PEXA GROUP LIMITED

APPENDIX 4D – HALF YEAR REPORT GIVEN TO ASX UNDER LISTING RULE 4.2A.3 FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2024

Item	Contents
1	Details of the reporting period
2	Results for announcement to the market
3	Net tangible assets per security
4	Other information

1. DETAILS OF THE REPORTING PERIOD

Reporting period: 6 month period ended 31 December 2024

Previous corresponding period: 6 month period ended 31 December 2023

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

	Up/down $'000	% change	2024 $'000	2023 $'000
Revenue from ordinary activities	40,619	25.1%	202,459	161,840
Net (loss) from ordinary activities after tax for the period attributable to members	(28,084)	(605.1)%	(32,725)	(4,641)
Total comprehensive (loss) for the period attributable to members	(20,744)	(283.7)%	(28,056)	(7,312)

Dividend: The company has not declared a dividend for the 6 month period ended 31 December 2024.

Brief explanation of any of the figures reported above necessary to enable the figures to be understood: Refer the “Principal activities” and “Review of operations” section of the Directors’ Report within the attached half-year Financial Statements.

3. NET TANGIBLE ASSETS PER SECURITY

	% change	31 December 2024 dollars per security	31 December 2023 dollars per security
Net tangible assets per security	(4.02%)	(2.07)	(1.99)

Net tangible assets are defined as the net assets of PEXA Group Limited less intangible assets. A large proportion of the Group's assets are intangible in nature. These assets are excluded from the calculation of net tangible assets per security resulting in the negative outcome shown above.

4. OTHER INFORMATION

Details of entities over which control has been gained or lost during the reporting period:

Controlled entity	% interest 31 December 2024	% interest 30 June 2024
N/A	N/A	N/A

Details of individual and total dividends or distributions and dividend or distribution payments:
N/A

Details of any dividend or distribution reinvestment plans in operation: N/A

Details of associates and joint venture entities*:*

Associates / Joint Ventures	% interest 31 December 2024	% interest 30 June 2024
Landchecker Holdings Pty Ltd	38.9%	38.4%
HomeOwners Alliance Limited (UK)	35%	35%
OPEX Contracts Pty Ltd	40.2%	40.2%
Elula Holdings Pty Ltd	26.4%	26.4%

Details of associates' and joint ventures' contributions to net profit/(loss) are disclosed in the Consolidated Statement of Comprehensive Income in the Consolidated Financial Statements.

Any other information required pursuant to ASX Listing Rule 4.2A not contained in this Appendix 4D is found in the attached half year Financial Statements, ASX announcement, investor presentation and other documents lodged concurrently with this document.

HALF YEAR FINANCIAL REPORT 2025

PEXA Group Limited
ABN 23 629 193 764

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DIRECTORS' REPORT

Corporate Information

The consolidated financial statements of PEXA Group Limited and its subsidiaries (PEXA or collectively, the Group) for the half-year ended 31 December 2024, were authorised for issue in accordance with a resolution of the directors on 28 February 2025.

PEXA Group Limited (the parent company) is a public company, incorporated and domiciled in Australia, and listed on the Australian Securities Exchange (ASX) under the stock ticker "PXA".

A description of the Group's operations, performance and its principal activities is included in the Principal activities and Review of operations on the following pages.

The Directors' report is not part of the half-year financial report.

Directors

The Directors, who held office during or since the end of the half-year, held office for the full half-year unless otherwise stated, are as follows:

Mark Joiner (Independent Chairperson)
Glenn King (Managing Director and Group Chief Executive Officer (CEO)) - retiring effective 28 February 2025
Melanie Willis (Independent Non-executive Director)
Vivek Bhatia (Independent Non-executive Director)
Paul Rickard (Non-executive Director)
Helen Silver (Independent Non-executive Director)
Georgina Lynch (Independent Non-executive Director) - appointed 1 September 2024
Jeff Smith (Independent Non-executive Director)

Company Secretary

James Orr

Registered office

Level 16, Tower 4
727 Collins Street
Melbourne Vic 3008

Auditors

Ernst & Young
8 Exhibition Street
Melbourne Victoria 3000

Principal activities

PEXA undertakes three principal activities:

- Exchange – the operation of an Electronic Lodgement Network (ELN) in Australia, across New South Wales, Victoria, Western Australia, South Australia, Queensland, the Australian Capital Territory and Tasmania.
- Digital Solutions – provision of property-related analytics and digital solutions to financial institutions, governments, property developers and related professionals, and practitioners in Australia.
- International – the provision of digitalised property registration and settlement, and related services, in overseas Torrens Title jurisdictions, initially in the United Kingdom (UK).

Exchange

The Exchange now supports 90% of the property transactions undertaken in Australia. The Exchange facilitates key activities including:

- providing a secure online workspace through which the parties preparing a property transaction collaborate to prepare for settlement, increasing the transparency between all parties;
- financial settlement of the property transaction through electronic funds transfer at the Reserve Bank of Australia through exchange of value between financial institutions;
- facilitation of financial disbursements and the payment of stamp duties at settlement; and
- lodgement of various dealings with the relevant Land Title Offices.

The Exchange charges fees for these activities, with the fee amount depending upon the nature of the underlying transaction. Broadly there are three main transaction types, transfer lodgements connected to the sale, purchase or transfer of a property title, refinance or remortgage lodgements transferring a mortgage from one lender to another and other lodgements, such as discharging a mortgage or removing a caveat from a title. The Exchange collects these fees digitally at the conclusion of each transaction. The Exchange's overall revenue depends on the volume and lodgement type of transactions.

Digital Solutions

Digital Solutions is a leading provider of demographic, economic, environment and other property information. It provides this information to a range of public and private sector organisations, through its businesses .id, Value Australia and Land Insight. Digital Solutions also supports Exchange customers and suppliers with a variety of work-flow and transaction support tools and products, referred to as adjacency products.

Digital Solutions generates revenue through subscription fees that it charges customers to access its various platforms, as well as through consulting and other revenues agreed with individual customers.

In September 2022, PEXA acquired .id, which enables customers to determine where to make key investments such as in infrastructure, housing, retail, and education facilities.

In July 2022, the Group acquired 70% of Value Australia. This investment allows PEXA to partner with the University of NSW and Frontier/SI in providing automated valuation and dynamic property scenario modelling to governments, financial institutions, and property developers.

In July 2023, PEXA acquired Land Insight, which sells reports and data that enable government entities and private corporations to quantify and evaluate the risk of natural hazards, pollution, and ground hazards in relation to land and property.

Digital Solutions also has minority investments in Elula Holdings Pty Ltd, Archistar Pty Ltd, OPEX Contracts Pty Ltd and Landchecker Holdings Pty Ltd – innovative businesses that provide solutions which reinforce and extend those provided by Digital Solutions.

International

PEXA started its international expansion in late 2020 by entering the UK market, focusing initially on England and Wales.

The Group has now built a lodgement system (PEXAGo) and settlement system (PEXAPay) which it has connected to His Majesty's Land Registry (HMLR) and the Bank of England (BOE) respectively. PEXA has put the platform into production and its UK business has provided remortgage processing support to Hinckley & Rugby Building Society and Shawbrook Bank since late 2022.

PEXA is also continuing to work constructively with leading lenders in the UK, including NatWest, about on-boarding onto PEXA's platform. To further support its UK expansion, PEXA acquired a leading UK remortgage processing firm, Optima Legal Services Limited (Optima Legal) in November 2022. More recently in December 2023, PEXA acquired Smoove plc (Smoove), a UK-based conveyancing technology provider to further support its UK expansion, with Smoove providing distribution capabilities to UK practitioners.

PEXA believes the combination of Optima Legal, Smoove and the Group's PEXAGo and PEXAPay technology solutions will create a compelling proposition for UK conveyancers and financial institutions to integrate with the PEXA technology, as well as increasing the Group's access to the UK's remortgage and sale and purchase markets.

International's property exchange platform generates fees in a similar way to the Exchange in Australia. Optima Legal and Smoove primarily base their revenues on the fees they charge for each transaction they complete, which are based on individual schedules with customers.

With a highly reusable platform designed to be globally adaptable and locally deployable, International continues to explore expansion into new markets with Torrens Title Jurisdictions including Canada and New Zealand.

Review of operations

This section helps shareholders understand the business performance of PEXA (the Group) and the factors underlying its results and financial position. It should be read in conjunction with the financial statements and the accompanying notes.

The period of commentary covers the period from 1 July to 31 December 2024 (1H25), and makes reference to the prior comparative period from 1 July to 31 December 2023 (1H24). The financial effects of any businesses acquired during 1H24 or 1H25 are included only from the date of transfer of ownership. Percentage variances between positive and negative numbers are not calculated and instead 'n.m.' is shown indicating such a calculation is not meaningful.

Measures included in this section incorporate 'non-IFRS financial information' presented under ASIC Regulatory Guide 230 'Disclosing non-IFRS financial information'. Management believes this non-IFRS financial information provides useful information to the users in measuring the financial performance and the condition of the Group. The non-IFRS financial information does not have standardised meanings prescribed by Australian Accounting Standards.

1. Group key metrics

A$m	1H25	1H24	V 1H24	
Revenue	202.5	161.8	40.7	25%
Business revenue[1]	203.7	163.3	40.4	25%
Operating EBITDA[2]	73.2	58.8	14.4	24%
Operating EBITDA margin %	35.9%	36.0%	(0.1%)	
EBITDA[3]	50.4	43.4	7.0	16%
NPAT[4]	(32.7)	(4.6)	(28.1)	(611%)
NPATA[5]	(13.2)	15.0	(28.2)	n.m.
Capex	(28.4)	(34.3)	5.9	17%

1. Business revenue includes $1.2 million in 1H25 ($1.5 million, 1H24) of interest income earned in connection with Optima Legal's revenues, which is not included in IFRS statutory revenue, but instead is included in interest income in the Statement of Comprehensive Income.
2. Operating EBITDA represents statutory net profit before interest, tax, depreciation, amortisation and specified items and is a non-IFRS measure.
3. EBITDA represents statutory net profit before interest, tax, depreciation, amortisation and is a non-IFRS measure.
4. Net profit/(loss) after tax
5. NPATA, a non-IFRS measure, adjusts for the large amount of non–cash amortisation of historical acquired intangibles that is reflected in NPAT. Historical acquired intangibles predominantly arose due to the uplift in asset values following the change in ownership of Property Exchange Australia Limited (PEAL) in January 2019. These intangibles exclude any effects arising from Group acquisitions made subsequent to 2019.

Group business revenue grew by 25% to $203.7 million in 1H25. The growth in business revenue was driven by all business segments. International business revenue increased by $25.6 million of which $24.0 million is due to the six month contribution from Smoove as well as increased Optima Legal revenue. Exchange business revenue increased by 9% reflecting improved transaction volumes, price and transaction mix. Business revenue in Digital Solutions rose by $1.8 million, largely due to continued adjacency revenue growth, new Automated Valuation Model revenue and further subscription revenue growth.

Operating expenses increased by $(11.0) million, of which $(10.2) million is due to the six month contribution of Smoove.

Operating EBITDA increased $14.4 million, reflecting improved profitability in the Exchange and Digital Solutions achieving break-even for the half. Reflecting these dynamics, the Group's operating EBITDA margin fell by (0.1%) to 35.9%.

NPATA for the half was $(13.2) million a $(28.2) million decrease from 1H24 driven by the one-off de-recognition the deferred tax assets on certain Australian tax losses $(19.0) million and a $(15.0) million impairment of a minority investment, partially offset by higher operating earnings. Excluding the one-off derecognition of deferred tax assets and the impairment of a minority investment NPATA for the half was $20.8 million.

The Group reported a statutory net loss after tax of $(32.7) million for the half-year ended 31 December 2024, compared to a net loss after tax of $(4.6) million in the prior half-year period, driven by the same reasons as outlined above.

