



Appendix 4D and Report

—
For The Half Year Ended
31 December 2021

CETTIRE

Cettire Limited

Appendix 4D – Half year report

Company details

| | |
|------------------|--|
| Name of entity | Cettire Limited |
| Reporting period | For the half-year ended 31 December 2021 |
| Previous period | For the half-year ended 31 December 2020 |

Results for announcement to the market

| | 31 December 2021 | 31 December 2020 | Up/Down | Change % |
|--|------------------|------------------|---------|----------|
| Revenue from ordinary activities | 113,706,269 | 40,527,503 | Up | 181% |
| Net profit/(loss) after tax from ordinary activities attributable to members | (8,299,186) | 2,302,958 | Down | (460)% |
| Net profit/(loss) after tax attributable to members | (8,299,186) | 2,302,958 | Down | (460)% |

Dividends

No dividends were declared or paid for the half year ended 31 December 2021 (31 December 2020: \$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 | 5.0 | 8.9 |

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 2021. The number of shares used for the 31 December 2020 comparator was 381,238,220.

Commentary on results for the period

Refer to the attached Consolidated Financial Report for the half-year ended 31 December 2021.

Control gained or lost over entities

On 5 October 2021, Cettire Limited gained control over Cettire Limited, a UK company, for nil consideration.

Other information

This information should be read in conjunction with the 2021 Annual Report.

Additional information supporting the Appendix 4D disclosure requirements can be found in the Directors' Report and the Consolidated Financial Report for the half-year ended 31 December 2021, which is attached.

This report is based on the consolidated financial statements for the half-year ended 31 December 2021 which have been reviewed by Grant Thornton Audit Pty Ltd.



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Directors' report

31 December 2021

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 2021.

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
Dean Mintz, Executive Director and Chief Executive Officer
Bruce Rathie, Non-Executive Director
Richard (Rick) Dennis, Non-Executive Director

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.

Dividends

There were no dividends paid, recommended or declared during H1 FY22. During the half-year ended 31 December 2020 (H1 FY21), a dividend of \$3,305,000 was paid to the shareholder.

Significant changes in the state of affairs

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

Review of operations

During the half-year ended 31 December 2021, Cettire achieved several important milestones and delivered strong business results including:

- Sales revenue of \$113.7 million, up 181% on the prior corresponding period ("pcp");
- Active customers growing to 208,721 (208% growth vs pcp; 82% growth vs FY21);
- 214,822 orders processed, up 221% on the pcp; and
- 46% of gross revenue from returning customers (34% in the pcp).

Financial performance

Sales revenue for the half year was \$113.7 million (2020: \$40.5 million), an increase of 181% on the pcp. Growth was driven primarily by growth in active customers which increased by 208% to 208,721 at period end (2021: \$67,657)

Statutory gross profit increased in the half year to \$24.7 million (2020: \$11.3 million), predominantly driven by the growth in revenue.

Statutory net profit/(loss) after tax for the half year was \$(8.3) million, (2020: \$2.3 million), as the Group invested for further growth.

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 2021 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.

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 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 director's report.

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



Kerry Robert (Bob) East
Chairman and Non-Executive Director
2 February 2022

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 2021, 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, 2 February 2022

Grant Thornton Audit Pty Ltd ACN 130 913 594
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www.grantthornton.com.au

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Liability limited by a scheme approved under Professional Standards Legislation.

