

**NTAW Holdings Limited and its controlled entities**  
**Appendix 4D**  
**Half-year report**



**1. Company details**

Name of entity:	NTAW Holdings Limited
ABN:	97 095 843 020
Reporting period:	For the half-year ended 31 December 2024
Previous period:	For the half-year ended 31 December 2023

**2. Results for announcement to the market**

	31 Dec 2024	31 Dec 2023	Change
	\$'000	\$'000	%
Revenues from ordinary activities	262,469	264,309	(0.7%)
Net (loss)/profit from ordinary activities attributable to shareholders	(42,678)	892	(4,884.5%)
Operating EBITDA <sup>1</sup>	10,569	19,644	(46.2%)

<sup>1</sup> Earnings before interest, tax, depreciation and amortisation adjusted for non-recurring costs and unrealised foreign exchange gains/losses.

	Cents	Cents	Change
			%
Basic earnings per share	(28.84)	0.67	(4,404.0%)
Diluted earnings per share	(28.84)	0.65	(4,536.9%)

*Dividends*

	Cents	Cents	Change
			%
Interim dividend - fully franked	-	-	-

*Comments*

An explanation of the above figures is contained within the 'Review of operations' section of the Directors' Report, which is part of the attached Interim Report.

**3. Net tangible assets**

	31 Dec 2024	31 Dec 2023
	Cents	Cents
Net tangible assets per ordinary security	43.80	52.54

**4. Control gained over entities**

Not applicable.

**5. Loss of control over entities**

Not applicable.

**6. Dividends**

No dividends have been paid or declared during the half-year ended 31 December 2024.

**7. Dividend reinvestment plans**

No interim dividend has been declared for the half-year ended 31 December 2024, therefore the dividend reinvestment plan ("DRP") dated 6 November 2017 is not in operation. The DRP rules can be downloaded from the NTAW website: <https://ntawholdings.com.au>.

**8. Details of associates and joint venture entities**

Not applicable.

**9. Audit qualification or review**

*Details of audit/review dispute or qualification (if any):*

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

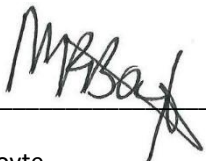
**10. Attachments**

*Details of attachments (if any):*

The Interim Report of NTAW Holdings Limited for the half-year ended 31 December 2024 is attached.

**11. Signed**

Signed \_\_\_\_\_



Date: 27 February 2025

Murray Boyte  
Chairman

For personal use only

**NTAW Holdings Limited and its controlled entities**

**ABN 97 095 843 020**

**Interim Report – 31 December 2024**

**NTAW Holdings Limited and its controlled entities**

**Contents**

**31 December 2024**



Directors' report	2
Auditor's independence declaration	7
Consolidated statement of profit or loss and other comprehensive income	8
Consolidated statement of financial position	9
Consolidated statement of changes in equity	10
Consolidated statement of cash flows	11
Notes to the financial statements	12
Directors' declaration	20
Independent auditor's review report to the members of NTAW Holdings Limited	21

For personal use only

## NTAW Holdings Limited and its controlled entities

### Directors' report

31 December 2024



The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the "Group") consisting of NTAW Holdings Limited (referred to hereafter as the "Company", "NTAW Holdings", or "parent entity") and the entities it controlled at the end of, or during, the half-year ended 31 December 2024 ("1H25").

#### Directors

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

Murray Boyte	Independent Non-Executive Chairman
Peter Ludemann	Executive Director
Terry Smith	Non-Executive Director
Kenneth Gunderson-Briggs	Independent Non-Executive Director
Christopher Hummer	Executive Director
Tynan Young	Independent Non-Executive Director

#### Principal activities

The principal activity of the Group during the half-year ended 31 December 2024 was the distribution and marketing of motor vehicle tyres, wheels, tubes and related products throughout Australia, New Zealand and South Africa.

NTAW Holdings is the holding company for the following operating subsidiaries:

- National Tyre & Wheel Pty Ltd ("NTAW");
- Exclusive Tyre Distributors (NZ) Limited ("ETD");
- Dynamic Wheel Co. Pty Limited ("DWC");
- Statewide Tyre Distribution Pty Ltd ("Statewide");
- Top Draw Tyres Proprietary Limited t/a Tyrelife Solutions ("TLS");
- Tyres4U (NZ) Ltd ("Tyres4U");
- Tyreright Operations Pty Ltd ("Tyreright");
- Black Rubber Pty Ltd & Black Rubber Retreading Pty Ltd (collectively "Black Rubber");
- Carters Tyre Service Limited, C.O. Tire & Retreading Co Limited & Tyre Distributors New Zealand Limited (collectively "Carter's");
- Solid Plus Operations Pty Ltd ("SPO");
- ACN 117 639 040 Pty Ltd (formerly Integrated OE Pty Ltd); and
- ACN 642 540 690 Pty Ltd (formerly Tyres4U Pty Ltd)

There have been no significant changes in the nature of the Group's activities during this period.

