

ASX Announcement

25 February 2025

The Manager
Market Announcements Office
Australian Securities Exchange Ltd
Level 6, Exchange Centre
20 Bridge Street
Sydney NSW 2000

Appendix 4D and Half Year Financial Report

Please find attached for immediate release in relation to AUB Group Limited (**AUB**) the following documents:

- Appendix 4D for the half year ended 31 December 2024; and
- Financial Report for the half year ended 31 December 2024.

The release of this announcement was authorised by the AUB Board.

For further information, contact Richard Bell, Chief Legal and Risk Officer, on +61 2 9935 2222 or richardb@aubgroup.com.au.

About AUB Group

AUB Group Limited (ASX: AUB) is an ASX200 listed group of retail & wholesale insurance brokers and underwriting agencies operating in ~595 locations globally. Over 5,500 team members work with our ~1,000,000 clients to place more than AUD 10.0bn in insurance premiums with local and foreign insurers.

AUB Group Limited
 ABN 60 000 000 715
 ASX Disclosure – Appendix 4D

ASX DISCLOSURE – APPENDIX 4D
Half-Year report – 31 December 2024

Under Listing Rule 4.2.A.3 of the Australian Securities Exchange Limited (the “ASX”), the following information must be given to the ASX. The information should be read in conjunction with the financial report for the year ending 30 June 2024.

1. Reporting Period

Current reporting period – six months ended 31 December 2024

Previous corresponding period – six months ended 31 December 2023

2. Results for Announcement to the Market

				\$'000
2.1 Revenue from ordinary activities ¹	up	8.43%	to	547,687
2.2 a) Profit (loss) from ordinary activities after tax attributable to members	down	50.34%	to	26,380
b) Total comprehensive income after tax attributable to members	up	146.76%	to	82,906
2.3 Underlying NPAT ²	up	13.03%	to	79,346
2.4 Dividends				

	Amount Per Security	Franking at 30% tax rate	Franked Amount Per Security
Interim Dividend	25.0 cents	100%	25.0 cents

2.5 Record date for determining entitlement to the interim dividend Friday 7th March 2025.

¹ Revenue from ordinary activities includes: Revenue, Other income, and Profits from Associates.

² Underlying NPAT is the measure used by management and the Board to assess underlying business performance. Underlying NPAT excludes adjustments to carrying values of associates, profit on sale and deconsolidation of controlled entities, contingent consideration adjustments, impairment charges and amortisation of intangibles. A reconciliation is provided between Reported NPAT and Underlying NPAT in Note 3 of the Financial Report. Underlying NPAT is non-IFRS financial information and as such has not been audited

2.6 A brief explanation of any of the figures in 2.1 to 2.5 necessary to enable the figures to be understood is contained in the Directors' Report section of the Half-Year Report – 31 December 2024 attached as Attachment A.

3. Statement of Comprehensive Income

The Statement of Comprehensive Income is contained in Attachment A – Financial Statements.

4. Statement of Financial Position

The Statement of Financial Position is contained in Attachment A – Financial Statements.

5. Statement of Cash Flows

The Statement of Cash Flows is contained in Attachment A – Financial Statements.

6. Dividends

On 25 February 2025, the Directors determined a fully franked interim dividend of 25.0 cents per share. This dividend is payable on 4 April 2025. Based on issued shares of 116,587,434 shares, this dividend will total \$29.1m.

7. Dividend Reinvestment Plan

The Dividend Reinvestment Plan (DRP) remains suspended and will not apply to the interim dividend.

8. Movements in Retained Earnings

An analysis of the movements through Retained Earnings is shown in Attachment A – Financial Statements.

9. Net Tangible Assets Per Security

31 December 2024	\$(4.93)
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30 June 2024	\$(2.23)
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10. Entities Over Which Control has been Gained or Lost During the Period

Entities over which control has been gained or lost during the period.

Acquisitions	Date
Pacific Indemnity Underwriting Solutions Pty Ltd	1/07/2024
Hello Claims Pty Ltd	1/07/2024
Movo Ins Brokers Holdings Limited	30/09/2024
Movo Partnership Limited	30/09/2024
Durell Software Limited	30/09/2024
OFS Insurance Brokers Limited	1/11/2024
Insurance Risk & Legal Pty Ltd	13/12/2024

11. Associates and Joint Venture Entities

Acquisitions	Date	Ownership Dec 24	Ownership June 24
Northco Insurance Brokers Limited	09/07/2024	40%	0%
Momentum Broker Solutions Limited	31/07/2024	40%	0%
LEA Insurance Brokers Pty Ltd	09/08/2024	76.74%	67.74%
Fifty North Group Limited	30/12/2024	30%	0%

12. Any other Significant Information

Any other significant information needed to make an informed assessment of the financial performance and financial position is included in Attachment A – Financial Statements.

13. Accounting Standards Applied to Foreign Entities

Not Applicable.

14. Commentary on the Results for the Period

A commentary on the results for the period is contained in the Directors' Report section of Attachment A – Financial Statements.

¹ At 30 June 2023, ICIB Brokerweb North Shore Limited, was an associate of the Group, with an effective ownership of 36.1%. On 1 October 2023, the Group acquired a further 7.2%, at which point the Group obtained control of the company, and the entity ceased to be an associate.

15. Audit Dispute or Qualification

There is no audit dispute or qualification. Refer to the Independent Auditor's Report to the members of AUB Group Limited dated 25 February 2025 prepared by Ernst & Young and included in the Half-Year Report- 31 December 2024 attached as Attachment A.



ATTACHMENT A

FINANCIAL REPORT

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

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DIRECTORS' REPORT

HALF YEAR ENDED 31 DECEMBER 2024

Your Directors present their report with the consolidated financial statements of AUB Group Limited (the 'Company') for the six months ended 31 December 2024.

DIRECTORS

The names of the Company's Directors in office during the half-year and until the date of this report are as below. The Directors were in office for the whole period unless otherwise stated.

P. G. Harmer (Chair from 31 October 2024)

M. P. C. Emmett (Chief Executive Officer and Managing Director)

D. C. Clarke (Director and Chair until resigned 31 October 2024)

R. D. Deutsch

T. Dwyer (From 31 October 2024)

A. J. Kendrick

M. S. Laing

C. L. Rogers

REVIEW AND RESULTS OF OPERATIONS

OPERATING RESULTS FOR THE HALF YEAR

Reported Net Profit After Tax attributable to equity holders of the parent ('Reported NPAT') was \$26.4m for the 6 months to 31 December 2024 (1H24: \$53.1m). The prior corresponding period benefitted from a reduction in estimated contingent consideration.

On a Reported NPAT basis, earnings per share was 22.63 cents for the half year (1H24: 49.00 cents).

Underlying Net Profit After Tax ('Underlying NPAT') is a key measure used by management and the board to assess and review business performance. Underlying NPAT excludes non-controlling interests and the impact of fair value adjustments to the carrying value of associates, profits on sale and deconsolidation of controlled entities, contingent consideration adjustments, amortisation of intangibles, impairment charges and acquisition related costs.

Underlying NPAT was \$79.3m (1H24: \$70.2m). The increased Underlying NPAT was due to a mixture of strong organic and acquisition growth.

On an Underlying NPAT basis, earnings per share was 68.07 cents per share (1H24: 64.76 cents).