Condensed statement of profit or loss and other comprehensive income

For the half-year ended 31 December 2021

| | | | Consolidated |
|--|------|--------------|--------------|
| | Note | 2021 \$ | 2020 \$ |
| Revenue | | | |
| Sales revenue | | 113,706,269 | 40,527,503 |
| Cost of sales | | (88,993,877) | (29,181,990) |
| Gross profit | | 24,712,392 | 11,345,513 |
| Other income | 4 | 814,925 | 517,172 |
| Interest revenue calculated using the effective interest method | | 16,089 | 864 |
| Expenses | | | |
| Advertising and marketing expense | | (25,875,833) | (3,864,638) |
| Merchant fees | | (5,380,643) | (1,777,720) |
| Employee benefits expense | | (1,380,600) | (539,258) |
| General and administrative expense | | (3,901,416) | (1,237,448) |
| Initial Public Offering (IPO) costs | | – | (846,816) |
| Depreciation and amortisation expense | | (472,273) | (261,906) |
| Profit before income tax expense | | (11,467,359) | 3,335,763 |
| Income tax (expense)/benefit | 5 | 3,168,173 | (1,032,805) |
| Profit/(loss) after income tax expense for the year attributable to the owners of Cettire Limited | | (8,299,186) | 2,302,958 |
| Other comprehensive income for the year, net of tax | | – | – |
| Total comprehensive income for the year attributable to the owners of Cettire Limited | | (8,299,186) | 2,302,958 |
| | | Cents | Cents |
| Basic earnings per share | 17 | (2.18) | 0.75 |
| Diluted earnings per share | 17 | (2.18) | 0.75 |

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 2021

| | | Consolidated | |
|---------------------------------------|------|------------------------|--------------------|
| | Note | 31 December 2021 \$ | 30 June 2021 \$ |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 6 | 55,493,767 | 47,130,634 |
| Trade and other receivables | 7 | 4,548,100 | 1,743,596 |
| Inventories | 8 | 1,344,064 | 584,344 |
| Other assets | 9 | 616,433 | 422,714 |
| Total current assets | | 62,002,364 | 49,881,288 |
| Non-current assets | | | |
| Intangibles | 10 | 8,549,729 | 5,474,603 |
| Deferred tax assets | 5 | 7,699,823 | 2,466,813 |
| Total non-current assets | | 16,249,552 | 7,941,416 |
| Total assets | | 78,251,916 | 57,822,704 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 11 | 42,830,538 | 18,011,437 |
| Contract liabilities | | 2,116,636 | 903,617 |
| Derivative financial instruments | | 999,789 | 259,713 |
| Employee benefits | | 204,939 | 155,778 |
| Deferred income | 12 | 469,275 | 410,712 |
| Total current liabilities | | 46,621,177 | 19,741,257 |
| Non-current liabilities | | | |
| Deferred tax liabilities | 5 | 1,235,361 | 636,677 |
| Employee benefits | | 14,304 | 8,312 |
| Deferred income | 12 | 2,673,316 | 1,673,550 |
| Total non-current liabilities | | 3,922,981 | 2,318,539 |
| Total liabilities | | 50,544,158 | 22,059,796 |
| Net assets | | 27,707,758 | 35,762,908 |
| Equity | | | |
| Issued capital | 13 | 188,344,920 | 188,344,920 |
| Re-organisation reserve | | (150,619,110) | (150,619,110) |
| Share-based payments reserve | | 313,630 | 69,594 |
| (Accumulated losses)/Retained profits | | (10,331,682) | (2,032,496) |
| Total equity | | 27,707,758 | 35,762,908 |

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 2021

| Consolidated | Issued capital \$ | (Accumulated losses) / Retained profits \$ | Re-organisation reserve \$ | Share-based payments 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 |
| <i>Transactions with members in their capacity as members</i> | | | | | |
| 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 |
| Share-based payments | – | – | – | – | – |
| Dividend paid (note 14) | – | (3,305,000) | – | – | (3,305,000) |
| Balance at 31 December 2020 | 188,344,920 | 521,601 | (150,619,110) | – | 38,247,411 |
| Consolidated | Issued capital \$ | (Accumulated losses) / Retained profits \$ | Re-organisation reserve \$ | Share-based payments reserve \$ | Total equity \$ |
| Balance at 1 July 2021 | 188,344,920 | (2,032,496) | (150,619,110) | 69,594 | 35,762,908 |
| Loss after income tax expense for the year | – | (8,299,186) | – | – | (8,299,186) |
| Other comprehensive income for the year, net of tax | – | – | – | – | – |
| Total comprehensive income for the year | – | (8,299,186) | – | – | (8,299,186) |
| <i>Transactions with members in their capacity as members</i> | | | | | |
| Share-based payments | – | – | – | 244,036 | 244,036 |
| Balance at 31 December 2021 | 188,344,920 | (10,331,682) | (150,619,110) | 313,630 | 27,707,758 |

