



**Accent Group Limited**

ABN 85 108 096 251

Appendix 4D  
Half-year Report

## Appendix 4D

### 1. COMPANY DETAILS

Name of entity: Accent Group Limited  
ABN: 85 108 096 251  
Reporting period: For the half-year ended 31 December 2023 (26 weeks)  
Previous period: For the half-year ended 1 January 2023 (27 weeks)

### 2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

	Percentage change %	Amount \$'000
Revenue from ordinary activities	down 2.1%	to 742,156
Profit after income tax for the period	down 27.6%	to 42,236

#### Dividends

	Amount per security Cents	Franked amount per security Cents
2023 Final dividend	5.50	5.50
2024 Interim dividend	8.50	8.50

Dividend payment date:

- 2023 Final dividend 28 September 2023  
- 2024 Interim dividend 21 March 2024

### 3. NET TANGIBLE ASSETS PER ORDINARY SECURITY

	31 Dec 2023 Cents	1 Jan 2023 Cents
Net tangible assets per ordinary security	12.33	17.06

Net tangible assets are calculated by deducting intangible assets from the net assets of the Group.

### 4. OTHER INFORMATION

This report is based on the consolidated financial statements which have been reviewed by PricewaterhouseCoopers.

For further explanation of the figures above please refer to the ASX Announcement dated 23 February 2024 outlining the results for the half-year ended 31 December 2023 and the notes to the financial statements.

Interim Financial Report

31 December 2023



## **Accent Group Limited**

ABN 85 108 096 251

Interim Financial Report  
31 December 2023

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31 December 2023

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## Directors' Report

31 December 2023

The directors present their report, together with the financial statements, of the consolidated entity (referred to hereafter as the 'Consolidated Entity' or 'Group') consisting of Accent Group Limited (referred to hereafter as the 'Company' or 'Accent Group') and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

The Group has adopted a 26-week half-year period, for financial reporting purposes, which ended on 31 December 2023. The prior half-year period was a 27-week period ended on 1 January 2023.

### DIRECTORS

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

David Gordon – Chairman

Daniel Agostinelli – Chief Executive Officer

Stephen Goddard (resigned 17 November 2023)

Michael Hapgood

Lawrence Myers (appointed 17 November 2023)

Donna Player

Anne Loveridge AM (appointed 17 November 2023)

Joshua Lowcock (resigned 17 November 2023)

Brett Blundy

Timothy Dodd – Alternate Director for Brett Blundy

### PRINCIPAL ACTIVITIES

Accent Group is a leading digitally integrated consumer business in the retail and distribution sectors of branded performance and lifestyle footwear, apparel and accessories with over 888 stores across 24 different retail banners and exclusive distribution rights for 17 international brands across Australia and New Zealand.

The Group's banners and brands include The Athlete's Foot (TAF), Platypus Shoes, Hype DC, Skechers, Merrell, CAT, Vans, Dr. Martens, Saucony, Timberland, HOKA, Superga, Subtype, The Trybe, Stylerunner, Glue Store, Nude Lucy and UGG.

### DIVIDENDS

Dividends paid during the half-year were as follows:

	Consolidated	
	31 Dec 2023 \$'000	1 Jan 2023 \$'000
Final dividend for the year ended 2 July 2023 of 5.50 cents (2022: 4.00 cents) per ordinary share	30,968	21,675

In respect of the half-year ended 31 December 2023, the directors recommended the payment of an interim fully franked dividend of 8.50 cents per share to be paid on 21 March 2024.

The Group remains in a strong position with a flexible and resilient business model, a strong balance sheet and conservative gearing levels.

## Directors' Report

31 December 2023

### REVIEW OF OPERATIONS

The Group recorded total statutory revenue of \$742.2 million (2023: \$758.1 million) which is comprised of owned sales to customers (excluding TAF franchise sales) of \$732.9 million (2023: \$746.5 million) and other revenue of \$9.3 million (2023: \$11.6 million). Including TAF franchise sales, the Group delivered total sales of \$810.9 million, down 2% on the prior year for the half-year ended 31 December 2023.