Please refer to Note 3 of the financial statements for the reconciliation from Reported NPAT to Underlying NPAT.

RESULTS BY OPERATING DIVISION

Australian Broking

- Pre-tax profit for the period increased by 11.5% to \$65.9m (1H24: \$59.1m).
- These increases were driven by organic and bolt on acquisition growth.
- Organic drivers included:
 - Average commission and fee income per client increased 9.2%.
 - Increased Commercial Lines premiums.

International

- Pre-tax profit for the period decreased 20.0% to \$30.5m (1H24: \$38.2m) due mainly to:
 - New team investment and impact of previously departed teams.
 - One-off bonus accounting re-alignment.
- Expanded scale in Retail positions International for future growth and margin expansion.

Agencies

- Pre-tax profit for the period increased by 32.3% to \$32.9m (1H24: \$24.9m).
- Strong organic growth in gross written premium (GWP) across most agencies complemented by the acquisition of Pacific Indemnity.

DIRECTORS' REPORT

HALF YEAR ENDED 31 DECEMBER 2024

RESULTS BY OPERATING DIVISION (CONTINUED)

New Zealand Broking

- Pre-tax profit for the period increased by 11.6% to \$12.2m (1H24: \$10.9m).
- Revenue and profit growth from acquisitions, supported by increased Commercial Lines premiums.
- Average commission and fee income per client has increased 9.5%.

BizCover

- Pre-tax profit for the period increased by 28.5% to \$8.6m (1H24: \$6.7m).
- This increase was due to continued revenue growth and margin expansion from operating leverage, with initiatives ongoing to enhance products, the insurer panel and sources of new business.

CAPITAL MANAGEMENT

- The leverage ratio was 1.90 at 31 December 2024 (1H24: 2.02).
- AUB Group had cash and undrawn debt facilities of \$208.3m at 31 December 2024.
- On 21 January 2025, AUB Group increased the limit of its syndicated debt facility by \$250m, taking the overall limit from \$850m to \$1,100m.

DIVIDEND PAYMENTS

The Directors have determined a fully franked interim dividend of 25.0 cents per share totaling \$29.1m which will be paid to shareholders on 4 April 2025 (record date 7 March 2025). The Dividend Reinvestment Plan ('DRP') remains suspended and will not apply to the interim dividend.

SIGNIFICANT EVENTS AFTER BALANCE SHEET DATE

On 21 January 2025, the Group increased the limit of its existing syndicated debt facility by \$250m, taking the overall limit from \$850m to \$1,100m.

Subsequent to the half year, on 18 February 2025, the Group reached agreement with the vendors of Tysers to settle the contingent consideration for GBP 57.4m (the estimate as recognised in the half year financial statements at 31 December 2024 was GBP 78.0m). The final payment has been reduced for contractual rights of set-off. The revenue achieved during the earn-out period was 95% of the maximum amount.

On 25 February 2025, the Directors of AUB Group Limited determined an interim dividend on ordinary shares in respect of the 2025 financial year. The total amount of the dividend is \$29.1m which represents a fully franked dividend of 25.0 cents per share. The dividend has not been provided for in the 31 December 2024 financial statements.

ROUNDING

The financial report is presented in Australian dollars (\$) and all values are rounded to the nearest \$1,000 (where rounding is applicable), unless otherwise stated, under the option available to the Company under ASIC instrument "Rounding in Financial / Directors' Reports" 2016/191. The Company is an entity to which the legislative instrument applies.

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 on page 3.

Signed in accordance with a resolution of the Directors.



P. G. Harmer
Chair



M. P. C. Emmett
Chief Executive Officer and Managing Director

Sydney, 25 February 2025

AUDITORS INDEPENDENCE DECLARATION



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Auditor's Independence Declaration to the Directors of AUB Group Limited

As lead auditor for the review of the half-year financial report of AUB Group Limited for the half-year ended 31 December 2024, I declare 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;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

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

A handwritten signature in black ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink that reads 'Robinson'.

Renay Robinson
Partner
25 February 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

HALF YEAR ENDED 31 DECEMBER 2024

	Notes	HY25 \$'000	HY24 \$'000
Revenue from Contracts with Customers	4 (a)	496,165	459,466
Other Income	4 (b)	27,073	24,759
Share of Profit of Associates	4 (c)	24,449	20,872
Cost to Provide Services and Administrative Expenses	4 (d)	(430,727)	(403,764)
Finance Costs	4 (e)	(45,092)	(45,986)
		71,868	55,347
Adjustments to Carrying Value	4 (f)	(7,916)	27,482
Profit from Sale or Dilution of Interests in Associates, Controlled Entities, and Broking Portfolios	4 (g)	187	5,958
Profit Before Income Tax		64,139	88,787
Income Tax Expense		(23,096)	(20,958)
Profit after Tax		41,043	67,829
Other Comprehensive Income			
<i>Other Comprehensive Income to be reclassified to Profit or Loss in subsequent periods:</i>			
Exchange Differences on Translation of Foreign Operations		60,835	(14,474)
Cash Flow Hedge Reserves transferred to income statement on realisation and revaluation movement		(5,398)	(1,106)
Tax on Other Comprehensive Income to be reclassified to Profit or Loss in subsequent periods		1,547	146
<i>Other comprehensive income not to be reclassified to Profit or Loss in subsequent periods:</i>			
Remeasurements of Post-Employment Benefit Obligations		(583)	(3,794)
Tax on Other Comprehensive Income not to be reclassified to Profit or Loss in subsequent periods		(33)	813
Other Comprehensive Income after Tax for the period		56,368	(18,415)
Total Comprehensive Income after Tax for the period		97,411	49,414
<i>Profit after Tax for the period attributable to:</i>			
Equity Holders of the Parent		26,380	53,124
Non-Controlling Interests		14,663	14,705
		41,043	67,829
<i>Total Comprehensive Income after Tax for the period attributable to:</i>			
Equity Holders of the Parent		82,906	33,598
Non-Controlling Interests		14,505	15,816
		97,411	49,414
Basic Earnings per Share (cents per share)		22.63	49.00
Diluted Earnings per Share (cents per share)		22.49	48.45