**Operating and financial review**

**Financial results**

NTAW Holdings has reported total revenue of \$262,469,000 (1H24: \$264,309,000) for the half-year, a decrease of \$1,840,000 (-0.7%) on the prior comparative period ("1H24").

NTAW Holdings' statutory result for the Group after providing for income tax and non-controlling interests amounted to a loss of \$42,678,000 (1H24: profit of \$892,000). A non-cash impairment charge of \$39,167,000 was recognised in 1H25 (1H24: \$NIL) related to intangible assets carried by the Group. The impairment charge was against the goodwill of the Tyre & Wheel cash-generating unit ("CGU") and all intangible assets of the Black Rubber and Carter's CGU's. The Company assessed the recoverable amount of the CGU's at 31 December 2024 and the assessments did not support the carrying value of the aforementioned intangible assets allocated to these CGU's.

NTAW Holdings remains with a solid balance sheet with net assets of \$86,256,000 (Jun-24: \$117,296,000) and net tangible assets of \$73,456,000 (Jun-24: \$71,034,000) at 31 December 2024. The net debt position was \$64,186,000 (Jun-24: \$52,178,000) and a 'net debt to equity + debt' ratio of 36.6% (Jun-24: 25.0%).

**Key operating metrics**

	<b>1H25</b>	<b>1H24</b>
Gross profit margin	28.9%	31.2%
Operating costs <sup>1</sup> as % of total revenue	25.7%	24.1%
Reported EBITDA <sup>2</sup> margin	(11.5%)	7.3%
Operating EBITDA <sup>3</sup> margin	4.0%	7.4%

<sup>1</sup> Operating costs excluding interest, depreciation, amortisation and impairment loss.

<sup>2</sup> EBITDA means earnings before interest, tax, depreciation and amortisation.

<sup>3</sup> Refer to reconciliation between Reported EBITDA and Operating EBITDA below.

NTAW Holdings has reported a gross profit margin of 28.9% and an Operating EBITDA margin of 4.0%, with gross profit margin and Operating EBITDA margin decreasing from that achieved in the prior comparative period.

**Key financial results**

<b>\$'000</b>	<b>1H25</b>	<b>1H24</b>
Sales revenue	262,469	264,309
Gross profit	75,793	82,400
Reported EBITDA	(30,310)	19,311
Operating EBITDA	10,569	19,644
Reportable NPATA attributable to NTAW <sup>1</sup>	(41,610)	1,981
Operating NPATA attributable to NTAW <sup>1</sup>	(731)	2,314
Net operating cash flow <sup>2</sup>	(9,747)	11,562

<sup>1</sup> NPATA excludes non-controlling interests and amortisation on a tax effected basis.

<sup>2</sup> Net operating cash flow reduced significantly in 1H25 due to payment for Dunlop commencement stock.

## NTAW Holdings Limited and its controlled entities

### Directors' report

31 December 2024



#### Operating EBITDA

The Group has reported an EBITDA of \$30,310,000 loss (1H24: \$19,311,000 profit). The result for 1H25 includes non-recurring costs of \$40,028,000 (1H24: \$523,000) associated with impairment losses, acquisition costs, the consolidation and closure of retail sites and the implementation of IT projects. Unrealised foreign exchange loss on foreign exchange contracts and foreign currency denominated suppliers of \$851,000 (1H24: \$190,000 gain) was recognised during the half-year. After taking into account the above items, an Operating EBITDA of \$10,569,000 was earned in 1H25 (1H24: \$19,644,000) as shown in the following table:

\$'000	1H25	1H24
<b>Net (loss)/profit after tax</b>	<b>(42,841)</b>	<b>671</b>
Depreciation and amortisation	13,619	12,323
Finance costs (net)	5,837	4,870
Income tax expense	(6,925)	1,447
<b>Reported EBITDA</b>	<b>(30,310)</b>	<b>19,311</b>
Impairment loss	39,167	-
Acquisition and consultancy costs	223	-
Consolidation and disposal of retail sites costs	487	30
IT project implementation costs	151	493
Unrealised foreign exchange losses/(gains)	851	(190)
<b>Operating EBITDA</b>	<b>10,569</b>	<b>19,644</b>

#### Financial Position

Key financial information in relation to the Group's financial position at half-year end is shown below:

	31 December 2024	30 June 2024
Total assets (\$'000)	372,361	413,097
Net tangible assets (\$'000)	73,456	71,034
Net intangible assets (\$'000)	12,800	46,262
Net assets (\$'000)	86,256	117,296
Net debt (\$'000)	64,186	52,178
Shares on issue ('000)	167,708	134,136

Significant balance sheet movements during the financial half-year were as follows:

- Net debt has increased by \$12,008,000, due to lower cash holdings;
- Net assets decreased by \$31,040,000 which includes a decrease of \$40,700,000 of intangible assets;
- Net tangible assets increased by \$2,422,000;
- Employee share options were redeemed for 32,150 ordinary shares; and
- \$12,410,000 was raised from the issue of 33,534,024 new shares at \$0.37 to fund working capital required for the Dunlop distribution business.