Gross margin of 56.6% (2023: 55.2%) from owned sales to customers (excluding TAF franchise sales) represents an increase of 140 basis points to the prior year. The Group continues to improve its gross margin through its distributed and owned vertical brands.

Net profit after tax for the half-year was \$42.2 million (2023: \$58.3 million), delivered through the Group's continued focus on customers, offerings of sought after product, and full-priced, full-margin sales.

Strong sales were achieved across Skechers, TAF, Hype DC, HOKA, Stylerunner and Nude Lucy. Wholesale sales remained challenging, reflecting softer demand from customers.

The Group opened 72 new stores during H1 and closed 5 stores where required rent outcomes could not be achieved. The Group expects to open a further 20 new stores in H2 FY24.

### Significant changes in the state of affairs

In the directors' opinion, there have been no significant changes in the state of affairs of the Group during the period.

Following the consent of the Australian Securities and Investment Commission to the resignation of Deloitte Touche Tohmatsu as the Group's auditor, and in accordance with section 327C of the *Corporations Act 2001*, shareholders passed a resolution at the 2023 Annual General Meeting appointing PricewaterhouseCoopers as the Company's external auditor.

### Rounding of amounts

The Company is of a kind referred to in *Corporations Instrument 2016/191*, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

## Directors' Report

31 December 2023

### AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

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

On behalf of the directors



**David Gordon**

Chairman

23 February 2024

## Auditor's Independence Declaration



### Auditor's Independence Declaration

As lead auditor for the review of Accent Group Limited for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Accent Group Limited and the entities it controlled during the period.

A handwritten signature in black ink that reads 'Alison Tait Milner'.

Alison Tait Milner  
Partner  
PricewaterhouseCoopers

Melbourne  
23 February 2024

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# Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2023

	Note	Consolidated	
		31 Dec 2023 \$'000	1 Jan 2023 \$'000
<b>Revenue</b>	5	<b>742,156</b>	758,072
Interest revenue		842	508
<b>Expenses</b>			
Cost of sales		(318,021)	(334,086)
Distribution		(30,171)	(32,341)
Marketing		(23,017)	(26,700)
Occupancy		(19,306)	(11,682)
Employee expenses		(158,189)	(147,351)
Other		(35,975)	(35,753)
Depreciation, amortisation and impairment		(85,120)	(78,992)
Finance costs		(13,441)	(9,857)
<b>Profit before income tax expense</b>		<b>59,758</b>	81,818
Income tax expense		(17,522)	(23,491)
<b>Profit after income tax expense for the period</b>		<b>42,236</b>	58,327
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Net change in the fair value of cash flow hedges taken to equity, net of tax		(4,344)	(1,237)
Foreign currency translation		104	(5,781)
Other comprehensive income for the period, net of tax		(4,240)	(7,018)
<b>Total comprehensive income for the period</b>		<b>37,996</b>	51,309
Profit for the period is attributable to:			
Owners of Accent Group Limited		42,236	58,327
		42,236	58,327
Total comprehensive income for the period is attributable to:			
Owners of Accent Group Limited		37,996	51,309
		37,996	51,309
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	16	7.55	10.70
Diluted earnings per share	16	7.51	10.50

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

# Statement of Financial Position

As at 31 December 2023

	Note	Consolidated	
		31 Dec 2023 \$'000	2 Jul 2023 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		47,669	29,722
Trade and other receivables		42,247	34,060
Inventories	6	256,640	239,606
Lease receivable		8,767	9,324
Derivative financial instruments		-	3,738
Other current assets		6,092	6,373
Current tax receivable		-	32
<b>Total current assets</b>		<b>361,415</b>	<b>322,855</b>
<b>Non-current assets</b>			
Property, plant and equipment		138,999	140,527
Right of use asset		304,570	281,393
Lease receivable		9,601	10,231
Intangibles		383,136	382,191
Net deferred tax assets		18,697	17,331
<b>Total non-current assets</b>		<b>855,003</b>	<b>831,673</b>
<b>Total assets</b>		<b>1,216,418</b>	<b>1,154,528</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	8	142,340	110,816
Deferred revenue		16,990	14,377
Provisions		17,751	23,813
Borrowings	9	-	9,954
Lease liabilities		131,063	132,130
Derivative financial instruments		3,619	-
Provision for income tax		5,687	-
<b>Total current liabilities</b>		<b>317,450</b>	<b>291,090</b>
<b>Non-current liabilities</b>			
Provisions		1,225	840
Deferred revenue		225	5,190
Borrowings	10	139,060	139,350
Lease liabilities		305,894	276,846
<b>Total non-current liabilities</b>		<b>446,404</b>	<b>422,226</b>
<b>Total liabilities</b>		<b>763,854</b>	<b>713,316</b>
<b>Net assets</b>		<b>452,564</b>	<b>441,212</b>
<b>Equity</b>			
Issued capital	11	390,926	390,926
Reserves		37,040	36,956
Retained earnings		24,598	13,330
<b>Total equity</b>		<b>452,564</b>	<b>441,212</b>