The above Consolidated Statement of Comprehensive Income (SOCl) should be read in conjunction with the notes to the Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Notes	HY25 \$'000	FY24 \$'000
ASSETS			
<i>Current Assets</i>			
Cash and Cash Equivalents		210,892	377,366
Cash and Cash Equivalents - Trust		1,029,251	908,950
Trade and Other Receivables		250,309	286,940
Lease Net Investment		1,280	1,147
Financial and Other Assets		15,436	18,798
Deferred Acquisition Costs		14,966	14,184
Total Current Assets		1,522,134	1,607,385
<i>Non-current Assets</i>			
Trade and Other Receivables		4,684	14,560
Right of Use Asset and Lease Net Investment		75,929	72,751
Financial and Other Assets		20,826	24,395
Property, Plant and Equipment		12,519	11,598
Investment in Associates		313,189	250,911
Intangible Assets and Goodwill		2,462,299	2,042,894
Deferred Tax Asset		19,916	24,756
Total Non-current Assets		2,909,362	2,441,865
Total Assets		4,431,496	4,049,250
LIABILITIES			
<i>Current Liabilities</i>			
Trade and Other Payables		1,136,331	1,044,118
Deferred Revenue from Contracts with Customers		32,015	31,017
Income Tax Payable		18,005	25,378
Provisions		85,177	87,863
Lease Liabilities		17,818	14,155
Interest-bearing Loans and Borrowings	6	7,930	6,119
Financial Liabilities	10	203,297	160,266
Total Current Liabilities		1,500,573	1,368,916
<i>Non-current Liabilities</i>			
Provisions		33,231	29,247
Lease Liabilities		65,017	64,536
Interest-bearing Loans and Borrowings	6	765,959	639,882
Financial Liabilities	10	83,723	78,177
Deferred Tax Liabilities		119,200	119,281
Total Non-current Liabilities		1,067,130	931,123
Total Liabilities		2,567,703	2,300,039
Net Assets		1,863,793	1,749,211
EQUITY			
Issued Capital	11	1,166,276	1,141,428
Retained Earnings		244,008	312,847
Foreign Currency Translation Reserve		112,514	51,521
Hedge Reserve		2,811	6,662
Defined Benefits Plan and Other Reserves		(8,557)	(8,117)
Put Option Reserve		(10,318)	(10,318)
Share-based Payments Reserve		23,145	18,297
Equity attributable to equity holders of the parent		1,529,879	1,512,320
Non-Controlling Interests		333,914	236,891
Total Equity		1,863,793	1,749,211

The above Consolidated Statement of Financial Position (SOFP) should be read in conjunction with the notes to the Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

HALF YEAR ENDED 31 DECEMBER 2024

	Attributable to equity holders of the parent									
	Issued capital \$'000	Retained earnings \$'000	Foreign currency translation reserve \$'000	Put option reserve \$'000	Hedge reserve \$'000	Defined benefit plan and other reserves \$'000	Share-based payment reserve \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
At 1 July 2024	1,141,428	312,847	51,521	(10,318)	6,662	(8,117)	18,297	1,512,320	236,891	1,749,211
Profit after tax for the period	–	26,380	–	–	–	–	–	26,380	14,663	41,043
Other comprehensive income for the period	–	–	60,993	–	(5,398)	(583)	–	55,012	(158)	54,854
Tax on other comprehensive income	–	–	–	–	1,547	143	(176)	1,514	–	1,514
Total comprehensive income after tax for the period	–	26,380	60,993	–	(3,851)	(440)	(176)	82,906	14,505	97,411
Ownership changes without gaining / losing control	–	(26,432)	–	–	–	–	–	(26,432)	(13,197)	(39,629)
Non-controlling interests relating to new acquisitions (Note 7(a))	–	–	–	–	–	–	–	–	108,325	108,325
Non-controlling interests relating to disposals (Note 7(b))	–	–	–	–	–	–	–	–	–	–
Transfer to put option reserve	–	–	–	–	–	–	–	–	–	–
Net cost of share-based payment	–	–	–	–	–	–	5,024	5,024	–	5,024
Issue of shares, net of issue costs	24,848	–	–	–	–	–	–	24,848	–	24,848
Equity dividends (Note 5)	–	(68,787)	–	–	–	–	–	(68,787)	(12,610)	(81,397)
At 31 December 2024	1,166,276	244,008	112,514	(10,318)	2,811	(8,557)	23,145	1,529,879	333,914	1,863,793

The above Consolidated Statement of Changes in Equity (SOCIE) should be read in conjunction with the notes to the Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

HALF YEAR ENDED 31 DECEMBER 2023

	Attributable to equity holders of the parent									
	Issued capital \$'000	Retained earnings \$'000	Foreign currency translation reserve \$'000	Put option reserve \$'000	Hedge reserve \$'000	Defined benefit plan and other reserves \$'000	Share-based payment reserve \$'000	Total \$'000	Non-controlling interests \$'000	Total equity \$'000
At 1 July 2023	945,687	258,399	57,340	(11,781)	12,562	(6,617)	24,263	1,279,853	233,515	1,513,368
Profit after tax for the period	–	53,124	–	–	–	–	–	53,124	14,705	67,829
Other comprehensive income for the period	–	–	(15,585)	–	(1,106)	(3,794)	–	(20,485)	1,111	(19,374)
Tax on other comprehensive income	–	–	–	–	146	943	(130)	959	–	959
Total comprehensive income after tax for the period	–	53,124	(15,585)	–	(960)	(2,851)	(130)	33,598	15,816	49,414
Ownership changes without gaining / losing control	–	(14,556)	–	–	–	–	–	(14,556)	(29,018)	(43,574)
Non-controlling interests relating to new acquisitions (Note 7(a))	–	–	–	–	–	–	–	–	28,681	28,681
Non-controlling interests relating to disposals (Note 7(b))	–	–	–	–	–	–	–	–	(4,582)	(4,582)
Transfer to put option reserve	–	(1,463)	–	1,463	–	–	–	–	–	–
Net cost of share-based payment	–	–	–	–	–	–	4,735	4,735	–	4,735
Issue of shares, net of issue costs	–	–	–	–	–	–	–	–	3,017	3,017
Equity dividends (Note 5)	–	(50,951)	–	–	–	–	–	(50,951)	(14,269)	(65,220)
At 31 December 2023	945,687	244,553	41,755	(10,318)	11,602	(9,468)	28,868	1,252,679	233,160	1,485,839

CONSOLIDATED STATEMENT OF CASH FLOWS

HALF YEAR ENDED 31 DECEMBER 2024

	Notes	HY25 \$'000	HY24 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		581,226	598,454
Dividends / trust distributions received from associates		23,985	21,144
Management fees received from associates/ related entities, and interest received		29,007	29,286
Payments to suppliers and employees		(459,979)	(504,212)
Income tax paid		(43,741)	(34,890)
Interest paid		(25,978)	(25,831)
Net Settlement with Department of Justice		–	(38,497)
Interest paid - lease liabilities		(2,389)	(2,672)
Net cash from operating activities before customer trust account movements		102,131	42,782
Net increase / (decrease) in cash held in customer trust accounts		86,366	(60,103)
NET CASH FLOWS FROM OPERATING ACTIVITIES		188,497	(17,321)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of consolidated entities, net of cash acquired	7 (a)	(179,413)	(30,498)
Cash inflow from sale of controlled entity (leading to loss of control)	7 (b)	–	16,098
Payment for new associates and increases in holdings in associates		(68,155)	(11,466)
Proceeds from reduction in interests in associates		218	1,750
Payment for contingent and deferred consideration on prior year acquisitions		–	(26,618)
Net payment for new broking portfolios purchased / broking portfolios sold		(1,263)	(5,134)
Net payments from purchases / sales of plant and equipment, capitalised projects, and other assets		(2,366)	(3,026)
Net repayment / (advances) of loans to associates / related entities		1,738	(341)
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES		(249,241)	(59,235)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from capital raise		24,848	–
Dividends paid to shareholders of the Group	5	(68,787)	(50,951)
Dividends paid to shareholders of non-controlling interests		(12,610)	(14,269)
Distributions paid outside the group to unitholders of controlled trusts		(8,391)	(7,976)
Increase in borrowings		136,401	132,255
Repayment of borrowings		(8,113)	(36,943)
Payments of principal for lease liabilities		(6,676)	(7,409)
Proceeds from reduction in interests in controlled entities		2,368	7,257
Payment for increase in interests in controlled entities		(41,806)	(50,733)
NET CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		17,234	(28,769)
NET (DECREASE) IN CASH AND CASH EQUIVALENTS		(43,510)	(105,325)
Cash and cash equivalents at beginning of the period		1,286,316	1,196,721
Impact as a result of foreign exchange		(2,663)	1,731
Cash and cash equivalents at the end of the period		1,240,143	1,093,127

The above Consolidated Statement of Cash Flows should be read in conjunction with the notes to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

HALF YEAR ENDED 31 DECEMBER 2024

1 CORPORATE INFORMATION

The consolidated financial statements are those of AUB Group Limited (the parent 'Company') and all entities that AUB Group Limited controlled (together the 'Group') during the half year and at the reporting date.

