



ASX ANNOUNCEMENT

27 February 2024

APPENDIX 4D, RESULTS ANNOUNCEMENT AND HALF YEAR REPORT FOR PERIOD TO 31 DECEMBER 2023

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

1. Appendix 4D for the half year ended 31 December 2023;
2. Results for the half year ended 31 December 2023; and
3. Half Year Report for the period ended 31 December 2023.

Authorised for release by the Board

Eumundi Group Limited

APPENDIX 4D**FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

- The reporting period is the half-year ended 31 DECEMBER 2023.
The previous corresponding period is the half-year ended 31 DECEMBER 2022.

2. Results for announcement to the market

Half-year ended	December 2023 \$'000	December 2022 \$'000	% Change
2.1 Revenues from ordinary activities	15,887	15,353	3%
Profit from ordinary activities before tax and fair value gain/(loss) on revaluation of investment properties	2,158	1,962	10%
Fair value gain/(loss) on revaluation of investment properties	(29)	1,432	n/a
Profit from ordinary activities before tax attributable to members	2,129	1,962	(37%)
Income tax expense	(530)	(844)	(37%)
2.2 Profit from ordinary activities after tax attributable to members	1,599	2,550	(37%)
2.3 Net profit for period attributable to members	1,599	2,550	(37%)
Other comprehensive income after tax attributable to members	497	3,304	(85%)
Total comprehensive income after tax attributable to members	2,096	5,854	(64%)
2.4 Interim dividend per ordinary share (cents per share)	3.5	3.5	-
2.5 Refer to section 5 below for dividend details			
3. Net tangible asset backing per security (\$)	1.33	1.33	-

- There were no changes to controlled entities during the half-year ended 31 DECEMBER 2023.

Dividends	Amount per security (cents)	Franking @ 25% tax	Total \$'000	Record Date	Payment Date
Final dividend FY22	3.5	100% franked	1,501	2 Sep 2022	13 Sep 2022
Interim dividend FY23	3.5	100% franked	1,549	3 Mar 2023	15 Mar 2023
Final dividend FY23	3.5	100% franked	1,591	1 Sep 2023	13 Sep 2023
Interim dividend FY24	3.5	100% franked	1,639	4 Mar 2024	14 March 2024

- 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 Thursday, 07 March 2024.
- 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 \$1.599 million for 1HFY24

Net profit after tax excluding fair value revaluations up 9.8%

Fully franked interim dividend of 3.5 cents per share

Half-year ended 31 December (\$'000)	2024	2023	Change
Revenue	15,887	15,353	3.5%
Operating profit before tax excluding fair value gain/(loss) on revaluation of investment properties	2,158	1,962	10.0%
Net profit after tax excluding fair value gain/(loss) on revaluation of investment properties	1,621	1,476	9.8%
Fair value gain/(loss) on revaluation of investment properties net of tax	(22)	1,074	(102.0%)
Net profit after tax	1,599	2,550	(37.3%)
Fair value revaluations of land and buildings net of tax	497	3,304	(85.0%)
Total comprehensive income	2,096	5,854	(64.2%)
Earnings per share (cents)			
Reported	3.45	5.84	(40.9%)
Excluding fair value gain/(loss) on revaluation of investment properties	3.50	3.38	3.6%
Net assets per share (\$)	1.38	1.38	-
Dividends (cents per share)			
Final dividend fully franked at 25%	3.5	3.5	-
Interim dividend fully franked at 25%	3.5	3.5	-
Total	7.0	7.0	

Eumundi Group Limited (the “**Group**”), the Queensland hotel and investment property company, is pleased to report a profit after tax of \$1.599 million for the half-year ended 31 December 2023 (“**1HFY24**”). This represents earnings per share of 3.45 cents.

Excluding non-cash fair value revaluations and adjustments, net profit after tax was up 9.8% to \$1.621 million for the half-year, compared with \$1.476 million in the previous corresponding period.

