

Appendix 4E

Preliminary final report

1. Company details

Name of entity The Market Limited
ACN 611 717 036
Reporting period: For the year ended 30 June 2024
Previous period: For the year ended 30 June 2023

Principal activities

The Market Limited is a group of businesses with two main offerings, each having a leading role in their relevant segments:

1) **Classifieds:** We operate one of the largest classifieds businesses in Australia with a powerful portfolio of complimentary brands: Gumtree, Carsguide and Autotrader (Gumtree Group)

- a. Gumtree is the largest and oldest iconic Australian online horizontal marketplace with over 350 million of pageviews per month. Annual listed GMV (Gross Merchandise Value) amounts to AUD 30 billion.
- b. Carsguide is Australia's #1 motors editorial site combining listings, advice, reviews and automotive news and is the leading destination where car buyers go to research. Carsguide offers rich, relevant motors content to more than 2 million unique users per month.
- c. Autotrader is a dedicated motors marketplace connecting dealers with in-market shoppers with more than 1 million unique users per month.

Gumtree, Carsguide, and Autotrader is a highly attractive marketplace ecosystem with highly complementary brands, reaching 1 in 4 Australians each month. Our total monthly unique users amount to 5.5 million.

2) Capital Markets:

- a. **Investor Communities:**
With HotCopper and Stockhouse, we operate two of the largest investor communities in Australia and North America, reaching a combined audience of up to 3 million unique investors. Our sites offer in-depth research tools, stock market education and analysis, and investor forums, to provide an investor everything they need to make informed investment decisions.
- b. **Business News:**
The Market Online is a growing business digital news masthead, which offers realtime breaking news, in-depth interviews via our studios in Perth, Australia, and Vancouver, Canada, supported by our featured journalists and writers. We also partner with leading industry experts and contributors to offer insightful education around investing.
- c. **Digital Investor Relations and Consulting:**
Through our advertising and investor relations arms, we put our clients in front of the most qualified investors through our customized and strategic capital markets advertising offerings. We offer a unique set of sophisticated and data-driven advertising tools.

2. Results for announcement to the market

Dividends

As the Company continues to progress its strategy, it will continue to invest operating cashflows into strategic growth, and the Board has elected not to declare a dividend in relation to the 2024 financial year (30 June 2023: \$Nil).

3. 2024 Financial Year Results

Financial Performance	30 Jun 2024	30 Jun 2023	Change	Percentage Change
Income Statement	\$	\$	\$	%
Total revenue	91,466,142	81,616,368	9,849,774	12%
EBITDA from continuing operations	(1,732,249)	12,013,918	(13,746,167)	(114%)
EBITDA from continuing operations (excluding impairment)	458,574	12,013,918	(11,555,344)	(96%)
EBITDA from discontinued operations	(929,751)	(95,973)	(833,778)	869%
Profit/(loss) before Tax from continuing operations	(8,358,988)	5,990,562	(14,349,550)	(240%)
Profit/(loss) before Tax from discontinued operations ⁽¹⁾	(929,751)	(589,801)	(339,950)	58%
Profit/(loss) from ordinary activities after tax attributable to the owners of The Market Limited	(6,949,622)	4,351,829	(11,301,451)	(260%)

(1) Discontinued operations relate to the Subscribacar activity which was complete during the financial year ended 30 June 2024.

The Market Limited (ASX: MKT) is pleased to present the financial results for the Company for the Financial Year ended 30 June 2024.

Highlights

- Revenue up 12% to \$91.5m,
- Reported EBITDA from continuing operations of (\$1.7m), EBITDA from continuing operations (excluding impairment) of \$0.5m, and adjusting for one-off costs underlying EBITDA from continuing operations at \$7.8m, and;
- Ongoing deleveraging with \$8.0m repaid to CBA

Financials

Total revenues increased by 12% to \$91.5 million from \$81.6 million in the previous financial year, driven by the positive contribution of the Gumtree Group (Gumtree Australia, Carsguide and Autotrader Australia), acquired in October 2022.

Group reported EBITDA from continuing operations amounts to (\$1.7 million). Adjusting for one-off costs, the Company achieved a much stronger underlying EBITDA from continuing operations of \$7.8 million and an adjusted profit before tax from continuing operations of \$1.2 million.

Our FY24 reported results were impacted by significant one-off costs:

- TSA and one-off consulting costs for the Gumtree Group related to the successful exit of the services and support provided by previous owner (Adevinta) and the process of migrating to right-sized and proven system providers (\$5.9 million).
- Final legal fees related to Takeovers Panel process, settlement of legal proceedings with former

management and for restructuring (\$1.4 million).

- A non-cash impairment of \$2.2 million against the goodwill of the Stockhouse business (acquired in 2019) following a review of its financial performance at the half year.
- Losses from discontinued operations, being Subscribacar, which activities have been ended in the financial year (\$1.0 million).

During FY24, the Company repaid a total amount of A\$8.0 million on the CBA loan facility (outstanding balance: A\$38.0 million as at 30 June 2024).

