



ASX ANNOUNCEMENT

27 February 2023

APPENDIX 4D, CHIEF EXECUTIVE OFFICER STATEMENT AND FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2022

Attached are the following lodgements for Eumundi Group Limited (ASX: EBG):

1. Appendix 4D for the half year ended 31 December 2022;
2. Chief Executive Officer Statement for the half year ended 31 December 2022; and
3. Financial Report for the half year ended 31 December 2022.

Authorised for release by the Board

Eumundi Group Limited

APPENDIX 4D**FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

- The reporting period is the half-year ended 31 December 2022.
The previous corresponding period is the half-year ended 31 December 2021.

2. Results for announcement to the market

Six months ended		Dec 2022	Dec 2021	% Change
		\$'000	\$'000	
	Revenue from continuing ordinary activities	15,550	13,904	11.8%
	Other income	1,432	2,862	(50.0)%
2.1	Revenues from ordinary activities	16,982	16,766	1.3%
	Profit from ordinary activities before tax attributable to members	3,394	4,657	(27.1)%
	Profit from ordinary activities after tax attributable to members - excluding fair value adjustments and COVID-19 government subsidies	1,476	1,509	(2.2)%
2.2	Profit from ordinary activities after tax attributable to members	2,550	3,667	(30.5)%
2.3	Net profit for period attributable to members	2,550	3,667	(30.5)%
	Other comprehensive income after tax attributable to members	3,304	276	1,097.1%
	Total comprehensive income after tax attributable to members	5,854	3,943	48.5%
2.4	Interim dividend per ordinary share (cents per share)	3.5 fully franked at 25%	3.5 unfranked	0.0%
2.5	Refer to section 5 below for dividend details			
3.	Net tangible asset backing per security (\$)	1.38	1.11	23.8%

- There were no changes to controlled entities during the half-year ended 31 December 2022.

Dividends	Amount per security (cents)	Franking @ 25% tax	Total \$'000	Record Date	Payment Date
Interim dividend FY22	3.5	unfranked	1,454	2 Mar 2022	14 Mar 2022
Final dividend FY22	3.5	100% franked	1,502	2 Sep 2022	13 Sep 2022
Interim dividend FY23	3.5	100% franked	1,548	3 Mar 2023	15 Mar 2023

- A dividend reinvestment plan will be in operation for the interim dividend. The last date for receipt of an election notice to participate in the plan is Wednesday, 8 March 2023.
- Details of associates or joint venture entities are not applicable.
- Accounting standards used by foreign entities are not applicable.
- The financial report has been independently reviewed by Pitcher Partners and is not subject to a modified opinion or emphasis of matter paragraph.



ASX RELEASE

Eumundi Group announces net profit after tax of \$2.550 million for 1HFY23**Net assets increase to \$1.44 per share****Fully franked interim dividend of 3.5 cents per share**

Eumundi Group Limited (the “**Group**”), the Queensland hotel and investment property company, is pleased to report a profit after tax of \$2.550 million for the half-year ended 31 December 2022 (“**1HFY23**”). This represents earnings per share of 5.84 cents.

Excluding non-cash fair value revaluations and adjustments and COVID-19 government subsidies, net profit after tax was down 2.2% to \$1.476 million for the half-year, compared with \$1.509 million in the previous corresponding period.

The half-year result was achieved on total revenue of \$15.550 million, an increase of 11.8% compared with total revenue for the prior comparative half-year of \$13.904 million.

Total comprehensive income of \$5.854 million was up 48.5% and included a \$3.304 million gain net of tax on the fair value revaluations of the Ashmore Tavern and the Aspley Shopping Centre land and buildings and a net fair value adjustment of \$1.074 million after tax, primarily attributable to The Plough Inn.

