ANNUAL REPORT 2024

PEXA Group Limited
ABN 23 629 193 764

The PEXA Group acknowledges Aboriginal and Torres Strait Islander peoples as the traditional custodians of the lands on which we work, live and dream, we pay respects to elders past and present.

We recognise that we have a role to play in creating space and place for Aboriginal and Torres Strait Islander voices in our business, and our impact. We continue to explore how we walk together, how we co-design with Aboriginal and Torres Strait Islander Peoples, to develop meaningful relationships, with mutual benefit. We will continue to embrace the spirit of reconciliation, as it is evolving in nature, toward an equitable future.

ABOUT THIS REPORT

Welcome to our 2024 Annual Report

This report covers PEXA global operations and its controlled entities (collectively 'the PEXA Group', or 'the Group') for the financial year ended 30 June 2024.

References to 2024, the year, period or FY24 are to the financial year ended 30 June 2024. References to 2023, comparative period or FY23 are to the financial year ended 30 June 2023. All monetary amounts are subject to rounding and are reported in Australian dollars, unless otherwise stated.

A glossary of key terms is provided at the end of this report.

Additional documents

PEXA's Annual Report should be read in conjunction with the other materials that comprise our 2024 annual reporting suite. These are available at our online Investor Centre.

- 2024 Full Year Results – Appendix 4E
- 2024 Full Year Results ASX Announcement
- 2024 Full Year Results Investor Presentation
- 2024 ESG Report

Our **2024 Corporate Governance Statement** is included in this report and discloses how we have complied with the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations – 4th edition'.

Our **2023 Modern Slavery Statement** provides an overview of how we identify, manage and mitigate modern slavery risks in our operating and supply chains and can be found at https://www.pexa-group.com/social-impact/ethical-governance/. Our 2024 Modern Slavery Statement will be released later this calendar year.

Non-IFRS financial information

Measures included in this report incorporate 'non-IFRS financial information' presented under ASIC Regulatory Guide 230 'Disclosing non-IFRS financial information'. Management believes this non-IFRS financial information provides useful information to the users in measuring financial performance and condition of the Group. The non-IFRS financial information does not have standardised meanings prescribed by Australian Accounting Standards.

Assurance

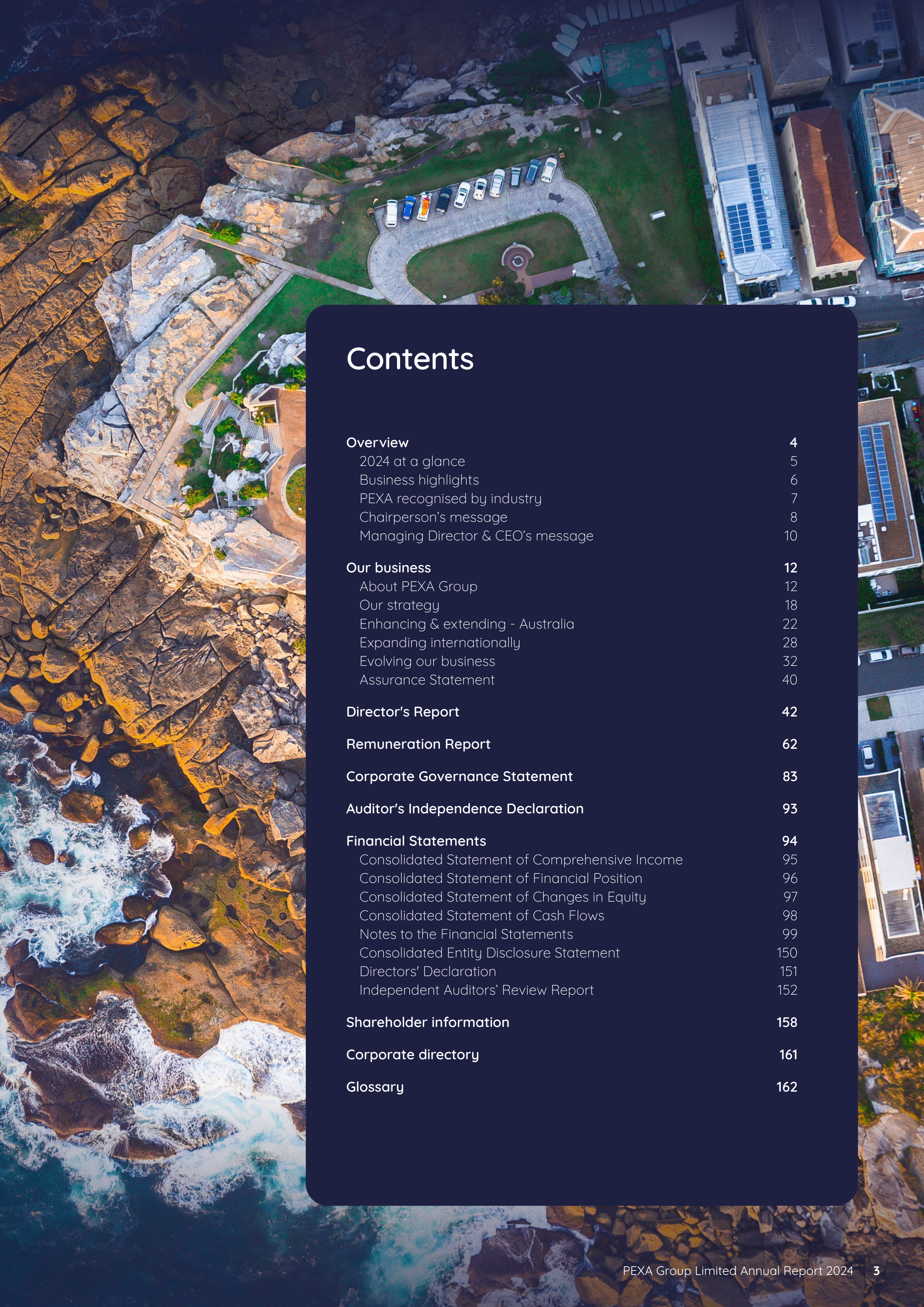
The Remuneration Report on pages 62 to 82 and Financial Statements on pages 94 to 157 have been audited by Ernst & Young. The assurance statement for the Financial Statements and Remuneration Report is on pages 152 to 157.

Independent limited assurance has been provided over our Scope 1 and Scope 2 greenhouse gas emissions. Ernst & Young's limited assurance statement is included on pages 40 to 41 in our Annual Report. We have also conducted an internal independent pre-assessment of Scope 3 emissions to prepare for future assurance. We expect to further extend external assurance over key metrics linked to our non-financial performance and public improvement targets as our reporting develops. More information on our ESG metrics can be found in our ESG Report.

Forward looking statements

This Annual Report contains general information, in summary form, about PEXA and its activities as at 21 August 2024. It is not complete and should not be relied upon as financial advice. Investors should consider their individual investment objectives, financial situation and if professional advice should be gained, when deciding if an investment is appropriate for them.

This Annual Report may contain forward-looking statements or opinions regarding our current intent or expectations of PEXA Group business operations, performance and market conditions. Forward looking statements may be identified by the use of terms such as; "believe", "estimate", "plan", "project", "anticipate", "expect", "goal", "target", "intend", "likely", "may", "will", "could" or "should" or other similar expressions, or by discussions of strategy, plans, objectives, targets or goals. Such statements are predictive in nature and may be affected by inaccurate assumptions or unknown future risks and uncertainties. Accordingly, as results ultimately achieved may differ materially, they should not be relied upon when making investment decisions. No representation is made as to their correctness and no undertaking is given to issue any revisions to reflect future events or circumstances.



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2024 AT A GLANCE

KEY PEXA GROUP FINANCIAL PERFORMANCE MEASURES

$340.1M
Group revenue
FY23: $281.7M

$114.9M
Group operating EBITDA[1]
FY23: $98.7M

33.5%
Group operating EBITDA[1] margin
FY23: 34.8%

$21.1M
Group NPATA[2]
FY23: $17.3M

$(18.0)M
Group statutory NPAT
FY23: $(21.8)M

$38.5M
Group free cash flow
FY23: $14.0M

2.4x
Net debt to operating EBITDA[1]
FY23: 2.7x

1. Operating EBITDA represents Group statutory net profit before interest, tax, depreciation, amortisation and specified items and is a non-IFRS measure.
2. NPATA is a non-IFRS measure which adjusts the net profit or loss after tax (NPAT) for the non-cash amortisation of historical acquired intangibles that is reflected in NPAT.

BUSINESS PERFORMANCE MEASURES

Australia

100% Exchange uptime
FY23: 100%

89% Exchange penetration of national market[3]
FY23: 88%

76.4% On-Day-Settlement
FY23: 73.4%

90% Exchange customer satisfaction
FY23: N/A[4]

43 New .id customers
FY23: 23

UK

5x Growth in PEXAGo exchange settlements
FY23: N/A

23% Optima Legal and Smoove re-mortgage market share[5]
FY23: 27%

People and reputation

63% Employee engagement
FY23: 77%

47% Female participation in leadership roles
FY23: 38%

71.9 RepTrak reputation score
FY23: N/A[6]

3. Percentage based on Oxford Economics Australia estimate of all property transactions in the Australian market and PEXA Exchange transaction volumes.
4. New measure introduced in 2024.
5. Optima Legal and Smoove re-mortgage market share represents the 11 months to May 2024.
6. New measure introduced in 2024.

BUSINESS HIGHLIGHTS

Progress against our strategic imperatives

ENHANCE the PEXA Exchange in Australia

- Maintained 100% uptime as designated critical infrastructure
- More integrated with the property market ecosystem, with 316 API connections available to customers to improve their efficiency and effectiveness
- Increased coverage, lifting penetration by approximately 1ppt, and preparing to enter Tasmania

EXTEND our Australian customer relationships with Digital Solutions

- Record revenue year for .id, including initial sale to a major bank customer
- Progressed commercialisation of Value Australia, including winning its first contract with a major bank
- Acquired Land Insight, providing its unique environmental risk information to PEXA customers

EXPAND internationally, starting with the UK

- Remortgage functionality of PEXA's international platform extended, and commenced development of sale and purchase product
- Integrated Optima Legal processes with the PEXA platform, providing solid foundation for building platform usage by UK financial institutions
- Worked to on-board two large banks onto the PEXA platform, including NatWest
- Two large banks and four small banks requested Bank of England PEXA payment slots
- Acquired Smoove to provide distribution to practitioners and mobilised integration program

EVOLVE our capabilities to support purpose and performance

- Productivity Enhancement Program, delivering cash run rate savings of $16M
- Delivered over 4,700 hours of leading-edge skills development for our people through PEXA Academy and our partnership with Victoria University
- Progressed toward our 2025 net zero scope 1 and 2 target moving our Melbourne Head Office to 100% renewable electricity
- Maintained existing and built new partnerships in Australia and the UK to support our communities, including Homes for Homes, Housing All Australians, Simon on the Streets and Leeds Action to Create Homes in the UK

PEXA RECOGNISED BY INDUSTRY

Eglantine Etiemble, Group Chief Technology Officer at PEXA Group appointed to Tech Council of Australia Board of Directors

The Tech Council of Australia announced the appointment of Eglantine Etiemble, PEXA's Group Chief Technology Officer, to its Board of Directors, to strengthen its commitment to reaching 1.2 million technology workers by 2030 and advocating for Australia's technology ecosystem.

"It is an honour to be part of the Tech Council of Australia. With technology a vital pillar of our economy and society, I look forward to working with the TCA to foster innovation, and drive an equitable, diverse, and people-focused approach to technology, ensuring Australia's leadership in the global digital landscape."

Eglantine Etiemble
Group Chief Technology Officer at PEXA Group

AWARDS

RANKED #20

in Top 20 Best Workplaces to Give Back by GoodCompany (Australia).

FINALIST

2024 Australian Service Excellence Awards

PEXA Customer Service Team announced as finalists for 'Team of the Year'.

WOMEN LEADING TECH 2024 AWARDS
Presented By ATLASSIAN

FINALISTS

2024 Women Leading Tech Awards

Group Chief Technology Officer Eglantine Etiemble shortlisted for 'Executive Leader' category, and Head of Information Security Management Tara Dharnikota, shortlisted for 'Cyber Security' category.

CHAIRPERSON'S MESSAGE

Dear shareholders,

It is my great pleasure to present to you PEXA Group's Annual Report for the year ended 30 June 2024. It has been a year marked by both sound financial performance and important strategic developments.

Our finances reflect stability and growth, despite a soft housing market. Close attention to our costs allowed margins to be maintained at levels justified by our accumulated capital investment. Further, we are starting to see a greater contribution from our digital insight businesses who collectively traded above breakeven towards the end of the period, as forecast. Our UK business also came considerably closer to the time when it will be able to generate meaningful revenues.

I would like to draw your attention to the following strategic developments.

Firstly, the PEXA Exchange, which has been remarkably resilient with 100% availability during the year. Having now been designated critical infrastructure by the Department of Home Affairs, we are investing to meet the security obligations that come with that. Also as an ELNO, the PEXA Exchange is meeting its obligations to provide national coverage, with Tasmania now on-line and Northern Territory discussions progressing. As the demise of cheques approaches, comprehensive product and geographic coverage becomes ever more important. We are also engaging with the industry on important issues like Anti Money Laundering/Counter Terrorism Financing reforms, where PEXA might play a valuable role.

With respect to ELNO regulatory reform, in particular interoperability, PEXA has continued to play its role and actively support agreed initiatives. In June, development efforts by the States regarding interoperability were paused. PEXA has always been welcoming of competition and has proposed an alternate model to interested parties.

Throughout the year we continued to deliver high quality customer service with the improvement in customer experience coming through both our PEXA Exchange API acceleration and the commercialisation of our digital businesses.

From an international perspective, the investment into the software to support the UK market entry is reducing and we are shifting our focus to bringing banks on board as users. We are now working closely with some of the largest institutions as they move towards testing and implementation. Some will interact directly with PEXA, while others will operate through our integrated PEXA Optima Legal business. We estimate that the PEXA platform code developed so far to be over 85% reusable in other markets and so in many respects it is a Group asset rather than a UK investment.

We have continued to evolve the Group structure. We created a single, streamlined Australian business to drive greater focus and accountability. This change was part of a wider Productivity Enhancement Program designed to sensibly manage our cost base and support margins. Our ESG investment and reporting intensified throughout the year and in November 2023 we joined the United Nations (UN) Global Compact corporate responsibility initiative. We also continued to make good progress towards our scope 1 and 2 net zero targets and began to align with global ESG benchmarks and Australian Sustainability Reporting Standards.

Our Group and UK Boards have also evolved throughout the year. In June 2023, we welcomed Jeff Smith to the PEXA Group Board as an Independent Non-Executive Director. Jeff is based in the United States and has worked extensively in board and senior executive roles in technology and digital transformation. Dr Kirstin Ferguson stepped down as a Director in March of this year, while Georgina Lynch will join the Board on 1 September. Georgina brings extensive experience in the property and financial services sectors, and we look forward to working with her. Nicky Heathcote and Tim Everest joined our UK Board in April 2024 as Independent Non-Executive Directors and together they bring deep UK industry knowledge and networks. We were also pleased to announce the appointment of Sir Roger Marsh OBE DL as a PEXA UK Ambassador and Adviser. We will continue to ensure we have Group and UK Boards that bring the right skills, experience, and diversity as the business changes and grows.

During the year we also further strengthened our governance, with the establishment of the Technology and Operations Committee of the Board. The committee, chaired by Jeff Smith advises and makes recommendations to the Board regarding the Group's technology strategy, operating model, performance and management of technology risks.

We have made good progress over the last few years, and we now have a clear line of sight to the achievement of our interim goals. Realising our strategic ambitions and delivering on our commitments is only possible with the support of our investors. On behalf of the Board and our entire organisation, we thank you for your continued support of PEXA. I also extend my sincere appreciation to my Board colleagues, and all our PEXA employees for their ongoing commitment to the company.

Mark Joiner
Chairperson
PEXA Group

MANAGING DIRECTOR AND CEO'S MESSAGE

Dear shareholders,

It is my privilege to report to you on PEXA Group's performance over the past year.

It has been a strong year of delivering on our purpose of 'connecting people to place' as we proudly serve our customers, communities, and other stakeholders in Australia and the UK.

BUSINESS PERFORMANCE

We remained focused on executing our strategy of *enhancing* the Exchange, *extending* the services we provide our customers, *expanding* internationally starting with the UK, and *evolving* our capabilities:

Australia: Enhancing and Extending our services

- Our Exchange platform is now designated critical national infrastructure which supported 89% of property market transactions throughout the year. We provided our customers with 100% service uptime and created new APIs to improve our customer service. Pleasingly, our customers rated our service highly, with a satisfaction rate of 90%.
- We delivered more support to existing and new customers in Australia through our Digital Solutions business. While we did not reach the stretching revenue target we set, we achieved many positive outcomes. These included record sales for .id, achieving initial sales for Value Australia, and acquiring and integrating Land Insight. Our workflow tools gained traction, as did our partnership with FX payments specialist, Send. We also improved the business efficiency across Digital Solutions, allowing us to reach operating EBITDA breakeven for June 2024.

Expanding internationally, starting with the UK

- We continued our investment in our PEXAGo exchange platform. Our expectation remains that this platform has the potential to serve multiple geographies starting with the UK. The platform can now support approximately 70% of remortgage types in the UK, and we commenced development of our UK sale and purchase proposition. We confirmed that two of our major UK lender customers, one of which is NatWest, have verbally committed to using the PEXA platform to deliver a 24-to-48-hour remortgage product. We worked constructively with both lenders on their respective PEXA onboarding programs. We completed the integration of the PEXA platform into Optima Legal and improved this business' productivity in a challenging market. Although we did not achieve our targeted levels of Optima Legal flows across our PEXA platform, we remain focused on making this happen. We also acquired Smoove to give us distribution into the UK's fragmented conveyancer market and its integration into PEXA commenced.

Evolving our business

- We invested in our people, providing an environment that attracts, develops, and retains the talent needed to deliver our strategy. Through the PEXA Academy, and in partnership with Victoria University, we delivered 2,700 unique learning experiences to our people. Whilst our overall engagement score was 63%, our survey showed that our employees understood how their work contributed to PEXA's purpose. We continue to have a good foundation for future improvements, with 94% of our Australian employees feeling productive and connected under the PEXA 'Flex First' hybrid model and greater diversity depth in our leadership.
- We continued to evolve our technology 'ways of working' to improve delivery speed and efficiency while also supporting the development of our PEXA platforms. We deployed several capabilities including a Snowflake-based capability to provide Group-wide scale for our various data insight services and commenced trialling a range of AI-enabled tool kits to support efficiency and quality.
- In line with our purpose and values, we continued to embed sound ESG practices into the way we run our business. We became a signatory to the United Nations Global Compact. We are on track towards achieving our net zero scope 1-to-2 emissions target in 2025. More broadly, in Australia, we have continued our partnership with 'Homes for Homes' and our emerging partner in the UK, 'Leeds Action to Create Homes'.

REGULATORY AND STAKEHOLDER ENGAGEMENT

Throughout the year PEXA worked with regulators and government agencies across Australia and the UK to ensure we met our legal and regulatory obligations. The year saw us spend $13.4 million on regulatory projects, including interoperability. We noted the pause to this program and we will continue to work actively with ARNECC for the benefit of consumers and our other stakeholders.

FINANCIAL PERFORMANCE

Our FY24 financial performance improved compared to the previous year.

On a pro forma basis (adjusting for the impacts of acquisitions in FY23 and FY24), business revenues increased by 10%, reflecting the benefits of improved Exchange volumes and pricing and improving Digital Solutions revenues. Pro forma expense growth was contained to 4% due to the benefits of our Productivity Enhancement Program. Overall, we saw a 22% increase in pro forma operating EBITDA during the year and a three-percentage point improvement in pro forma operating EBITDA margin compared to FY23.

Net profit after tax adjusted for historical acquired amortisation was $21.1 million, 22% higher than in FY23, mainly due to improved operating profits and tax items. Statutory net loss after tax of $18.0 million for the year was $3.8 million better than FY23.

LOOKING AHEAD

PEXA Group has delivered a sharply improved result this year, balancing investing for the future with delivering improved returns today. As we look forward to FY25, we will continue to execute our *Enhance / Extend / Expand / Evolve* strategy with a clear focus on improved performance for our customers, people and shareholders.

THANK YOU

On behalf of the Board and management team, I thank all our customers for their ongoing support. I also thank my colleagues around the globe for their professionalism, dedication and hard work. Together, we will continue to 'connect people to place'. Lastly, and most importantly, I would like to thank our shareholders for their feedback, insight and support.

Glenn King
Group Managing Director and CEO

ABOUT
PEXA GROUP

We are a world-class ASX 200 digital property exchange platform and property insights solutions business.

89%

share of Australian property transactions

$4.1 TRILLION

of property value transacted since our first transaction in 2013

Digital Solutions continues to support over

345

state and local governments

23%

share of UK remortgage transactions

Smoove supported

15.6K

UK sale and purchase transactions in FY24

900+

employees

$340.1M

revenue

OUR PURPOSE

Since PEXA began in 2010, we have been dedicated to a singular idea: simplifying, accelerating, and reducing the cost of property transactions. We achieve this by leveraging our transaction platforms and property insights to help individuals realise their dreams of homeownership, investment, or establishing a place of business. We consider it a privilege to offer robust and resilient services that facilitate 'connecting people to place'. For a detailed account of our journey and achievements, please visit https://www.pexa-group.com/about/history/.

OUR CUSTOMERS

In Australia, our Exchange and Digital Solutions businesses support a broad range of participants in the property market. These include 345 state and local governments and agencies, more than 160 financial institutions, over 10,000 conveyancers and lawyers, and over 70 property developers. By serving them, we have also supported more than a million consumers taking out a mortgage or buying and selling a property over the past year.

We are also bringing the benefits of PEXA to the UK, addressing the many conveyancing-related detriments consumers face in that market. Our strategic acquisitions of Optima Legal and Smoove have significantly strengthened our position in the UK. Through our combined businesses we now serve 18 UK financial institutions, including seven of the eight largest in the market via Optima Legal. We also support 80 conveyancers and lawyers through Smoove's e-Conveyancer offer, and a further 2,000 practitioners through its legal panel management activities.

OUR STRATEGY

To serve our customers, we are executing a consistent strategy which utilises the skills, assets and know-how that we have built over the past 14 years.

In Australia, we:

- Continue to **enhance** the Exchange platform, so this designated critical national infrastructure provides reliable and resilient service to all our customers and stakeholders. This includes integrating the Exchange broadly across the environment – into six land registries (seven with Tasmania joining in August 2024), the Reserve Bank of Australia, five revenue offices, and increasingly with practitioners and financial institutions through workflow tools and API linkages.
- We are **extending** our proposition by utilising our Exchange and Group-wide assets and the property insights and digital capabilities we have acquired (.id, Land Insight, Value Australia), built or invested[1]. These capabilities are being used to provide more services to our existing customers and to service new and important property market segments, such as local government.

Beyond Australia, we are leveraging our expertise to **expand** into overseas markets with land title registration systems like Australia, starting with the UK. We have developed a brand-new, modular platform that can be adapted for multiple markets. Notably, in a first for this market, our platform is integrated with the Bank of England and HM Land Registry, enabling near-simultaneous title lodgment and financial settlement activities. The acquisitions of Optima Legal and Smoove have provided us access to the financial institution and conveyancer segments.

To support these developments, we continue to **evolve** our Group capabilities with ongoing, targeted investments in our people and technology innovation. We also contribute to the broader community through our various environmental, social, and governance activities.