2. Group results

A$m	1H25	1H24	V 1H24	
Business revenue[1]	203.7	163.3	40.4	25%
Cost of sales	(34.4)	(19.4)	(15.0)	(77%)
Gross margin	**169.3**	**143.9**	**25.4**	**18%**
Gross resource costs	(80.8)	(76.9)	(3.9)	(5%)
Capitalisation	16.9	18.8	(1.9)	(10%)
Net resource costs	**(63.9)**	**(58.1)**	**(5.8)**	**(10%)**
Other operating costs	(32.2)	(27.0)	(5.2)	(19%)
Total operating expenses	**(96.1)**	**(85.1)**	**(11.0)**	**(13%)**
Operating EBITDA[2]	**73.2**	**58.8**	**14.4**	**24%**
Specified items[3]				
Integration costs	(1.9)	(3.0)	1.1	37%
Redundancy and restructuring related costs	(2.0)	(4.7)	2.7	57%
M&A	(1.0)	(5.0)	4.0	80%
Impairment of investments	(15.0)	0.0	(15.0)	(100%)
Other items	(2.9)	(2.7)	(0.2)	(7%)
EBITDA	**50.4**	**43.4**	**7.0**	**16%**
Depreciation	(2.3)	(1.6)	(0.7)	(44%)
Amortisation	(18.6)	(13.6)	(5.0)	(37%)
EBITA	**29.5**	**28.2**	**1.3**	**5%**
Historical acquired amortisation[4]	(27.8)	(28.0)	0.2	1%
EBIT	**1.7**	**0.2**	**1.5**	**750%**
Net finance expense[5]	(3.0)	(2.6)	(0.4)	(15%)
Net (loss)/profit before tax	**(1.3)**	**(2.4)**	**1.1**	**46%**
Income tax (expense)	(31.4)	(2.2)	(29.2)	large
NPAT[6]	**(32.7)**	**(4.6)**	**(28.1)**	**(611%)**
Add back: Historical acq amort (tax-effected)	19.5	19.6	(0.1)	(1%)
NPATA[7]	**(13.2)**	**15.0**	**(28.2)**	**n.m.**

1. Business Revenue includes $1.2 million in 1H25 ($1.5 million, 1H24) of interest income earned in connection with Optima's revenues, which is not included in IFRS statutory revenue, but instead is included in interest income in the Statement of Comprehensive Income.
2. Operating EBITDA represents statutory net profit before interest, tax, depreciation, amortisation and specified items and is a non-IFRS measure.
3. Specified items are items notable due to their size, non-operational or non-recurring nature.
4. Historical acquired amortisation relates to historical intangibles which predominantly arose due to the uplift in asset values following the change in ownership of PEXA in January 2019. These intangibles exclude any effects arising from Group acquisitions made subsequent to 2019.
5. Net finance expense excludes $1.2 million in 1H25 ($1.5 million, 1H24) of interest income earned in connection with Optima's revenues, which is included in IFRS statutory interest income in the Statement of Comprehensive Income.
6. Net profit/(loss) after tax
7. NPATA adjusts for the large amount of non–cash amortisation of historical acquired intangibles that is reflected in NPAT. Historical acquired intangibles predominantly arose due to the uplift in asset values following the change in ownership of Property Exchange Australia Limited (PEAL) in January 2019. These intangibles exclude any effects arising from Group acquisitions made subsequent to 2019.

The Group reported a statutory loss after tax of $(32.7) million for the 1H25, up $(28.1) million from the $(4.6) million loss recorded in the previous comparative period. The movement was predominately the result of the one-off de-recognition the deferred tax assets on certain Australian tax losses $(19.0) million and a $(15.0) million impairment of an investment, partially offset by higher operating earnings.

Group business revenue increased $40.4 million or 25% versus 1H24, driven by:

- A $25.6 million increase in International business revenues, driven by a full half impact from Smoove, acquired in December 2023, and increased Optima revenues;
- A $13.0 million increase in Exchange revenues, driven by volumes $5.4 million, a result of both market growth and increased market share to 90%, combined with a 5% increase in the average revenue per transaction $7.6 million, driven by both CPI price increases and an improvement in mix towards higher value transfers in the half; and
- A $1.8 million increase in Digital Solutions business revenues, driven by a combination of increased subscription and adjacency revenue and the launch of the Automated Valuation Model.

1H25 cost of sales for the Group increased $(15.0) million or (77%) predominately driven by Smoove, acquired in December 2023, which due to its business model, has a higher average cost of sales driven by referral and conveyancing fees.

The Group's 1H25 operating expenses were $(96.1) million or (13%) higher than 1H24. This is predominately due to the Smoove acquisition which contributed an additional $(10.2) million to operating expenses, combined with increases in PEXA UK as the Group continues to operationalise the International exchange platform. Exchange operating expenses have also increased primarily due to increased regulatory and data costs in the prior period. This has been offset by lower costs in Digital Solutions due to the impact of prior period productivity initiatives.

This resulted in a Group Operating EBITDA of $73.2 million, up 24% and a Group operating EBITDA margin of 35.9%, down (0.1%).

Specified items of $(22.8) million increased $(7.4) million from 1H24, primarily due to the $(15.0) million impairment of an investment in an associate. This was partially offset by lower M&A, restructuring costs and integration costs in the half.

Depreciation increased $(0.7) million, driven by new additional Right of Use assets associated with opening our UK headquarters in Leeds and the full half impact from Smoove . Amortisation increased by $(5.0) million from 1H24, due to increased levels of amortisation from the International exchange platform, the acquired businesses and the Exchange.

Net finance expense was $(3.0) million in 1H25 compared to $(2.6) million in 1H24 primarily due to undrawn facility fees associated with the Group's new, increased, debt facility, which is outlined in Note 9 of the accounts.

Income tax expense of $(31.4) million was up $(29.2) million from 1H24 primarily due to the one-off de-recognition of deferred tax assets on certain Australian tax losses $(19.0) million, increased taxable profits in Australia, the impact of certain amounts not allowable for tax, and the continued non-recognition of UK tax losses.

3. Exchange results

A$m	1H25	1H24	V 1H24	
Business revenue	162.6	149.6	13.0	9%
Cost of sales	(18.7)	(17.8)	(0.9)	(5%)
Gross margin	**143.9**	**131.8**	**12.1**	**9%**
Gross resource costs	(43.9)	(43.1)	(0.8)	(2%)
Capitalisation	11.3	11.3	0.0	0%
Net resource costs	**(32.6)**	**(31.8)**	**(0.8)**	**(3%)**
Other operating costs	(19.8)	(17.1)	(2.7)	(16%)
Total operating expenses	**(52.4)**	**(48.9)**	**(3.5)**	**(7%)**
Operating EBITDA	**91.5**	**82.9**	**8.6**	**10%**
Specified Items	(3.1)	(2.3)	(0.8)	(35%)
EBITDA	**88.4**	**80.6**	**7.8**	**10%**
Capex	(16.4)	(19.0)	2.6	14%
Operating cashflow	75.1	63.9	11.2	18%
Operating EBITDA margin	56.3%	55.4%	0.9%	

PEXA Exchange 1H25 business revenue increased 9% from 1H24, driven by:

- Market transaction volumes increasing by 2%, from 2.23 million transactions in 1H24 to 2.26 million transactions in 1H25. This equates to an increase in revenues of $2.4 million.
- The Exchange's transaction market share increased by 2 percentage points, driving a $3.0 million increase in revenue.
- Average revenue per transaction increased by 5% from $75.52 in 1H24 to $79.22 in 1H25, which equates to a revenue increase of $7.6 million. This is due to the 3.6% impact of CPI-linked transaction repricing and a shift in transaction mix away from Refinances to higher-priced Transfers.

Exchange cost of sales increased $(0.9) million, to $(18.7) million in 1H25 due to increased transaction volumes during the period. This resulted in the Exchange gross profit increasing in line with business revenue, up 9% to $143.9 million in 1H25, with the Exchange gross margin increasing to 88.5% in the 1H25 from 88.1% in 1H24.

Exchange operating expenses increased by $(3.5) million versus 1H24, due to:

- A (3%) increase in net resource costs, a result of salary increases in the period of $(1.2) million, combined with $(2.4) million centralisation of Group costs. These increases were partially offset by $2.5 million in savings from the productivity program.
- Other operating costs increased by $(2.7) million driven by the non-recurrence of a consumption tax benefit in the previous half, combined with increased investment in data capability and higher regulatory costs in the period.

During the period the Exchange incurred $(3.1) million in specified items, up $(0.8) million largely driven by restructuring activities, combined with costs associated with the wind-up of interoperability activities.

These results delivered an 10% increase in EBITDA, as well as a 10% increase in Operating EBITDA and an 0.9% increase in the operating EBITDA margin in the half, to 56.3%.

In the period the Exchange incurred $(16.4) million in Capex, a $2.6 million decrease on 1H24. This decrease was primarily driven by reduced regulatory spend associated with interoperability.

4. Digital Solutions results

A$m	1H25	1H24	V 1H24	
Business revenue	9.0	7.2	1.8	25%
Cost of sales	(0.7)	(0.9)	0.2	22%
Gross margin	**8.3**	**6.3**	**2.0**	**32%**
Gross resource costs	(8.1)	(11.0)	2.9	26%
Capitalisation	1.7	2.4	(0.7)	(29%)
Net resource costs	**(6.4)**	**(8.6)**	**2.2**	**26%**
Other operating costs	(1.8)	(3.5)	1.7	49%
Total operating expenses	**(8.2)**	**(12.1)**	**3.9**	**32%**
Operating EBITDA	**0.1**	**(5.8)**	**5.9**	**n.m.**
Specified Items	(15.7)	(4.1)	(11.6)	(283%)
EBITDA	**(15.6)**	**(9.9)**	**(5.7)**	**(58%)**
Capex	(1.8)	(3.6)	1.8	50%
Operating cashflow	(1.7)	(9.4)	7.7	82%
Operating EBITDA margin	1.1%	(80.6%)	81.7%	

Digital Solutions business revenue increased by $1.8 million in 1H25, driven by:

- A $0.5 million increase from .id as the business continues to grow subscriptions through new customers and improved customer churn.
- A $0.6 million increase from new revenue from additional sales of the Automated Valuation Model product.
- Increased revenues of $0.6 million as the group continues to drive adjacency revenue in Australia.

The Digital Solutions gross margin has increased by $2.0 million to $8.3 million in 1H25, with the gross margin percentage growing from 87.5% in 1H24 to 92.2% in 1H25. This is primarily due to increased contribution from the Automated Valuation Model and adjacency products.

Digital Solutions operating expenses decreased by $3.9 million in 1H25, driven by efficiency benefits from the prior period productivity program which realised synergies from integration with the Group, partially offset by reinvestment as the Digital Solutions segment continues to scale up.

The effect of these movements was to reduce Digital Solutions operating EBITDA losses by $5.9 million relative to 1H24, resulting in the segment breaking even in 1H25.

Digital Solutions incurred $(15.7) million in specified items in the period, which is $(11.6)million higher than in 1H24. The increase is primarily due to the $(15.0) million impairment of an equity investment. This has been partially offset by a combination of no redundancy and restructuring spend in 1H25 and lower deferred consideration payable for acquired businesses compared to 1H24.

These results combined to deliver a $(15.6) million EBITDA loss in the half, a $(5.7) million reduction from 1H24.

Capex in the half of $(1.8) million decreased $1.8m on 1H24, reflecting a reduction in product build costs as the business focused on early stage research of new and improved products, that are yet to move into development.

