



THE RPM GROUP

RPM Automotive Group Limited

ABN 34 002 527 906

Appendix 4D

**Half-year ended
31st December 2021**

(Previous corresponding period:
Half-year ended 31st December 2020)



HALF-YEAR INFORMATION GIVEN TO THE ASX UNDER LISTING RULE 4.2A

RPM AUTOMOTIVE GROUP LIMITED

ABN 34 002 527 906

Reporting period

Half-year ended 31 December 2021

Half-year ended 31 December 2020

The information contained in this report should be read in conjunction with the most recent annual financial report.

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RESULTS FOR ANNOUNCEMENT TO THE MARKET

				CURRENT PERIOD A\$000
Revenue from ordinary activities	up	87.64%	to	34,366
Profit from ordinary activities after income tax attributable to members	Up	50.17% from		881
			to	1,323
Net profit for the period attributable to members	Up	50.17% from		881
			to	1,323

Dividends per Share

	AMOUNT PER SHARE		FRANKED AMOUNT PER SHARE AT ...% TAX	
Final	Nil	cents	Nil	cents
Interim	Nil	cents	Nil	cents
Record date for determining entitlements to dividends	N/A			

Explanations on the results for announcement to the market

Refer Directors' Report and Note 1 to the Financial Statements for the Half Year ended 31 December 2021.

Net Tangible Assets per Ordinary Share (NTA Backing)

Current Period	Previous corresponding period
10.16 cents	6.17 cents

DETAILS OF CONTROLLED ENTITIES

Control Gained Over Entities During the Period – Refer to Note 2 of the Financial Statements

Name of entity	ELITE TYRE GROUP	SUPER TYRE MART	DIRECT WHOLESALE TYRES
Date control acquired, i.e. date from which profit (loss) has been calculated	1 July 2021	1 July 2021	1 October 2021
Profit (loss) from ordinary activities after extraordinary items and income tax of the controlled entity (or group of entities) during the current period since the date on which control was acquired	\$ 280,840	\$ (8,136)	\$ 175,056
Profit(loss) from ordinary activities after extraordinary items and income tax of the controlled entity (or group of entities) for the whole of the previous corresponding period	\$ Not applicable	\$ Not applicable	\$ Not applicable

Loss of Control of Entities During the Period

Name of entity			
Date of loss of control, i.e. date until which profit (loss) has been calculated	\$ -	\$ -	\$ -
Loss from ordinary activities after extraordinary items and income tax of the controlled entity (or group of entities) during the current period to the date on which control was lost	\$ -	\$	\$ -
Loss from ordinary activities after extraordinary items and income tax of the controlled entity (or group of entities) for the whole of the previous corresponding period	\$ -	\$ -	\$ -
Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	\$ -	\$ -	\$ -

DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

Equity Accounted Associates and Joint Venture Entities

% OWNERSHIP INTEREST		CONTRIBUTION TO NET PROFIT	
Current Period %	Previous Corresponding Period %	Current Period	Previous Corresponding Period
		A\$,000	A\$,000
-	-	-	-

Aggregate Share of Profits (Losses) of Associates and Joint Venture Entities

Groups' Share of Associates' and Joint Venture Entities':	Current Period	Previous Corresponding Period
	A\$,000	A\$,000
Profit (Loss) from ordinary activities before tax	-	-
Income tax on ordinary activities	-	-
Profit (Loss) from ordinary activities after tax	-	-
Extraordinary items net of tax	-	-
Net profit/(loss)	-	-
Adjustments	-	-
Share of net profit/(loss) of associates and joint venture entities	-	-

DIVIDEND AND CAPITAL RETURN

Dividend per Share

	Amount per share	Franked amount per share at Nil% tax	Amount per share of foreign source dividend
Final	- cents	- cents	- cents
- current period	- cents	- cents	- cents
- previous corresponding period			
Interim	- cents	- cents	- cents
- current period	- cents	- cents	- cents
- previous corresponding period			
Special	- cents	- cents	- cents
- current period	- cents	- cents	- cents
- previous corresponding period			

RETURN OF CAPITAL PER SHARE

- current period	- cents	- cents	- cents
- previous corresponding period	- cents	- cents	- cents

TOTAL DIVIDEND AND CAPITAL RETURN

	Current Period A\$ '000	Previous Corresponding Period A\$ '000
Interim - paid/payable on	-	-
Final - paid/payable on	-	-
Special - paid/payable on	-	-

SHARE DIVIDEND REINVESTMENT PLAN

There is not a dividend reinvestment plan.

