ABN 62 606 252 644

APPENDIX 4E

YEAR ENDED 30 JUNE 2024

Company Information

Current Reporting Period: For the year ended 30 June 2024
Prior Corresponding Period: For the year ended 30 June 2023

This information should be read in conjunction with the 30 June 2024 Year End Financial Report of IVE Group Limited and its controlled entities and any public announcements made in the period by IVE Group Limited in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and Listing Rules.

Additional Appendix 4E disclosure requirements can be found in the Directors' Report and the consolidated financial statements for the year ended 30 June 2024.

This report is based on the consolidated financial statements for the year ended 30 June 2024 of IVE Group Limited and its controlled entities, which have been audited by KPMG. The Independent Auditor's Report provided by KPMG is included in the consolidated financial statements for the year ended 30 June 2024.

Results for announcement to the market

In accordance with the ASX Listing Rule 4.3, the board and management of IVE Group Limited has enclosed an Appendix 4E for the year ended 30 June 2024.

Results		30 June 2024 $'000	30 June 2023 $'000
Revenue	**Up 0.3%**	**972,821**	970,212
Profit from ordinary activities after tax attributable to members	**Up 61.0%**	**27,605**	17,148
Net profit for the period attributable to members	**Up 61.0%**	**27,605**	17,148

All comparisons are on a statutory basis unless stated.

Refer to the attached Directors' Report and Operating and Financial Review for commentary and explanation of results.

Net tangible assets per security	30 June 2024	30 June 2023
Net tangible asset per security (cents)	**25.7**	39.5

Dividend amount per security	Amount per security (cents)	Franked amount per security (cents)
Final dividend for the year ended 30 June 2024 to be paid 16 October 2024	**8.5**	**8.5**
Interim dividend for the year ended 30 June 2024 paid 12 April 2024	9.5	9.5

Record date for determining entitlement to the final dividend: close of business on 12 September 2024.

Audit report

The Independent Auditor's Report provided by KPMG is included in the IVE Group Limited Financial Report for the year ended 30 June 2024.

Attachments

Financial Report for the year ended 30 June 2024 for IVE Group Limited. Authorised for release by the IVE Group Limited Board.

IVE GROUP LIMITED ANNUAL FINANCIAL REPORT

ABN 62 606 252 644

YEAR ENDED 30 JUNE 2024

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OPERATING AND FINANCIAL REVIEW (OFR)

UNDERLYING FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED 30 JUNE 2024[1]

REVENUE **$969.9m** ↑0.3% on PCP	EBITDA **$127.8m** ↑7.5% on PCP	NPAT **$43.0m** ↑8.4% on PCP	EPS (NPAT) **28.0¢** ↑5.8% on PCP	EPS (NPATA[2]) **30.2¢** ↑6.1% on PCP
MATERIAL PROFIT MARGIN **46.7%** 45.1% PCP	OPERATING CASH FLOW TO EBITDA **114.0%** 65.7% PCP	NET DEBT **$131.0m** CASH ON HAND **$48.8m**	FULLY FRANKED FINAL DIVIDEND **8.5¢ps** Stable on PCP	IFRS NPAT **$27.6m** ↑61.0% on PCP

1. The underlying financial results are on a non-IFRS basis, exclude various non-operating items (mainly Ovato restructure costs and Lasoo operating loss as reconciled on page 14) and are not audited or reviewed.
2. NPATA – NPAT excluding amortisation of aacquired customer contracts.

KEY HIGHLIGHTS

- Solid full year financial performance (versus strong prior year):
  - All key profit metrics up relative to a strong pcp, with solid margin expansion;
  - NPAT/margin higher but impacted by increased net finance costs; and
  - Strong uplift in operating cash-flow: gearing below target.
- Ovato integration completed ahead of schedule with full year run-rate synergies expected to emerge in FY25
- Entered the folding carton segment of the packaging sector via the cornerstone acquisition of JacPak with no change in expected cost and revenue synergies – implementation of organic expansion plans to commence in 4Q FY25
- Creative and Content – accelerated expansionary ambitions with the acquisition of independent creative agency, Elastic Group, that specialises in video content creation and visual communications
- Lasoo – delivered strong growth and outperformance across all key metrics warranting ongoing investment to accelerate growth and drive significantly enhanced scale
- Apparel – live trialing for a major international food retailer and a number of significant RFPs in train
- Sustainability initiatives on-track

OPERATING AND FINANCIAL REVIEW (CONT.)

OUR PURPOSE AND PRINCIPLES

The Group recently refreshed our brand principles to more closely reflect the business that we have evolved into today.

These principles unite us as a team, connecting us through mindset, approach and outlook. They inform the decisions we make, how we operate and how we interact – resulting in a strong, sustainable and market leading business that will benefit all stakeholders.

Our purpose **and principles**

Our brand principles are what unite us as Team IVE. They underpin everything we do.

We are **connected**

At IVE, we believe in the power of connection. Our entire business is founded on it. From our very first newspaper in 1921, 'The Link', to now being Australia's largest diversified marketing company, we exist to create connections: Connections between our clients and their customers, connections within our teams, across our business and in the industries in which we operate. We're here to make those connections count. Because we believe living in a world where we feel connected and understood is what it's all about.

We are **change makers**

We're not here to do it the way it's always been done. Unless that's awesome. But even if it is, we'll keep challenging and asking the question, how we can do this better? And if it hasn't been done before, let's try it! Only by adopting this mindset, can we help our clients go further, be first to market and set new standards. From the technology and materials we use, to our processes and partners, we strive to lead the way by removing complacency and throwing in a whole lot of creative thinking.

We **care**

So much so, part of our business is dedicated to it. IVE Care exists to ensure the well-being of our people, the safety of our operations and the quality of our work. We want to leave a positive impact in all we do. And in order to do this, we believe we need to start with empathy, compassion and respect – both for others and for the communities in which we operate.

We are a **collective**

Put simply, we are better together. Every day we are blown away by the talent, expertise and amazingness that exists across our teams and the clients we partner with. We love nothing more than seeing that come together to create something truly unique and beyond the realms of anything we could have ever created solo. We believe our strength comes from truly collaborating, respecting our disciplines and not being afraid to throw 'that' idea into the mix. Because with the right team around you, you never know where it might go.

We are **Team IVE**

OPERATING AND FINANCIAL REVIEW (CONT.)

OUR INTEGRATED SERVICE OFFERING

With an unmatched breadth and depth of offering, we guide our clients from idea to execution.

Specialising in Creative and Content, CX and Data, e-Commerce, Brand Activations, Merchandise & Apparel, Packaging, Print, 3PL and Household Distribution, we bring together the capabilities, specialists and technology needed to make customer connection seamless.

Our offering is supported by robust integrated technology platforms that make complex marketing simpler for our clients.

OPERATING AND FINANCIAL REVIEW (CONT.)

STRATEGY AND GROWTH

Over the past decade, IVE's continued growth and diversification coupled with the convergence of technologies on the back of the digital revolution, has coincided with meaningful consolidation across the more traditional segments of the marketing and communications sector. This has resulted in a more concentrated competitive landscape than ever before with a significantly reduced number of competitors. IVE has led sector innovation and consolidation and today is Australia's largest and most diversified integrated marketing communications company by a considerable margin.

Integral to the ongoing sustainability of the business is the compelling and diverse value proposition IVE takes to market which has always remained relevant by being closely aligned to our clients' ever evolving marketing communications needs. Marketing strategies are increasingly omni-channel: IVE's diverse offering spanning all digital mediums through to traditional print, brand activations, packaging, merchandise & apparel as well as fulfilment and logistics, allows IVE to be channel and platform agnostic to deliver the best client solutions.

The diversity of the Group's value proposition places IVE in a strong position relative to our competitors. IVE has an unparalleled breadth of offering with market leading positions across the key segments of the marketing communications value chain in which we operate.

A clearly defined and well executed long-term strategy has not only cemented IVE as Australia's largest integrated marketing communications business but has also contributed to a resilient business with diversified revenue streams spanning a broad range of sectors and underpinned by an extensive and tier-1 client base. IVE's earnings resilience and strong balance sheet has supported a consistently high dividend yield and funding for ongoing growth and diversification initiatives.

OPERATING AND FINANCIAL REVIEW (CONT.)

OUR CLIENTS

IVE has a high-quality customer base with around 2,800 customers spanning most industry sectors and includes many leading Australian and multi-national companies.

2,800 clients across all sectors > AGL > ALM > Anaconda
Angus & Coote > Are Media > Australia Post > Barbeques Galore
BCF > Blackmores > BlueScope > Bottlemart > BP > Bunnings
Bupa > BWS > Cancer Council > Chemist Warehouse > Clark Rubber
Coles > Colonial > Crown > Diageo > Domain > Duracell > Energy Australia
Foxtel > Goodman Fielder > GSK > IAG > Innovations Direct
JB Hi-Fi > KIA > Kmart > L'Oréal > Latrobe University > LEGO
Liquorland > Luxottica > McDonalds > MECCA > Microsoft
Myer > NAB > Nestlé > News Corp > NIB > Nissan
NRMA > Officeworks > Optus > Pandora > Petbarn
Pillow Talk > Prouds > R U OK? > Red Energy > Reece > Repco
ResMed > Sanitarium > Scenic > Sony > Specsavers > Sportsgirl
Spotlight > Stihl > Stratco > Supercheap Auto > Tabcorp > Target
Telstra > Toyota > Transurban > UNIQLO > UniSuper > Vodafone
Westpac > Winning Appliances > Woolworths > WorldVision > Zurich

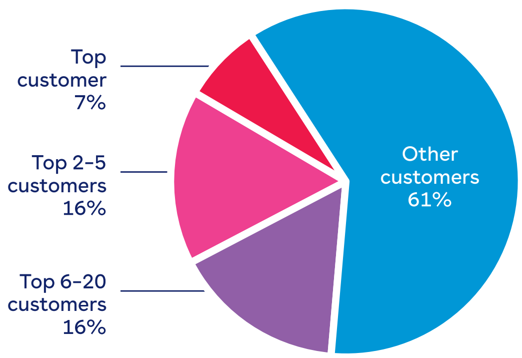
OPERATING AND FINANCIAL REVIEW (CONT.)

IVE's customer origination and retention strategy is founded upon a:

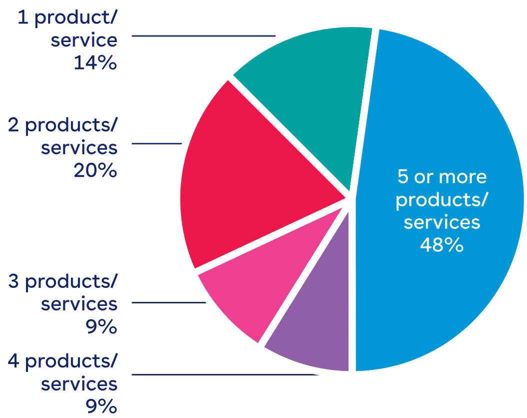
- Highly customer centric culture;
- Sales focused corporate structure and executive team;
- Broad range of products and services providing a sound base for increasing 'share of wallet' of existing customers; and
- Expanding the value proposition (through the addition of new products and services) to ensure the offering remains relevant to customers' ever evolving communication needs.

The customer base is highly diversified with the largest customer representing around 7% of total revenue and the top 20 customers accounting for around 39% of total revenue.

Revenue concentration by customer



Revenue product/service penetration



IVE adopts a structured, disciplined, solutions-based strategy enabling the bundling of various products and services to deliver a tailored customer outcome, improving the customer's return on total supply chain or 'ownership' cost. This approach has led to deep, long-term relationships with customers and provides an opportunity to further expand the range of products and services offered to customers.

Around 86% of IVE's revenue is sourced from customers purchasing more than one Group product and/or service and our ability to meet customers' current and evolving needs is one of our key advantages leading to the long tenure of customer relationships – currently around 9.4 years on average for our Top 20 customers.

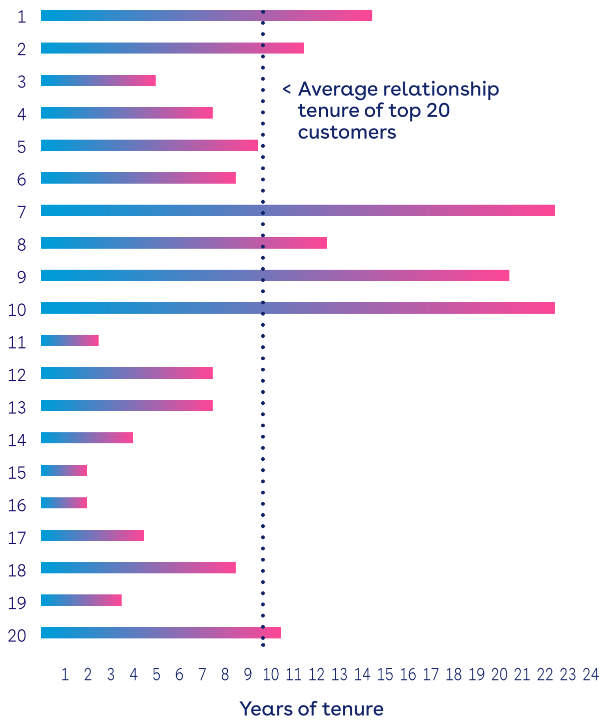
IVE's Top 20 customers (comprising around 39% of FY24 revenue) have contractual arrangements in place. Moreover, approximately 78% of revenue was generated from customers with contractual arrangements in place or from customers with whom IVE has an established (greater than two years) relationship.

Contract terms generally range from 1-5 years with the average at around 3 years.

OPERATING AND FINANCIAL REVIEW (CONT.)

Major corporations are increasingly focused on reducing supply chain 'counter party' risk (financial, operational and ESG) and improving supply chain efficiency (eliminating hand-offs, additional administration and reducing supply chain lead times) by seeking a fewer number of financially secure, well credentialed full-service suppliers. IVE's broad product and service offering (across which it holds leading market positions), strong financial position and sound ESG credentials aligns with those objectives.

Relationship tenure of top 20 customers



MARKET POSITION

Leading market positions across a diverse range of sectors

Marketing (but especially printing) industry structure has improved materially over the past decade following significant industry consolidation, much of which has been driven by IVE.

IVE now holds leading market positions in most sectors in which we operate including direct marketing mail (#1), letterbox distribution (#1), general commercial printing (#1), web offset printing (#1), brand activations (#1), merchandising & apparel (#1) and integrated marketing (Top 3).

IVE's diverse and powerful value proposition, broad geographical footprint, undoubted financial strength and ESG credentials contribute to the Group's attractive and trusted counterparty status.

IVE's full-service offering enables customers to consolidate multiple supply chains, thereby improving efficiency and reducing risk.

Revenue sector analysis	**%**
Retail	51.4
White goods, electronics, furniture, clothing	*18.5*
Supermarkets	*17.7*
Health / personal products	*13.1*
Food / beverage	*2.0*
Financial / Corporate Services	8.7
Publishing	6.2
Media	4.1

Revenue sector analysis (cont.)	**%**
Government	3.1
Health	2.4
Tourism / Entertainment	2.1
Manufacturing	1.6
Trade	1.5
Other[1]	18.9
Total	**100.0**

1. Other includes telecommunications, charity/not-for-profit, manufacturing, service, advertising agency, education, broker, associations, automotive, transport, utilities, IT, property, building/construction.

OPERATING AND FINANCIAL REVIEW (CONT.)

RESULTS FOR THE YEAR ENDED 30 JUNE 2024

Basis of preparation

IVE's Financial Report for the year ended 30 June 2024 (FY24) is presented in accordance with Australian Accounting Standards which comply with International Financial Reporting Standards (IFRS).

Certain non-IFRS financial information has also been included in this report to assist investors in better understanding the underlying performance of IVE. The non-IFRS 'underlying' financial information pertaining to the FY24 and FY23 results is presented before the impact of certain non-operational items.

The directors believe the non-IFRS underlying results better reflect the underlying operating performance and is consistent with prior year reporting.

The non-IFRS underlying financial information has not been audited or reviewed.

Financial information in this report is expressed in millions and has been rounded to one decimal place. This differs from the Financial Report where numbers are expressed in thousands. As a result, some minor rounding discrepancies may occur.

FINANCIAL RESULTS ON AN IFRS AND UNDERLYING BASIS[1]

	FY24 ($m)	FY23 ($m)	Variance (%)
Revenue	972.8	970.2	0.3
Material profit	454.5	437.4	3.9
% of revenue	46.7%	45.1%	3.6
Underlying EBITDA	127.8	119.0	7.5
Underlying EBITDA margin	13.2%	12.3%	7.2
EBITDA	107.1	90.6	18.2
Depreciation and amortisation	49.9	52.9	(5.7)
EBIT	57.2	37.6	51.8
Net finance costs	17.4	13.3	31.1
NPBT	39.7	24.3	63.2
Income tax expense	12.1	7.2	68.3
NPAT	27.6	17.1	61.0
NPATA	31.0	20.2	53.8
Underlying NPAT	43.0	39.7	8.4
Underlying NPATA[2]	46.4	42.7	8.8
Underlying ROFE[3]	24.9%	24.7%	0.8
Underlying ROE[4]	22.2%	21.1%	5.2
IFRS diluted earnings per share (EPS)	18.0¢	11.4¢	57.1
Underlying EPS	28.0¢	26.4¢	5.8
Underlying NPATA EPS	30.2¢	28.5¢	6.1
Dividends per share	18.0¢	18.0¢	-
Underlying payout ratio	64.5%	69.0%	(6.5)

1. The underlying financial results are on a non-IFRS basis, exclude certain non-operating items and are not audited or reviewed.
2. NPATA – NPAT excluding amortisation of acquired customer contracts.
3. ROFE – Underlying EBIT/average funds employed (where funds employed represents net assets plus net debt).
4. ROE – Underlying NPAT/average equity.

OPERATING AND FINANCIAL REVIEW (CONT.)

FY24 backdrop

Following the post-COVID economic rebound, the Australian economy experienced a gradual but progressive economic slowdown across FY24 as the significant prior year interest rate increases coupled with cost-of-living pressures impacted consumer sentiment and spending. While revenue was adversely impacted in some parts of the business, particularly during the second half, commercial initiatives coupled with input price relief and operating leverage associated with the Ovato acquisition underpinned strong margin expansion.

Revenue

IFRS revenue increased 0.3% to $972.8m from $970.2m in the prior corresponding period (pcp).

Underlying revenue (which excludes Lasoo) increased 0.3% to $969.9m from $967.4m, inclusive of modest incremental revenue from Ovato (acquired 13 September 2022) and JacPak (acquired 31 October 2023).

Excluding acquisitions and normalised for the decision to cease production in Western Australia which reduced revenue by $15m, revenue was down by around 4% relative to a strong (record) pcp. This largely reflected softer economic conditions which impacted CX and Data (formerly DDC) and commercial printing revenues, particularly during 2H FY24.

Solid organic revenue growth was achieved in Brand Activations (formerly Retail Display), logistics and fulfilment while catalogue and magazine (including Ovato acquired) revenues were in-line with expectations.

New customer accounts won during the past 12 months included: Country Road, Australian Open (tennis), FIFA Women's World Cup, Target, BMW, Melbourne Storm, Goodman Fielder and Dilmah.

There were no material customer account losses during the year.

Material gross profit margin (MGM)

IFRS and underlying material gross profit (revenue less material cost of goods sold) margin for the year improved to 46.7% from 45.1% pcp.

The improvement in MGM reflects commercial initiatives including some input cost relief (particularly paper and freight) as well as the exiting of lower margin revenue following the aforementioned closure of Western Australian production.

Earnings, NPAT and EPS

Notwithstanding inflation and the JacPak acquisition, production expenses fell marginally to $221.2m from $222.9m pcp. Production expenses mainly relate to direct labour ($134.2m), power (electricity and gas) and depreciation of property, plant and equipment and right of use assets for leasehold premises ($39.9m). The material reduction in underlying production expenses reflects increased efficiencies captured as a result of the completion of the Ovato integration as well as further efficiencies across the balance of the Group, partly through prior and current period capital expenditure benefits.

Administrative expenses increased 7.5% to $160.1m from $148.9m pcp. Normalised for the JacPack acquisition, administrative expenses increased $3.6m to $152.8m, mainly reflecting additional compliance costs relating to continual improvement in Group IT (cyber security in particular) and ESG, along with ongoing salary and wages increases and $0.6m of one-off legal costs (excluded from underlying earnings) relating to the successfully defended Wage Inspectorate of Victoria litigation.

Other expenses were $16.1m, down materially from $30.8m pcp on an IFRS basis, primarily due to the reduction in (primarily Ovato related) restructuring costs. With the integration completed during FY24, no further Ovato restructuring costs are expected in FY25.

As a result of the above impacts, IFRS EBITDA increased 18.2% to $107.1m from $90.6m pcp.

OPERATING AND FINANCIAL REVIEW (CONT.)

Underlying EBITDA increased 7.5% to $127.8m from $119.0m pcp, again primarily reflecting cost-of-sales margin expansion and operating leverage associated with the Ovato integration.

IFRS depreciation and amortisation of $49.9m was down from $52.9m pcp. Pre-AASB 16 depreciation (excluding amortisation and impairment) was $18.6m, broadly unchanged from $18.3m pcp.

IFRS EBIT increased 51.8% to $57.2m from $37.6m pcp, reflecting underlying EBITDA growth coupled with reduced depreciation and amortisation and materially lower non-operating items.

Underlying EBIT increased 12.7% to $80.2m from $71.2m pcp.

IFRS and underlying net finance costs were $17.4m compared to $13.3m pcp, the increase primarily reflecting the full year impact of higher interest rates coupled with the funding of the JacPak acquisition and Ovato integration costs.

IFRS NPAT increased 61.0% to $27.6m from $17.1m pcp, with the significant increase due to underlying profit growth coupled with materially reduced (primarily Ovato related) restructure costs.

Underlying NPAT increased 8.4% to $43.0m from $39.7m pcp, reflecting strong EBIT growth partially offset by higher net finance costs.

IFRS earnings per share for the year was 18.0 cents, up significantly from 11.4 cents pcp.

Underlying (NPAT) earnings per share was 28.0 cents, up 5.8% from 26.4 cents pcp, while underlying (NPATA) earnings per share was 30.2 cents, up 6.1% from 28.5 cents pcp.

