

# RPM Automotive Group Limited – Half-Year Report 31 December 2020

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## **RPM Automotive Group Limited**

**ABN: 34 002 527 906**

**Appendix 4D**

**Half-year ended 31<sup>st</sup> December 2020**

(Previous corresponding period: Half-year ended 31<sup>st</sup> December 2019)

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# RPM Automotive Group Limited – Half-Year Report 31 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 2020*

### Previous corresponding period

*Half-year ended 31 December 2019*

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**

				<b>Current Period A\$000</b>
Revenue from ordinary activities	up	21.13%	to	18,519
Profit from ordinary activities after income tax attributable to members	Up from	(2,603)	to	881
Net profit for the period attributable to members	Up from	(2,603)	to	881
<b>Dividends per Share</b>	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 2020.

## **NET TANGIBLE ASSETS PER ORDINARY SHARE (NTA Backing)**

<b>Current Period</b>	<b>Previous corresponding period</b>
<b>6.17 cents</b>	<b>3.54 cents</b>

# RPM Automotive Group Limited – Half-Year Report 31 December 2020

## DETAILS OF CONTROLLED ENTITIES

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

Name of entity	<b><i>Gully Mobile Tyres Pty Ltd</i></b>	<b><i>Citic Autoparts Pty Ltd (now called RPM Autoparts Pty Ltd)</i></b>	
Date control acquired, i.e. date from which profit(loss) has been calculated	1 July 2020	1 November 2020	
Profit (loss) from ordinary activities after extraordinary items and income tax of the controlled entity (or group of entities) during the current period <i>since the date on which control was acquired</i>	\$ 26,704	\$ (99,941)	\$ -
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	\$ -

# RPM Automotive Group Limited – Half-Year Report 31 December 2020

## 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*

\$	-
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\$	-
----	---

\$	-
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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*

\$	-
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\$	-
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\$	-
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Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control

\$	-
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\$	-
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\$	-
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## 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 A\$ '000	Previous Corresponding Period A\$ '000
-	-	-	-

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

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



## 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			
- current period	- cents	- cents	- cents
- previous corresponding period	- cents	- cents	- cents
Interim			
- current period	- cents	- cents	- cents
- previous corresponding period	- cents	- cents	- cents
Special			
- current period	- cents	- cents	- cents
- previous corresponding period	- cents	- cents	- cents

### 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
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### 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.

# **RPM Automotive Group Limited**

ABN: 34 002 527 906

## **ASX Half-year Report**

**31<sup>st</sup> December 2020**

Lodged with the ASX under Listing Rule 4.2A.

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Directors Declarations

Independent Auditor's Review Report to the Members of RPM Automotive Group Limited.

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# 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 31<sup>st</sup> December 2020.

## 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 Wei Liu

Mr Alex Goodman

## 2. Review of Operations

During the half year the Company has incorporated and expanded the RPM Group businesses with the acquisition of Gully Mobile Tyres and RPM Autoparts (formerly Citic Autoparts) and continues to identify and evaluate other opportunities in the automotive space to increase its nationwide footprint.

For the six months ended 31<sup>st</sup> December 2020, the Company recorded income from operations of \$18,581,540, Net Profit from operations before tax of \$1,253,355 and EBITDA of \$1,902,210.

Our EBITDA calculation is broken down as follows:

Profit after tax per accounts	880,908
Addback	
Income tax expense	372,446
Interest and finance charges	172,774
Depreciation and amortisation	476,082
<b>EBITDA</b>	<b>1,902,210</b>

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 2020. This growth is expected to continue into the foreseeable future.

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 2020. This growth is expected to continue into the foreseeable future.

The Company has successfully completed a capital raise in excess of \$5.1m providing the Company with a strong Balance Sheet to continue to expand the business groups by internal growth and acquisitions.

By almost every measure, the Company's performance has exceeded expectations and is now well placed to capitalise on its strong trading position.

### 3. Auditors 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**

A handwritten signature in black ink, appearing to be 'D. Finkelstein', written in a cursive style.

