

A full-page photograph of a woman with long brown hair, wearing a long beige coat over a black and orange striped dress, and sunglasses. She is holding a brown leather handbag. The background shows a building at night with warm lights.

CETTIRE

APPENDIX 4D AND REPORT
FOR THE HALF YEAR ENDED
31 DECEMBER 2020

CETTIRE LIMITED

APPENDIX 4D – HALF YEAR REPORT

COMPANY DETAILS

Name of entity	Cettire Limited
Reporting period	For the half-year ended 31 December 2020
Previous period	For the half-year ended 31 December 2019

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	31 December 2020	31 December 2019	Up/Down	Change %
Revenue from ordinary activities	40,527,503	6,997,371	Up	479%
Net profit after tax from ordinary activities attributable to members	2,302,958	507,742	Up	354%
Net profit after tax attributable to members	2,302,958	507,742	Up	354%

INITIAL PUBLIC OFFERING (“IPO”) AND CORPORATE RE-ORGANISATION

Cettire Limited was incorporated on 29 October 2020. During the period, Cettire Limited undertook an initial public offering (“IPO”) under a prospectus (“Prospectus”) lodged with ASIC on 27 November 2020.

On 27 November 2020, a corporate re-organisation in which Cettire Limited became the legal parent of Ark Technologies Pty Ltd and its subsidiaries (the ‘Pre-Existing Group’), was effected. The directors have accounted for the re-organisation as a capital re-organisation. Accordingly, the Consolidated Financial Statements have been prepared on a continuation basis as if Cettire Limited has always controlled the businesses comprising the Pre-Existing Group. The comparative financial information presented in the Consolidated Financial Statements represents that of the Pre-Existing Group. This ensures consistency of presentation with historical and forecast financial information contained in the Prospectus.

DIVIDENDS

No dividends were declared or paid for the half year ended 31 December 2020 (31 December 2019: \$Nil).

As set out in the Prospectus, an unfranked dividend of \$3,305,000 was paid to the sole shareholder prior to the corporate re-organisation and IPO.

NET TANGIBLE ASSETS

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	8.9	(0.8)

The calculation of net tangible assets per ordinary security is based on the condensed statement of financial position and the closing number of shares for 31 December 2020. The number of shares used for the 31 December 2019 comparator was 301,238,220.

COMMENTARY ON RESULTS FOR THE PERIOD

Refer to the attached Consolidated Financial Report for the half-year ended 31 December 2020.

AUDIT REVIEW

The Consolidated Financial Report for the half-year ended 31 December 2020, which contains the independent auditor’s report, is attached.



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DIRECTOR'S REPORT

31 DECEMBER 2020

Your directors present their report on the consolidated entity (the "Group" or "Cettire") consisting of Cettire Limited (the "Company" or "Parent Entity") and the entities it controlled at the end of, or during, the half-year ended 31 December 2020.

DIRECTORS

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

Kerry (Bob) East, Chairman and Non-Executive Director (appointed 29 October 2020)

Dean Mintz, Executive Director and Chief Executive Officer (appointed 29 October 2020)

Bruce Rathie, Non-Executive Director (appointed 29 October 2020)

Richard (Rick) Dennis, Non-Executive Director (appointed 29 October 2020)

COMPANY SECRETARY

Fiona van Wyk was Company Secretary for the half-year and up to the date of this report.

PRINCIPAL ACTIVITIES

During the half year the principal continuing activities of the Group consisted of online retail sales.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the half-year ended 31 December 2020, the following significant affairs occurred:

- Cettire Limited was incorporated on 29 October 2020 and became the parent entity of Ark Technologies Pty Ltd (the "Pre-Existing Group") on 27 November 2020 in anticipation of listing on the Australian Securities Exchange ("ASX");
- Cettire raised \$40 million (80 million shares at \$0.50 each) via an initial public offering ("IPO") under a prospectus ("Prospectus") lodged with ASIC on 27 November 2020. The primary objectives of the IPO were to:
 - provide the Group with access to capital markets to fund growth;
 - provide the Group with the benefits of an increased profile that comes with being a publicly listed company;
 - provide the Group with the benefits of a liquid market for its shares and an opportunity for others to invest in the Group;
 - help accelerate the growth of the Cettire business; and
- Successful listing on the ASX on 18 December 2020.