The interim financial report of AUB Group Limited for the six months ended 31 December 2024 was authorised for issue in accordance with a resolution of the directors on 25 February 2025.

AUB Group Limited is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The principal activities of entities within the consolidated Group for the half year were the provision of services globally across insurance broking, agencies, and distribution of ancillary products within the support services businesses.

The registered office and principal place of business of the Company is Level 14, 141 Walker Street, North Sydney NSW 2060, Australia.

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation of the financial report

The general purpose condensed financial report for the half year ended 31 December 2024 has been prepared in accordance with AASB 134 "Interim Financial Reporting". Compliance with AASB 134 ensures compliance with IAS 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board. The financial report has been prepared on a historical cost basis, except where otherwise stated.

The financial report is presented in Australian dollars (\$) and all values are rounded to the nearest \$1,000 (where rounding is applicable), unless otherwise stated, under the option available to the Company under ASIC instrument "Rounding in Financial / Directors' Reports" 2016/191. The functional currency of the Group and all segments other than New Zealand and International is Australian Dollars. The New Zealand Broking segment's functional currency is New Zealand dollars. The International segment's functional currency is Great British Pounds.

The financial statements have been prepared on a going concern basis.

There are no changes to significant accounting judgements, estimates and assumptions from those used at 30 June 2024. The accounting policies adopted in the preparation of the financial report are consistent with those of the previous financial year and corresponding interim reporting period.

Certain comparative information has been revised in this financial report to conform with the current period's presentation.

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated group as the full financial report. It should be read in conjunction with the Group's Annual Consolidated Financial Statements as at 30 June 2024.

Fair value

The carrying value of most of the Group's financial assets and financial liabilities approximate their fair value. There were no material differences between the book value and the fair value of the Group's financial assets and liabilities.

Please refer to the Group's Annual Consolidated Financial Statements as at 30 June 2024 for further information on the Group's measurement of fair value of recognised assets and liabilities, and their classification in the fair value hierarchy.

b. Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses.

Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions are found in the relevant notes to the financial statements.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Impairment of goodwill / intangibles and investments in associates

The Group determines whether goodwill is impaired at least on an annual basis and for any identifiable intangibles and investments in associates that have an indicator of impairment. This requires an estimation of the recoverable amount of the cash-generating units to which the goodwill is allocated. The resulting recoverable amounts derived from the appropriate measures described in Note 13 to the Group's Annual report as at 30 June 2024 are compared to the carrying value for each CGU and in the event that the carrying value exceeds the recoverable amount, an impairment loss is recognised. The assumptions used in this estimation of recoverable amount and the carrying amount of goodwill are discussed in Note 14 to the Group's Annual report as at 30 June 2024. At half year the Group performs a review for impairment indicators. If such indicators exist, further assessment is performed.

NOTES TO THE FINANCIAL STATEMENTS

HALF YEAR ENDED 31 DECEMBER 2024

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. Significant accounting judgements, estimates and assumptions (continued)

Measurement of contingent considerations

The Group recognises contingent consideration at fair value through profit or loss. Contingent consideration terms vary between transactions but generally involves either (1) an EBIT or Revenue (fixed) performance hurdle (generally 2-3 years) post the acquisition date (i.e. high water mark) or (2) future dated (generally 2-3 years) EBIT or Revenue times a fixed multiple less historic payments made.

See Note 7 and Note 8 for further details on current period transactions.

Re-estimation of financial liability at amortised cost

A financial liability at amortised cost has been recognised representing an estimate of the value the Group could be required to pay on the future exercise by holders of put options over non-controlling interests and the value of units held by others for consolidated trusts. The Group re-estimates the financial liability at the reporting date, taking into account the estimated future outcomes for income or profit. For put options, generally this involves projecting the EBIT of the entity to the first exercise date multiplied by the expected EBIT multiple and projected net debt (based on known information and the Company's gearing targets). Historical trends and any relevant external factors are taken into account in determining the likely outcome. See Note 18 to the Group's Annual report as at 30 June 2024 for further details.

Deferred tax assets

Deferred tax assets ('DTA') are recognised for deductible temporary differences when management considers that it is probable that future taxable profits will be available to utilise those temporary differences. Judgement is required in relation to DTAs recognised in connection to carry forward losses. The future profitability of each entity or tax consolidation group (if a part of a tax consolidation group) needs to be assessed including where a capital loss is made, the probability of a future capital gain to offset the carry forward capital loss. See Note 5 to the Group's Annual Report as at 30 June 2024 for further details.

Pensions

Tysers operates two defined benefit pension schemes, which require contributions to be made to separately administered funds. The cost of the defined benefit pension schemes and the present value of the pension obligation are determined using actuarial valuations.

An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in a valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Remeasurements, comprising actuarial gains and losses, the effect of any asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets, are recognised immediately in the Statement of Financial Position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Capital Risk Management

AUB Group's risk management policy is to identify, assess, and manage risks, which are likely to adversely impact on its financial performance, continued growth and its survival. In terms of financial risk management, the Group takes a risk-averse approach, and seeks to minimise risk whilst bearing in mind cost effectiveness.

AUB does not engage in speculative activity, nor will it explicitly seek opportunities to profit from expected movements in the financial markets. The Group hedges cash flows where there is a mis-match in receipts compared to the functional currency of an entity.

As at 31 December 2024, AUB Group's hedge program includes foreign currency hedges, to mitigate the risk of variability of operating cash flows caused by foreign currency fluctuations. The current hedges are designed to ensure that USD revenue exposures are hedged to GBP, the Tysers operating currency.

Where possible the Group takes advantage of natural hedges offsetting foreign currency assets and liabilities.

Hedge Accounting

The Group uses derivative financial instruments, such as forward currency contracts to hedge its exposure to foreign currency risk in forecast transactions.

At the inception of a hedge relationship, AUB Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve. If there is any ineffective portion of the hedge, that portion is recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

HALF YEAR ENDED 31 DECEMBER 2024

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. Significant accounting judgements, estimates and assumptions (continued)

Climate change

Climate change is a material risk to the global economy including the insurance sector. As a result of an increased frequency and severity of climate related events, the availability and cost of insurance coverage for some of our customers may be materially impacted.

Our decentralised operating approach and diversified investment strategy helps to manage concentration risk to locations, industries and products. As a result, we are not materially exposed to industries expected to be significantly impacted by climate change.

There are opportunities for the Group to facilitate alternative insurance cover for customers impacted by climate change. There are also opportunities for the Group within new and emerging markets such as renewable energy.

AASB S2 will be first adopted by the Group on 1 July 2025. The Group is in the process of preparing to meet its obligations for the future reporting period.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies and methods of computation are the same as those adopted at 30 June 2024, except for those new and amended standards which are outlined below.