5. International results

A$m	1H25	1H24	V 1H24	
Business revenue[1]	32.1	6.5	25.6	394%
Cost of sales	(15.0)	(0.7)	(14.3)	large
Gross margin	**17.1**	**5.8**	**11.3**	**195%**
Gross resource costs	(28.8)	(22.8)	(6.0)	(26%)
Capitalisation	3.9	5.2	(1.3)	(25%)
Net resource costs	**(24.9)**	**(17.6)**	**(7.3)**	**(41%)**
Other operating costs	(10.6)	(6.4)	(4.2)	(66%)
Total operating expenses	**(35.5)**	**(24.0)**	**(11.5)**	**(48%)**
Operating EBITDA	**(18.4)**	**(18.2)**	**(0.2)**	**(1%)**
Specified Items	(4.0)	(9.1)	5.1	56%
EBITDA	**(22.4)**	**(27.3)**	**4.9**	**18%**
Capex	(10.2)	(11.7)	1.5	13%
Operating cashflow	(28.6)	(29.9)	1.3	4%
Operating EBITDA margin	(57.3%)	(280.0%)	222.7%	

1. Business Revenue includes $1.2 million in 1H25 ($1.5 million, 1H24) of interest income earned in connection with Optima Legal's revenues, which is not included in IFRS statutory revenue, but instead is included in interest income in the Statement of Comprehensive Income.

International's business revenue increased by $25.6 million in 1H25, driven by:

- $24.0 million increase due to the full six month impact of Smoove which was acquired in mid December 2023; and
- $1.6 million increase in Optima Legal revenue as a result of improved completion volumes and market share.

The increase in International cost of sales of $(14.3) million in 1H25 was predominately driven by Smoove, which due to its business model has a higher average cost of sales driven by referral and conveyancing fees.

This resulted in International gross profit increasing by $11.3 million to $17.1 million in 1H25, however the International gross margin decreased to 53.2% reflecting the impact of the Smoove business model.

International operating expenses increased by $(11.5) million in 1H25, driven by:

- The $(10.2) million impact of owning Smoove for the full six month period; and
- $(3.8) million increase as the Group continues to scale up and operationalise the PEXA UK business.
- This was partially offset by $2.4 million decrease in operating expenses due largely to prior period productivity initiatives in Optima Legal and the International Technology team.

Specified items of $(4.0) million include $(1.9) million of further integration costs for Smoove and $(0.9m) of restructuring costs as the business optimises synergies post the Smoove acquisition. This is a decrease of $5.1 million compared to 1H24, the period in which the Smoove acquisition occurred.

These results combined to deliver a $(22.4) million EBITDA loss in the half, an 18% improvement on the PCP.

Capex in the half of $(10.2) million decreased $1.5 million as spend on the International exchange platform decreased with the first release of remortgage capability completed partially offset by increased costs for the initial build of sales and purchase functionality.

Other matters

Future Developments

In line with the Group's business principle activities outlined above, the Group will continue to invest in enhancing its Exchange business in order to maintain its position as Australia's leading ELN. Additional investment is envisaged in building the Group's UK position, albeit at a reducing rate following the delivery of sale and purchase functionality during FY25. With a highly reusable platform, International will continue to explore expansion into new markets with Torrens Title Jurisdictions including Canada and New Zealand. The Group will also make modest investments in Digital Solutions as the business continues to scale, predominantly to support the scalability and commercialisation of existing products and the development of new products.

Dividends

No dividends were paid or declared during the half-year ended 31 December 2024 (2023: nil).

On-market share buy-back

On the 28th February 2025 the Group announced its intention to undertake an on-market share buy-back ("buy-back") of its ordinary shares of up to $50 million. There can be no guarantee that PEXA will repurchase any or all of the shares announced under the buy-back and the Group reserves the right to vary, suspend or terminate the buy-back at any time, subject to and in accordance with applicable legal requirements.

The timing and number of shares purchased under the buy-back will be dependent on PEXA's prevailing share price, market conditions and alternative capital deployment opportunities. The buy-back will be funded from cash and existing committed debt facilities as appropriate.

Rounding of amounts

Amounts within the directors' report have been rounded to the nearest $million (unless otherwise stated) under the option available to the Group under ASIC Corporations Instrument 2016/191.

Matters subsequent to the end of the reporting period

No matter or circumstance other than the on-market share buy-back detail above and in Note 16 has arisen since 31 December 2024 that has significantly affected, or may significantly affect:

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

Auditors' Independence Declaration

The auditors' independence declaration for the half-year ended 31 December 2024 as required under section 307C of the Corporations Act 2001 has been received and can be found on page 12.

Signed in accordance with a resolution of the directors.

Mark Joiner
Chairperson
28 February 2025

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Shape the future
with confidence

Auditor's independence declaration to the Directors of PEXA Group Limited

As lead auditor for the review of the half-year financial report of PEXA Group Limited for the half-year ended 31 December 2024, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;

b. No contraventions of any applicable code of professional conduct in relation to the review; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

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

Ernst & Young

Ernst & Young

J Dawkins

Jodi Dawkins
Partner
28 February 2025

FINANCIAL REPORT

For the half year ended 31 December 2024

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Consolidated Statement of Comprehensive Income

For the half-year ended 31 December 2024	Note	31 December 2024 $'000	31 December 2023 $'000
Revenue	4	202,459	161,840
Cost of sales		(34,418)	(19,394)
Gross profit		**168,041**	**142,446**
Product management	4	(9,472)	(12,053)
Sales and marketing	4	(9,661)	(8,107)
Operations	4	(36,796)	(26,047)
General and administrative	4	(47,315)	(53,627)
Depreciation and amortisation	4	(47,275)	(42,101)
Amortisation of debt raising transaction costs		(381)	(333)
Depreciation of right of use assets	4	(1,433)	(1,034)
Unrealised foreign exchange gain		-	674
Share of loss after tax from investments in associates		(854)	(1,125)
Impairment / write-off of intangibles	7	-	(588)
Impairment of investments	8	(15,000)	-
Fair value adjustment to other liabilities	11	245	294
Profit/(Loss) before interest and tax		**99**	**(1,601)**
Interest income		9,661	9,314
Interest expense on loans and borrowings		(10,795)	(9,937)
Finance costs associated with leases		(294)	(187)
(Loss) before income tax		**(1,329)**	**(2,411)**
Income tax expense	6	(31,396)	(2,230)
(Loss) after income tax		**(32,725)**	**(4,641)**
Other comprehensive income			
Items that may be reclassified to profit or loss in future periods			
Exchange differences on translation of foreign operations, net of tax		4,669	(2,671)
Total comprehensive income/(loss)		**(28,056)**	**(7,312)**
Basic earnings per share (cents)	14	(18.44)	(2.62)
Diluted earnings per share (cents)	14	(18.44)	(2.62)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 31 December 2024	Note	31 December 2024 $'000	30 June 2024 $'000
ASSETS			
Current Assets			
Cash and cash equivalents		60,630	90,461
Trade and other receivables		7,677	11,818
Prepayments and other assets		14,155	13,534
Other financial assets		3,413	31,784
Total Current Assets		**85,875**	**147,597**
Non-Current Assets			
Prepayments		1,474	1,937
Property, plant and equipment		3,402	3,817
Intangible assets	7	1,569,434	1,583,150
Right-of-use assets		9,171	9,378
Other financial assets		1,978	1,478
Investments in associates and joint ventures	8	16,796	31,900
Deferred tax assets	6	1,548	1,243
Total Non-Current Assets		**1,603,803**	**1,632,903**
Total Assets		**1,689,678**	**1,780,500**
LIABILITIES			
Current Liabilities			
Trade and other payables		45,292	88,514
Contract liabilities		5,961	5,492
Provisions		7,629	7,811
Lease liabilities		3,317	2,720
Total Current Liabilities		**62,199**	**104,537**
Non-Current Liabilities			
Provisions and liabilities		1,292	1,146
Interest-bearing loans and borrowings	9	309,838	364,533
Lease liabilities		7,039	7,829
Other financial liabilities		3,414	3,180
Deferred tax liabilities	6	104,000	72,144
Total Non-Current Liabilities		**425,583**	**448,832**
Total Liabilities		**487,782**	**553,369**
Net Assets		**1,201,896**	**1,227,131**
EQUITY			
Contributed equity	12	1,272,979	1,270,975
Reserves	13	7,001	1,885
Accumulated losses		(78,084)	(45,729)
Total Equity		**1,201,896**	**1,227,131**

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

Consolidated Statement of Changes in Equity

	Note	Contributed Equity $'000	Share Based Payments Reserve $'000	Foreign Currency Translation Reserve $'000	Accumulated Losses $'000	Total $'000
As at 1 July 2023		**1,267,600**	**3,538**	**(1,474)**	**(27,716)**	**1,241,948**
(Loss) for the period		-	-	-	(4,641)	(4,641)
Exchange differences on translation of foreign operations	13	-	-	(2,671)	-	(2,671)
Transactions with owners in their capacity as owners:						
Transferred between Equity Reserves	13	677	(677)	-	-	-
Issued shares	12	254	-	-	-	254
Share based payment expense	13	-	2,308	-	-	2,308
As at 31 December 2023		**1,268,531**	**5,169**	**(4,145)**	**(32,357)**	**1,237,198**
As at 1 July 2024		**1,270,975**	**3,618**	**(1,733)**	**(45,729)**	**1,227,131**
(Loss) for the period		-	-	-	(32,725)	(32,725)
Foreign exchange		-	-	-	(3)	(3)
Exchange differences on translation of foreign operations	13	-	-	4,669	-	4,669
Transactions with owners in their capacity as owners:						
Transferred between Equity Reserves	13	1,758	(2,131)	-	373	-
Issued shares	12	246	-	-	-	246
Share based payment expense	13	-	2,578	-	-	2,578
As at 31 December 2024		**1,272,979**	**4,065**	**2,936**	**(78,084)**	**1,201,896**

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

Consolidated Statement of Cash Flows

For the half-year ended 31 December 2024	Note	31 December 2024 $'000	31 December 2023 $'000
Cash from operating activities:			
Receipts from customers (inclusive of GST/VAT)		230,189	178,852
Interest received		9,878	9,314
Payments to suppliers and employees (inclusive of GST/VAT)		(173,051)	(127,850)
Interest paid on loans/lease liabilities		(10,920)	(9,881)
Net cash flows from operating activities		**56,096**	**50,435**
Cash flows from investing activities:			
Development of intangible assets	7	(28,085)	(34,055)
Purchase of property, plant and equipment		(303)	(290)
Investments in associates		(750)	(2,016)
(Investment in)/Sale of other non-current financial assets		(500)	250
Payments for acquisition of subsidiaries, net of cash acquired		-	(45,608)
Net cash flows (used in) investing activities		**(29,638)**	**(81,719)**
Cash flows from financing activities:			
Proceeds from borrowings		-	70,000
Repayment of borrowings		(55,000)	-
Borrowing costs		(75)	(151)
Payment of principal portion of lease liabilities		(1,411)	(1,179)
Net cash flows (used in)/from financing activities		**(56,486)**	**68,670**
Net (decrease)/increase in cash and cash equivalents held		**(30,028)**	**37,386**
Effects of exchange rate changes on cash held in foreign currencies		197	(848)
Cash and cash equivalents at 1 July		90,461	36,539
Cash and cash equivalents at 31 December		**60,630**	**73,077**

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

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Corporate Information

a. Reporting Entity

The interim condensed consolidated financial report comprises that of PEXA Group Limited and its subsidiaries (the Group) for the half-year ended 31 December 2024. It was authorised for issue in accordance with a resolution of the directors on 28 February 2025. The Directors have the power to amend and reissue the financial statements.

Note 2. Summary of Material Accounting Policies

a. Basis of preparation and statement of compliance

The interim condensed consolidated financial statements have been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 30 June 2024.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements as at 30 June 2024.

New and amended standards that became effective as of 1 July 2024 did not have a material impact on the financial statements of the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The financial statements have been prepared on a historical cost basis. The financial statements are presented in Australian Dollars.

Amounts within this Financial report have been rounded to the nearest $1,000 (unless otherwise stated) under the option available to the Group under ASIC Corporations Instrument 2016/191.

b. Going concern

The interim condensed consolidated financial statements have been prepared on the basis that the Group is a going concern, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Directors consider that the basis of going concern is appropriate and the Group will continue to meet its ongoing obligations.

Note 3. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses.

Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

a. Significant accounting judgements

i. Taxation

As detailed in Note 6(d), at 31 December 2024 the Group has recognised Australian deferred tax assets of $67.6 million (30 June 2024: $105.9 million) and $8.6 million (30 June 2024: $8.2 million) relating to carry forward tax losses in Australia and the UK respectively.

The Group's accounting policy for taxation requires management to assess whether deferred tax assets are recognised on the Consolidated Statement of Financial Position.

Utilisation of the Australian tax losses and R&D tax credits are subject to integrity rules under Australian tax law, specifically, specifically, the Continuity of Ownership Test (COT) and the Business Continuity Test (BCT). Broadly, should the Group fail the COT, the ability to utilise the tax losses and R&D tax credits will be subject to satisfaction of the BCT. Failure to satisfy the COT and the BCT in respect of any or all of the tax losses or R&D tax credits in the future may result in some or all of the DTA being reversed.

Similarly, utilisation of the UK tax losses is also subject to integrity rules under UK tax law. Deferred tax assets are recognised in relation to certain tax losses which are eligible for group relief between UK entities, however, deferred tax assets have not been recognised on UK tax losses acquired by the Group that are subject to the Major Change in Nature or Conduct of Trade (MCINOCOT) test.

Recognition of deferred tax amounts are subject to significant judgement, risk and uncertainty, particularly around the interpretation of relevant taxation law. Changes in the Group's circumstances or structure and interpretations of taxation law could alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the Consolidated Statement of Financial Position and the availability of amounts in future financial periods. Additionally, a deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future profits will be available against which the asset can be utilised.

Consistent with this policy, during the period the Group de-recognised a $19 million deferred tax asset relating to Australian carry forward tax losses subject to the stringent BCT, the Same Business Test (SBT). The SBT has multiple limbs including a new transaction test. Due to new revenue streams within the Australian tax group in the period management determined that it was probable that the BCT for these group of tax losses had not been satisfied at 31 December 2024. The Group holds no further deferred tax assets subject to the SBT.

ii. Capitalisation of internally developed software and impairment assessments

Distinguishing between the research and development phases of a new customised software project and determining whether the recognition requirements for the capitalisation of development costs are met, requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

iii. Off balance sheet trust accounts

As part of the operations of the businesses, the Group provides various settlement and disbursement trust accounts to provide a mechanism by which consumers and businesses can contribute funds to the settlement of a conveyancing transaction in Australia and in the UK.

The settlement and disbursement trust accounts in Australia were established under the terms of the PEXA Settlement Money Trust Deed (2014) (the Deed) and the Group is the Trustee of the Account. The Group holds all settlement money of a purchaser on trust in accordance with the Deed, until that settlement money is disbursed or transferred under instruction. The total balance of these trust accounts held in Australia is $93.0 million at 31 December 2024, the average balance was $306.3 million and interest earned as fees for settlement services rendered for the half year was $6.8 million (Full Year ended 30 June 2024: $237.8 million, average balance $300.8 million, interest earned $13.6 million).

Various settlement and disbursement trust accounts are held in the UK by Optima Legal and Amity Law Limited (a subsidiary of Smoove Limited). Client monies held in these accounts are held in accordance with the requirements of the Solicitors Regulation Authority or the Council for Licensed Conveyancers as the relevant regulator, until that settlement money is disbursed or transferred under instruction. The total balance of trust accounts held in the UK is $163.4 million at 31 December 2024, average balance $51.3 million and interest earned on these accounts for the half year was $1.2 million (Full Year ended 30 June 2024: $537.6 million, average balance $37.9 million, interest earned $3.4 million).

The Group has not recognised trust accounts from either Australia or the UK as an asset in the Consolidated Statement of Financial Position. Management consider the Group does not have control of any monies that move through these trust accounts and the Group cannot deny or regulate the use of monies held in these trust accounts as they act on instruction by the relevant subscribers. In addition, the beneficial interest of these trust accounts and any settlement monies always resides with the end purchaser or refinancing financial institution.

iv. Interoperability software intangible asset

PEXA has been developing an interoperability software asset worth $14.1 million as at 31 December 2024 as per ARNECC's direction. On 26 June 2024, ARNECC announced that the financial services aspects of interoperability are beyond its remit, posing challenges for the program's progress without resolution from relevant parties. ARNECC stood down its interoperability project team, and PEXA has followed suit. Since 26 June 2024 the development of the asset has remained paused and the Queensland Titles Office has commissioned an external review of the interoperability program, with the results of the review received on 19 February 2025.

The report advised that ARNECC will commission an in-depth review of interoperability, update the cost benefit analysis to test whether the direct connect interoperability model remains the most appropriate model and to create a new governance structure to oversee the program of work. ARNECC is aiming for the report to be concluded mid calendar year 2025.

While the project is paused under the Model Operating Requirements (MoR), PEXA continues to be required to deliver interoperability per legislation and ARNECC requirements unless granted necessary waivers. Without further guidance from ARNECC and noting the review planned by the regulator, based on the current facts and circumstances management continues to believe that the current asset remains technically feasible, won't need a significant rebuild, with future work expected to build upon or expand the existing asset. Per AASB 136, the interoperability asset is assessed as part of the Exchange cash-generating unit (CGU), which is not impaired as of 31 December 2024. Management has also considered AASB 138 criteria for recognising an intangible asset under development and believes the relevant criteria continues to be met. Based on current circumstances, PEXA intends to restart the project and complete the asset unless there is a change or waiver of PEXA's regulatory requirements, and expects the asset to generate future economic benefits as a result.

v. Impairment of an investment in associate

Consistent with AASB 128 Investments in Associates and Joint Ventures ('AASB 128') during the half year review of investments, management became aware of objective evidence of impairment of the Group's investment in Elula Holdings Pty Ltd ('Elula'). Consequently, an external valuation of the business was completed which included discounted cash flow analysis and the application of trading multiples of entities of a similar nature to the investment.

The external valuation identified that the fair value less costs of disposal (FVLCOD) would be equal to or above the value-in-use (VIU) given the nature and stage of the business. Therefore, the FVLCOD should be used as the recoverable amount for Elula. The key assumptions underpinning the valuation included a discount rate of 18.6%, a terminal value growth rate of 3% and a cash flow forecast period of 10 years.

The Group completed the impairment assessment and external valuation based on all known facts and circumstances, incorporating its best estimates from information available at reporting date, but notes there are uncertainties within the valuation due to the customer base, lack of updated long-term forecasts, lack of comparable companies and market transactions and unknown cost of technology. Using this valuation and the Group's internal knowledge of the business, management determined that it was appropriate to impair the investment by $15 million from a carrying value of $18.8 million, leaving a remaining book value of $3.8 million.

b. Significant accounting estimates and assumptions

i. Estimation of useful lives of assets

Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment. Adjustments to useful lives are made when considered necessary.

ii. Settlement method and valuation of the share based payment plans

Estimating the fair value for share-based payment transactions requires determination of the most appropriate valuation model which, for equity settled plans, depends on the terms and conditions of the grant at grant date. This estimate also required determination of the most appropriate inputs to the valuation model including the expected life of the performance right or appreciation right, volatility and dividend yield and making assumptions about them. Different inputs and assumptions may lead to different determinations of fair value. The valuation method applied by the Group and key estimates and assumptions is detailed in Note 13 of the financial statements.

iii. Impairment testing of intangible assets (including goodwill)

The Group assesses whether its intangible assets (including goodwill) are carried above their recoverable amount on an annual basis at 30 June. The Group applies a Value in Use ('VIU') discounted cash flow methodology to assess recoverable amounts.

The Group reviews its intangible assets (including Goodwill) for indicators of impairment at 31 December based on all known facts and circumstances from information available at the reporting date.

At 31 December 2024 management reviewed the Group's cash generating units (CGU's) for indicators of impairment. Management did not identify any indicators of impairment, with the exception of the Land Insight CGU. Refer Note 7 for further details.

Note 4. Revenue and Expenses

	31 December 2024 $'000	31 December 2023 $'000
Revenue from contracts with customers		
Transfer lodgements – Australia	128,195	114,180
Refinancing/Remortgage lodgements – Australia	24,093	25,670
Other lodgements – Australia	9,664	9,116
Conveyancing and related services – United Kingdom	30,911	5,017
Other products – Australia	9,596	7,857
Total revenue from contracts with customers	**202,459**	**161,840**
Timing of Revenue recognition		
Goods and Services transferred at a point in time	196,009	156,590
Goods and Services transferred over time	6,450	5,250
Product management expenses[1]		
Employee benefit expenses[2]	(9,472)	(12,053)
	(9,472)	**(12,053)**
Sales and marketing expenses[3]		
Employee benefit expenses[2]	(6,727)	(6,073)
Travel and entertainment	(1,567)	(1,300)
Sales and marketing	(1,367)	(734)
	(9,661)	**(8,107)**
Operations[4]		
Employee benefit expenses[2]	(21,116)	(13,785)
IT and technology costs	(14,727)	(11,459)
Other	(953)	(803)
	(36,796)	**(26,047)**
General and administrative expenses[5]		
Employee benefit expenses[2]	(23,957)	(23,870)
Deferred consideration[2]	(125)	(2,089)
Share based payment expense[2]	(2,578)	(2,308)
Redundancy costs	(1,575)	(3,801)
Professional fees	(10,265)	(7,288)
M&A consulting fees	(976)	(5,035)
Occupancy expenses	(564)	(801)
Insurance	(2,704)	(3,262)
Other[6]	(4,571)	(5,173)
	(47,315)	**(53,627)**

1. Product management represents costs to manage products, as well as development costs which don't meet the criteria for capitalisation of an intangible asset.
2. Total employee benefits expense for the period was $64.0 million (31 December 2023: $60.2 million).
3. Sales and marketing represents business development and customer management related costs, including marketing and related travel costs.
4. Operations represents costs to run the Group's businesses such as call centres, processing centres, as well as technology run costs.
5. General and administrative represents back office costs, as well as non-operating expenditure and public company cost.
6. Other general and administration expenditure is predominantly other non-operating expenditure, Directors' fees and bank charges.

	31 December 2024 $'000	31 December 2023 $'000
Depreciation and amortisation		
Depreciation of property, plant and equipment	(833)	(566)
Amortisation of intangibles	(46,442)	(41,535)
Depreciation of right of use assets	(1,433)	(1,034)
	(48,708)	**(43,135)**

Note 5. Segment Information

The Group has three reportable operating segments, being:

- **Exchange**: comprising the Australian Electronic Lodgement Network (ELN) in Australia, across New South Wales, Victoria, Western Australia, South Australia, Queensland, the Australian Capital Territory and Tasmania.
- **Digital Solutions**: provides property-related analytics and digital solutions to financial institutions, governments, property developers and related professionals, and practitioners in Australia.
- **International**: provides digitalised property registration and settlement, and related services, in overseas Torrens Title jurisdictions, initially in the United Kingdom (UK).

The Group does not currently generate revenue from transactions with a single external customer for amounts equal to or greater than 10% of total revenue.

Exchange revenue is predominantly made up by transfer and refinance/remortgage lodgements, Digital Solutions' revenue primarily consists of subscriptions and consulting/project fees. International revenue mainly consists of fees for conveyancing and associated services.

Separate segment performance reports are provided to the Chief Operating Decision Makers (CODMs) (being the Group Managing Director and Chief Executive Officer, and Group Chief Financial Officer) on a monthly basis to aid decision making around resource allocation and performance assessment.

The CODMs manage and monitor performance on Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA), which is a non-IFRS measure. EBITDA is calculated as statutory net profit or loss adjusted for interest, tax, depreciation and amortisation costs.

Assets and liabilities for the reporting segments predominantly include intangible assets and investments. International assets are predominantly $67.8 million (30 June 2024: $61.4 million) of capitalised in-house software assets and $80.7 million (30 June 2024: $78.1 million) of acquired / generated on acquisition intangibles from the Optima Legal and Smoove acquisitions. Digital Solutions assets are primarily the Group's investments in associates and joint ventures of $16.8 million (30 June 2024: $31.9 million) (which are subject to equity accounting), internally generated software of $18.3 million (30 June 2024: $19.0 million) and acquired intangibles (including .id and Value Australia) of $25.4 million (30 June 2024: $25.0 million).

