

ASX ANNOUNCEMENT

AWAG SUCCESSFUL CAPITAL RAISING, ASX LISTING AND UNDERLYING PROFIT OF \$ 318K FOR 6 MONTHS ENDED 31 DECEMBER 2023

The board of AWAG is pleased to announce that the company successfully raised \$5 million in a recent oversubscribed IPO and its shares began trading on the Australian Securities Exchange (ASX) on 16 February under the code WAG.

We are also pleased to announce an underlying* profit before tax of \$318,164 ⁽¹⁾ for the 6 months ended 31 December 2023. The result was adjusted for one-off IPO listing costs and assumed the full 6 months operation of Armytage. It reflects the sound positive cash flow of the company. Underlying revenue for the first half of FY2024 was \$4.8m, with post listing group cash on hand as at 21/2/24 of \$7.1m.

The board is addressing strategies to grow AWAG's 2 businesses (Armytage Private and CHPW) both organically and by acquisition.

AWAG also continues to review corporate investment opportunities and has recently announced that it now controls 5% of ASX listed financial services company E&P Financial Group Limited (ASX: EP1), via its funds management subsidiary.

We would like to take the opportunity to thank all subscribers and advisors for their support and look forward to an exciting future.



Lee Iafrate

Executive Chairman

Enquiries:

Contact Lee at 03 9674 0600

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(1). Underlying profit is derived from the statutory loss of \$31K with one off IPO costs of \$276K added back and assumed Armytage is part of the WAG Group for the entire 6 months of FY2024. Underlying profit is a non-IFRS measure and is presented to provide users with additional insight into the Company's business and to facilitate incremental understanding of the Company's underlying financial performance. Non-IFRS information is not audited.

About AWAG

WAG is a financial services business which operates in funds and investment management through Armytage Private; and in providing services to wealth management advisors through CHPW Financial. AWAG also intends to participate in the rationalisation of the Australian financial services and wealth management sectors through corporate activism. Its directors are highly experienced financial services professionals who own key stakes in the company.

The Australian Wealth Advisors Group Limited
Appendix 4D
Half-year report

1. Company details

Name of entity: The Australian Wealth Advisors Group Limited
ABN: 31653634292
Reporting period: For the half-year ended 31 December 2023
Previous period: For the half-year ended 31 December 2022

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	16.9% to	4,600,064
Loss from ordinary activities after tax	up	44.8% to	(85,850)
Loss for the half-year	up	44.8% to	(85,850)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the consolidated entity after providing for income tax amounted to \$85,850 (31 December 2022: \$59,289).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.30	0.92

4. Control gained over entities

On 31 August 2023 the Group acquired 100% of the share capital of Armytage Private Pty Ltd.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

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

11. Attachments

Details of attachments (if any):

The Interim Report of The Australian Wealth Advisors Group Limited for the half-year ended 31 December 2023 is attached.

12. Signed

Signed 

Lee laFrate
Executive Chairman

Date: 27 February 2024

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The Australian Wealth Advisors Group Limited

ABN 31653634292

Interim Report - 31 December 2023

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The Australian Wealth Advisors Group Limited
Directors' report
31 December 2023

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of The Australian Wealth Advisors Group Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

Directors

The following persons were directors of The Australian Wealth Advisors Group Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Lee laFrate
Paul Young
Mark Stephen
Sam Adigrati (resigned 30 October 2023)
Scott Beeton (resigned 30 October 2023)
Michael Fitzpatrick (appointed 1 October 2023)

Principal activities

During the financial half-year the principal continuing activities of the consolidated entity consisted of:

- Investment and funds management services
- Provision of services to wealth management advisors

Review of operations

The consolidated entity incurred a total comprehensive loss for the half-year of \$85,850 (31 December 2022: \$59,289) primarily due to the costs incurred in relation to the preparation of the IPO prospectus.

The consolidated entity continued its business of providing services to wealth management advisors through its wholly owned subsidiary CHPW Financial Pty Ltd. On 31 August 2023, the company acquired Armytage Private Pty Ltd ("ARMY"), an investment and funds management business with over \$300 million funds under management. ARMY was acquired for consideration of \$6.125 million consisting the issue of 17.5 million shares in the company and payment of \$1.75 million of which 50% is deferred until 31 August 2024.