1. Archistar, Elula, Landchecker, OPEX

OUR VALUES – SUPPORTING OUR PURPOSE

We know that serving our customers and other stakeholders well is our social license to operate. As a result, we live by a consistent set of values across our Group of companies, centred on our purpose of 'connecting people to place':

- We are **better together** – with each other, our customers and our communities, so we can deliver the best of PEXA to everyone.
- We **innovate for good** – PEXA was founded to solve a community-wide problem, and that ethos of cutting through with solutions that matter remains a core part of us today.
- We **make it happen, make it count** – we deliver our commitments with determination and discipline, always remaining focused on the main game.

SNAPSHOT: PEXA'S FAMILY OF BRANDS AND SOLUTIONS

PEXA is the Group's flagship brand and is the banner under which we deliver our Exchange services in Australia and in the UK. In all our markets, it stands for the integrity, reliability and effectiveness with which we support millions of property transactions and provide associated services.

Australia-specific solutions

.id (acquired in September 2022) is an established and independent data analytics business that provides reliable demographic, sentiment, economic and housing forecasts at the level of individual neighbourhoods. Wherever our customers need to make high-impact resource allocation and investment decisions, .id is there to help.

Land Insight (acquired in July 2023) is a Sydney-based startup which quantifies and evaluates natural hazards, pollution, and ground hazards, helping governments and organisations such as financial institutions and developers to understand man-made and naturally occurring environmental risks in relation to land and property at the lot level.

Value Australia (acquired in July 2022) is an award-winning, next-generation property valuation platform which uses enriched data and advanced artificial intelligence (AI) to provide highly accurate and rapid automated property valuations (AVM). Its models can rapidly simulate the value impacts of potential changes in the use or amenity of a property. In conjunction with our partners, the University of New South Wales and Frontier/SI (which collectively owns 30% of the business), we have already started to win contracts with major financial institutions.

UK-specific solutions

Optima Legal (acquired in November 2022) is a high-volume remortgage processing firm headquartered in Leeds, England. It provides legal services in the UK remortgage market. Optima has direct relationships with seven of the country's top eight lenders.

Smoove (acquired in December 2023) is a UK-based conveyancing technology provider. Its primary solution is e-Conveyancer, a panel management service that brings together conveyancers, mortgage brokers, and their customers to offer a two-sided conveyancer marketplace. It also provides lender panel management services. The distribution capability afforded by Smoove is instrumental in our ambition to achieve UK sale and purchase transaction market share.

OUR HISTORY

2010 State governments form NECD

2012 e-Conveyancing National Law passed in NSW

2013 e-Conveyancing National Law passed in VIC, QLD, WA, TAS

2013 First transaction via PEXA

2014 PEXA brand relaunch (NECDL to PEXA)

2016 First fully digital settlement

2017 PEXAPLEX: PEXA's Melbourne headquarters opens its doors

2018
PEXA reaches 1 million transactions

2021
PEXA lists on the Australian Securities Exchange

2022
Bank of England clears PEXA Payment Scheme

2022
PEXA acquires Value Australia, .id and Optima Legal

2022
Shawbrook becomes the first bank in the UK to complete a remortgage using PEXA

2023
PEXA acquires Land Insight and Smoove

2024
PEXA UK's headquarters opens at West Village in Leeds

OUR STRATEGY

PEXA's strategy aims to create long-term, sustainable value by delivering for our customers in line with our purpose of 'connecting people to place'.

To do this, in Australia:

- We support our customers by continually **enhancing** our Exchange so that Australia's leading electronic lodgment network remains robust, resilient, and increasingly integrated into the broader marketplace.
- Further **extending** our relationships with existing customers, and supporting new customers, with property insights and other digital solutions that use our distribution and data[1] assets and other newly acquired businesses and investments.

Overseas, we are **expanding** by using the benefits of our intellectual property to solve customer problems in markets with Australia-like land title systems, starting with the UK.

To support our growing business, we are **evolving** our capabilities by investing in our people and innovating our technology. We are also contributing more broadly to our communities with our targeted and ongoing environmental, social and governance programs.

1. Use of regulated data subject to relevant regulatory approvals.

Purpose

CONNECTING PEOPLE TO PLACE

	Australian Exchange	Digital Solutions	International	Group
Position	Australia's #1 digital property Exchange platform	Leading digital solutions, unique distribution	Powerful platform, developing ecosystem	Trusted and influential in property markets
Business	Australian Exchange	Digital Solutions	International	Group
FY24 est. TAM[2]	$330M	~$500M[3]	$520M[4]	~$1,350M
Objective	**Enhance** Maintain leading position	**Extend** Adjacent solutions supporting existing and new customers	**Expand** Create Exchange-like economics offshore	**Evolve** Deliver purpose, drive sustainable returns
Brands	PEXA Exchange	PEXA; .id informed decisions; valueaustralia; Land Insight	PEXA; Optima Legal; smoove	PEXA

Australian Region (Australian Exchange and Digital Solutions)

Values

- Innovate for good
- Better together
- Make it happen, make it count

Foundations

- People
- Community / ESG
- Resilience and security
- Data and privacy

2. Total Addressable Market.
3. Digital TAM includes Traditional & Augmented Solutions.
4. International TAM purely reflects UK (England and Wales).

OUR CUSTOMERS

PEXA is proud to support participants in the property market across Australia and the United Kingdom. In doing so, we aim to bring the 'best of PEXA' to each customer by demonstrating our values of 'Better together', 'Innovate for good', and 'Make it happen, make it count'.

	Australian Region (Exchange and Digital Solutions)					International	
Segment	Government	Developers	FIs	Major law firms	Practitioners	FIs	Practitioners
Number of Customers	345	70+	160+	85+	10,000+	c.18[2]	~2,000[3]
Share of FY24 regional revenues[1]	~4%	<1%	~24%	~13%	~58%	~38%	~62%
Exchange / Non-Exchange Split[4]	5% / 95%	100% / 0%	97% / 3%	100% / 0%	99% / 1%		

Business reach

PEXA

Optima LEGAL

.id informed decisions

smoove

valueaustralia

Land Insight

1. Reflects reported Australian revenue for the year ended 30 June 2024 and Pro forma UK revenue for the year ended 30 June 2024.
2. 2 customers are utilising the PEXA platform capability.
3. Smoove e-Conveyancer and legal panel management customers.
4. Based on revenue.

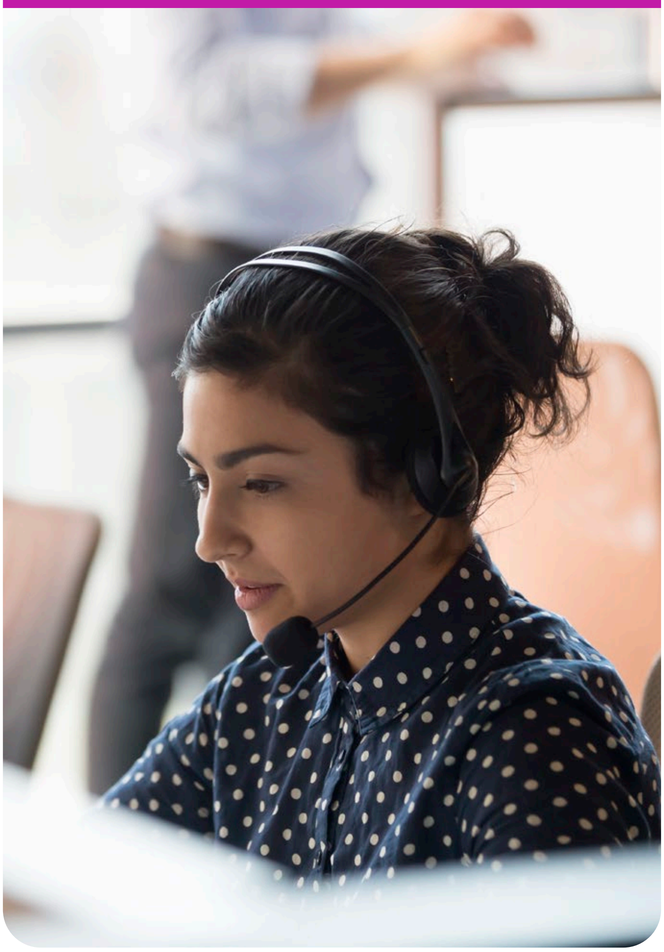
Through our family of Australian brands – PEXA, .id, Land Insight, and Value Australia – we support more than 160 financial institutions, more than 10,000 conveyancing practitioners, more than 70 developers and associated parties such as consulting engineers, and 345 local and state government departments and agencies. Further customer reach is available through our investments in Archistar (developers and governments), Elula (financial institution customers), Landchecker (developers and practitioners), and OPEX (developers and practitioners).

Our family of UK brands – PEXA, Optima Legal (acquired in 2022) and Smoove (acquired in 2023) – give us access to 18 financial institutions (including seven out of eight of the largest institutions in the UK) and more than 2,000 practitioners.

Our goal is to provide our customers with robust and resilient solutions which improve the effectiveness of their operations and help them to serve their customers better. The key to doing this well has been to harness the power of innovation across PEXA, with activities ranging from targeted use of AI to our regular 'hackathons'.

LEVERAGING AI TO IMPROVE THE CUSTOMER EXPERIENCE

In May 2024, we began trialling an AI automation tool with a test group of our Customer Service agents. The trial is designed to increase an agent's productivity by reducing after-call activities. After each customer contact, agents are required to manually summarise and categorise the nature of the call, taking up to three minutes. AI enables us to automate this process to uplift the quality and consistency of our reporting, allowing us to better identify opportunities for improving our support and product experience and freeing up time for more value-adding customer service activities.



'HACK DAY' – IGNITING INNOVATION

Hack Day is an annual PEXA event designed to foster collaboration and harness diversity of thought to develop fresh ideas for PEXA's products and operations. Our people are encouraged to join teams, present their pitch and seek sponsorship from our panel of executives in this 'Shark Tank' style event.

Most recently, in October 2023, we had 17 teams participating from across the Group and key partners, including two teams from the Philippines. Of those, 13 received sponsorship to take their pitch forward to implementation. The sponsored projects included automation and AI initiatives across resiliency testing, customer service and vulnerability testing as well as improvements to existing processes such as new product features and API capabilities.

ENHANCING & EXTENDING – AUSTRALIA

In March 2024, PEXA implemented a revised operating model. We have created a single Australian business which is driving greater accountability for delivering the best of PEXA – including Exchange and non-Exchange services – to all our customers.

ENHANCING THE EXCHANGE

PEXA is the licensed operator of Australia's largest Electronic Lodgment Network. As the cornerstone of our Australian business, it facilitates the lodgment and settlement of property transactions through an integrated digital platform in all jurisdictions apart from the Northern Territory.

Providing resilient and robust service

Every day, our customers and other stakeholders across Australia rely on PEXA to undertake about 15,000 transactions worth around $3.5 billion.

Maintaining the Exchange's resilience and reliability is critical to delivering first-class customer service and meeting our regulatory obligations[1]. The Commonwealth's Department of Home Affairs has also designated the Exchange as critical national infrastructure, meaning we are also responsible to the broader community for the robustness of our platform.

The designation of critical infrastructure for the Exchange highlights the importance of the national e-Conveyancing ecosystem for the Australian property market. What does this mean for PEXA?

1. Greater collaboration with government agencies on intelligence to protect the Australian property market and economy. This includes working closely with the critical infrastructure regulator (the Cyber and Infrastructure Security Centre (CISC), which is part of the Commonwealth's Department of Home Affairs).
2. Continuing to maintain our existing ISO 27001:2013 certification to Australian and International standards, whilst upgrading our practices to comply with the newer ISO 27001:2022. We are well positioned with our focus on the key hazards that are linked to organisational resilience (i.e. cyber security, personal, third parties and addressing natural hazards).
3. It reinforces the criticality of our focus on operational excellence, reliability, and our position as a trusted backbone of the Australian e-Conveyancing sector.

1. PEXA is required to remain not less than 99.8% available during core hours (6:00am – 10:00 pm) and not less than 99% during non-core hours (10:00 pm to 6:00 am).

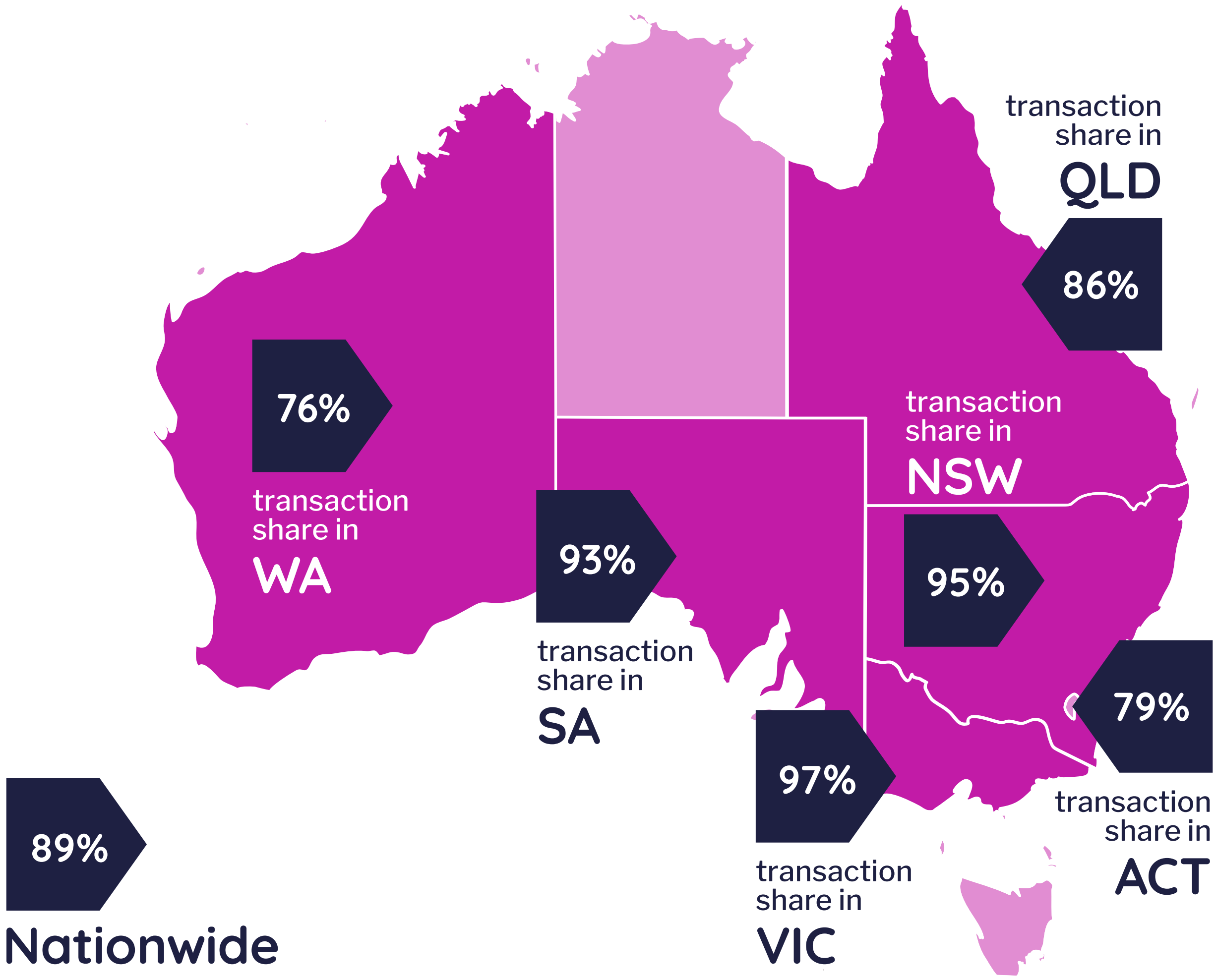
Over the past year, our Exchange platform remained 100 per cent available during core hours. There were no unscheduled outages during either core or non-core hours. To support this, we have continued to uplift our cyber security processes and capabilities, enabling us to deal with attempted intrusions.

However, the entire system is only as resilient as the most vulnerable participant in the overall digital property system. As a result, we are working constructively with land registries and financial institutions on prevention, continuity and recovery processes in the event of outages. We have also made our cyber tools and training available to our smaller practitioner customers to assist them in reducing their cyber risk exposure.

Expanding Exchange coverage

Reflecting our commitment to our customers and our regulatory obligations, we continue to invest in expanding our market coverage. During the year, we worked with government agencies in our existing markets, particularly in Western Australia, to enable settlement of additional transaction types through the Exchange. Overall, the Exchange is now supporting 89% of property transactions across Australia.

Our aim with this work is to standardise transaction settlement processes – both nationally and within jurisdictions – to improve efficiency for our customers. We are on track for fully launching our platform in Tasmania by early 2025. We are also aiming to start providing the PEXA platform in the Northern Territory during FY26.



Innovating and integrating

We continuously work with our customers through our industry forums and other channels to understand their feedback, ideas and pain points. We use these insights to improve the functionality of the Exchange for our customers and other stakeholders. For example, our 'Ready to book' functionality was designed with our banking and panel law firm customers to allow for more effective settlement transaction scheduling.

Customers are increasingly requesting that Exchange workflows be more tightly integrated into the ways they want to run their own activities. To support this, we are accelerating customer connectivity by expanding our API suite. By June 2024, 316 instances of our APIs were being consumed by our customers or the systems providers who support them (such as practice management software providers). Our approach to such integrations is to be 'equal access for all', so that each member in each class of industry participants can integrate with the Exchange on equivalent terms.

We are also supporting our customers by helping them provide outstanding service to their clients. Our focus has been on working with financial institutions and practitioners to improve the proportion of settlements occurring on the scheduled day (we call this the On-Day-Settlement, or ODS, rate). While we did not achieve our targeted ODS rate for the year, we have supported our customers with improved information and streamlined workflows to achieve a 3 percentage point improvement in the ODS rate during FY24. The average ODS rate now sits at 76.4%, and the average for major banks is more than 80%.

FY24 Exchange results

Revenue

$292.0M

11% up vs FY23

Operating EBITDA

$159.1M

13% up vs FY23

Capex / Revenue

12.9%

1.4 ppt down vs FY23

We are grateful that our customers are responding well to this progress. During the year, conveyancing and financial institution customers gave us a customer satisfaction score of 90%. Additionally, our May 2023 brand health survey shows that our customers trust our brand and are positive towards us. Practitioners scored PEXA 8.4/10 for brand positivity, and 8.8/10 for trust, while financial institutions averaged 9.2/10 for trust and 9/10 for brand positivity.

Focus areas for FY25

- Continuing to maintain robust and resilient services.
- Supporting the requirements of our regulators.
- Further coverage expansion, including Tasmania 'go-live' and onboarding, addressing coverage gaps in existing jurisdictions and planning for Northern Territory entry.
- Improve customer efficiency through integration and digitisation initiatives.

EXTENDING CUSTOMER SUPPORT WITH PEXA DIGITAL SOLUTIONS

We have created a powerful set of customer solutions through the businesses we have acquired – .id, Land Insight and Value Australia – the partnerships we have formed, and the solutions we have built.

Using place-based insights to grow customer relationships

Our Insights businesses collectively have data that covers over 11 million properties and their local catchments across Australia.

Increasingly, we are using these capabilities to help our customers by providing them with insights and solutions which help them create value from transacting and financing property, whilst managing their exposure to key risks such as climate change.

These services are being provided to existing Exchange customers, allowing us to form deeper relationships with them. We are also providing these services into new segments, allowing PEXA to broaden its presence across the property sector.

Each of the individual insight businesses made good progress during the year:

- **.id**: We benefitted from our investments in areas such as broadening the coverage of its local area location decisions product. Focus into its existing customer segments was sharpened, leading to the acquisition of 43 new customers during the year. Additionally, .id's offerings are being taken up by PEXA's traditional customer base, as we recorded .id's first sale to a major Australian bank. Overall, these efforts resulted in a record year of revenue for .id.
- **Land Insight**: We have been investing in climate risk offerings, launched a subscription service and are progressively improving scalability of the platform by incorporating its data into the Group's Snowflake-enabled technology stack. We have also started introducing Land Insight to our financial institution customers and have recorded Land Insight's first ever sale into that segment.
- **Value Australia**: We focused on migrating its product from Value Australia's original academic technology infrastructure to a fully commercial environment, as well as acquiring the data required to power its models at scale. Subsequently, it recorded the first sales of its product – an ongoing contract with a major Australian institution, and sales of project-based work to a developer, an industry body, and another major bank.

Importantly, we are also starting to realise value from the complementary nature of these offerings. For example, we are engaging with our existing financial institution customers with Land Insight and Value Australia jointly to help them understand the environmental risks in their lending portfolio and the impacts on the value of their mortgage securities.

Spotlight on Land Insight

'Climate perils' are an increasing concern for financial institutions. Regional banks are likely to face geographically concentrated climate risks in their lending portfolios, and larger organisations are seeking detailed data for long-term risk assessments and deeper insights into ongoing population and housing growth requirements.

Following consultation in September 2023, PEXA and Land Insight proposed an environmental insights solution for the Northern Inland Credit Union. The product was designed to assess the local climate risks that could affect the credit union's assets, insurance products and loans.

"A concern that regulators are interested in is whether we've done any assessments around climate risks, and trying to find the data is one of the things that's been difficult for us," said Derek McIntyre, CEO of Northern Inland Credit Union. "Having the data from Land Insight has been tremendous for us to assess the risks in our books."

As well as sourcing relevant climate data and insights for Northern Inland Credit Union, the partnership has helped to create a blueprint for assisting other customers.

Creating new customer opportunities from Exchange-related activity

We have developed a range of workflow and transaction support solutions which help reduce transaction costs and improve experience for our customers. Our workflow solutions (Planner/Tracker/Allocations) have gained good traction with our financial institution customers and are enabling us to become more integrated with them. For practitioners, in partnership with Send, we have provided a foreign exchange payments capability that is integrated with Exchange workflows, making it easier for our practitioners to service their overseas customers.

FY24 Digital Solutions results

Revenue

$15.7 million

35% up vs FY23

Operating EBITDA

$(7.0) million

56% favourable vs FY23

Capex / Revenue

31.2%

20ppts favourable vs FY23

While we did not achieve the challenging revenue goal that we had set ourselves for the year, significant business progress was made. We also improved the efficiency of the business, allowing us to reach an operating EBITDA breakeven for June 2024.

Focus areas for FY25

- Improving our channel effectiveness in distributing more solutions to our customers.
- Realising further value for our customers from complementary offers of .id / Land Insight / Value Australia products, including incorporating relevant data from the Exchange, subject to regulatory approvals.
- Creating new opportunities to support customers with digital solutions by leveraging Exchange-related capabilities and activity.

EXPANDING INTERNATIONALLY

PEXA's know-how can be used to drive better, easier and more efficient customer outcomes in other jurisdictions that use land registration systems like that found in Australia. PEXA started its overseas expansion by entering the UK in late 2020 and launched its first product in September 2022.

UK market snapshot

With a population of nearly 68 million people, and as the sixth largest economy in the world, the UK is a significant potential opportunity for PEXA. Sale and purchase transaction volumes are about 50% larger than in Australia. Reflecting the tendency in the market to take out relatively more and longer fixed rate mortgages, remortgage volumes are broadly in line with those experienced in our home market.

However, despite the size and sophistication of the UK market, UK consumers suffer significant detriments associated with property transactions and conveyancing. These include long delays (an average remortgage transaction takes 8 weeks, and a sale and purchase transaction can take up to 6 months), unexpected costs, and significant stress and worry.

By streamlining transaction flows, PEXA's capabilities can significantly improve the UK's conveyancing processes, leading to better consumer outcomes, and cheaper, more effective processes for practitioners and financial institutions.

BUILDING OUR INTERNATIONAL PLATFORM

Derived from our experience in Australia, we have built PEXAGo – a new, modular, API-first and microservices-based platform – that has the potential to support our international expansion. While its first use is in the UK, we have designed it for re-usability, with up to 85% of its code able to be used to support entry to other markets.