The 31 December 2024 financial statements, and respective notes to the financial statements have been prepared in accordance with the new and amended accounting standards.

The Group has applied the following standards and amendments for the first time for the annual reporting period commencing 1 July 2024:

- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as current or non-current; and
- AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants.

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

2.3 STANDARDS ISSUED BUT NOT YET EFFECTIVE

AASB 18 Presentation and Disclosure in Financial Statements, issued on 14 June 2024, will first apply to the Group in financial year ending 30 June 2028. The Group are yet to assess the impact of this new standard on the Group's financial statements.

3 OPERATING SEGMENTS

The Group's corporate structure is organised into five business units which have been identified as separate reportable segments as follows:

- 1. Australian Broking:** assesses the insurable risks and risk appetite of customers and sources relevant insurance products from insurers and underwriters to meet the needs of the customer. Post policy-binding services primarily include claims handling on behalf of the customer (claims preparation). Customers generally comprise Small and Medium Enterprise ('SME') businesses, however services are also provided to larger institutions and to individuals.
- 2. Agencies:** assesses, on behalf of the insurer, the risk profile of the end customer and pricing of policies requested by brokers. Post policy-binding services primarily include claims handling on behalf of the insurer (claims processing). Business is largely generated by brokers operating within the SME insurance sector. Agencies do not assume any underwriting risk and accordingly do not incur or hold policy liabilities.
- 3. New Zealand Broking:** provides broking services within the New Zealand market. Operations are centrally monitored and managed by AUB Group NZ head office. As a distinct overseas operation and investment, performance of the segment is separately monitored.
- 4. International:** includes Wholesale and Retail broking and Managing General Agents ('MGA') and is headquartered in London. This is a separately reportable segment given it is largely UK based and operates mainly in markets outside Australia. International segment operates across:
 - Wholesale broking: wholesale broker to the Lloyd's marketplace with global distribution largely through retail brokers;
 - Retail broking: provides retail broking services within the UK market; and
 - Managing General Agents: operates insurer delegated authorities, both in-house and through third parties.
- 5. Support Services:** provides a diversified range of services to support the Broking, Agencies, New Zealand Broking and International segments, and external clients. Services include post claim rehabilitation, investigation, loss adjusting, legal, white labelling, Group captive insurance and AUB Group head office support. These sub segments are not individually reportable.

Discrete financial information about each of these segments is reported to management on a regular basis and the operating results are monitored separately for the purposes of resource allocation and performance assessment.

Each segment, except Support Services, contains entities with similar characteristics in relation to customer profile and operational risks.

NOTES TO THE FINANCIAL STATEMENTS

HALF YEAR ENDED 31 DECEMBER 2024

3 OPERATING SEGMENTS (CONTINUED)

Underlying Net Profit Before Tax

Performance of segments is reviewed by the Chief Operating Decision Maker ('CODM') on an Underlying Net Profit Before Tax ('UNPBT') basis. UNPBT excludes non-controlling interests and the impact of fair value adjustments to the carrying value of associates, profits on sale and deconsolidation of controlled entities, contingent consideration adjustments, amortisation of intangibles, impairment charges and acquisition related costs.

Such items are considered to be a result of non-recurring events or non-representative of the underlying operations of the Group and segments of the Group. UNPBT also excludes non-controlling interests ('NCI') to reflect the performance attributable to the shareholders of the Group.

Underlying net profit after tax ('UNPAT') reconciles to the Profit after income tax attributable to equity holders of the parent ('Reported NPAT') within the Consolidated Statement of Comprehensive Income ('SOCI') as follows:

	Notes	HY25 \$'000	HY24 \$'000
Net Profit After Tax attributable to equity holders of the parent	SOCI	26,380	53,124
Add back / (less) (net of NCI and income tax):			
– Amortisation of broking registers		19,795	19,015
– Adjustments to value of entities (to fair value) on the day they became controlled entities		(1,194)	(726)
– Remeasurement of put option liability (net of Interest unwind)		–	(1,463)
– Impairment charge		4,684	63
– Movements in contingent consideration (net of interest unwind)		11,935	(18,197)
– Loss / (Profit) on deconsolidation of controlled entity, sale / dilution of associates and portfolios		(139)	913
– Expenses incurred for acquisitions in the current and prior period		17,885	17,473
Underlying Net Profit After Tax		79,346	70,202
Represented by:			
Underlying profit before tax		114,347	100,993
Tax expense		(35,001)	(30,791)
Underlying Net Profit After Tax		79,346	70,202

NOTES TO THE FINANCIAL STATEMENTS

HALF YEAR ENDED 31 DECEMBER 2024

3 OPERATING SEGMENTS (CONTINUED)

Segment Financial Performance	6 months ended 31 December 2024					Total \$'000
	Australian Broking \$'000	Agencies \$'000	New Zealand Broking \$'000	International \$'000	Support Services \$'000	
Inter-segment revenue*	–	4,769	–	3,769	–	8,538
Revenue from external customers	173,029	100,950	45,286	194,310	1,125	514,700
Total revenue and other income	173,029	105,719	45,286	198,079	1,125	523,238
Share of Net Underlying Profits of Associates accounted for using the equity method before amortisation on broking registers and income tax expense	23,866	720	433	741	8,550	34,310
Total income	196,895	106,439	45,719	198,820	9,675	557,548
Less: Expenses						
Total underlying cost to provide services and administrative expenses**	(107,964)	(64,171)	(28,896)	(166,328)	(14,971)	(382,330)
Interest paid and other borrowing costs	(2,778)	(393)	(1,777)	(1,577)	(21,841)	(28,366)
Non-controlling interest	(20,290)	(8,976)	(2,865)	(374)	–	(32,505)
Underlying Net Profit Before Tax	65,863	32,899	12,181	30,541	(27,137)	114,347

Segment Financial Performance	6 months ended 31 December 2023					Total \$'000
	Australian Broking \$'000	Agencies \$'000	New Zealand Broking \$'000	International \$'000	Support Services \$'000	
Inter-segment revenue*	–	1,831	–	1,654	–	3,485
Revenue from external customers	165,344	79,191	38,369	196,123	1,713	480,740
Total revenue and other income	165,344	81,022	38,369	197,777	1,713	484,225
Share of Net Underlying Profits of Associates accounted for using the equity method before amortisation on broking registers and income tax expense	20,106	1,375	571	47	6,650	28,749
Total income	185,450	82,397	38,940	197,824	8,363	512,974
Less: Expenses						
Total underlying cost to provide services and administrative expenses**	(104,850)	(49,708)	(24,343)	(156,880)	(14,973)	(350,754)
Interest paid and other borrowing costs	(2,374)	(218)	(981)	(1,725)	(25,437)	(30,735)
Non-controlling interest	(19,167)	(7,607)	(2,697)	(1,021)	–	(30,492)
Underlying Net Profit Before Tax	59,059	24,864	10,919	38,198	(32,047)	100,993

* Inter-segment revenue includes commission received for services provided to facilitate a customer transaction, such as an underwriting agency who is engaged by a brokerage on behalf of their client.

** Excludes non-operating expenses, refer to preceding table for reconciliation between statutory profit and underlying profit before tax.