#### Review of Operations

The Australian wholesale business faced difficult trading conditions during the period and discontinued some brands to accommodate the distribution of the Dunlop product. Dunlop sales did not meet expectations and did not replace the lost revenue from discontinued brands at an acceptable level. Overall market share remains consistent with prior periods.

Goodyear & Dunlop Tyres (Aust) Pty Ltd and Goodyear & Dunlop Tyres (NZ) (collectively "Goodyear") has provided termination notices in relation to the Dunlop distribution agreements as a consequence of the sale of the Dunlop brands and trademarks by Goodyear Tyre and Rubber Co. The Company remains in discussion with Goodyear about potential arrangements to allow for an orderly transition of the Dunlop distribution.

Black Rubber, the Australian commercial retail and retread business, operated at a loss for the period due to customer attrition in Western Australia ("WA") and costs relating to the expansion of the business to service national commercial fleets, reducing dependency on the volatile WA mining sector. The asset acquisitions of the Goodyear Melbourne retread factory and the Adelaide retail store are strategic and are expected to contribute profit in 2H25. Black Rubber is certified to retread Goodyear product in Melbourne and Brisbane with other factories expected to also be certified. Production for Goodyear customers will increase volumes leading to improved performance in this predominantly fixed cost activity.

Carter's profit substantially reduced due to the recessionary economic conditions in New Zealand which severely impacted the transport sector. Customer demand (with no material customers lost) reduced significantly. Carter's has a sound business base, strong customer interface linked through its tyre performance management system and is well placed to improve performance across its retail stores and retread business when the New Zealand economy lifts out of recession.

DWC, Statewide, ETD and Tyres4U in New Zealand performed well in their respective markets.

The Group's senior management team changed during the period, with Mr Warwick Hay replacing Mr Peter Ludemann as Group MD/CEO with effect from 1 January 2025. Mr Simon Billington was appointed as CEO of NTAW and Mr Geoff May became CEO of Black Rubber in June 2024 with a new leadership team.

### **Outlook**

The Company has put in place initiatives to facilitate business improvement:

- Costs:
  - Reviewed at all levels throughout the Group
  - Aggressive cost reduction program implemented
  - Annualised cost savings run rate by June 2025 will be in the range of \$6-7 million
  - Additional cost reductions in Black Rubber due to the "Back to basics" project
- Inventory:
  - Reduction targets in place
  - Margin to be maintained
  - Improve liquidity
  - Reduce net debt
- Black Rubber:
  - Rescaling has commenced
  - Significant cost reductions
  - Back to basics business approach
  - Performance criteria for branch viability
- Price increases to be implemented.

The 4 key initiatives plan will leverage the core strengths of the Group:

- Experienced and competent employees led by an invigorated management team;
- Deep customer relationships built up over the last 30 years;
- A comprehensive national marketing, sales and distribution platform throughout Australia and New Zealand; and
- Strong and longstanding relationships with core suppliers.

## NTAW Holdings Limited and its controlled entities

### Directors' report

31 December 2024



#### Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the half-year.

#### Matters subsequent to the end of the half-year

On 1 January 2025, Mr Warwick Hay assumed the role of Chief Executive Officer of the Company ("CEO") and Mr Peter Ludemann stepped down from his role as Managing Director and CEO and continues to contribute as an Executive Director.

On 8 January 2025, the Company received notice that its right to distribute Dunlop brand tyres would be terminated on 8 July 2025. The Company is negotiating with Goodyear & Dunlop Tyres (Aust) Pty Limited and Goodyear & Dunlop Tyres (NZ) to implement an orderly transition from the Dunlop distribution.

On 27 February 2025, the Group renegotiated the terms of the borrowings agreement with the Commonwealth Bank of Australia ("CBA") and a new agreement was executed on that date. As part of the new agreement, CBA waived breaches of financial covenants prior to that date including any right, power, authority, discretion or remedy which may be actioned or exercised as a result of any breach.

No other matters or circumstance has arisen since 31 December 2024 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 years.

#### Rounding of amounts

The Company 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 thousand dollars, or in certain cases, 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 directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the directors

Murray Boyte  
Chairman

27 February 2025  
Brisbane

Level 38, 345 Queen Street  
Brisbane, QLD 4000

Postal address  
GPO Box 1144  
Brisbane, QLD 4001

+61 7 3222 8444

[pitcher.com.au](http://pitcher.com.au)

The Directors  
NTAW Holdings Limited  
Level 2, 385 MacArthur Avenue  
HAMILTON QLD 4007

### Auditor's Independence Declaration

In relation to the independent auditor's review for the half year ended 31 December 2024, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) No contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of NTAW Holdings Limited and the entities it controlled during the period.