Half-year ended 31 December (\$'000)	1HFY23	1HFY22	Change
Revenue from ordinary activities	15,550	13,904	11.8%
Net profit from ordinary activities after tax before finance costs, fair value adjustments and COVID-19 government subsidies net of tax	1,975	1,760	12.2%
Finance costs net of tax	499	251	99.1%
Net profit from ordinary activities after tax before fair value adjustments and COVID-19 government subsidies net of tax	1,476	1,509	(2.2)%
Net gain on fair value adjustment of investment properties net of tax	1,074	2,147	(50.0)%
COVID-19 government subsidies net of tax	-	11	(100.0)%
Reported net profit after tax	2,550	3,667	(30.5)%
Fair value revaluations of land and buildings net of tax	3,304	276	1,097.1%
Total comprehensive income	5,854	3,943	48.5%
Earnings per share (cents)	5.84	8.83	(33.9)%
Net assets per share (\$)	1.44	1.17	23.1%
Interim dividend (cents per share)	3.5	3.5	0.0%
- franking	100%	0%	n/a

Comments on result

Further details on the 1HFY23 financial result and the significant operational developments for the Group during the period follows:

- The Ashmore Tavern bar and bistro turnover was adversely impacted by kitchen and bathroom upgrades throughout 1QFY23 which completed in September 2022. These works increased the venue's food service capability and improved the standard of bathroom amenities. It is pleasing that since completion, food and beverage sales have increased beyond the prior comparative months. Gaming turnover at the Ashmore Tavern continued to perform strongly. Retail liquor sales growth continued in 1QFY23, however eased in 2QFY23 as increasing interest rates and inflation impacted consumer confidence.
- The performance of the Aspley Central Tavern during the half was well above the 1HFY22 result. This prior comparative period included several forced COVID-19 closures. During 1HFY23, gaming turnover improved substantially, reflecting the Group's capital investments in the premises and equipment in recent years. Bar and bistro revenues also improved. Increased retail liquor sales were achieved with higher foot traffic across the shopping centre as previously vacant tenancies were tenanted.
- The Group's investment property revenues increased by 11.4% during the half-year, attributable to improved leasing outcomes, reduced vacancy rates and CPI rental increases on several major leases. The result included a full six months of revenue from the Court House Hotel, compared with only five months in the prior comparative period following its acquisition in August 2021.
- The Group continued to generate strong operating cash flows. Net cash inflows from operating activities in 1HFY23 of \$2.369 million were up 9.4% from \$2.165 million in the previous corresponding period. Receipts from customers increased due to higher revenues, whilst payments to suppliers and employees reflected the costs of higher trading levels, compounded by inflationary pressures. Finance costs increased due to the rise in interest rates and tax payments were also higher following an increase in the Group's tax instalment rate.

Financial position

The Group remains in a strong financial position with the following matters of note in the half-year:

- The revaluation of the land and buildings at Ashmore Tavern and Aspley Shopping Centre resulted in a \$4.406 million (\$3.304 million net of tax) increase in the Group's carrying value.
- The revaluation of The Plough Inn, Aspley Arcade Shopping Village and the Court House Hotel investment properties resulted in a \$1.432 million (\$1.074 million net of tax) increase in the Group's carrying value.
- The Group's net debt (borrowings less cash) decreased by \$0.664 million to \$28.937 million as at 31 December 2022.
- The Group's net debt to equity ratio was 45.6% as at 31 December 2022, down by 5.7% from 30 June 2022.
- EBITDA, excluding fair value revaluations and adjustments of \$3.499 million, comfortably covered finance costs of \$0.665 million during the half-year by over 5.2 times.
- Net assets increased by \$5.733 million to \$63.472 million during the half-year, resulting in a \$0.09 per share uplift to \$1.44 per share.

Interim dividend

The Board is pleased to declare an interim dividend of 3.5 cents per share, fully franked at 25%. The Record Date for the interim dividend is Friday, 3 March 2023 and the dividend will be paid on Wednesday, 15 March 2023.

The Eumundi Group Limited Dividend Reinvestment Plan ("DRP") will apply to the interim dividend. Shareholders who have not previously elected to participate in the DRP or who wish to vary their DRP participation should update their details online at www.investorcentre.com or by calling Computershare Investor Services on 1300 552 270 to obtain a DRP Election/Variation Form. The election or notice must be received by the share registry on or before 5pm Brisbane time on Wednesday, 8 March 2023 to be effective for the interim dividend.

Mandatory direct credit applies to this dividend payment. Where holders have already provided payment instructions, no further action will be required. Shareholders who have not previously provided direct credit payment details, or who wish to update their details, should do so online at www.investorcentre.com or by calling Computershare Investor Services on 1300 552 270.