In the UK, we have integrated PEXAGo with HM Land Registry. Through our partnership with ClearBank, the platform is also linked through our PEXAPay payments gateway to the Bank of England's real time gross settlement system. In a first for the UK market, it is now possible for property market stakeholders to experience near-simultaneous registration and financial settlement. Coupled with PEXA's workspace-based design, the platform reduces the frictions associated with coordinating property transaction activity. It also reduces the need for laborious post-transaction processes.

During FY23, we launched our first UK-specific remortgage product and expanded its capabilities over the past year so it can now support 70% of remortgage types in the UK. We also commenced building our sale and purchase product during the year, and we are now at the point where we can start limited testing of it with some of our financial institution customers.

Attracting financial institutions to the platform

Two customers – Shawbrook Bank and Hinkley & Rugby Building Society – are already using the platform. As at 30 June, 159 transactions with a value of £38 million have been transacted via PEXAGo since its launch in September 2022.

Using PEXA to drive better customer outcomes

Both Shawbrook and HRBS see the use of PEXA as enabling them to differentiate themselves in the market and as supporting their aspirations to challenge existing legacy competitors.

To provide one example of how PEXA is being used, during the year Shawbrook Bank used PEXA to support the 37-hour turnaround of a buy-to-let based remortgage for a new customer. As the customer's mortgage broker said:

"37 working hours from application to completion for a Buy-to-Let is outstanding, particularly for a new to bank customer. Shawbrook continue to demonstrate that leveraging technology to enhance the lending process in key areas with a great underwriting team is a winning combination".[1]

1. See https://www.shawbrook.co.uk/property-finance/news-case-studies/case-studies/buy-to-let-remortgage-in-37-hours/. Retrieved 6 August 2024.

We are working with large and small financial institutions to show them our platform's benefits.

We had hoped during the year to achieve a sizeable flow of PEXA-enabled volumes through Optima Legal. We did not achieve this goal. However, we did take positive steps forward in the market. We announced that we continue to work constructively with NatWest, the UK's third largest mortgage lender, on the technical requirements and timing for the PEXA enablement of mortgage transactions. Our collaboration will see NatWest utilise PEXA's platform to deliver 48-hour remortgage transactions to its customers – before extending its use of the PEXA platform to speed up the handling of sale and purchase transactions. We are also working with another top 10 UK lender, and the engagement to bring them on to our platform remains ongoing.

A precursor to a financial institution's use of the PEXA platform is testing the linkages between that institution and PEXAGo via the Bank of England. The Bank of England has limited the availability of testing slots as it upgrades its own systems. It has indicated that PEXA can access a limited number of slots as it opens testing windows. In this context, it is pleasing that we are currently oversubscribed for these slots. Currently, two large financial institutions and four smaller lenders, have requested access to testing slots when they become available.

Using Optima Legal to support financial institution customer acquisition

Optima Legal is a specialist provider of remortgage conveyancing services. It currently processes about 15% of UK remortgages[2], primarily on behalf of seven of the UK's eight largest financial institutions. It has been a challenging year for Optima Legal, as it dealt with the aftermath of a late FY23 technology outage at its previous owner, Capita plc (Capita), coupled with below average market volumes. However, Optima Legal took decisive steps to right-size its capacity and to improve efficiency through automation and process improvement, with productivity increasing by approximately 130% during the year. Pleasingly, Optima Legal also received an increase in allocations from an existing lender, and its rolling three-month average market share improved by 7 percentage points from its low of 8% in 2023.

In further developments, we have now fully separated Optima Legal from the transition support arrangements provided by Capita. We have also integrated Optima Legal's workflows with those contained in our PEXAGo platform. This integration enables us to offer the unique benefits of a fully integrated Optima/PEXA proposition to our financial institution customers.

2. Optima Legal remortgage market share 3 months ended May 2024.

FY24 International results

Business Revenue[4]

$35.8 million

311% up vs FY23

Operating EBITDA

$(37.2) million

39% unfavourable vs FY23

Capex / revenue

73.2%

203ppts favourable vs FY23

4. Business revenue includes $3.4 million in FY24 and $1.7 million in FY23 of interest income earned in connection with Optima Legal's revenues, which is not included in IFRS statutory revenue, but instead is included in interest income in the Statement of Comprehensive Income.

Acquiring Smoove and reaching into the practitioner segment

PEXA acquired Smoove in late December 2023. As an innovative, digital-based provider of solutions into the UK's conveyancing market, Smoove supports both remortgage and sales and purchase based conveyancing activity. Its platform collectively connects Smoove with over 2,000 practitioners. Volumes introduced by Smoove account for approximately 10% and 1.5%, respectively, of remortgage and sale and purchase transactions in the UK.

Since acquisition, Smoove has benefitted from improved sale and purchase volumes, tighter pricing disciplines, and better search and ancillary revenues. As a result, pro forma[3] revenues have grown by 7% relative to FY23, and its operating EBITDA-losses have narrowed by £1.6 million relative to the previous period.

As we progress with integrating Smoove into our UK operations, and as we bring our PEXAGo sale and purchase proposition to market, we will be increasingly leveraging Smoove's distribution relationships to bring practitioners onto the platform. We also expect that Smoove's remortgage activities will assist us in building momentum in favour of using PEXAGo.

3. This compares Smoove's results for all FY23 with those of FY24, regardless of the ownership structure during that period.

Focus areas for FY25

- Gaining transaction volume onto the PEXAGo platform, including attracting additional lenders.
- Delivering further enhancements to PEXAGo, including additional remortgage functionality and sale and purchase capability.
- Completing the integration of Smoove and further improving the profitability of Optima Legal and Smoove.
- Launching our sale and purchase proposition with practitioners.
- Building advocacy for PEXA's service across industry and government stakeholders.

EVOLVING OUR BUSINESS

We have continued to evolve our capabilities throughout the year to support PEXA's growth and development. Our focus areas have been our people, technology, and environmental, social, and governance (ESG) activities.

PEOPLE

We are passionate about providing our people with the best possible employee experience. We aim to create a workplace where all team members feel supported and have equal opportunities to fulfil their potential and find a sense of belonging.

Engaging our team

Our key success metric for overall employee wellbeing is our Employee Engagement survey, which is measured annually and complemented with regular pulse checks.

This year's engagement score[1] was 63%, with a participation rate of 89%. This was lower than we had anticipated, mainly due to the impact of the operating model changes we made during the year.

However, we have a solid base on which to improve these outcomes in FY25, including 94% support from our Australian employees for our flagship 'Flex First' policy and a positive sentiment shared by employees on the care shown for employee wellbeing as well as people leaders are rated as great role models.

Helping people fulfil their potential

As our business develops, we are investing in our employees through the PEXA Academy to build the skills we need. Now in its second year of operation and in partnership with Victoria University, the Academy supports learning and training for all colleagues across PEXA. It also provides access through LinkedIn Learning to over 18,000 self-paced video courses. Overall, the Academy delivered over 4,700 training hours during the year across 2,700 unique learning experiences, covering topics from leadership to managing cyber risk.

Supporting diversity, equity and inclusion

We have an extensive diversity, equity, and inclusion (DEI) program underway across the Group, supported by our Diversity and Inclusion committee consisting of volunteers from across the Group.

From a gender perspective, 47% of the Group's leadership roles are filled by women.

We are also actively supporting other areas of DEI, including sexuality and neurodiversity.

Our engagement survey suggests we are on the right track. Around 88% of our team believe 'PEXA values diversity', with 92% of respondents agreeing that their team is inclusive and 89% agreeing that their people leader demonstrates inclusivity in their leadership.

TECHNOLOGY

Over the past year, our Technology team has focused on managing cyber risk and supporting the development of our Australian and International Exchange platforms. In addition, we have deployed a Group-wide data management and engineering capability which uses world-class technology powered by Snowflake. We have also expanded our suite of AI-based capabilities during the year. These include commercialising our AI-powered Value Australia assets and trialling productivity enhancement tools, in areas such as coding and quality assurance.

As we undertake these activities, we are safeguarding the interests of our customers, people, and the broader community. We operate in line with strict privacy and cybersecurity guidelines and aim to comply with good ethical practices in the use of data and AI. As a result, the Group is certified for both ISO 27001:2013 and SOC2 compliance along with alignment to ISO 27710, with ongoing activities to achieve certification to the latest ISO 27001:2022 standard for Australia.

1. Engagement Survey Group score included PEXA AU, PEXA UK, Land Insight, Value Australia and Optima Legal.

We have also established robust oversight mechanisms, including our Board Technology and Operations Committee, our Cyber Security and Fraud Advisory Committee (with membership including two people from outside PEXA), and our Ethics Advisory Committee (including three independent advisors). In August 2024, PEXA entered into a strategic Heads of Agreement with CyberCX Pty Ltd (CyberCX), a global leader in the provision of cyber security and resilience services with operations in Australia, the United Kingdom, New Zealand and the United States. PEXA intends to collaborate with CyberCX and scope out various initiatives which advance each party's business objectives in Australia and abroad.

ESG

To bring our purpose to life, and in line with our PEXA values and sound corporate governance, we continue to embed ESG practices into our business, building on the foundations set in previous years.

- 2020 Financial Review Most Innovative Companies Awards

2021

- PEXA lists on the Australian Securities Exchange
- First Greenhouse Gas Inventory completed
- First emissions report released
- Completed first GRESB survey
- PEXA named Australia's 3rd Best Place to Work[1]
- Net zero scope 1 and scope 2 target set
- PEXA's Environmental Statement released

2022

- Second Greenhouse Gas Report released
- Approach to scope 3 emissions reporting matured
- Indigenous Engagement Strategy in development

2023

- PEXA's inaugural ESG Materiality Assessment conducted
- Carbon Management Plan initiated focussing on scope 3
- 3-year partnership with Homes for Homes established
- PEXA joined as a participant of the United Nations Global Compact
- Top 20 Good Company 'Best workplaces to give back'

2024

- Partnership Plan with Homes for Homes established to measure shared value and impact
- Fourth Modern Slavery Statement released
- PEXA joined the United Nations Global Compact Climate Accelerator
- PEXA refreshed its Framework and Strategy

1. WRK+ 2021 Best Places To Work List (wrkplus.com)

Integrating ESG into our business

We are continuing to enhance our reporting in line with legislative requirements and with consideration of guidelines, frameworks and feedback from our stakeholders.

We have refreshed our ESG approach over the past year to reflect the ongoing changes to our business and to ensure focus on our most material ESG issues identified through our materiality assessment. The refresh benefitted from consultations with internal and external stakeholders and supports our business strategy. With sponsorship from PEXA's Board and Executive Leadership Team, we are now using the refreshed framework to focus our activities and drive measurement of their impact.

Our purpose

CONNECTING
PEOPLE TO PLACE

Strategic pillars

ENHANCE
Maintain leading position

EXTEND
Adjacent solutions supporting existing and new customers

EXPAND
Create Exchange-like economics offshore

EVOLVE
Deliver purpose, drive sustainable returns

ESG Framework

PEXA is committed to creating positive and responsible impact in our communities by managing our ESG risks and opportunities and delivering measurable outcomes towards a sustainable future. Our ESG Framework supports this commitment and our group strategy by helping guide our activities aligned to our strategic focus areas and material issues.

Strategic focus areas and material issues

Governance	Customer & Product	People & Community	Environment
Ethically and responsibly manage our key risks, uphold best practice governance and communicate openly with stakeholders.	Delivering secure digital infrastructure, insights and improving customer experience by enabling innovation and partnering with the right suppliers.	Working towards outcomes by supporting industry and our communities to make positive change, by leveraging our people and their talents who lead with a better together culture.	Protect our natural assets for future generations by supporting sustainable communities, managing carbon emissions and climate risk.
• Ethical business principles • Risk and regulatory • Data protection and privacy	• Customer experience and design • Innovation • Sustainable supply chain	• Social and community impact • Diversity, inclusion and reconciliation • Wellbeing and engagement	• Climate • Carbon and energy • Sustainable communities

Key measures

- Actions and impact metrics
- Transparent annual ESG disclosures

To further support our commitment to integrating ESG practices, we became a signatory to the United Nations Global Compact corporate sustainable initiative during the year, published our first Communication on Progress report and released our fourth Modern Slavery Statement in November 2023. We also completed our first Ecovadis ESG assessment, a global ESG benchmarking system, achieving an overall 'good' rating.

Further detail on our management of ESG can be found in our inaugural ESG report.

Minimising our environmental impact

We are committed to achieving net zero Scope 1 and Scope 2 carbon emissions by the end of 2025. We are on track to reach this outcome.

During the year, we completed our Carbon Management Plan to support our pathway to net zero. Our Head Office in Melbourne, located in a 5★ Green Star certified building, is now running on 100 per cent renewable electricity. Work is also underway to roll out renewable electricity to PEXA's offices across the rest of Australia and the UK.

Overall, in 2024 PEXA has produced net emissions totaling 13,027.4 tonnes (CO_2-e), around 5 per cent of which is driven by PEXA's controlled and third-party electricity consumption. Scope 1 emissions were 0.01 tonnes (CO_2-e), Scope 2 emissions were 215.8 tonnes (CO_2-e), and Scope 3 emissions were 12,895.5 tonnes (CO_2-e), offset by 83.92 tonnes (CO_2-e) of carbon neutral emissions. PEXA's Scope 1 and 2 GHG emissions have been estimated using 10 months actual (invoiced) energy consumption data, with the remaining two months extrapolated. This differs from the prior year when 12 months of actual consumption data was available at the time of publication of PEXA's Green House Gases Report.

We obtained independent limited assurance across our Scope 1 and Scope 2 emissions sources. The assurance statement can be found on pages 40 to 41 of this report.

We account for our scope 3 emissions and during the year sought an external assessment to prepare us for assurance in future years. More detail on our emissions reporting can be found within our ESG report.

Our waste reduction target, and details on our approach to environmental sustainability, is captured in our Environment Statement on our website and in our ESG Report.

Contributing to our communities

Our desire to contribute positively to the communities in which we live and work is demonstrated through the impactful partnerships we form. These include our collaborations with:

- **Homes for Homes** is a social enterprise created by the Big Issue, which is dedicated to increasing social and affordable housing in Australia. Homes for Homes encourages property owners to register their property and intention to donate 0.1 per cent of their property sale price, or rent, to support community housing projects. For example, a property sale of $750,000 yields a $750 donation, which is transferred to Homes for Homes through the PEXA Exchange platform during settlement. In addition, PEXA has collaborated with Homes and Homes since 2016 and in 2023 committed to investing at least $245,000 over the three year period ending 2026. We have continued to engage with practitioners through various events and forums to build customer support for the Homes for Homes mission. PEXA Group Managing Director and CEO, Glenn King is also a member of the Homes for Homes Investment Advisory Group.
- **Housing All Australians (HAA)** is an organisation dedicated to increasing the supply and access to affordable housing at scale throughout Australia. PEXA and select local government authorities are working with HAA on a digital Affordable Housing Register – a national centralised and transparent repository for recording affordable housing commitments to ensure long-term affordability of tenure over the committed period.

- **Victoria University (VU)** and PEXA continue to grow our partnership to enhance both staff and student experiences by hosting student placements, hiring VU graduates, and joint staff volunteering engagements. PEXA now sits on the Industry Advisory Boards for VU's Technology and Cyber Security TAFE courses and university degrees. In 2024, PEXA supported two 'PEXA Award for Outstanding Students in Information Technology' prizes, recognising the academic achievements of students in IT courses. We are also supporting students who are experiencing financial hardship by donating to the VU Thrive Grants Program. This grants program has helped students to cover the costs of laptops and placements, supporting them to graduate and enter the workforce. PEXA's funding equates to supporting 32 students through this program.
- In the UK, we have supported **Latch (Leeds Action to Create Homes)**, a charitable organisation that refurbishes derelict houses around Leeds to provide supported housing for people who are experiencing homelessness or in housing need and are ready to make a positive change in their lives. We also supported Simon on the Streets, which offers practical and emotional support to people experiencing homelessness in Leeds.

The Homes for Homes impact

PEXA is proud to support Homes for Homes in its mission to eradicate homelessness in Australia. To date, it has helped more than 350 Australians transition to stable housing.

"Homes for Homes is on track to raise up to $1 billion for social and affordable housing in the next 30 years and has already granted more than $2 million to 22 projects," says Tracy Longo, Homes for Homes' Chief Operating Officer.

"Homelessness takes its toll on mental and physical health, and educational and employment prospects, resulting in greater dependence on welfare. By helping people to have a place they can call home, we create an inclusive society of which we can all feel proud."

Mya and Barb have seen the benefits of a Homes for Homes grant firsthand, with an opportunity to live in a 'Youth With a Mission' (YWAM) home. YWAM, based in Townsville, North Queensland, received a $50,000 grant to upgrade its existing accommodation. The home enables young women aged 17 – 25 to transition to long-term stable housing while building their independent living skills as they re-engage in the community.

Now that she has found stability, Barb feels more able to focus on achieving her career goals. She plans to pursue further childcare studies and complete a diploma, which will enable her to work in Australia and abroad.

"I used to dream about being financially stable with my own place. Now that it's happening, I really want to travel around the world and check out all sorts of cool places," she said.

Volunteering

To further support our work with our communities, we offer our permanent employees one day of paid volunteer leave per calendar year to complete time or skill-based volunteering. We also allow employees to deduct a once-off or recurring donation from their pre-tax salary. In FY24, PEXA staff volunteered 248 hours in their communities across Australia and the UK.

Indigenous Engagement

Over the past year PEXA has continued to build its Indigenous Engagement Strategy in partnership with an expert advisor. We are taking careful consideration in developing our strategy with deeply informed, tailored actions and deliverables that are purposeful, intentional, and centered in meaningful outcomes. We aspire to be an active contributor to creating meaningful impact. We are continuing to learn, engage, host conversations, and promote a culture of listening.

Our strategy is expected to be complete in late calendar year 2024.

To further support this work, our premier leadership program, Together We Walk, includes a deep immersion in First Nations lands and culture to raise our understanding.

Corporate governance

Our governance arrangements and processes support the delivery of our strategic objectives and in maintaining our social license to operate. They include a clear framework for decision-making and complement our values by guiding the standards of behaviour we expect of each other.

PEXA's 2024 Corporate Governance Statement, on pages 83 to 92 of this report, provides additional information on our corporate governance framework. Further information can also be found in PEXA's ESG Report.

Independent Limited Assurance Report to the Management and Directors of PEXA Group Limited

Building a better working world

Our Conclusion:

Ernst & Young ('EY', 'we') were engaged by PEXA to undertake a limited assurance engagement as defined by Australian Auditing Standards, hereafter referred to as a 'review', over the Subject Matter defined below for the year ended 30 June 2024. Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe the Subject Matter has not been prepared, in all material respects, in accordance with the Criteria defined below.

What our review covered

We reviewed the following Subject Matter as presented within PEXA's FY24 Annual Report (the 'Report'):

- Total Scope 1 greenhouse gas emissions in tonnes of carbon dioxide equivalent (t CO_2-e)
- Total Scope 2 greenhouse gas emissions (t CO_2-e).

Criteria applied by PEXA

In preparing the Scope 1 and 2 greenhouse gas emissions (t CO_2-e) PEXA applied the following Criteria:

- PEXA's own publicly disclosed criteria as detailed in the Basis of Preparation, with reference to The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition).

Key responsibilities

PEXA's responsibility

PEXA's management is responsible for selecting the Criteria, and for presenting the Scope 1 and Scope 2 greenhouse gas emissions (t CO_2-e) in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibility and independence

Our responsibility is to express a conclusion on the Subject Matter based on our review.

We have complied with the independence and relevant ethical requirements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Auditing Standard ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our approach to conducting the review

We conducted this review in accordance with the Australian Auditing and Assurance Standards Board's *Australian Standard on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ASAE3000'), *Assurance Engagements on Greenhouse Gas Statements* ('ASAE3410') and the terms of reference for this engagement as agreed with PEXA on 24 June 2024. That standard requires that we plan and perform our engagement to express a conclusion on whether anything has come to our attention that causes us to believe that the Subject Matter is not prepared, in all material respects, in accordance with the Criteria, and to issue a report.

Summary of review procedures performed

A review consists of making enquiries, primarily of persons responsible for preparing the Scope 1 and Scope 2 greenhouse gas emissions (t CO_2-e) and related information and applying analytical and other review procedures.

The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risk of material misstatement, whether due to fraud or error. The procedures we performed included, but were not limited to:

- Conducted interviews with personnel to understand the business and reporting process
- Conducted interviews with key personnel to understand the process for collecting, collating and reporting the Subject Matter during the reporting period
- Assessed that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria
- Undertook analytical review procedures to support the reasonableness of the data
- Identified and tested assumptions supporting calculations
- Tested, on a sample basis, underlying source information to assess the accuracy of the data.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our review conclusion.

Building a better working world

Inherent limitations

Procedures performed in a review engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a review engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to assessing aggregation or calculation of data within IT systems.

The greenhouse gas quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of greenhouse gases. Additionally, greenhouse gas procedures are subject to estimation and measurement uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

Other matters

We have not performed assurance procedures in respect of any information relating to prior reporting periods, including those presented in the Subject Matter. Our report does not extend to any disclosures or assertions made by PEXA relating to future performance plans and/or strategies disclosed in FY24 Annual Report.

Use of our Assurance Report

We disclaim any assumption of responsibility for any reliance on this assurance report to any persons other than management and the Directors of PEXA, or for any purpose other than that for which it was prepared.

N Landsbergen

Nicky Landsbergen
Partner

Ernst & Young

Ernst & Young
Sydney, Australia
21 August 2024

DIRECTOR'S REPORT

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DIRECTOR'S REPORT

Corporate information

The consolidated financial statements of PEXA Group Limited and its subsidiaries (PEXA or collectively, the Group) for the year ended 30 June 2024 (FY24), were authorised for issue in accordance with a resolution of the directors on 21 August 2024.

PEXA Group Limited (the parent company) is a public company, incorporated and domiciled in Australia, and listed on the Australian Securities Exchange (ASX) under the stock code “PXA”. A description of the Group's operations and principal activities is included in the Operating and Finance Review.

Directors

Mark Joiner

(Independent Chairperson, appointed 3 May 2021)

Mark is an experienced director, having served as Executive Director of Finance for NAB Group and is currently serving as a non-executive director of Latitude Group Holdings Limited (ASX: LFS), Chairperson of TAL Services Limited and as a director of various Insignia Financial asset management subsidiaries. Mark has previously held multiple directorships at NAB Group subsidiaries, including Clydesdale Bank PLC and JB Were.

Mark's earlier career included time as CFO and Head of Strategy and M&A for Citigroup's global wealth management business in New York, and as Associate Director of Australian Ratings (now Standard & Poor's). He also has 15 years of experience as a management consultant at Boston Consulting Group including as a Senior Vice President and as Global Head of its Corporate Development practice.

Mark is a Chartered Accountant and holds an MBA with distinction from the Melbourne University School of Business.

Mark is a member of the Audit and Risk Committee, Remuneration Nomination and People Committee and Technology and Operations Committee.

Glenn King

(Group Managing Director and Chief Executive Officer (CEO), appointed 3 December 2019)

Glenn is a globally experienced executive with a proven track record of transforming and leading organisations in the government, non-profit and financial services sectors. Before joining PEXA in late 2019 Glenn was a senior public servant in the New South Wales (NSW) Government, including Secretary of NSW's Customer Service Department, inaugural CEO of the award-winning Service NSW, NSW Customer Service Commissioner and Deputy Secretary of Department Premier and Cabinet. During Glenn's tenure, he counselled Premiers and Ministers on policy execution focussed on the citizen imperative and led organisations with over 5,000 employees and operating budgets in excess of $3.0 billion. His Departments or Agencies were recognised through numerous international and national awards for customer innovation and employee engagement. Glenn was appointed a Fellow of the Institute of Public Administration Australia for outstanding contribution to study or practice of public administration and continues to be regularly sought out as a thought leader in customer digital transformation.