On 20 November 2023, the consolidated entity undertook an Initial Public Offering ("IPO") and issued a prospectus to raise \$5 million which was oversubscribed. The funds raised are to be used to meet vendor consideration, operational working capital and to meet the costs of the offer.

Matters subsequent to the end of the financial half-year

On 14 February 2024 the consolidated entity was admitted to the Official List of the ASX and its shares were quoted from 16 February 2024. The consolidated entity raised \$5m less costs of the offer and issued 20,000,000 new ordinary shares. The consolidated entity also issued 625,000 new ordinary shares to IPO advisors.

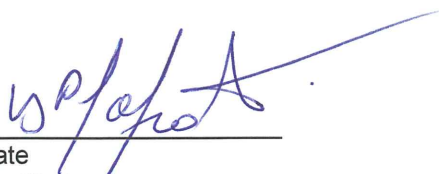
No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

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 immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Lee laFrate
Executive Chairman

27 February 2024



Charterhouse & Co Auditors Pty Ltd

ABN: 78 159 463 644

L1, Suite 7B, Oaks on Collins

480 Collins Street

Melbourne VIC 3000

03 – 9620 0377

admin@charterhco.com.au

www.charterhco.com.au

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF THE AUSTRALIAN WEALTH ADVISORS GROUP LIMITED -
CONSOLIDATED**

As lead auditor for the review of The Australian Wealth Advisors Group Limited for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief, 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.

This declaration is in respect of The Australian Wealth Advisors Group Limited and the entities it controlled during the period.

Name of Firm: CHARTERHOUSE & CO AUDITORS PTY LTD

**Name of
Director:**

A handwritten signature in black ink, appearing to read 'Kerpel S Harnam', written over a horizontal line.

Kerpel S Harnam - DIRECTOR

Address: 480 Collins Street, Melbourne VIC 3000

Date 27th day of February 2024

The Australian Wealth Advisors Group Limited
Contents
31 December 2023

Statement of profit or loss and other comprehensive income	4
Statement of financial position	5
Statement of changes in equity	6
Statement of cash flows	7
Notes to the financial statements	8
Directors' declaration	17
Independent auditor's review report to the members of The Australian Wealth Advisors Group Limited	18

General information

The financial statements cover The Australian Wealth Advisors Group Limited as a consolidated entity consisting of The Australian Wealth Advisors Group Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is The Australian Wealth Advisors Group Limited's functional and presentation currency.

The Australian Wealth Advisors Group Limited is an listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Registered office & principal place of business

Level 5
30 Collins Street
MELBOURNE VIC 3000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 February 2024. The directors have the power to amend and reissue the financial statements.

The Australian Wealth Advisors Group Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2023

		Consolidated	
		Half-year ended 31 December 2023	Half-year ended 31 December 2022
	Note	\$	\$
Revenue	3	4,600,064	3,935,876
Expenses			
Direct costs		(3,861,494)	(3,708,831)
General administrative expenses		(265,106)	(286,334)
IPO expenses		(276,182)	-
Salaries and wage expenses		(201,437)	-
Other expenses		(27,172)	-
Loss before income tax expense		(31,327)	(59,289)
Income tax expense		(54,523)	-
Loss after income tax expense for the half-year		(85,850)	(59,289)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive loss for the half-year		<u>(85,850)</u>	<u>(59,289)</u>
		Cents	Cents
Basic earnings per share	9	(0.07)	(0.03)
Diluted earnings per share	9	(0.07)	(0.03)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

The Australian Wealth Advisors Group Limited
Statement of financial position
As at 31 December 2023

		Consolidated	
		As at	
	Note	31 December	As at
		2023	30 June 2023
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		2,090,602	1,827,037
Trade and other receivables		322,566	815
Other financial assets		4,873	-
Other assets		95,687	-
Total current assets		<u>2,513,728</u>	<u>1,827,852</u>
Non-current assets			
Investments		149,081	130,086
Property, plant and equipment		969	-
Right-of-use assets		169,239	-
Intangibles	5	6,664,792	941,905
Deferred tax		50,422	-
Total non-current assets		<u>7,034,503</u>	<u>1,071,991</u>
Total assets		<u>9,548,231</u>	<u>2,899,843</u>
Liabilities			
Current liabilities			
Trade and other payables		296,165	8,014
Other payables	6	1,990,000	240,000
Lease liabilities		83,967	-
Income tax payable		70,567	43,436
Provisions		174,050	-
Total current liabilities		<u>2,614,749</u>	<u>291,450</u>
Non-current liabilities			
Lease liabilities		105,463	-
Total non-current liabilities		<u>105,463</u>	<u>-</u>
Total liabilities		<u>2,720,212</u>	<u>291,450</u>
Net assets		<u>6,828,019</u>	<u>2,608,393</u>
Equity			
Issued capital	7	6,608,183	2,302,707
Retained profits		219,836	305,686
Total equity		<u>6,828,019</u>	<u>2,608,393</u>