The last date for receipt of election notices for participation in any dividend reinvestment plans

N/A

ACCOUNTING STANDARDS

AASB 134 "Interim Financial Reporting" has been used in compiling the information contained in this Appendix 4D.

AUDIT DISPUTES OR QUALIFICATIONS

There is no audit dispute or qualification



THE RPM GROUP

RPM Automotive Group Limited

ABN 34 002 527 906

ASX Half-year Report 31st December 2021

Lodged with the ASX under
Listing Rule 4.2A



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Independent Auditor's Review Report to the Members of RPM

Automotive Group Limited.

DIRECTORS' REPORT

The Board of Directors of RPM Automotive Group Limited is pleased to present their report on the consolidated entity for the half-year ended 31st December 2021.

1. DIRECTORS

The following persons were the Directors of RPM Automotive Group Limited during the whole of the half-year and up to the date of this report:

Mr Grant Carman (Chairman)
Mr Clive Finkelstein (Chief Executive Officer & Managing Director)
Mr Lawrence Jaffe
Mr Damian Banks (Joined 7 September 2021)
Mr Alex Goodman
Mr Wei Liu (Resigned 21 September 2021)

2. Review of Operations

During the half year the Company has incorporated and expanded the RPM Group businesses with the acquisition of Elite Tyre Group, Super Tyre Mart and Direct Wholesale Tyres and continues to identify and evaluate other opportunities in the automotive space to increase its nationwide footprint.

For the six months ended 31st December 2021, the Company recorded income from operations of \$34,747,883, Net Profit from operations before tax of \$1,775,141 and EBITDA of \$3,047,287.

Our EBITDA calculation is broken down as follows:

Profit after tax per accounts	1,323,414
Addback	
Income tax expense	451,728
Interest and finance charges	229,998
Depreciation and amortisation	1,042,147
EBITDA	3,047,287

DIRECTOR'S REPORT

Continued growth in revenue and earnings has been driven by quality business acquisitions during the preceding year and fed by the increase vehicle usage as a result of closed state and international borders for travel for much of 2021. This growth is expected to continue into the foreseeable future.

The Company has received investment funding by way of scrip purchase and convertible notes to the value of \$8,000,000 providing the Company with a strong Balance Sheet to continue to expand the business groups by internal growth and acquisitions. RPM has already settled and taken control of Safety Dave, a business that fits in very well into our Performance and Accessories Division and opens up a new channel for RPM.

Despite the obvious challenges brought on by the pandemic, by almost every measure, the Company's performance has exceeded expectations and is now well placed to capitalise on its strong trading position.

3. Auditor's independence declaration

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is set on the next page

4. Rounding

Amounts presented are rounded to the nearest \$1.00 AUD

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



Mr Grant Carman
Chairman



Mr Clive Finkelstein
Managing Director

24th February 2022

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF RPM AUTOMOTIVE GROUP LIMITED

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2021 there has been:

- a. no contraventions of the auditor independence requirements as set out in 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.



**Nexia Melbourne Audit Pty Ltd
Melbourne**



**Benjamin Bester
Director**

Dated this 24th day of February 2022



THE RPM GROUP

RPM Automotive Group Limited

ABN 34 002 527 906

Financial Statements For the Half Year Ended 31st December 2021

Lodged with the ASX under Listing
Rule 4.2A

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR 31 DECEMBER 2021

Consolidated Group

	HALF-YEAR ENDED 31 DECEMBER 2021	HALF-YEAR ENDED 31 DECEMBER 2020
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Continuing operations