Prior to his public service, Glenn had a successful international executive career in Financial Services. Over a 25-year period he held C-Suite positions in Banks owned by the National Australia Group operating in England, Scotland, Northern Ireland, Australia, and New Zealand. His early career was in the life insurance, investments, and pensions sector with both the National Mutual and AXA Groups.

Glenn has been an Executive at Save the Children Australia and held numerous Business Advisory and Community Board roles, including more recently the Melbourne Business School Centre for Business Analytics Industry Advisory Board. Glenn has counselled and developed executives across the private, public and NFP sectors. He is a keen advocate for the incubation of new tech ventures and social enterprises such as Housing All Australians and Homes for Homes. He is also well regarded as an expert on customer service transformation and regularly presents at national and international conferences on the subject.

Glenn has a BCom (Honours) from Deakin University, a Post Graduate Diploma in Business Administration from Swinburne University, as well as completing programs at both the University of Adelaide and the Harvard Kennedy School.

Melanie Willis

(Independent Non-Executive Director, appointed 11 June 2021)

Melanie is a Non-Executive Director with extensive experience as Chair of Audit and Risk Committees and non executive director in a variety of different sectors including financial services, technology, infrastructure and tourism. Melanie has served on the Board of the Australia Pacific division of QBE Insurance Group Ltd (ASX: QBE) since September 2020, becoming Chair in May 2023, and has also served on the Boards of Challenger Limited (ASX: CGF) since December 2017 and PayPal Australia Limited since 2019. Melanie was previously a Non-Executive Director at Southern Cross Media Group Limited, Mantra Group and Pepper Group, and Chief Executive Women and Chair of the Education Committee of the AICD 30% Club.

Melanie has held senior leadership roles as CEO of NRMA Investments (and Head of Strategy and Innovation), CEO of a financial services start-up and Director of Deutsche Bank and has previously worked in corporate finance at Bankers Trust and technology consulting at Andersen Consulting.

Melanie is the chair of the Risk Committee and member of the Audit Committee at Challenger and chairs the Audit Committee and Remuneration Committee at PayPal Australia. She previously chaired the Audit and Risk committee at Mantra and was a member of the Audit Committee at Pepper Group. Melanie is also a Board member for facial recognition company Noahface and advisory Board member of Taronga Ventures and Tidal Ventures and also mentors several leaders. Melanie has a Bachelor of Economics from the University of Western Australia and Masters of Taxation from Melbourne University.

Melanie is Chair of the Audit and Risk Committee and a Member of the Remuneration, Nomination and People Committee.

Vivek Bhatia

(Independent Non-Executive Director, appointed 11 June 2021)

Vivek is the current Managing Director and Chief Executive Officer of MUFG Pension & Market Services, formerly Link Group Limited (ASX: LNK).

Vivek has over 25 years of experience in financial services, technology, government, and management consulting. Prior to joining Link Group, Vivek was Chief Executive Officer of the Australia Pacific division of QBE Insurance Group Ltd (ASX: QBE), and the CEO and MD of Insurance and Care NSW.

Prior to this, Vivek was a leader of the Restructuring and Transformation (RTS) practice at McKinsey & Company across the Asia Pacific region and held senior executive roles at Wesfarmers Insurance, including responsibility for leading the Australian underwriting businesses of Lumley, WFI and Coles Insurance as CEO, Wesfarmers General Insurance Limited (WGIL).

Vivek holds an undergraduate degree in engineering, a postgraduate degree in business administration and is a CFA (ICFAI).

Vivek is a member of the Technology and Operations Committee

Paul Rickard

(Non-Executive Director, appointed 11 June 2021)

Paul is currently Commonwealth Bank of Australia's nominee director on the PEXA Board.

Paul previously served as a non-executive director of PEXA from November 2011 to November 2018, rejoining the Board before the Company's listing.

Paul is an experienced director of listed companies. He has served as a non-executive director of Tyro Payments Limited (ASX: TYR) from August 2009 and WCM Global Growth Limited (ASX: WQG) from April 2017. At Tyro, he is the Chair of the Audit Committee and the Chair of the Risk Committee.

He has more than 30 years' experience in financial services. He was a senior executive with the Commonwealth Bank of Australia for over 15 years and was the founding managing director of CommSec.

Paul was named 'Stockbroker of the Year' and admitted to the Industry Hall of Fame in 2005.

Paul holds a Bachelor of Science degree in Mathematics and Computer Science from the University of Sydney, and a Diploma in Financial Planning from RMIT University.

Paul is a member of the Audit and Risk Committee and the Technology and Operations Committee.

Helen Silver AO

(Independent Non-Executive Director, appointed 10 May 2022)

Helen's experience as a non-executive director covers ASX listed, private company, not for profit and Government boards. As well as serving as a director of PEXA, Helen is currently an independent director of Crown Melbourne Limited, Deputy Chair of the Victorian Managed Insurance Authority and Chair of the Australian Children's Television Foundation.

Helen has been a senior executive with two major financial services companies in Australia, National Australia Bank and Allianz Australia, where she was Deputy Managing Director. Helen has also worked at the highest levels of Commonwealth and Victorian Governments where her last role was Secretary of the Victorian Department of Premier & Cabinet.

Helen holds a Bachelor of Economics with Honours, Master of Economics and Honorary Doctor of Laws, all from Monash University. Helen is a GAICD.

Helen is Chair of the Remuneration, Nomination and People Committee and a member of the Audit and Risk Committee.

Jeff Smith

(Independent Non-Executive Director, appointed 5 July 2023)

Jeff is an Independent Non-Executive Director at Australia and New Zealand Banking Group Limited and serves as a member of several board committees, including its Digital Business and Technology Committee, Risk Committee, Human Resources Committee, and Nominations and Board Operations Committee.

Based in the United States, Jeff is an experienced global business and technology executive, with over 30 years corporate experience which includes senior executive roles in a number of companies including Telstra, Honeywell and Toyota. Jeff is also a Director of Sonrai Security Inc.

He was previously the Chief Information Officer at IBM Corporation where he was responsible for global IT strategy, resources, systems, and infrastructure, and he also led the company's agile transformation. He was also CEO of Suncorp Business Services and Suncorp Chief Information Officer, and formerly Chief Operating Officer of World Fuel Services Corporation from 2017 to 2022.

Jeff served on the Australian Fulbright Commission awarding Australian post-graduate scholarships to US universities.

Jeff holds a Master of Business Administration from San Jose State University, USA and a Bachelor of Science from Miami University, USA.

Jeff is Chair of the Technology and Operations Committee and a member of the Remuneration, Nomination and People Committee.

Retired Director

Dr Kirstin Ferguson AM retired from the Board on 1 March 2024.

Company Secretary

James Orr (appointed 26 February 2024)

James has more than 25 years' experience as a Company Secretary and in house Counsel in public and private companies across a variety of industry sectors. He holds a Bachelor of Laws and Bachelor of Commerce from the University of Melbourne.

Registered office

Level 16, Tower 4
727 Collins Street
Docklands Vic 3008

Auditors

Ernst & Young
8 Exhibition Street
Melbourne Vic 3000

Directors' meetings

The number of meetings of the Board of Directors and each Board committee held during the financial year and the number of meetings attended by each Director were:

	Board of Directors		Audit and Risk Committee		Remuneration, Nomination and People Committee		Technology and Operations Committee[1]	
Director	**No of Meetings**	**Attended**	**No of Meetings**	**Attended**	**No of Meetings**	**Attended**	**No of Meetings**	**Attended**
M Joiner	14	14	7	7	8	8	3	3
G King	14	14	7	7	8	8	3	3
M Willis	14	14	7	7	8	7[2]	3	1
V Bhatia	14	14	7	5	8	5[3]	3	3
P Rickard	14	14	7	7	8	7	3	2
H Silver	14	14	7	7	8	8	3	-
J Smith[4]	14	13	7	6	8	8	3	3
K Ferguson[5]	14	8	7	4	8	5	3	-

1. Technology and Operations Committee was formed on 1 December 2023
2. M Willis appointed member of the Remuneration, Nomination and People Committee on 1 December 2023
3. V Bhatia retired from the Remuneration, Nomination and People Committee on 1 December 2023
4. J Smith was appointed to the Board on 5 July 2023
5. K Ferguson retired from the Board on 1 March 2024

All Directors have a standing invitation to attend all Board Committee meetings and regularly attend.

Members acting on the committees of the Board are:

Audit and Risk Committee	Remuneration, Nomination and People Committee	Technology and Operations Commitee
M Willis (Chair)	H Silver (Chair)	J Smith (Chair)
M Joiner	M Joiner	M Joiner
P Rickard	J Smith	V Bhatia
H Silver	M Willis	P Rickard

Directors' interests in shares

Directors' relevant interests in shares of the Company (direct and indirect) as at the date of this report are detailed below.

Director	Ordinary Shares of the Company	Performance Rights	Share Rights
M Joiner	44,187	-	-
G King	1,155,637	208,028[1]	-
M Willis	18,593	-	-
V Bhatia	95,935	-	-
P Rickard	14,887	-	-
H Silver	4,656	-	1,985[2]
J Smith	2,417	-	-

1. Performance rights were issued to Glenn King pursuant to his participation in the PEXA LTIP. All grants have been approved at the relevant AGM.
2. Under the Minimum Shareholding Requirements – Helen Silver sacrificed a portion of her annual base Board fees to receive rights to receive Shares (Share Rights). Helen was granted 1,985 Share Rights following the release of the FY24 half year results and these will vest after the end of the blackout period following the release of PEXA's FY24 full year results.

Significant changes in the state of affairs and future developments

Refer to the Principal Activities, Review of Operations and Future developments sections for information on the significant changes in the Group's state of affairs of the Group and for likely developments and future prospects of the Group. Further information on likely developments in the operations of the Group has not been included in the Directors' report because the Directors' believe it would be likely to result in unreasonable prejudice to the Group.

Operating and Financial review

This section:

- Overviews our purpose, business model and strategy;
- Discusses the Group's business segments, Exchange, Digital Solutions and International;
- Discusses the key risks associated with the Group; and
- Discusses the Group's financial condition and performance.

1. Principal activities

PEXA undertakes three principal activities:

- Exchange – the operation of an Electronic Lodgement Network (ELN) in Australia, across New South Wales, Victoria, Western Australia, South Australia, Queensland, and the Australian Capital Territory.
- Digital Solutions – provision of property-related analytics and digital solutions to financial institutions, governments, property developers and related professionals, and practitioners in Australia.
- International – the provision of digitalised property registration and settlement, and related services, in overseas Torrens Title jurisdictions, initially in the United Kingdom (UK).

2. PEXA's purpose, business model and strategy

PEXA's purpose is *connecting people to place*.

In pursuit of this purpose, PEXA has spent over a decade building the Exchange and pioneering the digitalisation of property registration and settlement in Australia and globally. The Group operates Australia's leading property Electronic Lodgement Network (ELN), a resilient, cloud-based platform that connects financial institutions, practitioner firms, the Reserve Bank of Australia, Land Titles Offices and State Revenue Offices. PEXA continues to *enhance* the platform through new integrations, functionality, and features, and by supporting customer experience and engagement.

Leveraging its distribution and other created assets, PEXA has established Digital Solutions to *extend* PEXA's presence in the property market to provide insights and digital services which transform the experiences of developing, buying and selling, financing, settling, owning, and servicing properties.

The Group uses the expertise it has developed in Australia to *expand* into other markets which use Torrens Title processes for land registration, starting with the UK. The Group is also exploring entry into other markets, including New Zealand and Canada.

To support this strategy, the Group looks to continually *evolve* its processes to grow and develop its people, manage its risks, and ensure the robustness and resilience of its various platforms. The Group changed its operating model in April 2024 to further support the implementation of this strategy. The Group now operates a single line of business in each of Australia and the UK, supported by global functions for Technology, People Experience, and enterprise support functions including Finance and Risk.

Exchange

The Exchange now supports 89% of the property transactions undertaken in Australia. The Exchange facilitates key activities including:

- providing a secure online workspace through which the parties preparing a property transaction collaborate to prepare for settlement, increasing the transparency between all parties;
- financial settlement of the property transaction through electronic funds transfer at the Reserve Bank of Australia through exchange of value between financial institutions;
- facilitation of financial disbursements and the payment of stamp duties at settlement; and
- lodgement of various dealings with the relevant Land Title Offices.

The Exchange charges fees for these activities, with the fee amount depending upon the nature of the underlying transaction. The Exchange collects these fees digitally at the conclusion of each transaction. The Exchange's overall revenue depends on the volume and lodgement type of transactions.

Digital Solutions (previously named Digital Growth)

Digital Solutions is a leading provider of demographic, economic, environment and other property information. It provides this information to local governments and a range of other public and private sector organisations, including financial institutions through its businesses .id, Value Australia and Land Insight. Digital Solutions also supports Exchange customers with a variety of work-flow and transaction support tools and products.

Digital Solutions generates revenue through subscription fees that it charges customers to access its various platforms, as well as through consulting and other revenues agreed with individual customers.

In September 2022, PEXA acquired .id, which enables customers to determine where to make key investments such as in infrastructure, housing, retail, and education facilities.

In July 2022, the Group acquired 70% of Value Australia. This investment allows PEXA to partner with the University of NSW and Frontier/SI in providing automated valuation and dynamic property scenario modelling to governments, financial institutions, and property developers.

In July 2023, PEXA acquired Land Insight, which sells reports and data that enable government entities and private corporations to quantify and evaluate the risk of natural hazards, pollution, and ground hazards in relation to land and property.

Digital Solutions also has minority investments in Elula Holdings Pty Ltd, Archistar Pty Ltd, OPEX Contracts Pty Ltd and Landchecker Holdings Pty Ltd – innovative businesses that provide solutions which reinforce and extend those provided by Digital Solutions.

International

PEXA started its international expansion several years ago by entering the UK market, focusing initially on England and Wales. The Group has now built a lodgement system (PEXAGo) and settlement system (PEXAPay) which it has connected to His Majesty's Land Registry (HMLR) and the Bank of England (BOE) respectively. PEXA has put the platform into production and its UK business has provided remortgage processing support to Hinckley & Rugby Building Society and Shawbrook Bank since late 2022.

PEXA is also continuing to engage with at least two of the leading lenders in the UK, including NatWest, about on-boarding onto PEXA's platform. To further support its UK expansion, PEXA acquired the leading UK remortgage processing firm, Optima Legal Services Limited (Optima Legal) in November 2022. More recently in December 2023, PEXA acquired Smoove plc (Smoove), a UK-based conveyancing technology provider.

PEXA believes the combination of Optima Legal, Smoove and the Group's PEXAGo and PEXAPay technology solutions will create a compelling proposition for UK conveyancers and financial institutions to integrate with the PEXA technology, as well as increasing the Group's access to the UK's remortgage and sale and purchase markets.

International's property exchange platform generates fees in a similar way to the Exchange in Australia. Optima Legal and Smoove primarily base their revenues on the fees they charge for each transaction they complete, which are based on individual schedules with customers.

With a highly reusable platform designed to be globally adaptable and locally deployed, International continues to explore expansion into new markets with Torrens Title Jurisdictions including Canada and New Zealand.

3. Key Risks

The Group treats risk management as a fundamental responsibility of all employees. To enable them to discharge this responsibility, the Group's risk management framework (RMF) is embedded into all business functions, processes, programs and projects. The RMF:

- Establishes a Board approved risk appetite for the Group.
- Provides a-fit-for-purpose process to identify, assess, manage, analyse, monitor and report on risk.
- Promotes a culture of risk awareness where everyone demonstrates positive risk behaviours and ethical considerations in the management of risks.
- Establishes a clear and transparent approach to identifying and managing risks that drives positive outcomes and informs decision making.

As set out in the table below, compliance with the Group's risk appetite and its RMF is supported using a three lines of defence model.

Board
Audit & Risk Committee

First line of defence Risk owners	Second line of defence Review & challenge	Third line of defence Independent assurance
Business management	**Risk and compliance functions**	**Internal audit/3rd party review**
Implementation, ongoing maintenance and enhancement of the risk management framework, including: • Identification and effective management/mitigation of risks; and • Issues and action identification, recording, escalation and management. Likely to include executive and management committees, forums and delegated authority.	Independent oversight of risk profile and risk management framework, including: • Effective challenge to activities and decisions that materially effect the institutions risk profile; • Assistance in developing, maintaining and enhancing the risk management framework; and • Independent reporting lines to appropriately escalate issues.	Independent assurance on the appropriateness, effectiveness and adequacy of the risk management and control environments, including; • Providing assurance to the board and senior management that first and second lines efforts are consistent with expectations. • Bringing a systematic approach to evaluating and improving the effectiveness of risk management, control and governance processes.

Material risks faced by the Group are outlined in the table below.

Category	Risk	Mitigation strategies
Cyber security and resilience	Increasing cyber security and resilience threats to critical systems and platforms. A material cyber security event or system failure could result in system outages or disclosure of sensitive information or both which could result in changes for demand of PEXA products and services leading to significant lower revenue and/or potential fines or penalties.	• Governance and oversight through established Cyber Security and Fraud Risk Advisory Committee, Group Risk and Compliance Committee and the Board Audit and Risk Committee. • Use of best practice high availability platform-as-a-service. • Tools, processes and partnerships to defend against cyber threats. • Security and privacy awareness programs, formalised training, and regular cyber incident scenario exercises. • Independent assurance program in place including Internal Audit, regular penetration testing, SOC2 and ISO 27001.
Disruption to property markets	Unexpected changes to market conditions, including economic, geopolitical, competitor or technology changes, could result in changes for demand of PEXA products and services leading to lower revenues.	• Dedicated Chief Economist to monitor global and local market conditions. • Diversifying revenue through expansion into logical international jurisdictions and ancillary products and services. • Cost management and efficiency programs. • Stress testing and scenario analysis of our financial modelling and expectations for strategic initiatives.
Australian Exchange market structure	Competition (including interoperability) may subject the Group to additional risks including operational disruption, implementation costs and cyber security risks.	• Continued engagement with the Australian Registrars National Electronic Conveyancing Council (ARNECC) and other regulators regarding the development of a new regulatory framework.
Minimal PEXA platform uptake in the UK	Ability to build sustainable scale in the UK and integrate UK based acquisitions which may impact our ability to meet our growth objectives and/or incur unanticipated costs.	• Oversight from dedicated UK Board comprising key executives and independent directors. • Strategic plan under execution to leverage acquisitions, accelerate distribution capability and continue strong stakeholder engagement.
Inability to scale Digital Solutions	Investment in Digital Solutions businesses does not meet growth, customer or revenue expectations.	• Governance of products and pricing established through management committees supported by operating rhythms to respond to customers efficiently and effectively. • Dedicated customer function focusing on key customer segments to strengthen and increase share of our growth businesses.
Regulatory change	Material regulatory change (including pricing) or entry to new jurisdictions and regulatory regimes may impact the profitability of PEXA due to reduction in revenue or additional costs of compliance.	• Regular oversight over our compliance by the Group Risk and Compliance Committee, the Board Audit and Risk Committee and the UK Risk and Compliance Committee. • Regular participation in and submissions to government and industry working groups to contribute and optimise outcomes for our customers, their clients and our shareholders. • Governance in place to oversee the ethical and responsible use of data.

4. Review of operations

This section helps shareholders understand the business performance of PEXA (the Group) and the factors underlying its results and financial position. It should be read in conjunction with the financial statements and the accompanying notes.

The period of commentary covers the year ended 30 June 2024 (FY24), and includes reference to the year ended 30 June 2023 as the prior comparative period (pcp or FY23). Any businesses acquired during FY23 or FY24 are included only from the date of transfer of ownership. Percentage variances between positive and negative numbers are not calculated and instead 'n.m.' is shown indicating the number is not meaningful.

Measures included in this section incorporate 'non-IFRS financial information' presented under ASIC Regulatory Guide 230 'Disclosing non-IFRS financial information'. Management believes this non-IFRS financial information provides useful information to the users in measuring financial performance and condition of the Group. The non-IFRS financial information does not have standardised meanings prescribed by Australian Accounting Standards.

4.1. Group key metrics

A$m	FY24	FY23	V FY23	
Revenue	340.1	281.7	58.4	21%
Business revenue[1]	343.5	283.4	60.1	21%
Operating EBITDA[2]	114.9	98.7	16.2	16%
Operating EBITDA margin %	33.5%	34.8%	(1.3%)	
NPAT	(18.0)	(21.8)	3.8	17%
NPATA[3]	21.1	17.3	3.8	22%
Capex	(68.8)	(67.4)	(1.4)	(2%)

1. Business revenue includes $3.4 million in FY24 and $1.7 million in FY23 of interest income earned in connection with Optima Legal's revenues, which is not included in IFRS statutory revenue, but instead is included in interest income in the Statement of Comprehensive Income.
2. Operating EBITDA represents statutory net profit before interest, tax, depreciation, amortisation and specified items and is a non-IFRS measure (refer table 4.2).
3. NPATA, a non-IFRS measure (refer table 4.2), adjusts for the large amount of non-cash amortisation of historical acquired intangibles that is reflected in NPAT. Historical acquired intangibles arose due to the uplift in asset values following the change in ownership of Property Exchange Australia Limited (PEAL) in January 2019. These intangibles exclude any effects arising from Group acquisitions made subsequent to 2019.

FY24 Group revenue increased 21% on the pcp to $340.1 million, from growth across the Exchange and Digital Solutions segments along with the inclusion of Optima Legal for the full year and the acquisition of Smoove in December 2023.

Operating EBITDA increased $16.2 million on the pcp, reflecting solid revenue growth in the Exchange, benefits from management productivity initiatives across the Group and improved profitability in the Digital Solutions segment which achieved a positive operating EBITDA result in the month of June. Group operating EBITDA margin decreased (130) basis points on the pcp following the acquisition of Smoove. Excluding Smoove, operating EBITDA margin increased 170 basis points on the pcp to 36.5%.

The Group reported a statutory net loss after tax of $(18.0) million for the year ended 30 June 2024, decreasing $3.8 million from the pcp as a result of the improved operating result, partially offset by restructuring costs supporting the Productivity Enhancement Program (PEP) and increases in depreciation and amortisation following investment across all segments.

4.2. Group results

A$m	FY24	FY23	V FY23	
Business revenue[1]	343.5	283.4	60.1	21%
Cost of sales	(50.3)	(34.8)	(15.5)	(45%)
Gross margin	293.2	248.6	44.6	18%
Gross resource costs	(156.5)	(128.8)	(27.7)	(21%)
Capitalisation	37.4	33.2	4.2	13%
Net resource costs	(119.1)	(95.6)	(23.5)	(25%)
Other operating costs	(59.2)	(54.3)	(4.9)	(9%)
Total operating expenses	(178.3)	(149.9)	(28.4)	(19%)
Operating EBITDA[2]	114.9	98.7	16.2	16%
Specified items[3]				
Integration costs	(4.6)	(5.2)	0.6	12%
Redundancy and restructuring related costs	(11.2)	(1.5)	(9.7)	(647%)
Unrealised FX gain / (loss)	0.7	3.7	(3.0)	(81%)
M&A	(5.0)	(6.2)	1.2	19%
Share of loss after tax from investments in associates	(1.8)	(1.3)	(0.5)	(38%)
Other items	(5.3)	(8.0)	2.7	34%
EBITDA	87.7	80.2	7.5	9%
Depreciation	(3.8)	(2.6)	(1.2)	(46%)
Amortisation	(30.8)	(18.2)	(12.6)	(69%)
EBITA	53.1	59.4	(6.3)	(11%)
Historical acquired amortisation[4]	(55.8)	(55.9)	0.1	0%
EBIT	(2.7)	3.5	(6.2)	n.m.
Net finance expense[5]	(6.1)	(6.6)	0.5	8%
Net (loss)/profit before tax	(8.8)	(3.1)	(5.7)	184%
Income tax benefit/(expense)	(9.2)	(18.7)	9.5	51%
NPAT	(18.0)	(21.8)	3.8	17%
Add back: Historical acquired amort (tax-effected)	39.1	39.1	-	0%
NPATA[6]	21.1	17.3	3.8	22%

1. Business revenue includes $3.4 million in FY24 and $1.7 million in FY23 of interest income earned in connection with Optima Legal's revenues, which is not included in IFRS statutory revenue, but instead is included in interest income in the Statement of Comprehensive Income.
2. Operating EBITDA represents statutory net profit before interest, tax, depreciation, amortisation and specified items and is a non-IFRS measure.
3. Specified items are items notable due to their size, non-operational or non-recurring nature.
4. Historical acquired amortisation relates to historical intangibles which predominantly arose due to the uplift in asset values following the change in ownership of PEXA in January 2019. These intangibles exclude any effects arising from Group acquisitions made subsequent to 2019.
5. Net finance expense excludes $3.4 million in FY24 and $1.7 million in FY23 of interest income earned in connection with Optima Legal's revenues, which is included in IFRS statutory interest income in the Statement of Comprehensive Income.
6. NPATA, a non-IFRS measure, adjusts for the large amount of non-cash amortisation of historical acquired intangibles that is reflected in NPAT.