The above statement of financial position should be read in conjunction with the accompanying notes

The Australian Wealth Advisors Group Limited
Statement of changes in equity
For the half-year ended 31 December 2023

Consolidated	Issued capital \$	Retained profits \$	Total equity \$
Balance at 1 July 2022	1,969,807	90,990	2,060,797
Loss after income tax expense for the half-year	-	(59,289)	(59,289)
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive loss for the half-year	-	(59,289)	(59,289)
<i>Transactions with owners in their capacity as owners:</i>			
Contributions of equity, net of transaction costs	70,000	-	70,000
Balance at 31 December 2022	<u>2,039,807</u>	<u>31,701</u>	<u>2,071,508</u>
Consolidated	Issued capital \$	Retained profits \$	Total equity \$
Balance at 1 July 2023	2,302,707	305,686	2,608,393
Loss after income tax expense for the half-year	-	(85,850)	(85,850)
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive loss for the half-year	-	(85,850)	(85,850)
<i>Transactions with owners in their capacity as owners:</i>			
Contributions of equity, net of transaction costs (note 7)	4,305,476	-	4,305,476
Balance at 31 December 2023	<u>6,608,183</u>	<u>219,836</u>	<u>6,828,019</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

The Australian Wealth Advisors Group Limited
Statement of cash flows
For the half-year ended 31 December 2023

		Consolidated	
		Half-year ended 31 December 2023	Half-year ended 31 December 2022
	Note	\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		5,012,530	4,313,778
Payments to suppliers and employees (inclusive of GST)		(4,913,539)	(4,253,012)
Dividends received		-	1,000
Interest received		19,629	838
Other receipts		-	3,804
Interest paid		(2,892)	-
Income taxes paid		(52,588)	-
Net cash from operating activities		<u>63,140</u>	<u>66,408</u>
Cash flows from investing activities			
Payments for investments		(1,812,689)	(429,285)
Cash acquired on purchase of business	12	239,990	-
Proceeds from disposal of investments		1,810,282	427,751
Proceeds from disposal of other financial assets		<u>51,479</u>	<u>-</u>
Net cash from/(used in) investing activities		<u>289,062</u>	<u>(1,534)</u>
Cash flows from financing activities			
Share issue transaction costs	7	(69,524)	-
Repayment of lease liabilities		<u>(19,113)</u>	<u>-</u>
Net cash used in financing activities		<u>(88,637)</u>	<u>-</u>
Net increase in cash and cash equivalents		263,565	64,874
Cash and cash equivalents at the beginning of the financial half-year		<u>1,827,037</u>	<u>1,547,363</u>
Cash and cash equivalents at the end of the financial half-year		<u><u>2,090,602</u></u>	<u><u>1,612,237</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity 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.

Revenue Recognition

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Management fee revenue

Management fee revenue is derived from investment management agreements whereby a monthly management fee is payable based on the fund value. Management fee revenue is recognised over time as services are rendered.

Advisory fee revenue

Advisory fee revenue is derived from agreements with clients individually whereby a monthly management fee is payable based on the portfolio value or alternatively a fixed fee arrangement. Advisory fee revenue is recognised over time as services are rendered.

Interest income

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other income

Other revenue is recognised when it is received or when the right to receive payment is established.

The Australian Wealth Advisors Group Limited
Notes to the financial statements
31 December 2023

Note 2. Operating segments

Identification of reportable operating segments

The consolidated entity is organised into two primary operating segments which include: (i) the investment & funds management segment; and (ii) the wealth management support services segment. 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 Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The consolidated entity's other segment represents the operating results of investments held by the consolidated entity.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation) to assess the performance of the segments. This excludes significant items of income and expenditure that are non-operational or non-recurring. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

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.