**Mr Clive Finkelstein**  
**Managing Director**

26th February 2021

**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 2020 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 26th day of February 2021



# **RPM Automotive Group Limited**

ABN: 34 002 527 906

Financial Statements

For the Half Year Ended

31<sup>st</sup> December 2020

## Consolidated Statement of Comprehensive Income

For the half-year 31 December 2020

	Consolidated Group	
	Half-year Ended 31 December 2020	Half-year Ended 31 December 2019
<b>Continuing operations</b>		
Revenue	18,518,540	15,283,635
Other income	1,416,920	4,488
Interest income	1,904	-
Cost of Goods Sold	(12,041,639)	(10,154,998)
Employee benefits expense	(3,334,665)	(2,431,594)
Depreciation and amortisation expense	(476,082)	(398,600)
Share based expense Directors Fees	(48,000)	(40,000)
Finance costs	(172,774)	(142,596)
Occupancy expense	(364,832)	(292,959)
Other expenses	(2,064,750)	(1,327,294)
<b>Profit/(loss)</b>	1,434,622	500,082
Listing expense on reverse acquisition	-	(2,480,240)
Capital Raise expenses	(181,268)	(545,686)
<b>Profit/(loss) before income tax</b>	1,253,354	(2,525,844)
Income tax expense	(372,446)	(76,673)
<b>Profit/(loss) from continuing operations attributable to the members</b>	880,908	(2,602,517)
<b>Other Comprehensive Income</b>		
Other Comprehensive income for half-year, net of tax	-	-
<b>Total Comprehensive Income (loss) attributable to members</b>	880,908	(2,602,517)
<b>Earnings per share</b>		
From continuing operations:		
– basic earnings (loss) per share (cents)	.98	(4.90)

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 2020

	Note	Consolidated Group	
		As at 31 December 2020	As at 30 June 2020
		\$	\$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents		3,979,584	2,083,173
Trade and other receivables		5,321,305	5,936,536
Inventories	4	7,790,131	6,253,163
Other assets		151,149	29,179
<b>TOTAL CURRENT ASSETS</b>		<b>17,242,169</b>	<b>14,302,051</b>
NON-CURRENT ASSETS			
Trade and other receivables		54,255	-
Right of use assets		1,918,113	2,254,587
Deferred tax assets		293,481	203,340
Property, plant and equipment		2,200,449	2,126,680
Intangible assets		14,383,069	14,167,351
Investments		360,667	-
Other Financial Assets		192,564	87,908
<b>TOTAL NON-CURRENT ASSETS</b>		<b>19,402,598</b>	<b>18,839,866</b>
<b>TOTAL ASSETS</b>		<b>36,644,767</b>	<b>33,141,917</b>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables		5,449,591	7,000,989
Lease liabilities		643,552	646,240
Borrowings		2,950,085	1,759,228



Current tax liabilities		646,466	294,358
Provisions		863,814	628,238
TOTAL CURRENT LIABILITIES		10,553,508	10,329,053
NON-CURRENT LIABILITIES			
Lease Liabilities		1,358,947	1,673,290
Borrowings		3,871,435	3,963,942
TOTAL NONCURRENT LIABILITIES		5,230,382	5,637,232
TOTAL LIABILITIES		15,783,890	15,966,285
NET ASSETS		20,860,877	17,175,632
EQUITY			
Issued Capital	6	20,267,316	17,699,647
Share Based Payment Reserve		56,667	-
Retained Earnings		356,894	(524,015)
Asset Revaluation Reserve		180,000	-
TOTAL EQUITY		20,860,877	17,175,632

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 2020

	Issued Capital	Reserves	Share Payments Reserve	Retained Earnings	Total
	\$	\$		\$	\$
<b>Balance at 1 July 2020</b>	<b>17,699,647</b>	-	-	<b>(524,015)</b>	<b>17,175,632</b>
<b>Comprehensive Income</b>					
Profit/(Loss) for the year	-	-	-	880,909	880,909
Other comprehensive income for the period	-	-			
<b>Total comprehensive income for the year</b>	-	-	-	880,909	880,909
<b>Transactions with owners, in their capacity as owners, and other transfers</b>					
Transfer to share based payment reserve	-	180,000	-	-	180,000
Shares issued during the period	2,567,669	-	56,667	-	2,624,336
<b>Total transactions with owners and other transfers</b>	2,567,669	180,000	56,667	-	2,804,336
<b>Balance at 31 December 2020</b>	<b>20,323,983</b>	<b>180,000</b>	<b>56,667</b>	<b>356,894</b>	<b>20,860,877</b>
<b>Balance at 1 July 2019</b>	18	-		988,215	988,233
Profit (Loss) for the year	-	-		(2,602,517)	(2,602,517)
Other comprehensive income for the period	-	-		-	
<b>Total comprehensive income for the year</b>	-	-		(2,602,517)	(2,602,517)
<b>Transactions with owners, in their capacity as owners, and other transfers</b>					
Deemed value of RPM shares upon acquisition	2,358,936	-		-	2,358,936
Shares issued during the period	15,492,109	-		-	15,492,109
Capital raising costs	(211,747)	-		-	(211,747)
<b>Total transactions with owners and other transfers</b>	17,699,647	-			17,699,647
<b>Balance at 31 December 2019</b>	17,699,647	-		(1,614,301)	16,085,346