Shareholders are reminded that for administrative convenience and cost, a minimum cash payment of \$5 will apply and that cash payments below this value will not be paid.

Outlook

Hotel operations

The Group's hotels continue to show growth across gaming, food and bar sales, whilst retail sales remain steady. In particular, the completion of the kitchen and amenities upgrade at the Ashmore Tavern has underpinned strong revenue growth. With an increased marketing effort, the venue is now actively targeting larger groups and corporate functions.

Gaming upgrades being undertaken at both the Ashmore Tavern and the Aspley Central Tavern in 3QFY23 should boost performance.

However, labour shortages remain an issue, as continued low unemployment rates and competition for experienced staff put further pressure on wage rates. Additionally, the combined impacts of rising energy prices, interest rates and food costs may impact customer confidence and spending.

Investment properties

The Plough Inn and Court House Hotel investment properties remain a reliable revenue stream.

Only three vacancies remain at the Aspley Shopping Centre and the Aspley Arcade Shopping Village. The recent interest rate rises have impacted enquiry levels, however discussions are ongoing in respect of these remaining tenancies.

Achieving quality leasing outcomes remains a major priority for the year ahead and will underpin the long-term performance of these assets.

Overall, the Board is satisfied with the quality of each asset and expects a solid result, notwithstanding the uncertainties and challenges for the remainder of FY23.



Suzanne Jacobi-Lee
Chief Executive Officer



EUMUNDI GROUP LIMITED

ABN 30 010 947 476

INTERIM FINANCIAL REPORT

**FOR THE HALF-YEAR ENDED
31 DECEMBER 2022**

This interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by Eumundi Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES**

DIRECTORS' REPORT

Your directors present their report on Eumundi Group Limited ("the Group") and the entities it controlled at the end of and during the six months ended 31 December 2022.

Directors

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

J M Ganim - Chairman
G De Luca - Director
M R Boyte – Independent Director

Dividends

On 29 August 2022, the board declared a final dividend of 3.5 cents per share fully franked at 25% (\$1,502,000) which was paid to shareholders on 13 September 2022.

On 27 February 2023, the board declared an interim dividend of 3.5 cents per share fully franked at 25% (\$1,548,000) which will be paid to shareholders on 15 March 2023.

Review of operations

In the six months ended 31 December 2022, the Group:-

- completed the Ashmore Tavern works including kitchen and bathroom upgrade and bistro modifications in 1QFY23 at a total cost of \$1,684,000. This included construction and professional fees of \$1,299,000, refrigeration and kitchen equipment of \$251,000, upgrade of the venue's beer reticulation of \$68,000, temporary kitchen facilities of \$45,000 and installation of automatic doors of \$21,000. Progress payments of \$576,000 had been recognised as at 30 June 2022;
- installed facial recognition technology at Ashmore Tavern and Aspley Central Tavern in 2QFY23 at a total cost of \$24,000 to support the Group's strict anti-money laundering and gaming harm minimisation strategies;
- acquired gaming equipment for the Ashmore Tavern at a cost of \$25,000 in 2QFY23;
- replaced essential kitchen and bar equipment at Aspley Central Tavern in 2QFY23 at a total cost of \$39,000;
- acquired and commissioned computerised cash handling equipment at Aspley Central Tavern at a cost of \$90,000 in 2QFY23; and
- progressed negotiations with prospective tenants for the Group's Aspley investment properties.

Hotel Operations

Gaming revenues at the Group's hotels increased during the half-year with an uplift of 23% compared with the prior comparative half year, while bar sales increased by 9% over 1HFY22. Bistro sales for 1HFY23 were down 4% overall, with a decrease of 30% for food sales at Ashmore Tavern in 1QFY23 while kitchen and bathroom upgrades were underway. Results lifted by 10% once the new facilities were opened. Aspley Central Tavern food sales were 9% up compared with H1FY22.

Retail liquor sales were up 4% in 1HFY23, with strong growth in 1QFY23 slowing in 2QFY23. Hotel operations in the prior comparative half-year were impacted by COVID-19 transmission rates, isolation and border restrictions which benefitted retail liquor trade levels due to increased home consumption.

Interest rate increases and inflationary pressures continued to impact hotel operations during 1HFY23. Food supplies remained in short supply and rising transport costs further increased cost of goods. Customer visitations increased, however spending slowed and profit margins have contracted slightly.