The information reported to the CODM is on a monthly basis.

Operating segment information

	Investment & funds management	Wealth management support services	Other	Total
	\$	\$	\$	\$
Consolidated - Half-year ended 31 December 2023				
Revenue				
Sales to external customers	539,319	4,024,474	-	4,563,793
Gain on investments	-	-	16,588	16,588
Total segment revenue	539,319	4,024,474	16,588	4,580,381
<i>Unallocated income:</i>				
Interest revenue				19,683
Total revenue				4,600,064
EBITDA	138,944	99,739	16,588	255,271
Depreciation and amortisation expense				(27,207)
Interest revenue				19,683
Interest expense				(2,892)
IPO expenses				(276,182)
Loss before income tax expense				(31,327)
Income tax expense				(54,523)
Loss after income tax expense				(85,850)

The Australian Wealth Advisors Group Limited
Notes to the financial statements
31 December 2023

Note 2. Operating segments (continued)

	Investment & funds management \$	Wealth management support services \$	Other \$	Total \$
Consolidated - Half-year ended 31 December 2022				
Revenue				
Sales to external customers	-	3,923,534	-	3,923,534
Intersegment sales	-	-	11,504	11,504
Total sales revenue	-	3,923,534	11,504	3,935,038
Total segment revenue	-	3,923,534	11,504	3,935,038
<i>Unallocated revenue:</i>				
Interest revenue				838
Total revenue				<u>3,935,876</u>
EBITDA	-	(71,631)	11,504	(60,127)
Interest revenue				838
Loss before income tax expense				<u>(59,289)</u>
Income tax expense				-
Loss after income tax expense				<u>(59,289)</u>

Note 3. Revenue

	Consolidated Half-year ended 31 December 2023 \$	Consolidated Half-year ended 31 December 2022 \$
<i>Revenue from contracts with customers</i>		
Management fee revenue	539,319	-
Advisory fee revenue	4,024,474	3,923,534
Total revenue from contracts with customers	<u>4,563,793</u>	<u>3,923,534</u>
<i>Other revenue</i>		
Interest revenue	19,683	838
Dividend revenue	-	1,000
Realised gain on investments	22,288	3,804
Unrealised (loss)/ gain on investments	(5,700)	6,700
Total other revenue	<u>36,271</u>	<u>12,342</u>
Revenue	<u><u>4,600,064</u></u>	<u><u>3,935,876</u></u>

Disaggregation of revenue - contracts with customers

Management and advisory fee revenue is recognised over time and all revenue is derived in Australia.

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The Australian Wealth Advisors Group Limited
Notes to the financial statements
31 December 2023

Note 4. Expenses

	Consolidated Half-year ended 31 December 2023 \$	Consolidated Half-year ended 31 December 2022 \$
Loss before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Property, plant and equipment	131	-
Right-of-use assets	27,076	-
Total depreciation	27,207	-
<i>Finance costs</i>		
Interest and finance charges paid/payable on lease liabilities	2,892	-
<i>Other</i>		
Initial public offering expenses	276,182	-

Note 5. Non-current assets - intangibles

	Consolidated As at 31 December 2023 \$	Consolidated As at 30 June 2023 \$
Goodwill - at cost	6,664,792	941,905

Reconciliations

Reconciliations of the written down value of goodwill at the beginning and end of the current financial half-year are set out below:

Consolidated	Goodwill \$
Balance at 1 July 2023	941,905
Additions through business combinations (note 12)	5,722,887
Balance at 31 December 2023	6,664,792

Goodwill arising on the acquisition of a business 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. As of reporting date management have not identified any indicators of impairment.

The Australian Wealth Advisors Group Limited
Notes to the financial statements
31 December 2023

Note 6. Current liabilities - other payables

	Consolidated	
	As at 31 December 2023 \$	As at 30 June 2023 \$
Deferred consideration - CHPW Financial Pty Ltd	240,000	240,000
Deferred consideration - Armytage Private Pty Ltd	1,750,000	-
	<u>1,990,000</u>	<u>240,000</u>

Deferred consideration - CHPW Financial Pty Ltd

As part of the acquisition of CHPW Financial Pty Ltd in a prior period, \$240,000 of the purchase consideration of CHPW Financial Pty Ltd was contingent on the satisfaction of certain hurdles which have been met as at the reporting date. This amount is unpaid at the end of the reporting period.