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

**Statement of Changes in Equity**  
For the half-year ended 31 December 2023

<b>Consolidated</b>	<b>Issued capital \$'000</b>	<b>Foreign currency translation reserve \$'000</b>	<b>Hedging reserve - cash flow hedges \$'000</b>	<b>Share-based payments reserve \$'000</b>	<b>Retained earnings \$'000</b>	<b>Total equity \$'000</b>
Balance at 27 June 2022	390,926	7,709	5,567	23,377	12,647	440,226
Profit after income tax expense for the half-year	-	-	-	-	58,327	58,327
Other comprehensive income for the half-year, net of tax	-	(5,781)	(1,237)	-	-	(7,018)
Total comprehensive income for the half-year	-	(5,781)	(1,237)	-	58,327	51,309
<i>Transactions with owners in their capacity as owners:</i>						
Share-based payments	-	-	-	4,823	-	4,823
Dividends paid (Note 12)	-	-	-	-	(21,675)	(21,675)
Balance at 1 January 2023	390,926	1,928	4,330	28,200	49,299	474,683

<b>Consolidated</b>	<b>Issued capital \$'000</b>	<b>Foreign currency translation reserve \$'000</b>	<b>Hedging reserve - cash flow hedges \$'000</b>	<b>Share-based payments reserve \$'000</b>	<b>Retained earnings \$'000</b>	<b>Total equity \$'000</b>
Balance at 3 July 2023	390,926	1,202	2,135	33,619	13,330	441,212
Profit after income tax expense for the half-year	-	-	-	-	42,236	42,236
Other comprehensive income for the half-year, net of tax	-	104	(4,344)	-	-	(4,240)
Total comprehensive income for the half-year	-	104	(4,344)	-	42,236	37,996
<i>Transactions with owners in their capacity as owners:</i>						
Share-based payments	-	-	-	4,324	-	4,324
Dividends paid (Note 12)	-	-	-	-	(30,968)	(30,968)
<b>Balance at 31 December 2023</b>	<b>390,926</b>	<b>1,306</b>	<b>(2,209)</b>	<b>37,943</b>	<b>24,598</b>	<b>452,564</b>

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

**Statement of Cash Flows**  
For the half-year ended 31 December 2023

	Note	Consolidated	
		31 Dec 2023 \$'000	1 Jan 2023 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers and franchisees (inclusive of GST)		814,318	846,681
Payments to suppliers and employees (inclusive of GST)		(650,531)	(660,662)
Interest received		408	117
Interest and other finance costs paid		(5,346)	(3,259)
Interest on lease liabilities		(7,474)	(6,207)
Income taxes paid		(9,142)	(10,438)
Net cash from operating activities		142,233	166,232
<b>Cash flows from investing activities</b>			
Payment for purchase of businesses, net of cash acquired	15	(638)	(3,668)
Payments for property, plant and equipment <sup>(1)</sup>		(14,327)	(16,583)
Payments for intangibles		(3,743)	(5,315)
Net cash used in investing activities		(18,708)	(25,566)
<b>Cash flows from financing activities</b>			
Repayment of borrowings		(10,000)	(20,000)
Payments for debt transaction costs		(430)	-
Payment for lease liabilities		(64,255)	(62,828)
Dividends paid	12	(30,968)	(21,675)
Net cash used in financing activities		(105,653)	(104,503)
Net increase in cash and cash equivalents		17,872	36,163
Cash and cash equivalents at the beginning of the financial half-year		29,722	49,734
Effects of exchange rate changes on cash and cash equivalents		75	(296)
<b>Cash and cash equivalents at the end of the financial period</b>		<b>47,669</b>	<b>85,601</b>