Segment results

The segment financial information provided to the Chief Operating Decision Makers is set out below:

Six month period to 31 December 2024	Exchange $'000	Digital Solutions $'000	International[1] $'000	Total $'000
Segment operating revenue[2]	**162,572**	**8,976**	**30,911**	**202,459**
Cost of sales	(18,730)	(658)	(15,030)	(34,418)
Gross margin	**143,842**	**8,318**	**15,881**	**168,041**
Product management	(4,269)	(3,250)	(1,953)	(9,472)
Sales and marketing	(5,617)	(2,566)	(1,478)	(9,661)
Operations	(14,498)	(1,093)	(21,205)	(36,796)
General and administrative	(27,997)	(1,298)	(10,875)	(40,170)
Operating EBITDA from core operations[3]	**91,461**	**111**	**(19,630)**	**71,942**
Integration costs	(49)	-	(1,900)	(1,949)
Redundancy and restructuring related costs	(1,121)	-	(895)	(2,016)
M&A transaction professional fees	(213)	-	(763)	(976)
Impairment of investments	-	(15,000)	-	(15,000)
Other items[4]	(1,706)	120	(373)	(1,959)
Share of loss after tax from investments in associates	-	(854)	-	(854)
Operating EBITDA[5]	**88,372**	**(15,623)**	**(23,561)**	**49,188**
Depreciation and amortisation				(49,089)
Interest expense (net)				(1,428)
Statutory net (loss) before tax				**(1,329)**

1. International costs are mainly incurred in the UK, except for product management costs which are mainly expended in Australia.
2. Statutory revenue excludes $1.2 million of Optima Legal interest income, which is included in business revenue within the Review of operations in the Directors report.
3. Operating EBITDA from core operations represents statutory net profit before interest, tax, depreciation and amortisation and specified items (items notable due to their size, non operational or non-recurring nature, detailed in the table above) and is a non-IFRS measure.
4. Includes deferred consideration on acquisitions.
5. Operating EBITDA represents statutory net profit before interest, tax, depreciation, amortisation and specified items and is a non-IFRS measure.

Six month period to 31 December 2023	Exchange $'000	Digital Solutions $'000	International[1] $'000	Total $'000
Segment operating revenue[2]	**149,598**	**7,224**	**5,018**	**161,840**
Cost of sales	(17,753)	(916)	(725)	(19,394)
Gross margin	**131,845**	**6,308**	**4,293**	**142,446**
Product management	(4,826)	(4,103)	(3,124)	(12,053)
Sales and marketing	(5,179)	(2,250)	(678)	(8,107)
Operations	(12,587)	(1,215)	(12,245)	(26,047)
General and administrative	(26,356)	(4,582)	(7,994)	(38,932)
Operating EBITDA from core operations[3]	**82,897**	**(5,842)**	**(19,748)**	**57,307**
Integration costs	-	-	(2,988)	(2,988)
Redundancy and restructuring related costs	(2,084)	(1,075)	(1,581)	(4,740)
Unrealised FX gain	-	-	674	674
M&A transaction professional fees	(9)	(108)	(4,874)	(4,991)
Other items	(199)	(1,798)	(273)	(2,270)
Share of loss after tax from investments in associates	-	(1,092)	(33)	(1,125)
Operating EBITDA[4]	**80,605**	**(9,915)**	**(28,823)**	**41,867**
Depreciation and amortisation				(43,468)
Interest expense (net)				(810)
Statutory net (loss) before tax				**(2,411)**

1. International costs are mainly incurred in the UK, except for product management costs which are mainly expended in Australia.
2. Statutory revenue excludes $1.5 million of Optima Legal interest income, which is included in business revenue within the Review of operations in the Directors report.
3. Operating EBITDA from core operations represents statutory net profit before interest, tax, depreciation and amortisation and specified items (items notable due to their size, non operational or non-recurring nature, detailed in the table above) and is a non-IFRS measure.
4. Operating EBITDA represents statutory net profit before interest, tax, depreciation, amortisation and specified items and is a non-IFRS measure.

Note 6. Income Tax

a. Income tax (expense)/benefit

The major components of income tax expense are:

	31 December 2024 $'000	31 December 2023 $'000
Consolidated Statement of Comprehensive Income		
Current income tax expense		
Current income tax charge	-	418
Deferred income tax expense		
Origination and reversal of temporary differences	(30,801)	(4,032)
Adjustment in respect of prior years	(595)	1,384
Income tax (expense) reported in the Consolidated Statement of Comprehensive Income	**(31,396)**	**(2,230)**

b. Reconciliation between profit/(loss) before tax and income tax (expense) recognised in the Consolidated Statement of Comprehensive Income

A reconciliation between tax expense and the accounting profit/(loss) before income tax multiplied by the Group's applicable income tax rate is as follows:

	31 December 2024 $'000	31 December 2023 $'000
Accounting (loss) before tax	**(1,329)**	**(2,411)**
(Expense)/benefit at the Group's statutory tax rate of 30% (2024: 30%)	398	722
Adjustments in respect of current income tax		
Effect of tax rates in foreign jurisdictions	(750)	(732)
Expenditure not allowable for income tax	(7,578)	(3,491)
Adjustment in respect of prior years	(595)	1,385
Deferred tax – research & development tax credit	(635)	(550)
Recognition of current period tax credits carried forward	921	829
Reversal of tax benefit relating to prior period tax losses carried forward	(19,018)	-
Amounts not recognised[1]	(4,130)	-
Other adjustments	(9)	(393)
Income tax (expense) reported in the Consolidated Statement of Comprehensive Income	**(31,396)**	**(2,230)**

1. Amounts not recognised predominantly relate to carry forward tax losses generated by UK subsidiaries, as the Group does not have sufficient taxable temporary differences in the UK (refer to Note (d) Deferred tax balances)

c. Amounts recognised directly in equity/balance sheet

Aggregate current and deferred tax arising in the reporting period, which is not recognised in net profit or loss but directly debited or credited to equity/balance sheet.

Amounts recognised in the foreign currency fluctuation reserve relate to the deferred tax liabilities on unrealised foreign exchange gains on the revaluation of inter-company balances with international related parties, and conversion of international deferred tax assets and deferred tax liabilities to reporting currency.

	31 December 2024 $'000	30 June 2024 $'000
Net deferred tax – (credited) directly to foreign currency fluctuation reserve	(155)	(21)
Total	**(155)**	**(21)**

d. Deferred tax balances

Deferred tax balances are offset in the Consolidated Statement of Financial Position where the Group has a legally enforceable right to set off deferred tax assets and deferred tax liabilities that relate to income taxes levied by the same tax authority. The gross deferred tax balances are shown below:

Australia

	Consolidated Statement of Financial Position		Acquired in Business Combination		Consolidated Statement of Comprehensive Income	
	31 December 2024 $'000	30 June 2024 $'000	31 December 2024 $'000	30 June 2024 $'000	31 December 2024 $'000	31 December 2023 $'000
Deferred Tax Liabilities						
Intangible assets	(184,595)	(193,958)	-	-	9,363	(5,681)
Provisions and accruals	-	(1)	-	-	-	-
Total Deferred Tax Liabilities	**(184,595)**	**(193,959)**	**-**	**-**	**9,363**	**(5,681)**
Deferred Tax Assets						
Transaction costs	4,115	4,867	-	-	(753)	(572)
Provisions and accruals	8,898	11,076	-	-	(2,178)	(1,340)
Carry forward tax losses and tax credits	67,582	105,872	-	-	(38,290)	1,029
Total Deferred Tax Assets	**80,595**	**121,815**	**-**	**-**	**(41,221)**	**(883)**
Net Deferred Tax Liabilities	**(104,000)**	**(72,144)**	**-**	**-**	**(31,858)**	**(6,564)**

United Kingdom

	Consolidated Statement of Financial Position		Acquired in Business Combination		Consolidated Statement of Comprehensive Income	
	31 December 2024 $'000	30 June 2024 $'000	31 December 2024 $'000	30 June 2024 $'000	31 December 2024 $'000	31 December 2023 $'000
Deferred Tax Liabilities						
Intangible assets	(7,078)	(6,909)	-	(5,304)	(169)	372
Provisions and accruals	-	-	-	-	-	(53)
Total Deferred Tax Liabilities	**(7,078)**	**(6,909)**	**-**	**(5,304)**	**(169)**	**319**
Deferred Tax Assets						
Carry forward tax losses	8,626	8,152	-	-	474	4,014
Total Deferred Tax Assets	**8,626**	**8,152**	**-**	**-**	**474**	**4,014**
Net Deferred Tax Assets / (Liabilities)	**1,548**	**1,243**	**-**	**(5,304)**	**305**	**4,333**

The Group is carrying a deferred tax asset of $67.6 million (30 June 2024 $105.9 million) relating to carry forward Australian tax losses and research & development (R&D) tax credits. Utilisation of these tax losses and R&D tax credits are subject to integrity rules under tax law. During the period the Group de-recognised a $19.0 million deferred tax asset relating to carry forward tax losses on the basis that it is probable that the Business Continuity Test has not been satisfied at 31 December 2024 in respect of these tax losses. The Group has also unwound $18.9 million of deferred tax assets relating to carry forward tax losses which are estimated to be utilised during the period.

The Group, via its subsidiaries in the United Kingdom, has recognised a net deferred tax asset of $1.5 million, GBP 0.8 million (June 2024: $1.2 million, GBP 0.7 million).

The Group has $127.3 million/GBP 63.1 million (June 2024: $110.7 million/GBP 54.9 million) of UK tax losses carried forward.

The Group has determined that it cannot recognise deferred tax assets in respect of approximately $92.8 million/GBP 46.0 million (June 2024: $76.2 million/GBP 37.8 million) of these losses as the Group does not have sufficient taxable temporary differences in the UK, nor any UK tax planning opportunities available that could further support the recognition of these losses as deferred tax assets at this time.

e. Members of the tax consolidated group

i. Members of the Australian tax consolidated group and the tax sharing arrangement

PEXA Group Limited and its 100% owned Australian resident subsidiaries formed a tax consolidated group with effect from 18 December 2018. PEXA Group 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.

The Group holds less than a 100% interest in five Australian resident companies which do not form part of the tax consolidated group.

ii. Tax effect accounting by members of the tax consolidated group (AASB Interpretation 1052 Tax Consolidation Accounting)

The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group. The current and deferred tax amounts are measured in a systematic manner that is consistent with the broad principles in AASB 112 Income Taxes. The nature of the tax funding agreement is discussed further below.

In addition to its own current and deferred tax amounts, the head entity also recognises current tax liabilities (or assets) and the deferred tax assets arising from carry forward tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

iii. Nature of the tax funding agreement

Members of the tax consolidated group have entered into a tax funding agreement. The tax funding agreement requires payments to/from the head entity to be recognised via an inter-entity receivable (payable) which is at call.

The amounts receivable or payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

iv. Overseas interests

The Group has ten wholly owned subsidiaries in the United Kingdom which are not part of the Australian tax consolidated group and which are stand-alone taxpayers in the United Kingdom. These entities are eligible for tax group relief rules which allow entities to share tax losses in the United Kingdom.