On 27 November 2020, a corporate re-organisation in which Cettire Limited became the legal parent of Ark Technologies Pty Ltd and its subsidiaries (the 'Pre-Existing Group'), was effected.

The directors have accounted for the re-organisation as a capital re-organisation. Accordingly, the Consolidated Financial Statements have been prepared on a continuation basis as if Cettire Limited has always controlled the businesses comprising the Pre-Existing Group. The comparative financial information presented in the Consolidated Financial Statements represents that of the Pre-Existing Group. This ensures consistency of presentation with historical and forecast financial information contained in the Prospectus.

There were no other significant changes in the state of affairs of the Group during the financial period.

REVIEW OF OPERATIONS

During the half-year ended 31 December 2020, Cettire achieved several important milestones and delivered strong business results including:

- Gross revenue, which is revenue prior to returns and allowances, of \$52.7 million and Sales revenue of \$40.5 million, up 476% and 479% on the prior corresponding period ("pcp") respectively;
- Active customers growing to 67,657 (319% growth vs pcp; 127% growth vs FY20);
- 66,991 orders processed, up 456% on the pcp;
- 34.5% of gross revenue from returning customers (19.3% in the pcp); and
- Successful IPO and listing on the ASX on 18 December 2020.

FINANCIAL PERFORMANCE

Sales revenue for the half year was \$40.5 million (2019: \$7.0 million), an increase of 479% on the pcp. Growth was driven by a combination of customer growth and gross revenue per customer which increased by 20% to \$1,041 (2019: \$870).

Statutory gross margin increased in the half year to \$11.3 million (2019: \$2.2 million), predominantly driven by the growth in revenue.

Statutory net profit after tax for the half year was \$2.3 million, (2019: \$0.5 million) up 354% on the pcp, as the Group invested for further growth. The statutory results were impacted by one-off costs relating to the IPO of Cettire shares on the ASX.

INTERIM REPORTING

Cettire is applying to ASIC for relief from Divisions 2 and 5 of Part 2M.3 of the Corporations Act to the extent those Divisions apply to the half year of Cettire commencing on 29 October 2020 and ending on 28 April 2021. Section 323D(5) of the Corporations Act requires that a half-year for a company be the first six months of a financial year, which in Cettire's case would be the six months from incorporation of Cettire Limited on 29 October 2020 and ending 28 April 2021. The ASIC relief, if granted, will allow Cettire to align its reporting requirements and release its half-year report as if the period 29 October 2020 to 31 December 2020 was the first financial half-year of the Company.

EVENTS OCCURRING AFTER BALANCE SHEET DATE

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is continually developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other item, transaction or event has arisen since 31 December 2020 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 periods.

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 director's report.

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



Kerry Robert (Bob) East
Chairman and Non-Executive Director

25 February 2021

AUDITOR'S INDEPENDENCE DECLARATION



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Auditor's Independence Declaration

To the Directors of Cettire Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Cettire Limited for the half-year ended 31 December 2020, I declare that, 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; and
- b no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink, appearing to read "A C Pitts".

Grant Thornton Audit Pty Ltd
Chartered Accountants

A handwritten signature in black ink, appearing to read "A C Pitts".

A C Pitts
Partner – Audit & Assurance

Melbourne, 25 February 2021

Grant Thornton Audit Pty Ltd ACN 130 913 594
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CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

Consolidated			
	Note	2020 \$	2019 \$
Revenue			
Sales revenue		40,527,503	6,997,371
Cost of sales		(29,181,990)	(4,766,672)
Gross profit		11,345,513	2,230,699
Other income	4	517,172	187,207
Interest revenue calculated using the effective interest method		864	804
Expenses			
Advertising and marketing expense		(3,864,638)	(585,360)
Merchant fees		(1,777,720)	(584,198)
Employee benefits expense		(539,258)	(135,108)
General and administrative expense		(1,237,448)	(214,176)
Initial Public Offering (IPO) costs		(846,816)	-
Depreciation and amortisation expense		(261,906)	(166,479)
Profit before income tax expense		3,335,763	733,389
Income tax expense	5	(1,032,805)	(225,647)
Profit after income tax expense for the year attributable to the owners of Cettire Limited		2,302,958	507,742
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Cettire Limited		2,302,958	507,742