Group business revenue increased 21% compared to the pcp. Revenue growth was experienced in all operating divisions, despite slowing economic growth in Australia during the year and the mild recession experienced in the UK in early FY24.

Gross margin at the Group level declined by two percentage points to 86%, reflecting the inclusion of Optima Legal and Smoove in the International segment.

Excluding the impact of acquisitions in the period, Group operating expenses increased by 4%. This was largely due to the effect of cost inflation in labour and non-labour expenses and the expense of building our UK offerings, partially offset by the benefits of our Productivity Enhancement Program. Including acquisitions in the year, operating cost growth was (19%) relative to the pcp.

Specified items of $(27.2) million in FY24 comprised predominantly:

- $(9.6) million merger and acquisition (M&A) and integration costs relating to the acquisitions and integration of Smoove and Optima Legal;
- $(11.2) million redundancy and restructuring costs related to the Group's PEP program; and
- $(4.2) million deferred consideration related to the acquisitions of .id and Land Insight.

Depreciation and amortisation increased by $(13.8) million on the pcp largely due to the amortisation of new assets, including $(6.1) million in the Digital Solutions and International segments, $(4.4) million in the Exchange segment and $(2.5) million from acquired businesses.

The net finance expense of $(6.1) million was 8% lower than pcp with higher interest income generated from off-balance sheet trust accounts and PEXA's own cash, partially offset by an increase in interest expense on PEXA's external debt.

Income tax expense of $(9.2) million decreased $9.5 million on the pcp due to the non-recurring $16.9 million derecognition of an R&D tax asset in FY23, partially offset by higher Australian profits. The Group has determined to only partly recognise deferred tax assets in respect of UK tax losses carried forward.

4.3. Exchange results

A$m	FY24	FY23	V FY23	
Business revenue	292.0	263.1	28.9	11%
Cost of sales	(34.9)	(32.0)	(2.9)	(9%)
Gross margin	257.1	231.1	26.0	11%
Gross resource costs	(82.9)	(72.5)	(10.4)	(14%)
Capitalisation	22.5	19.5	3.0	15%
Net resource costs	(60.4)	(53.0)	(7.4)	(14%)
Other operating costs	(37.6)	(36.9)	(0.7)	(2%)
Total operating expenses	(98.0)	(89.9)	(8.1)	(9%)
Operating EBITDA	159.1	141.2	17.9	13%
Specified Items	(5.0)	(3.7)	(1.3)	(35%)
EBITDA	154.1	137.5	16.6	12%
Capex	(37.7)	(37.5)	(0.2)	(1%)
Operating cashflow	121.4	103.7	17.7	17%
Operating EBITDA margin	54.5%	53.7%	0.8%	

FY24 Exchange business revenue from 3.8 million transactions increased 11% on the pcp, driven by:

- increased market volumes, up 1% on the pcp led by NSW, resulting in a $2.4 million revenue increase;
- a 0.8 percentage point increase in market penetration to 89.0%, resulting in a $3.1 million revenue increase;
- a 9% increase in the average price per transaction from both CPI-linked repricing and a mix shift away from Refinances to higher-priced Transfers, resulting in a $22.9 million revenue increase; and
- a $0.5 million increase in other Exchange related revenues.

Exchange cost of sales increased $(2.9) million on the pcp, to $(34.9) million due to increased transaction volumes during the period. The changes in business revenue and cost of sales resulted in Exchange gross margin increasing to 88.0% in FY24 from 87.8% in the pcp.

Exchange operating expenses increased $(8.1) million or (9)% on the pcp from:

- a (14%) increase in gross resource costs, from a combination of salary uplifts on the pcp together with added resources to build on existing capabilities in cyber security, data, governance, and enhancing the Exchange technology stack. Although gross resource costs increased on the pcp, second half costs declined from the first half of FY24 by 7.7%, reflecting the benefits from efficiency initiatives including the organisational model changes in the last quarter of FY24;

- partially offset by a 15% increase in the capitalisation of resource costs, largely driven by increased investment in the Exchange's technology stack compared to the pcp;
- an increase in other operating costs of $(0.7) million driven by higher licence fees, combined with provisions for supplier cost recoveries, partially offset by efficiency initiatives, including a one-off benefit related to tax efficiencies, combined with capitalisation of development costs.

Specified items of $(5.0) million increased $(1.3) million on the pcp, largely driven by higher restructuring and redundancy costs related to the Group's PEP program.

Exchange capital expenditure of $(37.7) million was 1% higher than the pcp with increases in regulatory spend including on the interoperability program, the build out of the Exchange functionality for Tasmania and increased integration spend as PEXA continues to streamline connections for customers. This was largely offset by the conclusion of the customer relationship management (CRM) system implementation and lower spend on exchange enhancements.

4.4. Digital Solutions (previously named Digital Growth) results

A$m	FY24	FY23	V FY23	
Business revenue	15.7	11.6	4.1	35%
Cost of sales	(1.5)	(2.0)	0.5	25%
Gross margin	14.2	9.6	4.6	48%
Gross resource costs	(19.6)	(21.4)	1.8	8%
Capitalisation	3.9	4.1	(0.2)	(5%)
Net resource costs	(15.7)	(17.3)	1.6	9%
Other operating costs	(5.5)	(8.1)	2.6	32%
Total operating expenses	(21.2)	(25.4)	4.2	17%
Operating EBITDA	(7.0)	(15.8)	8.8	56%
Specified Items	(10.5)	(6.4)	(4.1)	(63%)
EBITDA	(17.5)	(22.2)	4.7	21%
Capex	(4.9)	(5.9)	1.0	17%
Operating cashflow	(11.9)	(21.7)	9.8	45%
Operating EBITDA margin	(44.6%)	(136.2%)	91.6%	

Digital Solutions business revenue increased by $4.1 million on the pcp, driven by:

- a $3.6 million increase in revenue from .id, acquired in September 2022, including a $2.5 million annualisation impact;
- $0.5 million revenue from Land Insight, acquired in July 2023; and
- net revenue from new customer sales offset by the impact of discontinuing certain products.

Digital Solutions cost of sales decreased $0.5 million on the pcp and gross margin improved by 7.7 percentage points on the pcp to 90.4% in FY24 due to costs incurred in the prior year related to discontinued products.

Digital Solutions operating expenses decreased by $4.2 million on the pcp, driven by:

- A $1.6 million decrease in net resource costs, comprising:
  - efficiency benefits of $6.1 million, including those realised as part of the Group PEP program, as the Digital Solutions segment continues to scale up and realise synergies from its overall integration with the Group; partially offset by
  - a $(3.8) million increase arising from the acquisition of .id and Land Insight with a full 12 months of costs in FY24 (nine months and nil months respectively in the pcp); and
  - a $(0.7) million increase in Value Australia costs, as the business scaled to commercialise the automated valuation technology acquired in FY23.
- A $2.6 million decrease in other operating costs, predominantly a result of market analysis and strategy work in FY23 not being repeated.

The combined impact of the increase in gross margin and decrease in operating expenses led to a 91.6 percentage point increase in operating EBITDA margin to 44.6% in FY24. The upward trajectory over the year drove a positive operating EBITDA result in the month of June 2024.

Specified items of $(10.5) million were $(4.1) million higher than the pcp due to redundancy and restructuring costs of $(5.0) million related to the Group's PEP program, and the charge for deferred consideration related to the .id and Land Insight acquisitions which increased $(1.6) million due to the timing of the acquisitions. These costs were partially offset by lower M&A costs in the year and a credit related to the fair value of the Value Australia financial liability.

Capital expenditure of $(4.9) million decreased by $1.0 million on the pcp, reflecting a reduction in product development costs as the business focuses on commercialisation of existing products and services.

4.5. International results

A$m	FY24	FY23	V FY23	
Business revenue[1]	35.8	8.7	27.1	311%
Cost of sales	(13.9)	(0.8)	(13.1)	(1,638%)
Gross margin	21.9	7.9	14.0	177%
Gross resource costs	(54.0)	(34.9)	(19.1)	(55%)
Capitalisation	11.0	9.6	1.4	15%
Net resource costs	(43.0)	(25.3)	(17.7)	(70%)
Other operating costs	(16.1)	(9.3)	(6.8)	(73%)
Total operating expenses	(59.1)	(34.6)	(24.5)	(71%)
Operating EBITDA	(37.2)	(26.7)	(10.5)	(39%)
Specified Items	(11.7)	(8.4)	(3.3)	(39%)
EBITDA	(48.9)	(35.1)	(13.8)	(39%)
Capex	(26.2)	(24.0)	(2.2)	(9%)
Operating cashflow	(63.4)	(50.7)	(12.7)	(25%)
Operating EBITDA margin	(103.9%)	(306.9%)	203.0%	

1. Business revenue includes $3.4 million in FY24 and $1.7 million in FY23 of interest income earned in connection with Optima Legal's revenues, which is not included in IFRS statutory revenue, but instead is included in interest income in the Statement of Comprehensive Income.

International business revenue increased by $27.1 million on the pcp to $35.8 million, driven by:

- $5.5 million increase from Optima Legal which was acquired in late November 2022, including a $9.1 million annualisation impact in FY24, offset by lower revenues mainly as a result of lower market volumes in the period. Revenue also includes an insurance claim proceeds totalling $0.7 million related to the April 2023 technology outage; and
- $21.5 million revenue from Smoove, acquired in December 2023.

The increase in cost of sales of $(13.1) million on the pcp was predominantly from Smoove which, consistent with its business model, has a higher average cost of sales driven by referral and conveyancing fees.

International operating expenses increased by $(24.5) million on the pcp, largely driven by:

- $(11.0) million from the Smoove acquisition;
- $(8.0) million from the full year result from Optima Legal in FY24 compared to seven months in the pcp;
- a $(4.3) million increase driven by the build out of the PEXA UK business and regulatory costs as the Group looks to operationalise the International exchange;
- unfavourable foreign exchange rate movements;
- partially offset by synergy and cost reduction efficiencies across the segment.

Specified items of $(11.7) million include $(9.5) million M&A and integration costs relating to the acquisition of Smoove and $(2.7) million PEP-related restructuring costs, partially offset by foreign exchange translation losses.

International capital expenditure of $(26.2) million increased $(2.2) million on the pcp from spend on the initial build of the sale and purchase functionality and the inclusion of Smoove expenditure from December 2023. This was partially offset by a reduction on the pcp following the first release of remortgage capability.

4.6. Balance Sheet

A$m as at	FY24	FY23
Cash and cash equivalents	90.5	36.5
Other current assets	57.1	45.8
Total current assets	147.6	82.3
Intangible assets and goodwill	1,583.1	1,550.9
Other non-current assets	49.8	50.0
Total non-current assets	1,632.9	1,600.9
Total assets	1,780.5	1,683.2
Trade and other payables	(88.5)	(59.4)
Other current liabilities	(16.0)	(13.7)
Total current liabilities	(104.5)	(73.1)
Borrowings	(364.6)	(298.8)
Other non-current liabilities	(84.3)	(69.4)
Total non-current liabilities	(448.9)	(368.2)
Total liabilities	(553.4)	(441.3)
Net assets	1,227.1	1,241.9
Contributed equity	1,271.0	1,267.6
Reserves	1.9	2.1
Accumulated losses	(45.8)	(27.8)
Total equity	1,227.1	1,241.9

The movements in the audited statutory FY24 and FY23 balances are as follows:

- Cash and cash equivalents increased $54.0m or 148% due to:
  - Net cash inflows from operating activities of $109.9 million, up $26.7 million driven by strong result in the Exchange business;
  - $61.8 million in net cash inflows from financing activities; driven by a $67.4 million net draw down of additional debt for the Smoove acquisition, combined with a $10 million repayment of debt in the period, partially offset by;
  - $117.5 million of net cash outflows used in investing activities over the year, including $67.3 million in development of intangible assets and $45.6 million for the acquisitions of Smoove and Land Insight, and investments in associates.
- Other current assets increased $11.3 million or 25%, of which $2.9 million was driven by the impact of acquisitions (Smoove and Land Insights), combined with increased trade debtors as the Digital Solutions businesses scale and Optima Legal performance improves and a $4.5 million increase in funds held for the Land Title Registries, a result of increased activity versus pcp, as well as the timing of Land Title Registry payments.
- Trade and other payables increased by $29.1 million or 49%, of which $8.0 million is driven by the impact of acquisitions (Smoove and Land Insight), combined with a $4.5 million increase in payables for the Land Title Registries, a result of increased activity versus pcp, as well as the timing of Land Title Registry payments (offset above), a $4.2 million increase in deferred consideration for the .id and Land Insight acquisitions, a $2.1 million increase in STI provisions, driven by wage increases and additional employees joining the program in FY24, and increases in trade payables due to the timing of payments and growth in the business.
- As a result of the movements outlined above, the Group's net current assets position (current assets less current liabilities) is $43.1 million as at 30 June 2024, an increase of $33.9 million from 30 June 2023.

- Borrowings increased $65.8 million or 22% mainly due to additional debt drawn down for the Smoove acquisition, partially offset by a $10 million repayment in the period.
- Other non-current liabilities increased $14.9 million or 21%, mainly a result of increases in deferred tax liabilities in Australia driven by increases in profits in the Australian business.

4.7. Cash flow

A$m	FY24	FY23	V FY23	
EBITDA	87.7	80.2	7.5	9%
Non-cash items in EBITDA	12.3	2.1	10.2	486%
Changes in working capital	13.5	6.8	6.7	99%
Operating cash flow before capex	113.5	89.1	24.4	27%
Investment in in-house software	(67.3)	(65.1)	(2.2)	(3%)
Investment in PP&E	(1.5)	(2.3)	0.8	35%
Free cash flow before financing, tax and M&A	44.7	21.7	23.0	106%
Interest received[1]	15.4	8.4	7.0	83%
Interest paid	(20.9)	(14.2)	(6.7)	(47%)
Payment of finance lease liabilities	(2.6)	(1.9)	(0.7)	(37%)
Income tax received	1.9	-	1.9	n.m.
Free cash flow	38.5	14.0	24.5	175%
Investments and acquisitions	(48.6)	(52.1)	3.5	7%
Proceeds from borrowings net of repayments and borrowing costs	64.4	(1.1)	65.5	n.m.
Net cash flow	54.3	(39.2)	93.5	n.m.
Net cash flow (after FX)	53.9	(38.9)	92.8	n.m.
FCF conversion (before financing, tax and M&A)	51.0%	27.1%		

1. Interest received excludes $3.4 million in FY24 and $1.7 million in FY23 of interest income earned in connection with Optima Legal's revenues, which is included in IFRS statutory interest received in the consolidated statement of cash flows.

Operating cash flow before capex increased $24.4 million or 27% and free cash flow before financing, tax and M&A increased by $23.0 million or 106%, both driven by improved operating EBITDA in the Exchange, combined with improvements in working capital through the year.

Investment in in-house software for FY24 was up $(2.2) million or (3)% versus the pcp, driven largely by regulatory spend, the initial build of the sale and purchase functionality in the UK and the inclusion of Smoove expenditure from December 2023.

Net interest paid was up $(0.4) million versus the pcp as a result of increased finance lease payments due to the new Leeds office in the UK. Costs related to higher debt levels were more than offset by increased interest received, a result of managed cash being greater than total debt, driving a net finance benefit as interest rates rose.

The items details above resulted in free cash flow of $38.5 million in FY24, up from $14.0 million in the pcp.

During the period the Group made investments in associates and acquisitions of $(48.6) million (net of acquired cash), predominantly for Smoove and Land Insight.

During the period, the Group received $64.4 million of net proceeds from borrowings, largely for the Smoove acquisition.

4.8. Debt

A$m	FY24	FY23	V FY23
Interest bearing loans and borrowings	364.6	298.8	65.8
Cash and cash equivalents	(90.5)	(36.5)	(54.0)
Net debt	274.1	262.3	11.8
Net debt/Group operating EBITDA	2.4x	2.7x	(0.3x)
Banking style times interest cover (operating EBITDA/net finance expense)	18.8x	15.0x	3.8x

In June 2024 the Group entered into senior unsecured three, four and five year revolving debt facilities totalling $500 million documented under a Common Terms Deed (CTD) and Bilateral Facility Agreements, drawing down $367.4 million. These new facilities replaced the Group's previous revolving debt facilities, a $335.0 million 4 year facility entered into in June 2021 and a $40 million 2 year facility entered into in September 2023, both documented under Syndicated Facility Agreements (SFA's).

As at 30 June 2024 there were no defaults or breaches of any obligations of the Group under the CTD or Bilateral Facility Agreements.

Net debt to group operating EBITDA ratio was 2.4x at 30 June 2024, compared to 2.7x at 30 June 2023, due to a 5% increase in net debt, combined with a 16% increase in Operating EBITDA (see section 4.2). The increase in net debt reflected additional debt drawn down for the Smoove acquisition, partially offset by an increase in cash and cash equivalents held at the end of FY24.

The Group's times interest cover (banking style) ratio was 18.8x at 30 June 2024, compared to 15.0x at 30 June 2023, due to both a 16% increase in operating EBITDA, as well as lower net finance expenses (down 8%), due to managed cash being greater than total debt, driving a net finance benefit as interest rates rose.

5. Future developments

In line with the Group's business model and strategy, outlined above, the Group will continue to invest in enhancing its Exchange business in order to maintain its position as Australia's leading ELN. Additional investment is envisaged in building the Group's UK position, albeit at a reducing rate following the delivery of sale and purchase functionality during FY25. With a highly reusable platform, International will continue to explore expansion into new markets with Torrens Title Jurisdictions including Canada and New Zealand. The Group will also make modest investments in Digital Solutions as the business continues to scale, predominantly to support the commercialisation of Value Australia and the growth of .id and Land Insight.

Dividends

No dividends were paid or declared during the year ending 30 June 2024 (2023: nil).

Rounding of amounts

Amounts within the Directors' Report have been rounded to the nearest $million (unless otherwise stated) under the option available to the Group under ASIC Corporations Instrument 2016/191.

Performance Rights

As at the date of this report there were 856,981 and at the reporting date there were 940,148 (30 June 2023 – 510,013) unissued ordinary shares under performance rights. Refer to the remuneration report for further details of the performance rights outstanding for Key Management Personnel (KMP).

Performance rights holders do not have any right, by virtue of the performance right, to participate in any share issue of the Company or any related body corporate.

Matters subsequent to the end of the year

No event or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect:

- The Group's operations in future financial years;
- The results of those operations in future financial years; or
- The Group's state of affairs in future financial years.

Environmental issues

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Indemnifying officers

The Group has entered into Deeds of Indemnity, Insurance and Access with each of the Directors of PEXA Group Limited and its subsidiaries, the CEO and Company Secretaries. Each deed provides officers with the following:

- A right to access certain Board papers of the Group during the period of their tenure and for a period of seven years after that tenure ends.
- Subject to the Corporations Act, an indemnity in respect of liability to persons other than the Group that they may incur while acting in their capacity as an officer of the Group, except where that liability involves a lack of good faith and for defending certain legal proceedings, and
- The requirement that the Group maintain appropriate directors' and officers' liability insurance for the officer.

No liability has arisen under these indemnities as at the date of this report.

Insurance of officers

During the financial year, the Group paid a premium to insure the Directors and Officers of the Group. The terms of this policy prohibit disclosure of the premium paid.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for them or someone else or to cause detriment to the Group.

Indemnification of auditors

To the extent permitted by law, the Group has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). The indemnity does not apply to any loss arising out of any negligent, wrongful, or wilful acts or omissions by the auditors. No payment has been made to indemnify Ernst & Young during or since the financial year.

Non-Audit services

The Group may decide to employ the auditor on assignments additional to statutory audit duties where the auditors firm's expertise and experience with the Group is essential and will not compromise auditor independence.

Details of the amounts paid or payable to Ernst & Young for audit and assurance and non-audit services provided during the year are set out in Note 30 to the financial statements. The Board has considered the non-audit services provided during the year and is satisfied these services are compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 (Cth).

All non-audit services have been reviewed by the PEXA Group Audit and Risk Committee to ensure they do not impact the impartiality and objectivity of the auditor.

None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

Auditors' Independence Declaration

The auditors' independence declaration for the year ended 30 June 2024 has been received and can be found on page 93.

Proceedings on behalf of group

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the year.

Signed in accordance with a resolution of the Directors.

Mark Joiner

Chairperson

REMUNERATION REPORT

Contents

REMUNERATION REPORT

1. Letter from Remuneration, Nomination and People Committee Chair

Dear Shareholder,

On behalf of PEXA Group's (PEXA or collectively the Group) Remuneration, Nomination and People Committee and the Board, I am pleased to present the Remuneration Report (the Report) covering the 12 months ended 30 June 2024 (FY24).

The purpose of the Report is to describe PEXA's approach to remuneration for Key Management Personnel (KMP) including Non-Executive Directors (NEDs) and to demonstrate the link between PEXA's Remuneration Framework, Group strategy, performance, and reward outcomes.

The Board is committed to upholding a Remuneration Framework that meets shareholders' expectations and requirements and at the same time encouraging Executive KMP to deliver sustainable and improved Group performance. To achieve this the Board ensures that the Remuneration Framework continues to provide a strong link between performance and reward, and continues to review its reward for performance metrics and hurdles annually.

During FY24, PEXA made solid progress in executing its strategy and delivering on its purpose 'connecting people to place', while navigating a number of performance and market headwinds. While the core Exchange business continued to perform well in a slowing economic environment in Australia, we did not achieve the targets set for our Digital Solutions and International segments.

In response, management took proactive measures to address costs through the year while continuing to invest prudently in key growth areas, including our acquisition of Smoove in the UK. The results reflect this balanced approach, including:

- PEXA's revenue increased 21%, driven by acquisitions and healthy growth in Exchange revenues;
- Adjusted net profit after tax (NPATA) grew by $3.8 million from FY23 to reach $21.1 million;
- Group Operating EBITDA was $114.9 million, up 16%, resulting in a Group Operating EBITDA Margin of 33.5% or 36.5% excluding the impact of the Smoove acquisition; and
- A statutory net loss after tax of $18.0 million, an improvement of $3.8 million.

While some areas were below expectations, the core strengths of our business model and our team's ability to adapt allowed PEXA to deliver a solid overall result. The Board remain confident in PEXA's long-term strategy and outlook as we continue investing in initiatives to drive future growth.

The combination of these financial results and strategic progress has resulted in an average Short-Term Incentive (STI) outcome, for the Executive KMP, of 45.17% of maximum opportunity. These outcomes reflect both the economic environment PEXA continues to operate in, as well as the solid delivery against PEXA's strategy by Executive KMP.

KMP Changes

During FY24 Dr Kirstin Ferguson AM resigned from the Board, with her last day being 29 February 2024. Scott Butterworth was appointed to the role of Group CFO on 1 July 2023.