*Pitcher Partners*  
**PITCHER PARTNERS**



**ANDREW ROBIN**  
Partner

Brisbane, Queensland  
27 February 2025

**NTAW Holdings Limited and its controlled entities**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2024**



	Note	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Revenue from contracts with customers	5	262,469	264,309
Other income	6	913	845
<b>Expenses</b>			
Cost of goods sold		(186,676)	(181,909)
Employee benefits and other related costs		(44,875)	(41,840)
Depreciation and amortisation	7	(13,619)	(12,323)
Occupancy		(4,033)	(4,071)
Computer and software costs		(2,667)	(3,852)
Insurance		(2,254)	(2,160)
Marketing		(2,959)	(2,810)
Motor vehicle expenses		(2,926)	(3,065)
Professional fees		(816)	(961)
Other		(7,039)	(4,996)
Finance costs	7	(6,117)	(5,049)
Total expenses before impairment (excluding Cost of goods sold)		(87,305)	(81,127)
Impairment loss	7	(39,167)	-
<b>(Loss)/profit before income tax expense</b>		<b>(49,766)</b>	<b>2,118</b>
Income tax benefit/(expense)		6,925	(1,447)
<b>(Loss)/profit after income tax expense</b>		<b>(42,841)</b>	<b>671</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(423)	795
Other comprehensive income for the half-year		(423)	795
<b>Total comprehensive income for the half-year</b>		<b>(43,264)</b>	<b>1,466</b>
(Loss)/profit for the half-year is attributable to:			
Non-controlling interest		(163)	(221)
Owners of NTAW Holdings Limited		(42,678)	892
		<b>(42,841)</b>	<b>671</b>
Total comprehensive income for the half-year is attributable to:			
Non-controlling interest		(163)	(221)
Owners of NTAW Holdings Limited		(43,101)	1,687
		<b>(43,264)</b>	<b>1,466</b>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	11	(28.84)	0.67
Diluted earnings per share	11	(28.84)	0.65

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

**NTAW Holdings Limited and its controlled entities**  
**Consolidated statement of financial position**  
**As at 31 December 2024**



	Note	31 Dec 2024 \$'000	30 June 2024 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		25,039	38,886
Trade and other receivables		68,493	74,440
Inventories		157,235	149,581
Forward foreign exchange contract asset		1,937	-
Prepayments		5,894	3,595
Other financial assets		976	1,577
Current tax asset		1,088	-
<b>Total current assets</b>		<b>260,662</b>	<b>268,079</b>
<b>Non-current assets</b>			
Property, plant and equipment		17,305	16,965
Right-of-use assets		81,055	79,260
Intangible assets	9	7,354	48,054
Receivables		87	-
Other financial assets		452	739
Deferred tax assets		5,446	-
<b>Total non-current assets</b>		<b>111,699</b>	<b>145,018</b>
<b>Total assets</b>		<b>372,361</b>	<b>413,097</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		95,430	103,630
Borrowings	8	89,225	5,180
Lease liabilities		19,186	18,510
Provisions		11,130	10,262
Forward foreign exchange contract liability		-	157
Current tax liabilities		-	180
<b>Total current liabilities</b>		<b>214,971</b>	<b>137,919</b>
<b>Non-current liabilities</b>			
Borrowings	8	-	85,884
Lease liabilities		69,354	67,973
Provisions		1,780	2,233
Deferred tax liabilities		-	1,792
<b>Total non-current liabilities</b>		<b>71,134</b>	<b>157,882</b>
<b>Total liabilities</b>		<b>286,105</b>	<b>295,801</b>
<b>Net assets</b>		<b>86,256</b>	<b>117,296</b>
<b>Equity</b>			
Issued capital	10	106,609	94,569
Reserves		38,076	(880)
(Accumulated losses) / retained earnings		(61,019)	20,854
<b>Equity attributable to the owners of NTAW Holdings Limited</b>		<b>83,666</b>	<b>114,543</b>
Non-controlling interest		2,590	2,753
<b>Total equity</b>		<b>86,256</b>	<b>117,296</b>

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

**NTAW Holdings Limited and its controlled entities**  
**Consolidated statement of changes in equity**  
**For the half-year ended 31 December 2024**