Total comprehensive income of \$2.096 million included a \$0.497 million gain net of tax on the fair value revaluations of the Ashmore Tavern and the Aspley Shopping Centre land and buildings (1HFY23: \$5.854 million which included a \$3.304 million gain net of tax).

The half-year result was achieved on total revenue of \$15.887 million, an increase of 3.5% compared with total revenue for the prior comparative period of \$15.353 million.

Comments on result

Revenue from hotel operations of \$13.890 million in 1HFY24 was up 3% (1HFY23: \$13.394 million), with food, beverage and gaming at the Ashmore Tavern benefitting from the kitchen and bathroom replacement completed last year. Retail liquor sales softened during the period with a lower average spend driven by cost-of-living pressures. Costs were well contained, with total expenses rising significantly less than inflation despite pressure on employment costs due to continued strong competition for experienced hospitality staff.

The contribution of the hotel operation was \$1.767 million, up from \$1.609 million in the prior corresponding period, reflecting increased sales and the containment of costs.

Investment property contribution increased from \$1.585 million in the prior comparative period to \$1.762 million due to CPI based rent reviews for several major tenants.

Additionally, during 1HFY24 the Group:

- replaced hotel operational point-of-sale software and hardware at a total cost of \$0.259 million, improving customer service capability, reducing repair costs and achieving efficiencies;
- progressed replacement of the Group's financial systems to improve management and statutory reporting delivery; and
- entered a contract to purchase solar equipment which will be installed at Ashmore Tavern in Q3FY24 for a total cost of \$0.096 million.

Cash flows

Cash inflows from operating activities in the half year were \$2.349 million (1HFY23: \$2.369 million), with higher net trading inflows offset by higher tax instalments and interest rate escalation increasing finance costs.

Cash outflows from investing activities of \$0.397 million (1HFY23:\$1.450 million outflow) related predominantly to the hotel point-of-sale replacement and payment of costs for Ashmore Tavern car park repairs.

Financing cash outflows of \$2.176 million included the repayment of borrowings of \$1.900 million and lease liabilities of \$0.120 million. Cash dividend payments of only \$0.112 million reflected the continued strong uptake by shareholders of the Eumundi Group Limited Dividend Reinvestment Plan ("DRP").

Financial position

The Group maintained its strong financial position. Net assets increased by \$1.979 million during the half-year to \$64.690 million at balance date, representing \$1.38 per share. The increase in total net assets reflected the Group's total comprehensive income during the period and the high level of dividend reinvestment under the DRP.

The strong cash flows from operations during the half-year were principally applied to the repayment of commercial borrowings which reduced by \$1.930 million to \$27.634 million, and lease liabilities which reduced by \$0.110 million to \$0.489 million.

The Group retained access to \$7.301 million in available undrawn commercial borrowings as at 31 December 2023 and negotiated an extension, to October 2025, of the Group's facilities on favourable terms and conditions.

Net debt as at 31 December 2023 of \$26.252 million represents a reduction of 6.1% from \$27.958 million at 30 June 2023 and a reduction in the gearing ratio (net debt to total equity) from 45% to 41% over the same period.

Interim dividend

The Board is pleased to declare an interim dividend of 3.5 cents per share, fully franked at the corporate tax rate of 25%. The Record Date for the interim dividend is Monday, 4 March 2024 and the dividend will be paid on Thursday, 14 March 2024.

The 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 Thursday, 7 March 2024 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

The Board remains cautious about the potential impact of tightening financial conditions and market competition on the Group's retail liquor and food, beverage and function operations. However, gaming revenues are expected to remain relatively stable.

Achieving quality leasing outcomes for our investment properties remains a major priority for the remainder of the year. However, our long-term leases to blue chip national tenants will continue to underpin the solid performance of these assets.