Note 7. Non-Current Assets – Intangible Assets

	Goodwill $'000	Commercialised Software $'000	In-House Software $'000	Customer Relationships $'000	Brand $'000	Licenses $'000	Total $'000
Cost							
At 30 June 2023	**719,131**	**462,402**	**213,653**	**404,787**	**28,201**	**14,959**	**1,843,133**
Additions	-	-	34,055	-	-	-	34,055
Transfers	-	(931)	931	-	-	-	-
Minority interest contribution	-	-	237	-	-	-	237
Acquisition of subsidiaries	44,016	1,392	3,026	316	-	-	48,750
Impairment/write off[1]	-	-	(588)	-	-	-	(588)
Foreign exchange movement	(857)	(75)	(122)	(94)	(47)	-	(1,195)
At 31 December 2023	**762,290**	**462,788**	**251,192**	**405,009**	**28,154**	**14,959**	**1,924,393**
Additions	-	-	33,228	-	-	-	33,228
Transfers	-	(10,268)	10,268	-	-	-	-
Minority interest contribution	-	-	235	-	-	-	235
Acquisition of subsidiaries - PPA reallocation	(14,182)	13,497	(3,026)	5,480	3,915	-	5,684
Impairment/write-off[2]	-	-	(4,801)	-	-	-	(4,801)
Write down fully amortised assets	-	-	(6,580)	-	-	-	(6,580)
Foreign exchange movement	1,246	248	119	170	99	-	1,882
At 30 June 2024	**749,354**	**466,265**	**280,635**	**410,659**	**32,168**	**14,959**	**1,954,040**
Additions	-	-	28,085	-	-	-	28,085
Transfers	-	(78)	78	-	-	-	-
Minority interest contribution	-	-	134	-	-	-	134
Write down fully amortised assets	-	(1,346)	(3,353)	-	-	-	(4,699)
Foreign exchange movement	2,815	996	68	523	356	-	4,758
At 31 December 2024	**752,169**	**465,837**	**305,647**	**411,182**	**32,524**	**14,959**	**1,982,318**

1. During the half year ended 31 December 2023, the group identified and wrote-off $0.6m of in-house software assets.
2. During the half year ended 30 June 2024, the group identified and impaired $1.2m and wrote-off $2.2m of in-house software assets.

	Goodwill $'000	Commercialised Software $'000	In-House Software $'000	Customer Relationships $'000	Brand $'000	Licenses $'000	Total $'000
Amortisation and impairment							
At 30 June 2023	**-**	**(132,825)**	**(40,962)**	**(118,329)**	**(126)**	**-**	**(292,242)**
Amortisation	-	(16,087)	(11,805)	(13,537)	(106)	-	(41,535)
At 31 December 2023	**-**	**(148,912)**	**(52,767)**	**(131,866)**	**(232)**	**-**	**(333,777)**
Amortisation	-	(17,115)	(13,974)	(13,831)	(197)	-	(45,117)
Impairment/write-off	-	-	1,401	-	-	-	1,401
Write down fully amortised assets	-	-	6,580	-	-	-	6,580
Foreign exchange movement	-	14	-	7	2	-	23
At 30 June 2024	**-**	**(166,013)**	**(58,760)**	**(145,690)**	**(427)**	**-**	**(370,890)**
Amortisation	-	(16,878)	(15,794)	(13,589)	(181)	-	(46,442)
Transfers	-	65	(65)	-	-	-	-
Write down fully amortised assets	-	1,346	3,353	-	-	-	4,699
Foreign exchange movement	-	(160)	(1)	(49)	(41)	-	(251)
At 31 December 2024	**-**	**(181,640)**	**(71,267)**	**(159,328)**	**(649)**	**-**	**(412,884)**
Net book value							
At 30 June 2024	**749,354**	**300,252**	**221,875**	**264,969**	**31,741**	**14,959**	**1,583,150**
At 31 December 2024	**752,169**	**284,197**	**234,380**[1]	**251,854**	**31,875**	**14,959**	**1,569,434**

1. Includes $36.1 million (June 2024: $19.3 million) of work in progress not considered ready for use

AASB 136 Impairment of Assets requires assets to be assessed for impairment indicators at the end of each reporting period. If any such indicators exist, the recoverable amount of the asset is estimated. That review resulted in a $4 million (Written down value) write off of In-House Software in the comparative period ending 30 June 2024. However, no such indicators were identified for this half-year ended 31 December 2024.

Goodwill and other indefinite life intangibles per cash generating unit

Cash generating unit (CGU)	Goodwill $'000	Other indefinite life intangibles Brand $'000	Licenses $'000	Total $'000
Exchange	693,551	23,660	14,959	732,170
Digital Solutions				
.id	6,862	2,379	-	9,241
Land Insight	542	-	-	542
International	51,213	-	-	51,213
At 31 December 2024	**752,168**	**26,039**	**14,959**	**793,166**

Cash generating unit (CGU)	Goodwill $'000	Other indefinite life intangibles Brand $'000	Licenses $'000	Total $'000
Exchange	693,551	23,660	14,959	732,170
Digital Solutions				
.id	6,862	2,379	-	9,241
Land Insight	542	-	-	542
International	48,399	-	-	48,399
At 30 June 2024	**749,354**	**26,039**	**14,959**	**790,352**

The Group determines whether its intangible assets (including goodwill) are carried above recoverable amount on an annual basis at 30 June, unless there are indicators of impairment. For impairment testing purposes the Group identifies its CGUs, which are the smallest identifiable groups of assets that generate cash flows largely independent of cash inflows of other assets or other groups of assets.

The discount rate (post tax) used in the annual impairment test reflects current market assessment of the time value of money, risk-adjusted cash flows and other risks specific to the relevant market in which the CGU operates at that time. The forecast cash flows are derived from Board approved profit and cash flow forecasts and do not include restructuring activities that the Group are not yet committed to, or possible future investments. In developing forecast cash flows, management has considered and used a range of judgements and assumptions relating to forecast transaction levels, revenue growth including competitor activity, commencement of material operations, overhead costs and discount rates. Five-year forecasts were used for Exchange and .id, while eight-year forecasts were used for Land Insight and International to appropriately reflect their earlier-stage of maturity.

A terminal value within the final year of cash flow was determined with reference to both economic and market conditions. All cash flows used a terminal growth rate methodology.

Note 13 of the 30 June 2024 annual report, details the most recent annual impairment tests undertaken for goodwill and other indefinite life intangible assets with the exception of Land Insight CGU. It includes the key inputs and assumptions and the sensitivity considerations for the CGU's / segment and sets out the change in an individual key assumption that would result in the recoverable amount determined by the VIU assessment being approximately equal to the carrying value of the respective CGU / segment.

Indicators of impairment review

At 31 December 2024 management reviewed the Group's CGU's detailed in the tables above for indicators of impairment. Management didn't identify any indicators of impairment, with the exception of the Land Insight CGU. These indicators included changes in the technology landscape and increased competitive pressures which are expected to impact the future economic performance of Land Insight. In light of these indicators management has performed an impairment test for Land Insight as at 31 December 2024.

The Group applied a Value In Use (VIU) discounted cash flow methodology to assess the recoverable amount of Land Insight. The key inputs into the VIU model include forecast cash flows, a discount rate of 15.1% (30 June 2024: 14.1%), a forecast cash flow period of 8 years (30 June 2024: 8 years) and the terminal value is determined using a Gordon growth model with a 2.5% pa growth rate (30 June 2024: 2.5%). The impairment test did not result in an impairment at 31 December 2024.

Management considered whether key assumptions could result in impairment and determined that a reasonably possible change in the discount rate (+ 1%) or in the forecast cash flows over the 8-year period (- 5.3%) could result in a reduction of $0.9 million in the recoverable amount and could result in an impairment of the Land Insight CGU.

Note 8. Investments in Associates and Joint Ventures

	31 December 2024 $'000	30 June 2024 $'000
Investments in associates and joint ventures	16,796	31,900
Total	**16,796**	**31,900**

Investments in associates and joint ventures are detailed below:

Opex

There has been no change in the ownership holding of Opex since 30 June 2024.

PEXA's share ownership percentage remained constant at 40.2%.

Landchecker

During the half year, the Group provided additional investment funds into Landchecker Pty Ltd on the following date:

- 31 July 2024 - $750,000

PEXA's share ownership percentage increased to 38.9% (30 June 2024 - 38.4%).

The Group holds an option to increase its investment in Landchecker to 50%. The option has been valued at Nil at 31 December 2024 (30 June 2024: Nil).

Elula

There has been no change in the ownership holding of Elula since 30 June 2024.

PEXA's share ownership percentage remained constant at 26.4%.

In the period the Group took a $15 million impairment against the investment in Elula. Further details on the impairment are disclosed in Note 3.

HomeOwners Alliance Limited

There has been no change in the ownership holding of HomeOwners Alliance Limited since 30 June 2024.

PEXA's share ownership percentage remained constant at 35%.

Note 9. Non-Current Interest-Bearing Loans and Borrowings

	31 December 2024 $'000	30 June 2024 $'000
Borrowings – unsecured	312,400	367,400
Deferred borrowing costs[1]	(2,562)	(2,867)
Total	**309,838**	**364,533**

1. Deferred borrowing costs comprise the unamortised value of borrowing costs paid on establishment or refinance of debt facilities. These costs are deferred on the Consolidated Statement of Financial Position and amortised to borrowing costs in the Consolidated Statement of Comprehensive Income.

Certain companies within the Group (known as the 'Obligor Group'), entered into senior unsecured three, four and five year revolving debt facilities totalling $500 million documented under a Common Terms Deed (CTD) and Bilateral Facility Agreements in June 2024, drawing down $367.4 million.

During the six month period ended 30 December 2024 the Group repaid $55.0 million.

As at 31 December 2024 there were no defaults or breaches of any obligations of the Group under the Group's CTD or Bilateral Facility Agreements.

Note 10. Capital and Financial Risk Management

Approach to risk management

The Group treats risk management as a fundamental responsibility of all employees. To enable them to discharge this responsibility, the Group's risk management framework (RMF) is embedded into all business functions, processes, programs and projects. The RMF:

- Establishes a Board approved risk appetite for the Group.
- Provides a-fit-for-purpose process to identify, assess, manage, analyse, monitor and report on risk.
- Promotes a culture of risk awareness where everyone demonstrates positive risk behaviours and ethical considerations in the management of risks.
- Establishes a clear and transparent approach to identifying and managing risks that drives positive outcomes and informs decision making.

The Group's General Manager for Risk oversees the operational management of risk in line with the RMF and related policies/guidelines and reports regularly to the Group's Audit and Risk Committee. Further information on the RMF and the Group's material risks can be found in the FY24 Annual Report, under Section 3 Key Risks, within the Operating and Financial review in the Director's report.

a. Financial risk management

In the course of its operations the Group is exposed to certain financial risks that could affect the Group's financial position and performance. This note explains the sources of these risks, how they are managed by the Group and the Group's exposure at reporting date. The table below outlines the financial instruments held by the Group:

	31 December 2024 $'000	30 June 2024 $'000
Financial assets/(liabilities) measured at amortised cost		
Cash and cash equivalents	60,630	90,461
Trade and other receivables	7,677	11,818
Other financial assets	3,413	31,784
Interest-bearing loans and borrowings	(309,838)	(364,533)
Trade and other payables	(45,292)	(88,514)
Total net financial (liabilities)/assets	**(283,410)**	**(318,984)**

The fair values of cash and cash equivalents, trade and other receivables, other financial assets and trade and other payables are considered to approximate their carrying amounts due to the short term-maturities of these instruments. The carrying value of interest-bearing loans and borrowings is also considered to approximate its fair value given the facilities are linked to a Bank Bill Swap Rate (BBSY) that is subject to market fluctuations.

i. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Certain companies within the Group (known as the 'Obligor Group'), entered into senior unsecured three, four and five year revolving debt facilities totalling $500 million documented under a Common Terms Deed (CTD) and Bilateral Facility Agreements in June 2024.

The new facilities are guaranteed by the Obligor Group and the interest on borrowings under the facility is calculated based on a weighted average margin of 1.40% over BBSY if fully drawn, which is subject to market fluctuations. A +/- 50 basis point movement in interest rates would impact interest expense on borrowings and equity for the last six months to 31 December 2024 by +/- $0.8 million (12 months to 30 June 2024: $1.8 million).