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 2021

| Consolidated | | | |
|--|------|---------------|--------------|
| | Note | 2021 \$ | 2020 \$ |
| Cash flows from operating activities | | | |
| Receipts from customers (inclusive of GST) | | 119,106,505 | 41,202,581 |
| Payments to suppliers and employees (inclusive of GST) | | (106,836,123) | (32,163,637) |
| | | 12,270,382 | 9,038,944 |
| Government grants received | | 6,331 | 76,229 |
| IPO Costs | | - | (846,816) |
| Interest received | | 16,089 | 864 |
| Research and development incentive received | | - | 308,033 |
| Net cash from operating activities | | 12,292,802 | 8,577,254 |
| Cash flows from investing activities | | | |
| Payments for intangibles | 10 | (3,547,399) | (1,087,619) |
| Net cash used in investing activities | | (3,547,399) | (1,087,619) |
| Cash flows from financing activities | | | |
| Payments to related parties | | - | (743,812) |
| Proceeds from issue of shares | | - | 40,000,000 |
| IPO Costs | | - | (3,248,844) |
| Dividend paid | 14 | - | (3,305,000) |
| Net cash used in financing activities | | - | 32,702,344 |
| Net increase in cash and cash equivalents | | 8,745,403 | 40,191,979 |
| Cash and cash equivalents at the beginning of the period | | 47,130,634 | 4,669,244 |
| Effect of exchange rate changes on cash and cash equivalents | | (382,270) | - |
| Cash and cash equivalents at the end of the period | 6 | 55,493,767 | 44,861,223 |

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

Notes to the financial statements

31 December 2021

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.

Note 2. Significant accounting policies

Basis of preparation

These general-purpose financial statements for the half-year reporting period ended 31 December 2021 (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 annual report for the year ended 30 June 2021 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 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.

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.

| | Consolidated | |
|----------------------------------|--------------|------------|
| Half year ended 31 December 2021 | 2021 \$ | 2020 \$ |
| Revenue | | |
| United States | 68,311,440 | 26,700,820 |
| Australia | 11,337,470 | 3,512,643 |
| Other | 34,057,359 | 10,314,040 |
| Total | 113,706,269 | 40,527,503 |

| | Consolidated | |
|--------------------|------------------------|--------------------|
| | 31 December 2021 \$ | 30 June 2021 \$ |
| Non-Current Assets | | |
| Australia | 8,549,729 | 5,474,603 |
| Other | - | - |
| Total | 8,549,729 | 5,474,603 |

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 2021.

Notes to the financial statements

Continued

Note 4. Other income

| | Consolidated | |
|--|------------------|------------------|
| | 31 December 2021 | 31 December 2020 |
| | \$ | \$ |
| Government grants | 6,331 | 76,229 |
| Insurance recoveries | 400,772 | 308,649 |
| Research and development tax incentive | 407,822 | 132,294 |
| Other income | 814,925 | 517,172 |