Overall, the Board is satisfied with the strength and quality of each asset and expects a solid result, notwithstanding the uncertainties and challenges for the remainder of FY24. We will continue to focus on effective customer growth and retention strategies, and the pursuit of operational efficiencies to maximise shareholder returns.



Suzanne Jacobi
Chief Executive Officer



Eumundi Group Limited

ABN 30 010 947 476

Interim Report - 31 December 2023

Eumundi Group Limited

Directors' report

31 December 2023

The directors present their report on Eumundi Group Limited ("the Group") and the entities it controlled at the end of and during the half-year ended 31 December 2023.

Directors

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

J M Ganim *Non-executive Chairman*

G De Luca *Non-executive Director*

M R Boyte *Independent Non-executive Director*

Dividends

Dividends paid during the financial half-year were as follows:

	Consolidated	
	31 December 2023 \$'000	31 December 2022 \$'000
Final dividend of 3.5 cents per share fully franked at the corporate tax rate of 25% (2022: 3.5 cents per share fully franked at the corporate tax rate of 25%)	1,591	1,501

On 27 February 2024, the board declared an interim dividend of 3.5 cents per share fully franked at the corporate tax rate of 25% (\$1,639,000), which will be paid to shareholders on 14 March 2024 (2022: 3.5 cents per share fully franked at the corporate tax rate of 25% which was paid on 15 March 2023).

Review of operations

Financial results

The Group recorded a profit after tax of \$1,599,000 for the half-year ended 31 December 2023 ("**1HFY24**") representing earnings per share of 3.45 cents, compared to \$2,550,000 in the prior comparative period ("**1HFY23**") representing earnings per share of 5.84 cents.

The current profit includes a fair value loss on revaluation of investment properties of \$22,000 net of tax. Profit in the prior half-year included a fair value gain on revaluation of investment properties of \$1,074,000 net of tax.

Excluding non-cash fair value revaluations and adjustments, net profit after tax was up 9.8% to \$1,621,000 for the half year representing earnings of 3.5 cents per share, compared with \$1,476,000 in the prior corresponding period representing earnings of 3.38 cents per share. Net profit after tax excluding non-cash fair value revaluations and adjustments is not a measure which is calculated in accordance with International Financial Reporting Standards ("**IFRS**").

Total comprehensive income of \$2,096,000 included a \$497,000 gain net of tax on the fair value revaluations of Ashmore Tavern and Aspley Shopping Centre land and buildings. (1HFY23: \$5,854,000 included a \$3,304,000 gain net of tax).

Revenue from hotel operations of \$13,890,000 in 1HFY24 was up 3% (1HFY23: \$13,394,000), with food, beverage and gaming at the Ashmore Tavern benefiting from the kitchen and bathroom replacement completed last year. Retail liquor sales softened during the period with a lower average spend driven by cost of living pressures. Costs were well contained with total expenses rising less than inflation despite pressure on employment costs caused by continued strong competition for experienced hospitality staff.

The contribution of the hotel operation was \$1,767,000 up from \$1,609,000 in the prior corresponding period, reflecting increased sales and containment of costs.

Investment property contribution increased from \$1,585,000 in the prior comparative period to \$1,762,000 due to CPI based rent reviews for several major tenants.

Additionally, in 1HFY24 the Group:

- replaced hotel operational point-of-sale software and hardware at a total cost of \$259,000, improving customer service capability, reducing repair costs and achieving efficiencies;
- progressed replacement of the Group's financial systems to improve management and statutory reporting delivery; and
- entered a contract to purchase solar equipment which will be installed at Ashmore Tavern in Q3FY24 for a total cost of \$96,000.

Eumundi Group Limited

Directors' report

31 December 2023

Cash flows

Cash inflows from operating activities in the half year were \$2,349,000 (1HFY23:\$2,369,000 inflows), with higher net trading inflows offset by higher tax instalments and interest rate escalation increasing finance costs.

Cash outflows from investing activities of \$397,000 related predominantly to the hotel point-of-sale replacement and payment of costs for Ashmore Tavern car park repairs (1HFY23:\$1,450,000 outflows).