		Cents	Cents
Basic earnings per share	17	0.75	0.17
Diluted earnings per share	17	0.75	0.17

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

CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

Consolidated			
	Note	31 December 2020 \$	30 June 2020 \$
Assets			
Current assets			
Cash and cash equivalents	6	44,861,223	4,669,244
Trade and other receivables		769,710	188,613
Inventories		217,897	197,169
Derivative financial instruments		130,123	6,787
Research and development incentive receivable	5	–	308,033
Other assets	7	559,916	6,472
Total current assets		46,538,869	5,376,318
Non-current assets			
Intangibles	8	4,257,144	3,431,431
Deferred tax assets	5	1,394,183	114,275
Total non-current assets		5,651,327	3,545,706
Total assets		52,190,196	8,922,024
Liabilities			
Current liabilities			
Trade and other payables	9	10,646,545	4,699,619
Related party payables	15	–	743,812
Contract liabilities		344,517	273,753
Income tax	5	892,838	186,346
Employee benefits		93,348	30,701
Deferred income	11	292,528	264,591
Total current liabilities		12,269,776	6,198,822
Non-current liabilities			
Deferred tax liabilities	5	363,098	150,264
Employee benefits		4,027	1,912
Deferred income	11	1,305,884	1,047,382
Total non-current liabilities		1,673,009	1,199,558
Total liabilities		13,942,785	7,398,380
Net assets		38,247,411	1,523,644
Equity			
Issued capital	12	188,344,920	1
Re-organisation reserve	12	(150,619,110)	–
Retained profits		521,601	1,523,643
Total equity		38,247,411	1,523,644

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

CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

Consolidated	Issued capital \$	Retained profits \$	Re-organisation reserve \$	Total equity \$
Balance at 1 July 2019	1	(8,492)	-	(8,491)
Profit after income tax expense for the year	-	507,742	-	507,742
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	507,742	-	507,742
Balance at 31 December 2019	1	499,250	-	499,251

Consolidated	Issued capital \$	Retained profits \$	Re-organisation reserve \$	Total equity \$
Balance at 1 July 2020	1	1,523,643	-	1,523,644
Profit after income tax expense for the year	-	2,302,958	-	2,302,958
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	2,302,958	-	2,302,958
Balance at 31 December 2020	1	3,826,601	-	3,826,602
Pre-IPO re-organisation	150,619,110	-	(150,619,110)	-
Shares issued at IPO, net of transaction costs and tax	37,725,809	-	-	37,725,809
Dividend paid	-	(3,305,000)	-	(3,305,000)
Balance at 31 December 2020	188,344,920	521,601	(150,619,110)	38,247,411

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

CONDENSED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

Consolidated			
	Note	2020 \$	2019 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		41,202,581	7,150,395
Payments to suppliers and employees (inclusive of GST)		(32,163,637)	(6,178,165)
		9,038,944	972,230
Government grants received		76,229	-
IPO Costs		(846,816)	-
Interest received		864	804
Research and development incentive received		308,033	-
Net cash from operating activities		8,577,254	973,034
Cash flows from investing activities			
Payments for intangibles	8	(1,087,619)	(548,413)
Net cash used in investing activities		(1,087,619)	(548,413)
Cash flows from financing activities			
Payments to related parties		(743,812)	(99,046)
Proceeds from issue of shares		40,000,000	-
IPO Costs		(3,248,844)	-
Dividend paid		(3,305,000)	-
Net cash used in financing activities		32,702,344	(99,046)
Net increase in cash and cash equivalents		40,191,979	325,575
Cash and cash equivalents at the beginning of the period		4,669,244	815,968
Cash and cash equivalents at the end of the period	6	44,861,223	1,141,543