IFRS TO UNDERLYING NPAT RECONCILIATION

	FY24 ($m)
IFRS NPAT	**27.6**
Restructure costs	13.1
Acquisition costs	2.0
Software as a service expense (development/implementation complete)	0.8
Lasoo	5.8
Other items	1.3
Pre-tax non-operating items	**23.0**
Tax effect of adjustments	7.7
Underlying NPAT	**43.0**

Non-operating items included in IFRS NPAT but excluded from underlying NPAT include:

- Restructuring costs of $13.1m primarily relating to the final phase of the Ovato integration, including the final asset relocation and subsequent closure of Ovato’s Warwick Farm site;
- Acquisition costs of $2.0m primarily relating to the JacPak acquisition;
- Lasoo’s $5.8m pre-tax operating loss ($5.7m pcp for only 9 months of trading);
- One-off legal costs of $0.6m to successfully defend Wage Inspectorate of Victoria litigation; and
- Other items include impairment of asset held for sale of $1.1m.

OPERATING AND FINANCIAL REVIEW (CONT.)

BALANCE SHEET, CAPITAL EXPENDITURE AND CASH FLOW

Net debt	FY24 ($m)	FY23 ($m)
Loans & borrowings[1]	**179.8**	**169.1**
Less cash	48.8	44.9
Net debt	**131.0**	**124.2**

1. Loans and borrowings are gross of facility establishment costs and exclude AASB 16 liabilities impacts.

Net debt increased modestly to $131.0m at 30 June 2024 from $124.2m at 30 June 2023, primarily reflecting the funding of the JacPak acquisition largely offset by the strong increase in operating cash flow.

Relatively stable working capital coupled with significantly reduced integration and restructuring costs should contribute to strong operating cash flow in FY25.

Net debt at 1.3x pre-AASB 16 EBITDA (1.0x post-AASB 16 EBITDA) remains below the Group's target level of 1.5x and broadly unchanged from 30 June 2023.

Net debt to equity increased to 67.3% at 30 June 2024 from 64.2% at 30 June 2023.

Cash at bank was $48.8m with undrawn debt capacity of $50.0m (excluding acquisition facility) at 30 June 2024.

Capital expenditure	FY24 ($m)	FY23 ($m)
Investment and maintenance	11.2	13.9
Lasoo platform enhancement	1.4	1.0
Ovato	3.4	1.6
Total	**16.0**	**16.5**

Capital expenditure for the year was $16.0m, including $3.4m related to the Ovato integration and $1.4m relating to Lasoo including customer experience enhancements.

Investment and maintenance capital expenditure included $2.8m relating to deposits placed on equipment to facilitate packaging expansionary plans at the Group's Silverwater facility in Sydney as discussed in more detail overleaf.

Capital expenditure is expected to be around $24.5m in FY25, including $11m associated with the packaging capacity build-out (net of disposal proceeds).

OPERATING AND FINANCIAL REVIEW (CONT.)

Cash flow	Underlying[1] FY24 ($m)	IFRS FY24 ($m)
EBITDA	**127.8**	**107.1**
Movement in NWC/non-cash items in EBITDA	18.0	11.9
Operating cash flow	**145.8**	**119.0**
Capital expenditure (net)	(12.6)	(12.6)
Payments for acquisitions and deferred consideration	(28.6)	(28.6)
Net cash flow before financing and taxation	**104.6**	**77.9**
Tax	(14.8)	(8.3)
Net proceeds of bank loans	15.0	15.0
Payment of finance lease liabilities	(38.0)	(38.0)
Payment of equipment finance loans	(4.4)	(4.4)
Dividends paid	(27.7)	(27.7)
Net interest paid	(10.5)	(10.5)
Net cash flow	**(24.2)**	**(3.9)**
Operating cash conversion to EBITDA[2]	114.0%	111.1%
Free cash conversion to EBITDA[3]	104.2%	99.3%

1. The underlying financial results are on a non-IFRS basis, exclude various non-operating items and are not audited or reviewed.
2. Operating cash flow as a percentage of EBITDA.
3. Operating cash flow net of capital expenditure as a percentage of EBITDA.

Lower restructuring costs and a reduction in working capital (following Ovato and supply chain related strain pcp) resulted in a significant uplift in IFRS operating cashflow to $119.0m ($44.7m pcp), underpinned by operating cash conversion of 111.1% (49.4% pcp).

The reduction in working capital also benefited underlying operating cash flow which increased to $145.8m ($78.2m pcp), underpinned by operating cash conversion of 114.0% (65.7% pcp).

The Board declared a fully franked final dividend of 8.5¢ per share, stable on pcp.

This resulted in a full year dividend of 18.0¢ per share, stable on pcp, based on a full year payout ratio of 65%.

OPERATING AND FINANCIAL REVIEW (CONT.)

GROWTH INITIATIVES

PACKAGING

Cornerstone acquisition of JacPak

The Group entered the Australian fibre-based packaging sector with the cornerstone acquisition of JacPak on 31 October 2023. JacPak is a leading Melbourne based player in the short-to-medium run length folding carton segment of the packaging sector with annual revenue of around $45m.

Total purchase consideration was $35m including around $27.9m paid on completion, $4.0m payable as deferred consideration (subject to 12-month performance hurdles) and the assumption of $2.7m of equipment finance leases. The purchase consideration was funded via the Group's acquisition facility.

During the year, JacPak contributed revenue of $28.3m which was in-line with expectations (considering seasonality and commercial print revenues transferred to IVE's Victorian printing operations).

At the end of FY24, IVE had unlocked annual cost synergies of around $2.4m across procurement, operational efficiencies, finance and administration.

At the date of acquisition, JacPak had $15m of available capacity for organic revenue growth. The Group is confident of utilising that capacity through new or expanded customer relationships and has been encouraged by a number of new business wins since taking ownership of JacPak.

Organic expansion

The printing equipment used in the production of folded carton packaging is similar to equipment IVE currently operates across its existing Victorian and NSW commercial printing operations. In order to produce finished folded carton packaging, die cutting and gluing equipment is required in addition to printing equipment.

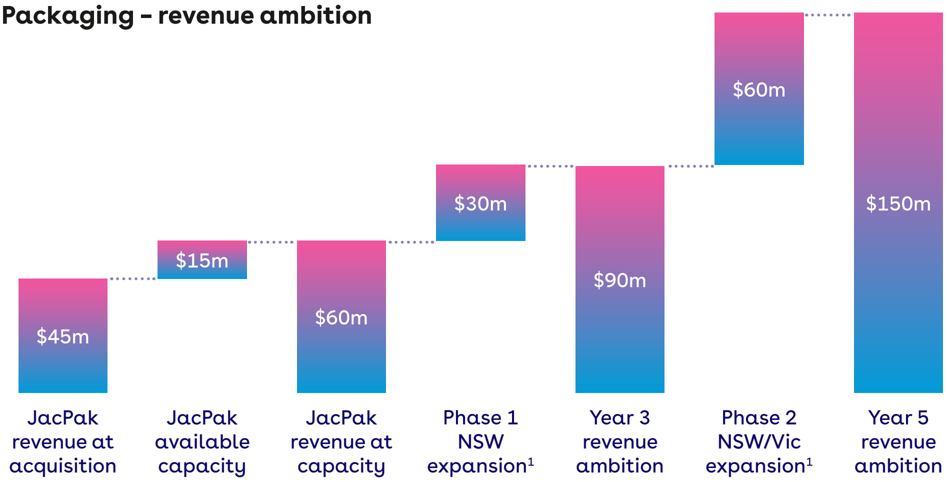
Consistent with the Group's existing footprint, IVE intends servicing national brands through packaging operations in both Victoria and NSW, supported by our national logistics network to ensure the timely production and distribution of finished packaging products:

- Victoria – JacPak (IVE Packaging) will continue to operate as a stand-alone business with annual revenue capacity of $60m; and
- NSW – IVE intends leveraging the operational footprint of the Group's commercial printing operation in Sydney by expanding the site's capability (with the addition of die-cutting and gluing equipment) to also support the efficient production of folded carton packaging.

The stand-alone JacPak facility coupled with the Sydney expansion will result in total annual packaging revenue capacity of around $90m.

Over the medium term, investment in additional equipment would add a further $60m to capacity resulting in the Group achieving its stated ambition of building a packaging business with annual revenues of around $150m over 5 years.

Packaging – revenue ambition



1. Additional capital expenditure required.

OPERATING AND FINANCIAL REVIEW (CONT.)

CREATIVE AND CONTENT

Expansion of offering

IVE's Creative and Content offering has evolved considerably over the years and today employs a strong and talented team of over 120 designers and artists. Our people are located across Sydney and Melbourne (including staff embedded within client sites), working across a range of industries including banking and financial services, FMCG, grocery, retail, property and luxury brands.

Creative and Content was originally formed to design and produce the marketing collateral that IVE would then print, distribute and activate in market. More recently, the team expanded their focus and capabilities to support the growth of the Group's CX and Data and Brand Activations businesses. IVE now offers retail and shopper insights, creative strategy and ideation as well as structural design expertise.

In parallel, the media landscape continues to fragment and the proliferation of channels driving commerce has significantly increased the type, volume and frequency of content that needs to be produced to ensure effective omni-channel marketing.

During FY24, IVE has been implementing a strategy to grow and upscale the Group's Creative and Content business to unlock additional value from existing client relationships and access new revenue streams, markets and customers. Our initial focus has been on talent and capability development and significant progress has been made in this area over the past 12 months: we have expanded the breadth and depth of our service offering across strategy, creative, content production and technology.

The Group has invested organically to strengthen our teams in Sydney and Melbourne, adding both creative and strategic fire-power which has delivered revenue growth from new and existing customers. Equally as important, our work mix has evolved with new business secured across branding, content strategy, digital and social media as well as omni-channel retail activation.

In addition to organic investment, in June 2024 we announced the acquisition of Elastic Group, an independent creative agency that specialises in video content creation and visual communications. Elastic's operations in Sydney and Melbourne have been relocated and integrated into IVE's business.

Elastic added 40 new staff to our Creative and Content arm, as well as an impressive portfolio of customers across automotive, pharmaceutical, government, sports & entertainment, food & beverage, finance and property.

IVE is encouraged by the interest shown in Elastic's services by the Group's existing client base and look forward to marketing our increasingly broader mix of products and services more widely in FY25.

As a result of these investments, the Group is now able to create additional value for customers through efficiently and effectively connecting their brand with consumers across all major online and offline communication touch-points.

IVE now has an unrivalled in-house marketing services offering, providing clients with a streamlined and simplified way of producing ideas and content for every marketing channel.

Importantly, our model is quite different to traditional advertising agencies and that of our competitors.

IVE's objective is to add robustness and scale to brands who have invested in their own in-house capability development. The Group strives to make life easier for marketers by providing one point of entry to every media channel: our integrated service model enabling us to reduce clients' costs whilst at the same time protecting our own operating margins.

Looking forward, the Group's Creative Services division remains focused on:

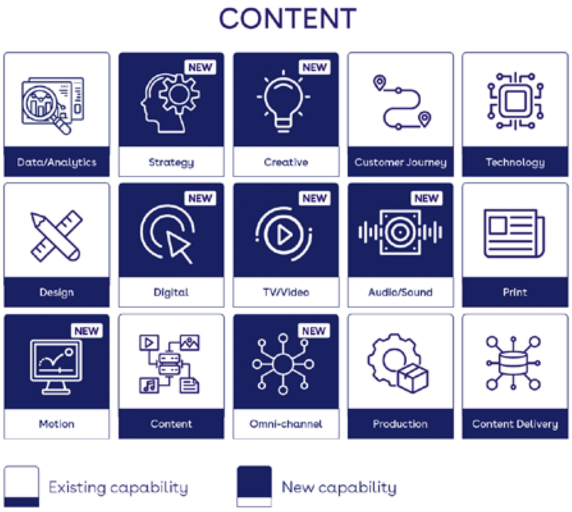
- Building our content creation capabilities;
- The convergence of content, cx and data; and
- Optimising the connected experience for our customers.

The Group will continue to execute on this strategy over the next 24 months.

OPERATING AND FINANCIAL REVIEW (CONT.)

CREATIVE, CONTENT & INTEGRATED SOLUTIONS

IVE has invested in new skills and capabilities that when combined with our existing offering, enables us to help brands connect with their targeted consumers across every possible touch-point.



APPAREL AND UNIFORMS

An organically developed adjacency

Having developed a garment sourcing component to IVE's Merchandising & Apparel business and after managing some small to medium sized uniform programs on behalf of existing IVE customers eg IAG and Woolworths, corporate uniforms was identified as a natural and growing product adjacency.

The corporate uniform market in Australia is estimated to be ~$1.2bn and growing at around 5.3% CAGR. The main revenue drivers for uniforms are general wear and tear as well as attrition (which is typically higher in uniformed roles) and underpins the strong potential of this category. Major competitors include Joseph Dahdah, Workwear Group and Deane Apparel.

Although a relatively new player to this market, the Group's unique service proposition includes:

- Extensive client base – at least 10% of IVE's ~3,000 customers are estimated to have substantial ($100k+ p.a.) uniform spend with a further 20% having a more modest (<$100k p.a.) spend;
- Corporate uniforms complement our current production and distribution offering;
- Intimate knowledge of the brands we work with and access to their brand collateral;
- Ability to leverage our scale to disrupt existing pricing structures;
- In-house design resources that include Garment Technicians, bringing together our design capabilities from an aesthetic (graphic) and brand aware (customer knowledge) point of view with the practical requirements of this unique manufacturing service;
- Established national warehousing and distribution capabilities;
- An easy 'bolt-on' to existing ordering platforms and complex portals limiting transition times;
- Capital and resources to build our own team and/or the potential to acquire existing apparel business; and
- Strong ESG sourcing credentials and innovative ideas around sustainability for discarded uniforms (a natural outworking of high staff turnover, especially in the retail/hospitality industries).

Current major IVE apparel and corporate uniform clients include Reece, Certis (Sydney and Adelaide airport security, Sydney Trains security), Surf Lifesaving NSW, Transport NSW, Securitas, Leave Plus and Woolworths while the Group has a strong pipeline of opportunities including several promising RFPs/trials in progress.

OPERATING AND FINANCIAL REVIEW (CONT.)

LASOO

Growth momentum warrants further investment

Since its successful launch in October 2022, Lasoo continues to show strong month-on-month growth.

Key financial metrics including monthly active users (MAU), conversion rate, average basket size (ABS), average commission rate (ACR) and gross transaction value (GTV) continue to track in-line with, or above, original business case expectations.

Retailer uptake remains strong with 213 fully integrated retailers on the platform at 30 June 2024, well ahead of expectations and up from 28 live prior to launch. The strong retailer support underpins a broad and deep product/category offering. Lasoo currently offers over 200,000 SKUs, while the growth in MAU (currently in excess of 335,000) remains encouraging.

Conversion rate and ABS continue to exceed expectations with ABS of $229 in June 2024, up from $177 in December 2023 and nearly double the original business case of $120.

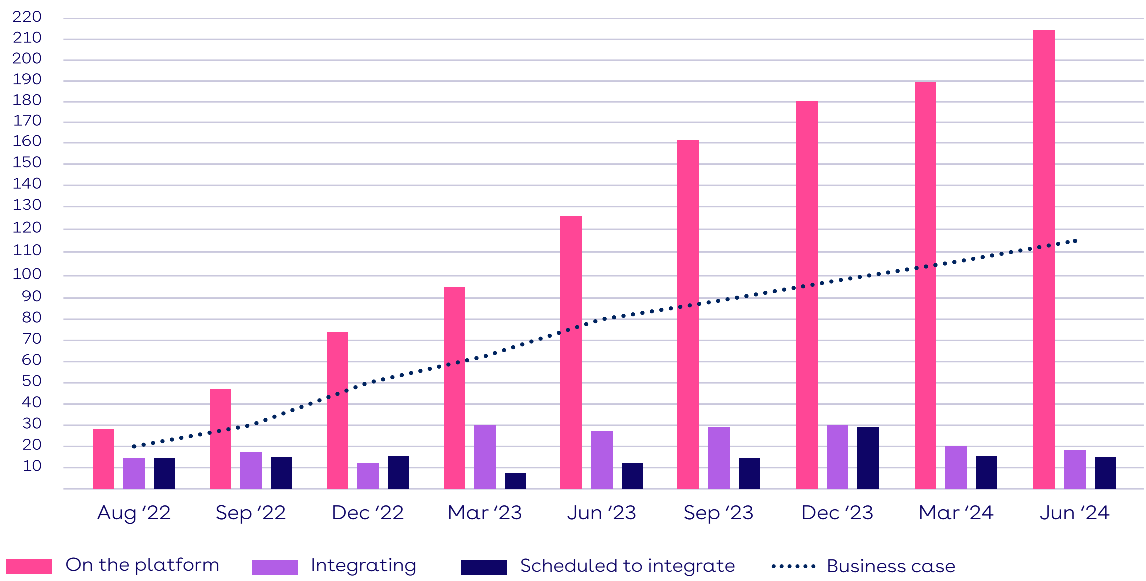
Consistent with guidance, Lasoo reported an unchanged FY24 after-tax loss of $4.0m (12 months of trading compared with only 9 months in FY23). Total commission income was well above expectations, albeit partially offset by lower-than-expected content creation revenues.

In June 2024, Lasoo generated an annualised GTV of $16m, ahead of previously advised expectations of $15m and well above the original business case.

Independent feedback on user experience received via Testmate[1] is encouraging – Lasoo's site usability score (SUS) of 94 (website) and 85 (App) compares favourably with an average score of 67 for mature e-Commerce platforms. Moreover, Lasoo currently has a Trustpilot[2] score of 4.3 stars ('excellent') which compares favourably to Catch (3.6), Amazon (1.8), The Iconic (1.8), eBay (1.4) and Kogan (1.4). Primarily reflecting the greatly expanded number of SKUs on the platform, Lasoo's net promoter score (NPS) improved to +82 ('excellent') from a 38+ ('strong') in October 2022.

Given proof of concept and better-than-expected performance, the Group will continue to invest in Lasoo to further enhance customer experience and significantly scale the business. While the previous business plan was targeting annualised GTV of around $50m and break even during FY26, Lasoo is now expected to achieve annualised GTV in excess of $150m with break even expected during FY28.

Lasoo retailer onboarding momentum



1. Testmate UX Research Agency.

2. Trustpilot – www.au.trustpilot.com.

OPERATING AND FINANCIAL REVIEW (CONT.)

FY25 OUTLOOK AND GUIDANCE[1]

Notwithstanding prevailing economic uncertainty, the Group is well placed to deliver healthy returns to shareholders over the year ahead underpinned by the diversity of the business coupled with the expected emergence of full run-rate Ovato synergies and an incremental contribution from JacPak.

The Group's FY25 underlying earnings guidance range is as follows:

- NPAT $45m – $50m

Significant items excluded from guidance and underlying earnings include the following:

- Lasoo operating loss similar to FY24; and
- Following the completion of the Ovato integration, restructure and integration costs are expected to be around $2.5m in FY25.

As part of a continual review of capital management options, the Group's dividend is expected to be held steady at 18.0 cents per share in the short-to-medium term:

- Reflecting the already substantial dividend payout/yield; and
- To preserve cash to pay down senior debt and/or other capital management options.

While diversification (typically through acquisition) remains a core element of IVE's growth strategy, there is presently nothing on the Group's radar with senior debt expected to reduce in FY25.

The Group's strategic focus over the period ahead includes:

- Executing on the Group's planned organic packaging expansion, primarily in Silverwater, Sydney;
- Continuing to invest in, and drive further growth across, the Lasoo platform;
- Materially growing the breadth and depth of IVE's Creative and Content offering; and
- Continuing to drive ongoing efficiency and performance across the business more broadly.

With a strong balance sheet and numerous organic growth initiatives in-train, the business is well positioned for continued profitable growth.

Notwithstanding macroeconomic headwinds, FY25 trading has commenced strongly.

1. Outlook and guidance is subject to the risks as outlined in the Risk Management Framework outlined on pages 27-29.

OPERATING AND FINANCIAL REVIEW (CONT.)

People and culture

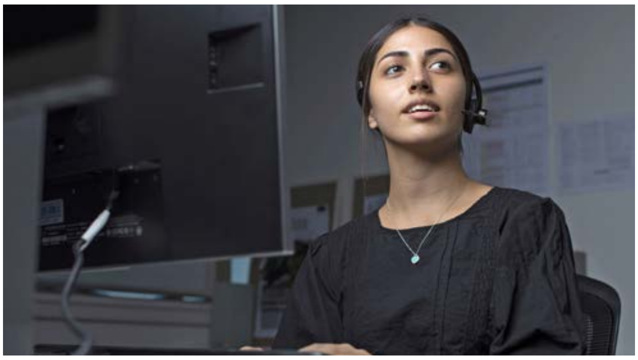
Proudly inclusive, we are an employer of choice across all the sectors in which we operate, continuing to attract and retain the best diversity of talent.

Our IVE Care program is focused on ensuring and improving the wellbeing, diversity and inclusion, and health and safety of all our employees. We believe in 'a better you, a better workplace' for our people and for their families.










OPERATING AND FINANCIAL REVIEW (CONT.)

ivecare

We are exceptionally proud of our people. Our IVE Care program provides our 2,000+ employees with access to a wide range of support and benefits, including:

Health and wellbeing

Our Employee Assistance Program (EAP) helps employees resolve issues and challenges arising in the workplace or in their personal life in a positive way. The EAP provides access to independent, confidential counselling and advice from qualified and experienced psychologists, and allied health professionals.

Education, information programs and health and wellbeing campaigns are also made available through the EAP to assist employees in making changes for a healthier lifestyle. Our EAP continues to be an excellent source of support and benefit for employees dealing with a range of difficult circumstances.

Flu vaccinations were again offered across the IVE business during FY24, and the business again conducted an employee awareness initiative aligned to R U OK? Day.

During FY24 we undertook training of additional accredited Mental Health First Aiders across the Group. The presence of these First Aiders continued to be beneficial to the business and employees across FY24, with numerous instances where we could offer support to employees in need.

Lifestyle benefits

The IVE Rewards Program provides our employees and their families the opportunity to stretch their dollar further through significant savings at all their favourite retailers. The program is a valued benefit and well utilised by employees.

Wealth and security

IVE has partnered with Bupa to provide a corporate health insurance offer with an employee discount on rates. In addition to receiving competitive premiums, the cover reduces the waiting periods for certain benefits and provides access to the Bupa Life Skills program. IVE also has an additional superannuation fund choice available to employees via a key client partner.

OPERATING AND FINANCIAL REVIEW (CONT.)

Personal, family and community

Our Workplace Giving Program has been developed to build a stronger link between IVE Group and the community. We believe each of us has an important role to play in the broader community. We have designed this program around several great charity partners to provide employees with a simple and effective way to regularly donate from their pre-tax earnings.