Revenue	34,365,700	18,518,540
Other income	627,224	1,416,920
Interest income	4,936	1,904
Cost of Goods Sold	(23,474,841)	(12,041,639)
Employee benefits expense	(6,289,140)	(3,334,665)
Depreciation and amortisation expense	(1,042,147)	(476,082)
Share based expense Directors Fees	(110,761)	(48,000)
Finance costs	(234,934)	(172,774)
Occupancy expense	(481,226)	(364,832)
Other expenses	(1,589,670)	(2,064,750)

Profit/(loss)	1,775,141	1,434,622
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Listing expense on reverse acquisition	-	-
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Capital Raise expenses	-	(181,268)
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Profit/(loss) before income tax	1,775,141	1,253,354
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Income tax expense	(451,728)	(372,446)
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Profit/(loss) from continuing operations attributable to the members	1,323,414	880,908
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Other Comprehensive Income

Other Comprehensive income for half-year, net of tax	-	-
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Total Comprehensive Income (loss) attributable to members	1,323,414	880,908
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Earnings per share

From continuing operations:

- basic earnings (loss) per share (cents)	0.98	0.98
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The consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE HALF-YEAR 31 DECEMBER 2021

	NOTE	Consolidated Group AS AT 31 DECEMBER 2021	AS AT 30 JUNE 2021
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		5,619,571	1,737,900
Trade and other receivables		11,909,513	7,372,014
Inventories	4	18,501,082	11,557,306
Other assets		388,583	1,117,402
TOTAL CURRENT ASSETS		36,418,749	21,784,622
NON-CURRENT ASSETS			
Right of use assets		5,562,909	4,029,028
Deferred tax assets		1,445,391	1,153,248
Property, plant and equipment		3,645,475	3,279,729
Intangible assets		18,717,454	15,103,466
Investments		161,911	350,000
Other Financial Assets		408,171	250,840
TOTAL NON-CURRENT ASSETS		29,941,311	24,166,311
TOTAL ASSETS		66,360,061	45,950,933
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		12,984,186	7,287,185
Lease liabilities		1,494,507	1,105,356
Borrowings		6,492,755	2,621,928

CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE HALF-YEAR 31 DECEMBER 2021

	NOTE	Consolidated Group	
		AS AT	AS AT
		31 DECEMBER 2021	30 JUNE 2021
		\$	\$
Current tax liabilities		1,022,607	701,408
Provisions		1,567,788	1,109,617
TOTAL CURRENT LIABILITIES		23,561,842	12,825,494
NON-CURRENT LIABILITIES			
Lease Liabilities		4,247,957	2,959,452
Borrowings		4,928,353	3,673,014
Deferred tax liabilities		433,961	321,777
TOTAL NONCURRENT LIABILITIES		9,610,270	6,954,243
TOTAL LIABILITIES		33,172,112	19,779,737
NET ASSETS		33,187,949	26,171,196
EQUITY			
Issued Capital	6	29,330,993	24,013,032
Share Based Payment Reserve		431,578	56,667
Retained Earnings		3,245,378	1,921,497
Asset Revaluation Reserve		180,000	180,000
TOTAL EQUITY		33,187,949	26,171,196

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

CONSOLIDATED STATEMENT OF CHANGES OF EQUITY FOR THE HALF-YEAR 31 DECEMBER 2021

	Issued Capital	Reserves	Share Payments Reserve	Retained Earnings	Total
	\$	\$	\$	\$	\$
Balance as at 1 July 2021	23,883,204	180,000	56,667	1,921,964	2,6041,836
Comprehensive Income					
Profit/(Loss) for the year	-	-	-	1,323,414	1,323,414
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the year	-	-	-	1,323,414	1,323,414
Transactions with owners, in their capacity as owners, and other transfers	-	-	-	-	-
Transfer to share based payment reserve	-	-	-	-	-
Shares issued during the period	5,447,789	-	374,911	-	5,822,700
Total transactions with owners and other transfers	5,447,789	-	374,911	-	5,822,700
Balance as at 31 December 2021	29,330,993	180,000	431,578	3,245,378	33,187,949
Balance as at 1 July 2020	17,699,647	-	-	(524,015)	17,175,632
Profit/(Loss) for the year	-	-	-	880,909	880,909
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the year	-	-	-	880,909	880,909
Transfer to share based payment reserve	-	180,000	-	-	180,000
Shares issued during the period	2,567,669	-	56,667	-	2,624,336
Total transactions with owners and other transfers	2,567,669	180,000	56,667	-	2,804,336
Balance as at 31 December 2020	20,267,316	180,000	56,667	356,894	20,860,877