Staff shortages across the hospitality industry led to strong competition for experienced hotel staff and employee costs increased significantly during the half-year under review.

Overall, the contribution of the Group's hotel operations increased from \$1,091,000 in 1HFY22 to \$1,586,000 in the current half-year.

Investment Properties

Increased occupancy of the Group's Aspley investment properties, significant CPI reviews on several large leases and a full half-year of rent from the Court House Hotel led to an 11% increase in investment property revenues. The prior half-year result reflected five months of Court House Hotel revenue which was acquired in August 2021.

The contribution of the Group's investment properties increased from \$1,503,000 in 1HFY22 to \$1,609,000 in the current half-year.

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES**

DIRECTORS' REPORT (continued)

Financial results

The Group recorded a profit after tax of \$2,550,000 for the half-year ended 31 December 2022 (2021: \$3,667,000 profit) which represents earnings per share of 5.84 cents (2021: 8.83 cents).

The current half-year profit includes a fair value gain on revaluation of investment properties of \$1,074,000 net of tax (predominantly attributable to the Plough Inn). Profit in the prior half-year included a fair value gain on revaluation of investment properties of \$2,147,000 net of tax and government COVID-19 subsidies of \$11,000 net of tax.

Adjusting for fair value adjustments and prior year Government COVID-19 subsidies, the Group recorded a profit after tax of \$1,476,000 compared with \$1,509,000 in the prior corresponding period.

Other comprehensive income includes fair value increments of \$3,304,000 (net of tax) on revaluation of the Group's land and buildings at Ashmore Tavern and Aspley Shopping Centre (Dec 2021: gain \$276,000 (net of tax) on revaluation of the Group's land and buildings at the Ashmore Tavern).

Total comprehensive income (net of tax) for the half-year was \$5,854,000 (2021: \$3,943,000).

Cash flows

Cash inflows from operating activities in 1HY23 were \$2,369,000 (1HY22 \$2,165,000). Finance costs paid increased by \$260,000 to \$517,000 due to higher interest rates. Income tax paid increased by \$197,000 to \$383,000 due to an increase in the Group's tax instalment rate.

Cash outflows from investing activities of \$1,450,000 comprised \$142,000 in capital works and leasing costs for the Aspley Arcade Shopping Village and Aspley Shopping Centre, and \$1,308,000 in buildings, property, plant and equipment for Ashmore Tavern and Aspley Central Tavern.

Financing cash outflows of \$969,000 in 1HFY23 comprised \$847,000 repayment of borrowings and lease liabilities, and cash dividend payments of \$116,000, reflecting strong uptake by shareholders of the dividend reinvestment plan. Financing cash inflows in the comparative period comprised \$5,871,000 drawn on borrowings (net of loan establishment costs) to acquire the Court House Hotel, less the repayment of commercial borrowings and lease liabilities of \$830,000 during the half-year.

Financial position

Net assets as at 31 December 2022 were \$63,472,000, representing an increase of \$5,733,000, up 9.9% from \$57,739,000 as at 30 June 2022. This represented net assets per share of \$1.44 as at 31 December 2022, up 6.7% over the half-year (June 2022: \$1.35 per share).

Total assets increased by 6.3%, from \$103,120,000 to \$109,595,000, primarily due to the net fair value gain on revaluation of land and buildings of \$4,406,000, net gain on fair value adjustment of investment properties of \$1,432,000 and capital expenditure of \$1,361,000 largely attributable to the Ashmore Tavern kitchen and bathroom works.

Total liabilities increased by \$742,000 largely due to increased deferred tax liabilities of \$1,465,000, due predominantly to the revaluation of the Group's land and buildings and investment properties, offset by repayment of commercial borrowings of \$730,000. The Group retained access to \$9,021,000 in available undrawn commercial borrowings as at 31 December 2022.

Several of the Group's commercial borrowing facilities are due to expire on 31 October 2023 and are therefore classified as current as at 31 December 2022. The Group has been in active negotiation with several banks during 2QFY23. As at 31 December 2022, the Group had received offers, including from the Group's existing banker, on terms no less favourable than the Group's existing facility, which were capable of acceptance and remain current.