The Company classified the entire balance of the CBA loan to a current liability as at 30 June 2024, following a breach of 1 covenant. The bank has recognised the extraordinary nature of the current situation and has provided a waiver for that breach on 16 August 2024. It's Company expectation that this issue will be mitigated in FY25.

Operations

The Gumtree Group has strongly focused on executing its strategic roadmap. In the last 12 months, we have launched our first Transactional offerings with the roll-out of an Instant Cash Offer solution and a Car Inspection service. In the coming months we will launch more Transactional products (like payments and shipping functionalities) and features to our user base with a strong focus on our key categories, being Motors, Pets, Jobs and Real Estate.

Gumtree Group recently announced a partnership with the Homely Group in its real estate category, anticipated to go live in November. Through this partnership, the total number of real estate listings on Gumtree across both for sale and rentals will

3. 2024 Financial Year Results (continued)

Operations (continued)

grow significantly from nearly 11,000 to around 200,000, nationwide.

Within our Capital Markets business, strategy has been set for the year and we continue to invest in an improved user experience for HotCopper and Stockhouse leveraging all the key learnings and insights across the two sites.

Governance

The Company appointed two independent board members and independent Chairman during the year adding a broad range of governance, strategic and finance skills to the Company.

Legal proceedings between the Company and the former MD were settled post balance date.

Outlook

FY24 was a year of transformation for The Company. We have built strong foundations for future growth across both the Gumtree Group and HotCopper/Stockhouse in the Capital Markets segment.

The significant one-off costs included in the FY24 results are non-recurring and management expects that FY25 will broadly reflect FY24 excluding the impact of these costs, which increases overall profitability. The Company has identified multiple opportunities for additional cost efficiencies to increase returns in next financial year.

4. Net tangible assets

	2024 Cents	2023 Cents
Net tangible assets per ordinary security	(16.83)	(15.55)

5. Discontinued entities

As part of the exit from Subscribacar business, the following entities were surplus to requirements and were subsequently deregistered.

Name of entities (or group of entities)	Subscribacar ACT Pty Ltd Subscribacar VIC Pty Ltd Subscribacar NSW Pty Ltd Subscribacar SA Pty Ltd Subscribacar QLD Pty Ltd
Date of loss of control	9 June 2024
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period	NIL

6. Accounting standards

This preliminary final report of The Market Limited has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

This report is to be read in conjunction with any public announcements made by the Company during the reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001 and Australian Securities Exchange Listing Rules.

The preliminary final report has been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

7. Audit report

The preliminary final report is based on accounts which are in the process of being audited.

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Year Ended 30 June 2024

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
Revenue from contracts with customers	91,466,142	81,616,368
Other income	191,999	1,713,805
Employee and director benefits expense	(43,725,813)	(34,808,471)
Share based payments expense	(409,132)	(54,636)
Commission paid	(2,208,396)	(2,149,067)
Depreciation and amortisation	(1,821,239)	(1,826,773)
Impairment of non-financial assets	(2,190,823)	-
Finance cost	(4,805,500)	(4,196,583)
Acquisition expenses	-	(1,779,374)
Other expenses	(44,856,226)	(32,524,707)
Profit/(Loss) before income tax	(8,358,988)	5,990,562
Income tax benefit/(expense)	1,996,805	(1,190,807)
Profit/(loss) after income tax expense from continuing operations	(6,362,183)	4,799,755
Profit/(loss) after income tax expense from discontinued operations	(587,439)	(447,926)
Profit/(loss) after income tax expense for the year	(6,949,622)	4,351,829
Other comprehensive income/(loss)		
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax):</i>		
Net gain/(loss) on equity instruments designated at fair value through other comprehensive income	(131,741)	(506,236)
Movement in foreign currency translation reserve	(919,313)	487,773
Other comprehensive loss	(1,051,054)	(18,463)
Total comprehensive income for the period attributable to members of the Company, net of tax	(8,000,676)	4,333,366
Total profit/(loss) for the year is attributable to:		
Continuing operations	(6,362,183)	4,799,755
Discontinued operations	(587,439)	(447,926)
Total comprehensive income for the year is attributable to:		
Continuing operations	(7,413,237)	4,781,292
Discontinued operations	(587,439)	(447,926)
Earnings/(loss) per share from continuing operations attributable to members		
Basic (loss)/earnings per share (cents)	(1.98)	1.77
Diluted (loss)/earnings per share (cents)	(1.98)	1.77
Earnings/(loss) per share from discontinued operations attributable to members		
Basic (loss)/earnings per share (cents)	(0.18)	(0.17)
Diluted (loss)/earnings per share (cents)	(0.18)	(0.17)
Earnings/(loss) per share attributable to members		
Basic (loss)/earnings per share (cents)	(2.16)	1.61
Diluted (loss)/earnings per share (cents)	(2.16)	1.61