(1) Payments for property, plant and equipment are net of cash fitout contributions received from landlords of \$14,457,000 (Jan 2023: \$12,374,000)

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

## Notes to the Financial Statements

31 December 2023

### NOTE 1. GENERAL INFORMATION

The financial statements cover Accent Group Limited ('Company', 'parent entity' or 'Accent') as a Group consisting of Accent Group Limited and the entities it controlled at the end of, or during, the half-year ('Group'). The financial statements are presented in Australian dollars, which is Accent's functional and presentation currency.

Accent is a public company limited by shares, listed on the Australian Securities Exchange ('ASX'), incorporated and domiciled in Australia. Its registered office and principal place of business is:

2/64 Balmain Street  
Richmond VIC 3121

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 23 February 2024.

### NOTE 2. BASIS OF PREPARATION

These condensed financial statements for the period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

These condensed financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 2 July 2023 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The financial statements have been prepared under the historical cost conversion, except for, where applicable, derivative financial instruments and share-based payments which have been measured at fair value at grant date.

The preparation of the Interim Financial Report requires the Group to make estimates and judgements that affect the application of policies and reported amounts. Uncertainty about these judgements and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The current reporting period, 3 July 2023 to 31 December 2023, represents 26 weeks and the comparative reporting period is from 27 June 2022 to 1 January 2023 which represents 27 weeks. From time to time, management may change prior year comparatives to reflect classifications applied in the current year.

### NOTE 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these consolidated interim financial statements are the same as those applied in the Group's 2023 Annual Report.

The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

#### Rounding of amounts

The Company is of a kind referred to in *Corporations Instrument 2016/191*, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

### NOTE 4. OPERATING SEGMENTS

The Group is required to determine and present its operating segments based on the way in which financial information is organised and reported to the chief operating decision-makers (CODMs). The CODMs have been identified as the Board of Directors on the basis they make the key operating decisions of the Group and are responsible for allocating resources and assessing performance.

Key internal reports received by the CODMs, primarily the management accounts, focus on the performance of the Group as a whole. The CODMs assess the performance of the Group based on a measure of EBIT (earnings before interest and tax) prior to the impact of AASB 16 *Leases* and non-operating intercompany charges.

The Group has considered its internal reporting framework, management and operating structure and the directors' conclusion is that the Group has one operating segment.

## Notes to the Financial Statements

31 December 2023

### NOTE 5. REVENUE

	Consolidated	
	31 Dec 2023 \$'000	1 Jan 2023 \$'000
<i>Sales revenue</i>		
Sales to customers	732,897	746,488
Royalties and other franchise related income	6,205	7,086
	739,102	753,574
<i>Other revenue</i>		
Marketing levies received from TAF stores	2,708	3,566
Other revenue	346	932
	3,054	4,498
Revenue	742,156	758,072

The following table summarises sales to customers by geographic location of the Group:

	Consolidated	
	31 Dec 2023 \$'000	1 Jan 2023 \$'000
Australia	649,299	665,511
New Zealand	83,598	80,977
	732,897	746,488

### NOTE 6. INVENTORIES

	Consolidated	
	31 Dec 2023 \$'000	2 Jul 2023 \$'000
Finished goods (at lower of cost and net realisable value)	191,546	190,168
Goods in transit	65,094	49,438
	256,640	239,606

Provision for write-down of inventories to net realisable value amounted to \$10,927,000 (2 July 2023: \$9,909,000) at 31 December 2023.

### NOTE 7. IMPAIRMENT OF ASSETS

#### Intangibles

Goodwill, brands and trademarks were subject to a full annual impairment test as at 2 July 2023. For Goodwill impairment testing purpose, the Group is determined to be one Cash Generating Unit (CGU) and represents the operating segment. For brands and trademarks, each individual brand and trademark is determined to be a separate CGU.