Deferred consideration - Armytage Private Pty Ltd

As part of the acquisition of Armytage Private Pty Ltd during the current period (note 12), an initial amount of \$875,000 and a deferred amount of \$875,000 were agreed to be paid to the vendors. These amounts are unpaid at the end of the reporting period.

Note 7. Equity - issued capital

	Consolidated			
	As at 31 December 2023 Shares	As at 30 June 2023 Shares	As at 31 December 2023 \$	As at 30 June 2023 \$
Ordinary shares - fully paid	<u>53,740,000</u>	<u>181,199,994</u>	<u>6,608,183</u>	<u>2,302,707</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Opening balance	1 July 2023	181,199,994		2,302,707
Share consolidation (1:5)	29 August 2023	(144,959,994)	\$0.00	-
Share issue - acquisition of business (note 12)	31 August 2023	17,500,000	\$0.25	4,375,000
Costs of capital raising		-	\$0.00	(69,524)
Balance	31 December 2023	<u>53,740,000</u>		<u>6,608,183</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Deficiency in working capital

At 31 December 2023 the consolidated entity has a deficiency in working capital of \$101,021.

At the end of the reporting period, the consolidated entity had commenced an IPO to raise \$5,000,000 (before costs) ("the capital raise"). On 14 February 2024 the consolidated entity was admitted to the Official List of the Australian Securities Exchange. Subsequent to receiving the proceeds from the capital raise the consolidated entity's working capital was in a surplus position.

The Australian Wealth Advisors Group Limited
Notes to the financial statements
31 December 2023

Note 8. Fair value measurement

The consolidated entity has investments held at fair value of \$149,081 (30 June 2023: \$130,086) that pertain to securities traded in active markets. The fair value of the consolidated entity's investments is determined based on quoted market prices at the end of the reporting period.

The consolidated entity did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 31 December 2023.

Note 9. Earnings per share

	Consolidated	
	Half-year ended 31 December 2023 \$	Half-year ended 31 December 2022 \$
<i>Earnings per share for loss from continuing operations</i>		
Loss after income tax	<u>(85,850)</u>	<u>(59,289)</u>
	Cents	Cents
Basic earnings per share	(0.07)	(0.03)
Diluted earnings per share	(0.07)	(0.03)

Note 10. Related party transactions

Subsidiaries

Interests in subsidiaries are set out in note 11.

Transactions with related parties

The consolidated entity entered into an acquisition agreement during the reporting period with the shareholders of Armytage Private Pty Ltd under which the shareholders of Armytage Private Pty Ltd agreed to sell, and the consolidated entity agreed to purchase, all of the shares in the capital of Armytage Private Pty Ltd. Armytage Private Pty Ltd is a director related entity of Lee laFrate. Deferred consideration payments related to the transaction remain payable at the end of the reporting period. Refer to note 6 for details of deferred consideration payments payable at the end of the reporting period and note 12 for details on the business combination that occurred during the period.

The consolidated entity entered into an acquisition agreement in a prior period to acquire all of the shares in the capital of CHPW Financial Pty Ltd. CHPW Financial Pty Ltd is a director related entity of Sam Adigrati. Deferred consideration payments related to the transaction remain payable at the beginning and end of the reporting period. Refer to note 6 for details of deferred consideration payments payable at the beginning and end of the reporting period.

CHPW Financial Pty Ltd entered into an outsourcing agreement with Vostro Philippines, on 11 September 2023 under which Vostro Philippines provides services to CHPW Financial Pty Ltd. Vostro Philippines was founded and is part owned and operated by Sam Adigrati, the founder and a current director of CHPW Financial Pty Ltd.

CHPW Financial Pty Ltd has engaged Vostro Private Wealth Pty. Ltd. ("Vostro Private Wealth"), a wealth management practice owned and operated by Sam Adigrati, the founder and a current director of CHPW Financial Pty Ltd, to provide staff on an hourly basis to provide wealth management, administration and support services. For these services, Vostro Private Wealth bills CHPW Financial Pty Ltd on an hourly basis.

The Australian Wealth Advisors Group Limited
Notes to the financial statements
31 December 2023

Note 11. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries.