Financing cash outflows of \$2,176,000 comprised the repayment of borrowings of \$1,900,000 and lease liabilities of \$120,000. Cash dividend payments of only \$112,000 reflected the continued strong uptake by shareholders of the Eumundi Group Limited Dividend Reinvestment Plan ("DRP") (1HFY23:\$969,000 outflows).

Financial position

The Group maintained its strong position during the half-year.

Total assets of \$106,107,000 were in line with assets reported at June 2023 of \$106,180,000.

Total liabilities decreased by \$2,052,000 to \$41,417,000 predominantly due to repayment of commercial borrowings which reduced by \$1,930,000. During the half-year, the Group renegotiated its commercial borrowing facilities on favourable terms, with the expiry date of facilities extended to 31 October 2025. The Group retained access to \$7,301,000 in available undrawn commercial borrowings as at 31 December 2023.

Net debt as at 31 December 2023 of \$26,252,000 represents a reduction of 6.1% from \$27,958,000 at 30 June 2023 and a reduction in the gearing ratio (net debt to total equity) from 45% to 41% over the same period.

Net assets increased by \$1,979,000 during the half-year to \$64,690,000 at balance date, representing \$1.38 per share. The increase in total net assets reflected the Group's total comprehensive income during the period and the high level of dividend reinvestment under the DRP, which resulted in the issue of 1,356,361 shares in respect of the FY23 final dividend. As at 31 December 2023 a total of 46,822,253 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 financial half-year other than as disclosed elsewhere in this interim financial report.

Matters subsequent to the end of the financial half-year

Apart from the dividend declared as discussed above, no other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Rounding of amounts

The Group is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

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

On behalf of the directors



J.M Ganim
Chairman

27 February 2024

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The Directors
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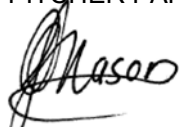
Auditor's Independence Declaration

In relation to the independent auditor's review for the half-year ended 31 December 2023, 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 2024

Eumundi Group Limited
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31 December 2023

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Eumundi Group Limited
Consolidated statement of comprehensive income
For the half-year ended 31 December 2023

	Note	Consolidated	
		31 December 2023 \$'000	31 December 2022 \$'000
Revenue	3	15,887	15,353
Net fair value revaluation of investment properties	4	(29)	1,432
Expenses			
Cost of goods sold		(4,318)	(4,339)
Selling and promotion		(515)	(546)
Employee benefits expense		(2,382)	(2,431)
Repair and maintenance		(62)	(65)
Depreciation and amortisation		(840)	(872)
Insurance		(86)	(104)
Rates and taxes		(67)	(65)
Electricity		(101)	(102)
Listing and governance		(201)	(194)
Gaming tax		(3,366)	(3,126)
Occupancy		(248)	(216)
Investment property expense		(316)	(277)
Other expenses		(382)	(389)
Finance costs		(845)	(665)
Total expenses		(13,729)	(13,391)
Profit before income tax expense		2,129	3,394
Income tax expense		(530)	(844)
Profit after income tax expense for the half-year attributable to shareholders		1,599	2,550
Other comprehensive income			
Gain on the revaluation of land and buildings	5	663	4,406
Income tax on items of other comprehensive income		(166)	(1,102)
Other comprehensive income for the half-year, net of tax		497	3,304
Total comprehensive income for the half-year attributable to shareholders		2,096	5,854
		Cents	Cents
Basic earnings per share	12	3.45	5.84
Diluted earnings per share	12	3.45	5.84

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes

Eumundi Group Limited
Consolidated statement of financial position
As at 31 December 2023