No indicators of impairment were identified that would require a full impairment test to be performed as at 31 December 2023.

#### Property, Plant and Equipment and Right of Use Asset

The Group is required to assess whether there is any indication that an asset (or CGU) may be impaired. For impairment testing purpose, the Group has determined that each store is a separate CGU.

The Group performed an indicator assessment for each store based on store profitability at the EBITDA level. Other than Glue stores, there were no indicators of impairment identified that would require an incremental impairment charge to be recognised for the half-year ended 31 December 2023. The Group separately identified impairment indicators in relation to a number of Glue stores.

The Group performed an impairment test for the Glue store portfolio as at 31 December 2023 based on value in use for each store (CGU). The recoverable amount was determined based on the Group's latest trading performance at the time of assessment. Cash flows in year one represent the last twelve months of trading. Cash flows beyond year one represent the Group's estimated growth of 3% per annum. Cash flows were discounted to present value using a mid-point after-tax discount rate of 9.85% (2023: 9.85%).

## Notes to the Financial Statements

31 December 2023

### NOTE 7. IMPAIRMENT OF ASSETS (CONTINUED)

The Group has recognised an incremental impairment charge of \$3,117,000 as at 31 December 2023.

The cash flows used within the impairment models are based on assumptions which are sources of estimation uncertainty and movements in these assumptions could lead to further impairment. The key assumptions in the value in use calculations are growth rates of sales, gross profit margins and the after-tax discount rate.

### NOTE 8. TRADE AND OTHER PAYABLES

	Consolidated	
	31 Dec 2023 \$'000	2 Jul 2023 \$'000
Trade payables	42,263	46,623
Goods and services tax payable	12,248	8,677
Accrued expenses	44,537	34,780
Other payables	43,292	20,736
	142,340	110,816

Trade payables and accruals represent liabilities for goods and services provided to the Group prior to the end of financial period which are unpaid. Other payables represent goods receipted that have not been invoiced as at 31 December 2023. Trade and other payables are stated at amortised cost. The amounts are unsecured and are usually settled within 30 to 60 days of recognition.

### NOTE 9. CURRENT LIABILITIES - BORROWINGS

	Consolidated	
	31 Dec 2023 \$'000	2 Jul 2023 \$'000
<i>Secured</i>		
Trade finance facility	-	10,000
Capitalised debt transaction costs	-	(46)
	-	9,954

### NOTE 10. NON-CURRENT LIABILITIES - BORROWINGS

	Consolidated	
	31 Dec 2023 \$'000	2 Jul 2023 \$'000
<i>Secured</i>		
Bank loans	140,000	140,000
Capitalised debt transaction costs	(940)	(650)
	139,060	139,350

The Group entered into an interest rate swap contract to mitigate the risk of changing interest rates on the variable rate debt held. The interest rate swap contract matured in August 2023.

During the period to 31 December 2023, the Group has extended the maturity of existing trade finance and working capital facilities for a further two years to 2027.

## Notes to the Financial Statements

31 December 2023

### NOTE 11. EQUITY - ISSUED CAPITAL

	Consolidated			
	31 Dec 2023 Shares	2 Jul 2023 Shares	31 Dec 2023 \$'000	2 Jul 2023 \$'000
Ordinary shares - fully paid	563,053,196	552,459,958	390,926	390,926

#### Movements in ordinary share capital

Details	Date	Shares	Issue price	\$'000
Balance	26 June 2022	541,866,715		390,926
Shares issued during the period	18 November 2022	10,593,243	-	-
<b>Balance</b>	<b>2 July 2023</b>	<b>552,459,958</b>		<b>390,926</b>
<b>Shares issued during the period<sup>(i)</sup></b>	<b>8 September 2023</b>	<b>10,593,238</b>	-	-
<b>Balance</b>	<b>31 December 2023</b>	<b>563,053,196</b>		<b>390,926</b>

(i) A total of 10,593,238 ordinary shares were issued in relation to the performance rights plan.