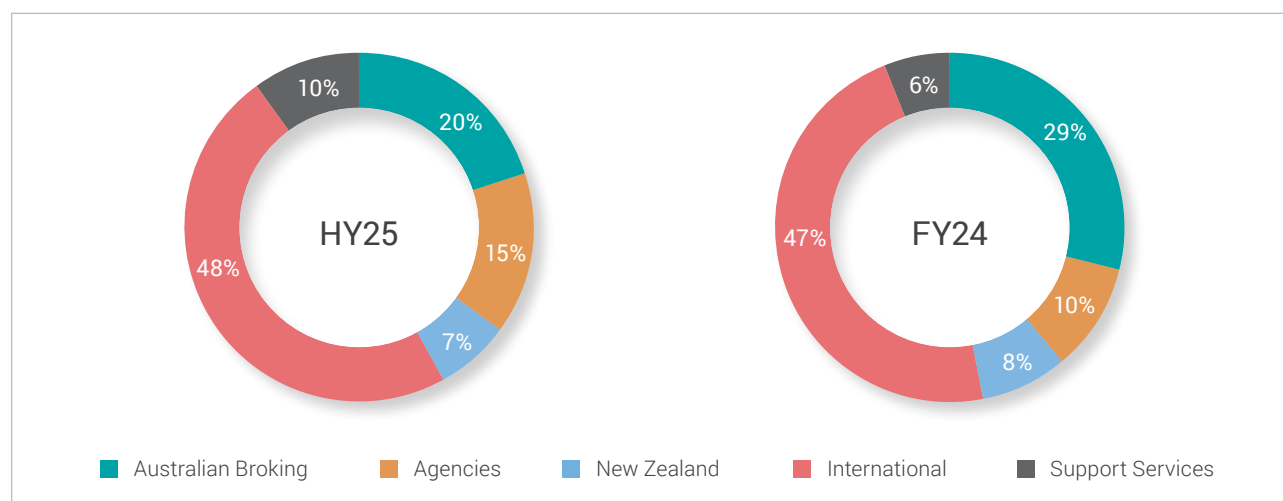
NOTES TO THE FINANCIAL STATEMENTS

HALF YEAR ENDED 31 DECEMBER 2024

3 OPERATING SEGMENTS (CONTINUED)

Segment Non-Current Assets

The total of non-current assets other than financial instruments and deferred tax assets are provided in the following graphs. The measurement of segment non-current assets follows the accounting policies of the Group.



Intangible assets such as goodwill, and investment in associates have been presented within the segment the respective underlying operations is contained.

4 REVENUE AND EXPENSES

The Group will recognise as revenue the amount of the transaction price that is allocated to the performance obligation, excluding any amounts highly probable of significant reversal, when the performance obligation has been satisfied.

Expenses including salaries and wages, business technology and software costs, insurance, advertising and marketing, and interest are recognised as incurred or as services are provided to the Group.

For further information on the Group's policies, please refer to the 2024 Annual Report.

	HY25 \$'000	HY24 \$'000
a. Revenue from contracts with customers		
Commission, brokerage and fee income	476,822	435,383
Management fees from related entities	2,412	4,056
Other revenue	16,931	20,027
Total revenue from contracts with customers	496,165	459,466
<i>Recognised at a point in time</i>	480,527	441,088
<i>Recognised over time</i>	15,638	18,378
b. Other income		
Interest income from related parties	478	146
Interest from other persons/corporations	26,595	24,613
Total other income	27,073	24,759
c. Share of profit of Associates		
Share of profit of Associates after tax but before amortisation	27,349	23,991
Amortisation of intangibles – Associates	(2,900)	(3,119)
Total share of profit of Associates	24,449	20,872

NOTES TO THE FINANCIAL STATEMENTS

HALF YEAR ENDED 31 DECEMBER 2024

4 REVENUE AND EXPENSES (CONTINUED)

	HY25 \$'000	HY24 \$'000
d. Cost to provide services and administrative expenses		
Salaries and wages	260,734	242,373
Business technology and software costs	29,876	26,727
Commission expense	19,657	15,606
Amortisation / impairment of right of use asset and rent expense	13,307	10,608
Amortisation of broking registers and other financial assets	26,240	24,842
Amortisation / depreciation of software and fixed assets	3,481	3,295
Insurance	9,727	11,371
Advertising, marketing and travel costs	20,693	18,025
Consulting, accounting, and audit fees	13,157	17,331
Legal fees / acquisition costs	9,626	9,249
Share-based payments	5,981	9,811
Other expenses	18,248	14,526
Total cost to provide services and administrative expenses	430,727	403,764
e. Finance Costs		
Interest paid and other borrowing costs	25,978	28,076
Interest unwind on lease liability	2,389	2,659
Interest unwind on contingent consideration and put option liability	9,224	7,315
Finance charge on profits of trust minority interests	7,501	7,936
Total finance costs	45,092	45,986
f. Adjustments to carrying value		
Adjustment to contingent consideration on acquisitions	(1,591)	24,850
Remeasurement of put option liability	–	1,611
Impairment charge relating to the carrying value of goodwill and intangible assets	(6,325)	–
Fair value adjustment relating to the carrying value of associates and goodwill	–	1,021
Total adjustments to carrying value	(7,916)	27,482
g. Profit from sale or dilution of interests in associates, controlled entities, and broking portfolios		
Profit on sale of controlled entities leading to deconsolidation	–	4,169
Profit from sale or dilution of interests in associates and broking register	187	1,789
Total profit from sale or dilution of interests in associates, controlled entities and broking portfolios	187	5,958

NOTES TO THE FINANCIAL STATEMENTS

HALF YEAR ENDED 31 DECEMBER 2024

5 DIVIDENDS PAID AND PROPOSED

	HY25 \$'000	HY24 \$'000
Equity dividends on ordinary shares:		
<i>Dividends paid or recognised as a liability during the period</i>		
Final franked dividend for financial year ended 30 June 2023: 47.0 cents	–	50,951
Final franked dividend for financial year ended 30 June 2024: 59.0 cents	68,787	–
Total dividends paid/provided in current period	68,787	50,951
In addition to the above, dividends paid to non-controlling interests totalled \$12.61m (HY24: \$14.27m).		
<i>Dividends proposed and not recognised as a liability</i>		
Interim franked dividend for financial year ended 30 June 2024: 20.0 cents	–	21,702
Interim franked dividend for financial year ended 30 June 2025: 25.0 cents	29,147	–
	29,147	21,702

The tax rate at which paid dividends have been franked is 30% (HY24: 30%).

Dividends proposed will be franked at 30% (HY24: 30%).

The Dividend Reinvestment Plan ('DRP') remains suspended and will not apply to the interim dividend.

6 INTEREST BEARING LOANS AND BORROWINGS

Group Borrowing facilities as at 31 December 2024

On 21 January 2025, AUB Group increased the limit of its syndicated debt facility by \$250m, taking the overall limit from \$850m to \$1,100m. The facility now consists of:

- AUD term facilities of \$691m;
- GBP term facilities with an AUD equivalent of \$109m; and
- Multi-currency revolving credit facility of \$300m.

At 31 December 2024 the total outstanding facility balance is \$665.3m.

AUB Group Limited's borrowing facilities are subject to financial undertakings and warranties typical of facilities of this nature and have sub-limits for various purposes including acquisitions.