FY24 Remuneration Outcomes

The Board provides a summary of the remuneration outcomes for FY24 below. More detail can be found in the body of the Report.

Fixed Annual Remuneration (FAR)

The Group MD & CEO received a 3% increase to his FAR, effective 1 July 2023 and the CEO Australia received the superannuation increase only, effective 1 July 2023. FAR increases were provided upon completion of a remuneration benchmarking exercise and based on Executive KMP individual performance.

Short Term Incentives (STI)

The STI awarded to the Group MD&CEO was 44.58% of maximum opportunity, the Group CFO 47.36% of maximum opportunity, and for the CEO Australia 43.58% of maximum opportunity.

There is a mandatory STI deferral into equity as part of PEXA's Minimum Shareholding (MSR) policy (see Section 3.6).

Long Term Incentives (LTI)

The financial performance measures for the FY22-24 LTIP were tested in July 2024 and based on this assessment no performance rights will vest under the FY22-24 LTIP (see Section 4.8).

Board Fees

In FY24 Board and Committee fees were increased by 4%. This was the first increase since 1 July 2022. The increase was made within the existing NED fee pool approved by shareholders. For FY25 the Board recommended that Board and Committee fees not be increased.

FY25 Remuneration Changes

In early 2024 PEXA undertook a review of its STI framework arrangements in concert with feedback raised at the 2023 AGM by proxy advisor and shareholders.

In light of the review the Board approved the following changes, to take effect from 1 July 2024:

- 50% financial weighting in the Group Scorecard;
- Financial gateway to apply to the entire Group Scorecard and not just the financial component;
- Deferral of 50% of Executive KMP STI into equity for 12 months, that will be subject to the risk of forfeiture; and
- A decrease in the time required for Executive KMP to achieve their Minimum Shareholding Requirement (MSR) to within 5 years.

The Board believes the FY25 changes further align Executive KMP outcomes to the financial performance of PEXA and shareholder value.

Our Remuneration Report outlines the link between PEXA's performance, Executive KMP remuneration outcomes, and the alignment with shareholder interests. We welcome your feedback on our Report and look forward to discussions with many of you over the coming year.

Helen Silver AO

Chair of the Remuneration, Nomination and People Committee

21 August 2024

2. Introduction

The Directors of PEXA present the Remuneration Report (the Report) for the Group and its controlled entities for the year ended 30 June 2024. It has been prepared and audited in accordance with Section 300A of the Corporations Act 2001 to ensure it meets best practice remuneration practices for ASX-listed companies. The term *remuneration* has been used in this Report, with the same meaning as *compensation* as defined by AASB 124 *Related Party Disclosures*.

This Report sets out remuneration information for Key Management Personnel (KMP) who had authority and responsibility for planning, directing, and controlling the activities of the Group during the FY24 financial year, being each of the Non-Executive Directors (NEDs) and designated Executives. The use of the term "Executives" in this report is a reference to the Group Managing Director & Chief Executive Officer (Group MD & CEO) and certain direct reports during FY24. Refer to Table 1 below for all individuals comprising PEXA's KMP for the FY24 financial year. All KMP held their positions for the entirety of the FY24 financial year, unless otherwise noted.

Table 1: Key Management Personnel (KMP)

Name	Position	Changes (If applicable)
Non-Executive Directors		
Mark Joiner	Independent Non-Executive Chairperson	
Vivek Bhatia	Independent Non-Executive Director	
Jeff Smith	Independent Non-Executive Director	KMP effective 5 July 2023
Paul Rickard	Non-Executive Director and Commonwealth Bank of Australia Nominee Director	
Helen Silver AO	Independent Non-Executive Director	
Melanie Willis	Independent Non-Executive Director	
Dr Kirstin Ferguson AM	Independent Non-Executive Director	Ceased as KMP effective 1 March 2024
Executive Directors		
Glenn King	Group Managing Director and Chief Executive Officer (Group MD & CEO)	
Executives		
Scott Butterworth	Group Chief Financial Officer (Group CFO)	KMP effective 1 July 2023
Les Vance	Chief Executive Officer Australia (CEO Australia)[1]	Appointed to role of CEO Australia on 8 April 2024

1. As a result of the implementation of a new Group operating model Les Vance's title was changed from Chief Customer & Commercial Officer to CEO Australia.

3. Executive remuneration at PEXA

PEXA is a rapidly evolving platform business which leverages its intellectual property and partnerships to transform the ways in which people can connect to place. Today, the Exchange settles 89% of all property transactions in Australia, and continues to provide high quality, resilient and robust service to all market participants. To provide further growth, PEXA continues to look for other forms of revenue growth that align with its purpose. The strategy to achieve this growth is centred on our four imperatives:

1. *Enhancing* the core exchange in Australia, building deeper market share and customer relationships;
2. *Extending* our Australian services and business by leveraging our unique position, data, distribution, orchestration, and partnership assets to provide digital solutions to property market stakeholders;
3. *Expanding* our footprint to offer property exchange and related services in other Torrens Title jurisdictions, starting with the UK whilst evaluating other markets; and
4. *Evolving* the Group's workforce and its enabling functions (technology, finance, risk, people) to support our continued growth.

3.1. Key remuneration principles

PEXA's Remuneration Principles, Policy, and Philosophy

PEXA's remuneration philosophy is based on four principles:

1. Aligns the interests of Executive KMP with our shareholders' interests to deliver shareholder value;
2. Ensures any reward outcomes for Executive KMP are aligned to PEXA's financial performance;
3. A reward mix and opportunity that is aligned with the external market; and
4. The decision making for the reward outcomes is transparent and consistent.

Aligned to Shareholder Interests

Reward for Performance

Market Competitive

Transparent & Consistent

3.2. Executive Remuneration Framework

PEXA's approach to remuneration is based upon a "Reward for Performance" approach. Executive KMP remuneration comprises a fixed annual remuneration (FAR) component and an "at risk" performance-related component (both short term and long term).

The level of fixed and variable remuneration for Executive KMP is benchmarked at the median of our market peers to ensure that PEXA can have a 'talent market' relevant for PEXA.

Individual Executive KMP remuneration is differentiated based on individual performance.

A summary of PEXA's approach to Executive KMP remuneration for the FY24 financial year and its link to the overall remuneration strategy and shareholders' interests is set out below.

Table 2: Executive KMP Remuneration Framework for FY24

Remuneration Component	Alignment to performance	Alignment to principles and achievement of strategic objectives
Fixed Annual Remuneration (FAR) Comprises base salary and superannuation.	Set at a market competitive level in relation to the scope, complexity, capabilities, and individual performance in the role. Provides recognition for day to day, operational activities in the role.	Set to attract, motivate, and retain the best people to design and lead the delivery of our strategy.

Remuneration Component	Alignment to performance	Alignment to principles and achievement of strategic objectives
Short Term Incentive (STI)[1] Annual incentive opportunity (mix of cash and equity)[2].	Performance assessed using: • Group (70% weighting) performance uses a balanced scorecard incorporating Financial, Customer, Risk, and People performance measures. • Individual (30% weighting) performance measures aligned to achieving improved financial performance and strategic objectives.	Linked to PEXA's financial performance and key strategic priorities which directly contribute towards the execution of long-term strategy each year. Enables differentiated performance based on individual performance.
Long Term Incentive (LTI) Three-year incentive opportunity delivered through 100% performance rights.	Distinct categories of financial performance weighted to align with PEXA's focus over a three-year period, across each tranche of the plan. • EPS CAGR (50%) • rTSR (50%):	To encourage superior business performance and link Executive KMP reward with the creation of longer term shareholder value. The three-year vesting period encourages consideration of long-term decision making and value creation, as well as operating as a retention tool.
Minimum Shareholding Requirement (MSR)	A portion of at-risk remuneration is paid as equity.	To provide alignment between the interests of Executive KMPs and PEXA's shareholders.

1. Eligibility for a short term incentive payment is subject to the achievement of both the financial and risk gateway.
2. The Minimum Shareholding Requirement (MSR) policy requires 25% of any STI payment is paid in restricted shares until the Executive KMP has met their MSR (see Section 3.6).

For the FY24 period, current fixed and at-risk remuneration components for Executive KMP are set out in the table below.

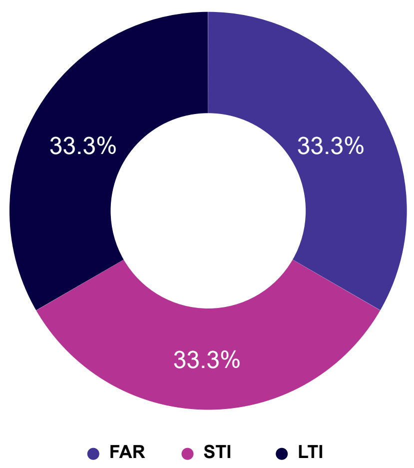
Table 3: Executive KMP Total Remuneration Structure

Position	Fixed Annual Remuneration (FAR)	At-target STI as % of FAR	Maximum STI as % of FAR	Maximum LTI as % of FAR
Group MD & CEO	$991,000	50%	100%	100%
Group CFO	$650,000	40%	80%	70%
CEO Australia	$702,107	40%	80%	70%

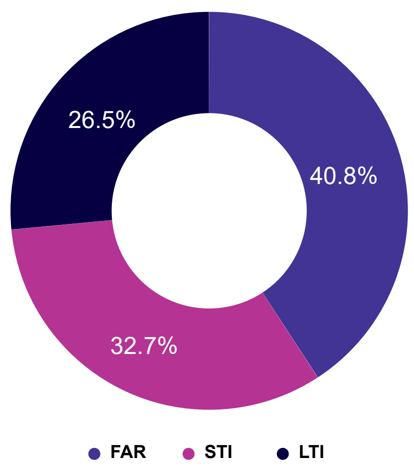
Figure 2 below illustrates the remuneration mix at maximum outcomes for each component of PEXA's Executive KMP remuneration.

Figure 2: Remuneration Mix at Maximum Opportunity

Mix of Pay for Group MD & CEO



Mix of Pay for Executive KMP



3.3. Fixed Annual Remuneration (FAR)

FAR is base salary, employer superannuation contributions, and other salary sacrificed benefits. FAR is set fairly to attract and retain Executive KMP, depending on median market remuneration levels and the tenure, ability, and marketability of the Executive KMP concerned.

An annual FAR review budget, agreed by the Board each year, is used to adjust the FAR of Executive KMP to ensure that their FAR remains competitive for their performance, specific skills, competence, and value to PEXA.

3.4. Short-Term Incentive (STI)

The table below presents the features and approach of the PEXA FY24 STI Plan.

Table 4: PEXA's FY24 STI Plan

Feature	Approach
Purpose	To reward the Executive KMP based on a high level of Group and Individual performance measured over the current financial year.
Eligibility	Executive KMP
Form of payment	Cash and/or equity
Opportunity	Group MD & CEO – 50% At-target and 100% Maximum
	Group CFO – 40% At-target and 80% Maximum
	CEO Australia – 40% At-target and 80% Maximum
Performance period	1 year
Financial Gateway	In the Group Scorecard the Group Operating EBITDA Margin[1] threshold outcome must be achieved, or no amount is payable for the financial component of the Group Scorecard.
Risk Gateway	All risk and audit items (as determined by the Board) must be delivered within the agreed time-frames, and risk and compliance training for the year must be completed. Failure to do so will result in zero STI outcome for an Executive KMP.
Performance Measures	Performance is assessed against Group performance (70% weighting) and Individual performance (30% weighting). For Group performance a balanced scorecard incorporating Financial, Customer, Risk, and People performance measures is used. The financial measures are chosen on the basis that they will drive increased financial performance and provide returns to shareholders in the short term and longer term. The non-financial measures are chosen to provide a focus on organisational performance beyond financial metrics and reward Executive KMP for the achievement of the chosen underlying value drivers. For Individual performance measures, the measures are aligned to achieving both financial and strategic outcomes.
Payment	All STIs are paid as a mixture of cash and equity. The equity provided is restricted shares that must be used by the Executive KMP to meet their MSR. If the MSR is met, then the STI is paid 100% in cash. The split between cash and equity is 50/50 for the Group MD &CEO and 75/25 for the other Executive KMP.
Board discretion	The Board reserves full discretion regarding any STI payments based on all factors in relation to the business.
Malus and/or clawback	A malus and/or clawback provision is applicable.
Treatment on termination	The shares held as part of the MSR holding are available to the Executive KMP on termination of employment.

1. Group Operating EBITDA Margin excludes the impact of the Smoove acquisition,

3.5. Long-Term Incentive (LTI)

The table below presents the features and approach for the PEXA FY24-26 LTI plan. More detail on the LTI plans in force can be found in Section 9.

Table 5: PEXA's FY24-26 LTI Plan

<table>
<tr><th>Feature</th><th colspan="2">Approach</th></tr>
<tr><td>Purpose</td><td colspan="2">To encourage superior business performance and link Executive KMP reward with the creation of longer term shareholder value.</td></tr>
<tr><td>Eligibility</td><td colspan="2">Executive KMP</td></tr>
<tr><td>Form of payment</td><td colspan="2">Performance Rights, converting to Shares</td></tr>
<tr><td rowspan="3">Opportunity</td><td colspan="2">Group MD&CEO – 100%</td></tr>
<tr><td colspan="2">Group CFO – 70%</td></tr>
<tr><td colspan="2">CEO Australia – 70%</td></tr>
<tr><td>Performance period</td><td colspan="2">3 years (FY24/FY25/FY26)</td></tr>
<tr><td>Performance Measures</td><td colspan="2">Two measures are used:
1. Earnings per Share (Compound Annual Growth Rate) – EPS CAGR
2. Relative Total Shareholder Return – rTSR</td></tr>
<tr><td>Performance Targets</td><td colspan="2"></td></tr>
<tr><td rowspan="6">EPS CAGR
(50% weighting)</td><td colspan="2">Underlying EPS CAGR is calculated by dividing the Net profit After Tax (NPATA) by the undiluted weighted average number of shares on issue. The Board chose EPS as a performance hurdle as it provides a clear line of sight between executive performance and Company financial performance. It is also a well-recognised and understood measure both internal and external to PEXA. The vesting schedule of the Performance Rights subject to the EPS hurdle is as follows:</td></tr>
<tr><td>EPS CAGR</td><td>% of Performance Rights that Vest</td></tr>
<tr><td>At or above 25%</td><td>100%</td></tr>
<tr><td>Between 15% and 25%</td><td>Pro-rata vesting from 50% to 100%</td></tr>
<tr><td>At 15%</td><td>50%</td></tr>
<tr><td>Below 15%</td><td>0%</td></tr>
<tr><td rowspan="6">rTSR
(50% weighting)</td><td colspan="2">The rTSR measure represents change in the PEXA share price over a three-year period and includes reinvested dividends (if applicable). The Board chose relative rTSR as a performance hurdle as it provides a direct measure of shareholder return. The comparator group relative rTSR is measured against is the S&P/ASX 200 information technology index. The vesting schedule of the rights subject to the relative rTSR hurdle is as follows:</td></tr>
<tr><td>Company's rTSR ranking compared to Comparator Group</td><td>% of Performance Rights that Vest</td></tr>
<tr><td>At or above the 75th percentile</td><td>100%</td></tr>
<tr><td>Between the 50th and 75th percentile</td><td>Pro-rata vesting from 50% to 100%</td></tr>
<tr><td>At the 50th percentile</td><td>50%</td></tr>
<tr><td>Below 50th percentile</td><td>0%</td></tr>
<tr><td>Assessment</td><td colspan="2">Assessment is undertaken at the end of the 3-year performance period</td></tr>
<tr><td>Grant date</td><td colspan="2">After approval at the AGM for the Group MD&CEO's performance rights</td></tr>
<tr><td>Expiry date</td><td colspan="2">15 years</td></tr>
<tr><td>Exercise date</td><td colspan="2">Post June 30 2026</td></tr>
<tr><td>Vest timing</td><td colspan="2">Any applicable vesting will occur after the end of the relevant financial year and Board assessment of the achievement against the financial performance targets.</td></tr>
<tr><td>Malus and/or clawback</td><td colspan="2">Provisions for both Malus and Clawback are included in the Rules that govern the running of this plan.</td></tr>
<tr><td>Board discretion</td><td colspan="2">The Board reserves full discretion for any LTI vesting, based on all factors in relation to the business.</td></tr>
<tr><td>Treatment on termination</td><td colspan="2">LTI is forfeited upon notice of termination.</td></tr>
</table>

3.6. Minimum Shareholding Requirement (MSR) Policy

A key principle of the remuneration framework is to encourage Executives to behave like owners. The Board believes that the interests of all KMP should be closely aligned to those of shareholders through significant shareholdings linked to the Group's share price. For this reason, in FY23 the Board introduced a MSR structure for all NEDs, the Group MD & CEO, and Executive KMP. The aim of this Policy is to:

1. strengthen the alignment between the interests of directors and senior executives of the Group and the interests of shareholders;
2. encourage focus on building long-term shareholder value; and
3. require directors and certain senior executives to build a minimum shareholding in the Group and maintain it during their tenure.

Table 6: Minimum Shareholding Requirement[1]

NEDs	Group MD&CEO	Other Executives
100% of annual base fee to be attained within 5 years	100% of fixed annual remuneration to be attained within 5 years	50% of fixed annual remuneration to be attained within 15 years

1. The table reflects the current approach. From 1 July 2024 there are changes to MSR Policy approved by the Board. Further details can be found in Section 5.

No equity can be sold (LTI or deferred STI) until an employee's MSR is achieved. The MSR-held equity remains and is impacted by market forces, as with other shareholders.

For Executive KMP there is a 15-year time horizon to attain their MSR requirement (however, it will tend to be achieved within a 3-4 year period under 'normal' LTI/STI vesting scenarios). Primarily due to tax considerations after attaining their MSR holding, participants can sell down some/all their LTI-related equity.

When an Executive KMP leaves PEXA, all MSR related equity is made available and attracts tax at this point (i.e., there is no forfeiture).

The Group MD & CEO has met his MSR holding requirement, whilst the Group CFO and CEO Australia continue to work towards meeting their MSR holding requirement.

4. FY24 Group performance and relationship to remuneration

4.6. Overview

The Board ensures that there is a strong link between Executive KMP remuneration outcomes and the financial performance of PEXA.

The solid financial performance across the year is evidenced by the outcomes in Tables 7 and 8 below. As a result of this level of performance the Group MD & CEO received an STI outcome of 44.58% of maximum (and the same percentage of FAR). For other Executive KMP, STI outcomes ranged from 34% to 38% of FAR, or 43.58% to 47.36% of the maximum opportunity. More detail on the STI outcomes is available in Section 4.8.

4.7. Group performance

Overall Financial Performance

PEXA's revenue increased 21%, driven by solid 11% growth in the core Exchange business, complemented by the contributions from acquisitions completed in FY23 and FY24, including .id, Optima Legal and Smoove. While the Board is pleased with the progress made in growing non-exchange revenues through the year, it notes that this growth was below initial expectations as management navigated a number of performance and market headwinds.

For FY24, Group Operating EBITDA was $114.9 million, up 16%, resulting in a Group Operating EBITDA Margin of 33.5%, or 36.5% excluding the impact of the Smoove acquisition. These results reflect the below-expectation revenue outcome, partially mitigated by management's actions through the year, including the productivity enhancement program (PEP), to prudently manage costs.

PEXA reported a statutory net loss after tax of $18.0 million, an annual improvement of $3.8 million. This improvement was driven by stronger operating performance, partially offset by restructuring costs associated with PEP initiatives, increased depreciation and amortisation following investments in the Digital Solutions and International businesses, as well as the impact of acquisitions.

The table below summarises PEXA's financial performance against a range of financial indicators for FY24 and the previous three years, together with movements in PEXA's share price for the last four financial years and Executive KMP average STI outcomes and FY22-24 LTIP outcomes.

Table 7: Historical Group Financial Year Performance

Group Performance	2021	2022	2023	2024
Revenue ($'000)	221,046	279,839	281,688	340,057
Profit/Loss before tax ($'000)	(8,902)	32,920	(3,164)	(8,780)
Profit/Loss after tax ($'000)	(11,787)	21,851	(21,840)	(18,012)
Basic earnings per share (cents)	(8.54)	12.32	(12.32)	(10.15)
NPATA earnings per share (cents)	20.13	34.46	9.76	11.90
Diluted earnings per share (cents)	(8.54)	12.32	(12.32)	(10.15)
Dividends per share - paid during financial year (cents)	-	-	-	-
Share price at 30 June ($)[1]	N/A	13.89	13.61	13.79
Average STI outcome as a % maximum opportunity	-	86.10%[2]	42.85%[3]	45.17%
LTI outcome as a % of maximum opportunity	-	-	-	0%[4]

1. Upon listing on the ASX on 1 July 2021 the share price was $17.13
2. In FY22 a maximum opportunity approach was used for STI purposes.
3. FY23 was the first year that an at-target STI approach was introduced.
4. FY24 was the first year that a 3-year LTI was assessed for vesting purposes (see Section 4.8)

Group scorecard outcomes – 70% Weighting

For Group performance a balanced scorecard incorporating Financial, Customer, Risk, and People performance measures is used. The financial measures are chosen on the basis that they will drive increased financial performance and provide returns to shareholders in the short term and longer term. The non-financial measures are chosen to provide a focus on organisational performance beyond financial metrics and reward Executive KMP for the achievement of the chosen underlying value drivers.

Financial performance

Group Operating EBITDA Margin, our main financial performance measure, achieved above target performance (see Table 8). However growth in our Digital Solutions and International segments faced challenges resulting in below target performance for Digital Solutions Revenue and below threshold performance for UK Operations Revenue (see Table 8).

Customer performance

The customer satisfaction (CSAT) results clearly indicate that PEXA's objective of improving customers' satisfaction and ensuring consistently high standards in customer satisfaction of its products and services in Australia is being met. This result is supported by the improvement in On-Day Settlements and the increased number of Application Programming Interfaces (APIs) being consumed. The Board acknowledges the percentage of Optima Legal's flow completed through PEXA is still below expectations.

Risk performance

PEXA continues to have a culture of risk awareness and a resilience framework that pro-actively identifies issues that enable pre-emptive actions to prevent major events and ensure Australian Exchange uptime.

People performance

PEXA strives to build a workforce which reflects the diversity of the communities in which we operate. In line with the delivery of our DEI strategy and intentional focus on improving female representation in leadership, PEXA is well on the way to achieving its FY26 target of 50% with an FY24 result of 47%. The employee engagement result did not achieve threshold performance. There were significant organisational changes undertaken just prior to the survey. Employee Engagement will continue to be an area of focus. The strength of PEXA's reputation in Australia remains strong.

The table below shows the outcome for each Group performance measure against the challenging Threshold, Target, and Maximum performance targets. The relevant financial and risk gateways were met for FY24.

Table 8: Group Scorecard Performance Outcomes for FY24

Performance Measure	FY24 Target Weighting	FY24 Scorecard Result	FY24 Outcome Compared to Target	Threshold	Target	Maximum
Group Operating EBITDA Margin[1]	15%	36.5%	18.6%	33.7%	35.8%	38.7%
Digital Solutions Revenue ($'m)	10%	15.7	5.5%	15.0	21.3	27.7
UK Operations' Revenue (£'m)	10%	7.4	0%	11.2	16.0	20.8
Percentage of Optima Legal's Flow Completed Through PEXA	10%	0.0%	0%	15%	20%	25%
On-Day Settlement Rate	10%	76.4%	7.4%	73%	80%	82%
Number of APIs Consumed	7.5%	316	9.2%	280	305	355
Customer Satisfaction[2]	7.5%	=1st Half	7.5%		=H1	>H1
Maintain Australian Exchange Uptime	5%	100%	10%	99.79%	99.80%	99.90%
Cyber Security Culture	5%	4.4%	4%	5%	4%	3%
Risk Awareness	5%	85%	5%	80%	85%	90%
Employee Engagement	5%	63%	0%	70%	75%	80%
Women in Leadership Roles	5%	47%	7.3%	41%	44%	50%
Reputation	5%	72	10%	60-65	65-70	>70
Overall Outcome for Corporate Scorecard (0% – 200%)	100%		84.5%	50%	100%	200%

1. Group Operating EBITDA Margin excludes the impact of the Smoove acquisition.
2. As Customer Satisfaction (CSAT) was a newly introduced measure for FY24 target performance was set as the 2nd half CSAT score being equal to the 1st half CSAT score with stretch performance being an increase on the 2nd half CSAT score being greater than 1st half.