Name	Principal place of business / Country of incorporation	Ownership interest	
		Half-year ended 31 December 2023 %	Half-year ended 31 December 2022 %
Armytage Private Pty Ltd	Australia	100.00%	-
CHPW Financial Pty Ltd	Australia	100.00%	100.00%

The Australian Wealth Advisors Group Limited
Notes to the financial statements
31 December 2023

Note 12. Business combinations

On 31 August 2023 the Group acquired 100% of the ordinary shares of Armytage Private Pty Ltd for the total consideration transferred of \$6,125,000. Armytage Private Pty Ltd is a boutique investment and funds management and represents the investment and funds management division of the consolidated entity. Armytage Private Pty Ltd was acquired to increase the consolidated entity's market share and service offering within the financial services sector in Australia. The goodwill of \$5,772,887 reflects Armytage Private Pty Ltd's strong market position and profitability in trading. The acquired business contributed revenues of \$542,092 and profit after tax of \$86,815 to the consolidated entity for the period from 1 September 2023 to 31 December 2023. If the acquisition occurred on 1 July 2023, the half-year contributions would have been revenues of \$804,451 and profit after tax of \$148,803. Goodwill will not be deductible for tax purposes.

Details of the acquisition are as follows:

	Fair value \$
Cash and cash equivalents	239,990
Trade and other receivables	195,274
Other financial assets	56,352
Other assets	79,100
Income tax receivable	56,204
Property, plant and equipment	1,102
Right-of-use assets	196,315
Deferred tax asset	43,748
Trade and other payables	(96,110)
Lease liabilities	(208,543)
Provisions	(161,319)
Net assets acquired	402,113
Goodwill	5,722,887
Acquisition-date fair value of the total consideration transferred	<u>6,125,000</u>
Representing:	
Cash paid or payable to vendor	1,750,000
The Australian Wealth Advisors Group Limited shares issued to vendor	4,375,000
	<u>6,125,000</u>
Net cash acquired in business combination:	
Acquisition-date fair value of the total consideration transferred	6,125,000
Add: cash and cash equivalents	239,990
Less: deferred consideration	(1,750,000)
Less: shares issued by company as part of consideration	(4,375,000)
Net cash acquired	<u>239,990</u>

Provisional basis

The fair value of assets and liabilities acquired have been recorded on a provisional basis at the end of the reporting period. The consolidated entity may retrospectively adjust the provisional amounts recognised and also recognise additional assets and liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the date of acquisition. The measurement period ends on either the earlier of: (i) 12 months from the date of acquisition; or (ii) when the consolidated entity receives all possible information to determine the fair value of assets and liabilities acquired.

Note 13. Events after the reporting period

On 14 February 2024 the consolidated entity was admitted to the Official List of the ASX and its shares were quoted from 16 February 2024. The consolidated entity raised \$5m less costs of the offer and issued 20,000,000 new ordinary shares. The consolidated entity also issued 625,000 new ordinary shares to IPO advisors.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

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The Australian Wealth Advisors Group Limited
Directors' declaration
31 December 2023

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Lee laFrate
Executive Chairman

27 February 2024

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Charterhouse & Co Auditors Pty Ltd

ABN: 78 159 463 644

L1, Suite 7B, Oaks on Collins

480 Collins Street

Melbourne VIC 3000

03 – 9620 0377

admin@charterhco.com.au

www.charterhco.com.au

THE AUSTRALIAN WEALTH ADVISORS GROUP LIMITED - CONSOLIDATED

ABN : 31 653 634 292

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE AUSTRALIAN WEALTH ADVISORS GROUP LIMITED - CONSOLIDATED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of The Australian Wealth Advisors Group Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the Consolidated Statement of Financial Position as at 31 December 2023, the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the half-year ended on that date, significant accounting policies and explanatory notes and the Directors' Declaration.

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

- i. giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the year then ended; and
- ii. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

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

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (including Independence Standards) (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the Directors for the Half-Year Financial Report

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

THE AUSTRALIAN WEALTH ADVISORS GROUP LIMITED - CONSOLIDATED
ABN : 31 653 634 292

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE AUSTRALIAN WEALTH ADVISORS GROUP LIMITED - CONSOLIDATED

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

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

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.

Name of Firm: CHARTERHOUSE & CO AUDITORS PTY LTD

Name of Director:



Kerpel S Harnam - DIRECTOR

Address: 480 Collins Street, Melbourne VIC 3000

Date 27th day of February 2024