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR 31 DECEMBER 2021

Consolidated

	Half-year Ended 31 December 2021	Half-year Ended 31 December 2020
	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers	30,140,787	18,774,603
Payments to suppliers and employees	(30,950,531)	(20,381,368)
Interest and dividends received	4,936	1,418,824
Finance costs	(111,357)	(172,774)
Income tax paid	(310,489)	(110,479)
Net cash used by operating activities	(1,226,654)	(471,194)
CASH FLOW FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(329,719)	(699,005)
Payments for financial assets	(908,160)	(282,381)
Payment to acquire entities	(3,807,489)	(1,057,859)
Net cash used by investing activities	(5,045,368)	(2,039,245)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of finance and lease principal	164,158	(317,031)
Proceed from issue of shares	4,276,599	2,407,670
Proceeds from borrowings	5,712,936	2,318,005
Net cash provided by financing activities	10,153,693	4,408,644
Net increase in cash held	3,881,671	1,898,205
Cash at beginning of financial year	1,737,900	2,081,382
Cash at end of financial year	5,619,571	3,979,587

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

Notes to the Financial Statements For the half-year 31 December 2021

Note 1: Summary of Significant Accounting Policies

Basis of Preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2021 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of RPM Automotive Group Limited and its controlled entities (referred to as the “Consolidated Group” or “Group”). As such, it does not contain information that represents relatively insignificant changes occurring during the half year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2021 together with any public announcements made during the following half year.

These interim financial statements were authorised for issue on 24th February 2022.

Accounting Policies

The same accounting policies and methods of computation have been followed in the interim financial report as were applied in the most recent financial statements.

The Group has considered the implications of new and amended Accounting Standards but determined that their application to the financial statements is either not relevant or not material.

Note 2: Business Combination

Elite Tyre Group and Super Tyre Mart

On 1st July 2021 the Group acquired the assets of both Elite Tyre Group and Super Tyre Mart

ETG is a tyre and wheel wholesaler based in Melbourne, with distribution capabilities across Australia.

It is the exclusive distributor of a number PCR (Passenger Tyre) Brands, including Imperial Tyres, Aptany Tyres, and Kinforest Tyres. ETG is able to supply passenger tyres from 12 inch to 22 inch in size, with the range focused on passenger tyres, high performance tyres, SUV and 4WD tyres.

The acquisition of ETG is strongly aligned with RPM's goal of expanding the Group's tyre wholesale and distribution platform. Around \$250k of efficiency synergies are expected from integrating ETG with RPM's other Tyre Wholesale Businesses. In addition, potential revenue synergies from cross-pollinating customer-bases and cross-selling ETG's product range are expected.

The acquisition is an asset purchase agreement, with the total purchase price for ETG and STM being \$1.6 million, and consideration comprising 70% cash and 30% equity (valued at RPM's 60-day volume weighted average price from signing of the sale and purchase agreement or 30 cents per share, whichever is the lower). Inventory will be vendor financed and paid over 12 months.

Notes to the Financial Statements For the half-year 31 December 2021

Details of the fair value of the identifiable net assets acquired and the excess consideration are set out below.

	Consolidated Group
Purchase Consideration	Fair Value
	2021
Fair value of cash and shares transferred	1,600,000
Less Fair Value of net identifiable assets acquired	187,596
Excess Consideration – Goodwill on Acquisition	<u>1,412,404</u>

The fair value of the identifiable assets and liabilities of the Company at the date of acquisition was as follows:

Property Plant and Equipment	<u>187,596</u>
Total identifiable net assets at fair value	<u>187,596</u>

The goodwill is attributable to the profitability of the acquired business, assembled workforce and significant synergies that are expected to arise from the group's operations.

The goodwill that arose from the business combination is not expected to be deductible for tax purposes.