Consolidated Statement of Financial Position as at year ended 30 June 2024

	30 June 2024 \$	30 June 2023 \$
Current assets		
Cash and cash equivalents	3,924,509	12,677,020
Trade and other receivables	6,574,862	5,208,044
Financial assets	5,467,267	6,803,612
Contract assets	5,846,909	5,786,185
Other current assets	2,237,751	2,795,148
Non-current assets classified as held for sale	-	3,499,745
Total current assets	24,051,298	36,769,754
Non-current assets		
Plant and equipment	923,396	858,197
Intangibles	120,913,762	124,400,530
Right-of-use assets	2,315,108	2,824,650
Financial assets	174,434	1,293,422
Deferred tax assets	-	1,197,959
Total non-current assets	124,326,700	130,574,758
Total assets	148,377,998	167,344,512
Current liabilities		
Trade and other payables	12,117,940	11,705,387
Lease liabilities	1,148,628	971,094
Provisions	5,556,678	3,828,577
Contract liabilities	3,312,530	3,341,600
Interest bearing liabilities	37,687,630	10,613,360
Current tax liabilities	1,762,324	1,745,678
Total current liabilities	61,585,730	32,205,696
Non-current liabilities		
Interest bearing liabilities	2,057,030	37,943,791
Provisions	150,071	-
Deferred tax liabilities	16,332,709	20,659,483
Lease liabilities	1,360,679	2,052,219
Total non-current liabilities	19,900,489	60,655,493
Total liabilities	81,486,219	92,861,189
Net assets	66,891,779	74,483,323
Equity		
Issued capital	63,253,173	63,253,173
Reserves	(9,867,860)	(9,225,938)
Retained earnings	13,506,466	20,456,088
Total equity	66,891,779	74,483,323

Consolidated Statement of Changes in Equity for the Year Ended 30 June 2024

	Share capital	Distribution share reserve	Share based payments reserve	Financial assets at FVOCI reserve	Foreign currency translation reserve	Retained earnings	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2023	63,253,173	(10,184,223)	944,380	(1,686,382)	1,700,287	20,456,088	74,483,323
Loss for the year ended	-	-	-	-	-	(6,949,622)	(6,949,622)
Other comprehensive income/(loss)	-	-	-	(131,741)	(919,313)	-	(1,051,054)
Total comprehensive loss for the year	-	-	-	(131,741)	(919,313)	(6,949,622)	(8,000,676)
Share-based payment expense	-	-	409,132	-	-	-	409,132
Balance at 30 June 2024	63,253,173	(10,184,223)	1,353,512	(1,818,123)	780,974	13,506,466	66,891,779
Balance at 1 July 2022	22,313,184	(10,184,223)	1,708,975	(1,180,146)	1,212,514	15,285,028	29,155,332
Profit for the year ended	-	-	-	-	-	4,351,829	4,351,829
Other comprehensive loss	-	-	-	(506,236)	487,773	-	(18,463)
Total comprehensive loss for the year	-	-	-	(506,236)	487,773	4,351,829	4,333,366
Exercise of options	458,634	-	-	-	-	-	458,634
Issue of shares, net of transaction costs	40,481,355	-	-	-	-	-	40,481,355
Share-based payment	-	-	54,636	-	-	-	54,636
Settlement of limited recourse loan	-	-	(819,231)	-	-	819,231	-
Balance at 30 June 2023	63,253,173	(10,184,223)	944,380	(1,686,382)	1,700,287	20,456,088	74,483,323

Consolidated Statement of Cash Flows for the year ended 30 June 2024

	Consolidated	
	30 June 2024	30 June 2023
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	98,893,643	100,027,974
Payments to suppliers and employees (inclusive of GST)	(96,041,271)	(81,482,789)
Interest received	164,798	150,951
Income tax paid	(603,691)	(3,135,930)
Transaction costs of business acquisition	-	(1,779,374)
Net cash from operating activities	2,413,479	13,780,832
Cash flows from investing activities		
Purchase of financial instruments	(5,040,011)	(7,674,379)
Proceeds from sale of financial instruments	5,013,490	8,178,538
Purchase of plant and equipment	(620,166)	(808,826)
Proceeds from sale of plant and equipment	3,448,508	1,143,238
Payment for business acquisition, net of cash acquired	-	(86,892,828)
Proceeds from security deposit	205,091	-
Net cash (to)/from investing activities	3,006,912	(86,054,257)
Cash flows from financing activities		
Proceeds from issue of shares, net of transaction costs	-	40,939,989
Payment of lease liabilities	(1,355,929)	(1,174,732)
Loan repayment	(13,463,406)	(2,226,000)
Loan drawdown	4,014,911	46,000,000
Interest paid	(3,275,155)	(3,798,464)
Net cash (to)/from financing activities	(14,079,579)	79,740,793
Net increase/(decrease) in cash held	(8,659,188)	7,467,368
Net foreign exchange difference	(93,323)	440,903
Cash and cash equivalents at beginning of financial year	12,677,020	4,768,749
Cash and cash equivalents at end of financial period	3,924,509	12,677,020