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2020

NOTE 1. GENERAL INFORMATION

The financial statements cover Cettire Limited (the "Group" or "Cettire") as a group consisting of Cettire Limited (the "Company" or "Parent Entity") and the entities it controlled at the end of, or during, the period. The financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

Cettire Limited is a company limited by shares, incorporated and domiciled in Australia, with a listing on the Australian Securities Exchange (ASX). Its registered office and principal place of business is:

Level 40
140 William Street
Melbourne VIC 3000

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

The financial statements were authorised for issue, in accordance with a resolution of the directors, on 25 February 2021.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

These general-purpose financial statements for the half-year reporting period ended 31 December 2020 (the "Half-Year Report") have been prepared in accordance with the requirements of AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard 34 *Interim Financial Reporting*.

The Half-Year Report does not include all of the information required for a full annual financial report and should be read in conjunction with the prospectus lodged with ASIC on 27 November 2020, the audited financial statements for the financial year ending 30 June 2020 and any public announcements made by Cettire Limited during the period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX Listing Rules.

The Half-Year Report has been prepared on a going concern basis which assumes that the group will be able to meet its obligations as and when they fall due.

The principal accounting policies applied by the Group in this Half-Year Report are the same as those applied by Ark Technologies Pty Ltd in its annual report for the year ended 30 June 2020.

SEGMENT INFORMATION

The Group is organised into one (1) operating segment: online retail sales. The determination of this operating segment is based on the internal reports that are reviewed and used by the CEO (who is identified as the Chief Operating Decision Maker ('CODM')) in assessing performance and in determining the allocation of resources.

Major customers

During the reporting period and the comparator period, no individual customer contributed more than 10 per cent of the Group's revenue.

Disaggregation of revenue and non-current assets by Geographical regions

The Group operates in Australia and internationally. Revenue is attributed to the country where the customer payment is registered i.e. billing address.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Half year ended 31 December 2020		Consolidated	
	2020	2019	
	\$	\$	
Revenue			
United States	26,700,819	4,001,864	
Other	13,826,684	2,995,507	
Total	40,527,503	6,997,371	

		Consolidated	
	31 December	30 June	
	2020	2020	
	\$	\$	
Non-Current Assets			
Australia	5,651,327	3,545,706	
Other	-	-	
Total	5,651,327	3,545,706	

NOTE 3. CRITICAL 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, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results.

Significant judgements, estimates and assumptions made by management in the preparation of the Half-Year Report, including the key sources of estimation uncertainty, are updated for the reporting date and consistent with those applied to the Group's annual report for the year ended 30 June 2020.

PUBLIC LISTING AND CORPORATE RE-ORGANISATION

Cettire Limited was incorporated on 29 October 2020. During the period, the Group undertook an Initial Public Offering (IPO) and corporate re-organisation. On 27 November 2020, the corporate re-organisation, in which Cettire Limited became the legal parent of Ark Technologies Pty Ltd and its subsidiaries ('Pre-Existing Group'), was effected.

The directors have accounted for the re-organisation as a capital re-organisation. Accordingly, the Consolidated Financial Statements have been prepared on a continuation basis as if Cettire Limited has always controlled the businesses comprising the Pre-Existing Group. In the directors' judgement, the continuation of existing accounting values is consistent with the accounting which would have occurred if the assets and liabilities had already been in a structure suitable to IPO and most appropriately reflects the substance of the internal restructure.

NOTE 3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Accordingly, the financial statements reflect a continuation of the Pre-Existing Group and, as a result:

- The assets and liabilities of the Group include the carrying values of the assets and liabilities of the Pre-Existing Group rather than fair value;
- The retained earnings and other shareholders equity balances recognised in the Consolidated Financial Statements include the existing retained earnings and other equity balances of the Pre-Existing Group;
- No goodwill has been recognised as a result of the re-organisation;
- The Consolidated Financial Statements include financial results for the Group from re-organisation to 31 December 2020 and the Pre-Existing Group for the period of 1 July 2020 to the date of re-organisation;
- The comparatives presented are those of the Pre-Existing Group;
- The amounts recognised as issued capital in the Consolidated Financial Statements of Cettire Ltd reflect the impact of the restructure and the market capitalisation of the Company at the date of the IPO (less costs that are offset against issued capital); and
- An offsetting entry to a re-organisation reserve has been recognised to align total equity with the net asset position of the Group.