	Issued capital \$'000	Foreign currency translation reserve \$'000	Share- based payments reserve \$'000	Profit reserve <sup>1</sup> \$'000	Retained earnings / (accumulated losses) \$'000	Non- controlling interest \$'000	Total equity \$'000
Balance at 1 July 2023	94,068	(2,722)	1,629	-	19,291	3,074	115,340
Profit/(loss) after income tax expense for the half-year	-	-	-	-	892	(221)	671
Other comprehensive income for the half-year	-	795	-	-	-	-	795
Total comprehensive income for the half-year	-	795	-	-	892	(221)	1,466
<i>Transactions with owners in their capacity as owners:</i>							
Redemption of share options	501	-	(267)	-	-	-	234
Share-based payments	-	-	428	-	-	-	428
<b>Balance at 31 December 2023</b>	<b>94,569</b>	<b>(1,927)</b>	<b>1,790</b>	<b>-</b>	<b>20,183</b>	<b>2,853</b>	<b>117,468</b>
Balance at 1 July 2024	94,569	(2,828)	1,948	-	20,854	2,753	117,296
Transfer profits from retained earnings to profit reserve <sup>1</sup>	-	-	-	39,195	(39,195)	-	-
Loss after income tax expense for the half-year	-	-	-	-	(42,678)	(163)	(42,841)
Other comprehensive income for the half-year	-	(423)	-	-	-	-	(423)
Total comprehensive income for the half-year	-	(423)	-	39,195	(81,873)	(163)	(43,264)
<i>Transactions with owners in their capacity as owners:</i>							
Shares issued (note 10)	11,961	-	-	-	-	-	11,961
Redemption of share options	79	-	(72)	-	-	-	7
Share-based payments	-	-	256	-	-	-	256
<b>Balance at 31 December 2024</b>	<b>106,609</b>	<b>(3,251)</b>	<b>2,132</b>	<b>39,195</b>	<b>(61,019)</b>	<b>2,590</b>	<b>86,256</b>

<sup>1</sup> The profits reserve represents profits transferred to a reserve to preserve the characteristic as a profit. The profits are available to enable payment of franked dividends in the future should the Directors declare by resolution.

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

**NTAW Holdings Limited and its controlled entities**  
**Consolidated statement of cash flows**  
**For the half-year ended 31 December 2024**



	31 Dec 2024 \$'000	31 Dec 2023 \$'000
<b>Cash flows from operating activities</b>		
Receipts from customers	297,793	303,140
Payments to suppliers and employees	(302,558)	(285,433)
	(4,765)	17,707
Interest received	279	179
Interest and other finance costs paid	(3,669)	(3,407)
Income taxes paid	(1,592)	(2,917)
Net cash (used in) / from operating activities	(9,747)	11,562
<b>Cash flows from investing activities</b>		
Payment of deferred consideration	-	(2,600)
Payments for property, plant and equipment	(2,684)	(991)
Proceeds from disposal of property, plant and equipment	536	32
Transfers to / (from) term deposits	208	(84)
Net cash used in investing activities	(1,940)	(3,643)
<b>Cash flows from financing activities</b>		
Proceeds from share issue	12,406	-
Payment of capital raising costs	(445)	-
Proceeds from redemption of share options	7	234
Proceeds from borrowings	-	253
Repayment of borrowings	(2,406)	-
Payment of principal and interest on lease liabilities	(11,931)	(10,773)
Net cash used in financing activities	(2,369)	(10,286)
Net decrease in cash and cash equivalents	(14,056)	(2,367)
Cash and cash equivalents at the beginning of the half-year	38,206	32,579
Effects of exchange rate changes on cash and cash equivalents	(282)	(131)
<b>Cash and cash equivalents at the end of the half-year</b>	<b>23,868</b>	<b>30,081</b>
<i>Reconciliation to statement of financial position</i>		
Cash and cash equivalents	25,039	31,202
Bank overdrafts	(1,171)	(1,121)
<b>Balance as per statement of cash flows</b>	<b>23,868</b>	<b>30,081</b>

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

**Note 1. General information**

The financial statements cover NTAW Holdings Limited as a Group consisting of NTAW Holdings Limited (“Company” or “parent entity”) and the entities it controlled at the end of, or during, the half-year (“Group”). The financial statements are presented in Australian Dollars (“AUD”), which is the functional and presentation currency of the Group.

NTAW Holdings Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:  
Level 2, 385 MacArthur Avenue  
Hamilton QLD 4007

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 February 2025. The directors have the power to amend and reissue the financial statements.

**Note 2. Material accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**Basis of preparation**

These general-purpose financial statements for the interim half-year reporting period 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

*Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss and derivative financial instruments.

*Rounding of amounts*

The Company 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 thousand dollars, or in certain cases, the nearest dollar.

**Comparative information**

Comparatives have been reclassified, where applicable, to align with current year presentation. There was no impact on the results or financial position of the Group.

**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 that are mandatory for the current reporting period.

**Note 3. Critical accounting judgements, estimates and assumptions**

*Recoverability of deferred tax assets*

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

**Note 4. Operating segments**

*Identification of reportable operating segments*

The Group's operating segments are based on the internal reports that are reviewed and used by the Chief Executive Officer (who is identified as the Chief Operating Decision Makers ("CODM")) in assessing performance and in determining the allocation of resources.