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

## Consolidated Statement of Cash Flows

For the half-year 31 December 2020

	Consolidated Group	
	Half-year Ended 31 December 2020	Half-year Ended 31 December 2019
	\$	\$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipts from customers	18,774,603	16,063,960
Payments to suppliers and employees	(20,381,368)	(17,974,645)
Interest and dividends received	1,418,824	224
Finance costs	(172,774)	(142,596)
Income tax paid	(110,479)	(129,072)
Net cash provided by operating activities	(471,194)	(2,182,129)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payments for property, plant and equipment	(699,005)	-
Payments for financial assets	(282,381)	-
Payment to acquire entities	(1,057,859)	(606,161)
Net cash used in investing activities	(2,039,245)	(606,161)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Advanced from / (Repayment) of loan to related entities		790,632
Repayment of finance and lease principal	(317,031)	(459,297)
Proceed from issue of shares	2,407,670	2,448,006
Proceeds from borrowings	2,318,005	1,076,350
Net cash used in financing activities	4,408,644	3,855,691
Net (decrease)/increase/ in cash held	1,898,205	1,067,401
Cash at beginning of financial year	2,081,382	81,334
Cash at end of financial year	3,979,587	1,148,734

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 2020

### 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 2019 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 2020 together with any public announcements made during the following half year.

These interim financial statements were authorised for issue on 26<sup>th</sup> February 2021.

#### 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

#### Gully Mobile Tyres

On 1<sup>st</sup> July 2020 the Group acquired 100% of the issued capital of Gully Mobile Tyres Pty Ltd (the Company), a specialist tyre fitting and repair for OTR sector of the tyre market for a purchase price of \$195,000.00

The acquisition is part of the Group's integration strategy to expand its tyre repair business operations in the Truck and OTR sectors and to provide additional outlet for sale of our imported tyre brands.

Through acquiring 100% of the issued capital of Gully Mobile Tyres Pty Ltd, the Group has obtained control of the company.

The purchase was satisfied by the issue of 680,051 ordinary shares at an issue price of 23.5c each and the down payment of \$35,000. The issue price was based on the market price on 28<sup>th</sup> day of August.



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

#### Consolidated Group

<b>Purchase Consideration</b>	Fair Value 2020
Fair value of cash and shares transferred	195,000
Less Fair Value of net identifiable assets acquired	180,000
Excess Consideration – Goodwill on Acquisition	15,000

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

Property Plant and Equipment	180,000
Total identifiable net assets at fair value	180,000

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 Gully Mobile Tyres Pty Ltd 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 31<sup>st</sup> December 2020.

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.

#### RPM Autoparts Pty Ltd

On 1<sup>st</sup> November 2020 the Group acquired 100% of the issued capital of RPM Autoparts Pty Ltd (the Company) formerly Citic Autoparts Pty Ltd, a importer and wholesaler of passenger tyres and truck tyres based in Brisbane and Melbourne for a purchase price of \$2,555,644.

The acquisition is part of the Group's expansion strategy to acquire related business that provide the Group with vertically integration of product and expansion of Group via new product brands and customer base and building on our national base. RPM Autoparts Pty Ltd brings in new brands and customer base and provides an expansion of the Group national network into Brisbane and the highly industrial north and western suburbs of Melbourne with their Campbellfield warehouse.

Through acquiring 100% of the issued capital of RPM Autoparts Pty Ltd, the Group has obtained control of the company.

The purchase was satisfied with an initial cash payment of \$1,197,859 and to be followed by two equal cash instalments of \$678,892 due on the 1<sup>st</sup> March 2020 and 1<sup>st</sup> July 2020 respectively.