INITIAL PUBLIC OFFERING (IPO) COSTS

During the half-year ended 31 December 2020, the Group undertook an IPO to list on the ASX. Costs incurred that are directly attributable and incremental to the issuance of new equity (net of tax) have been recognised in equity as an offset to the value of capital raised. The directors exercised judgement in determining an allocation methodology (between equity and expense) for costs which relate to both the issuance of new equity and other activities. The Group's methodology was determined with reference to the number of new shares issued in raising capital, and the nature and purpose of services rendered in incurring costs. All other costs were taken directly to the statement of profit or loss and other comprehensive income during the period.

NOTE 4. OTHER INCOME

	Consolidated	
	31 December 2020 \$	31 December 2019 \$
Government grants	76,229	–
Insurance recoveries	308,649	107,705
Research and development tax incentive	132,294	79,502
Other income	517,172	187,207

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. INCOME TAX

	Consolidated	
	31 December 2020 \$	31 December 2019 \$
<i>Income tax expense</i>		
Current tax	1,125,225	233,921
Deferred tax – origination and reversal of temporary differences	(92,420)	(8,274)
Aggregate income tax expense	1,032,805	225,647
 <i>Deferred tax included in income tax expense comprises:</i>		
Increase in deferred tax assets	(305,254)	(25,502)
Increase in deferred tax liabilities	212,834	17,228
Deferred tax – origination and reversal of temporary differences	(92,420)	(8,274)
 <i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Profit before income tax expense	3,335,763	733,389
 Tax at the statutory tax rate of 30% (2019: 27.5%)	1,000,729	201,682
 <i>Tax effect amounts which are not deductible/(taxable) in calculating taxable income:</i>		
Amortisation of intangibles	78,572	45,782
Research and development incentive income	(39,689)	(21,863)
Sundry items	2,261	46
Adjustment to deferred tax balances as a result of a change in statutory tax rate	(9,068)	–
Income tax expense	1,032,805	225,647

NOTE 5. INCOME TAX (CONTINUED)

	Consolidated	
	31 December 2020 \$	30 June 2020 \$
<i>Deferred tax asset</i>		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Deferred customer revenue	103,355	75,281
Employee benefits	36,822	11,906
Accrued expenses	16,980	27,088
IPO costs recognised in profit or loss	201,799	-
Tax loss attributable to Cettire Limited	257,838	-
	616,794	114,275
Amounts recognised in equity		
IPO costs recognised in equity	777,389	-
	777,389	-
Deferred tax asset	1,394,183	114,275
Movements:		
Opening balance	114,275	53,949
IPO costs recognised in equity	974,654	-
Credited to profit or loss	305,254	60,326
Closing balance	1,394,183	114,275

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. INCOME TAX (CONTINUED)

Consolidated		
	31 December 2020 \$	30 June 2020 \$
<i>Deferred tax liability</i>		
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Derivative financial instruments	39,037	1,866
Inventories	65,369	54,220
Prepayments	167,975	1,780
Development costs	90,717	92,398
Deferred tax liability	363,098	150,264
Movements:		
Opening balance	150,264	131,701
Charged to profit or loss	212,834	18,563
Closing balance	363,098	150,264

Consolidated		
	31 December 2020 \$	30 June 2020 \$
Research and development incentive receivable	–	308,033

Refer to note 11 for further information on the research and development incentive.