Diversity and inclusion

We come from many different nationalities, backgrounds, experiences and lines of work. IVE is very proud of the fact that we have employees originating from more than 50 different countries, spanning 70 different cultural backgrounds. Our rich diversity is at the centre of our success and at the heart of our evolution as Australia's leading holistic marketing company. An inclusive working environment that embraces our unique differences and diverse perspectives, brings greater creativity and innovation, leads to higher wellbeing, productivity and engagement and, importantly, enables us to better reflect and relate to our customers.

IVE Group is committed to ensuring diversity and inclusion permeates all areas and levels of our business, with every individual feeling included, safe and supported to express themselves authentically. In recognition and support of this, IVE's Diversity and Inclusion Program reinforces our commitment to growing a diverse and inclusive organisational culture encompassing and benefiting all employees.

IVE's Diversity and Inclusion Program identifies six key areas of focus:

- Gender equality and inclusion;
- Cultural and linguistic diversity;
- Intergenerational and mature age;
- Aboriginal and Torres Strait Islander Australians;
- LGBTIQA+ (lesbian, gay, bisexual, trans/transgender, intersex, queer/questioning, asexual); and
- Disability.

In mid-2022, the Group partnered with an external provider to conduct a comprehensive employee workplace survey which included, amongst a range of other important areas, a significant focus on obtaining greater insight into the diversity and inclusiveness across our workforce (areas covered included nationality, gender, sexual identity and orientation, indigenous identity and disability). We had a high participation rate with close to 1,000 (50%) employees completing the survey.

The survey provided us with valuable data and insight to both better understand and celebrate the diversity within the business, and to provide ongoing input for areas of focus and new initiatives.

In FY23, IVE again partnered with the Australian Network on Disability to participate in their 'Stepping Into' internship program – we have 3 internships in place under this Program. Pleasingly, an FY22 intern under this program has since become a permanent team member. Once again, the Group ran a number of awareness events related to International Women's Day, Pride Week, Liptember and R U OK? Day.

Compliance and governance

As expectations around corporate responsibility increase, and as transparency becomes more prevalent, IVE recognised some time ago the need to act on sustainability and is committed to engaging and collaborating with our clients and investors to provide an ethical and sustainable partnership.

Through the ongoing assessment of our quality, information security, ethical and environmental practices, IVE continues to focus on being a responsible business that values what's important to our customers. IVE's accreditations continue to make us a preferred partner for many of our customers.

OPERATING AND FINANCIAL REVIEW (CONT.)

Quality assurance

IVE understands the importance of quality and has maintained ISO 9001 certification of our Quality Management System for 15 years. This ensures the provision of superior products and services to our customers, measured in terms of performance, reliability and durability, and is rewarded by customer satisfaction and loyalty. We welcome feedback from our clients and strive to maintain this level of excellence from marketing technology and multi-channel communications through to production and distribution.

Ethical sourcing and environmental management

IVE remains focused on improving sustainability and the ongoing protection of the environments that we source from, work in and supply.

IVE expects its suppliers to adhere to the same ethical values we uphold. By blending best practice with socially responsible sourcing, we achieve optimal levels of cost efficiency, product/service effectiveness and product safety in a sustainable, inclusive and ethical manner.

IVE is an active member of Supplier Ethical Data Exchange (SEDEX). Supplier membership is highly regarded and allows IVE to assess the risk in labour standards, health and safety, environmental impact and provide supply chain visibility. Ensuring good business practices is important to our clients, employees and shareholders.

IVE's annual Modern Slavery Statement details our approach to identifying, mitigating and managing the modern slavery risks present in our supply chain in accordance with the *Modern Slavery Act 2018*. Within our broader ESG & Sustainability Strategy, the Group continues to strengthen its approach through supplier assessment and engagement, and implementation of controls to ensure the integrity of our own operations and our suppliers.

We continue to hold certification with the Programme for the Endorsement of Forest Certification® (PEFC), which tracks forest-based products from sustainable sources to the final product. It demonstrates close monitoring of each step of the supply chain through independent auditing to ensure that unsustainable sources are excluded.

Additionally, certification of our paper and fibre-based product supply chains to Forest Stewardship Council® standards assures they are free from any direct or indirect involvement in activities that violate traditional and human rights in forestry operations, as required by the International Labour Organization (ILO) Convention 169.4.

IVE holds ISO 14001 certification of our Environment Management System, and we remain focused on fulfilling our promise to continually improve by establishing and updating ESG and sustainability targets that reflect our commitment to our customers and the communities in which we operate.

OPERATING AND FINANCIAL REVIEW (CONT.)

Paper

As the largest printer in Australia, IVE is a significant user of paper from sustainably managed forests. Sustainably managed forests provide economic livelihood for local communities, improve forest regeneration, and deliver sustainable solutions to the biodiversity, fauna conservation and other environmental improvements. They also prevent deforestation due to mono-culture planting for agricultural crops or urbanisation due to population increases and/or industry development.

The benefits of 'forest land' include prevention of soil erosion, improved water quality – fighting salinity, providing habitat for native birds and wildlife, and reducing the use of fertiliser and chemicals. Forests are also an important source of CO_2 capture, acting as a 'carbon sink' – taking more carbon dioxide out of the atmosphere than they produce.

Trees from sustainably managed forests are grown and harvested in a carefully controlled and sustainable way to produce paper. Australia has two million hectares of working tree farms (Two Sides, 2023). The two key forestry certification schemes are PEFC and FSC, of which IVE carries certification across both.

The industry is a leading recycler with 87% of paper recovered for recycling in Australia, up from 28% in 1990, with household initiatives delivering household paper product recycling closer to 93% (APIA, 2022).

Catalogues and publishing paper grades without finishings are 100% recyclable. Recycling complements the need for virgin wood fibre, further supporting the growth in fibre-based products and packaging as an environmentally sustainable alternative to single-use plastic, of which State Government bans now apply across the country (VoPP Mag, 2023).

The majority of IVE's paper requirement is sourced offshore due to specific requirements and fixed local manufacture capacity. IVE sources paper from Finland, Germany, Korea, China, Austria, Italy, India, England, Japan, Sweden and Indonesia (minimal based purely on client demand) – all from highly compliant and certified paper manufacturing companies. With the majority of graphic communication papers coming from Europe, IVE is proud to have strong European supply partners. Under the European Green Deal, the EU has committed to planting 3 billion additional trees by 2030 and increasing the resilience and biodiversity of existing forest ecosystems. The EU and Member States are implementing various policies and initiatives supporting forest restoration to achieve those goals and moving the industry to a fully credentialed reforestation industry (European Union, 2024).

Despite the proliferation of digital media, paper-based media channels remain stable in volume, societal balance and consumer preference. Despite post-COVID volume declines, catalogues realised a 4.7% increase in volume and a 34.4% increase in pagination between 2021 and 2022 (TRMC, 2023). In 2024, volumes have remained broadly stable with YOY growth of 7% reported in recent months reflecting seasonal trends across the sector (VMA, 2024).

The Australian government review into the modernisation of the postal system accepted submissions outlining the significant contribution of paper media channels to societal balance with those most impacted by the digital divide being the most vulnerable citizens. Moreover, 66% of scams and frauds are from digital channels with only 0.05% being from paper-based or letterbox scams (Scamwatch, 2024). 2.54 million Australians are highly digitally excluded, with the aged, indigenous, and lower income quintile communities the most impacted (ADII, 2023).

Demonstrating growing societal concern around digital channels, 78% of Australians believe consumers should be given the choice of how to receive their bills/statements, 61% don't believe they should be charged more for paper bills or statements, 50% feel they spend too much time on electronic devices, 60% report they do not pay attention to online advertisements and 66% report they are more likely to take action when receiving printed mail (Love Paper, 2022).

Consumer preference for the printed channel remains high with 72% of consumers preferring to read from paper rather than from screens and 65% enjoying the tactile nature of paper. Consumers also fundamentally believe that when sourced from sustainably managed forests, paper and print remain a sustainable way to communicate (Two Sides, 2019)

OPERATING AND FINANCIAL REVIEW (CONT.)

Information security

ISO/IEC 27001 Information Security Management

IVE handles millions of items of personally identifiable information on behalf of our customers every year and we recognise our responsibility to maintain its confidentiality, integrity and availability. IVE has a mature information security framework which is continuously reviewed and upgraded to ensure it is best practice and fit for purpose. We have an ongoing program of investment in best available security technology, a comprehensive information security training program for all staff, highly secure facilities and rigorous documented security procedures. Our integrated information security management system is certified under ISO 27001 and SOC 2 Type II. We also comply with CPS 234 – the APRA regulation for information security for the banking and financial services industries. These globally respected certifications provide our customers with concrete evidence of our ability to protect their customers' valuable personal information.

Risk Management Framework

The purpose of the Risk Management Framework is to provide a mechanism for IVE to identify opportunities and challenges that could impact the business, understand the risk appetite, and ensure appropriate mitigations are in place.

Together with the senior executives, the Risk Register is reviewed on a quarterly basis to ensure that risk mitigation is in place for all identified risks, and includes recent events such as COVID-19, and economic impacts affecting sales and client demand and supply volatility.

As part of the last risk review conducted in June 2024, the key risks overleaf were identified as being the most relevant to the business achieving its operational and financial targets:

OPERATING AND FINANCIAL REVIEW (CONT.)

Key Risk	Description	Risk Appetite	Mitigation
Customer	**Changing Customer & Client Expectations** Failure to adapt to changing customer and client expectations driven by new or disruptive technologies.	When adapting to the expectations of clients and customers in the changing external environment, IVE will take risk to drive value for money. This will be measured by customer retention, number if services per customer and customer feedback.	• Customer feedback • Board and SLT constantly review products and services sustainability • Acquire and invest in new products and services • SLT constantly stay abreast or new technologies available in the market • Reduce client financial impact due to supply chain issues to protect channel • Continue to diversify revenue streams
IT, Systems & Security	**Cyber Security** Failure to protect the business from ransomware, phishing, data leakage, hacking or insider threat.	IVE has minimal appetite and will aim to minimise risks associated with cyber security. This will be measured by data breaches or incidents, client audit failures or negative public relations.	• ISO 27001 certified • External penetration testing conducted annually • Quarterly vulnerability scans • Restricted firewalls • Appropriate level of cyber insurance • Information security policies • Improved technologies and software • Ongoing Investment in Cyber Security
IT, Systems & Security	**Data Protection Breach** Significant (notifiable) loss of confidential data (i.e. customer or employee records) or Intellectual Property.	IVE has minimal appetite and will avoid all risk events associated with Data Protection. This will be measured by data breaches or incidents, client audit failures or negative public relations.	• Internal processes / firewall • Certification 27001/1 • Multiple back-ups (offsite storage) • Awareness Training • Continue to review and purge old data

OPERATING AND FINANCIAL REVIEW (CONT.)

Key Risk	Description	Risk Appetite	Mitigation
Macro Environment	**Macro-economic** Macro-economic changes disrupting the Australian economy, international trade and key sectors (i.e. retail or Aus Post services). Inflation, energy, gas and other cost increases as well as the impact of increased interest rates. Possible recessionary environment.	IVE will take a balanced approach to the risks associated with changes in the macro-economic environment. The level of risk taken will be planned for each risk event. This will be measured by monitoring the revenue to budget in customer sectors, increased debtor days, forward bookings and economic indicators.	• Ability to pass costs on to customers • Strategic long-term planning • Indicators in day-to-day figures i.e. increased debtor days • MGM and margin decreases • Sourcing better pricing for long term, e.g. energy and gas
Environment	**Environmental, Social, and Governance (ESG)** Pressure from investors due to lack of disclosure and policy to support ESG.	IVE will take a balanced approach to the risks associated with climate change. The level of risk taken will be planned for each risk event. This will be measured by monitoring of production downtime due to climate change events, Government reporting on environment/emissions and ASX disclosures.	• Government & ASX disclosures & reporting • ISO 14001 certification • Appropriate and up to date certification for all suppliers • Ongoing gathering of accreditations for IVE's responses to RFPs • Implementation of ESG strategy and work streams with appointment of Head of ESG and Sustainability
Compliance & Regulation	**Workplace Health & Safety Incidents** Failure to consistently deliver workplace safety and keep employees safe at work.	IVE's objective is to avoid the impacts related to Workplace Health and Safety. IVE will take no risks in circumstances that may result in injury to employee, increase Loss Time Injury (LTI) frequency rates, incident numbers and near misses.	• MD / SLT constantly review audits and health and safety plans • Employee Assistance Programs • High standards of WHS rolled out company wide • IVE care

Additional information

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DIRECTORS' REPORT

For the year ended 30 June 2024

The directors present their report together with the consolidated financial statements of the Group comprising of IVE Group Limited (the Company), and its subsidiaries (the Group or IVE Group) for the financial year ended 30 June 2024 and the auditor's report thereon.

Principal activities

The principal activities of the Group during the course of the financial year were:

- Conceptual and creative design across print, mobile and interactive media;
- Printing and distribution of catalogues, magazines, marketing and corporate communications materials and stationery;
- Manufacturing of point of sale display material and large format banners for retail applications;
- Fibre-based packaging;
- Personalised communications including marketing automation, marketing mail, publication mail, eCommunications and multi-channel solutions;
- Data analytics, customer experience strategy and CRM; and
- Outsourced communications solutions for large organisations including development of customised multi-channel management models covering creative and digital services, supply chain optimisation, inventory management, warehousing and logistics.

The Group services all major industry sectors in Australia including financial services, publishing, retail, communications, property, clubs and associations, not-for-profit, utilities, manufacturing, education and government.

Operating and financial review

The profit after tax of the Group for the year ended 30 June 2024 was $27,605 thousand (2023: $17,148 thousand). A review of operations and results of the Group for the year ended 30 June 2024 are set out in the Operating and Financial Review, which forms part of the Annual Financial Report.

Dividends

The directors have declared a final dividend of 8.5 Australian cents per share, fully franked, to be paid on 16 October 2024 to shareholders on the register at 12 September 2024.

Total dividends of $27,716 thousand were declared and paid by the Company to members during the 2024 financial year. Further details on dividends are included in Note 24 of the Financial Report.

Significant changes in the state of affairs

During the year, IVE acquired the following two businesses:

- On 31 October 2023, IVE acquired 100% of the fibre-based packaging business of JacPak Pty Ltd and Egotrade Pty Ltd. The acquired business will operate as a stand-alone business within IVE.
- On 31 May 2024, IVE acquired the selected assets and liabilities of Elastic Studios Pty Ltd's creative business. This business will be integrated into IVE Creative.

Further details of these acquisitions is included in this Financial Report.

In the opinion of the directors there were no other significant changes in the affairs of the Group that occurred during the financial year under review.

DIRECTORS' REPORT (CONT.)

For the year ended 30 June 2024

Information on Directors

The directors of the Company at any time during or since the end of the financial year are:

Director	Experience, special responsibilities and other directorships
Geoff Bruce Selig *Executive Chairman* *Appointed: 10 June 2015, passed away 5 May 2024*	Geoff had over 30 years' experience in the marketing communications sector. Geoff was managing director of IVE Group prior to moving into the role of executive chairman following the Company's listing on the ASX in December 2015. Geoff was a director Caxton Group and Caxton Print Holdings, and also sat on the board of The Lysicrates Foundation. He was the State President of the NSW Liberal Party from 2005-8. Previous not-for profit experience included 9 years on the board of the Heart Foundation NSW and 3 years on the board of the Pinnacle Foundation. Geoff held a Bachelor of Economics from Macquarie University and was a member of the Australian Institute of Company Directors.
James Scott Charles Todd *Independent, Non-Executive Director and Chairman* *Appointed: 10 June 2015, appointed Chairman 1 June 2024*	James is an experienced company director, corporate adviser and investor. James commenced his career in investment banking and has taken active roles in a range of private and public companies. Until recently, James was Managing Director of Wolseley Private Equity, an independent private equity firm he co-founded in 1999. James was appointed Chair of the Board on 1 June 2024. James is also a Non-Executive Director of Coventry Group Limited (ASX: CYG), and Bapcor Limited (ASX: BAP). James was previously a Director of HRL Holdings Limited (ASX: HRL). James holds a Bachelor of Commerce and a Bachelor of Laws from the University of New South Wales, and a Graduate Diploma of Applied Finance from the Financial Services Institute of Australasia (FINSIA), where he is a Fellow. James is also a member of the Australian Institute of Company Directors. **Committees:** Member of the Nomination & Remuneration Committee, commenced 25 June 2024. Member of the Audit, Risk & Compliance Committee, ceased 25 June 2024.
Gavin Terence Bell *Independent Non-Executive Director* *Appointed: 25 November 2015*	Gavin is an experienced director, executive and lawyer. Prior to becoming a director, Gavin was the CEO of global law firm Herbert Smith Freehills. He was a partner in the firm for 25 years. Gavin holds a Bachelor of Law from the University of Sydney and a Master of Business Administration from the AGSM, University of New South Wales. **Committees:** Member of the Nomination & Remuneration Committee and Member of the Audit, Risk & Compliance Committee.
Sandra Margaret Hook *Independent Non-Executive Director* *Appointed: 1 June 2016*	Sandra has a track record in driving customer-centred business transformation and transitioning traditional organisations in rapidly evolving environments. A former Managing Director, CEO, COO and CMO for some of Australia's largest media companies including NewsLifeMedia (a division of News Limited), Foxtel, Federal Publishing Company, Murdoch Magazines and Fairfax, Sandra brings more than 20 years' experience as a non- executive director on listed, public and private companies and government bodies. Sandra is currently a director of MedAdvisor Ltd (ASX: MDR), iCollege Limited (ASX: ICT), CRC Fight Food Waste, and the Sydney Harbour Foundation Management Ltd. Sandra is a member of the Australia Institute of Company Directors. **Committee:** Chair of the Nomination & Remuneration Committee.

DIRECTORS' REPORT (CONT.)

For the year ended 30 June 2024

Director	Experience, special responsibilities and other directorships
Paul Stephen Selig *Executive Director* *Appointed: 10 June 2015*	Paul's career commenced in banking and treasury management before moving into the print and marketing communications sector over 25 years ago. He has been a director of the Company since 2012 and was appointed to IVE Group Limited on its incorporation in 2015. Paul is an experienced director and investor, having run the Caxton Group family office for over 15 years. Paul is also a director of Caxton Group, Caxton Print Holdings and Caxton Property Developments. He holds a Bachelor of Economics (Hons) from Macquarie University.
Catherine Ann Aston *Independent, Non-Executive Director* *Appointed: 15 December 2020*	Cathy is an internationally experienced executive and non-executive director across a diverse range of sectors including telecommunications, digital, government and financial services. Cathy has a broad commercial background with senior roles including CEO, CFO, marketing, strategy and digital business. Cathy is currently Chair of IMB Bank Ltd and a director of Macquarie Investment Management Ltd (Chair of Board Audit Risk and Compliance Committee) and Monash IVF Group Ltd (ASX:MVF). Cathy was previously a director of Integrated Research Ltd (ASX: IRI), Virtus Health Ltd (ASX: VRT) and Over The Wire Ltd (ASX: OTW). Cathy holds a Bachelor of Economics from Macquarie University and a Master of Commerce from the University of NSW. Cathy is a Senior Fellow of the Financial Services Institute of Australasia and a member of the Australian Institute of Company Directors. **Committee:** Chair of the Audit, Risk & Compliance Committee.
Andrew Peter George Bird *Independent, Non-Executive Director* *Appointed: 1 April 2022*	Andrew has extensive financial, operational and strategic experience acquired from a 30-year executive career in consulting, strategy, digital and investment roles primarily in Australia. Following the earlier part of his career in management consulting with Booz, Allen and Hamilton, Andrew joined CCH, a multi-national listed publishing company and ran one of their business units in Australia. In 1997, Andrew co-founded Aspect Huntley which was acquired by Morningstar in 2006 and Andrew was appointed CEO for Australia and New Zealand. In 2010, Andrew established his own family investment firm with a focus on private equity and early-stage investments in technology and information businesses. Andrew is currently the Chair of Sharesight Limited and a Director of LegalVision. Andrew holds a Bachelor of Arts from Williams College in Massachusetts, USA and an MBA from INSEAD Business School in Fontainebleau, France. **Committees:** Member of the Audit, Risk & Compliance Committee, commenced 25 June 2024. Member of the Nomination & Remuneration Committee, ceased 25 June 2024.

DIRECTORS' REPORT (CONT.)

For the year ended 30 June 2024

Director	Experience, special responsibilities and other directorships
Matthew Aitken *Managing Director* *Appointed: 1 June 2024*	Matt has led IVE Group since 2019 and has been with the Group for 26 years. Prior to joining IVE, Matt's background was in marketing, data and advertising having worked for Westpac (New Zealand) before taking on a senior role in data and technology consulting. Matt eventually established the Sydney office of a New Zealand based advertising agency that was subsequently acquired by IVE Group. Matt has been Chair of several industry associations and is currently President of Cronulla Surf Lifesaving Club. Matt holds a Bachelor of Arts from Victoria University in Wellington, New Zealand.

Company Secretaries

Sarah Prince

Sarah was appointed as joint Company Secretary on 25 November 2020. Sarah is an experienced Company Secretary and has worked with ASX-listed entities in the biotech, technology, managed funds, legal and mining and resources industries. Sarah holds a Bachelor of Arts, Bachelor of Laws and a Graduate Diploma of Applied Corporate Governance. Sarah is a Fellow of The Governance Institute of Australia and is admitted as a Solicitor of the Supreme Court of New South Wales.

Darren Dunkley

Darren has been the Chief Financial Officer (CFO) of the Group since 2012 and has been with IVE Group for over 15 years. He has over 25 years of experience with a range of blue-chip companies including Sharp Corporation, ANZ Banking Group and Nashua Australia. Darren has a Bachelor of Commerce majoring in Accounting from the University of Western Sydney and is a CPA.

Meetings of Directors

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors of the Company during the financial year are:

	Board		Audit, Risk & Compliance Committee (ARCC)		Nomination & Remuneration Committee (NRC)		Other Committees	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Geoff Selig[1]	11	10	-	3[3]	-	4[3]	2	2
James Todd	14	14	4	4	-	4[3]	-	-
Gavin Bell	14	14	4	4	4	4	-	-
Sandra Hook	14	14	-	4[3]	4	4	-	-
Paul Selig	14	13	-	4[3]	-	4[3]	-	-
Cathy Aston	14	14	4	4	-	4[3]	2	2
Andrew Bird	14	13	-	4[3]	4	4	-	-
Matt Aitken[2]	1	14[4]	-	4[3]	-	4[3]	-	2[3]

1. Geoff Selig passed away on 5 May 2024.
2. Matt Aitken became a member of the Board on 1 June 2024.
3. Attended as an invitee.
4. Matt Aitken attended 13 board meetings as an invitee (prior to his appointment as Managing Director).