Retained earnings increased by \$1,048,000 being the 1HFY23 profit from operations of \$2,550,000 (net of tax) less the payment of the FY22 final dividend of \$1,502,000. Revaluation surpluses increased by \$3,304,000 to \$19,989,000 reflecting the fair value revaluation gain on land and buildings (net of tax). Contributed equity increased by \$1,381,000 to \$28,657,000 following the issue of 1,329,997 shares under the dividend reinvestment plan in respect of the FY22 final dividend. As at 31 December 2022, a total of 44,232,663 ordinary shares were on issue in the Company.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the half-year other than as disclosed elsewhere in the interim financial report.

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES**

DIRECTORS' REPORT (continued)

Significant after balance date events

Other than the above, there are no other matters or circumstances that have arisen since the end of the half-year, that have significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* accompanies this report.

Rounding

The Group is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that Legislative Instrument, or in certain cases to the nearest dollar.

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



J M Ganim - Director

Dated this 27th day of February 2023

The Directors
Eumundi Group Limited
161 Cotlew St,
ASHMORE QLD 4214

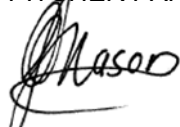
Auditor's Independence Declaration

In relation to the independent auditor's review for the half-year ended 31 December 2022, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*;
and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

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

Pitcher Partners
PITCHER PARTNERS



CHERYL MASON
Partner

Brisbane, Queensland
27 February 2023

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

	Notes	31 Dec 22 \$'000	31 Dec 21 \$'000
Revenue	3	15,550	13,904
Other income			
Net gain on fair value adjustment – investment properties	5	1,432	2,862
Total revenue and other income		16,982	16,766
Expenses			
Purchase of inventories		(4,276)	(4,111)
Change in inventories		(260)	(283)
Selling and promotional costs		(540)	(555)
Employee benefits expense		(2,431)	(2,226)
Depreciation and amortisation	4	(872)	(884)
Insurance		(104)	(103)
Rates and taxes		(65)	(4)
Electricity		(102)	(130)
Outgoings – investment properties		(319)	(281)
Gaming machine tax		(3,126)	(2,485)
Finance costs		(665)	(334)
Listing and corporate governance costs		(194)	(189)
COVID-19 government subsidies		-	15
Other expenses		(634)	(539)
Total expenses		(13,588)	(12,109)
Profit before income tax		3,394	4,657
Income tax expense *		(844)	(990)
Profit for the half-year		2,550	3,667
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Fair value revaluations of land and buildings	4	4,406	368
Income tax on items of other comprehensive income		(1,102)	(92)
Other comprehensive income for the half-year, net of tax		3,304	276
Total comprehensive income for the half-year		5,854	3,943
Earnings per share:		Cents	Cents
Basic and diluted earnings per share		5.84¢	8.83¢

* Income tax expense for the half-year ended 31 December 2021 included an income tax benefit of \$174,000 on restatement of deferred tax liabilities due to the change in the Company's tax rate from 26% to 25% on 1 July 2021.

The above consolidated statement of comprehensive income is to be read in conjunction with the accompanying notes.

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

	Notes	31 Dec 22 \$'000	30 Jun 22 \$'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		1,781	1,831
Trade and other receivables		418	222
Inventories		1,595	1,335
Other assets		326	486
TOTAL CURRENT ASSETS		4,120	3,874
NON-CURRENT ASSETS			
Receivables		4	5
Property, plant and equipment	4	53,502	48,723
Investment properties	5	49,550	48,150
Intangible assets		2,419	2,368
TOTAL NON-CURRENT ASSETS		105,475	99,246
TOTAL ASSETS		109,595	103,120
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		4,401	4,484
Lease liabilities		192	227
Borrowings	6	29,625	-
Provisions		676	588
Income tax payable		492	396
TOTAL CURRENT LIABILITIES		35,386	5,695
NON-CURRENT LIABILITIES			
Lease liabilities		147	224
Borrowings	6	1,093	31,432
Provisions		46	44
Deferred tax liabilities		9,451	7,986
TOTAL NON-CURRENT LIABILITIES		10,737	39,686
TOTAL LIABILITIES		46,123	45,381
NET ASSETS		63,472	57,739
EQUITY			
Contributed equity		28,657	27,276
Reserves		19,989	16,685
Retained profits		14,826	13,778
TOTAL EQUITY		63,472	57,739

The above consolidated statement of financial position is to be read in conjunction with the accompanying notes.