Note 5. Income tax

| | Consolidated | |
|--|------------------|------------------|
| | 31 December 2021 | 31 December 2020 |
| | \$ | \$ |
| <i>Income tax expense</i> | | |
| Current tax | 1,466,153 | 1,125,225 |
| Deferred tax – origination and reversal of temporary differences | (4,634,326) | (92,420) |
| Aggregate income tax expense | (3,168,173) | 1,032,805 |
| Deferred tax included in income tax expense comprises: | | |
| Increase in deferred tax assets | (5,233,010) | (305,254) |
| Increase in deferred tax liabilities | 598,684 | 212,834 |
| Deferred tax – origination and reversal of temporary differences | (4,634,326) | (92,420) |
| <i>Numerical reconciliation of income tax expense and tax at the statutory rate</i> | | |
| Profit before income tax expense | (11,467,359) | 3,335,763 |
| Tax at the statutory tax rate of 30% (2020: 30%) | (3,440,208) | 1,000,729 |
| Tax effect amounts which are not deductible/(taxable) in calculating taxable income: | | |
| Amortisation of intangibles | 141,682 | 78,572 |
| Research and development incentive income | (122,347) | (39,688) |
| Non-deductible research and development costs | 156,340 | – |
| Sundry items | 96,360 | 2,260 |
| Adjustment to deferred tax balances as a result of a change in statutory tax rate | – | (9,068) |
| Income tax expense/(benefit) | (3,168,173) | 1,032,805 |

| | Consolidated | |
|---|------------------|--------------|
| | 31 December 2021 | 30 June 2021 |
| | \$ | \$ |
| <i>Deferred tax asset</i> | | |
| Deferred tax asset comprises temporary differences attributable to: | | |
| Amounts recognised in profit or loss: | | |
| Deferred customer revenue | 634,991 | 271,085 |
| Refunds payable | 1,044,641 | 458,718 |
| Giftcard liabilities | 292,354 | 137,434 |
| Derivative financial instruments | 299,937 | 77,914 |
| Employee benefits | 130,199 | 161,453 |
| Accrued expenses | 18,000 | 36,804 |
| IPO costs recognised in profit or loss | 151,349 | 201,799 |
| Carried forward tax losses | 4,545,310 | 344,217 |
| | 7,116,781 | 1,689,424 |
| Amounts recognised in equity | 583,042 | 777,389 |
| IPO costs recognised in equity | 583,042 | 777,389 |
| | | |
| Deferred tax asset | 7,699,823 | 2,466,813 |
| Movements: | | |
| Opening balance | 2,466,813 | 114,275 |
| IPO costs recognised in equity | – | 974,654 |
| Credited to profit or loss | 5,233,010 | 1,377,884 |
| Closing balance | 7,699,823 | 2,466,813 |

Notes to the financial statements

Continued

| | Consolidated | |
|---|------------------|--------------|
| | 31 December 2021 | 30 June 2021 |
| | \$ | \$ |
| <i>Deferred tax liability</i> | | |
| Deferred tax liability comprises temporary differences attributable to: | | |
| Amounts recognised in profit or loss: | | |
| Inventories | 403,219 | 175,303 |
| Accrued supplier credits | 761,584 | 380,736 |
| Development costs | 70,558 | 80,638 |
| Deferred tax liability | 1,235,361 | 636,677 |
| Movements: | | |
| Opening balance | 636,677 | 150,264 |
| Charged to profit or loss | 598,684 | 486,413 |
| Closing balance | 1,235,361 | 636,677 |

Note 6. Cash and cash equivalents

| Consolidated | | |
|-----------------------|------------------|--------------|
| | 31 December 2021 | 30 June 2021 |
| | \$ | \$ |
| <i>Current assets</i> | | |
| Cash at bank | 55,331,481 | 46,968,348 |
| Cash on deposit | 162,286 | 162,286 |
| | 55,493,767 | 47,130,634 |

Note 7. Trade and other receivables

| Consolidated | | |
|-----------------------|------------------|--------------|
| | 31 December 2021 | 30 June 2021 |
| | \$ | \$ |
| <i>Current assets</i> | | |
| Other receivables | 4,548,100 | 1,743,596 |