The Group holds cash and cash equivalents which earn interest at floating rates (cash at bank), fixed rates (short-term deposits) and earns interest and equity on settlement and disbursement trust accounts in Australia and the UK at floating rates. A +/- 50 basis point movement in interest rates would impact interest earned for the last six months by +/- $1.0 million (12 months to 30 June 2024: +/- $1.9 million).

Further, the Group holds a financial liability in the form of a put/call option in relation to Value Australia. In determining the liability's fair value at 31 December 2024: $3.4 million (30 June 2024: $3.2 million) the liability is discounted at the segment's weighted average cost of capital. Sensitising the segment's HY25 weighted average cost of capital in this calculation by +/- 25 basis points would result in a +/- $0.2 million (June 2024: $0.1 million) movement in the liability's fair value.

ii. Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. In line with the Group's Liquidity policy, the Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The table below presents the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Estimated interest and principal payments are based on forward interest rates prevailing at period end and are undiscounted. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Maturing In:				
	1 Year or less $'000	1 to 5 Years $'000	>5 Years $'000	Contractual Total $'000	Carrying Amount $'000
31 December 2024					
Financial liabilities	3,413	-	-	3,413	3,413
Trade payables, accruals and other payables	41,879	-	-	41,879	41,879
Interest-bearing loans and borrowings	19,552	356,526	-	376,078	309,838
Lease liabilities	3,814	5,977	1,579	11,370	10,356
Other financial liabilities	-	3,414	-	3,414	3,414
Total	**68,658**	**365,917**	**1,579**	**436,154**	**368,900**
30 June 2024					
Financial liabilities	32,003	-	-	32,003	32,003
Trade payables, accruals and other payables	56,511	-	-	56,511	56,511
Interest-bearing loans and borrowings	22,091	429,310	-	451,401	364,533
Lease liabilities	3,203	6,717	2,330	12,250	10,549
Other financial liabilities	-	3,180	-	3,180	3,180
Total	**113,808**	**439,207**	**2,330**	**555,345**	**466,776**

iii. Credit risk

Credit risk is the risk that a counter-party to a financial asset held by the Group fails to meet their financial obligations. The Group does not consider itself to be subject to significant credit risk as trade receivables due from subscribers are predominantly collected automatically as a disbursement from settlement funds through transactions completed on the Exchange. Receivables from transactions that do not include financial settlement are collected via direct debit on the day the transaction is completed on the Exchange. Additionally, for non-exchange related revenues in the UK and Australia, the Group has not experienced any credit losses as the counter-parties are largely financial institutions, significant corporations or government entities.

Further, the Group's most recent acquisitions, Land Insight and Smoove had credit losses of less than $0.01 million for the full twelve months to June 2024 and are not expected to increase the Group's credit risk profile. Smoove is currently carrying an allowance for expected credit loss of $0.50 million (30 June 2024: $0.49 million)

Investments of surplus funds as cash and cash equivalents and other financial assets are made only with approved counter-parties and within investment limits assigned to each counter-party. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counter-party's potential failure to make payments. The approved counter-parties consist of the major Australian banks which maintain investment grade external credit ratings and with UK authorised banks.

b. Capital management

The Group's objective when managing capital is to ensure the allocation of financial and other resources creates sustainable value for shareholders in line with the Group's purpose of 'connecting people to place'. To ensure it achieves this the Group ensures:

- It has an appropriate level of capital resources available to support its business activities and to absorb the impact of any downside risks arising from the pursuit of those activities;
- That capital is allocated effectively across the Group to deliver on its purpose and to generate long-term sustainable returns for shareholders; and
- That material organic and inorganic opportunities are evaluated using a consistent approach and cost of capital.

The Group currently monitors its capital management in line with its objectives outlined in its Capital Management Framework (disclosed in the Half Year FY25 investor presentation). To fulfil capital management objectives, the Group may issue new shares or seek other new sources of capital such as loans and borrowings.

The Group believes that it has sufficient cash to fund its operational and working capital requirements to meet its business objectives. The Directors note that in the future it may need to raise additional funds in order to support more rapid expansion, respond to competitive pressures, acquire complementary businesses or technologies or take advantage of unanticipated opportunities.

The Group considers it has the ability to seek to raise further funds through equity or debt financing, joint ventures, licensing arrangements, strategic relationships or other means.

Note 11. Fair Value Measurement

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Financial assets/(liabilities) measured at fair value	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
At 30 June 2024				
Other financial assets[1]	-	-	1,478	1,478
Other financial liabilities[2]	-	-	(3,180)	(3,180)
	-	**-**	**(1,702)**	**(1,702)**
At 31 December 2024				
Other financial assets[1]	-	-	1,978	1,978
Other financial liabilities[2]	-	-	(3,414)	(3,414)
	-	**-**	**(1,436)**	**(1,436)**

1. The other financial asset (investment in Archistar) was recognised at fair value at 31 December 2024 and 30 June 2024. Per Note 8 the Group holds an option to increase its investment in Landchecker to 50%. The option has been valued at Nil at 31 December 2024 (30 June 2024: Nil).
2. The other financial liability (Value Australia) has been recognised at fair value. Management reviewed the non-controlling interest in Value Australia through value in use (VIU) modelling and adjusted the carrying value as at 31 December 2024. Sensitising the weighted average cost of capital used in the VIU modelling by +/-25 basis points resulted in a +/- $0.2 million (June 2024: $0.1 million) movement in the liabilities carrying value.

	31 December 2024 $'000	30 June 2024 $'000
Movements in initial assets and liabilities measured at fair value		
Opening balance	(1,702)	(193)
Investment in Archistar	500	-
Sale of other financial assets[1]	-	(250)
Transfer of other financial assets to Investments in Associates[2]	-	(1,079)
Third party contribution to Value Australia[3]	(479)	(824)
Fair value adjustment to other liabilities[4]	245	644
	(1,436)	**(1,702)**
Classification:		
Current	-	-
Non-current	(1,436)	(1,702)

1. Sale of Investment in Honey for carrying value. No profit and loss impact.
2. Increase in investment in Opex Contracts Pty Ltd (September 2023) by $0.5 million (increased ownership to 33%) resulted in the nature of the investment changing to an associate investment requiring equity accounting. No profit and loss impact.
3. Contributions from the non-controlling shareholders of Value Australia during the period which in accordance with the accounting standards are recorded against the other financial liability. No profit and loss impact.
4. Includes the initial purchase of the other financial liability (Value Australia) and the adjustment to the value arising from the fair value assessment as at 31 December 2024. This revaluation is reflected in the profit and loss.

The valuation requires management to make certain assumptions about the model inputs, including future operating cash inflows and outflows, expenditure to complete and the rate used to discount those cash-flows.

The Group has assessed that there has been no material movement in fair value of the financial assets since that date but have recognised a fair value movement in the financial liability.

Note 12. Contributed Equity

Ordinary shares

	31 December 2024 $'000	30 June 2024 $'000
Issued and fully paid	1,272,979	1,270,975
Total	**1,272,979**	**1,270,975**

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Movement in ordinary shares on issue	No. of shares	$'000
At 1 July 2023	177,272,195	1,267,600
Shares issued to a director	3,537	45
Shares issued in relation to STI plans	18,226	209
Shares issued in relation to equity plans	137,226	3,121
At 30 June 2024	**177,431,184**	**1,270,975**
Shares issued in relation to STI plans	18,248	246
Shares issued in relation to equity plans	138,920	1,758
At 31 December 2024	**177,588,352**	**1,272,979**

Note 13. Reserves

Foreign Currency Translation Reserve	31 December 2024 $'000	30 June 2024 $'000
Opening balance	(1,733)	(1,474)
Current period movement	4,669	(259)
Total	**2,936**	**(1,733)**

Share Based Payments Reserve	$'000	$'000
Opening balance	3,618	3,538
Share based payment expense	2,578	3,201
Transferred to Retained Earnings	(373)	-
Transferred to Equity	(1,758)	(3,121)
Total	**4,065**	**3,618**

Benefits are provided to employees (including the Group Managing Director & Chief Executive Officer (CEO), executives, other senior leaders and higher performing employees) of the Group in the form of share-based payments, whereby employees render services in exchange for equity or rights over shares.

The Group has Long-Term Incentive Plans (LTI Plans) for Senior Executives which aims to set and reward a high standard of performance over a three-year period, tied to the appropriate company performance measures and targets. The Sign-On, Retention Plans, UK Employee Share Plan and Transformer Plan are tied to a service condition only. For all LTI Plans the participants are not entitled to any dividends until vested.

a. FY25 Share-Based payment plans

During the period ended 31 December 2024 the Group's Board approved the following share-based payment plans for executives:

FY25 LTI Plan

Granted on 15 November 2024 (CEO – 15 November 2024) the FY25 LTI Plan contains a service condition (of three years from 1 July 2024 to 30 June 2027) and two performance conditions (one subject to a relative Total Shareholder Return ('TSR') performance condition and one subject to a non-market performance condition – an EPS target). A valuation of the performance rights was completed on this plan. The total fair value of the FY25 LTI Plan grant was $3,231,135.

Key features of the FY25 LTI Plan:

Required period of employment: three years from 1 July 2024 to 30 June 2027.

Performance hurdles:

Relative Total Shareholder Return (TSR): 50% of the FY25 LTI Plan is subject to performance against a relative TSR metric over three years. Relative TSR combines the security price movement and distributions (which are assumed to be reinvested), to show the total return to security holders, relative to that of other companies in the TSR comparator group, which is the S&P/ASX 200 Index, tested at the end of FY27. The vesting scale is as follows:

Relative TSR	Vesting % of maximum
Below 50th percentile	Nil
At 50th percentile	50%
50-75th percentile	Pro rata
At 75th percentile or above	100%

Earnings per share (EPS): 50% of the FY25 LTI Plan is subject to performance against an EPS metric. EPS is calculated based on NPATA, which is calculated as statutory net profit after tax and after adding back tax-effected amortisation of acquired intangible assets EPS CAGR will be measured based on FY27 audited results compared to FY24 audited results EPS CAGR:

EPS CAGR	Vesting % of maximum
Below Target	Nil
At Target	50%
Between Target and Maximum	Pro rata
Maximum	100%

Across all aspects of the FY25 LTI Plan the Board has full discretion to make adjustments where there would be a material and/or perverse outcome not to do so. These adjustments may have a positive or negative impact on outcomes. The expense relating to both the relative TSR and EPS portion of the LTI Plan is accrued over the performance period of three years.

Valuation

The fair value of performance rights granted under the FY25 LTI Plan is estimated at the date of grant using a combined Black Scholes pricing model (EPS rights) and Monte Carlo simulation pricing model (TSR rights) taking into account the terms and conditions upon which the performance rights were granted. For grants with non-market vesting conditions (EPS), the grant date fair value is expensed over the vesting period and adjusted to reflect the actual number of rights for which the related service and non-market vesting conditions are expected to be met. The grant date fair value of awards with market performance conditions (TSR) reflects the probability of these conditions being met and hence the expense recognised over the vesting period is only adjusted for changes in expectations as to whether service criteria will be met. The fair value of TSR rights has been calculated at $7.51 per share (CEO) and $6.48 per share (all other participants) and EPS rights at $13.54 per share (CEO) and $12.99 per share (all other participants).

Key inputs and assumptions

	Other participants	CEO
Weighted average fair values at the measurement date ($)	$9.74	$10.53
Dividend yield (%)	0%	0%
Expected volatility (%)	32.50%	32.50%
Risk-free interest rate (%)	3.86%	4.09%
Closing share price as at the grant date ($)	$12.99	$13.54
Model used	Combined - Black Scholes pricing model and Monte Carlo simulation pricing model	

The expected life of the performance rights is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the performance rights is indicative of future trends, which may not necessarily be the actual outcome.

The weighted average fair value per performance rights granted under the FY25 LTI Plan during the period ended 31 December 2024 was $10.53 (CEO) and $9.74 (all other participants).