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

	Contributed equity \$'000	Revaluation surplus \$'000	Retained earnings \$'000	Total \$'000
Balance at 1 July 2021	25,938	10,604	8,209	44,751
Profit for the half-year	-	-	3,667	3,667
Revaluation of buildings - gross	-	368	-	368
Income tax relating to components of other comprehensive income	-	(92)	-	(92)
Total comprehensive income for the half- year	-	276	3,667	3,943
Balance at 31 December 2021	25,938	10,880	11,876	48,694
Balance at 1 July 2022	27,276	16,685	13,778	57,739
Profit for the half-year	-	-	2,550	2,550
Revaluation of buildings - gross	-	4,406	-	4,406
Income tax relating to components of other comprehensive income	-	(1,102)	-	(1,102)
Total comprehensive income for the half- year	-	3,304	2,550	5,854
Dividend paid to shareholders	-	-	(1,502)	(1,502)
Contributions of equity net of transaction costs	1,381	-	-	1,381
Balance at 31 December 2022	28,657	19,989	14,826	63,472

The above consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

	Notes	31 Dec 22 \$'000	31 Dec 21 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		16,765	14,904
Payments to suppliers and employees		(13,496)	(12,298)
Interest received	3	-	2
Finance costs		(517)	(257)
Income tax paid		(383)	(186)
Net cash inflows from operating activities		2,369	2,165
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of investment property	5	-	(6,379)
Payments for property, plant and equipment		(1,395)	(658)
Payments for investment properties		(55)	(390)
Net cash used in investing activities		(1,450)	(7,427)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	5,900
Repayment of borrowings		(730)	(715)
Payment of loan establishment fees		-	(29)
Repayment of lease liabilities		(117)	(115)
Share issue costs		(6)	-
Dividends paid		(116)	-
Net cash (used in) inflows from financing activities		(969)	5,041
Net increase (decrease) in cash and cash equivalents		(50)	(221)
Cash and cash equivalents at beginning of the reporting half-year		1,831	1,468
Cash and cash equivalents at 31 December		1,781	1,247

The above consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

1. Basis of preparation of interim report

These general purpose financial statements for the half-year reporting period ended 31 December 2022 have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. Compliance with AASB 134 ensures that the interim financial statements and notes also comply with International Financial Reporting Standard IAS 34: *Interim Financial Reporting*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by Eumundi Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted in the preparation of the consolidated interim financial statements are consistent with those adopted in the Group's annual financial report for the year ended 30 June 2022 except that the estimated useful life of hotel licences within intangible assets are now recognised as infinite (2021: 50 years). The Group has adopted all the mandatory new and amended Accounting Standards issued that are relevant to its operations and effective for the current reporting period. There was no material impact on the interim financial report as a result of the adoption of these standards.

Several of the Groups' commercial borrowing facilities are due to expire on 31 October 2023 and are therefore classified as current as at 31 December 2022 resulting in a current net liability position. The Group has been in active negotiation with several banks during 2QFY23. As at 31 December 2022, the Group had received offers, including from the Group's existing banker, on terms no less favourable than the Group's existing facility, which were capable of acceptance and remain current.

Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

2. Segment information

Reportable segments

Hotel Operations - The hotel operations segment sells packaged alcoholic beverages through its retail outlets, sells food and alcoholic beverages on-premise through bars and restaurants and operates licensed gaming venues.

Investment Properties - The investment properties segment owns and leases investment property assets to retail tenants.

	Hotel Operations \$'000	Investment Properties \$'000	Total \$'000
Half-year to 31 Dec 2022			
Revenue			
Revenue from contracts with customers	13,223	-	13,223
Lease revenue	-	2,235	2,235
Other revenue	368	-	368
Total segment revenue	13,591	2,235	15,826
Inter-segment revenue			(276)
Interest revenue			-
Total revenue			15,550
Results			
Segment results	1,586	1,609	3,195
Net finance costs			(665)
Unallocated revenue less unallocated expenses			(568)
Fair value adjustment on investment properties			1,432
Profit before income tax			3,394
Income tax expense			(844)
Profit for the half-year			2,550
Assets as at 31 December 2022			
Segment assets	32,159	77,308	109,467
Unallocated assets			128
Total assets			109,595
Depreciation and amortisation	565	307	872
Unallocated			-
Total depreciation and amortisation for the half-year to 31 December 2022			872