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

**Consolidated Group**

<b>Purchase Consideration</b>	Fair Value 2020
Fair value of cash and shares transferred	2,555,644
Less Fair Value of net identifiable assets acquired	2,857,524
Bargain Price on Acquisition Consideration –	<hr/> 301,880

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	1
Accounts Receivable	1,620,876
Inventory	1,195,823
Prepayments	36,125
Property Plant and Equipment	190,850
Goodwill	12,800

Less Liabilities:

Accounts Payable	43,200
Provisions	155,748
Identifiable net assets at fair value	<hr/> 2,857,527

Profit (Loss) and revenue resulting from the acquisition of RPM Autoparts Pty Ltd amount to \$(99,941) and \$1,980,688 respectively are included in the consolidated statements of profit or loss and other comprehensive income for the half year ended 31<sup>st</sup> December 2020

### 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 2020	December 2019	December 2020	December 2019	December 2020	December 2019	December 2020	December 2019	December 2020	December 2019
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Sales	3,296,876	2,977,497	6,325,412	3,136,666	8,169,524	7,498,289	1,970,906	1,671,183	18,518,540	15,283,635
Other Income	320,559	408	390,991	185	70,249	329	195,606	3,560	1,418,824	4,488
<b>Total Segment Revenue</b>	<b>3,617,435</b>	<b>2,977,904</b>	<b>6,716,403</b>	<b>3,136,851</b>	<b>8,239,773</b>	<b>7,498,618</b>	<b>2,166,512</b>	<b>1,647,743</b>	<b>19,937,364</b>	<b>15,288,123</b>
Segment Gross Profit	1,762,374	1,350,942	2,128,892	939,797	1,890,444	2,040,201	1,672,597	797,728	7,895,725	5,128,637
Segment Gross Profit %	43.5	45.4%	33.6%	30.0%	23.1%	22.2%	84.8%	47.7%	42.6%	33.6%
Segment EBIT	680,058	171,180	298,411	254,437	262,039	(23,628)	229,695	39,278	1,053,683	642,678
<b>Consolidated Operating Profit</b>	-	-	-	-	-	-	-	-	<b>1,434,622</b>	<b>500,082</b>
Finance costs	-	-	-	-	-	-	-	-	172,774	142,596
<b>Consolidated Profit(loss) before tax</b>	-	-	-	-	-	-	-	-	<b>1,253,354</b>	<b>(2,525,844)</b>
Income tax expense	-	-	-	-	-	-	-	-	372,446	76,673
<b>Consolidated net profit after tax</b>	-	-	-	-	-	-	-	-	<b>880,809</b>	<b>(2,602,517)</b>
Amortisation	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	476,082	398,600
Capital Raising/Share Listing Expenses	-	-	-	-	-	-	-	-	172,774	545,686
Listing Expenses on Reverse Acquisition	-	-	-	-	-	-	-	-	-	2,480,240
<b>Segment EBITDA</b>	<b>838,723</b>	<b>171,180</b>	<b>436,236</b>	<b>254,862</b>	<b>400,095</b>	<b>(23,628)</b>	<b>271,014</b>	<b>39,278</b>	<b>1,902,210</b>	<b>822,009</b>

#### Inter- Segment Sales

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

#### Note 4: Inventories

	Consolidated Group	
	December 2020	June 2020
	\$	\$
Raw Materials	7,091,077	5,198,831
Work In Progress & Goods In Transit	699,054	1,054,332
Total Inventories	7,790,131	6,253,163

#### Note 5: Shareholders Returns

	Consolidated Group	
	December 2020	December 2019
	\$	\$
<b>Earnings per share</b>		
<b>Basic EPS:</b>		
Weighted average number of ordinary shares	89,587,529	53,128,498
<b>Profit (Loss) Loss incurred</b>	880,909	(2,602,517)
<b>Profit (Loss) Per Share</b>	.98	(4.90)

#### Note 6: Equity and Reserves

	Consolidated Group	
	December 2020	December 2019
	Number	Number
<b>(a) Share Capital</b>		
Ordinary Shares issued and fully paid	100,237,361	85,642,492
Total Contributed Equity	100,237,361	85,642,492

	Consolidated Group	
	December 2020	December 2019
	Number	\$
<b>(b) Movements in Ordinary Shares on Issue</b>		
At 30 <sup>th</sup> June 2020	86,657,898	349,122,480
Share consolidation on the basis of 37:1 on 30 May 2019	-	(339,688,024)
At 30 <sup>th</sup> June 2020	86,657,898	9,434,456