A small number of controlled entities within the Group in Australia and New Zealand have negotiated facilities with other banks.

During the current and prior periods, there were no defaults or breaches of terms and conditions of any of these facilities.

NOTES TO THE FINANCIAL STATEMENTS

HALF YEAR ENDED 31 DECEMBER 2024

6 INTEREST BEARING LOANS AND BORROWINGS (CONTINUED)

Group leverage ratio

The Group monitors capital using the leverage ratio. Leverage is calculated as Net Debt divided by Earnings Before Interest, Tax, Depreciation and Amortisation ('EBITDA'*), as defined below.

- Net Debt contains the Group's interest-bearing loans and borrowings, plus other debt (including guarantees), the Group's contingent consideration**, the Group's share of borrowings and contingent consideration in relation to associates less uncommitted cash and cash equivalents***.
- EBITDA includes the Group's share of associate EBITDA plus an annualised EBITDA of entities acquired during the period less the contribution of EBITDA for any entities disposed during the period.

The leverage ratios at 31 December 2024 and 30 June 2024 were as follows:

	Dec 24 \$'000	June 24 \$'000
Leverage ratio		
Interest-bearing loans and borrowings	773,889	646,001
Debt like items	9,687	10,516
Contingent consideration	216,679	167,487
Interest-bearing loans, borrowings and contingent consideration payable - associates (AUB Group share)	43,131	41,681
Contingent consideration payable for obligors**	(210,866)	(158,436)
Uncommitted cash and cash equivalents***	(69,305)	(228,975)
Total Net Debt	763,215	478,274
EBITDA - controlled entities	300,494	276,971
Normalisation due to M&A	32,342	33,413
EBITDA - associates (AUB Group share)	68,195	62,326
Total Normalised EBITDA	401,031	372,710
Leverage Ratio - Net Debt / EBITDA	1.90	1.28

* EBITDA is based on the 12 months ended 31 December 2024.

** Contingent consideration excludes contingent consideration recognised by wholly owned Group entities.

*** Uncommitted cash and cash equivalents excludes trust accounts, and restricted cash such as to meet regulatory obligations.

NOTES TO THE FINANCIAL STATEMENTS

HALF YEAR ENDED 31 DECEMBER 2024

7 BUSINESS COMBINATIONS AND TRANSACTIONS INVOLVING LOSS OF CONTROL

a. Business combinations

A major strategy of the Group is to acquire part ownership in insurance broking, agency and other complementary services, businesses or portfolios. The terms of these acquisitions vary in line with negotiations with individual vendors but are structured to achieve the Group's benchmarks for return on investment.

The business combinations in the current period primarily relate to insurance broking, agency and wholesale insurance businesses in Australia, New Zealand and the United Kingdom.

For further information on the Group's accounting policies, please refer to the 2024 Annual Report.

i) During the current period, the following transactions occurred:

- Effective 1 July 2024, AUB Group acquired 70% of Pacific Indemnity Underwriting Solutions Pty Ltd ("Pacific Indemnity").
- Effective 30 September 2024, AUB Group acquired 80% of Movo*.
- No other transactions during the period were individually material.

The above acquisitions have been provisionally accounted for as the initial accounting for the business combinations are incomplete at the reporting date. The accounting will be completed within 12 months of acquisition.

The total Revenue and Net Profit After Tax recognised during 6 months ended 31 December 2024 in relation to the current period acquisitions were \$23.7m and \$7.4m respectively. Group revenue and Net Profit After Tax in relation to the current period acquisitions would have been \$31.6m and \$9.2m respectively, had all of the below transactions closed on 1 July 2024.

Business Acquired	Transaction date(s)	HY25 % / \$ '000	FY24 % / \$ '000
Pacific Indemnity Underwriting Solutions Pty Ltd	1-Jul-24	70.00%	0.00%
Movo*	30-Sep-24	80.00%	0.00%
All other transactions	Various	Various	Various
<hr/>			
Total consideration for all additional interest acquired		284,493	110,343
Less contingent consideration		(30,743)	(22,382)
Less shares issued by a subsidiary		(26,737)	(13,273)
Less cash acquired		(13,654)	(6,721)
Less trust cash acquired		(33,946)	(24,036)
Payments for acquisition of consolidated entities, net of cash acquired		179,413	43,931
Goodwill arising on acquisition related to the Group		224,855	82,758
Goodwill arising on acquisition relating to non-controlling interests		92,976	34,532
Total Goodwill arising on acquisition		317,831	117,290
Other intangibles net of deferred taxes		37,456	25,902
Net increase in non-controlling interest		108,325	33,125

Ludgate Newco1 Limited acquired Movo* in one transaction which included the acquisition of Movo Ins Brokers Holdings Limited (100%), Movo Partnership Limited (100%), and Durell Software Limited (60%).

NOTES TO THE FINANCIAL STATEMENTS

HALF YEAR ENDED 31 DECEMBER 2024

7 BUSINESS COMBINATIONS AND TRANSACTIONS INVOLVING LOSS OF CONTROL (CONTINUED)

a. Business combinations (continued)

The fair value of the identifiable assets and liabilities recognised as a result of the acquisition of Pacific Indemnity and Movo are as follows:

	Pacific Indemnity \$'000	Movo \$'000
ASSETS		
Cash and cash equivalents	6,210	7,276
Cash and Cash Equivalents - Trust	24,493	7,853
Trade and Other Receivables	6,344	4,802
Property, Plant and Equipment	66	208
Intangible Assets	391	46,266
Right of Use Asset and Lease Net Investment	69	–
Total Assets	37,573	66,405
LIABILITIES		
Trade and Other Payables	28,812	9,416
Deferred Revenue from Contracts with Customers	325	–
Income tax payables	1,144	2,411
Provisions	4,233	428
Financial liabilities	–	263
Lease liabilities	72	–
Deferred Tax Liability	1,165	10,663
Total Liabilities	35,751	23,181
Net Assets	1,822	43,224
Total consideration for interest acquired	134,945	106,948
Less contingent consideration	(29,643)	–
Less shares issued by a subsidiary	–	(26,737)
Less cash acquired	(6,210)	(7,276)
Less trust cash acquired	(24,493)	(7,853)
Payments for acquisition of consolidated entity, net of cash acquired	74,599	65,082
Net increase in non-controlling interest	57,834	46,457
Total Goodwill arising on acquisition	190,957	110,181

ii) During the previous period the business combination transactions of the Group included JC & JD Holdings LLC, JUA Holdings Pty Ltd, Austbrokers CE McDonald Pty Ltd and SURA Professional Risks Pty Ltd, none of which were individually significant.

b. Loss of Control

During the current and previous period there were no significant transactions which resulted in the Group losing control of any of its subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

HALF YEAR ENDED 31 DECEMBER 2024

8 INVESTMENT IN ASSOCIATES

The Group's investments in its associates are accounted for under the equity method of accounting in the Consolidated Financial Statements. These are entities in which the Group has significant influence and which are not controlled entities. The Group deems they have significant influence if they have more than 20% of the voting rights.

For further information on the Group's policies, please refer to the 30 June 2024 Annual Report.

i. During the current period, the following transactions occurred:

- Effective 25 July 2024, M.G.A. Management Services Pty Ltd ("MGA"), an associate of the Group, raised capital to fund M&A activity. The Group contributed \$38.9m in the raise to maintain its shareholding in MGA at 49.9%.
- Effective 31 July 2024, Ludgate Limited, a controlled entity of the Group, acquired 40% of Momentum Broker Solutions Limited for \$19.5m.

ii. During the previous period there were no significant transactions related to associates.