Note 8. Inventories

| Consolidated | | |
|----------------------------|------------------|--------------|
| | 31 December 2021 | 30 June 2021 |
| | \$ | \$ |
| <i>Current assets</i> | | |
| Stock in transit – at cost | 1,344,064 | 584,344 |

Note 9. Other assets

| Consolidated | | |
|-----------------------|------------------|--------------|
| | 31 December 2021 | 30 June 2021 |
| | \$ | \$ |
| <i>Current assets</i> | | |
| Prepayments | 135,620 | 399,670 |
| Other | 480,813 | 23,044 |
| | 616,433 | 422,714 |

Notes to the financial statements

Continued

Note 10. Intangibles

| | Consolidated | |
|--|------------------|--------------|
| | 31 December 2021 | 30 June 2021 |
| | \$ | \$ |
| <i>Non-current assets</i> | | |
| Website and software development – at cost | 10,011,477 | 6,729,178 |
| Less: Accumulated amortisation | (1,719,407) | (1,266,630) |
| | 8,292,070 | 5,462,548 |
| Trademarks – at cost | 45,099 | 13,394 |
| Less: Accumulated amortisation | (3,453) | (1,339) |
| | 41,646 | 12,055 |
| Other intangibles – at costs | 233,395 | – |
| Less: Other intangibles Accumulated amortisation | (17,382) | – |
| | 216,013 | – |
| | 8,549,729 | 5,474,603 |

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 | Trademarks | Other intangibles | Total |
|-----------------------------|----------------------------------|------------|-------------------|-----------|
| | \$ | \$ | \$ | \$ |
| Balance at 1 July 2021 | 5,462,548 | 12,055 | – | 5,474,603 |
| Additions | 3,282,299 | 31,705 | 233,395 | 3,547,399 |
| Amortisation expense | (452,777) | (2,114) | (17,382) | (472,273) |
| Balance at 31 December 2021 | 8,292,070 | 41,646 | 216,013 | 8,549,729 |

Other intangibles

Other intangibles including campaign production assets are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3 years.

Note 11. Trade and other payables

| | Consolidated | |
|----------------------------|------------------|--------------|
| | 31 December 2021 | 30 June 2021 |
| | \$ | \$ |
| <i>Current liabilities</i> | | |
| Trade payables | 33,933,163 | 14,753,855 |
| Other payables | 5,415,237 | 1,728,523 |
| Refunds payable | 3,482,138 | 1,529,059 |
| | 42,830,538 | 18,011,437 |

Note 12. Deferred income

| | Consolidated | | |
|---|------------------|--------------|-----------|
| | 31 December 2021 | 30 June 2021 | |
| | \$ | \$ | |
| Current liabilities | | | |
| Deferred research and development incentive | 469,275 | 410,712 | |
| Non-current liabilities | | | |
| Deferred research and development incentive | 2,673,316 | 1,673,550 | |
| Movements in deferred revenue/income during the current period are set out below: | | | |
| | Current | Non-current | Total |
| Deferred research and development incentive | \$ | \$ | \$ |
| Carrying amount at 1 July 2021 | 410,712 | 1,673,550 | 2,084,262 |
| Additional income deferred | – | 1,263,685 | 1,263,685 |
| Transferred to current | 263,919 | (263,919) | – |
| Income recognised | (205,356) | – | (205,356) |
| Carrying amount at 31 December 2021 | 469,275 | 2,673,316 | 3,142,591 |

Notes to the financial statements

Continued

Note 13. Issued capital and reserves

a. Ordinary Shares

| | Consolidated | | | |
|------------------------------|----------------------------|------------------------|------------------------|--------------------|
| | 31 December 2021 Shares | 30 June 2021 Shares | 31 December 2021 \$ | 30 June 2021 \$ |
| Ordinary shares – fully paid | 381,238,220 | 381,238,220 | 188,344,920 | 188,344,920 |

b. Share-based payments reserve

| Consolidated | \$ |
|------------------------------|---------|
| Balance at 1 July 2021 | 69,594 |
| Share-based payments expense | 244,036 |
| Balance at 31 December 2021 | 313,630 |

There were 96,154 service rights granted during the current financial half-year to selected employees.