### NOTE 12. EQUITY - DIVIDENDS

Dividends paid during the period were as follows:

	Consolidated	
	31 Dec 2023 \$'000	1 Jan 2023 \$'000
Final dividend for the year ended 2 July 2023 of 5.50 cents (2022: 4.00 cents) per ordinary share	30,968	21,675

In respect of the half-year ended 31 December 2023, the directors recommended the payment of an interim fully franked dividend of 8.50 cents per share to be paid on 21 March 2024.

### NOTE 13. FAIR VALUE MEASUREMENT

The only financial assets or financial liabilities carried at fair value are interest rate swaps and foreign currency forward contracts. All these instruments are Level 2 financial instruments because, unlike Level 1 financial instruments, their measurement is derived from inputs other than quoted prices that are observable for the assets or liabilities, either directly or indirectly.

#### Valuation techniques for fair value measurements

The fair values are determined using the valuation techniques below. The fair value was obtained from third party valuations.

#### Forward foreign exchange contracts

The fair value was obtained from third party valuations derived from discounted cash flow forecasts of forward exchange rates at the end of the reporting period and contract exchange rates.

#### Interest rate swap contracts

Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.

There were no transfers between levels during the half-year.

The carrying amount of other financial assets and financial liabilities recorded in the financial statements approximate their fair values.

### NOTE 14. CONTINGENT LIABILITIES

The Group has bank guarantees outstanding as at 31 December 2023 of \$2,692,249 (2 July 2023: \$2,739,714). The Group also has open letters of credit of \$22,365,216 (2 July 2023: \$17,796,868). These guarantees and letters of credit are in favour of international stock suppliers and landlords where parent guarantees cannot be negotiated.



## Notes to the Financial Statements

31 December 2023

### NOTE 15. BUSINESS COMBINATIONS

#### 2024

During the period to 31 December 2023, the Group completed the acquisition of 1 TAF store. The total consideration transferred for these acquisitions was \$640,771. Goodwill of \$430,500 was recognised on acquisition.

The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the Group taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

#### 2023

During the year to 2 July 2023, the Group completed the acquisition of 6 TAF stores. The total consideration transferred for these acquisitions was \$6,287,930. Goodwill of \$3,387,273 was recognised on acquisition. The 6 TAF stores contributed revenue of \$8,399,000 from the acquisition dates to 2 July 2023.

### NOTE 16. EARNINGS PER SHARE

	Consolidated	
	31 Dec 2023 \$'000	1 Jan 2023 \$'000
Profit after income tax attributable to the owners of Accent Group Limited	42,236	58,327
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	559,131,940	544,909,455
Adjustments for calculation of diluted earnings per share:		
Performance rights	2,945,783	10,543,238
Weighted average number of ordinary shares used in calculating diluted earnings per share	562,077,723	555,452,693
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	7.55	10.70
Diluted earnings per share	7.51	10.50

### NOTE 17. EVENTS AFTER THE REPORTING PERIOD

On 23 February 2024, the Group announced that it has determined not to renew The Athlete's Foot (TAF) franchise agreements at expiry and to explore the acquisition of the remaining 62 TAF franchise territories over the next 5 years as franchise agreements expire. The financial effects will be accounted for in the respective periods when acquisitions take place.

See Note 12 for interim dividend declared in respect of the half-year ended 31 December 2023.

Apart from the events mentioned above, no other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

## Directors' Declaration

31 December 2023

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the period ended on that date; and
- there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors



**David Gordon**  
Chairman

23 February 2024



## ***Independent auditor's review report to the members of Accent Group Limited***

### **Report on the half-year financial report**

#### **Conclusion**

We have reviewed the half-year financial report of Accent Group Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of changes in equity, consolidated statement of cash flows and consolidated statement of profit or loss and other comprehensive income for the half-year ended on that date, selected explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Accent Group Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### **Basis for conclusion**

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### **Responsibilities of the directors for the half-year financial report**

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

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***Auditor's responsibilities for the review of the half-year financial report***

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A stylized, handwritten-style signature of 'PricewaterhouseCoopers' in a dark grey color.

PricewaterhouseCoopers

A handwritten-style signature of 'Alison Tait Milner' in a dark grey color.

Alison Tait Milner  
Partner

Melbourne  
23 February 2024