Profit and revenue resulting from the acquisition of Elite Tyre Group and Super Tyre Mart amount to \$26,704 and \$301,709 respectively are included in the consolidated statements of profit or loss and other comprehensive income for the half year ended 31st December 2021.

Included within other expenses in the statement of profit or loss and other comprehensive income are the acquisition-related costs totalling \$1,693. These costs include advisory, legal, accounting and other professional fees.

Notes to the Financial Statements For the half-year 31 December 2021

Direct Wholesale Tyres Pty Ltd

On 1st October 2021 the Group acquired 100% of the issued capital of Direct Wholesale Tyres Pty Ltd for a purchase price of \$1,700,000.

Opened in July 2007, DWT is located in the Townsville Distribution Precinct with triple road-train accommodation. As one of RPM's biggest customers in the region, through the Company's sub-distributor / direct-ship container order business, RPM will benefit from DWT's excellent brand profile and product acceptance in the area.

The acquisition of DWT is strongly aligned to RPM's focused growth strategy, which includes expanding the business through accretive acquisitions.

DWT generated \$6.5 million in revenue for FY21 and is forecast initially to provide an annual contribution of \$450,000 to RPM's new FNQ operation.

	Consolidated Group
Purchase Consideration	Fair Value
	2021
Fair value of cash and shares transferred	1,700,000
Less Fair Value of net identifiable assets acquired	629,075
Excess Consideration – Goodwill on Acquisition	<u>1,070,925</u>

The fair value of the identifiable assets and liabilities of the Company at the date of acquisition was as follows:

Assets:

Cash and Cash equivalents	345,143
Accounts Receivable	831,793
Inventory	1,265,084
Prepayments	3,166
Property Plant and Equipment	208,460
Less Liabilities	
Trade and Other Payables	(1,504,419)
Financial Liabilities	(407,976)
Provisions	(112,176)
Identifiable net assets at fair value	<u>629,075</u>

Profit (Loss) and revenue resulting from the acquisition of Direct Wholesale Tyres Pty Ltd amount to \$175,055 and \$3,841,511 respectively are included in the consolidated statements of profit or loss and other comprehensive income for the half year ended 31st December 2021

Notes to the Financial Statements For the half-year 31 December 2021

Note 3: Operating Segment

The Groups segments represent strategic business units that offer different products and operate in different segments of the automotive aftermarket. They are consistent with the way the CEO monitors and assesses the business performance in order to make decisions about resource allocation over the Group. Performance assessment is based on EBIT (Earnings Before Interest and Tax) and EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation). These measures are different from the profit and loss reported in the consolidated financial statements which is shown after net interest and tax expense. This is because decisions that affect the net interest expenses and tax expense are made a Group level. It is not considered appropriate to measure segment reporting at the net profit after tax level.

	Motorsport		Repairs and Roadside		Wheels and Tyres		Accessories		Consolidated	
	December 2021	December 2020	December 2021	December 2020	December 2021	December 2020	December 2021	December 2020	December 2021	December 2020
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Sales	3,508,863	3,296,876	13,982,877	6,325,412	13,678,024	8,169,524	3,460,193	1,970,906	34,365,700	18,518,540
Other Income	107,232	320,559	192,335	390,991	(2,239)	70,249	299,972	195,606	627,224	1,418,824
Total Segment Revenue	3,616,095	3,617,435	14,175,212	6,716,403	13,675,785	8,239,773	3,760,165	2,166,512	34,992,924	19,937,364
Segment Gross Profit	1,678,687	1,762,374	3,492,521	2,128,892	3,688,137	1,890,444	2,031,514	1,672,597	10,890,859	7,895,725
Segment Gross Profit %	47.8%	53.5%	25.0%	33.6%	26.7%	23.1%	58.7%	84.8%	31.7%	42.6%
Segment EBIT	380,492	680,058	198,375	298,411	1,006,966	262,039	779,636	229,695	2,005,140	1,053,683
Consolidated Operating Profit	-	-	-	-	-	-	-	-	2,010,075	1,434,622
Finance costs	-	-	-	-	-	-	-	-	234,934	172,774
Consolidated Profit(loss) before tax	-	-	-	-	-	-	-	-	1,775,141	1,253,354
Income tax expense	-	-	-	-	-	-	-	-	451,728	372,446
Consolidated net profit after tax	-	-	-	-	-	-	-	-	1,323,414	880,809
Depreciation / Amortisation	-	-	-	-	-	-	-	-	1,042,147	476,082
Capital Raising/ Share Listing Expenses	-	-	-	-	-	-	-	-	-	172,774
Listing Expenses on Reverse Acquisition	-	-	-	-	-	-	-	-	-	-
Segment EBITDA	511,323	838,723	511,967	436,236	1,467,652	400,095	847,893	271,014	3,047,287	1,902,210