23 <sup>rd</sup> August 2019 – Issued at\$.20 – Public Offer	-	13,079,272
23 <sup>rd</sup> August 2019 – Issued at\$.10 – Noteholder conversion	-	3,000,000
23 <sup>rd</sup> August 2019 – Issued at\$.25 – Acquisition of Business	-	49,518,400
23 <sup>rd</sup> August 2019 – Deemed shares on Reverse take-over	-	-
30 <sup>th</sup> September 2019 – Issued at \$.20 – Placement	-	62,500
30 <sup>th</sup> September 2019 – Issued at \$.25 – Exercise of options	-	7
24 <sup>th</sup> October 2019 – Issued at \$.25 – Performance and earnout shares	-	14,370,356
30 <sup>th</sup> December 2019 – Issued at \$.20 – Staff shares	-	275,000
30 <sup>th</sup> December 2019 – Issued at \$.20 – Acquisition of business	-	202,500
30 <sup>th</sup> December 2019 – Issued at \$.20 – Placement	-	200,000
30 <sup>th</sup> December 2019 – Issued at \$.25 –Exercise of options	-	1
23 <sup>rd</sup> August 2019 – Issued at 23.5c Acquisition of Business	680,051	-
19 <sup>th</sup> November 2019 - Issued at .25c Exercise of options	8	-
19 <sup>th</sup> November 2020 - Issue at \$.25 -Services provided	226,667	-
27 <sup>th</sup> November 2020 Ordinary Share Issue at \$.19 Capital Raise	12,671,937	-
Closing Balance	100,237,361	90,142,492
Shares Cancelled on Fix My Truck termination		4,500,000
	100,237,361	85,642,492

**(c) Options at 31 December 2020**

As at 31 December 2020 there were 8,982,698 listed options on issue which are exercisable at \$.25 each with an expiry date of 28 August 2021 (30 June 2019: Nil)

	<b>Consolidated Group</b>	
	December 2020 \$	December 2019 \$
Beginning of the period	8,982,698	-
Issued during the period	-	8,982,706
Exercised during the period	(8)	(8)
End of period	8,892,690	8,982,698



During the period 8,982,706 listed options were issued at \$nil which are exercisable at \$.25 each with an expiry date of 28 August 2021 as part of the public offer and a bonus issue to shareholders

During the 2019 period 8 listed options were exercised (30 June 2020: 8)

No unlisted options are outstanding as at 31<sup>st</sup> December 2020

**(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.

## Note 7: Contingent Liabilities

There has been no change in contingent liabilities since the last annual reporting period.

We have acquired the shares in Gully Mobile Tyres Pty Ltd and RPM Autoparts Pty Ltd (formerly Citic Autoparts 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 19<sup>th</sup> February 2021, the Group settled on the purchase Traralgon Tyre Service (TTS) amounting to \$1,448,507. The acquisition of TTS will fit very neatly into RPM's Repairs and Roadside Division, joining the five existing businesses to gain operational synergies, cost reductions, and the ability to offer more services to existing and new clientele. TTS is a market leader in the supply, fit and servicing of passenger (PCR), commercial (TBR) and industrial (OTR) tyres in the Gippsland region of Victoria and will provide the Group access into the Gippsland region. The agreed business valuation was 3.8 x EBITDA and the final purchase price (\$1.54 million made up of 50% scrip and 50% cash (with 80% of the cash component being paid in tranches over 4 years subject to certain earn out and profit provisions). TTS's revenue is expected to swell to \$5.5m in FY21, and to \$6.5m in FY2022 with the recent securing of specific contracts in Regional Victoria.



## **RPM Automotive Group Limited**

ABN: 34 002 527 906

### **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 31<sup>st</sup> December 2020 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.

A handwritten signature in black ink, appearing to read 'Grant Carman', followed by a horizontal line.

**Grant Carman**  
**Chairman**

A handwritten signature in black ink, appearing to read 'Clive Finkelstein'.

**Clive Finkelstein**

## 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 2020, 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 2020 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 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.

The Nexia logo is written in a stylized, cursive script.

**Nexia Melbourne Audit Pty Ltd  
Melbourne**

A handwritten signature in dark ink, appearing to read 'Bester'.

**Benjamin Bester  
Director**

Dated this 26th day of February 2021