Individual scorecard outcomes – 30% Weighting

The individual KPIs for Executive KMP are approved by the Board prior to the commencement of the relevant financial year and are chosen to ensure that they drive PEXA's financial performance and achievement of strategic objectives.

The Table below provides the Board's assessment for each Executive KMP against their individual KPIs.

Table 9: Executive KMP Individual Performance Outcomes for FY24

Position	Weighting	Outcome As A % FAR (At-target)	Threshold	Target	Maximum
Group MD & CEO	30%	15.00%	50%	100%	200%
Group CFO	30%	14.23%	50%	100%	200%
CEO Australia		11.20%	50%	100%	200%

4.8. FY24 Executive KMP remuneration outcomes

Fixed annual remuneration (FAR)

The Group MD & CEO received a 3% increase to his FAR, effective 1 July 2023 and the CEO Australia received the statutory employer superannuation increase only, effective 1 July 2023. The Group CFO was appointed to the role on 1 July 2023 with a FAR of $650,000. FAR increases were provided upon completion of a robust remuneration benchmarking exercise and based on Executive KMP individual performance.

Short term incentives (STI)

The Board assessed the outcomes considering business performance and the broader results for our shareholders, customers, and employees.

In assessing performance, the Board considers both what has been achieved and how it was achieved. The actual STI awarded can be adjusted where these expectations are deemed not to have been met.

The table below summarises the STI outcomes for each of the Executive KMP, based on the above Group performance outcomes and individual performance outcomes.

In approving these STI outcomes the Board confirmed that both the financial and risk gateways had been met.

Table 10: FY24 STI Outcomes %

Position	STI Maximum Opportunity as a % FAR	STI Maximum Opportunity as a % FAR (Company - 70%)	Company Result (as a % FAR)	STI Maximum Opportunity as a % FAR (Individual - 30%)	Individual Result (as a % FAR)	STI Opportunity Earned as a % Maximum	STI Opportunity Forfeited as a % Maximum
Group MD & CEO	100%	70%	29.58%	30%	15.00%	44.58%	55.42%
Group CFO	80%	56%	23.66%	24%	14.23%	47.36%	52.64%
CEO Australia	80%	56%	23.66%	24%	11.20%	43.58%	56.42%

The STI payments that the Group and individual performance outcomes deliver are outlined in the table below.

The Board and the Committee have absolute discretion when considering the awarding and vesting of STI opportunities to Executive KMP. The Board did not apply any discretion in FY24.

Table 11: FY24 STI Outcomes $

Position	Total STI Earned for FY24[1]	FY24 Deferred STI Payment	Maximum Opportunity ($)	Maximum Opportunity Forfeited ($)
Group MD & CEO	$441,788	$0	$991,000	$549,212
Group CFO	$246,285	$61,571	$520,000	$273,715
CEO Australia	$244,755	$61,189	$561,686	$316,931

1. As the Group MD & CEO has met his MSR holding requirement the STI earned for FY24 will be paid 100% in cash. The FY24 STI deferred amounts for the CFO and CEO Australia will be used to acquire shares that will be issued in September/October 2024 using the 10-day VWAP for the period beginning on the second trading day after the Group's financial report for FY24 is released.

Long term incentives (LTI)

The Board introduced the LTI framework to grant awards that encourage superior business performance and link Executive KMP remuneration with the creation of longer term shareholder value.

The LTIP measures and targets for the FY22-24 LTIP are set out in the table below.

Table 12: FY22-24 LTIP Measures and Targets

EPS CAGR	% of Performance Rights that Vest	Group's rTSR ranking compared to Comparator Group	% of Performance Rights that Vest
At or above 25%	100%	At or above the 75th percentile	100%
Between 15% and 20%	Pro-rata vesting from 50% to 100%	Between the 50th percentile and 75th percentile	Pro-rata vesting from 50% to 100%
At 15%	50%	At the 50th percentile	50%
Below 15%	0%	Below 50th percentile	0%

The FY22-24 grant measures were tested in July 2024 with the following outcomes:

1. with a final FY24 NPATA of $21.1m, versus a target of $80.4m the underlying EPS compound annual growth rate hurdle target of 15% was not met; and
2. with a 42nd percentile outcome, TSR relative to companies in the S&P/ASX 200 Information Technology Index target of 50th percentile was not met.

The Table below provides details of those Executive KMP who were eligible under the FY22-24 LTIP and the outcome.

Table 13: Executive KMP FY22-24 LTI Outcomes %

Position[1]	Maximum LTI Opportunity	rTSR Maximum Weighting	rTSR Vesting as a % Maximum Opportunity	EPS Maximum Weighting	EPS Vesting as a % Maximum Opportunity	Total Vested as a % Maximum Opportunity
Group MD & CEO	100%	25%	0%	75%	0%	0%
Group CFO	40%	25%	0%	75%	0%	0%

1. The CEO Australia was not a participant in the FY22-24 LTIP.

4.9. Realised remuneration

In addition to Statutory remuneration included in Section 8, Realised Remuneration received by Executive KMPs in FY24 is displayed below. Realised remuneration is a non-statutory measure and includes FAR, non-monetary benefits, and STI. No LTI vested in FY24. Realised Remuneration is included to complement the Statutory Remuneration disclosures to illustrate the remuneration relating to performance by Executive KMP during FY24, and how the Group's performance during the year has impacted on these amounts, particularly the STI component.

The FY24 STI earned includes the 25% (50% Group MD & CEO) required to be deferred into shares until the Executive KMP's MSR holding requirement is achieved. After the MSR holding requirement is achieved the STI is paid 100% in cash.

Table 14: Executive KMP FY24 Realised Remuneration $

Position	FAR	Non-Monetary Benefits	FY24 STI Earned	FY24 Deferred STI[1]	Total Realised Remuneration
Group MD & CEO	$991,000	$9,401	$441,788	$0	$1,442,189
Group CFO	$650,000	$9,401	$246,285	$61,571	$905,686
CEO Australia	$702,107	$0	$244,755	$61,189	$946,862

1. This amount will be used by Scott Butterworth and Les Vance to acquire shares in order that they can meet their MSR holding requirement. Details of the MSR policy can be found in Section 3.6.

5. FY25 Changes to remuneration framework

In early 2024 PEXA undertook a review of its STI framework arrangements and addressed the feedback raised at the 2023 AGM by proxy advisor and shareholders.

Based on the outcomes of the review the Board approved the below changes, to take effect from 1 July 2024.

5.1. Performance measures

The following approach has been adopted in preparing PEXA's FY25 Group Scorecard:

- A balanced scorecard approach has been retained (Financial/Customer/Risk/People);
- The financial component has increased to a 50% weighting; and
- The number of Group scorecard performance measures is reduced from 13 to 7.

5.2. STI Financial gateway

The financial gateway will apply to the entire Group Scorecard, not just the financial component. The current risk gateway will be retained.

5.3. STI Deferral

An Executive KMP will have 50% of any STI earned deferred into equity for 12 months and be subject to the risk of forfeiture.

The amount of STI deferral is 50% for both the Group MD & CEO and other Executive KMP.

5.4. MSR

The Minimum Shareholding Requirement (MSR) policy will remain in place.

The MSR percentage of Board fees or FAR to be held by NEDs (100%), the Group MD & CEO (100%), and Executives (50%) will not change.

All Executive KMP will be required to meet their MSR within five years of their appointment.

6. Non-Executive director remuneration

6.1. Non-Executive director remuneration policy

Remuneration for Non-Executive Directors (NEDs) is determined by reference to relevant external market data and takes into consideration the level of fees paid to directors of other Australian corporations of similar size and complexity to PEXA.

Remuneration for NEDs is subject to the aggregate fee pool limit of $2 million per annum, approved as part of the IPO in July 2021. Approval will be sought for any change to the aggregate sum at a general meeting of shareholders.

Fees for NEDs are fixed and are not linked to the financial performance of the Group. NEDs are not entitled to retirement benefits other than statutory superannuation benefits.

6.2. Board fees

Both Board and Committee fees were increased by 4% effective 1 July 2023. The following table sets out the current Board fee structure. There will be no increase in Board or Committee fees in FY25.

Table 15: Board Fees (inclusive of superannuation)

Board/Committees	Chair	Member
Board	$364,000	$166,400
Audit and Risk Committee	$31,200	$18,200
Remuneration, Nomination and People Committee	$31,200	$18,200
Technology Committee[1]	$31,200	$18,200

1. The Technology Committee began operating effective 1 December 2023. The purpose of the Committee is to assist the Board in the effective discharge of its responsibilities in relation to PEXA Group's technology and related matters.

MSR and salary sacrifice

As detailed in Section 3.6, in FY23 the Board introduce a MSR structure for all NEDs. The Board requires all NEDs to hold at least 100% of their annual base director's fee after 5 years.

As at 30 June 2023, Helen Silver and Paul Rickard are the only NEDs yet to meet the MSR. As a new Board member, Helen Silver is undertaking a salary sacrifice arrangement with her Board fees to meet her MSR holding requirement and Paul Rickard will continue to acquire shares to meet his MSR holding requirement, both within the 5-year time frame. To assist the NEDs in meeting this requirement, a salary sacrifice arrangement was introduced as a voluntary plan for NEDs to sacrifice 20% or more of their base director's fee, per annum, towards meeting their MSR.

The number of Share Rights received is determined by dividing the fees sacrificed by the volume weighted average price of PEXA Shares traded on the ASX over the 10-business day period up to and including 31 December, or 30 June, as applicable (rounded down to the nearest whole Share Right).

The share rights will vest following the announcement of PEXA's half year or full year results.

The salary sacrifice arrangements do not have a clawback provisions. Details of shares under the salary sacrifice arrangement can be found in the table for Statutory Remuneration for Non-Executive Directors in Section 8.2.

7. Remuneration governance

The Board has ensured robust governance processes are in place for remuneration matters within the Group. This is achieved as follows:

- Remuneration of all KMP is determined by the Board, acting on recommendations made by the Remuneration, Nomination, and People Committee (RNPC);
- The Board is ultimately responsible for recommendations and decisions made by the Committee;
- The RNPC has delegated responsibility from the Board to make recommendations on the remuneration and people strategy, performance & remuneration outcomes of executives, executive terms of employment, executive succession planning, culture, and diversity & inclusion. It also makes recommendations to the Board on the composition of the Board and its Committees and the selection and appointment of Directors to the Board and its Committees;

- Management makes recommendations to the RNPC on people, performance and remuneration matters;
- Management may attend RNPC meetings as required, however, do not participate in formal discussions or decision making involving their own remuneration;
- The RNPC may seek the advice of the Group's auditors, solicitors or other independent advisers, consultants, or specialists as to any matter relating to the powers, duties, or responsibilities of the RNPC; and
- The Audit and Risk Committee (ARC) may advise the RNPC on relevant risk and reputation or relevant financial outcome matters that arise.

Further information on the purpose and duties of the Remuneration, Nomination and People Committee is contained in its Charter, which is available from the Group's investor website: investors.pexa.com.au/investor- centre/?page=corporate-governance.

7.1. External advisors

The RNPC did not seek or receive any remuneration recommendations from external advisors in FY24.

7.2. Engagement with shareholders

Members of the Board have pro-actively engaged with investors throughout the year and welcomed feedback on issues of importance to all shareholders. The Board are also active in ensuring they monitor trends in remuneration structures and expectations, as well as market practice.

7.3. Board discretion

The Board and the Committee have absolute discretion when considering the awarding and vesting of any STI or LTI opportunities to Executive KMP. The purpose of preserving this discretion is to allow the Board to ensure remuneration levels and structure are appropriate and to prevent any unintended vesting of awards that would arise from a purely formulaic application of the metrics. Where a formulaic application of the metrics is likely to produce a material and perverse remuneration outcome; or where it is in the best interests of shareholders for the Board to do so, the Board may exercise its discretion in determining awards.

7.4. Securities trading policy

The Group's Securities Trading Policy prohibits employees in possession of non–public price sensitive information from dealing in securities or passing on the information to other people who may deal in securities. This Securities Trading Policy applies to all directors, officers, employees, contractors, consultants, and service providers of PEXA Group Limited and its subsidiaries from time to time.

8. Statutory remuneration

8.1. Statutory remuneration for executive KMP

Position	Year	Base Salary	Superannuation	Non-Monetary Benefits	Short Term Cash Bonus	Annual Leave	Long Service Leave	Shares & Units	Options & Rights	Total Statutory Remuneration	% of Performance based Remuneration
Executive Director											
Group MD & CEO	2024	$963,603	$27,399	$9,401	$441,788	$77,128	$28,313	$0	$287,489	$1,835,121	40%
	2023	$927,458	$25,292	$7,946	$412,541	($16,706)	$17,463	$0	$95,000	$1,468,994	35%
Executive KMP											
Group CFO	2024	$622,602	$27,399	$9,401	$246,285	$14,328	$9,909	$0	$126,272	$1,056,196	35%
	2023[1]	$0	$0	$0	$0	$0	$0	$0	$0	$0	0%
CEO Australia	2024	$674,709	$27,399	$0	$244,755	$13,323	$2,695	$0	$309,389	$1,272,270	44%
	2023	$490,773	$18,969	$0	$129,866	$25,750	$494	$43,289	$311,477	$1,020,618	43%
Total	2024	$2,260,914	$82,197	$18,802	$932,828	$104,779	$40,917	$0	$723,150	$4,163,587	40%
	2023	$1,418,231	$44,261	$7,946	$542,407	$9,044	$17,957	$43,289	$406,477	$2,489,612	38%

1. Became a KMP on 1 July 2023 when appointed to role of Group CFO.

8.2. Statutory remuneration for Non-Executive Directors

Name	Year	Total Fees	Superannuation	Non-Monetary Benefits	Shares	Performance Rights	Cash Settled	Total Statutory Remuneration
Mark Joiner[1]	2024	$360,500	$0	$0	$0	$0	$0	$360,500
	2023	$350,000	$0	$0	$0	$0	$0	$350,000
Vivek Bhatia	2024	$173,333	$19,067	$0	$0	$0	$0	$192,400
	2023	$169,514	$7,986	$0	$0	$0	$0	$177,500
Jeff Smith	2024	$188,090	$20,690	$0	$0	$0	$0	$208,780
	2023	$0	$0	$0	$0	$0	$0	$0
Paul Rickard	2024	$176,286	$19,598	$0	$0	$0	$0	$195,884
	2023	$161,364	$16,136	$0	$0	$0	$0	$177,500
Helen Silver[2]	2024	$188,907	$11,595	$0	$0	$33,282[3]	$0	$233,784
	2023	$158,138	$21,862	$0	$0	$45,000	$0	$225,000
Melanie Willis	2024	$188,005	$20,879	$0	$0	$0	$0	$208,884
	2023	$187,775	$19,725	$0	$0	$0	$0	$207,500
Dr Kirstin Ferguson	2024	$145,811	$16,039	$0	$0	$0	$0	$161,850
	2023	$187,775	$19,725	$0	$0	$0	$0	$207,500
Total	2024	$1,420,932	$107,868	$0	$0	$33,282	$0	$1,562,082
	2023	$1,214,566	$85,434	$0	$0	$45,000	$0	$1,345,000

1. Mark Joiner has nominated that his fees from PEXA are not subject to the superannuation guarantee so PEXA does not pay superannuation contributions. In addition, as Chair of the Board Mark Joiner does not receive Committee fees for his membership on Committees.
2. Helen Silver has nominated that her fees from PEXA are not subject to the superannuation guarantee and so PEXA did not pay superannuation contributions for a portion of the current financial year.
3. This amount represents the salary sacrifice amount under the MSR in order that Helen Silver can achieve her MSR holding requirement.

9. Movements in KMP shareholdings and rights in PEXA

Movements in KMP shareholdings

KMP	Held at 1 Jul 2023	Shares Acquired	Shares Disposed	Held at 30 Jun 2024
NED				
Mark Joiner	29,187	15,000	-	44,187
Vivek Bhatia	95,935	-	-	95,935
Jeff Smith	0	2,417		2,417
Paul Rickard	9,887	5,000	-	14,887
Helen Silver[1]	0	4,656	-	4,656
Melanie Willis	14,593	4,000	-	18,593
Dr Kirstin Ferguson	14,593	-	-	14,593
Executive KMP				
Glenn King	1,155,637	-	-	1,155,637
Scott Butterworth	-	4,330	-	4,330
Les Vance	-	16,718	-	16,718

1. Under the MSR policy, Helen Silver sacrifices some of her annual base Board fees to receive rights to receive Shares. Helen was granted 4,656 Share Rights (1,119 in FY23 and 3,537 in FY24) that all vested in FY24.

Movements in executive KMP performance rights holdings

Position	Held at 1 Jul 2023	Granted during FY24[1]	Forfeited during FY24	Expired during FY24	Vested during FY24	Exercised during FY24	Held at 30 Jun 24
Group MD & CEO	121,611	86,417	-	-	-	-	208,028
Group CFO	25,987	39,677	-	-	-	-	65,664
CEO Australia	58,512	42,857	-	-	(12,944)[2]	-	88,425

1. The fair value of the 84,477 EPS performance rights granted under the FY24 LTIP during the twelve months ended 30 June 2024 was $998,596 and the fair value per EPS performance right was $11.86 for the Group MD & CEO grant (1 December 2023) and $11.78 for the other Executive KMP grant (1 December 2023). The exercise price per performance right is $0. The fair value of the 84,474 TSR performance rights granted under the FY24 LTIP during the twelve months ended 30 June 2024 was $702,024 and the fair value per TSR performance right was $7.21 for the Group MD & CEO grant (1 December 2023) and $6.96 for the other Executive KMP grant (1 December 2023). The exercise price per performance right is $0. The date they may be exercised, and the performance conditions, are set out in Table 5 of Section 3.5.
2. The CEO Australia received 25,888 performance rights as a sign on bonus. These performance rights are time based. The first Tranche vested in FY24 and the second Tranche are due to vest in FY25 after Board approval. Les Vance will use any shares issued after vesting to meet his shareholding requirement under the PEXA MSR policy.

The FY22-24, FY23-25 and FY24-26 LTIP grants of performance rights all have a 3 year vesting period commencing 1 July 2021, 1 July 2022 and 1 July 2023, respectively. No performance rights vested or were exercised during FY24 for any of the plans. See Section 4.8 for details of the FY22-24 LTIP assessment conducted in July 2024. The FY23-25 LTIP will be assessed in July 2025. The EPS growth targets for the FY23-25 LTIP are commercially sensitive, and the Board has chosen not to disclose them. Retrospective disclosure of the EPS growth outcomes against the performance levels will be included in PEXA's 2025 remuneration report.

10. Executive KMP service agreements

The following table outlines the summary terms of employment for the Group MD & CEO and other Executive KMP.

Table 16: Key Terms – KMP Executives

Position	Term of Agreement	Notice by Executive	Maximum Notice by Company	Termination Benefits
Group MD & CEO	Open	12 months	12 months	Maximum benefit from termination payment and payment in lieu of notice is 9 months based on fixed annual remuneration at the date of termination. No payment is made for termination due to gross misconduct.
Group CFO	Open	6 months	6 months	
CEO Australia	Open	6 months	6 months	

Agreements are also in place for Executive KMP detailing the approach PEXA will take with respect to termination payments and with respect to exercising its discretion on the vesting of Performance Rights in the event of a 'Change of Control' of the organisation.

Executive KMP are also subject to restraints which will apply upon cessation of employment to protect the business interests of PEXA. No separate amount is payable in relation to these restraints over and above the contractual entitlements outlined above.

The maximum payment on termination (including notice) is capped at 12 months fixed remuneration.

11. Other KMP disclosures

Loans to KMP

In the year ended 30 June 2024, there were no loans to Key Management Personnel and their related parties.

Other KMP transactions

In the year ended 30 June 2024, there were no transactions entered into during the year with Key Management Personnel (including their related parties).

CORPORATE GOVERNANCE STATEMENT

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CORPORATE GOVERNANCE STATEMENT

Introduction

The Board of PEXA Group Limited ("PEXA" or the "Company") is committed to a high standard of ethical behaviour and to having an effective system of corporate governance commensurate with the size of the Company and the scope of its business operations.

This Corporate Governance Statement describes PEXA's corporate governance framework, policies and practices and reflects PEXA's commitment to maintaining and promoting high standards of corporate governance.

PEXA maintains a Corporate Governance section on the Company website, making available the governance policies, Code of Conduct and the Board and Committee charters referred to in this Statement. These documents are located in the Investor Centre and can be accessed at the Company's online Policies Hub.

The Annual Report is available on the Company's online Investor Centre.

This statement is current as at 21 August 2024 and has been approved by the Board.

Governance at PEXA

Directors

The directors of the PEXA Board are set out below.

Director	Position and independence	Length of service
Glenn King	Managing Director and Chief Executive Officer	3 December 2019 – present
Mark Joiner	Chairperson and Independent Non-Executive Director	3 May 2021 – present
Melanie Willis	Independent Non-Executive Director	11 June 2021 – present
Paul Rickard	Non-Executive Director	11 June 2021 – present
Vivek Bhatia	Independent Non-Executive Director	11 June 2021 – present
Helen Silver AO	Independent Non-Executive Director	10 May 2022 – present
Jeffrey Smith	Independent Non-Executive Director	5 July 2023 – present
Dr Kirstin Ferguson AM (former Director)	Independent Non-Executive Director	11 June 2021 – 1 March 2024

Chairperson

Mark Joiner became the Company's Chairperson on 3 May 2021. He is an independent director and devotes significant time to his role as chairperson. The Board Charter describes his responsibilities including leadership of the Board, promoting a constructive governance culture, setting standards of conduct, and applying appropriate governance principles.

Remuneration, Nomination and People Committee

The Remuneration, Nomination and People Committee consists solely of Non-Executive Directors, all of whom are independent directors. The membership and key responsibilities are set out below.

Membership	Key Responsibilities
Helen Silver AO (Chair) Mark Joiner Melanie Willis Jeffrey Smith	• Advise and make recommendations to the Board on: – the composition of the Board and its committees and the selection and appointment of directors to the Board and its committees; – succession plans for the Board and ensuring that there are plans in place to manage the succession of senior executives; – ongoing evaluation of the performance of the Board, its committees and directors; • Assist the Board with the oversight of a human resources strategy and supporting policies and practices for the Company's employees and directors, and monitoring the implementation and effectiveness of the strategy, policies and practices; and • Assist the Board with the oversight of remuneration policies and practices for the Company's employees and directors and monitoring the implementation and effectiveness of the policies and practices.

The Company has reported the number of times the Remuneration, Nomination and People Committee met and the individual attendances of members at those meetings in its Annual Report which is available on the Company's website.

Audit and Risk Committee

The Audit and Risk Committee consists solely of Non-Executive Directors, a majority of whom are independent directors. The membership and key responsibilities are set out below.

Membership	Key Responsibilities
Melanie Willis (Chair) Paul Rickard Mark Joiner Helen Silver AO	• Assist the Board with: – overseeing, reviewing and supervising the Company's risk management framework and promoting a risk management culture; – discharging the Board's responsibilities relating to the financial reporting process, the system of internal control relating to all matters affecting the Company's financial performance, and the audit process; – the effectiveness and independence of the Company's external audit processes including appointment and removal of the external auditor and approval of the annual external audit plan; and the Company's internal audit processes including approval of the annual internal audit plan; – monitoring compliance with laws and regulations, and Board policies; – adopting and applying appropriate ethical standards in relation to the management of the Company and the conduct of the Company's business; and – reviewing the adequacy of the Company's insurance policies.