DIRECTORS' REPORT (CONT.)

For the year ended 30 June 2024

Directors' interest and benefits

The relevant interests of each director in the shares of the Company as at the date of this report are disclosed in the Remuneration Report (on page 51).

Environmental regulation

The Group's operation is not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the Board believes that the Group has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they may apply to the Group during the period covered by this report.

Events subsequent to reporting date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

Likely developments

Information about likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Group.

Indemnification and insurance of officers

During the financial year, the Group paid a premium insuring the directors of the Group, the company secretaries, and executive officers to the extent permitted by the *Corporations Act 2001*.

The Group indemnified its directors and company secretaries to the extent permitted by law against a liability incurred.

Indemnification and insurance of auditor

During or since the end of the financial year the Group has not indemnified or made a relevant agreement to indemnify the auditor of the Group against a liability incurred as the auditor. In addition, the Group has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by the auditor.

Insurance premiums

During the financial year the Company has paid premiums in respect of directors' and officers' liability insurance contracts for the year ended 30 June 2024. In addition, since the financial year, the Company paid or agreed to pay premiums in respect of such insurance contracts for the year ending 30 June 2025. Such insurance contracts insure against certain liability (subject to specific exclusions) for persons who are or have been directors or executive officers of the Company.

The directors have not included details of the nature of the liabilities covered or the amount of the premiums paid in respect of the directors' and officers' liability insurance contracts, as such disclosure is prohibited under the terms of the contract.

DIRECTORS' REPORT (CONT.)

For the year ended 30 June 2024

Remuneration Report

The remuneration report contains the following sections:

- Introduction
- Persons covered by this report
- Overview of the remuneration framework for Executive KMP
- Linking reward and performance
- Grant of Performance Share Rights and the Long-Term Incentive Plan
- Non-Executive Director remuneration framework
- Contractual arrangements with Executive KMP
- Details of remuneration for KMP
- Rights granted to Executive KMP
- Director and Executive KMP shareholdings
- Other statutory disclosures

Introduction

This Remuneration Report (**Report**), which has been audited, describes the Key Management Personnel (**KMP**) remuneration arrangements for the 12 months ended 30 June 2024 for IVE Group, in accordance with the *Corporations Act 2001 (*Cth) (**Corporations Act**) and its regulations.

The Report is designed to provide shareholders with an understanding of IVE Group's remuneration philosophy and the link between this philosophy and IVE Group's strategy and performance.

The Board is committed to having remuneration policies and practices which are designed to ensure remuneration is equitable, competitive and reasonable to attract and retain key talent who are critical to IVE Group's business success, align with long-term interests of the Company and its shareholders, and to ensure that any incentives do not reward conduct that is contrary to the Company's values or risk appetite. IVE Group aligns remuneration to strategies and business objectives and provides a balance between fixed and variable rewards to ensure that rewards are given for performance. Remuneration structures are designed to be transparent to employees and other stakeholders and easily understood. In addition, the remuneration framework is designed to be acceptable to shareholders by being consistent with market practice and creating value for shareholders.

Following the post-COVID economic rebound, the Australian economy experienced a gradual but progressive economic slowdown across the 2024 financial year (FY24) as the significant prior year interest rate increases coupled with cost-of-living pressures impacted upon consumer sentiment and spending. While revenue was adversely impacted in some parts of the business, particularly during the second half, commercial initiatives coupled with input price relief and operating leverage associated with the Ovato acquisition underpinned strong margin expansion.

The Company's strong financial and non-financial performance and the overall performance of the leadership team is reflected in the remuneration outcomes for FY24.

The Company reported underlying EBITDA of $127.8m which compares favourably to FY23 EBITDA of $119.0m and resulted in the target for the payment of the key financial component of the FY24 Short-Term Incentive (STI) being largely achieved. Performance against non-financial remuneration measures and the overall performance of the company was also strong and resulted in the payment of 91.0% of the STI to each of the Executive Chairman, the CEO and the CFO.

The FY22 Long-Term Incentive (LTI) grant reached the end of its three-year performance period on 30 June 2024. Any shares vesting in relation to this period will vest after the end of the 2024 financial year. The three-year EPS CAGR hurdle was met. Accordingly, 100% of this tranche of the LTI shares will vest. In addition, over the performance period IVE achieved a TSR at the 88.0th percentile. Accordingly, 100% of the TSR tranche of the LTI shares will vest. Details of the value of these shares will be included in the FY25 Remuneration Report. At the 2023 Annual General Meeting, 94.8% of the shares voted at the meeting were cast in favour of the adoption of the Remuneration Report for the year ended 30 June 2024.

DIRECTORS' REPORT (CONT.)

For the year ended 30 June 2024

The Board will continue to review the effectiveness of the Company's remuneration practices to ensure they are appropriately benchmarked and they align with strategic performance objectives, to appropriately reward its executives and deliver shareholder value.

The Board considers that the members of the Nomination and Remuneration Committee (NRC) possess the necessary expertise and independence to fulfil their responsibilities and are able to access independent experts in remuneration for advice should this be required. The governance processes in relation to remuneration are working effectively and the Board trusts that shareholders find this Report useful and informative.

Despite a gradually softening economy as the year progressed, as outlined in the Operating and Financial Review, the FY24 financial performance was underpinned by a solid and broadly based underlying business performance coupled with the further emergence of Ovato integration synergies.

The Board believes that the remuneration outcomes for the Executive KMP for the 2024 financial year reflect this and satisfy the goals of the remuneration framework.

Looking forward, the Board plans to encourage greater equity ownership among KMP, senior executives and directors, including minimum shareholding requirements, to better align with shareholder interests. Details of these changes will be included in the FY25 remuneration report.

Persons covered by this report

This report covers Non-Executive Directors and Executive KMP (collectively KMP) and includes:

	Role
Non-Executive Directors	
James Todd	Independent Non-Executive Director (Chairman effective 1 June 2024)
Gavin Bell	Independent Non-Executive Director
Sandra Hook	Independent Non-Executive Director
Catherine (Cathy) Aston	Independent Non-Executive Director
Andrew Bird	Independent Non-Executive Director
Executive KMP	
Geoff Selig	Executive Chairman (Passed away 5 May 2024)
Paul Selig	Executive Director
Matthew (Matt) Aitken	Chief Executive Officer (Managing Director effective 1 June 2024)
Darren Dunkley	Chief Financial Officer & Company Secretary

Overview of the remuneration framework for Executive KMP

The objective of IVE Group's remuneration philosophy is to ensure Executive KMP are rewarded for business performance and retained to continue to grow the business. The objectives underpinning the remuneration philosophy are that remuneration will:

- Be competitive and reasonable to attract and retain key talent (which is key to IVE Group's business success);
- Align to IVE Group's strategies and business objectives;
- Provide a balance between fixed and variable rewards;
- Be transparent and easily understood; and
- Be acceptable to shareholders.

DIRECTORS' REPORT (CONT.)

For the year ended 30 June 2024

Governance

IVE Group established the NRC to assist the Board with its remuneration responsibilities, including reviewing and recommending to the Board for approval, arrangements for executives, Executive Directors and Non-Executive Directors. The NRC has three members, all of whom are independent, including an independent committee chair. The members of the NRC have appropriate qualifications and experience to enable the NRC to fulfil its role. During the year, Gavin Bell stepped down from his role as NRC Chair and Sandra Hook was appointed to the role.

At the time of listing, the Board also appointed Gavin Bell as the Lead Independent Director to fulfil the role of chair whenever the Executive Chairman was conflicted and to assist in reviewing the Executive Chairman's performance as part of the Board performance evaluation process. Following Geoff Selig's passing and the appointment of James Todd as independent non-executive Chair of the Board effective 1 June 2024, the role of Lead Independent Director is no longer required.

External remuneration consultants

The Terms of Reference for the NRC requires that any remuneration consultants engaged be appointed by the NRC. No remuneration consultants were engaged in FY24.

Any advice that may be received from remuneration consultants in future will be carefully considered by the NRC to ensure it is given free of undue influence by IVE Group executives.

Structure of Remuneration

The remuneration framework for Executive KMP includes both fixed and performance-based pay.

Fixed remuneration

Fixed remuneration is set using a combination of historical levels and sector comparisons. Fixed remuneration includes base pay, statutory contributions for superannuation and non-monetary benefits. Paying Executive KMP the right fixed remuneration is a key tool in attracting and retaining the best talent.

The NRC reviews the fixed remuneration of Executive KMP on an annual basis. No changes were made to the fixed remuneration for KMP during FY24, however, for FY25 the NRC has recommended an increase in the fixed remuneration of Matt Aitken to $800,000 (from $700,000) and Darren Dunkley to $585,000 (from $529,990). The increase in Matt Aitken's fixed remuneration reflects his appointment as Managing Director including the assumption of some responsibilities previously undertaken by the Executive Chairman.

Fixed remuneration was the major component of the Executive Chairman's remuneration. Through his family arrangements, he had an interest in a substantial shareholding in the Company. This provided significant alignment with shareholders' experience.

Short-Term Incentive (**STI**)

The NRC reviews the achievement of STI targets at the end of each year and sets STI targets for the following year. The STI is the main tool for rewarding the current year's performance of the business.

In FY24, Executive KMP (excluding Paul Selig) were eligible to receive an STI payment of between 25.1% and 57.1% of fixed remuneration. The STI is a cash incentive payment and full payment is conditional on achievement of the following:

- The key financial performance target for the Group, specifically, Earnings before Interest, Tax, Depreciation and Amortisation (**EBITDA**) for the year in review;
- Individual financial and non-financial performance targets relevant to the individual Executive KMP which includes strategic and other measurements. Individual measurements vary depending on the nature and specific strategic areas attributable to the Executive KMP to align with the IVE Group's strategic objectives.

The Board determines the STI payment for Executive KMP by allocating a percentage weighting across the above measures. At the end of the financial year, the Board assesses the individual and collective performance against the STI measures and retains an overall discretion in relation to the assessment of performance, to consider, for example, overall performance and any changes to priorities.

DIRECTORS' REPORT (CONT.)

For the year ended 30 June 2024

The percentage weightings across financial and non-financial targets, and the assessed performance achieved during FY24 for each of the KMP to whom an STI payment was made was as follows:

KMP	Group EBITDA target		Non-financial targets		Total	STI achieved
	Target %	Achieved %	Target %	Achieved %	Target %	Achieved %
Geoff Selig	50.0	82.0	50.0	100.0	100.0	91.0
Matt Aitken	50.0	82.0	50.0	100.0	100.0	91.0
Darren Dunkley	50.0	82.0	50.0	100.0	100.0	91.0

On the recommendation of the NRC, the Board determined that Geoff Selig's achieved STI be paid to his estate as if he were in the role for the full 12 month period. In making this determination, the NRC and Board noted that Geoff Selig had acted in his role for more than 10 months of the 12-month performance period and considered Mr Selig's contribution to the achievement of the target during the time prior to his death with some achieved in full prior to his passing.

Non-financial KPIs for Executive KMP

The non-financial performance measures for the Executive KMP and the individual achievement ratings were as follows:

Geoff Selig, Executive Chairman

Area	Percentage weighting	Percentage achieved
Key initiatives	25	100
M&A and growth	25	100
WHS	25	100
Investor relations	15	100
Leadership	10	100

Matt Aitken, Chief Executive Officer (Managing Director effective 1 June 2024)

Area	Percentage weighting	Percentage achieved
Key initiatives	45	100
M&A and growth	25	100
WHS	20	100
Investor relations	10	100

Darren Dunkley, Chief Financial Officer

Area	Percentage weighting	Percentage achieved
Key initiatives	50	100
M&A and growth	35	100
Investor relations	15	100

The FY24 Actual STI and FY25 maximum STI amounts for Executive KMP are shown in the table on page 40.

DIRECTORS' REPORT (CONT.)

For the year ended 30 June 2024

Long-Term Incentive (LTI)

The Board has established an LTI Plan as outlined in prior years' Remuneration Reports and outlined in the section of this Report entitled 'Share-based remuneration'. The LTI Plan was last approved by shareholders at IVE's 2021 Annual General Meeting (AGM). The LTI Plan is largely used to reward long-term sustainable performance.

The LTI Plan facilitates the offer of Performance Share Rights (**Rights**) to key executives and the Rights vest and convert to ordinary shares on a one-for-one basis, subject to meeting specific performance conditions. The current performance conditions are:

- Relative total shareholder return (**TSR**);
- Compound annual earnings per share growth based on NPAT (**EPS**) over a three-year **Performance Period**.

There is no re-testing of performance hurdles.

The LTI Plan, including the combination of TSR and EPS hurdles, has been designed commensurate with IVE Group's long-term strategic objectives so that Executive KMP will only receive a substantial component of LTI when there has been strong absolute and relative performance.

The grant of Rights during FY24 to the Executive Chairman was approved by shareholders at the 2023 AGM.

The Board has the discretion to amend the future vesting terms and performance hurdles at the grant of each award of Rights to ensure that they are aligned to market practice and ensure the best outcome for IVE Group. The Board also has the discretion to change the LTI Plan and to determine whether LTI grants will be made in future years.

The Board considers the level of LTI to grant each year based on reviews of total remuneration packages for executives. With the level of long-term incentives unchanged since FY20, the NRC has recommended an increase in Matt Aitken's FY25 LTI grant to $400,000 (from $200,000) and Darren Dunkley's to $200,000 (from $150,000). The NRC believes that the issue of long-term equity incentivises and aligns management's remuneration with shareholders' longer-term interests.

The staged approach to executive remuneration over recent years has led to the current level of executive remuneration which the Board feels is appropriate in the challenging and competitive sector in which the Group operates. All rewards, other than fixed remuneration, are subject to achieving the performance conditions outlined above.

Assessment of performance

Performance of Executive KMP is assessed against the agreed non-financial and financial targets on a regular basis. Prior to his passing, Geoff Selig, as Executive Chairman made recommendations to the NRC for Board approval of the amount of STI and LTI to award (as applicable) to each KMP, other than the Executive Chairman. Recommendations in relation to the Executive Chairman were made by the chair of the NRC to the NRC, for Board approval. Going forward and in the absence of an Executive Chairman, the Managing Director will make a recommendation to the NRC for Board approval regarding the STI and LTI awards for each KMP, other than the Managing Director. The NRC assesses the performance of the Managing Director and makes recommendations to the Board.

The NRC assesses the actual performance of IVE Group and the Executive Chairman against the agreed targets and recommends the amount of the STI and LTI (as applicable) to be paid for approval by the Board.

Executive KMP remuneration – paid, vested and targets

The table overleaf presents the STI paid and LTI granted to Executive KMP during FY23 and FY24. Further detail on remuneration is included in the tables at the end of this Report.

DIRECTORS' REPORT (CONT.)

For the year ended 30 June 2024

All in $		STI		LTI – Number of Rights	
		Maximum	Actual	Granted	Vested
Geoff Selig	FY24	200,000	182,000	147,058	Not applicable (3-year vesting)
	FY23	200,000	196,400	111,111	Not applicable (3-year vesting)
Matt Aitken	FY24	400,000	364,000	147,058	Not applicable (3-year vesting)
	FY23	300,000	294,600	111,111	Not applicable (3-year vesting)
Darren Dunkley	FY24	180,000	163,800	110,294	Not applicable (3-year vesting)
	FY23	180,000	180,000	83,333	Not applicable (3-year vesting)

Further detail on the value of the Rights granted is included in the tables at the end of this Report.

Proportions of fixed and variable remuneration

The Board and NRC consider annually the fixed remuneration and proportion of variable remuneration that is dependent on performance ('at risk') for each Executive KMP. The relative proportions of fixed versus variable pay (as a percentage of total remuneration) received by Executive KMP during the past two financial periods and proposed for the next financial period are shown below.

All in $	Fixed Remuneration[1]			STI			LTI		
	FY23 Actual	FY24 Actual	FY25 Agreed	FY23 Actual	FY24 Actual	FY25 Target	FY23 Grant	FY24 Grant	FY25 Grant[2]
Geoff Selig	952,000	797,900	N/A	196,400	182,000	N/A	200,000	200,000	N/A
Matt Aitken	700,000	700,000	800,000	294,600	364,000	400,000	200,000	200,000	400,000[3]
Darren Dunkley	528,991	529,990	585,000	180,000	163,800	230,000	150,000	150,000	200,000
Paul Selig[4]	330,000	330,000	330,000	N/A	N/A	N/A	N/A	N/A	N/A

1. Fixed remuneration includes superannuation.
2. LTI grant is the $ value of the grant approved by the Board.
3. FY25 LTI grant for Matt Aitken is subject to shareholder approval.
4. Due to the specific nature of his role, Paul Selig does not participate in the STI or LTI Plan.

The Board uses a fair value method to determine the value of Rights issued under the LTI Plan, which was last approved by shareholders in 2021. This is consistent with the required accounting treatment of Rights and the basis on which the KMP remuneration arrangements were agreed. The Board recognises that some stakeholders advocate the use of the face value method to determine the value of Rights. A face value approach does not consider the risk that Rights may not vest and that the Rights are not entitled to dividends. Executive KMP remuneration arrangements were agreed assuming a fair value approach. The FY25 LTI will again use a fair valuation calculation to determine the quantity of Rights to be granted to Executive KMP.

DIRECTORS' REPORT (CONT.)

For the year ended 30 June 2024

The Board agreed that the measurement period for the fair valuation report will be based on the volume weighted average price of the 20 trading days following the release of the Company's full year 2024 results, as has been done each year since 2020.

The Board believes that this will allow the market to absorb the full year results and align the fair valuation closer to the date of grant, noting that a different valuation methodology is applied per AASB 2 share-based payments.

If a face value method were used, the FY24 LTI grant for each of the Executive KMP would be as indicated in the table below. The number of Rights granted under the FY25 LTI will be determined and reported in the 2025 remuneration report.

	FY24 Fair Value (No. of Rights)	FY24 Face Value[1] (No. of Rights)
Geoff Selig	147,058	86,956
Matt Aitken	147,058	86,956
Darren Dunkley	110,294	65,217
Paul Selig	N/A	N/A

1. Based on the closing share price on 30 June 2023 of $2.30 per share.

Linking reward and performance

Performance indicators and link to performance

Notwithstanding the impacts of the unprecedented COVID-19 pandemic during the 2020, 2021 and 2022 financial years, IVE Group's financial performance has been strong since listing on the ASX in December 2015. Performance of the business is reflected in the outcome of the variable components to the remuneration framework:

- Full STI payments are only made if Executive KMP meet agreed financial and non-financial targets for the year in review (and the FY20 STI payment was suspended due to the impact of COVID-19); and
- LTI grants only vest if IVE Group achieves the targets set for TSR and EPS over a 3-year performance period.

Rights granted to KMP in 2020 under the FY21 LTI reached their vesting date during FY24. Of these, 1,057,691 Rights vested and nil Rights lapsed in accordance with the IVE Group Equity Incentive Plan rules as set out below:

	Total LTI Grant FY21	60% of Rights Earnings Per Share Target (EPS)	40% of Rights Relative Total Shareholder Return (TSR)	Vested	Lapsed
Geoff Selig	384,615	230,769	153,846	384,615	-
Matt Aitken	384,615	230,769	153,846	384,615	-
Darren Dunkley	288,461	173,077	115,384	288,461	-
Paul Selig	N/A	N/A	N/A	N/A	N/A
	1,057,691	**634,615**	**423,076**	**1,057,691**	**-**

DIRECTORS' REPORT (CONT.)

For the year ended 30 June 2024

The relevant performance conditions were as follows:

60% of Rights Earnings Per Share Target (EPS)		40% of Rights Relative Total Shareholder Return (TSR)	
EPS Growth Target 3%-5%	**Performance Share Rights**	**Granted**	**Vested**
Less than 3% achieved	Nil	Company ranks below 50th percentile	Nil 50%
3%–3.99% achieved	50% vesting on straight-line basis	Company ranks at the 50th percentile	50%
4%–4.99% achieved	75% vesting on straight-line basis	Company ranks between the 50th and 75th percentile	Straight-line vesting between 50% and 100%
5% target achieved or exceeded	100%	Company ranks at or above 75th percentile	100%

Accumulated pro-forma EPS growth over the three-year vesting period between FY21 to FY23 exceeded the EPS Target. Accordingly, 100% of the EPS tranche of Rights vested.

IVE Group was ranked 11th (94.38th percentile) compared to the relevant FY21 LTI peer group as at 30 June 2023. Accordingly, 100% of the TSR tranche of Rights vested.

Key financial metrics over the last five years are shown below:

	FY20[1]	FY21	FY22 Pre AASB 16	FY22 Post AASB 16	FY23	FY24
Revenue ($m)	677.4	656.7	759.0	759.0	967.4	969.9
EBITDA ($m)	57.3	59.3	75.1	96.6	119.0	127.8
Net profit after tax ($m)	18.5	19.9	33.4	33.1	39.7	43.0
Dividend payment (cents per share)	0.0	14.0	16.5	16.5	18.0	18.0
Dividend payout ratio	0.0%	67%[2]	72%	72%	69%	65%
Share price change ($)[3]	(1.26)	+0.655	+0.28	+0.28	+0.58	(0.32)
NPAT EPS (cents)	12.5	13.5	23.1	23.1	26.4	28.0
NPATA EPS (cents)	15.2	16.2	25.4	25.4	28.5	30.2

The above results are prepared on an underlying continuing business basis, pre-AASB 16 for FY20 to FY22 while FY22, FY23 and FY24 are presented on a post-AASB 16 basis. Underlying continuing business basis results exclude all non-operating items (including JobKeeper). This better reflects the underlying operating performance and is consistent with guidance.

1. FY20 revenue, EBITDA and NPAT have been updated on a continuing business basis i.e. excluding TeleFundraising for FY21 comparative purposes.
2. Dividend payout ratio is based on underlying NPAT including JobKeeper.
3. Calculated as close price on 30 June for the applicable year.

DIRECTORS' REPORT (CONT.)

For the year ended 30 June 2024

Grant of Rights and the Long-Term Incentive Plan

During the year, the Company made offers of Rights under the LTI Plan to the Senior Leadership Team with clear performance measures.

