstanding client accounts and amounts owed by the Group to Australian Securities Exchange (ASX) Clearing.

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EUROZ HARTLEYS GROUP LIMITED
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2023

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Note 11: Share capital

	31 December 2023 Shares	31 December 2022 Shares	31 December 2023 \$	31 December 2022 \$
(a) Share capital				
Ordinary shares:				
Issued and paid up capital - consisting of ordinary shares (net of treasury shares)	<u>156,218,272</u>	<u>155,236,018</u>	<u>99,725,548</u>	<u>100,408,008</u>

(b) Movements in ordinary share capital

	2023 Shares	2022 Shares
Opening balance – 1 July	155,112,688	187,106,282
Issue of new shares	449,843	-
Share cancellation (i)	-	(33,257,006)
Acquisition of Treasury shares	(611,679)	-
Vested shares under Performance Rights Plan	<u>1,267,420</u>	<u>1,386,742</u>
Closing balance – 31 December	<u>156,218,272</u>	<u>155,236,018</u>

(c) Movements in ordinary share capital

	2023 \$	2022 \$
Opening balance – 1 July	98,562,525	136,740,320
Issue of new shares	467,837	-
Return of capital (i)	-	(39,998,187)
Treasury shares	(543,558)	26,042
Vested shares under Performance Rights Plan	<u>1,238,744</u>	<u>3,639,833</u>
Closing balance – 31 December	<u>99,725,548</u>	<u>100,408,008</u>

(i) In the prior period Return of capital / share cancellation related to the \$40 million equal capital reduction and share cancellation paid in December 2022 as part of the Group's strategic cash and capital management initiative.

EUROZ HARTLEYS GROUP LIMITED
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2023
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Note 11: Share capital (continued)

(d) Movements in treasury shares

	2023 Shares	2022 Shares
Opening balance – 1 July	(9,260,069)	(10,190,791)
On-market purchase during the period	(611,679)	-
Share cancellation (i)	-	1,483,980
Vested shares under Performance Rights Plan	<u>1,267,420</u>	<u>1,386,742</u>
Closing balance – 31 December	<u>(8,604,328)</u>	<u>(7,320,069)</u>

- (i) In prior period share cancellation related to treasury shares that were cancelled as part of the \$40 million equal capital reduction and share cancellation in December 2022 as part of the Group's strategic cash and capital management initiative.

(e) Movements in share-based payments reserve

The reserve records items recognised as expenses on valuation of share-based payments. The movement in the current period totalling \$1,331,926 (December 2022: \$2,348,136) comprises the vesting expense related to the fair value of performance rights granted in prior years in connection with the Performance Rights Plan and an accelerated expense relating to performance rights granted in prior years which vested early as part of the equal capital reduction and share cancellation.

	2023 \$	2022 \$
Opening balance – 1 July	9,395,353	8,917,497
Vested shares under Performance Rights Plan	(1,238,744)	(3,639,833)
Share based payments expense	<u>1,331,926</u>	<u>2,348,136</u>
Closing balance – 31 December	<u>9,488,535</u>	<u>7,625,800</u>

The decrease in the share-based payments reserve relates to the fair value of shares issued in respect of performance rights that vested as part of the performance rights plan. The fair value of performance rights is determined at grant date and is calculated as 25% of an individual's annual bonus as determined by the Board.

Advisors who are paid a commission may also be paid in equity when they meet specific performance hurdles as set out in their individual employment contract. Performance rights convert to plan shares after year 1 which are held as treasury shares by the Euroz Share Trust. These plan shares are subject to a 3-year vesting period.

Note 12: Subsequent events

The Directors are not aware of any other matter or circumstance subsequent to 31 December 2023 that has significantly affected, or may significantly affect the consolidated group's operations in future financial years, the results of those operations in future financial years, or the consolidated group's state of affairs in future financial years.

**EUROZ HARTLEYS GROUP LIMITED
FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2023**

DIRECTORS' DECLARATION

The Directors of Euroz Hartleys Group Limited ("the Company") declare that:

1. The condensed consolidated financial statements and notes, of the consolidated group are in accordance with the Corporations Act 2001 including:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - (b) giving a true and fair view of the group's condensed consolidated financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors:


Andrew McKenzie
Executive Chairman

Dated: 27 February 2024, Perth

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