	Note	Consolidated	
		31 December 2023 \$'000	30 June 2023 \$'000
Assets			
Current assets			
Cash and cash equivalents		1,382	1,606
Trade and other receivables		242	224
Inventories		1,458	1,332
Other		375	348
Total current assets		<u>3,457</u>	<u>3,510</u>
Non-current assets			
Receivables		1	2
Investment properties	4	46,300	46,349
Property, plant and equipment	5	53,900	53,900
Intangibles		2,419	2,419
Other		30	-
Total non-current assets		<u>102,650</u>	<u>102,670</u>
Total assets		<u>106,107</u>	<u>106,180</u>
Liabilities			
Current liabilities			
Trade and other payables		3,708	3,578
Lease liabilities		153	192
Income tax		310	521
Employee benefits		610	586
Total current liabilities		<u>4,781</u>	<u>4,877</u>
Non-current liabilities			
Borrowings		27,634	29,564
Lease liabilities		336	407
Deferred tax		8,619	8,574
Provisions		47	47
Total non-current liabilities		<u>36,636</u>	<u>38,592</u>
Total liabilities		<u>41,417</u>	<u>43,469</u>
Net assets	8	<u>64,690</u>	<u>62,711</u>
Equity			
Issued capital	6	31,555	30,081
Reserves		20,922	20,425
Retained profits		12,213	12,205
Total equity		<u>64,690</u>	<u>62,711</u>

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

Eumundi Group Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2023

Consolidated	Issued capital \$'000	Reserves \$'000	Retained profits \$'000	Total equity \$'000
Balance at 1 July 2022	27,276	16,685	13,778	57,739
Profit after income tax expense for the half-year	-	-	2,550	2,550
Other comprehensive income for the half-year, net of tax	-	3,304	-	3,304
Total comprehensive income for the half-year	-	3,304	2,550	5,854
<i>Transactions with shareholders in their capacity as shareholders:</i>				
Contributions of equity, net of transaction costs	1,381	-	-	1,381
Dividends paid (note 7)	-	-	(1,501)	(1,501)
Balance at 31 December 2022	28,657	19,989	14,827	63,473

Consolidated	Issued capital \$'000	Reserves \$'000	Retained profits \$'000	Total equity \$'000
Balance at 1 July 2023	30,081	20,425	12,205	62,711
Profit after income tax expense for the half-year	-	-	1,599	1,599
Other comprehensive income for the half-year, net of tax	-	497	-	497
Total comprehensive income for the half-year	-	497	1,599	2,096
<i>Transactions with shareholders in their capacity as shareholders:</i>				
Contributions of equity, net of transaction costs (note 6)	1,474	-	-	1,474
Dividends paid (note 7)	-	-	(1,591)	(1,591)
Balance at 31 December 2023	31,555	20,922	12,213	64,690

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

Eumundi Group Limited
Consolidated statement of cash flows
For the half-year ended 31 December 2023

	Note	Consolidated	
		31 December 2023 \$'000	31 December 2022 \$'000
Cash flows from operating activities			
Receipts from customers		17,460	16,765
Payments to suppliers		(13,432)	(13,496)
Finance costs		(820)	(517)
Income taxes paid		(859)	(383)
Net cash inflows from operating activities		2,349	2,369
Cash flows from investing activities			
Payments for investment properties	4	(7)	(55)
Payments for property, plant and equipment	5	(420)	(1,395)
Proceeds from sale of property, plant and equipment		30	-
Net cash outflows used in investing activities		(397)	(1,450)
Cash flows from financing activities			
Repayment of borrowings		(1,900)	(730)
Loan establishment costs		(37)	-
Repayment of lease liabilities		(120)	(117)
Share issue costs		(7)	(6)
Dividends paid	7	(112)	(116)
Net cash outflows used in financing activities		(2,176)	(969)
Net decrease in cash and cash equivalents		(224)	(50)
Cash and cash equivalents at beginning of year		1,606	1,831
Cash and cash equivalents at the end of the half-year		1,382	1,781

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

Eumundi Group Limited
Notes to the consolidated financial statements
31 December 2023

Note 1. Material accounting policy information

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

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

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

New or amended Accounting Standards and Interpretations adopted

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

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

Note 2. Operating segments

Reportable operating segments

The Group has identified its operating segments based upon internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The chief operating decision maker, who is responsible for allocating the resources and assessing the performance of the operating segments, has been identified as the chief executive officer.