On 30 November 2023, offers were made granting 838,235 Rights under the Senior Leadership Team Plan. Of these, 147,058 were granted to Geoff Selig for which approval for the issue was obtained under ASX Listing Rule 10.14 at the 2023 Annual General Meeting. These Rights vest following the release of the FY26 financial results if specified performance conditions are met during the Performance Period which is 1 July 2023 to 30 June 2026.

In total there were 2,192,101 unvested Rights at 30 June 2024 from the FY22, FY23 and FY24 offers. There were no offers of options during the year and there are no unvested options.

The terms of the Equity Incentive Plan which provide the framework under which the LTI grants were made in FY23 and FY24 are as follows:

Feature	Terms of the IVE Group Equity Incentive Plan
Type of security	Rights which are an entitlement to receive fully paid ordinary IVE Group Limited shares (as traded on the ASX) on a one-for-one basis.
Valuation	The number of Rights for each KMP is calculated by dividing the allocated value of the LTI award for that KMP by the fair value of a Right. The fair value is calculated using a Monte Carlo simulation approach for the Awards subject to the Relative TSR condition and a risk neutral assumption is used the value the Awards subject to the EPS condition. For the Executive Chairman and Managing Director (if applicable), the LTI grant, as recommended by the Board, will be submitted for approval by shareholders at the relevant Annual General Meeting, as required by the ASX Listing Rules.
Performance Period	The Performance Period is the three-year period 1 July to 30 June inclusive.
Performance Conditions	The number of Rights that may vest will be determined by reference to: • Earnings Per Share (**EPS**) compound annual growth over the Performance Period. EPS growth will be calculated as IVE Group's Net Profit After Tax (NPAT) divided by the undiluted weighted average shares on issue throughout the Performance Period, using the following formula: $\text{EPS CAGR} = \sqrt[3]{\left(\frac{\text{Year 3 EPS}}{\textit{Year 0 EPS}}\right)} - 1$ (Benchmark 1); and • Relative Total Shareholder Return (**TSR**) performance of the Company in comparison to similar companies in a peer group determined by the Board. The peer group for the FY23 offer is the ASX Small Ordinaries Index. The TSR of each company will be measured from the start of the Performance Period to the end of the Performance Period (Benchmark 2); (collectively the **Performance Conditions**). Together Benchmark 1 and Benchmark 2 comprise the total Performance Conditions but act independently relative to their specific target component of 60% and 40% of Rights, respectively.

DIRECTORS' REPORT (CONT.)

For the year ended 30 June 2024

Feature	Terms of the IVE Group Equity Incentive Plan
Re-testing	There is no re-testing. Any unvested LTI after the test at the end of the Performance Period will lapse immediately.
Forfeiture	All Rights will lapse if the participant elects to cease employment with IVE Group prior to the Conversion Date (being the date that Performance Share Rights convert to shares). Rights will immediately lapse if the participant is dismissed or removed from office as an employee for any reason which entitles IVE Group to dismiss the participant without notice or if the participant acts fraudulently, dishonestly or in breach of their obligations to the Company. The only exception to the lapse of Rights if for a Good Leaver reason detailed below: • Any unvested Rights will not lapse if the participant's employment with IVE Group ceases due to death, ill-health, total permanent disability or sale of the business in which they are employed. • Rights for employees who cease employment due to death will vest in full upon cessation. • Rights for other good leavers will remain on foot and will be tested against the Performance Conditions as at the Vesting Date, vesting on a pro-rata basis. The Board has discretion to allow vesting for other reasons, such as retirement or redundancy.
Clawback	The Board has broad 'clawback' powers if, amongst other things, the participant has acted fraudulently or dishonestly, engaged in gross misconduct or has acted in a manner that has brought the Company into disrepute, or there is a material financial misstatement, or the Company is required or entitled under law or company policy to reclaim remuneration from the participant, or the participant's entitlements vest as a result of the fraud, dishonesty or breach of obligations of any other person and the Board is of the opinion that the incentives would not have otherwise vested.

TSR peer group for FY24 Offer

Due to changes in the market and the lack of material numbers of useful comparator companies, the peer group chosen for the FY24 grant are the companies included in the ASX Small Ordinaries Index at the commencement of the performance period, being 1 July 2023.

DIRECTORS' REPORT (CONT.)

For the year ended 30 June 2024

Non-Executive Director remuneration framework

Non-Executive Directors enter into service agreements through letters of appointment which are not subject to a fixed term. Non-Executive Directors receive a fee for their contribution as Directors. Fees are determined with reference to the demands of the role and the responsibilities carried out by Directors. The fee setting process also considers market levels, the need to attract high quality Directors and the size and complexity of the Company.

Directors receive fees for their role as members of the Board and, where applicable, for additional responsibilities. During the reporting period, Non-Executive Directors did not receive additional fees for being Chair or a member of a Board Committee. Non-Executive Directors do not receive any variable or performance-based remuneration. Where Directors are required to provide additional services, these are paid on a fixed fee basis or determined on an hourly basis depending on the nature of the service. There were no additional services provided in FY24 by Non-Executive Directors.

Effective 1 July 2023, Board remuneration increased by $5,000 per Non-Executive Director. This followed unchanged remuneration in FY21 and FY22 and a temporary fee reduction of 50% applying to the three months ended 30 June 2020, due to COVID-19. Upon the appointment of James Todd as independent Non-Executive Chair effective 1 June 2024, the remuneration payable for the role of Non-Executive Chair was resolved by the Board to be $250,000 per annum, including superannuation. Board remuneration was otherwise unchanged. Effective 1 August 2024, the Chair of the Audit, Risk and Compliance Committee and the Chair of the Nomination and Remuneration Committee will each be paid an additional $15,000 per annum (inclusive of superannuation). Other than this change, no further increase in Non-Executive Director remuneration was approved for FY25.

The annual fees provided to Non-Executive Directors for FY24 are shown below (inclusive of superannuation):

Chair fee	Non-Executive Director fee (effective since 1 July 2023)
Nil – Executive Chair $250,000 – Non-Executive Chair (effective 1 June 2024)	$110,000

The total Non-Executive Director fee pool has a maximum value of $1 million per annum. The total amount paid to Non-Executive Directors in FY24 was $550,000, being 55% of the approved fee pool. In FY25, the total amount to be paid to Non-Executive Directors is expected to be $717,500, being almost 72% of the approved fee pool. The increase in the quantum of the fee pool being utilised reflects the remuneration of the Non-Executive Chairman and the introduction of additional fees for the Chair of each standing Board Committee. There is no intent to seek approval to increase the Non-Executive Director fee pool at the 2024 AGM.

Non-Executive Directors do not receive fees that are contingent on performance, shares in return for their services, retirements benefits (other than statutory superannuation) or termination benefits.

Executive Directors are not remunerated separately for acting as Directors.

Directors are not required under the Constitution or any other Board policy to hold any shares in IVE Group. The remuneration paid to Non-Executive Directors is detailed in the tables later in this Report.

DIRECTORS' REPORT (CONT.)

For the year ended 30 June 2024

Contractual arrangements with Executive KMP

Remuneration and other conditions of employment are set out in the Executive KMP's employment contracts. The key elements of these employment contracts are summarised below:

Name:	**Geoff Selig**
Title:	Executive Chairman
Terms of Agreement:	No fixed term – subject to termination provisions detailed below
Details:	Annual remuneration includes cash salary, superannuation and non-cash benefits Incentives – eligible to participate in short-term incentive and equity remuneration plans
Termination:	Termination – 12 months' written notice (except in certain circumstances, such as where committed any breach or material neglect of the material terms of his contract of employment, or any act of serious or wilful misconduct) by Company or employee All payments on termination will be subject to the termination benefits cap under the *Corporations Act 2001* in the absence of shareholder approval Post-employment – 12 months' restraint provisions *Geoff Selig passed away on 5 May 2024*
Name:	**Paul Selig**
Title:	Executive Director
Terms of Agreement:	No fixed term – subject to termination provisions detailed below
Details:	Annual remuneration includes cash salary, superannuation and non-cash benefits Incentives – discretionary bonus
Termination:	Termination – 3 months' written notice (except in certain circumstances, such as where committed any breach or material neglect of the material terms of his contract of employment, or any act of serious or wilful misconduct) by Company or employee All payments on termination will be subject to the termination benefits cap under the *Corporations Act 2001* in the absence of shareholder approval Post-employment – 12 months' restraint provisions

DIRECTORS' REPORT (CONT.)

For the year ended 30 June 2024

Name:	**Matthew Aitken**
Title:	Managing Director (appointed 1 June 2024) Chief Executive Officer (appointed 5 August 2019)
Terms of Agreement:	No fixed term – subject to termination provisions detailed below
Details:	Annual remuneration includes cash salary, superannuation and non-cash benefits Incentives – eligible to participate in short-term incentive and equity remuneration plans
Termination:	Termination – 9 months' written notice (except in certain circumstances, such as where committed any breach or material neglect of the material terms of his contract of employment, or any act of serious or wilful misconduct) by Company or employee All payments on termination will be subject to the termination benefits cap under the *Corporations Act 2001* in the absence of shareholder approval Post-employment – 3 months' restraint provisions
Redundancy:	6 months' pay in circumstance where employment is terminated due to redundancy
Name:	**Darren Dunkley**
Title:	No fixed term – subject to termination provisions detailed below
Terms of Agreement:	Annual remuneration includes cash salary, superannuation and non-cash benefits
Details:	Incentives – eligible to participate in short-term incentive and equity remuneration plans
Termination:	Termination – 6 months' written notice (except in certain circumstances, such as where committed any breach or material neglect of the material terms of his contract of employment, or any act of serious or wilful misconduct) by Company or employee All payments on termination will be subject to the termination benefits cap under the *Corporations Act 2001* in the absence of shareholder approval Post-employment – 3 months' restraint provisions
Redundancy:	6 months' pay in circumstance where employment is terminated due to redundancy

DIRECTORS' REPORT (CONT.)

For the year ended 30 June 2024

Details of remuneration for KMP

The table below provides remuneration prepared on a statutory basis for Directors and Executive KMP for the year ended 30 June 2024 (except as noted below).

		Fixed Remuneration		Variable Remuneration				
Name	Year	Cash, salary and fees[1]	Super-annuation	Short-term incentive	Fair value of LTI award[2]	Total	Total performance related	Percentage performance related
Executive Directors								
Geoff Selig	2024	770,501	27,399	182,000	196,466	1,176,366	378,466	32.2%
	2023	926,707	25,293	196,400	301,631	1,450,031	498,031	34.3%
Paul Selig	2024	302,601	27,399	-	-	330,000	-	0.0%
	2023	304,708	25,292	-	-	330,000	-	0.0%
Non-Executive Directors								
James Todd	2024	109,610	12,057	-	-	121,667	-	0.0%
	2023	99,548	10,452	-	-	110,000	-	0.0%
Gavin Bell	2024	110,000	-	-	-	110,000	-	0.0%
	2023	110,000	-	-	-	110,000	-	0.0%
Sandra Hook	2024	99,099	10,901	-	-	110,000	-	0.0%
	2023	99,548	10,452	-	-	110,000	-	0.0%
Cathy Aston	2024	99,099	10,901	-	-	110,000	-	0.0%
	2023	99,548	10,452	-	-	110,000	-	0.0%
Andrew Bird	2024	99,099	10,901	-	-	110,000	-	0.0%
	2023	99,548	10,452	-	-	110,000	-	0.0%
Other Executive KMP								
Matt Aitken	2024	672,601	27,399	364,000	196,466	1,260,466	560,466	44.5%
	2023	674,708	25,293	294,600	301,631	1,296,232	596,231	46.0%
Darren Dunkley	2024	502,591	27,399	163,800	147,350	841,140	311,150	37.0%
	2023	503,698	25,293	180,000	226,223	935,214	406,223	43.4%

1. Cash, salary and fees includes annual leave and long service leave.
2. Fair value of LTI award reflects accounting impacts during period, nil shares actually vested/paid.

DIRECTORS' REPORT (CONT.)

For the year ended 30 June 2024

Rights granted to Executive KMP FY24

FY24

KMP	Number of Rights granted in FY24	Vesting conditions	Grant date	Fair value at grant date	Expiry date
Geoff Selig	147,058	Relative TSR and compound annual EPS growth over 3-years	11 December 2023	$200,000	After vesting following release of FY26 financial results Any unvested Rights expire
Matt Aitken	147,058	Relative TSR and compound annual EPS growth over 3-years	11 December 2023	$200,000	After vesting following release of FY26 financial results Any unvested Rights expire
Darren Dunkley	110,294	Relative TSR and compound annual EPS growth over 3-years	11 December 2023	$150,000	After vesting following release of FY26 financial results Any unvested Rights expire

FY23

KMP	Number of Rights granted in FY23	Vesting conditions	Grant date	Fair value at grant date	Expiry date
Geoff Selig	111,111	Relative TSR and compound annual EPS growth over 3-years	16 December 2022	$200,000	After vesting following release of FY25 financial results Any unvested Rights expire
Matt Aitken	111,111	Relative TSR and compound annual EPS growth over 3-years	16 December 2022	$200,000	After vesting following release of FY25 financial results Any unvested Rights expire
Darren Dunkley	83,333	Relative TSR and compound annual EPS growth over 3-years	16 December 2022	$150,000	After vesting following release of FY25 financial results Any unvested Rights expire

DIRECTORS' REPORT (CONT.)

For the year ended 30 June 2024

FY22

KMP	Number of Rights granted in FY22	Vesting conditions	Grant date	Fair value at grant date	Expiry date
Geoff Selig	168,067	Relative TSR and compound annual EPS growth over 3 years	10 December 2021	$200,000	After vesting following release of FY24 financial results Any unvested Rights expire
Matt Aitken	168,067	Relative TSR and compound annual EPS growth over 3 years	10 December 2021	$200,000	After vesting following release of FY24 financial results Any unvested Rights expire
Darren Dunkley	126,050	Relative TSR and compound annual EPS growth over 3 years	10 December 2021	$150,000	After vesting following release of FY24 financial results Any unvested Rights expire

FY21

The vesting period for the Rights granted to KMP under the FY21 LTI ended during FY24. Of these, 1,057,691 Rights vested and nil Rights lapsed in accordance with the IVE Group Equity Incentive Plan rules.

KMP	Number of Rights granted in FY21	Vesting conditions	Grant date	Fair value at grant date	Expiry date
Geoff Selig	384,615	Relative TSR and compound annual EPS growth over 3 years	25 November 2020	$200,000	384,615 shares were issued on vesting of performance Rights on 25 August 2023
Matt Aitken	384,615	Relative TSR and compound annual EPS growth over 3 years	25 November 2020	$200,000	384,615 shares were issued on vesting of performance Rights on 25 August 2023
Darren Dunkley	288,461	Relative TSR and compound annual EPS growth over 3 years	25 November 2020	$150,000	288,461 shares were issued on vesting of performance Rights on 25 August 2023

In total there were 2,192,101 unvested Rights at 30 June 2024 relating to KMP.

DIRECTORS' REPORT (CONT.)

For the year ended 30 June 2024

Director and Executive KMP shareholdings

The table below provides the number of shares in IVE Group Limited held by each Director and Executive KMP during the period, including their related parties:

	Balance at 30 June 2023	Shares received during the period on exercise of Rights	Shares acquired	Shares disposed	Balance at 30 June 2024
Executive Directors					
Geoff Selig, Executive Chairman[1]	8,367,263	384,615	-	5,391,647[2]	3,360,231
Paul Selig[1]	8,410,231	-	-	5,000,000[2]	3,410,231
Non-Executive Directors					
James Todd	122,336		-	-	122,336
Gavin Bell	122,967		-	-	122,967
Sandra Hook	21,808		-	-	21,808
Catherine (Cathy) Aston	7,223		-	-	7,223
Andrew Bird	407,053		43,597	-	450,650
Executive KMP					
Matt Aitken Managing Director (effective 1 June 2024)	7,532	384,615	-	391,647	500
Darren Dunkley CFO and Company Secretary	27,770	288,461	-	265,000	51,231

1. Geoff Selig and Paul Selig are each beneficiaries of the Selig Family Trust No. 5, the trustee of which holds 3,360,231 shares.
2. The Selig Family Trust No. 5 disposed of 5,000,000 shares on 24 November 2023.

Other statutory disclosures

Loans to directors and executives

No loans were made to directors and executives of IVE Group Limited including their close family and entities related to them during the year.

Shares under option

There were no unissued ordinary shares of IVE Group Limited under option outstanding at the date of this report.

Shares under Rights.

There were no unissued ordinary shares of IVE Group Limited under Rights outstanding at the date of this report.

Shares issued on the exercise of options

There were no ordinary shares of IVE Group Limited issued on the exercise of options during the year ended 30 June 2024 and up to the date of this report.

Shares issued on the exercise of Performance Share Rights

1,884,613 Rights vested during the year and 1,884,613 shares were issued on exercise of Rights during the year.

This concludes the remuneration report, which has been audited.

DIRECTORS' REPORT (CONT.)

For the year ended 30 June 2024

Non-audit services

The Directors are satisfied that:

1. the non-audit services provided during the financial year by KPMG as the external auditor were compatible with the general standard of independence for auditors imposed by the Act; and
2. any non-audit services provided during the financial year by KPMG as the external auditor did not compromise the auditor independence requirements of the Act for the following reasons:
   a) all non-audit services are subject to corporate governance procedures adopted by the Group and have been reviewed by those charged with governance throughout the year to ensure they do not impact the integrity and objectivity of the auditor; and
   b) the nature of the services provided do not undermine the general principles relating to audit independence in accordance with APES 110: Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group, acting as an advocate to the Group or jointly sharing the risks and rewards.

Details of the amounts paid to the auditor of the Group, KPMG, for audit and non-audit services provided during the year are set out in Note 33 of the Financial Report.

Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 53 and forms part of the directors' report for the financial year ended 30 June 2024.

Rounding

The Group is of a kind referred to in ASIC Corporations Instrument 2016/191 dated 24 March 2016 and in accordance with that Instrument, amounts in the consolidated financial statements and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

This report is made in accordance with a resolution of the directors:

James Todd
Chairman

Dated at Sydney this 26th day of August 2024

KPMG

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of IVE Group Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of IVE Group Limited for the financial year ended 30 June 2024 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Daniel Camilleri
Partner

Sydney

26 August 2024

FINANCIAL REPORT
For the year ended 30 June 2024

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The notes on pages 59 to 102 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2024

In thousands of AUD	*Note*	2024	2023
Revenue	*4*	972,821	970,212
Cost of sales		(518,355)	(532,804)
Gross profit		**454,466**	**437,408**
Other income	*5*	11	2,834
Production expenses		(221,121)	(222,882)
Administrative expenses		(160,135)	(148,931)
Other expenses		(16,050)	(30,779)
Results from operating activities		**57,171**	**37,650**
Finance income		859	460
Finance costs		(18,314)	(13,767)
Net finance costs	*8*	**(17,455)**	**(13,307)**
Profit before tax		**39,716**	**24,343**
Income tax expense	*9*	(12,111)	(7,195)
Profit for the year		**27,605**	**17,148**
Other comprehensive income **Items that are or may be reclassified to profit or loss**			
Cash flow hedges – effective portion of changes in fair value (net of tax)		(197)	(274)
Cash flow hedges – reclassified to profit or loss (net of tax)		369	369
Net exchange differences on translation of foreign operations		(54)	(73)
Total other comprehensive income		**118**	**22**
Total comprehensive income for the year		**27,723**	**17,170**
Profit attributable to:			
Owners of the Company		27,605	17,148
Profit for the year		**27,605**	**17,148**
Total comprehensive income attributable to:			
Owners of the Company		27,723	17,170
Total comprehensive income for the year		**27,273**	**17,170**
Earnings per share			
Basic earnings per share (dollars)	*25*	18.0	11.4
Diluted earnings per share (dollars)	*25*	17.8	11.2

The notes on pages 59 to 102 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

In thousands of AUD	*Note*	2024	2023 Restated*
Assets			
Cash and cash equivalents	*10*	48,760	44,860
Trade and other receivables	*11*	140,621	137,243
Inventories	*12*	80,459	98,724
Prepayments		4,771	5,151
Assets held for sale	*13*	-	1,056
Current tax receivable		-	1,154
Other current assets	*17*	2,016	4,211
Total current assets		**276,627**	**292,399**
Deferred tax assets	*9*	15,457	19,268
Trade and other receivables	*11*	-	160
Property, plant and equipment	*14*	111,640	106,983
Right-of-use assets	*15*	105,477	122,195
Intangible assets and goodwill	*16*	155,058	133,555
Other non-current assets	*17*	570	718
Total non-current assets		**388,202**	**382,879**
Total assets		**664,829**	**675,278**
Liabilities			
Trade and other payables	*18*	119,106	118,864
Lease liabilities		32,307	36,683
Loans and borrowings	*19*	2,966	3,608
Employee benefits	*20*	28,101	30,989
Current tax payable		1,954	-
Provisions	*21*	2,113	6,476
Other current liabilities	*22*	13,667	10,907
Total current liabilities		**200,214**	**207,527**
Loans and borrowings	*19*	170,810	157,236
Lease liabilities		84,848	102,395
Employee benefits	*20*	7,936	7,672
Provisions	*21*	5,442	6,720
Other non-current liabilities	*22*	1,000	170
Total non-current liabilities		**270,036**	**274,193**
Total liabilities		**470,250**	**481,720**
Net assets		**194,579**	**193,558**
Equity			
Share capital	*24*	167,664	167,664
Reserves	*24*	3,921	2,789
Retained earnings		22,994	23,105
Total equity		**194,579**	**193,558**

The notes on pages 59 to 102 are an integral part of these consolidated financial statements.