Consolidated		
	31 December 2020 \$	30 June 2020 \$
Provision for income tax	892,838	186,346

NOTE 6. CASH AND CASH EQUIVALENTS

	Consolidated	
	31 December 2020 \$	30 June 2020 \$
<i>Current assets</i>		
Cash at bank	44,698,937	4,588,664
Cash on deposit	162,286	80,580
	44,861,223	4,669,244

NOTE 7. OTHER ASSETS

	Consolidated	
	31 December 2020 \$	30 June 2020 \$
<i>Current assets</i>		
Prepayments	559,916	6,472

NOTE 8. INTANGIBLES

	Consolidated	
	31 December 2020 \$	30 June 2020 \$
<i>Non-current assets</i>		
Website and software development – at cost	5,123,604	4,035,985
Less: Accumulated amortisation	(866,460)	(604,554)
	4,257,144	3,431,431

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. INTANGIBLES (CONTINUED)

RECONCILIATIONS

Reconciliations of the written down values at the beginning and end of the current period are set out below:

Consolidated	Website and software development \$	Total \$
Balance at 1 July 2020	3,431,431	3,431,431
Additions	1,087,619	1,087,619
Amortisation expense	(261,906)	(261,906)
Balance at 31 December 2020	4,257,144	4,257,144

NOTE 9. TRADE AND OTHER PAYABLES

	Consolidated	
	31 December 2020 \$	30 June 2020 \$
<i>Current liabilities</i>		
Trade payables	9,601,784	4,317,266
Other payables	544,761	382,353
Refunds payable	500,000	–
	10,646,545	4,699,619

NOTE 10. RELATED PARTY PAYABLES

	Consolidated	
	31 December 2020 \$	30 June 2020 \$
<i>Current liabilities</i>		
Payables to shareholder	–	743,812

NOTE 11. DEFERRED INCOME

Consolidated		
	31 December 2020 \$	30 June 2020 \$
<i>Current liabilities</i>		
Deferred research and development incentive	292,528	264,591
<i>Non-current liabilities</i>		
Deferred research and development incentive	1,305,884	1,047,382

Movements in deferred revenue/income during the current period are set out below:

Deferred research and development incentive	Current \$	Non-current \$	Total \$
Carrying amount at 1 July 2020	264,591	1,047,382	1,311,973
Additional income deferred	-	418,733	418,733
Transferred to current	160,231	(160,231)	-
Income recognised	(132,294)	-	(132,294)
Carrying amount at 31 December 2020	292,528	1,305,884	1,598,412

NOTE 12. ISSUED CAPITAL AND RESERVES

A. ORDINARY SHARES

Consolidated				
	31 December 2020 Shares	30 June 2020 Shares	31 December 2020 \$	30 June 2020 \$
Ordinary shares - fully paid	381,238,220	1	188,344,920	1

Ordinary shares

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 12. ISSUED CAPITAL AND RESERVES (CONTINUED)

B. MOVEMENTS IN ISSUED SHARE CAPITAL

	Shares	Issue Price	\$
1 July 2020	1	\$1.00	1
Pre-IPO re-organisation	301,238,219	\$0.50	150,619,110
Issue of shares on initial public offering ("IPO")	80,000,000	\$0.50	40,000,000
Costs directly attributable to IPO capital raising (net of tax)			(2,274,191)
31 December 2020	381,238,220		188,344,920

C. RE-ORGANISATION RESERVE

Consolidated	\$
Balance at 1 July 2020	–
Arising on Group re-organisation (Note 3)	150,619,110
Balance at 31 December 2020	150,619,110

The Group re-organisation reserve arose as a result of the corporate re-organisation undertaken on 27 November and described in Note 3.

NOTE 13. DIVIDENDS

	Consolidated	
	31 December 2020 \$	31 December 2019 \$
Dividends paid during the period	3,305,000	–

DIVIDENDS

A dividend was paid to the shareholder prior to the re-organisation and IPO.

NOTE 14. FAIR VALUE MEASUREMENT

FAIR VALUE HIERARCHY

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

Consolidated – 31 December 2020	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Forward foreign exchange contracts	–	130,123	–	130,123
Total assets	–	130,123	–	130,123

Consolidated – 30 June 2020	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Assets				
Forward foreign exchange contracts	–	6,787	–	6,787
Total assets	–	6,787	–	6,787

There were no transfers between levels during the period.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

VALUATION TECHNIQUES FOR FAIR VALUE MEASUREMENTS CATEGORISED WITHIN LEVEL 2 AND LEVEL 3

Derivative financial instruments have been valued using quoted market rates. This valuation technique maximises the use of observable market data where it is available and relies as little as possible on entity specific estimates.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 15. RELATED PARTY TRANSACTIONS

PARENT ENTITY

Cettire Limited is the parent entity.