Types of products and services

The principal products and services of each of these operating segments are as follows:

Hotel operations	Sells packages alcoholic beverages and other products through its retail outlets, sells food and alcoholic and other beverages on-premise through bars and bistros and provides licenced gaming entertainment.
Investment property operations	Owns and leases investment property assets to retail tenants.

Intersegment transactions

An internally determined transfer price is set for all inter-entity sales. Inter-segment revenue relates to Aspley Central Tavern rent and outgoings. All such transactions are eliminated on consolidation for the Group's financial statements.

Intersegment assets and liabilities

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of the economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature.

Unless indicated otherwise in the segment assets note, investments in financial assets and deferred tax assets have not been allocated to operating segments.

Information pertaining to segment liabilities is not regularly reported to the board of directors.

Working capital, plant and equipment relating to the Group's hotel operations and Ashmore Tavern land and buildings are included in hotel segment assets.

The total value of the land and buildings within the Aspley Shopping Centre has been included in the investment property segment assets, as this segment receives the majority of the economic value from these assets. The results of the Aspley Central Tavern which forms part of this property are included in the hotel operations segment.

Unallocated items

Certain items of revenue, expense and assets are not allocated to operating segments as they are not considered part of the core operations of any segment including fair value adjustments, financing costs and corporate overheads.

Eumundi Group Limited
Notes to the consolidated financial statements
31 December 2023

Note 2. Operating segments (continued)

Operating segment information

Consolidated - 31 December 2023	Hotel operations \$'000	Investment property operations \$'000	Total \$'000
Revenue			
Revenue from contracts with customers	13,706	-	13,706
Lease revenue	-	2,286	2,286
Other revenue	184	-	184
Total segment revenue	<u>13,890</u>	<u>2,286</u>	<u>16,176</u>
Intersegment eliminations			(289)
Total revenue			<u>15,887</u>
Segment results	<u>1,767</u>	<u>1,762</u>	3,529
Finance costs			(845)
Fair value revaluation of investment properties			(29)
Unallocated expenses			(526)
Profit before income tax expense			<u>2,129</u>
Income tax expense			(530)
Profit after income tax expense			<u>1,599</u>
<i>Material items include:</i>			
Depreciation	<u>680</u>	<u>160</u>	<u>840</u>
Assets			
Segment assets	<u>34,751</u>	<u>71,192</u>	105,943
Unallocated assets			164
Total assets			<u>106,107</u>

Eumundi Group Limited
Notes to the consolidated financial statements
31 December 2023

Note 2. Operating segments (continued)

	Hotel operations \$'000	Investment property operations \$'000	Total \$'000
Consolidated - 31 December 2022			
Revenue			
Sales to external customers	13,223	-	13,223
Lease revenue	-	2,235	2,235
Other revenue	171	-	171
Total segment revenue	<u>13,394</u>	<u>2,235</u>	15,629
Intersegment eliminations			(276)
Total revenue			<u>15,353</u>
Segment results			
Finance costs	<u>1,609</u>	<u>1,585</u>	3,194
Fair value revaluation of investment properties			(665)
Unallocated costs			1,432
Profit before income tax expense			<u>(567)</u>
Income tax expense			3,394
Profit after income tax expense			<u>(844)</u>
<i>Material items include:</i>			<u>2,550</u>
Depreciation and amortisation	<u>307</u>	<u>565</u>	<u>872</u>
Consolidated - 30 June 2023			
Assets			
Segment assets	<u>34,843</u>	<u>71,192</u>	106,035
Unallocated assets			145
Total assets			<u>106,180</u>