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
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FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

2. Segment information (continued)

	Hotel Operations \$'000	Investment Properties \$'000	Total \$'000
Half-year to 31 Dec 2021			
Revenue			
Revenue from contracts with customers	11,850	-	11,850
Lease revenue	-	2,019	2,019
Other revenue	294	-	294
Total segment revenue	12,144	2,019	14,163
Inter-segment revenue			(261)
Interest revenue			2
Total revenue			13,904
Results			
Segment results	1,091	1,503	2,594
Net finance costs			(331)
Unallocated revenue less unallocated expenses			(468)
Fair value adjustment on investment properties			2,862
Profit before income tax			4,657
Income tax expense			(990)
Profit for the half-year			3,667
Assets as at 31 December 2021			
Segment assets	23,085	68,609	91,694
Unallocated assets			86
Total assets			91,780
Depreciation and amortisation	648	235	883
Unallocated			1
Total depreciation and amortisation for the half-year to 31 December 2021			884

3. Revenue

	31 Dec 2022 \$'000	31 Dec 2021 \$'000
Revenue from contracts with customers		
At a point in time		
Sales of goods	7,286	7,018
Gaming revenue	5,937	4,832
Other revenue		
Commission	181	149
Interest	-	2
Rebates	187	145
	13,591	12,146
Lease revenue		
Rental income and recoverable outgoings from investment properties	1,959	1,758
Total revenue	15,550	13,904
Disaggregation of revenue from contracts with customers		
Revenue derived in Queensland	15,318	13,712
Revenue derived in New South Wales	232	192
	15,550	13,904

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

4. Property, plant and equipment

The basis of valuation of land and buildings is fair value being the price that would be received to sell the assets in an orderly transaction between market participants at balance date, based upon current prices in an active market for similar properties in the same location and condition.

The valuation of Aspley Shopping Centre (\$27,700,000) and the Ashmore Tavern land and buildings (\$23,806,000) was based upon the directors' internal valuation and resulted in a fair value revaluation increment of \$4,406,000 (\$3,304,000 net of tax). In arriving at fair value, the directors considered whether there were any changes to the significant inputs into the last independent valuation of the properties.

Movement in property, plant and equipment for the half-year was as follows:

	Freehold land \$'000	Buildings \$'000	Plant and equipment \$'000	Right-of-use assets \$'000	Total \$'000
Half-year ended 31 December 2021					
Opening net book amount 1 July 2021	10,200	28,100	1,741	663	40,704
Revaluation increment	-	368	-	-	368
Additions	-	283	217	-	500
Disposals	-	-	(2)	-	(2)
Straight line adjustments and lease incentives	-	27	-	-	27
Depreciation charge	-	(478)	(311)	(95)	(884)
Closing net book amount 31 Dec 2021	10,200	28,300	1,645	568	40,713
Half-year ended 31 December 2022					
Opening net book amount 1 July 2022	11,000	35,833	1,416	474	48,723
Revaluation increment	-	4,406	-	-	4,406
Additions	-	809	552	-	1,361
Transfers	-	53	(55)	-	(2)
Disposals	-	-	-	-	-
Straight line adjustments and lease incentives	-	(63)	-	-	(63)
Depreciation charge	-	(532)	(297)	(94)	(923)
Closing net book amount 31 Dec 2022	11,000	40,506	1,616	380	53,502

As at 31 December 2022, the Group had no commitments for the purchase of plant or equipment.

5. Investment properties

Overall movement in investment properties was as follows:

	31 Dec 2022 \$'000	31 Dec 2021 \$'000
At 1 July	48,150	35,535
Capitalised expenditure	(4)	558
Straight line rentals and lease incentives	(28)	16
Acquisition of investment property	-	6,379
Net gain/(loss) from fair value adjustment	1,432	2,862
At 31 December	49,550	45,350

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

5. Investment properties (continued)

The table below summarises the adopted fair value for the investment properties as at balance date.