There is one reportable segment in the Group as the CODM reviews results, assesses performance and allocates resources at a Group level.

The information reported to the CODM is the consolidated results of the Group.

**Note 5. Revenue from contracts with customers**

	<b>31 Dec 2024</b>	<b>31 Dec 2023</b>
	<b>\$'000</b>	<b>\$'000</b>
Sale of goods and services revenue	262,469	264,309
	<b>262,469</b>	<b>264,309</b>

There is significant integration between sales of goods and services revenue where the performance obligations are satisfied together.

*Disaggregation of revenue*

Revenue from contracts with customers by geographic region is as follows:

Australia	193,162	193,633
New Zealand	64,283	64,920
South Africa	5,024	5,756
	<b>262,469</b>	<b>264,309</b>

**Note 6. Other income**

Interest income	226	106
Finance income on the net investment in leases	54	73
Gain on sale of assets	4	274
Other income	629	392
	<b>913</b>	<b>845</b>

**Note 7. Expenses**

	<b>31 Dec 2024</b>	<b>31 Dec 2023</b>
	<b>\$'000</b>	<b>\$'000</b>
(Loss)/profit before income tax includes the following specific expenses:		
Depreciation		
Plant and equipment	1,920	1,868
Right-of-use assets	10,288	9,014
Total depreciation	<u>12,208</u>	<u>10,882</u>
Amortisation		
Customer relationships	1,144	1,174
Importation rights	267	267
Total amortisation	<u>1,411</u>	<u>1,441</u>
Total depreciation and amortisation	<u>13,619</u>	<u>12,323</u>
Finance costs		
Interest and finance charges paid/payable for financial liabilities	3,625	3,468
Interest and finance charges paid/payable for lease liabilities	2,492	1,581
Finance costs expensed	<u>6,117</u>	<u>5,049</u>
Net foreign exchange loss/(gain)	<u>244</u>	<u>(144)</u>
Inventory write-down / (write-back)	<u>1,298</u>	<u>(24)</u>
Impairment expense		
Impairment of intangible assets (note 9)	<u>39,167</u>	<u>-</u>

**Note 8. Borrowings**

The Group's bank facility and overdraft are subjected to covenant clauses, whereby the Group is required to meet certain key financial ratios. The Group did not fulfil all of the key financial ratios required in the borrowings agreement with Commonwealth Bank of Australia ("CBA") as at 31 December 2024.

Due to this breach of covenant clause, as at 31 December 2024, the Group did not have the right to defer settlement of the outstanding bank facility amount for at least twelve months. As such, this outstanding balance is presented entirely as a current liability as at 31 December 2024.

On 27 February 2025, the Group renegotiated the terms of the borrowings agreement with CBA and a new agreement was executed on that date. As part of the new agreement, CBA waived breaches of financial covenants prior to that date including any right, power, authority, discretion or remedy which may be actioned or exercised as a result of any breach. Additionally, the financial covenants, which include a working capital ratio, interest cover ratio and net leverage ratio, have been reset in the new agreement and are subject to quarterly compliance reporting.

If the new borrowings agreement was executed on or prior to 31 December 2024, \$83,723,000 of this liability would have been classified as a non-current liability (Jun-24: \$85,884,000).

The bank facility has an expiry date of 30 September 2027.

**Note 9. Intangibles**

	31 Dec 2024 \$'000	30 Jun 2024 \$'000
<b>Goodwill</b>		
CGU:		
- Tyre & Wheel	-	5,228
- DWC & IOE	3,113	3,113
- Black Rubber	-	7,680
- Carter's	-	13,170
	<b>3,113</b>	<b>29,191</b>
<b>Customer relationships</b>		
CGU:		
- Tyre & Wheel	24	107
- DWC & IOE	665	811
- Black Rubber	-	6,075
- Carter's	-	1,882
	<b>689</b>	<b>8,875</b>
<b>Importation rights</b>		
CGU:		
- Tyre & Wheel	1,429	1,696
	<b>1,429</b>	<b>1,696</b>
<b>Brand names</b>		
CGU:		
- DWC & IOE	2,123	2,123
- Black Rubber	-	2,400
- Carter's	-	3,569
	<b>2,123</b>	<b>8,092</b>
<b>Accreditations</b>		
CGU:		
- Black Rubber	-	200
	-	<b>200</b>
<b>Total intangibles</b>		
CGU:		
- Tyre & Wheel	1,453	7,031
- DWC & IOE	5,901	6,047
- Black Rubber	-	16,355
- Carter's	-	18,621
	<b>7,354</b>	<b>48,054</b>