Inter- Segment Sales

Inter-segment sales are carried out on an arm's length basis and reflect current market price.

Notes to the Financial Statements For the half-year 31 December 2021

Note 4: Inventories

	Consolidated Group	
	December 2021 \$	June 2021 \$
Raw Materials	14,707,918	10,991,284
Work In Progress & Goods In Transit	3,793,164	566,022
Total Inventories	18,501,082	11,557,306

Note 5: Shareholders Returns

	Consolidated Group	
	December 2021 \$	June 2021 \$
Earnings per share		
Basic EPS:		
Weighted average number of ordinary shares	135,569,851	104,989,561
Profit achieved	1,323,414	2,445,949
Profit Per Share	.98 cents	2.33 cents

Note 6: Equity and Reserves

	Consolidated Group	
	December 2021 Number	June 2021 Number
(a) Share Capital		
Ordinary Shares issued and fully paid	142,414,906	121,477,305
Total Contributed Equity	142,414,906	121,477,305

Notes to the Financial Statements For the half-year 31 December 2021

	Consolidated Group	
	December 2021 Number	June 2020 Number
(b) Movements in Ordinary Shares on Issue		
At 30th June	121,477,305	86,657,898
23rd August 2020 – Issued at 23.5c Acquisition of Business	-	680,051
19th November 2020 - Issue at \$.25 -Services provided	-	226,667
27th November 2020 Ordinary Share Issue at \$.19 Capital Raise	-	12,671,937
January 2021 - Capital Raise	-	14,795,706
Services Provided	-	140,000
February 2021 Acquisition of Business	-	2,587,747
February 2021 Earn out shares	-	1,782,626
Exercise of options	-	1,934,673
30 June 2021 – Issued at \$.25 – Exercise of options	247,739	-
1st July 2021 – Issued at \$.30 – Acquisition of Business	1,280,000	-
22nd July 2021 – Issued at \$.25 – Exercise of options	91,250	-
28th July 2021 – Issued at \$.25 – Exercise of options	135,270	-
16th August 2021 – Issued at \$.25 – Exercise of options	1,728,363	-
16th August 2021 – Issued at \$.30 – Placement	8,333,333	-
1st September 2021 – Issued at \$.25 – Exercise of options	5,429,221	-
3rd September 2021 – Issued at \$.30 Services Provided	787,500	-
8th September 2021 – Issued at \$.30 – Staff shares	93,000	-
10th September 2021 – Issued at \$.3274 – Acquisition of business	229,078	-
30th September 2021 – Issued at \$.30 – Acquisition of business	797,732	-
5th October 2021 – Issued at \$.3209 – Acquisition of business	1,271,425	-
1st December 2021 – Issued at \$.30 – Directors fees	369,204	-
10th December 2021 – Issued at \$.3128 – Performance and earnout shares	144,486	-
Closing Balance	142,414,906	121,477,305

Notes to the Financial Statements For the half-year 31 December 2021

(c) Options at 31 December 2021

As at 31 December 2021 there were Nil listed options on issue (2020: 8982690)

	Consolidated	
	December 2021 Number	December 2020 Number
Beginning of the period	7,631,843	8,982,698
Issued during the period	-	-
Exercised during the period	-	(8)
End of period	(7,631,843)	8,892,690

As at 31 December 2021 there were 20,939,570 unlisted options exercisable at \$0.38 with an expiry date of 15 January 2023.