Investment Property	Acquisition Date	Cost Including Additions *	Last Independent Valuation		Book Value	
			Date	\$'000	31 Dec 2022 \$'000	30 Jun 2022 \$'000
Aspley Arcade Shopping Village	Jun 2007	16,330	June 2021	18,500	21,200	21,400
Plough Inn	Nov 2017	13,100	June 2021	17,000	20,850	19,250
Court House Hotel	Aug 2021	6,000	May 2021	6,000	7,500	7,500
					49,550	48,150

* excluding acquisition costs

(a) Valuation basis

The basis of valuation of investment properties is fair value being the price that would be received to sell the properties in an orderly transaction between market participants at balance date, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases.

The 31 December 2022 fair value assessments for the Aspley Arcade Shopping Village, the Plough Inn and The Court House Hotel were based on directors' internal valuations. In arriving at fair value, the directors considered whether there were any changes to the last independent valuation and determined the fair value of the property using capitalised income projections based on the property's net market income.

6. Finance facilities

Commercial loans – secured

Details of the facilities drawn at 31 December 2022 are outlined below:

Facility Limit		Amount Drawn (Face Value)		Interest Rate		Interest Type	Expiry Date
31 Dec 22 \$'000	30 Jun 22 \$'000	31 Dec 22 \$'000	30 Jun 22 \$'000	31 Dec 22 %	30 Jun 22 %		
10,000	10,000	1,104	10,000	3.14	1.89	Variable	31/07/2024
9,000	9,000	9,000	9,000	3.14	2.36	Variable	31/10/2023**
9,750*	10,000	9,625	1,459	3.10	3.35	Variable	31/10/2023**
11,000	11,000	11,000	11,000	3.10	2.35	Variable	31/10/2023**
39,750	40,000	30,729	31,459				

The amount recognised in the consolidated statement of financial position is net of discounts and other transaction costs plus interest accrual.

As at 31 December 2022 the Group had unrestricted access to commercial loan facilities of \$39,750,000 of which \$9,021,000 was undrawn (June 2022: facilities of \$40,000,000 of which \$8,541,000 was undrawn).

* From 30 September 2022, the facility limit on one of the Group's facilities is automatically reduced by \$125,000 per quarter. All other facilities are interest only until expiry.

**Several of the Groups' commercial borrowing facilities are due to expire on 31 October 2023 and are therefore classified as current as at 31 December 2022. The Group has been in active negotiation with several banks during 2QFY23. As at 31 December 2022, the Group had received offers, including from the Group's existing banker, on terms no less favourable than the Group's existing facility, which were capable of acceptance and remain current.

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

7. Dividends

	31 Dec 2022 \$'000	31 Dec 2021 \$'000
Dividends paid to members during the half-year were as follows:		
Final dividend for the year ended 30 June 2022 of 3.5 cents per share fully franked at 25% paid on 13 September 2022 (2021: nil)	1,502	-
Dividends declared in respect of the half-year were as follows:		
Proposed interim dividend of 3.5 cents per fully paid ordinary share fully franked at 25% payable on 15 March 2023 but not recognised as a liability (2021: 3.5 cents per share, unfranked)	1,548	1,453

8. Contingent liabilities

The Group has no material contingencies.

9. Subsequent events

There are no other matters or events that have arisen since 31 December 2022 not otherwise disclosed in the above notes that have significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations or the state of affairs in future financial periods.

**EUMUNDI GROUP LIMITED
AND CONTROLLED ENTITIES
DIRECTORS' DECLARATION
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**

In the opinion of the directors the accompanying financial statements and notes:

- (a) comply with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*; and
- (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance, as represented by the results of its operations and its cash flows, for the half-year ended on that date.

In the directors' opinion:

- (a) the financial statements and notes are in accordance with the *Corporations Act 2001*; and
- (b) there are reasonable grounds to believe that Eumundi Group Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



J M Ganim
Director

Dated this 27th day of February 2023

Independent Auditor's Review Report To the Members of Eumundi Group Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Eumundi Group Limited and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- a) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its 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*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibility of the Directors for the Financial Report

The directors of the Group are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* 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 Responsibility for the Review of the 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 2022 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*.

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.

Pitcher Partners
PITCHER PARTNERS

Mason
CHERYL MASON

Partner

Brisbane, Queensland
27 February 2023