The Group tests whether goodwill and brand names have suffered any impairment on an annual basis or when there is an indication of impairment in a cash-generating unit ("CGU"). No indicator of impairment exists for the DWC & IOE CGU (representing the DWC business). For the Tyre & Wheel CGU (which represents the wholesale and retail tyre operations of the Group, excluding DWC, Black Rubber and Carter's), the recoverable amount of the CGU was determined based on its fair value less costs of disposal which require the use of assumptions. The recoverable amount was determined using a value-in-use calculation at 30 June 2024 but has been assessed using its fair value less costs of disposal at 31 December 2024, as this results in a higher recoverable amount in accordance with AASB 136 *Impairment of Assets*. For the Black Rubber CGU (representing the Black Rubber business) and Carter's CGU (representing the Carter's business), the recoverable amount of the CGUs was determined based on value-in-use calculations which require the use of assumptions. The calculations of both valuation techniques are conducted using a discount cash flow methodology based on a cashflow forecast for the 2025 financial year. From the forecast, the FY25 cashflows have been extrapolated using estimated annual growth rates, together with terminal growth rates.

**Note 9. Intangibles (continued)**

The following table sets out the key assumptions for those CGUs with impairment indicators during the period:

	<b>31 December 2024</b>		
	Tyre and Wheel %	Black Rubber %	Carter's %
Average annual growth rate beyond FY25 period (%)	3.0%	3.0%	4.0%
Terminal growth rate (%)	2.5%	2.5%	2.5%
Pre-tax discount rate (%)	13.9%	15.7%	13.6%

	<b>30 June 2024</b>		
	Tyre and Wheel %	Black Rubber %	Carter's %
Average annual growth rate beyond FY25 period (%)	3.0%	3.0%	3.0%
Terminal growth rate (%)	2.5%	2.5%	2.5%
Pre-tax discount rate (%)	14.7%	15.0%	14.1%

Management has determined the value assigned to each of the above key assumptions as follows:

<b>Assumption</b>	<b>Approach used to determine values</b>
Average annual growth rate beyond FY25 period	Average annual growth rate over the five-year forecast period beyond the 2025 financial year is based on past performance and management's expectations of market developments.
Terminal growth rate	Terminal growth rate was based on management's expectations of long-term growth.
Annual gross margin	Gross margin percentage in the forecast period reflects past experience adjusted for management's expectations of market developments.
Discount rate	A post-tax estimate based on NTAW Holdings' weighted average cost of capital, adjusted for CGU risk.

**Tyre & Wheel CGU**

During the half-year ended 31 December 2024, the Group assessed the carrying value of the Tyres & Wheel CGU and performed an impairment analysis to take into account the following factors:

- The Tyre & Wheel CGU achieving lower sales revenue than that originally budgeted for FY25;
- The termination of the Group's distribution agreements with Goodyear & Dunlop Tyres (Aust) Pty Limited and Goodyear & Dunlop Tyres (NZ) of Dunlop branded tyres in Australia and New Zealand, effective from July 2025, and the future uncertainty of the distribution of Dunlop products in the region; and
- An increase in the post-tax discount rate to reflect the change in risk profile of this CGU.

Due to the changes identified above, the fair value less costs of disposal calculation did not support the carrying amount of the goodwill allocated to the Tyre & Wheel CGU as at 31 December 2024 and a non-cash impairment charge of \$5,228,000 was recorded in the period. The recoverable amount of the CGU was \$147,100,000. The fair value measurement of the CGU is categorised in Level 3 hierarchy of fair value measurement.

**Black Rubber CGU**

During the half-year ended 31 December 2024, the Group assessed the carrying value of the Black Rubber CGU and performed an impairment analysis to take into account the following factors:

- The Black Rubber CGU achieving lower sales revenue than that originally budgeted for FY25;
- Operating expenses relative to the revenue achieved; and
- An increase in the post-tax discount rate to reflect the change in risk profile of this CGU.

**Note 9. Intangibles (continued)**

Due to the changes identified above, the value in use calculation did not support the carrying amount of the Black Rubber CGU intangibles as at 31 December 2024 and a non-cash impairment charge of \$15,648,000 was recorded in the period. The recoverable amount of the CGU was \$25,900,000.

**Carter's CGU**

During the half-year ended 31 December 2024, the Group assessed the carrying value of the Carter's CGU and performed an impairment analysis to take into account the following factors:

- The Carter's CGU achieving lower sales revenue than that originally budgeted for FY25;
- New Zealand economy remaining in a recession; and
- Continued use of a post-tax discount rate to reflect the risk profile of this CGU.

Due to the changes identified above, the value in use calculation did not support the carrying amount of the Carter's CGU intangibles as at 31 December 2024 and a non-cash impairment charge of \$18,291,000 was recorded in the period. The recoverable amount of the CGU was \$30,300,000.

After consideration of the recoverable amount of the assets remaining in the carrying amount of the Tyre & Wheel, Black Rubber and Carters' CGUs, no reasonable change in any of the key assumptions would result in a further material impairment at reporting date.