FY25 Retention Plan (RP)

Granted on 1 July 2024 , this RP is for four employees and contains a service condition only, requiring continued employment until 31 December 2025. The total fair value of the FY25 RP grant was $625,000.

FY25 Employee Share plan (ESP)

On 4 November 2024, the PEXA Group issued, granted and allocated 27,454 PEXA ordinary shares for 371 employees. The shares have no performance measures. The fair value of the purchased shares of $0.37 million will be fully expensed in the full year results as there are no hurdles to their vesting. Fair value has been measured based on the listed value of the purchased shares as at the grant date.

FY25 Transformers plan (TP)

Granted on 4 November 2024, the PEXA Group issued 63,307 performance rights over PEXA ordinary shares for 34 participants. The performance rights have no performance measures but have a service condition of one year before they vest. If an employee leaves the business during that period, the shares are forfeited. The fair value of the performance rights of $0.85 million is expensed over the vesting period . Fair value has been measured based on the value weighted average price between 23 August 2024 and 5 September 2024.

b. FY24 Share-Based payment plans

During the period ended 31 December 2023 the Group's Board approved the following share-based payment plans for executives:

FY24 LTI Plan

Granted on 1 December 2023 (CEO – 24 November 2023) the FY24 LTI Plan contains a service condition (of three years from 1 July 2023 to 30 June 2026) and two performance conditions (one subject to a relative Total Shareholder Return ('TSR') performance condition and one subject to a non-market performance condition – an EPS target). A valuation of the performance rights was completed on this plan. The total fair value of the FY24 LTI Plan grant was $4,122,854.

Key features of the FY24 LTI Plan:

Required period of employment: three years from 1 July 2023 to 30 June 2026.

Performance hurdles:

Relative Total Shareholder Return (TSR): 50% of the FY24 LTI Plan is subject to performance against a relative TSR metric over three years. Relative TSR combines the security price movement and distributions (which are assumed to be reinvested), to show the total return to security holders, relative to that of other companies in the TSR comparator group, which is the S&P/ASX 200 Index, tested at the end of FY26. The vesting scale is as follows:

Relative TSR	Vesting % of maximum
Below 50th percentile	Nil
At 50th percentile	50%
50-75th percentile	Pro rata
At 75th percentile or above	100%

Earnings per share (EPS): 50% of the FY24 LTI Plan is subject to performance against an EPS metric. EPS is calculated based on NPATA, which is calculated as statutory net profit after tax and after adding back tax-effected amortisation of acquired intangible assets EPS CAGR will be measured based on FY26 audited results compared to FY23 audited results EPS CAGR:

EPS CAGR	Vesting % of maximum
Below Target	Nil
At Target	50%
Between Target and Maximum	Pro rata
Maximum	100%

Across all aspects of the FY24 LTI Plan the Board has full discretion to make adjustments where there would be a material and/or perverse outcome not to do so. These adjustments may have a positive or negative impact on outcomes. The expense relating to both the relative TSR and EPS portion of the LTI Plan is accrued over the performance period of three years.

Valuation

The fair value of performance rights granted under the FY24 LTI Plan is estimated at the date of grant using a combined Black Scholes pricing model (EPS rights) and Monte Carlo simulation pricing model (TSR rights) taking into account the terms and conditions upon which the performance rights were granted. For grants with non-market vesting conditions (EPS), the grant date fair value is expensed over the vesting period and adjusted to reflect the actual number of rights for which the related service and non-market vesting conditions are expected to be met. The grant date fair value of awards with market performance conditions (TSR) reflects the probability of these conditions being met and hence the expense recognised over the vesting period is only adjusted for changes in expectations as to whether service criteria will be met. The fair value of TSR rights has been calculated at $7.21 per share (CEO) and $6.96 per share (all other participants) and EPS rights at $11.86 per share (CEO) and $11.78 per share (all other participants).

Key inputs and assumptions

	Other participants	CEO
Weighted average fair values at the measurement date ($)	$9.37	$9.54
Dividend yield (%)	0%	0%
Expected volatility (%)	32.50%	32.50%
Risk-free interest rate (%)	3.99%	4.11%
Closing share price as at the grant date ($)	$11.78	$11.86
Model used	Combined - Black Scholes pricing model and Monte Carlo simulation pricing model	

The expected life of the performance rights is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the performance rights is indicative of future trends, which may not necessarily be the actual outcome.

The weighted average fair value per performance rights granted under the FY24 LTI Plan during the twelve months ended 30 June 2024 was $9.54 (CEO) and $9.37 (all other participants).

FY24 Retention Plan (RP)

Granted on 1 December 2023 and 1 April 2024, this RP is for five employees and contains a service condition only, requiring continued employment ranging from March 2025 to December 2025. The total fair value of the FY24 RP grant was $274,994.

FY24 Employee Share plan (ESP)

On 30 September 2023, the PEXA Group issued, granted and allocated 29,754 PEXA ordinary shares for 342 employees. The shares have no performance measures. The fair value of the purchased shares of $0.34 million will be fully expensed in the full year results as there are no hurdles to their vesting. Fair value has been measured based on the listed value of the purchased shares as at the grant date.

FY24 UK Employee Share plan (UK ESP)

Granted on 30 October 2023, the PEXA Group issued 1,653 performance rights over PEXA ordinary shares for 31 participants. The performance rights have no performance measures but have a service condition of three year before they vest. If an employee leaves the business during that period, the shares are forfeited. The fair value of the performance rights of $0.02 million is expensed over the vesting period . Fair value has been measured based on the value weighted average price between 29 August and 11 September 2023.

FY24 Transformers plan (TP)

Granted on 30 October 2023, the PEXA Group issued 78,353 performance rights over PEXA ordinary shares for 32 participants. The performance rights have no performance measures but have a service condition of one year before they vest. If an employee leaves the business during that period, the shares are forfeited. The fair value of the performance rights of $0.86 million is expensed over the vesting period . Fair value has been measured based on the value weighted average price between 29 August and 11 September 2023.

c. Performance rights and shares on issue

The movements in the number of performance rights and shares on issue during the year are as follows:

Performance Rights	FY22 LTI Plan	FY23 LTI Plan	FY23 SORP[1]	FY24 LTI Plan	FY24 RP	FY24 UK ESS	FY24 TP	FY25 LTIP	FY25 RP	FY25 TP	Total
At 30 June 2023	**129,456**	**281,366**	**100,063**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**510,885**
Granted during the year	-	-	-	458,620	21,918	1,653	78,353	-	-	-	**560,544**
Forfeited during the year	(1,267)	(23,448)	(4,916)	(36,128)	-	-	(4,598)	-	-	-	**(70,357)**
Vested and exercised during the year	-	-	(59,674)	-	-	-	(1,250)	-	-	-	**(60,924)**
At 30 June 2024	**128,189**	**257,918**	**35,473**	**422,492**	**21,918**	**1,653**	**72,505**	**-**	**-**	**-**	**940,148**
Granted during the year	-	-	-	-	-	-	-	325,919	45,021	63,307	**434,247**
Forfeited during the year	-	(12,279)	-	(21,828)	-	-	-	-	(7,203)	-	**(41,310)**
Expired during the year	(128,189)	-	-	-	-	-	-	-	-	-	**(128,189)**
Vested and exercised during the year	-	-	(28,035)	-	(3,488)	-	(72,505)	-	-	-	**(104,028)**
At 31 December 2024	**-**	**245,639**	**7,438**	**400,664**	**18,430**	**1,653**	**-**	**325,919**	**37,818**	**63,307**	**1,100,868**

1. FY23 Sign on and retention plan.

All performance rights and employee shares have a $nil exercise value. The weighted average remaining contractual life for the performance rights outstanding as at 31 December 2024 was 1.5 years (2024: 1.25 years). The weighted average fair value of performance rights granted during the period was $10.84 (2024: $9.80).

Employee Shares	FY23 TP	FY24 ESP	FY25 ESP	Total
At 30 June 2023	**46,809**	**-**	**-**	**46,809**
Granted during the year	-	29,754	-	**29,754**
Forfeited during the year	-	(261)	-	**(261)**
Vested and exercised during the year	(46,809)	(29,493)	-	**(76,302)**
At 30 June 2024	-	-	-	-
Granted during the year	-	-	27,454	**27,454**
Vested and exercised during the year	-	-	(27,454)	**(27,454)**
At 31 December 2024	-	-	-	-

Note 14. Earnings per share

Basic earnings per share is calculated as profit after income tax attributable to owners of the Group, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares. Diluted earnings per share adjusts the weighted average number of shares for potentially dilutive ordinary shares.

	31 December 2024 $'000	31 December 2023 $'000
(Loss) after income tax attributable to owners of PEXA	(32,725)	(4,641)
WANOS used in calculation of basic EPS[1]	177,473	177,360
Effects of dilution from:		
Performance rights[2]	-	-
WANOS used in calculation of diluted EPS	177,473	177,360
Basic EPS (cents per share)	(18.44)	(2.62)
Diluted EPS (cents per share)	(18.44)	(2.62)

1. Weighted average number of ordinary shares.
2. Diluted earnings per share is calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year adjusted for the effects of dilutive performance rights not yet converted to shares. As the Group has recorded a loss for the half-year ended 31 December 2024 and 31 December 2023, the impact of any dilutive performance rights not yet converted to shares is deemed to be nil per AASB 133.

Note 15. Commitments & Contingencies

a. Capital commitments

The Group had no quantifiable capital commitments at 31 December 2024 (31 December 2023: nil).

b. Residential guarantee

The wholly owned subsidiary, Property Exchange Australia Limited, offers the PEXA Residential Seller Guarantee (PRSG) to provide protection to residential sellers in the event of certain kinds of fraud. Where the PRSG applies, the vendor (seller) has the option to make a claim against PEXA, rather than seeking to recover the loss by an alternative means.

The Group's obligations are held by Property Exchange Australia Limited and are capped at $2 million per claim. No amounts relating to the PRSG have been provided for in the 31 December 2024 financial report.

c. Contingent liabilities

The Group is subject to a number of contractual obligations in agreements which, if not discharged or considered not to be discharged, may give rise to potential claims or other costs. These agreements exist to allow the Group to perform its day to day operations and monitor its various regulatory obligations appropriately.

Those obligations are included in a number of operating, participation, performance, trading and settlement agreements with various government bodies, financial institutions, state registrars, practitioners and regulators (such as ARNECC), in both Australia and the United Kingdom, with varying levels of potential liability. The Group is not aware of any actual or alleged non-performance of any obligations as at 31 December 2024.

Note 16. Events after Balance Sheet date

On the 28th February 2025 the Group announced its intention to undertake an on-market share buy-back (“buy-back”) of its ordinary shares of up to $50 million. There can be no guarantee that PEXA will repurchase any or all of the shares announced under the buy-back and the Group reserves the right to vary, suspend or terminate the buy-back at any time, subject to and in accordance with applicable legal requirements.

The timing and number of shares purchased under the buy-back will be dependent on PEXA’s prevailing share price, market conditions and alternative capital deployment opportunities. The buy-back will be funded from cash and existing committed debt facilities as appropriate.

No other matters or circumstance have arisen since 31 December 2024 that has significantly affected, or may significantly affect:

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

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of PEXA Group Limited, I state that:

In the opinion of the directors:

1. the interim financial statements and notes of PEXA Group Limited for the financial half-year ended 31 December 2024 are in accordance with the *Corporations Act 2001* including:
   a. giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the half-year on that date; and
   b. comply with Australian Accounting Standards and the *Corporations Regulations 2001*;
2. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
3. This declaration has been made after receiving the declarations required to be made to the Directors by the Group Managing Director and Chief Executive Officer, and Group Chief Financial Officer in accordance with section 295A of the Corporations Act 2001 for the half year ending 31 December 2024.

On behalf of the board

Mark Joiner
Chairperson
28 February 2025

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

Conclusion

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

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

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

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

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

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

Building a better working world

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

Ernst & Young

Ernst & Young

J Dawkins

Jodi Dawkins
Partner
Melbourne
28 February 2025