*Refer to Note 35 on Restatement.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

In thousands of AUD	*Note*	Share capital	Share-based payment reserve	Other Reserves	Retained earnings	Total equity
Balance at 1 July 2022		148,878	1,978	(171)	31,887	182,572
Total comprehensive income for the year						
Profit for the year		-	-	-	17,148	17,148
Other comprehensive income		-	-	22	-	22
Total comprehensive income for the year		**-**	**-**	**22**	**17,148**	**17,170**
Transactions with owners of the Company						
Performance share rights	*23*	-	960	-	-	960
Proceeds from share issue (net of transaction costs and tax)	*24*	18,786	-	-	-	18,786
Dividends to owners of the Company	*24*	-	-	-	(25,930)	(25,930)
Total transactions with owners of the Company		18,786	960	-	(25,930)	(6,184)
Balance at 30 June 2023		**167,664**	**2,938**	**(149)**	**23,105**	**193,558**
Balance at 1 July 2023		167,664	2,938	(149)	23,105	193,558
Total comprehensive income for the year						
Profit for the year		-	-	-	27,605	27,605
Other comprehensive income		-	-	118	-	118
Total comprehensive income for the year		**-**	**-**	**118**	**27,605**	**27,723**
Transactions with owners of the Company						
Performance share rights	*23*	-	1,014	-	-	1,014
Dividends to owners of the Company	*24*	-	-	-	(27,716)	(27,716)
Total transactions with owners of the company		-	1,014	-	(27,716)	(26,702)
Balance at 30 June 2024		**167,664**	**3,952**	**(31)**	**22,994**	**194,579**

The notes on pages 59 to 102 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2024

In thousands of AUD	*Note*	2024	2023
Cash flows from operating activities			
Cash receipts from customers		1,074,421	1,050,451
Cash paid to suppliers and employees		(934,763)	(980,557)
Cash generated from operating activities		**139,658**	**69,894**
Interest received		859	460
Interest paid		(11,362)	(7,079)
Income tax paid		(8,327)	(14,844)
Payment of restructure costs		(18,739)	(25,203)
Net cash from operating activities	*10*	**102,089**	**23,228**
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		984	380
Proceeds from disposal of assets held for sale		1,191	2,135
Acquisition of property, plant and equipment and intangible assets		(14,743)	(11,367)
Acquisitions of businesses (net of cash and transactions costs)	*26*	(29,395)	(15,730)
Payment for contingent consideration		(1,086)	(893)
Net cash used in investing activities		**(43,049)**	**(25,475)**
Cash flows from financing activities			
Proceeds from bank loans		50,000	30,000
Repayment of loans and borrowings		(39,366)	(3,926)
Transaction costs on refinancing bank loans		-	(378)
Dividends paid		(27,716)	(25,930)
Payment of lease liabilities		(38,040)	(38,323)
Proceeds from issue of share capital (net of transaction costs)		-	18,557
Net cash used in financing activities		**(55,122)**	**(20,000)**
Net (decrease)/increase in cash and cash equivalents		3,918	(22,247)
Effects of foreign currency translation		(18)	72
Cash and cash equivalents at beginning of year		44,860	67,035
Cash and cash equivalents at end of year		**48,760**	**44,860**

The notes on pages 59 to 102 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2024

1. Reporting entity

IVE Group Limited (the ultimate parent entity or the Company) is a company domiciled in Australia. Its registered address is Level 3, 35 Clarence Street, Sydney NSW 2000.

This consolidated financial report as at and for the year ended 30 June 2024 comprises the Company and its subsidiaries (IVE or Group).

The Group is a for-profit entity. The Group is primary involved in:

- Conceptual and creative design across print, mobile and interactive media;
- Printing and distribution of catalogues, magazines, marketing and corporate communications materials and stationery;
- Manufacturing of point of sale display material and large format banners for retail applications;
- Fibre-based packaging;
- Personalised communications including marketing automation, marketing mail, publication mail, eCommunications, and multi-channel solutions;
- Data analytics, customer experience strategy, and CRM; and
- Outsourced communications solutions for large organisations including development of customised multi-channel management models covering creative and digital services, supply chain optimisation, inventory management, warehousing and logistics.

The Group services all major industry sectors in Australia including financial services, publishing, retail, communications, property, clubs and associations, not-for-profit, utilities, manufacturing, education and government.

2. Basis of preparation

(a) Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and *the Corporations Act 2001*. The consolidated financial statements comply with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB).

The consolidated financial statements were authorised for issue by the Board of Directors on 26 August 2024. Details of the Group's accounting policies is included in Note 3.

(b) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency.

The Company is of a kind referred to in ASIC Corporations Instrument 2016/191 dated 24 March 2016, and in accordance with that Instrument, all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated. Where applicable certain comparative figures have been reclassified to align with current period presentation.

(c) Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 30 June 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2024

2. Basis of preparation (cont.)

(c) Use of estimates and judgements (cont.)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(i) Judgements

Information about judgements made in applying the Group's accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 3(e) & (f) – estimation of useful lives of assets;
- Note 3(k) – provisions;
- Note 28 – Level 2 and 3 fair values of equity securities, and forward exchange contracts; and
- Note 15 – lease term: whether the Group is reasonably certain to exercise extension options.

(ii) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is included in the following notes:

- Note 3(i)(ii) & 16 – impairment testing for cash generating units containing goodwill
- Note 26 – acquisitions: fair value measured on a provisional basis; and
- Note 28 – measurement of Expected Credit Loss (ECL) allowance on trade receivables.

Measurement of fair values

When measuring the fair value of an asset or a liability, the group uses market observable data if possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

3. Material accounting policies

The accounting policies set out below have been applied consistently during the period presented in these consolidated financial statements, and have been applied consistently by all entities in the Group, except for the adoption of new accounting standards (see Note 3(s)).

(a) Basis of consolidation

(i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except those related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-exiting relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition, with subsequent changes in the fair value of the contingent consideration recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2024

3. Material accounting policies (cont.)

(a) Business consolidations (cont.)

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Group (Australian dollars) at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Foreign currency differences arising on retranslation are recognised in profit or loss.

(c) Financial instruments

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

The Group classifies its financial instruments in the following measurement categories: at amortised cost, at fair value through profit and loss (FVTPL) and at fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on a specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2024

3. Material accounting policies (cont.)

(c) Financial instruments (cont.)

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at amortised costs

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial asset and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2024

3. Material accounting policies (cont.)

(c) Financial instruments (cont.)

(v) Derivative financial instruments and hedge accounting

Derivative financial instruments and hedge accounting

The Group may hold derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts ('forward points') is separately accounted for as a cost of hedging and recognised in a costs of hedging reserve within equity.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

(d) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2024

3. Material accounting policies (cont.)

(e) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Any gains and losses on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) are recognised in profit or loss.

(ii) Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

Depreciation is calculated to write off the cost of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is generally recognised in profit or loss, unless the amount is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

The estimated useful lives for the current year of significant items of property, plant and equipment are as follows:

- leasehold improvements — shorter of lease term and life of assets
- plant and equipment — 3–20 years
- fixtures and fitting — 5–10 years
- building — 40 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(f) Intangible assets and goodwill

(i) Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

(ii) Computer software and Capital work in progress

Computer software comprises acquired software and the historical cost of development activities for products transferred from capital works in progress when projects/products are considered ready for intended use. Computer software is carried at historical cost less accumulated amortisation and impairment losses.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2024

3. Material accounting policies (cont.)

(f) Intangible assets and goodwill (cont.)

(iii) Customer relationships

Customer relationships are carried at their fair value at the date of acquisition less accumulated amortisation and impairment losses. Amortisation commences when the asset is ready for use.

(iv) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(v) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Goodwill is not amortised.

The estimated useful lives are as follows:

- computer software 3–5 years
- customer relationships 5–9 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(g) Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

(h) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in, first-out principle. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

(i) Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for expected credit loss (ECL) on financial assets measured at amortised costs.

The Group measures loss allowance at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment including forward-looking information.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2024

3. Material accounting policies (cont.)

(i) Impairment (cont.)

(i) Non-derivative financial assets (cont.)

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present values of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- A breach of contract such as a default or being more than 90 days past due;
- It is probable that the debtor will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating unit (CGU). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2024

3. Material accounting policies (cont.)

(i) Impairment (cont.)

(ii) Non-financial assets (cont.)

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(j) Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(ii) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(iv) Share-based payment transactions

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with market and non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2024

3. Material accounting policies (cont.)

(k) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(i) Restructuring

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced to those affected. Future operating losses are not provided for.

(ii) Make good provision

A make good provision is recognised when the Group enters into a lease contract that requires the property to be returned to the lessor in its original condition. The provision is based on the expected future cost of the refurbishment discounted to reflect current market assessments.

(l) Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue at a point in time or over-time.

Recognising of revenue at a point in time

The Group recognises revenue relating to print production and distribution when it transfers control over a good or service to a customer. Customers obtain control when the goods are delivered to and have been accepted. Invoices are generated at that point in time. Invoices are usually payable within 30 days.

Recognising of revenue over-time

Revenue is recognised on the rendering of services relating to print management, communications, creative and digital services, supply chain optimisation, inventory management, warehousing and logistics in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed based on surveys of work performed.

The Group applies the practical expedient as per paragraph 121 of AASB 15 and therefore does not disclose information about remaining performance obligations that have expected duration of one year or less

Contract asset

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date or upfront agreed expenditure incremental to obtaining the contract. The contract assets are transferred to receivables when the rights become unconditional, or the expenditure is amortised over the contract term as an expense or deducted from other revenue if it is a discount.

Contract liabilities

The contract liabilities primarily relate to the advance consideration received from customers, for which revenue is recognised at a point in time or over time.

(m) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contracts conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contracts to each lease component on the basis of its relative stand-alone prices.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2024

3. Material accounting policies (cont.)

(m) Leases (cont.)

(i) As a lessee (cont.)

The Group recognises a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates for classes of leased assets and lease terms from external financing sources.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group's changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not recognise right-of-use assets and liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2024

3. Material accounting policies (cont.)

(m) Leases (cont.)

(ii) As a lessor (cont.)

When the Group acts as a lessor, it determines at lease inception whether such lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies AASB 15 to allocate the consideration in the contract.

(n) Finance income and finance costs

Finance income comprises net gain on financial assets at FVTPL and interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise net loss on financial assets at FVTPL, and interest expense on borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

(o) Income tax

Income Tax expense comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; or
- temporary differences related to investments in associates to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future, and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2024

3. Material accounting policies (cont.)

(o) Income tax (cont.)

(ii) Deferred tax (cont.)

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(iii) Tax exposures

In determining the amount of current and deferred tax the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

(iv) Tax consolidation

IVE Group Limited and its wholly owned Australian controlled entities formed a tax consolidated group on 16 December 2015. As a consequence, these entities are taxed as a single entity and the deferred tax asset and liabilities of these entities are offset in the consolidated financial statements.

(p) Good and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(q) Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2024

3. Material accounting policies (cont.)

(r) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. It has been determined the Board of Directors is the chief operating decision maker, as they are ultimately responsible for allocating resources and assessing performance.

(s) New and amended Standards adopted by the Group

The Group has applied the following standards and amendments for the first time in their annual reporting period commencing 1 July 2023:

- AASB 17 – Insurance Contracts
- AASB 2023-2 – Amendments to Australian Accounting Standards – Definition of Accounting Estimates International Tax Reform – Pillar Two Model Rules [AASB 112]
- AASB 2021-5 – Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction [AASB 112)
- AASB 2021-2 – Amendments to Australian Accounting Standards – disclosure of Accounting Policies Definition of Accounting Estimates [AASB 7, AASB 101, AASB 108, AASB 134 & AASB Practice Statement 2]

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

The Group also adopted Disclosure of Accounting Policies (Amendments to NZ /AS 1 and IFRS Practice Statement 2) from 1 July 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

(t) Accounting Standard issued but not yet effective

A number if new standards are effective for annual periods beginning after 1 July 2024 and early adoption is permitted. However, the Company has not early adopted any of the new standards and these are not expected to have a material effect on the Group's financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2024

4. Revenue

The Group's operations and main revenue streams are those described in Note 3(l). The tables below provide information on the Group's revenue and contract balances derived from contracts with customers.

(a) Disaggregation of revenue

In thousands of AUD	**2024**	**2023**
Products and services transferred at a point in time	916,395	914,148
Services transferred over time	56,426	56,064
	972,821	**970,212**

(b) Contract balances

In thousands of AUD	**2024**	**2023**
Receivables, which are included in 'Trade and other receivables'	143,188	135,371
Contract assets	1,715	3,743
Contract liabilities	9,405	9,885

The majority of contract liabilities of $9,885 thousand as at 30 June 2023 were recognised as revenue in the year ending 30 June 2024. The majority of contract liabilities of $9,405 thousand as at 30 June 2024 will be recognised as revenue during the year ending 30 June 2025.

5. Other income

In thousands of AUD	**2024**	**2023**
Other income	**11**	**2,843**

During the year ended 30 June 2023, the Group agreed a refund of purchase consideration of $2,736 thousand from the administrators of Ovato.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2024

6. Personnel expenses

In thousands of AUD	2024	2023
Wages and salaries	225,554	224,182
Contributions to defined contribution plans	18,700	17,428
Share-based payment expense	1,014	960
	245,268	**242,570**

7. Expenses

Included in the consolidated statement of profit or loss and other comprehensive income:

In thousands of AUD	2024	2023
Depreciation, amortisation, and impairment	49,862	52,925
Acquisition and transaction costs	2,017	3,013
Restructuring costs	13,089	20,108
Make good expenses	(300)	165
Software for service	831	1,369
(Gain)/Loss on disposal of assets held for sale, and plant and equipment	(643)	1,904

8. Net finance costs

In thousands of AUD	2024	2023
Interest income	859	460
Finance income	**859**	**460**
Interest expense	(18,309)	(13,766)
Net foreign exchange losses	(5)	(1)
Finance costs	**(18,314)**	**(13,767)**
Net finance costs	**(17,455)**	**(13,307)**

9. Taxes

In thousands of AUD	2024	2023
Current tax expense		
Current year	11,240	7,804
Changes in estimates related to prior years	(84)	154
	11,156	7,958
Deferred tax expense		
Origination and reversal of temporary differences	955	(763)
Total tax expense	**12,111**	**7,195**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2024

9. Taxes (cont.)

Numerical reconciliation between tax expense and pre-tax accounting profit

In thousands of AUD	2024	2023
Profit before tax	39,716	24,343
Tax using the Company's domestic tax rate of 30%	11,915	7,303
(Non-assessable income)/non-deductible expenses – (net)	266	(289)
Changes in estimates related to prior years	(84)	154
Other items (net)	14	28
	12,111	**7,195**

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

In thousands of AUD	Assets		Liabilities		Net	
	2024	2023	2024	2023	2024	2023
Property, plant and equipment	-	-	(5,449)	(5,071)	(5,449)	(5,071)
Right-of-use assets	-	-	(27,002)	(31,670)	(27,002)	(31,670)
Inventories	184	16	-	-	184	16
Intangible assets	-	-	(2,692)	(2,435)	(2,692)	(2,435)
Lease liabilities	33,543	39,599	-	-	33,543	39,599
Employee benefits	12,748	13,538	-	-	12,748	13,538
Provisions	3,289	4,975	-	-	3,289	4,975
Other items	836	316	-	-	836	316
Tax assets/(liabilities)	50,600	58,444	(35,143)	(39,176)	15,457	19,268
Set off of tax	(35,143)	(39,176)	35,143	39,176	-	-
Net deferred tax assets	**15,457**	**19,268**	**-**	**-**	**15,457**	**19,268**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2024

9. Taxes (cont.)

Movement in temporary differences during the year

2024 *In thousands of AUD*	**Balance 1 July 2023**	**Acquisition through business combination**	**Recognised in equity**	**Recognised in profit or loss**	**Balance 30 June 2024**
Property, plant and equipment	(5,071)	(2,071)	-	1,693	(5,449)
Right-of-use-assets	(31,670)	(1,117)	-	5,785	(27,002)
Inventories	16	(41)	-	209	184
Intangible assets	(2,435)	(1,470)	-	1,213	(2,692)
Lease Liabilities	39,599	1,117	-	(7,173)	33,543
Employee benefits	13,538	519	-	(1,309)	12,748
Provisions	4,975	155	-	(1,841)	3,289
Other items	316	125	(74)	468	836
	19,268	**(2,783)**	**(74)**	**(955)**	**15,457**

2023 *In thousands of AUD*	**Balance 1 July 2022**	**Acquisition through business combination***	**Recognised in equity**	**Recognised in profit or loss**	**Balance 30 June 2023**
Property, plant and equipment	(307)	(5,290)	-	526	(5,071)
Right-of-use assets	(26,895)	(2,032)	-	(2,743)	(31,670)
Inventories	(1,723)	-	-	1,739	16
Intangible assets	(3,593)	-	-	1,158	(2,435)
Lease Liabilities	34,775	2,032	-	2,792	39,599
Employee benefits	11,056	2,692	-	(210)	13,538
Provisions	2,882	3,757	-	(1,663)	4,975
Other items	956	-	195	(837)	316
	17,151	**1,159**	**195**	**763**	**19,268**

The gross amount of capital losses for which no deferred tax asset is recognised is nil (2023: nil).

*Refer to Note 35 on Restatement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2024

10. Cash and cash equivalents

In thousands of AUD	2024	2023
Bank balances	48,755	44,855
Petty cash	5	5
Cash and cash equivalents in the statement of cash flows	**48,760**	**44,860**

Reconciliation of cash flows from operating activities

In thousands of AUD	2024	2023
Profit from continuing operations	**27,605**	**17,148**
Non-cash items		
Depreciation, amortisation and impairment	49,862	52,925
Share based payment expense	1,014	960
Interest expense	6,947	6,687
Income tax expense	12,111	7,195
Net other income and expenses	342	(196)
(Gain)/Loss on disposal of assets held for sale, and plant and equipment	(643)	1,904
Make good expenses	(300)	-
Cash items		
Acquisition costs in investing activities	1,880	2,730
	98,818	89,353
Change in trade and other receivables	4,307	(19,616)
Change in inventories	22,050	(18,566)
Change in current assets	1,378	2,740
Change in prepayment	709	338
Change in trade and other payables	(7,308)	(10,089)
Change in provisions and employee benefits	(9,538)	(6,088)
Cash generated from operating activities	**110,416**	**38,072**
Income tax paid	(8,327)	(14,844)
Net cash from operating activities	**102,089**	**23,228**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2024

11. Trade and other receivables

In thousands of AUD	2024	2023
Current		
Trade receivables	141,716	135,371
Allowance for impairment	(2,257)	(2,180)
	139,504	133,191
Lease and other receivables	1,117	4,052
	140,621	**137,243**
Non-current		
Lease receivables	**-**	**160**

12. Inventories

In thousands of AUD	2024	2023
Finished goods	4,221	6,764
Work in progress	18,213	16,094
Raw materials	59,839	76,546
	82,273	99,404
Allowance for inventory obsolescence	(1,814)	(680)
	80,459	**98,724**

During the year, raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales amounted to $518,355 thousand (2023: $532,804 thousand).

During the year, an analysis of aged inventory and previous write-offs was performed which resulted in a net increase in provision amounting of $1,134 thousand (2023: net decrease of $834 thousand).

13. Assets held for sale

In thousands of AUD	2024	2023
Opening balance	1,056	-
Acquisitions through business combination	-	4,167
Net Transfer from plant and equipment	-	3,087
Disposals	-	(1,979)
Impairment	(1,056)	(4,219)
Closing balance	**-**	**1,056**

Assets held for sale included plant and equipment acquired through the Ovato acquisition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2024

14. Property, plant and equipment

In thousands of AUD	Leasehold improvements	Plant and equipment	Capital work in progress	Land and buildings	Fixtures and fittings	Total
Cost						
Balance at 1 July 2022	23,906	160,707	1,793	2,000	2,649	191,055
Acquisitions through business combination	-	17,737	-	-	-	17,737
Additions	5,973	4,912	292	-	350	11,527
Disposals	(4,208)	(11,995)	-	-	(580)	(16,783)
Net Transfers to assets held for sale	-	(3,357)	-	-	-	(3,357)
Balance at 30 June 2023	**25,671**	**168,004**	**2,085**	**2,000**	**2,419**	**200,179**
Balance at 1 July 2023	25,671	168,004	2,085	2,000	2,419	200,179
Acquisitions through business combination	193	7,425	-	-	131	7,749
Transfers to/(from) capital work in progress	-	2,115	(2,115)	-	-	-
Additions	445	7,619	4,114	-	33	12,211
Disposals	-	(878)	-	-	-	(878)
Balance at 30 June 2024	**26,309**	**184,285**	**4,084**	**2,000**	**2,583**	**219,261**
Depreciation and impairment losses						
Balance at 1 July 2022	10,311	79,416	-	25	1,215	90,967
Depreciation for the year	2,517	12,619	-	25	168	15,329
Disposals	(4,177)	(8,137)	-	-	(516)	(12,830)
Transfers to assets held for sale	-	(270)	-	-	-	(270)
Balance at 30 June 2023	**8,651**	**83,628**	**-**	**50**	**867**	**93,196**
Balance at 1 July 2023	8,651	83,628	-	50	867	93,196
Depreciation for the year	2,464	12,620	-	25	165	15,274
Disposals	-	(849)	-	-	-	(849)
Balance at 30 June 2024	**11,115**	**95,399**	**-**	**75**	**1,032**	**107,621**
Carrying amounts						
At 1 July 2023	17,020	84,376	2,085	1,950	1,552	106,983
At 30 June 2024	**15,194**	**88,886**	**4,084**	**1,925**	**1,551**	**111,640**

Security

At 30 June 2024 the carrying amount of total assets less the written down value of finance leased assets were held as security for bank facilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2024

15. Leases

A. Leases as lessee

The Group leases warehouses and factory facilities. The leases typically run up to a period of 10 years, with an option to renew the lease after that date. Lease payments are renegotiated periodically to reflect market rentals. Some leases provide for additional rent payments that are based on changes in local price indices. These leases were entered into many years ago as combined leases of land and buildings.

The Group also leases production equipment under a number of leases with contract terms of one to five years.

The Group leases IT equipment with contract terms of one to three years. These leases are short term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Information about leases for which the Group is a lease is presented below.

(i) Right-of-use assets

The carrying amounts of right-of-use assets are as below.

In thousands of AUD	Property, plant and equipment		
	Property	Production equipment	Total
Balance as at 1 July 2022	89,623	16,294	105,917
Depreciation charge for the year	(22,984)	(3,751)	(26,735)
Acquisitions through business combination	6,773	-	6,773
Additions/modifications to right-of-use assets	32,352	5,818	38,170
Disposals of right-of-use assets	(1,930)	-	(1,930)
Balance as at 30 June 2023	**103,834**	**18,361**	**122,195**
Balance as at 1 July 2023	103,834	18,361	122,195
Depreciation charge for the year	(21,958)	(4,761)	(26,719)
Acquisitions through business combination	2,496	1,227	3,723
Additions/modifications to right-of-use assets	3,451	2,827	6,278
Balance as at 30 June 2024	**87,823**	**17,654**	**105,477**

(ii) Amounts recognised in profit or loss

In thousands of AUD	2024	2023
Interest on lease liabilities	6,116	6,349
Income from sub-leasing right-of-use assets	1,443	1,042
Expenses relating to short-term leases	591	925
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	400	494

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2024

15. Leases (cont.)

(iii) Amounts recognised in statement of cash flows

In thousands of AUD	2024	2023
Total cash outflow for leases	38,040	38,323

(iv) Extension options

Some property leases contain extension options exercisable before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is significant event or changes in circumstances within its control.