**Note 10. Issued capital**

	<b>31 Dec 2024</b>	<b>30 June 2024</b>	<b>31 Dec 2024</b>	<b>30 June 2024</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$'000</b>	<b>\$'000</b>
Ordinary shares - fully paid	167,707,610	134,136,094	106,609	94,569

*Movements in ordinary share capital*

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>Issue price</b>	<b>\$'000</b>
Balance	1 Jul 2023	133,271,318		94,068
Redemption of share options	21 Sep 2023	37,113	\$0.3735	10
Redemption of share options	22 Sep 2023	177,506	\$0.3735	62
Redemption of share options	3 Oct 2023	183,960	\$0.3735	48
Redemption of share options	10 Oct 2023	21,197	\$0.5745	45
Redemption of share options	11 Oct 2023	445,000	\$0.5745/\$0.3735	336
Balance	30 June 2024	134,136,094		94,569
Redemption of share options	23 Sep 2024	20,000	\$0.3735	10
Redemption of share options	30 Sep 2024	12,150	\$0.3735	69
Issue of shares per Rights Issue, net of capital raising costs	17 Oct 2024	33,539,366	\$0.3700	11,961
<b>Balance</b>	<b>31 Dec 2024</b>	<b>167,707,610</b>		<b>106,609</b>

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital. By way of a poll each share shall have one vote at a meeting.

*Share buy-back*

There is no current on-market share buy-back.

**Note 10. Issued capital (continued)**

*Capital risk management*

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment.

The capital risk management policy remains unchanged from the 30 June 2024 Annual Report.

**Note 11. Earnings per share**

	<b>31 Dec 2024</b>	<b>31 Dec 2023</b>
	<b>\$'000</b>	<b>\$'000</b>
(Loss)/profit after income tax	(42,841)	671
Non-controlling interest	163	221
<b>Profit after income tax attributable to the owners of NTAW Holdings Limited</b>	<b>(42,678)</b>	<b>892</b>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	148,006,321	133,141,959
Adjustments for calculation of diluted earnings per share:		
Rights and options over ordinary shares <sup>(a)</sup>	-	4,351,824
<b>Weighted average number of ordinary shares used in calculating diluted earnings per share</b>	<b>148,006,321</b>	<b>137,493,783</b>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(28.84)	0.67
Diluted earnings per share <sup>(a)</sup>	(28.84)	0.65

<sup>(a)</sup> The calculation of diluted earnings per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an antidilutive effect on earnings per share. At 31 December 2024, there were 10,362,651 rights and options over ordinary shares which were not included in the calculation of diluted earnings per share for the half-year ended 31 December 2024 as they are considered antidilutive as their conversion would decrease the loss per share for that period.

**Note 12. Related party transactions**

During the half-year, the Group leased premises from a KMP member from 1 July 2024 to 11 November 2024. Rent payments for the half-year totalled \$119,776 (1H24: \$183,148), with a lease liability of \$NIL outstanding at 31 December 2024 (30 June 2024: \$503,859).

**Note 13. Events after the reporting period**

On 1 January 2025, Mr Warwick Hay assumed the role of Chief Executive Officer of the Company ("CEO") and Mr Peter Ludemann stepped down from his role as Managing Director and CEO and continues to contribute as an Executive Director.

On 8 January 2025, the Company received notice that its right to distribute Dunlop brand tyres would be terminated on 8 July 2025. The Company is negotiating with Goodyear & Dunlop Tyres (Aust) Pty Limited and Goodyear & Dunlop Tyres (NZ) to implement an orderly transition from the Dunlop distribution.

On 27 February 2025, the Group renegotiated the terms of the borrowings agreement with the Commonwealth Bank of Australia ("CBA") and a new agreement was executed on that date. As part of the new agreement, CBA waived breaches of financial covenants prior to that date including any right, power, authority, discretion or remedy which may be actioned or exercised as a result of any breach.

No other matters or circumstances has arisen since 31 December 2024 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 years.

**NTAW Holdings Limited and its controlled entities**  
**Directors' Declaration**  
**31 December 2024**



In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; 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.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'Murray Boyte', written over a horizontal line.

Murray Boyte  
Chairman

27 February 2025  
Brisbane

**Independent Auditor's Review Report to the Shareholders of  
NTAW Holdings Limited**

**Report on the Half-Year Financial Report**

**Conclusion**

We have reviewed the half-year financial report of NTAW Holdings Limited, (the "Company") and its controlled entities the ("Group"), which comprises the consolidated statement of financial position as at 31 December 2024, 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 summary of material 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 accompanying half-year financial report of NTAW Holdings Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2024 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.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time 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 Group's financial position as at 31 December 2024 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.

*Pitcher Partners*  
**PITCHER PARTNERS**



**ANDREW ROBIN**  
Partner

Brisbane, Queensland  
27 February 2025