	Consolidated	
	December 2021 Number	December 2020 Number
Beginning of the period	20,939,570	-
Issued during the period	-	-
Exercised during the period	-	-
End of period	20,939,570	-

Since 31 December 2021 6,000,000 unlisted options were issued and are exercisable at \$0.435 with an expiry date of 31 March 2024.

(d) Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on the shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Capital Management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits to other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

Management may in the future adjust the capital structure to take advantage of favourable costs of capital and issue further shares in the market. Management has no current plans to adjust the capital structure other than as disclosed in the financial statements.

Notes to the Financial Statements For the half-year 31 December 2021

Note 7: Contingent Liabilities

There has been no change in contingent liabilities since the last annual reporting period. We have acquired the shares in Direct Wholesale Tyres Pty Ltd and as a part of our due diligence prior to acquisition and subsequent review post acquisition, we are not aware of any contingent liability from the historical operations of either of these entities and note that any potential contingent liability will be covered under the warranties as part of the contract for sale of shares agreement entered into by the parties.

Note 8: Subsequent Events

Other than the following, the Directors are not aware of any significant events since the end of the interim period.

On 1st February 2022, the Group settled on the purchase of Safety Dave amounting to \$9,540,269. The acquisition of Safety Dave, a business that fits in very well into our Performance and Accessories Division and opens up a new channel for RPM. The acquisition accelerates RPM's growth strategy, underpinning more rapid growth in the Company's Performance and Accessories division. Rear Vision Systems, Tyre Pressure Monitoring Systems, Defibrillators, First Aid Kits and Fire Safety products are Safety Dave's core product lines, and importantly, the range of products conforming to Australian Safety Regulations and Standards.

Established in 2002, Safety Dave is a market leader in specialist safety products for caravans, and campervans with some of its products used in both the home and motor vehicles. The business specialises in safety products such as rear vision systems, tyre pressure monitoring systems, defibrillators, first aid kits, and fire safety products. Safety Dave's brand is well known in the market for its customer first principles of integrity, reliability, technical advice and great service. The addition of the Safety Dave business is strongly aligned to RPM's focused growth strategy, which includes expanding the business to better serve our growing customer-base.

The synergies between the companies are two-fold. RPM will benefit from Safety Dave's highly regarded reputation as it expands its operations into the caravan and campervan sector and Safety Dave, with its predominant focus on the RV manufacturer OEM market, will benefit from an increase in delivery into the automotive aftermarket through RPM's network of brands. RPM's Performance and Accessories and Wheels and Tyres Divisions service the needs of the vehicles that tow the caravans, that Safety Dave specialises in.

RPM will provide Safety Dave with the infrastructure and logistics capability to better service the Caravan, Camper Trailer and RV Industry while also expanding its customer base to include both the Carline Automotive Group as well as Formula Off-road's national distribution platform.

In addition to OEMs, Safety Dave's revenue base has two other complementary segments to RPM: distributors such as auto electricians and installers, and direct customers.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors RPM Automotive Group Limited the Directors of the Company declare that:

1. The financial statements and notes, as set out in the financial report are in accordance with Corporations Act 2001 including:
 - I. Complying with Accounting Standard AASB 134 Interim Financial Reporting, and
 - II. Giving a true and fair view of the Consolidated Group's financial position as at 31st December 2021 and of its performance for the half-year ended on that date.
2. In the Directors' opinion 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 Board of Directors.



Grant Carman
Chairman



Clive Finkelstein
Managing Director

Dated this 24th day of February 2022

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of RPM Automotive Group Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of RPM Automotive Group Limited, which comprises the Consolidated Statement of Financial Position as at 31 December 2021, 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, notes comprising 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 half-year financial report of RPM Automotive Group Limited does not comply with the *Corporations Act 2001* including:

- i) giving a true and fair view of RPM Automotive Group Limited's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- iii) 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 & 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* has been given to the directors of the Company, as at the date of this auditor's review report.

Responsibility of the Directors for the Financial Report

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

Auditor's 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 Company'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.



**Nexia Melbourne Audit Pty Ltd
Melbourne**



**Benjamin Bester
Director**

Dated this 24th day of February 2022



THE LEADING AUSTRALIAN **AUTOMOTIVE GROUP**

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