B. Leases as lessor

The Group leases out some its leased properties. All leases are classified as operating leases from a lessor perspective with the exception of a sub-lease, which the Group classified as a finance sub-lease.

(i) Finance lease

During the year, the Group recognised $18 thousand interest income on lease receivables (2023: $34 thousand).

The following table sets out the maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

In thousands of AUD	2024	2023
Less than one year	169	1,453
Total undiscounted lease receivable	**169**	**1,610**
Unearned finance income	(2)	(20)
Net investment in the lease	**167**	**1,590**

(ii) Operating lease

The Group has classified some sub-leased property as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Rental income recognised by the Group during the year was $75 thousand (2023: $73 thousand).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

In thousands of AUD	2024	2023
Less than one year	78	75
Between one to five years	80	178
More than five years	-	-
Total	**158**	**253**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2024

16. Intangible assets and goodwill

In thousands of AUD	Goodwill*	Computer software	Capital work in progress	Customer relationships	Total
Cost					
Balance at 1 July 2022	147,378	22,606	5,216	37,754	212,953
Acquisition	5,439	-	-	-	5,439
Disposal	-	(601)	-	-	(601)
Transfer to/(from) computer software	-	6,041	(6,041)	-	-
Other additions	-	374	1,091	-	1,465
Balance at 30 June 2023 Restated*	**152,817**	**28,420**	**266**	**37,754**	**219,257**
Balance at 1 July 2023	152,817	28,420	266	37,754	219,257
Acquisition	20,929	-	-	4,900	25,829
Other additions	-	1,286	1,201	-	2,487
Balance at 30 June 2024	**173,746**	**29,706**	**1,467**	**42,654**	**247,573**
Amortisation and impairment losses					
Balance at 1 July 2022	40,000	16,756	-	22,905	79,661
Amortisation for the year	-	3,607	-	3,035	6,642
Disposal	-	(601)	-	-	(601)
Balance at 30 June 2023	**40,000**	**19,762**	**-**	**25,940**	**85,702**
Balance at 1 July 2023	40,000	19,762	-	25,940	85,702
Amortisation for the year	-	3,376	-	3,437	6,813
Balance at 30 June 2024	**40,000**	**23,138**	**-**	**29,377**	**92,515**
Carrying amounts					
At 1 July 2023 Restated*	112,817	8,658	266	11,814	133,555
At 30 June 2024	**133,746**	**6,568**	**1,467**	**13,277**	**155,058**

No impairment losses in relation to goodwill have been recognised in the year ended 30 June 2024 (2023: nil).

*Refer to Note 35 on Restatement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2024

16. Intangible assets and goodwill (cont.)

Impairment testing for cash-generating units containing goodwill

The Group completes impairment testing for seven CGUs. The individual CGUs within the 'Production (group of CGUs)' are not individually significant and have been grouped for disclosure. The carrying amount of any goodwill summarised by operating division is set out below:

In thousands of AUD	2024	2023 Restated*
Print Web Offset including distribution	44,361	44,361
Data-Driven Communications	38,506	38,506
Production (group of CGUs)	50,879	29,950
	133,746	**112,817**

Goodwill impairment testing is performed by applying value in use calculations. The calculations for all CGUs use nominal 5 year cash flow projections based on FY25 budgeted EBITDA approved by the Board. The EBITDA has been developed using past experience and industry knowledge. A pre-tax WACC rate has been used based on the size and nature of each CGU. Also, a nominal growth allowance in the 5 year and terminal growth cash flow projections has been made in determining management's estimate of the EBITDA projections of each CGU. The WACC and growth rates are:

	WACC rate (pre-tax nominal)	Growth rate
Print Web Offset including distribution	11.9% (2023:11.5%)	1% (2023: 1%)
Data-Driven Communications	12.8% (2023:12.7%)	2% (2023: 2%)
Production (group of CGUs)	11.8% to 12.6% (2023: 11.8% to 12.6%)	1% to 2% (2023: 1% to 2%)

There are no reasonable possible changes in assumptions that would give rise to impairment.

17. Other assets

In thousands of AUD	2024	2023
Current		
Contract assets	1,284	3,025
Other assets	732	1,186
	2,016	**4,211**
Non-current		
Contract assets	431	718
Other assets	139	-
	570	**718**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2024

18. Trade and other payables

In thousands of AUD	2024	2023
Current		
Trade payables	86,889	85,360
Accrued expenses	32,217	33,504
	119,106	**118,864**

19. Loans and borrowings

In thousands of AUD	2024	2023
Current		
Equipment finance	2,966	3,608
Non-current		
Bank loan	169,392	154,061
Equipment finance	1,418	3,175
	170,810	**157,236**

Bank loan

As at 30 June 2024, the amended Syndicated Facilities Agreement has a carrying amount of $169,392 thousand and face value of $170,000 thousand (2023: carrying amount of $154,061 thousand and face value of $155,000 thousand). These facilities are at an interest rate of BBSY plus a margin, and maturity date of 6 May 2026. The Group was in compliance with all loan covenants as at 30 June 2024.

20. Employee benefits

In thousands of AUD	2024	2023
Current		
Liability for long service leave	14,050	15,164
Liability for annual leave	14,051	15,825
	28,101	**30,989**
Non-current		
Liability for long service leave	7,936	7,672
	36,037	**38,661**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2024

21. Provisions

In thousands of AUD	Restructure	Make good	Total
Balance at 1 July 2023	5,827	7,369	13,196
Assumed in business in combination	-	350	350
Provisions utilised during the year	(4,500)	(1,149)	(5,649)
Provisions reversed during the year		(300)	(300)
Unwind of discount	-	(42)	(42)
Balance at 30 June 2024	**1,327**	**6,228**	**7,555**
Current	1,327	786	2,113
Non-current	-	5,442	5,442
	1,327	**6,228**	**7,555**

Refer to Note 3(k) on the nature of the provision.

22. Other liabilities

In thousands of AUD	2024	2023
Current		
Contract liabilities	9,405	9,885
Contingent consideration	4,000	744
Forward exchange contracts used for hedging	262	278
	13,667	**10,907**
Non-current		
Contingent consideration	1,000	-
Forward exchange contracts used for hedging	-	170
	1,000	**170**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2024

23. Share-based payments

During the year ended 30 June 2024, the company granted Rights under the Equity Incentive Plan (EIP). The Rights are an entitlement to receive fully paid ordinary IVE Group Limited Shares on a one-for-one basis. Further details on the Rights are described below.

Type of arrangement	Senior Leadership Team Award
Date of grant	20 November 2023
Number granted	838,235
Contractual life	3 years and 2 months
Vesting conditions	The Rights are subject to the following Performance Conditions: sixty percent of the Rights are referenced against achieving Earnings Per Share Target (EPS), and forty percent are referenced against achieving Relative Shareholder Return (TSR) target. The performance period is 1 July 2023 to 30 June 2026 inclusive. The vesting date is expected to be on or soon after the approval of IVE's 2026 Annual Financial Report.
Weighted average fair value	$1.36
Valuation methodology	The EPS target was calculated using a risk-neutral assumption, whereas the TSR target has been valued using a Monte Carlo simulation approach.
Expected dividend	Holders of performance share rights are not entitled to receive dividends prior to vesting.
Other key valuation assumptions	
Share price at valuation date	$2.024
Expected volatility	36%
Risk-free interest rate	4.04%
Dividend yield	7.85%

*Share rights issued to Directors required shareholder approval. This occurred at the Group's 2023 Annual General Meeting.

During the year, 838,235 Rights were granted (2023: 711,808), 1,884,613 were exercised (2023: nil) 181,465 thousand lapsed (2023: 647,056), and 2,192,104 remain outstanding (2023: 3,419,947). The total expense relating to the Rights granted was $1,014 thousand (for the year ended 30 June 2023: $960 thousand).

These expenses are included in Note 6 of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2024

24. Capital and reserves

Issued and paid up capital (In thousands of AUD)	2024	2023
153,980,641 (June 2023: 152,096,028) ordinary shares fully paid	**167,664**	167,664

Movement in ordinary share capital

Date	Details	Number of shares	Issue price	Total $'000
1-Jul-22	Opening balance	143,508,948	-	148,878
28-Sep-22	Institutional placement (including transaction costs net of tax)	8,000,000	2.25	17,485
17-Oct-22	Share purchase plan (including transaction costs net of tax)	587,080	2.25	1,301
30-Jun-23	**Closing balance**	**152,096,028**	**-**	**167,664**
1-Jul-23	Opening balance	152,096,028	-	167,664
28-Aug-23	Issue of shares under the Equity Incentive Plan	1,884,613	-	-
30-Jun-24	**Closing balance**	**153,980,641**		**167,664**

Dividends

On 26 August 2024, the directors have declared a fully franked dividend of 8.5 cents per share to be paid on 16 October 2024 to shareholders on the register at 12 September 2024. The final dividend payout is $13,088 thousand (2023: $12,928 thousand). A liability has not been recognised as the dividend was declared after the reporting date.

The following dividends were declared and paid during the year ended 30 June 2024:

In thousands of AUD	Cents per share	Total amount	Date of payment
2024			
Final 2023 ordinary	8.5	13,087	12 October 2023
Interim 2024 ordinary	9.5	14,629	12 April 2024
Total amount		**27,716**	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2024

24. Capital and reserves (cont.)

On 12 October 2023 a dividend of 8.5 cents per share (100% franked) was declared and paid by the directors. The dividend was paid out of opening retained profits and profits earned up to that date.

On 12 April 2024 a further dividend of 9.5 cents per share (100% franked) was declared and paid by the directors. The dividend was paid out of opening retained profits and profits earned up to that date.

The following dividends were declared and paid during the year ended 30 June 2023:

	Cents per share	Total amount $'000	Date of payment
2023			
Final 2022 ordinary	8.0	11,481	13 October 2022
Interim 2023 ordinary	9.5	14,449	13 April 2023
Total amount		**25,930**	

Dividend franking account

In thousands of AUD	2024	2023
Amount of franking credits available to shareholders of IVE Group Limited for subsequent financial years	15,234	20,337

The ability to utilise the franking credits is dependent upon the ability to declare dividends.

Reserves

Included within reserves are the fair value of hedged derivative instruments, and foreign currency translation reserve balances.

25. Earnings per share

In cents	2024	2023
Basic earnings per share	18.0	11.4
Diluted earnings per share	17.8	11.2
In thousands		
Earnings		
Profit after income tax attributable to owners of the company used in calculating basic and diluted earnings per share	27,605	17,148
Weighted average number of ordinary shares		
Weighted average number of ordinary shares used in calculating basic earnings per share	153,682	149,972
Weighted average number of ordinary shares used in calculating diluted earnings per share	155,549	153,060

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2024

26. Acquisitions

On 31 October 2023, IVE acquired 100% of the fibre-based packaging business of JacPak Pty Ltd and Egotrade Pty Ltd. The acquired business will operate as a standalone business within IVE.

On 31 May 2024, IVE acquired the selected assets and liabilities of Elastic Studios Pty Ltd's creative business. This business will be integrated into IVE Creative.

The following summarises the major classes of consideration attributable to the acquisition, and the provisionally recognised amounts of assets acquired and liabilities assumed at the acquisition date:

In thousands of AUD	JacPak/ Egotrade	Elastic (provisional)	Total
Consideration transferred			
Initial cash paid	27,926	1,717	29,643
Completion cash adjustment*	(1,700)	10	(1,690)
Contingent consideration	4,000	1,000	5,000
	30,226	2,727	32,953
Identifiable assets acquired and liabilities assumed			
Cash	428	-	428
Trade and other receivables	8,934	104	9,038
Inventories	3,785	-	3,785
Prepayments	316	13	329
Property, plant and equipment	7,636	113	7,749
Intangible assets	4,900	-	4,900
Right-of-use asset	3,650	73	3,723
Trade and other payables	(6,628)	(260)	(6,888)
Tax payable	(289)	-	(289)
Deferred tax assets/(liabilities)	(2,906)	123	(2,783)
Employee benefits	(1,416)	(217)	(1,633)
Provisions	(576)	(50)	(626)
Equipment loan	(1,917)	(68)	(1,985)
Lease liability	(3,650)	(73)	(3,723)
	12,266	(242)	12,024
Goodwill on acquisition	**17,960**	**2,969**	**20,929**

*The completion adjustment includes working capital and balance sheet date adjustments. These adjustments are made in the ordinary course of a transaction to reflect the difference between normalised expectations around balance sheet items at the time of signing and actual balances on transactions at completion.

As part of the consideration transferred, contingent consideration is expected to be payable. The Group has made a best estimate of the amount of consideration payable for the acquisition where there is a variable purchase price based on future revenue performance. Based on past and expected performance the Group assumes that the acquirees will meet the future revenue target. Any variation at time of settlement with be recognised as an expense or income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2024

26. Acquisitions (cont.)

Management have measured the assets and liabilities acquired at fair value at acquisition date. The Fair Values of the Elastic acquisition has been measured on a provisional basis pending the completion of final valuations. If new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date identifies adjustments to the above amounts, or any additional provisions existed at the acquisition date, then the accounting for the acquisition will be revised.

The goodwill is attributed to IVE's strategy in expanding its business, as well as the synergies expected to be realised within the Group. None of the goodwill recognised is expected to be deductible for tax purposes.

Since acquisition, JacPak's/Egotrade's revenue and profit before tax (before acquisition costs) contribution estimate was $28,340 thousand and $678 thousand, respectively.

Since acquisition, Elastic's revenue and loss before tax (before acquisition costs) contribution estimate was $405 thousand and ($200) thousand, respectively.

If these acquisitions had occurred from the beginning of the reporting period the combined Group revenue and net profit before tax (NPBT) would have been estimated at $999,475 thousand and $41,306 thousand, respectively.

Acquisition-related costs totalling $1,880 thousand has been included in other expenses in the Group's consolidated statement of profit or loss and other comprehensive income.

27. Operating segments

The Group has identified one operating segment (whole of business) based on the internal reports that are reviewed and used by the Board (Chief Operating Decision Maker or 'CODM') in assessing performance and in determining the allocation of resources. The Board reviews the internal report on a monthly basis.

The key measure of performance used by the CODM to assess performance is earnings before interest, tax, depreciation and amortisation (EBITDA).

A reconciliation of the reportable segment's EBITDA to profit before income tax expense is shown below. Profit and loss, total assets and liabilities for the reportable segment is consistent with the primary statements included in this consolidated interim financial report.

In thousands of AUD	2024	2023
EBITDA	107,033	90,575
Depreciation, amortisation and impairment	(49,862)	(52,925)
Net finance costs	(17,455)	(13,307)
Profit (loss) before income tax	**39,716**	**24,343**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2024

28. Financial risk management and financial instruments

Overview

The Group has exposure to the following risks from its use of financial instruments:

a. credit risk

b. liquidity risk

c. market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The CFO is responsible for developing and monitoring the Group's risk management policies. He reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit & Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

In thousands of AUD		**Carrying amounts**	
	Notes	**2024**	**2023**
Cash and cash equivalents	*10*	48,760	44,860
Trade receivables	*11*	141,716	135,371
Lease and other receivables	*11*	1,117	4,212
Contract assets	*17*	1,715	3,743
		193,308	**188,186**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2024

28. Financial risk management and financial instruments (cont.)

Trade, lease and other receivables, and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated the industry under the current economic environment. Additional allowances have been made for this uncertainty.

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of services are made to customers with an appropriate credit history based on enquiries through the Group's Finance department. Ongoing customer credit performance is monitored on a regular basis.

The aging of the trade, lease and other receivables and contract assets at the end of the reporting period that were not impaired was as follows:

In thousands of AUD	Carrying amounts	
	2024	**2023**
Neither past due nor impaired	79,052	91,925
Past due 1–30 days	45,996	37,389
Past due 31–90 days	13,465	9,204
Past due 91 days and over	6,035	4,808
	144,547	**143,326**

The movement in the allowance for impairment in respect of receivables during the year was as follows:

In thousands of AUD	**2024**	**2023**
Balance at beginning of the year	2,180	3,124
Assumed in a business combination in current year	123	-
Impairment loss recognised/(reversed)	(46)	551
Amounts written off	-	(1,495)
Balance at end of year	**2,257**	**2,180**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2024

28. Financial risk management and financial instruments (cont.)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages working capital and forecasts cash flow to meet its financial obligations.

The Group at 30 June 2024 had undrawn facility of $60,000 thousand (2023: $35,000 thousand) for general corporate and working capital purpose. The facility will mature on 6 May 2026.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments:

30 June 2024		**Contractual cash flows**			
In thousands of AUD	**Carrying amount**	**Total**	**12 mths or less**	**1-5 years**	**More than 5 years**
Non-derivative financial liabilities					
Trade and other payable	119,106	119,106	119,106	-	-
Lease liabilities	117,155	146,312	32,307	70,584	43,421
Equipment finance	4,384	4,507	2,966	1,541	-
Bank loans	169,392	189,100	10,421	178,679	-
	410,037	**459,025**	**165,800**	**250,804**	**43,421**
Derivative financial liabilities					
Forward exchange contracts used for hedging	262	262	262	-	-
	262	**262**	**262**	**-**	**-**

30 June 2023		**Contractual cash flows**			
In thousands of AUD	**Carrying amount**	**Total**	**12 mths or less**	**1-5 years**	**More than 5 years**
Non-derivative financial liabilities					
Trade and other payable	118,864	118,864	118,864	-	-
Lease liabilities	139,078	172,240	36,683	83,842	51,715
Equipment finance	6,783	7,908	3,608	4,082	218
Bank loans	154,061	179,842	8,785	171,057	-
	418,786	**478,854**	**167,940**	**258,981**	**51,933**
Derivative financial liabilities					
Forward exchange contracts used for hedging	448	448	278	170	-
	448	**448**	**278**	**170**	**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2024

28. Financial risk management and financial instruments (cont.)

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, equity prices and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which purchases are denominated and the respective functional currencies of Group entities. The functional currency of the Group is the Australian dollar (AUD). The currencies in which these transactions are primarily denominated are Euro, US dollars and AUD.

During the year, 2% (2023: 2%) of total group purchases were made in foreign currencies. The Group has used forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date. These forward exchange contracts has been designated as a cash flow hedge, and have $37 thousand fair value at the reporting date (2023: $30 thousand). The Group has performed effectiveness testing and recognised the full fair value amount net of deferred tax $118 thousand in other comprehensive income (2023: $22 thousand). Based on the results of the test no in-effectiveness has been recognised in the profit or loss.

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

In thousands of AUD	As at 30 June 2024		As at 30 June 2023	
	Euro	USD	Euro	USD
Equipment finance loan	1,814	-	5,364	-
Next three months forecast purchases	303	1,221	606	532
Next twelve months capital commitments*	6,852	-	-	-
Forward exchange contracts	(2,117)	(1,221)	(5,969)	(532)
Net exposure	6,852	-	-	-

*Post year-end, the Group has hedged this exposure using a forward exchange contract.

Sensitivity analysis

The impact of exchange rate movements on profit is subject to other variables including movement in market prices. The impact of exchange rate movements on profit and loss is not material.

Interest rate risk

The Group has the ability to enter into interest rate swap contracts to minimise its variable interest exposure on bank loans. As at 30 June 2024, no interest rate swap contracts were outstanding, hence $169,392 thousand of the carrying amount of the bank loan is exposed to variable rates (2023: $154,061 thousand).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2024

28. Financial risk management and financial instruments (cont.)

Exposure to interest risk

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

In thousands of AUD	**Carrying amounts**	
	2024	**2023**
Fixed rate instruments		
Financial liabilities – leases liabilities	(117,155)	(139,078)
Financial liabilities – equipment finance	(2,851)	(2,139)
	(120,006)	**(141,217)**
Variable rate instruments		
Financial assets – bank balances	48,760	44,860
Financial liabilities – bank loans	(169,392)	(154,061)
Financial liabilities – equipment finance	(1,533)	(4,644)
	(122,165)	**(113,845)**

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss therefore a change in interest rate at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 10 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by $123 thousand (2023: $115 thousand). This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis as 2023.

Measurement of fair values

The table below gives information on the valuation technique and unobservable inputs of financial assets or liabilities categorised as a Level 2 and 3 in the fair value hierarchy.

Type	**Valuation technique**	**Significant unobservable inputs**	**Relationship between the fair value and unobservable inputs**
Forward exchange contracts (level 2)	The fair value is determined using quoted forward exchange rates and present value of estimated future cash flow based on observable yield curves.	Not applicable	Not applicable
Contingent consideration (level 3)	The fair value is calculated based on the acquired business achieving future revenue target.	Forecast revenue growth	If the applicable performance targets are higher by 10% than no additional payment will be made. However, if the target is lower by 10%, then the contingent consideration value will be decreased by approximately $4.25 million

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2024

28. Financial risk management and financial instruments (cont.)

Fair values versus carrying amounts

As at the reporting date, the carrying value of other financial assets and liabilities as at the end of the financial year are considered to approximate their fair value.

Capital management

The primary objective of the Group's capital management is to maintain a strong capital base through cash flow management in order to sustain future development of the business and maximise shareholder value. There were no changes in the Group's approach to capital management during the year. The Group is subject to externally imposed capital requirements (being financial loan covenants – refer to Note 19).

29. Capital commitments

As at 30 June 2024, the Group has EUR6,852 thousand commitment to purchase plant and equipment (2023: $1,000 thousand).

30. Related parties

Key management personnel compensation

Key management personnel compensation comprised the following:

In AUD	2024	2023
Short-term employee benefits	3,475,001	3,589,013
Post-employee benefits	154,356	142,979
Share-based payments	540,282	829,485
Other long-term benefits	-	-
	4,169,639	**4,561,477**

Related party transactions and outstanding balances

In AUD	Transaction value year ended 30 June 2024	Transaction value year ended 30 June 2023
Tamkin Pty Ltd – sales	-	2,327

There are no outstanding receivables or payables with related parties.

James Todd is the director and shareholder of Tamkin Pty Ltd that results in him having control or significant influence over the financial or operating policies of these entities.

During the year ending 30 June 2023, the Group sold goods and services to Tamkin Pty Ltd.