Note 3. Revenue

	Consolidated	
	31 December 2023 \$'000	31 December 2022 \$'000
<i>Revenue from contracts with customers</i>		
Sales of goods	7,367	7,286
Gaming revenue	6,339	5,937
	<u>13,706</u>	<u>13,223</u>
<i>Other revenue</i>		
Commission	179	167
Rental income and recovery of outgoings from investment properties	1,997	1,959
Other revenue	5	4
	<u>2,181</u>	<u>2,130</u>
Revenue	<u>15,887</u>	<u>15,353</u>

Eumundi Group Limited
Notes to the consolidated financial statements
31 December 2023

Note 4. Non-current assets - investment properties

	31 December 2023 \$'000	31 December 2022 \$'000
At fair value		
At beginning of the year	46,349	48,150
Capitalised expenditure	41	(4)
Straight-line rentals and lease incentives	(61)	(28)
Fair value revaluation adjustments	(29)	1,432
	<u>46,300</u>	<u>49,550</u>
At end of half-year	<u>46,300</u>	<u>49,550</u>

The table below summarises the adopted fair values of the investment properties held by the Group at balance date.

Property	Acquisition Date	Cost including additions* \$000	Last independent valuation	Last independent valuation \$000	31 December 2023 \$000	30 June 2023 \$000
Aspley Arcade Shopping Centre	29/06/2007	16,133	30/06/2023	20,399	20,100	20,399
Plough Inn	02/11/2017	13,100	30/06/2023	18,300	19,000	18,750
Court House Hotel	02/08/2021	6,000	30/06/2023	7,200	7,200	7,200
		<u>35,233</u>		<u>45,899</u>	<u>46,300</u>	<u>46,349</u>

* excluding acquisition costs

Valuations of investment properties

The basis of the valuation of investment properties is fair value. The investment properties were last independently valued at 30 June 2023 based on assessments by a member of the Australian Property Institute having recent experience in the location and category of investment property being valued. The 31 December 2023 fair values are based on director's valuations. Valuations are based on current prices in an active market for similar properties of the same location and condition, subject to similar leases and takes into consideration occupancy rates and returns on investment.

Note 5. Non-current assets - property, plant and equipment

	Consolidated	
	31 December 2023 \$'000	30 June 2023 \$'000
Land - at valuation	<u>20,600</u>	<u>20,600</u>
Buildings - at valuation	<u>31,100</u>	<u>30,946</u>
Plant and equipment - at cost	3,338	3,094
Less: Accumulated depreciation	(1,704)	(1,403)
	<u>1,634</u>	<u>1,691</u>
Right of use - at cost	968	968
Less: Accumulated depreciation	(402)	(305)
	<u>566</u>	<u>663</u>
	<u>53,900</u>	<u>53,900</u>

Eumundi Group Limited
Notes to the consolidated financial statements
31 December 2023

Note 5. Non-current assets - property, plant and equipment (continued)

	Freehold land \$000	Buildings \$000	Plant and equipment \$000	Right-of-use assets \$000	Total \$000
Half-year ended 31 December 2022					
Opening net book amount	11,000	35,833	1,416	474	48,723
Additions	-	809	552	-	1,361
Lease incentives	-	(99)	-	-	(99)
Straight-line adjustments	-	36	-	-	36
Transfers in/(out)	-	53	(55)	-	(2)
Depreciation expense	-	(532)	(297)	(94)	(923)
Fair value revaluation adjustments	-	4,406	-	-	4,406
Closing net book amount	11,000	40,506	1,616	380	53,502
Cost or fair value	11,000	40,506	3,043	942	55,491
Accumulated depreciation	-	-	(1,427)	(562)	(1,989)
Net book amount	11,000	40,506	1,616	380	53,502
Half-year ended 31 December 2023					
Opening net book amount	20,600	30,946	1,691	663	53,900
Additions	-	-	247	-	247
Lease incentives	-	(90)	-	-	(90)
Straight-line adjustments	-	20	-	-	20
Depreciation expense	-	(439)	(304)	(97)	(840)
Fair value revaluation adjustments	-	663	-	-	663
Closing net book amount	20,600	31,100	1,634	566	53,900
Cost or fair value	20,600	31,100	3,338	968	56,006
Accumulated depreciation	-	-	(1,704)	(402)	(2,106)
Net book amount	20,600	31,100	1,634	566	53,900