For the six months ended 31 December 2021, the Group has recognised \$244,036 of equity-settled share-based payment expense in the statement of profit or loss (31 December 2020: nil).

Note 14. Dividends

| | Consolidated | |
|----------------------------------|------------------------|------------------------|
| | 31 December 2021 \$ | 31 December 2020 \$ |
| Dividends paid during the period | – | 3,305,000 |

Dividends

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

Note 15. 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 2021 | Level 1 \$ | Level 2 \$ | Level 3 \$ | Total \$ |
|------------------------------------|---------------|---------------|---------------|-------------|
| <i>Liabilities</i> | | | | |
| Forward foreign exchange contracts | – | 999,789 | – | 999,789 |
| Total assets | – | 999,789 | – | 999,789 |
| Consolidated – 30 June 2021 | Level 1 \$ | Level 2 \$ | Level 3 \$ | Total \$ |
| <i>Liabilities</i> | | | | |
| Forward foreign exchange contracts | – | 259,713 | – | 259,713 |
| Total assets | – | 259,713 | – | 259,713 |

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

Continued

Note 16. 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.

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 17. Earnings per share

| | Consolidated | |
|---|------------------|------------------|
| | 31 December 2021 | 31 December 2020 |
| | \$ | \$ |
| Profit after income tax attributable to the owners of Cettire Limited | (8,299,186) | 2,302,958 |

| | Consolidated | |
|---|------------------|------------------|
| | 31 December 2021 | 31 December 2020 |
| | Number | Number |
| Weighted average number of shares used as the denominator | | |
| Balance at beginning of period – adjusted for impact of Group re-organisation | 381,238,220 | 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 | 381,238,220 |
| Weighted average number of ordinary shares used in calculating basic earnings per share | 381,238,220 | 308,629,524 |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | 381,238,220 | 308,629,524 |

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 | (2.18) | 0.75 |
| Diluted earnings per share | (2.18) | 0.75 |

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 2021 % | 30 June 2021 % |
| Ark Technologies Pty Ltd | Australia | 100.00% | 100.0% |
| Ark International Pty Ltd | Australia | 100.00% | – |
| Cettire, Inc. | United States | 100.00% | 100.0% |
| Cettire S.R.L | Italy | 100.00% | 100.0% |
| Cettire Limited | United Kingdom | 100.00% | – |
| Cettire HK Limited | Hong Kong | 100.00% | – |

Note 19. 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 2021 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.

Director's declaration

31 December 2021

In the opinion of the directors of Cettire Limited:

- The consolidated financial statements and notes of Cettire Limited are in accordance with the *Corporations Act 2001*, including:
 - Giving a true and fair view of its financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
 - Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Kerry Robert (Bob) East

Chairman and Non-Executive Director

2 February 2022

Independent auditor's review 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 2021, 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 2021 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 review report to the members of Cettire Limited

Continued



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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 2021 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, 2 February 2022

Corporate directory

| | |
|------------------------------------|--|
| Directors | Kerry Robert (Bob) East (Chairman) Bruce Rathie Richard (Rick) Dennis Dean Mintz |
| Company secretary | Fiona van Wyk |
| Registered Office | Level 40, 140 William Street, Melbourne, Vic 3000 |
| Principal Place of Business | Level 40, 140 William Street, Melbourne, Vic 3000 |
| Auditor | Grant Thornton Collins Square, Tower 5, Level 22, 727 Collins Street, Melbourne, Vic 3008 |
| Share Registry | Automic Pty Ltd Level 5, 126 Phillip Street, Sydney NSW 2000 |
| Stock Exchange Listing Code | ASX:CTT |
| Website | www.cettirecorporate.com |