The terms and conditions of the transactions above were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to other third parties on an arm's length basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2024

31. Group entities

Ultimate parent entity IVE Group Limited	Ownership interest 2024 %	 2023 %
Caxton Print Group Holdings Pty Ltd	100	100
Caxton Print Group Pty Ltd	100	100
IVE Group Australia Pty Ltd	100	100
IVE Group Victoria Pty Ltd	100	100
Task 2 Pty Ltd	100	100
Pareto Fundraising Pty Ltd	100	100
James Bennett & Associates Pty Ltd	100	100
IVE Employment (Australia) Pty Ltd	100	100
IVE Employment (Victoria) Pty Ltd	100	100
Taverners No. 13 Pty Ltd	100	100
AIW Printing (Aust) Pty Ltd	100	100
AIW Printing Unit Trust	100	100
IVE Group Asia Limited	100	100
Guangzhou IVE Trading Company Limited	100	100
SEMA Holdings Pty Ltd	100	100
SEMA Infrastructure Pty Ltd	100	100
SEMA Operations Pty Ltd	100	100
John W Gage & Co Pty Ltd	100	100
IVE Distribution Pty Ltd	100	100
Lasoo Pty Ltd	100	100
Reach Media New Zealand Limited	100	100
IVE Group Limited Employee Share Trust	100	100
AFI Branding Solutions Pty Ltd	100	100
IVE Employment PW01 Pty Ltd	100	100
IVE Employment PW02 Pty Ltd	100	100
JacPak Pty Ltd	100	-
Egotrade Pty Ltd	100	-

All entities are incorporated in Australia except for: IVE Group Asia Limited (incorporated in Hong Kong, China), Guangzhou IVE Trading Company Limited (incorporated in China), and Reach Media New Zealand Limited (incorporated in New Zealand).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2024

32. Parent entity disclosures

As at, and throughout, the financial year ending 30 June 2024 the parent entity of the Group was IVE Group Limited.

In thousands of AUD	2024	2023
Result of parent entity		
Profit/(loss) for the year	27,716	22
Other comprehensive income	-	-
Total comprehensive income for the year	**27,716**	**22**
Financial position of parent entity at year/period end		
Current assets	299	588
Total assets	18,513	18,323
Current liabilities	209	109
Total liabilities	209	109
Total equity of the parent entity comprising of:		
Share capital	298,976	298,976
Equity reserve	(145,444)	(145,444)
Accumulated losses (net of dividend paid)	(135,318)	(135,318)
Total equity	**18,214**	**18,214**

IVE Group Limited was incorporated on 10 June 2015, but did not undertake any trading activities until its listing (IPO) on the Australian Stock Exchange (ASX) on 16 December 2015 where it also contemporaneously acquired Caxton Print Group Holdings Pty Ltd (CPGH).

An internal restructure took place resulting in IVE Group Limited becoming the holding company of CPGH. The Directors elected to account for the restructure as a capital reorganisation rather than a business combination. In the Directors' judgement, the continuation of the existing accounting values is consistent with the accounting that would have occurred if the assets and liabilities had already been in a structure suitable to IPO and most appropriately reflects the substance of the internal restructure. As such, the consolidated financial statements of the new IVE Group have been presented as a continuation of the preexisting accounting values of assets and liabilities in CPGH's financial statements.

Accordingly, the other equity reserve represents the difference between the fair value of the share capital at the date of the IPO and historical book values of the assets and liabilities of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2024

33. Auditors' remuneration

In AUD	2024	2023
Audit services		
Auditors of the Company – KPMG		
Audit and review of financial reports	540,712	507,245
Other assurance	10,195	-
	550,907	**507,245**

34. Deed of cross guarantee

Pursuant to ASIC Corporations (Wholly owned Companies) Instrument 2016/785 the wholly-owned subsidiaries listed below are relieved from the *Corporations Act 2001* requirements for preparation, audit and lodgement of financial reports, and directors' reports.

It is a condition of the Instrument that IVE Group Limited (the Company) and each of the subsidiaries enter into a Deed of Cross Guarantee. The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the *Corporations Act 2001*. If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that the Company is wound up.

The Company and its subsidiaries amended its Deed of Cross Guarantee on 29 January 2024.
The subsidiaries subject to the Deed are:

a. Caxton Print Group Holdings Pty Ltd
b. IVE Group Australia Pty Ltd
c. IVE Group Victoria Pty Ltd
d. Caxton Print Group Pty Ltd
e. Task 2 Pty Ltd
f. Pareto Fundraising Pty Ltd
g. James Bennett & Associates Pty Ltd
h. IVE Employment (Australia) Pty Ltd
i. IVE Employment (Victoria) Pty Ltd
j. Taverners No. 13 Pty Ltd
k. AIW Printing (Aust) Pty Ltd
l. SEMA Holdings Pty Ltd
m. SEMA Infrastructure Pty Ltd
n. SEMA Operations Pty Ltd
o. John W. Gage & Co Pty Ltd
p. IVE Distribution Pty Ltd
q. Lasoo Pty Ltd
r. AFI Branding Solutions Pty Ltd
s. IVE Employment PWO1 Pty Ltd
t. IVE Employment PWO2 Pty Ltd
u. JacPak Pty Ltd
v. Egotrade Pty Ltd

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2024

34. Deed of cross guarantee (cont.)

The following consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position, comprising the Company and controlled entities, which are a party to the Deed, after eliminating all transactions between parties to the Deed of Cross Guarantee, for the year ended 30 June 2024, are:

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2024

In thousands of AUD	2024	2023
Revenue	946,244	942,351
Cost of sales	(503,217)	(516,808)
Gross profit	**443,027**	**425,543**
Other income	15	2,834
Production expenses	(220,546)	(222,305)
Administrative expenses	(152,004)	(140,704)
Other expenses	(16,050)	(30,749)
Results from operating activities	**54,442**	**34,619**
Finance income	858	459
Finance costs	(18,273)	(13,723)
Net finance costs	**(17,415)**	**(13,264)**
Profit before tax	**37,027**	**21,355**
Income tax expense	(11,258)	(7,169)
Profit for the year	**25,769**	**14,186**
Cash flow hedges	171	95
Total other comprehensive income	**25,940**	**14,282**
Reconciliation of movement in retained earnings		
Balance reported at 1 July	**19,046**	**30,790**
Profit for the year	25,769	14,186
Dividends to owners of the Company	(27,716)	(25,930)
Balance at 30 June	**17,099**	**19,046**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2024

34. Deed of cross guarantee (cont.)

Consolidated statement of financial position

As at 30 June 2024

In thousands of AUD	2024	2023
Assets		
Cash and cash equivalents	44,808	41,110
Trade and other receivables	137,598	133,972
Inventories	79,178	98,695
Prepayments	4,303	4,580
Assets held for sale	-	1,056
Current tax receivable	-	503
Other current assets	1,868	4,068
Total current assets	**267,755**	**283,984**
Deferred tax assets	15,483	22,037
Trade and other receivables	197	1,021
Property, plant and equipment	111,344	106,669
Right-of-use assets	104,219	120,430
Intangible assets and goodwill	154,819	130,361
Other non-current assets	570	718
Total non-current assets	**386,632**	**381,236**
Total assets	**654,387**	**665,220**
Liabilities		
Trade and other payables	115,228	115,328
Lease liabilities	31,592	35,891
Loans and borrowings	2,966	3,608
Employee benefits	28,101	30,989
Current tax payable	2,738	-
Provisions	2,113	6,476
Other current liabilities	13,667	10,907
Total current liabilities	**196,405**	**203,199**
Trade and other payables	294	-
Loans and borrowings	170,810	157,236
Lease liabilities	83,912	100,820
Employee benefits	7,936	7,672
Provisions	5,346	6,624
Other non-current liabilities	1,000	170
Total non-current liabilities	**269,298**	**272,522**
Total liabilities	**465,703**	**475,721**
Net assets	**188,684**	**189,499**
Equity		
Share capital	167,664	167,664
Reserves	3,921	2,789
Retained earnings	17,099	19,046
Total equity	**188,684**	**189,499**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

For the year ended 30 June 2024

35. Restatement

The Group has restated goodwill relating to the prior year Ovato business acquisition. This is due to the acquired tax asset values being restated following completion of the tax return process.

Below is summary of the restated balances:

In thousands of AUD	30 June 2023 Reported	Restatement	30 June 2023 Restated
Total current assets	292,399	-	292,399
Deferred tax assets	22,037	(2,769)	19,268
Intangible assets and goodwill	130,786	2,769	133,555
Total other non-current assets	230,056	-	230,056
Total assets	675,278	-	675,278
Total liabilities	481,720	-	481,720
Net assets	**193,558**	**-**	**193,558**
Total equity	**193,558**	**-**	**193,558**

The restatement did not have an impact on the Group's statement of profit and loss and other comprehensive income, statement of changes in equity, or statement of cashflows

36. Subsequent events

There have been no other events subsequent to balance date which would have a material effect on the Group's consolidated financial statements at 30 June 2024.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

For the year ended 30 June 2024

Entity name	Body corporate or trust	% of share capital held by the Company	Country of incorporation	Country of tax residency
IVE Group Limited (the Company)	Body corporate	100%	Australia	Australia
Caxton Print Group Holdings Pty Ltd	Body corporate	100%	Australia	Australia
Caxton Print Group Pty Ltd	Body corporate	100%	Australia	Australia
IVE Group Australia Pty Ltd	Body corporate	100%	Australia	Australia
IVE Group Victoria Pty Ltd	Body corporate	100%	Australia	Australia
Task 2 Pty Ltd	Body corporate	100%	Australia	Australia
Pareto Fundraising Pty Ltd	Body corporate	100%	Australia	Australia
James Bennett & Associates Pty Ltd	Body corporate	100%	Australia	Australia
IVE Employment (Australia) Pty Ltd	Body corporate	100%	Australia	Australia
IVE Employment (Victoria) Pty Ltd	Body corporate	100%	Australia	Australia
Taverners No. 13 Pty Ltd	Body corporate	100%	Australia	Australia
AIW Printing (Aust) Pty Ltd	Body corporate	100%	Australia	Australia
AIW Printing Unit Trust	Trust	N/A	Australia	Australia
IVE Group Asia Limited	Body corporate	100%	Hong Kong, China	Australia
Guangzhou IVE Trading Company Limited	Body corporate	100%	China	Australia
SEMA Holdings Pty Ltd	Body corporate	100%	Australia	Australia
SEMA Infrastructure Pty Ltd	Body corporate	100%	Australia	Australia
SEMA Operations Pty Ltd	Body corporate	100%	Australia	Australia
John W Gage & Co Pty Ltd	Body corporate	100%	Australia	Australia
IVE Distribution Pty Ltd	Body corporate	100%	Australia	Australia
Lasoo Pty Ltd	Body corporate	100%	Australia	Australia
Reach Media New Zealand Limited	Body corporate	100%	New Zealand	Australia
IVE Group Limited Employee Share Trust	Trust	N/A	Australia	Australia
AFI Branding Solutions Pty Ltd	Body corporate	100%	Australia	Australia
IVE Employment PW01 Pty Ltd	Body corporate	100%	Australia	Australia
IVE Employment PW02 Pty Ltd	Body corporate	100%	Australia	Australia
JacPak Pty Ltd	Body corporate	100%	Australia	Australia
Egotrade Pty Ltd	Body corporate	100%	Australia	Australia

Determination of Tax Residency Section 295 (3A) of the Corporations Acts 2001 requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. In the context of an entity which was an Australian resident, "Australian resident" has the meaning provided in the Income Tax Assessment Act 1997. The determination of tax residency is prepared based on legislation in force at 30 June 2024.

IVE Group Limited
DIRECTORS' DECLARATION

1 In the opinion of the directors of IVE Group Limited (the Company):

(a) the consolidated financial statements and notes, set out on pages 59 to 102, are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

(b) the consolidated entity disclosure statement as at 30 June 2024 set out on pages 103 is true and correct; and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2 There are reasonable grounds to believe that the Company and the group entities identified in Note 31 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those group entities (refer Note 34) pursuant to ASIC Corporations (Wholly owned Companies) Instrument 2016/785.

3 The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2024.

4 The directors draw attention to Note 2 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of directors.

James Todd
Chairman

Dated at Sydney this 26th day of August 2024

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Independent Auditor's Report

To the shareholders of IVE Group Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of IVE Group Limited (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the ***Group***'s financial position as at 30 June 2024 and of its financial performance for the year then ended, in accordance with the *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated Statement of financial position as at 30 June 2024
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the year then ended
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 June 2024
- Notes, including material accounting policies
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with 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 Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

KPMG

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

This matter was addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Valuation of Goodwill at 30 June 2024 (133.7 million)	
Refer to Note 16 to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**
A key audit matter for us was the Group's annual testing of goodwill for impairment, given the size of the balance (being 20% of total assets) and the higher estimation uncertainty driven by current economic conditions. Certain conditions impacting the Group increased the judgement applied by us when evaluating the evidence available. We focused on the significant forward-looking assumptions the Group applied in its value in use models, including: • Assessment of the Cash Generating Units (CGUs)-The Group has multiple operating businesses/product lines and has made acquisitions during the year necessitating our consideration of the Group's determination of CGUs, based on the smallest group of assets which generate largely independent cash inflows; • Forecast operating cash flows, annual growth rates and terminal growth rates – the Group has experienced continuing competitive market conditions due to technological change and digital disruption in the printing industry that can impact print demand and	Our procedures included: • We considered the Group's determination of its CGUs based on our understanding of the Group's business, and how independent cash inflows were generated against the requirements of the accounting standards; • We analysed the acquisitions made during the year and the Group's internal reporting to assess the Group's monitoring and management of activities, and the consistency of the allocation of goodwill to CGU's; • We considered the appropriateness of the value in use method applied by the Group to perform the annual test of goodwill for impairment against the requirements of the accounting standards; • We assessed the integrity of the value in use models used, including the accuracy of the underlying calculations; • We compared the Group's cash flow forecasts contained in the value in use models to the Board approved forecasts; • We assessed the accuracy of previous Group forecasts to inform our evaluation of forecasts incorporated in the models. We noted previous trends of constrained market conditions and how they impacted the business for use in further testing; • Working with our valuation specialists we checked the consistency of the growth rates to the Group's plans and our experience regarding the feasibility of these in the printing industry

KPMG

volumes or change the demand mix of business between CGU's. These conditions increase the possibility of goodwill being impaired, plus the risk of inaccurate forecasts or a significantly wider range of possible outcomes for us to consider; • Discount rates – These are complicated in nature and vary according to the conditions and environment the specific Cash Generating Unit is subject to from time to time. The Group uses complex models to perform its annual testing of goodwill for impairment. The models are largely manually developed, use adjusted historical performance, and a range of internal and external sources as inputs to the assumptions. The Group has not always met prior forecasts, raising our concern for reliability of current forecasts. Complex modelling, using forward-looking assumptions tend to be prone to greater risk for potential bias, error and inconsistent application. These conditions necessitate additional scrutiny by us, in particular to address the objectivity of sources used for assumptions, and their consistent application. Given the nature of these judgements, we involved our valuation specialists and senior staff with experience in the industry and the Group's business in assessing this key audit matter.	and economic environment in which it operates; • Working with our valuation specialists, we independently developed a discount rate range using publicly available data for comparable entities, adjusted by risk factors specific to the Group and the industry it operates in; • We considered the sensitivity of the models by varying key assumptions, such as forecast operating cash flows, forecast growth rates, terminal growth rates and discount rates, within a reasonable range. We considered the interdependencies of key assumptions when performing the sensitivity analysis and what the Group considers to be reasonable. We did this to identify those CGUs at higher risk of impairment and those assumptions at higher risk of bias or inconsistency in application and to focus our further procedures; • We challenged the Group's significant forecast cash flow and growth assumptions in light of continuing competitive market conditions due to technological change and digital disruption in the printing industry that can impact print demand and volumes or change the demand mix of business between CGUs. We applied increased skepticism to forecasts in the areas where previous forecasts were not achieved. We compared forecast growth rates and terminal growth rates to authoritative published studies of industry trends and expectations and considered differences for the Group's operations. We used our knowledge of the Group, business and customers and our industry experience; • We assessed the impact of technology and market changes on the Group's key assumptions, specifically the continued market for catalogues and other printed products, for indicators of bias and inconsistent application, using our industry knowledge and information published by reputable sources; and • We assessed the disclosures in the financial report against the requirements of the accounting standards.

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Other Information

Other Information is financial and non-financial information in IVE Group Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Operating and financial review. The Business highlights, Year in Review, Chairman's Review Report and Chief Executive Officer's Review Report are expected to be made available to us after the date of the Auditor's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not and will not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error
- assessing the Group's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

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A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf) This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of IVE Group Limited for the year ended 30 June 2024, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 31 to 51 of the Directors' report for the year ended 30 June 2024.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

Daniel Camilleri

Partner

Sydney

26 August 2024

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange (ASX) and not disclosed elsewhere in the Annual Report is set out below. The shareholder information below is correct as at 7 August 2024.

IVE Group Limited shares are traded on the ASX under the code 'IGL'.

Share registry

Link Market Services
Level 12, 680 George Street
Sydney NSW 2000
Phone: +61 1300 554 474

Registered office

Level 3, 35 Clarence Street
Sydney NSW 2000
Phone: +61 2 8020 4400

Principal Place of Business

Building B,
350-374 Parramatta Road
Homebush NSW 2140
Phone: +61 2 8020 4400

Substantial shareholders of ordinary shares (as reported to the ASX)

Name	Number of Shares Held	%	Date of notice to ASX
Anthony Young	12,373,578	8.1%	25 August 2023
Ryan Young	10,118,488	8%	23 October 2023
Tynan Young	7,642,431	5%	27 April 2023

Distribution of shareholders and shareholdings – ordinary shares

There are 153,980,641 ordinary shares on issue held by 4,248 shareholders.

Range	Ordinary Shares	%	No. of holders	%
1 to 1,000	345,619	0.22	644	15.16
1,001 to 5,000	3,562,417	2.31	1,228	28.91
5,001 to 10,000	6,002,719	3.90	746	17.56
10,001 to 100,000	44,188,304	28.70	1,465	34.49
100,001 and over	99,881,582	64.87	165	3.88
Total	**153,980,641**	**100.00**	**4,248**	**100.00**

ASX ADDITIONAL INFORMATION (CONT.)

Distribution of performance right holders and holdings - performance share rights (unlisted)

There are 2,192,101 unlisted performance share rights on issue that have been issued under an employee share plan. These are held by 8 employees.

Range	Performance Share Rights	%	No. of holders	%
1 to 1,000	-	-	-	-
1,001 to 5,000	-	-	-	-
5,001 to 10,000	-	-	-	-
10,001 to 100,000	88,235	4.03%	1	12.50%
100,001 and over	2,103,866	95.97%	7	87.50%
Total	**2,192,101**	**100.00%**	**8**	**100.00%**

Unmarketable parcels

The number of shareholders holding less than a marketable parcel of ordinary shares is 134 for 5,704 shares, based on IVE's closing share price of $2.16, on 7 August 2024.

Twenty largest shareholders

Rank	Name	No. shares	%
1	CITICORP NOMINEES PTY LIMITED	14,824,440	9.63
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,521,961	3.59
3	RYLELAGE PTY LTD <BARNES SUPER FUND A/C>	5,474,827	3.56
4	STRATEGIC VALUE PTY LTD <TAL SUPER A/C>	5,417,122	3.52
5	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	5,268,755	3.42
6	BNP PARIBAS NOMS PTY LTD	4,432,614	2.88
7	UBS NOMINEES PTY LTD	3,686,101	2.39
8	CAXTON PRINT HOLDINGS PTY LTD	3,310,231	2.15
9	EXLDATA PTY LTD	3,224,174	2.09
9	MR STEPHEN CRAIG JERMYN <JERMYN FAMILY S/FUND A/C>	3,000,000	1.95
10	SCJ PTY LIMITED <JERMYN FAMILY A/C>	3,000,000	1.95
11	STRATEGIC VALUE PTY LIMITED	2,063,337	1.34
12	WARBONT NOMINEES PTY LTD <UNPAID ENTREPOT A/C>	1,841,991	1.20
13	DOROTHY PRODUCTIONS PTY LTD	1,600,000	1.04
14	MR DAVID RONALD MCLAREN & MRS ROSEMARY PHYLLIS MCLAREN <D & R MCLAREN S/F A/C>	1,225,000	0.80
15	MR TREVOR READ	1,050,059	0.68
16	EXLDATA PTY LTD	1,030,851	0.67
17	MR MIKE FEGELSON	1,002,500	0.65
18	JOHN BARNES FOUNDATION LIMITED <JOHN BARNES FOUNDATION A/C>	930,277	0.60
19	RYLELAGE PTY LTD <BARNES SUPER FUND A/C>	844,444	0.55
20	CITICORP NOMINEES PTY LIMITED	750,000	0.49
Total		**69,498,684**	**45.13**
Balance of register		**84,481,957**	**54.87**
Grand total		**153,980,641**	**100.00**

ASX ADDITIONAL INFORMATION (CONT.)

On-Market Buy Back

There is no current on-market buy back.

Voting rights

The voting rights attached to ordinary shares are set out below:

On a show of hands every member present at a meeting in person or by proxy shall have one vote, and upon a poll, one vote for each fully paid share held.

Holders of performance rights do not have voting rights on the performance rights held by them.

Voluntary escrow

There were no ordinary shares held in a voluntary escrow arrangement as at 7 August 2024.

Stock Exchange Listing

IVE Group securities are only listed on the ASX.

Corporate Governance Statement

The Board is responsible for the overall corporate governance of IVE Group Limited, including adopting appropriate policies and procedures designed to ensure that the IVE Group is properly managed to protect and enhance Shareholder interests.

The Board monitors the operational and financial position and performance of IVE and oversees its business strategy, including approving the strategic goals of IVE. The Board is committed to maximising performance, generating appropriate levels of Shareholder value and financial return, and sustaining the growth and success of IVE.

In conducting business with these objectives, the Board is committed to ensuring that IVE is properly managed to protect and enhance Shareholder interests, and that IVE, its Directors, officers and employees operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing IVE, including adopting relevant internal controls, risk management processes and corporate governance policies and practices, which it believes are appropriate for IVE's business and that are designed to promote the responsible management and conduct of IVE.

Details of IVE's key governance policies and the charters for the Board and each of its committees are available on IVE's website at http://investors.ivegroup.com.au/Investor-Centre/?page=corporate-governance.

The Corporate Governance Statement reports against the 4th edition of the ASX Corporate Governance Council's Principles and Recommendations (**ASX Principles**) and the practices detailed in the Corporate Governance Statement are current as at 26 August 2024. It has been approved by the Board and is available on the IVE website under Investors at http://investors.ivegroup.com.au/investor-centre/?page=corporate-governance.