Valuations of land and buildings

The basis of the valuation of land and buildings is fair value. The land and buildings were last independently valued at 30 June 2023 based on assessments by a member of the Australian Property Institute having recent experience in the location and category of investment property being valued. The 31 December 2023 fair values are based on director's valuations. Valuations are based on current prices for similar properties in the same location and condition.

Note 6. Equity - issued capital

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$'000
Balance	1 July 2023	45,465,892		30,081
Shares issued pursuant to the Dividend Reinvestment Plan	13 September 2023	1,356,361	\$1.09	1,479
Transaction costs		-	\$0.00	(5)
Balance	31 December 2023	46,822,253		31,555

Eumundi Group Limited
Notes to the consolidated financial statements
31 December 2023

Note 7. Equity - dividends

Dividends paid during the financial half-year were as follows:

	Consolidated	
	31 December 2023 \$'000	31 December 2022 \$'000
Final dividend of 3.5 cents per share fully franked at the corporate tax rate of 25% (2022: 3.5 cents per share fully franked at the corporate tax rate of 25%)	1,591	1,501

Dividends declared in respect of the half-year were as follows:

On 27 February 2024, the board declared an interim dividend of 3.5 cents per share fully franked at the corporate tax rate of 25% (\$1,639,000) which will be paid to shareholders on 14 March 2024 (2022: 3.5 cents per share fully franked at the corporate tax rate of 25% which was paid on 15 March 2023).

Note 8. Net assets

Movements in the number of shares and net assets during the current and previous financial half-year are set out below:

	31 December 2023	
	Shares	\$'000
Net assets at the beginning of the financial half-year	45,465,892	62,711
Profit after income tax expense for the half-year	-	1,599
Other comprehensive income for the half-year, net of tax	-	497
Dividends paid	-	(1,591)
Shares issued pursuant to the Dividend Reinvestment Plan	1,356,361	1,479
Costs of share issue	-	(5)
Net assets at the end of the financial half-year	46,822,253	64,690

Note 9. Contingent liabilities

The Group has no material contingencies.

Note 10. Commitments

On 22 December 2023, the Group entered into a contract to purchase solar equipment which will be installed at Ashmore Tavern in Q3FY24 for a total cost of \$96,000.

Note 11. Events after the reporting period

Apart from the dividend declared as disclosed in note 7, no other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 12. Earnings per share

	Consolidated	
	31 December 2023 \$'000	31 December 2022 \$'000
<i>Earnings per share for profit from continuing operations</i>		
Profit after income tax attributable to the shareholders of Eumundi Group Limited	1,599	2,550

Eumundi Group Limited
Notes to the consolidated financial statements
31 December 2023

Note 12. Earnings per share (continued)

	Consolidated	
	31 December 2023 Cents	31 December 2022 Cents
Basic earnings per share	3.45	5.84
Diluted earnings per share	3.45	5.84
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>46,288,603</u>	<u>43,694,850</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u><u>46,288,603</u></u>	<u><u>43,694,850</u></u>

Eumundi Group Limited
Directors' declaration
31 December 2023

In the directors' opinion:

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

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

On behalf of the directors



J.M Ganim
Chairman

27 February 2024

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 2023, 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 2023 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

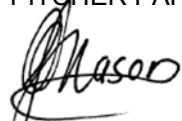
The directors of the Group are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation 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 2023 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



CHERYL MASON
Partner

Brisbane, Queensland
27 February 2024