SUBSIDIARIES

Interests in subsidiaries are set out in note 18.

TRANSACTIONS WITH RELATED PARTIES

There were no transactions with related parties during the period, with the exception of the repayment of the payable repaid to the shareholder set out below.

PAYABLE TO RELATED PARTIES

The following balances are outstanding at the reporting date in relation to transactions with related parties:

Consolidated		
	31 December 2020 \$	30 June 2020 \$
Current payables:		
Payables to shareholder	-	743,812

LOANS TO/FROM RELATED PARTIES

There were no loans to or from related parties at the current and previous reporting date.

TERMS AND CONDITIONS

All transactions were made on normal commercial terms and conditions and at market rates.

NOTE 16. EVENTS AFTER THE REPORTING PERIOD

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is continually developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other item, transaction or event has arisen since 31 December 2020 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 periods.

NOTE 17. EARNINGS PER SHARE

Consolidated		
	31 December 2020 \$	31 December 2019 \$
Profit after income tax attributable to the owners of Cettire Limited	2,302,958	507,742

NOTE 17. EARNINGS PER SHARE (CONTINUED)

Weighted average number of shares used as the denominator	Consolidated	
	31 December 2020 Number	31 December 2019 Number
Balance at beginning of period – adjusted for impact of Group re-organisation	301,238,220	301,238,220
Shares issued during the period	80,000,000	–
Balance at end of period – adjusted for impact of Group re-organisation	381,238,220	301,238,220
Weighted average number of ordinary shares used in calculating basic earnings per share	308,629,524	301,238,220
Weighted average number of ordinary shares used in calculating diluted earnings per share	308,629,524	301,238,220

AASB 113 requires that where a share split occurs the calculation of basic and diluted EPS for all periods presented shall be adjusted retrospectively. 301,238,220 shares represents the proportion of shares at listing that were on hand at previous period end.

	Cents	Cents
Basic earnings per share	0.75	0.17
Diluted earnings per share	0.75	0.17

NOTE 18. INTERESTS IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

		Ownership interest	
Name	Principal place of business/ Country of incorporation	31 December 2020 %	30 June 2020 %
Ark Technologies Pty Ltd	Australia	100.00%	–
Cettire, Inc.	United States	100.00%	100.0%
Cettire S.R.L.	Italy	100.00%	100.0%

As described in note 3, Cettire Limited was incorporated on 29 October 2020. On 27 November 2020, a corporate re-organisation in which Cettire Limited became the legal parent of Ark Technologies Pty Ltd and its subsidiaries (the 'Pre-Existing Group'), was effected. The accounts are presented as a continuation of the Pre-Existing Group.

DIRECTOR'S DECLARATION

31 DECEMBER 2020

In the opinion of the directors of Cettire Limited:

- a. The consolidated financial statements and notes of Cettire Limited are in accordance with the *Corporations Act 2001*, including:
 - i. Giving a true and fair view of its financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
 - ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- b. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Kerry Robert (Bob) East
Chairman and Non-Executive Director

25 February 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CETTIRE LIMITED



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Independent Auditor's Review Report

To the Members of Cettire Limited

Report on the review of the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Cettire Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

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

- (a) giving a true and fair view of Cettire Limited's financial position as at 31 December 2020 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 Company 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' responsibility 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CETTIRE LIMITED



Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, 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 2020 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.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

A handwritten signature in black ink, appearing to read "A C Pitts".

A C Pitts
Partner – Audit & Assurance

Melbourne, 25 February 2021

CORPORATE DIRECTORY

CORPORATE DIRECTORY

DIRECTORS:

Kerry (Bob) East
Bruce Rathie
Richard (Rick) Dennis
Dean Mintz

COMPANY SECRETARY:

Fiona van Wyk

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CETTIRE