Other information with respect to associated entities which carry on business directly or through controlled entities:

- The principal activity of each associate is insurance broking, agency, or insurance related ancillary services such as loss adjusting, platforms, etc. except Whittles Group Pty Ltd (a subsidiary of MGA Management Services Pty Ltd) which provides strata management services.
- There has been one impairment for \$6.33m relating to the investment in associates during the current period.
- All associates, including unit trusts, were incorporated, or established in Australia, except for associates owned by AUB Group NZ Limited, which are entities incorporated in New Zealand, and associates owned by Ludgate Limited, which are entities incorporated in the UK. No other associates are material to the Group.

9 SHARES IN CONTROLLED ENTITIES

New acquisitions of controlled entities or transactions which lead to the Group obtaining or losing control in an entity during the current and previous period are disclosed in Note 7. The following transactions involve transactions between owners where there is no change in the control assessment.

i. During the current period there were no significant transactions related to transactions between owners.

ii. During the prior period, the following transaction occurred:

- Effective 1 July 2023, the Group acquired a further 16.9% of AUB Three Sixty Pty Limited for \$46.7m cash which increased its ownership to 66.55%.

NOTES TO THE FINANCIAL STATEMENTS

HALF YEAR ENDED 31 DECEMBER 2024

10 FINANCIAL LIABILITIES

The Group's financial liabilities comprise deferred and contingent consideration, financial liability at amortised cost and put options. For information on the Group's policies, please refer to the 30 June 2024 Annual Report.

Included in financial liabilities at 31 December 2024 are the following:

	HY25 \$'000	FY24 \$'000
Contingent and Deferred Considerations	216,679	167,487
Financial Liability at amortised Cost	59,135	60,638
Put Options	10,318	10,318
Other Financial Liabilities	888	–
Balance at the end of the period	287,020	238,443

11 ISSUED CAPITAL

	HY25 \$'000	FY24 \$'000
Issued Capital opening balance	1,141,428	945,687
Issue of shares, net of issue costs	24,848	195,741
Issued Capital closing balance	1,166,276	1,141,428

	Shares No.	Shares No.
Number of Shares on Issue (ordinary shares fully paid)	116,587,434	115,678,348
Movements in number of shares on issue		
Beginning of the financial period	115,678,348	108,405,620
Issue of shares	909,086	7,272,728
Total Shares on Issue	116,587,434	115,678,348
Weighted average number of shares on issue at end of period	116,567,671	109,081,229

Ordinary shares have the right to receive dividends and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary share capital is recognised at the fair value of the consideration received by the company, net of issue costs.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the company.

On 5 July 2024, as part of Share Purchase Plan AUB issued 909,086 shares at \$27.50. Total amount raised was \$24.8m.

NOTES TO THE FINANCIAL STATEMENTS

HALF YEAR ENDED 31 DECEMBER 2024

12 SHARE-BASED PAYMENT PLANS

The Group provides benefits to employees (including Executive Directors) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions'). The share-based payments expense is recognised in the Consolidated Statement of Comprehensive Income. For further information on the Group's accounting policies, please refer to the 2024 Annual Report.

The following Performance Share Rights ('PSRs') vested, were exercised or remained unvested during the period:

LTIP Financial Year (tranche)	Opening 1 July 2024	Granted	Lapsed	Vested and Exercised*	Remaining 31 December 2024	Earliest vesting date	Latest lapse date
2020 (15th -5 year PSRs)	200,000	–	–	(200,000)	–	31-Aug-24	31-Aug-28
2022 (17th)	144,879	–	–	(144,879)	–	31-Aug-24	31-Aug-28
2022 (DSTI)	19,585	–	–	(19,585)	–	31-Aug-23	31-Aug-24
2023 (18th)	150,146	–	–	–	150,146	31-Aug-25	31-Aug-29
2023 (DSTI)	29,353	–	–	(14,677)	14,676	31-Aug-24	31-Aug-25
2024 (19th)	181,295	–	–	–	181,295	31-Aug-26	31-Aug-30
2024 (DSTI)	–	35,636**	–	–	35,636	31-Aug-25	31-Aug-26
2025 (20th)	–	163,811***	–	–	163,811	31-Aug-27	31-Aug-31
Total	725,258	199,447	–	(379,141)	545,564	–	–
Total Share Appreciation Rights	1,016,776	–	–	–	1,016,776	31-Aug-26	31-Aug-26
Tysers Performance Share Rights	1,760,500	21,500***	(26,500)	–	1,755,500	31-Aug-26	31-Aug-27

* See FY24 Annual Report for details and performance conditions for the above. All vested PSRs above were satisfied by on market purchases through the AUB Group Employee Share Trust.

** FY24 DSTI deferral: (FY25 DSTI grant):

- On 1 September 2024, employees including the CEO, were granted 35,636 PSRs as a result of deferring 30% of their FY24 short-term incentive.
- 17,818 (50%) are expected to vest on 31 August 2025 and the remaining balance of 17,818 are expected to vest on 31 August 2026.

No additional performance conditions apply to the vesting of the PSRs other than continuing employment by the relevant Group Executive.

*** Annual Grant FY25:

- 62,563 PSRs granted to the CEO in November 2024 with similar performance hurdles as PSRs granted in FY24.
- 101,248 PSRs granted to other AUB Group Executives in November 2024 with similar performance hurdles as PSRs granted in FY24; and
- 21,500 PSRs were granted under the Tysers' Long Term Incentive scheme with similar performance hurdles as those issued in FY24.

13 SUBSEQUENT EVENTS

On 21 January 2025, the Group increased its existing syndicated debt facility, to increase its debt facility by \$250m, taking the overall limit from \$850m to \$1,100m.

Subsequent to the half year, on 18 February 2025, the Group reached agreement with the vendors of Tysers to settle the contingent consideration for GBP 57.4m (the estimate as recognised in the half year financial statements at 31 December 2024 was GBP 78.0m). The final payment has been reduced for contractual rights of set-off. The revenue achieved during the earn-out period was 95% of the maximum amount.

On 25 February 2025, the Directors of AUB Group Limited determined an interim dividend on ordinary shares in respect of the 2025 financial year. The total amount of the dividend is \$29.1m which represents a fully franked dividend of 25.0 cents per share. The dividend has not been provided for in the 31 December 2024 financial statements.

DIRECTORS' DECLARATION

HALF YEAR ENDED 31 DECEMBER 2024

In accordance with a resolution of the directors of AUB Group Limited, we state that:

In the opinion of the directors:

- a. The financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the 6 month period ended on that date;
 - ii. complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*;
- b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



P.G. Harmer

Chair

Sydney, 25 February 2025



M. P. C. Emmett

Chief Executive Officer and Managing Director

Sydney, 25 February 2025



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Independent Auditor's Review Report to the Members of AUB Group Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying consolidated half-year financial report of AUB Group Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (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 and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities 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.

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 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is

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INDEPENDENT AUDITOR'S REPORT



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.

Ernst & Young
Ernst & Young

Robinson
Renay Robinson
Partner
Sydney
25 February 2025

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