The Company has reported the number of times the Audit and Risk Committee met and the individual attendances of members at those meetings in its Annual Report which is available on the Company's website.

Technology and Operations Committee

The Technology and Operations Committee consists solely of Non-Executive Directors, a majority of whom are independent directors. The membership and key responsibilities are set out below.

Membership	Key responsibilities
Jeffrey Smith (Chair) Vivek Bhatia Paul Rickard Mark Joiner	Advise and make recommendations to the Board on: • the Group's technology strategy (including platform, data and emerging trends); • the Group's technology operating model (including workforce planning and management of technology partners); • the Group's technology delivery and performance; • the Group's strategies for mitigating and managing technology risks.

The Company has reported the number of times the Technology and Operations Committee met and the individual attendances of members at those meetings in its Annual Report which is available on the Company's website.

Company Secretary

The Company Secretary is James Orr. The Company Secretary reports directly to the Chair of the Board on matters related to the proper functioning of the Board. The role of the Company Secretary is outlined in the Board Charter. Each director has direct access to the Company Secretary.

Principle 1: Lay solid foundations for management and oversight

Role of the Board

The Board is accountable to shareholders for the performance of the Company. The respective roles and responsibilities of the Board and management are defined in the Board Charter, a copy of which is available on the Company's website.

The Board's role includes providing leadership and guiding the Company's strategic direction, driving its performance and overseeing the activities of management and the operations of the Company. A key part of the Board's responsibilities is to implement and oversee an effective corporate governance structure for the Company.

There is a clear delineation between the Board's responsibility for the Company's strategy and activities, and the day- to-day management of operations conferred upon officers of the Company. In accordance with the Board Charter, the Board delegates to the Group Managing Director and Chief Executive Officer (Group MD & CEO) authority to manage the Company and its business within the limits of authority specified by the Board from time to time. The Group MD & CEO has delegated certain aspects of his authority and power to senior executives, however the Group MD & CEO remains accountable to the Board for the day-to-day management of the Company.

Director appointment

The process for selection, appointment, and re-appointment of directors is detailed in the Remuneration, Nomination and People Committee Charter, a copy of which is available on the Company's website.

The Remuneration, Nomination and People Committee is responsible for making recommendations to the Board on the process for recruiting a new director, including evaluating the balance of skills, knowledge, diversity and experience of the Board and, in light of the evaluation, to determine the role and capabilities required for appointment.

The Company undertakes appropriate checks before appointing a person, or putting forward to shareholders a candidate for election, as a director and before appointing senior executives. Such checks include in respect of the candidate's character, experience, education, absence of criminal record and bankruptcy history. Search firms are engaged from time to time to assist in identifying appropriate candidates for consideration by the Remuneration, Nomination and People Committee.

The Company will provide all material information in its possession that is relevant to a decision on whether to elect or re-elect a director.

The Company has a written agreement with each director setting out the terms of their appointment.

Board review

Pursuant to the Board Charter, the Board is required to, at least annually, review and evaluate the performance of the Board, its Committees, and individual directors against the relevant charters, corporate governance policies, and agreed goals and objectives. Following each review and evaluation, the Board is required to consider how to address any issues raised.

An internal review of the Board and Committees was conducted during 2023 (and will be conducted in August 2024) using a confidential performance evaluation questionnaire completed by directors and usual management attendees at Board and Committee meetings. Informal review mechanisms, such as discussions with the Chairperson and meeting feedback, are also used throughout the year. The performance of individual Non-Executive Directors was completed via confidential discussions with the Chairperson. Regular informal discussions take place between individual directors and the Chairperson.

Senior executive appointments and reviews

The Company has a written agreement with each executive setting out the terms of their appointment. Prior to the appointment of a new executive, the Company carries out appropriate reference checks in respect of the candidate's character, experience, education, criminal history and bankruptcy history.

At the start of each financial year, key performance indicators (KPIs) for the Group MD & CEO and executive Key Management Personnel (KMP) are reviewed and recommended to the Board by the Remuneration, Nomination and People Committee. The KPIs for non-KMP senior executives flow from the KPIs set for the Group MD & CEO. At the end of each financial year, the performance of the Group MD & CEO and senior executives (including KMP) is assessed against the KPIs set by the Remuneration, Nomination and People Committee and approved by the Board.

The Board is responsible for reviewing, at least annually, the performance of its senior executives against agreed goals and objectives. A performance evaluation was undertaken in accordance with this process for the reporting period.

Further details are set out in the Remuneration Report which is available on the Company's website.

Diversity

PEXA is committed to creating a safe and inclusive workplace where everyone feels valued, has a sense of belonging, and can contribute in a meaningful way to PEXA.

A copy of the Diversity and Inclusion Policy is available on the Company's website.

The Company's Diversity and Inclusion Policy requires the Board to measure the effectiveness of policies that have been established to assist the Company in achieving gender diversity in the composition of its Board, senior executives and workforce generally, and provides for delegation to the Remuneration, Nomination and People Committee to review the Company's progress in meeting these objectives.

The diversity objectives adopted for the FY24 reporting period and the progress towards those objectives is set out below.

Diversity objective	Progress
At least 30% female directors on the Board	29% of directors on the PEXA Board are female
At least 40% female senior executives[1]	40% of senior executives are female
At least 40% female workforce	56% of the PEXA workforce are female

1. Senior executive is defined as an executive that is a direct report of the Group MD & CEO.

Further information regarding the Company's approach to diversity is included in the Annual Report which is available on the Company's website.

Principle 2: Structure the Board to be effective and add value

Board skills and experience

The Company's Remuneration, Nomination and People Committee is responsible for regularly evaluating the balance of skills, knowledge and experience on the Board to ensure that the Board can discharge its duties and responsibilities effectively and to identify any gaps in the skills or experience of the Board.

Board skills assessment

Directors have participated in a self-assessment of their skills relevant to the Board with the results set out in the matrix below. This sets out the skills and experience considered essential to the effectiveness of the Board and its committees.

A director is considered to have a 'primary skill' if they have expert or advanced skills in a particular area. A director is considered to have a 'secondary skill' if they have broad and general knowledge in a particular area.

The Board has disclosed both primary and secondary skills in this year's Corporate Governance Statement to provide shareholders with greater visibility of the skills of directors on the PEXA Board.

	Directors with primary skills	Directors with secondary skills
The property industry	3 (43%)	4 (57%)
Understanding customer needs and requirements	6 (86%)	–
CEO and leadership oversight	7 (100%)	–
Talent, remuneration and culture	7 (100%)	–
International business experience	5 (71%)	2 (29%)
Digital and transformation	6 (86%)	1 (14%)
Strategy and planning	7(100%)	–
Change and major project delivery	6 (86%)	1 (14%)
Accounting and financial reporting	3 (43%)	4 (57%)
Corporate finance	6 (86%)	1 (14%)
Listed company corporate governance	5 (71%)	2 (29%)
Risk management	6 (86%)	1 (14%)
Government and regulatory relations	5 (71%)	1 (14%)
Health and safety	5 (71%)	2 (29%)
Technology and data	5 (71%)	2 (29%)
Sustainability	6 (86%)	1 (14%)
Brand and marketing	5 (71%)	2 (29%)

Induction and continuing education

The Company's Remuneration, Nomination and People Committee is responsible for establishing and facilitating an induction program for new directors. Directors undertake a Board and Committee induction program, covering details of PEXA's policies, operations and environment in which it operates. This includes meetings with management and with the Company's auditor (if requested) and background reading materials. It is recognised that not all inductions will be the same and will depend on the experience and role of the new director.

The Company's Remuneration, Nomination and People Committee is also responsible for continuing education of directors for the purpose of updating and maintaining their skills and knowledge to perform their roles effectively.

Directors are provided with briefings on material developments in laws, regulations and material accounting standards and 'deep dive' sessions in relation to key risks. Refresher training is also provided in relation to key areas, such as continuous disclosure.

Director independence

A majority of the Board is comprised of independent directors. The Board considers that each of Mark Joiner, Melanie Willis, Helen Silver AO, Jeffrey Smith and Vivek Bhatia are independent directors under ASX corporate governance independence guidelines.

The Board notes that Vivek Bhatia is the Chief Executive Officer and Managing Director of MUFG Pension and Market Services (formerly Link Group) and was initially appointed to the Board as a Link Group nominee director. As Link Group ceased to be a substantial shareholder of the Company in January 2023, and Mr Bhatia now serves as a director on the invitation of the Board, the Board is of the opinion that Mr Bhatia meets the requirements for being an "independent" director.

The following directors are not considered by the Board to be independent directors under ASX corporate governance independence guidelines:

- Group MD & CEO, Glenn King, because of his executive role in the Company.
- Paul Rickard on the basis that he is a nominee director of a major shareholder of the Company (Commonwealth Bank of Australia - CBA).

Director independence is assessed upon each director's appointment as well as annually. Directors are required to attest to independence on an annual basis. Directors are also required to disclose all actual or potential conflicts of interest on an ongoing basis.

The length of service of each director on the Board is set out on page 84 of this report.

Principle 3: Instil a culture of acting lawfully, ethically and responsibly

Values

The Company discloses its values in its Annual Report.

Code of conduct and ethics

The Company has adopted a Code of Conduct and Ethics, which applies to all directors, senior executives, employees, contractors and representatives of the Company and is available on the Company's website.

If there are any material breaches of the Code of Conduct and Ethics, such breaches are brought to the attention of the Board or relevant Board Committee.

Whistleblower Policy

The Company has adopted a Whistleblower Protection Policy. A copy of the Whistleblower Protection Policy is available on the Company's website.

If there are any material incidents reported under the Whistleblower Protection Policy, such incidents are brought to the attention of the Board or relevant Board Committee.

Anti-bribery and Corruption Policy

The Company has adopted an Anti-bribery and Corruption Policy, which applies to all directors, senior executives, employees, contractors and representatives of the Company. A copy of the Anti-bribery and Corruption Policy is available on the Company's website.

If there are any material breaches of the Anti-bribery and Corruption Policy, such breaches are brought to the attention of the Board or relevant Board Committee.

Principle 4: Safeguard the integrity of corporate reports

Audit and Risk Committee

The Company has established a combined Audit and Risk Committee to oversee the management of financial and enterprise risks. The Audit and Risk Committee is governed by the Audit and Risk Committee Charter, which is available on the Company's website.

The audit-related responsibilities of the Audit and Risk Committee include the following:

- Review the Company's financial reporting disclosure processes and monitor the adequacy of those processes;
- Review the half year and full year financial statements and associated ASX announcements on the Company's financial results and consider whether they are complete, consistent with information known to the Committee, reflect appropriate accounting policies and principles and otherwise provide a true and fair view of the financial position and performance of the Company;
- Receive and consider in connection with the Company's half year and full year financial statements letters of representation to the Board in respect of financial reporting and the adequacy and effectiveness of the Company's risk management, internal compliance and control systems and the process and evidence adopted to satisfy those conclusions;
- Review the financial sections of the Company's Annual Report and related regulatory filings before release and consider the accuracy and completeness of the information; and
- Review with management and the external auditors the results of the audit.

All Audit and Risk Committee members are literate in financial and risk matters and have a deep understanding of the business in which the Company operates, to enable them to discharge the Audit and Risk Committee's mandate effectively. Several members have accounting, risk and/or financial expertise.

The Company has disclosed the relevant qualifications and experience of the members of the Audit and Risk Committee in its Annual Report.

CEO and CFO certification of financial statements

For the FY24 annual and half year financial reports, the Board received assurance from the Group MD & CEO and Group Chief Financial Officer that:

- The financial records of PEXA have been properly maintained;
- The financial statements and notes required by accounting standards for external reporting:
  - Give a true and fair view of PEXA's financial position and performance; and
  - Comply with the accounting standards and any further requirements in the Corporations Regulations; and
- The above representations are based on a sound system of risk management and internal control and the system is operating effectively in all material respects in relation to financial reporting risks.

Verification of periodic corporate reports

In all circumstances, including where PEXA's auditor is required to review or audit periodic corporate reports, PEXA conducts internal review and verification processes to ensure that the information contained in these documents is accurate, balanced and provides investors with appropriate information to make informed decisions about PEXA.

The information contained in these documents is reviewed and verified by relevant functional subject matter experts, internal audit (if applicable) and the relevant member of senior management prior to release to the market.

Principle 5: Make timely and balanced disclosure

Continuous Disclosure Policy

The Company's Continuous Disclosure Policy is available on the Company's website. The policy sets out the approvals process to facilitate compliance with the immediacy requirements in ASX Listing Rule 3.1.

The Company Secretary is responsible for communications with the ASX for the purposes of Listing Rule 12.6.

The Company Secretary ensures that each director receives a copy of all material market announcements either prior to, or promptly after, they have been made.

Investor and analyst presentations

The Company's Continuous Disclosure Policy provides that a copy of any new and substantive investor or analyst presentation materials will be released to the ASX Market Announcements Platform ahead of the presentation.

Principle 6: Respect the rights of security holders

Investor website

Investors have access to information about the Company and its governance on the Company's website. The website includes the following details:

- names, photographs and brief biographical information for each of its directors and senior executives;
- copies of the Company's Constitution, Board and Committee Charters;
- a statement of the Company's values; and
- key corporate governance policies.

The Company also posts its Annual Report and all other ASX releases (including notices of meeting, presentations and analyst and media briefings) on its website.

Investor relations program

The Company has implemented an investor relations program to facilitate effective two-way communication with our shareholders and prospective investors. Some of the specific initiatives in place include:

- ensuring that new and substantive investor or analyst presentations are released to the ASX ahead of those presentations;
- web-casting our Annual General Meeting;
- one-on-one and small group meetings when requested and in compliance with appropriate governance standards; and responding to investor queries in a timely manner.

Participation at meetings of security holders

The Company has adopted a Shareholder Communications Policy which sets out how the Company facilitates and encourages participation at meetings of security holders, a copy of which is available on the Company's website.

All shareholders are invited to attend the Company's annual general meetings either in person, virtually or by representative. Shareholders also have an opportunity to submit questions to the Board or the Company's external auditor.

The Company seeks to utilise numerous modes of communication, including electronic communication, to facilitate and encourage participation at meetings of security holders.

The Company will ensure a poll is used for the determination of resolutions at a meeting of security holders.

Electronic communication with security holders

Shareholders are encouraged to elect to receive all communications electronically. Shareholders who wish to receive electronic communications can update their communication preferences by following the steps set out in the "Investor Centre" section of the Company's website at www.pexa-group.com/investor-centre/share-registrar/.

Principle 7: Recognise and manage risk

Risk management

The Audit and Risk Committee oversees the management of risks.

The risk-related responsibilities of the Audit and Risk Committee include:

- Consider the Company's overall risk management framework, risk appetite and risk profile, regularly review its effectiveness in meeting sound corporate governance principles and keep the Board informed of all significant business risks;
- Advise the Board if the Company is operating outside of its approved risk appetite, including the circumstances involved;
- Review with management the adequacy of the Company's processes and systems for identifying, assessing, monitoring and managing the key financial and non-financial risks and emerging risks to the Company in accordance with the Company's Risk Management Policy;
- Review, in accordance with the Company's Risk Management Policy, any incident involving:
  - internal fraud
  - external fraud resulting from a material or significant break down of the Company's internal controls; or
  - any other material or significant break down of the Company's internal controls; and
- Review any material or significant incident involving any break-down of the Company's risk management processes.

The Company regularly evaluates the effectiveness of its risk management framework to ensure that its internal control systems and processes are monitored and updated on an ongoing basis. The Company's risk management framework was reviewed during the reporting period, which included refining the risk appetite statement and key performance indicators.

Internal audit

The Audit and Risk Committee is responsible for monitoring the internal audit function in accordance with the Company's Risk and Compliance Obligations Management Policy. The Company engages an external provider to provide internal audit services to the Company. The key role of the internal auditor is to provide independent and objective assurance on the adequacy and effectiveness of risk management control and governance processes. The internal auditor briefs the Audit and Risk committee on internal audit activities. Discussions are also scheduled between the Audit and Risk Committee and the internal auditor in the absence of management.

Environmental and social risks

The Audit and Risk Committee is responsible for reviewing whether the Company has any material exposure to any environmental or social risks and if so, to oversee any strategies to mitigate those risks. The Company does not have any material exposure to environmental and social risks.

Further information about PEXA's environment, social and governance initiatives is available in the Annual Report and ESG Report.

Principle 8: Remunerate fairly and responsibly

Remuneration

The Remuneration, Nomination and People Committee is responsible for making recommendations to the Board in relation to the Company's policies and practices regarding the remuneration of Non-Executive Directors and the remuneration of Executive Directors and other senior executives.

Details about the Company's remuneration strategy and policies and practices are set out in the Remuneration Report. The remuneration of Non-Executive Directors is fixed and reflective of the role that the Director serves on the Board and Committees. Non-Executive Directors do not participate in any incentive plans and do not receive retirement benefits other than superannuation.

PEXA's Remuneration Report is included in the Annual Report which is available on the Company's website.

Securities Trading Policy

PEXA's Securities Trading Policy sets out the rules that restrict dealings in the Company's shares and is designed to help prevent employees from contravening laws on insider trading. Under the Policy, and as required by law, all Directors and employees are prohibited from trading in the Company's shares at any time if they are aware of any market sensitive information that has not been made public. Trading is only permitted during specified times throughout the year and provided that the employee has received clearance from the relevant authorised officer.

All Company share dealings by Directors are notified to the ASX within the required time. The Policy also specifically prohibits entry into transactions in associated products that limit the economic risk of participating in unvested entitlements under any equity-based remuneration schemes.

A copy of the Securities Trading Policy is available on the Company's website. Recommendations 9.1, 9.2 and 9.3 do not apply to the Company.

Building a better working world

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Auditor's independence declaration to the directors of PEXA Group Limited

As lead auditor for the audit of the financial report of PEXA Group Limited for the financial year ended 30 June 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 audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

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

Ernst & Young

Ernst & Young

J Dawkins

Jodi Dawkins
Partner
21 August 2024

FINANCIAL STATEMENTS

For the year ended 30 June 2024

Contents

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2024	Note	2024 $'000	2023 $'000
Revenue	4	340,057	281,688
Cost of sales		(50,274)	(34,767)
Gross profit		289,783	246,921
Product management	4	(26,644)	(26,877)
Sales and marketing	4	(16,853)	(13,107)
Operations	4	(62,273)	(45,984)
General and administrative	4	(95,233)	(84,849)
Depreciation and amortisation	4	(88,044)	(74,981)
Amortisation of debt raising transaction costs		(1,418)	(755)
Depreciation of right of use assets	4	(2,410)	(1,808)
Unrealised foreign exchange gain		674	3,719
Share of loss after tax from investments in associates	16	(1,787)	(1,304)
Impairment / write-off of intangibles	13	(3,988)	-
Gain on sale of assets		42	-
Fair value adjustment to other liabilities	23	644	-
(Loss)/Profit before interest and tax		(7,507)	975
Interest income		20,022	10,083
Interest expense on loans and borrowings		(20,846)	(13,821)
Finance costs associated with leases	14	(449)	(401)
(Loss) before income tax		(8,780)	(3,164)
Income tax expense	7	(9,232)	(18,676)
(Loss) after income tax		(18,012)	(21,840)
Other comprehensive income			
Items that may be reclassified to profit or loss in future periods			
Exchange differences on translation of foreign operations, net of tax	25	(259)	(1,649)
Total comprehensive (loss)		(18,271)	(23,489)
Basic earnings per share (cents)	26	(10.15)	(12.32)
Diluted earnings per share (cents)	26	(10.15)	(12.32)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

30 June 2023 has been restated refer Note 2.a.iii.

Consolidated Statement of Financial Position

As at 30 June 2024	Note	2024 $'000	2023 $'000
ASSETS			
Current Assets			
Cash and cash equivalents	8	90,461	36,539
Trade and other receivables	9	11,818	5,701
Prepayments and other assets	10	13,534	12,846
Other financial assets	11	31,784	27,249
Total Current Assets		147,597	82,335
Non-Current Assets			
Prepayments	10	1,937	2,995
Property, plant and equipment	12	3,817	3,204
Intangible assets	13	1,583,150	1,550,891
Right-of-use assets	14	9,378	6,042
Other financial assets	15	1,478	2,807
Investments in associates	16	31,900	29,353
Deferred tax assets	7	1,243	5,585
Total Non-Current Assets		1,632,903	1,600,877
Total Assets		1,780,500	1,683,212
LIABILITIES			
Current Liabilities			
Trade and other payables	17	88,514	59,402
Contract liabilities	18	5,492	3,840
Provisions	19	7,811	7,862
Lease liabilities	14	2,720	2,004
Total Current Liabilities		104,537	73,108
Non-Current Liabilities			
Provisions and liabilities	20	1,146	728
Interest-bearing loans and borrowings	21	364,533	298,743
Lease liabilities	14	7,829	5,620
Other financial liabilities	23	3,180	3,000
Deferred tax liabilities	7	72,144	60,065
Total Non-Current Liabilities		448,832	368,156
Total Liabilities		553,369	441,264
Net Assets		1,227,131	1,241,948
EQUITY			
Contributed equity	24	1,270,975	1,267,600
Reserves	25	1,885	2,064
Accumulated losses		(45,729)	(27,716)
Total Equity		1,227,131	1,241,948

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2024	Note	Contributed Equity $'000	Share Based Payments Reserve $'000	Foreign Currency Translation Reserve $'000	Accumulated Losses $'000	Total $'000
As at 1 July 2022		1,268,362	8,308	175	(12,144)	1,264,701
(Loss) for the year		-	-	-	(21,840)	(21,840)
Exchange differences on translation of foreign operations	25	-	-	(1,649)	1	(1,648)
Transfer MEP Share Reserve	25	-	(6,267)	-	6,267	-
Transactions with owners in their capacity as owners:						
PEXA shares acquired on market for Equity plans	24	(1,063)	-	-	-	(1,063)
PEXA shares issued in relation to Equity plans	24	301	-	-	-	301
Share based payment expense	25	-	1,497	-	-	1,497
As at 30 June 2023		1,267,600	3,538	(1,474)	(27,716)	1,241,948
As at 1 July 2023		1,267,600	3,538	(1,474)	(27,716)	1,241,948
(Loss) for the year		-	-	-	(18,012)	(18,012)
Exchange differences on translation of foreign operations	25	-	-	(259)	(1)	(260)
Transactions with owners in their capacity as owners:						
Transferred between Equity Reserves	25	3,121	(3,121)	-	-	-
Issued shares	24	254	-	-	-	254
Share based payment expense	25	-	3,201	-	-	3,201
As at 30 June 2024		1,270,975	3,618	(1,733)	(45,729)	1,227,131

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 30 June 2024	Note	2024 $'000	2023 $'000
Cash from operating activities:			
Receipts from customers (inclusive of GST/VAT)		375,919	309,821
Interest received		18,943	10,083
Payments to suppliers and employees (inclusive of GST/VAT)		(265,855)	(222,449)
Interest paid on loans/lease liabilities		(20,927)	(14,222)
Income tax received		1,864	-
Net cash flows from operating activities	8	109,944	83,233
Cash flows from investing activities:			
Development of intangible assets	13	(67,283)	(65,080)
Purchase of property, plant and equipment	12	(1,565)	(2,265)
Investments in associates		(3,256)	(1,015)
Sale of / (Investment in) other non-current financial assets		250	(1,978)
Payments for acquisition of subsidiaries, net of cash acquired	6	(45,607)	(41,857)
Acquisition of Value Australia intangible assets		-	(7,268)
Net cash flows (used in) investing activities		(117,461)	(119,463)
Cash flows from financing activities:			
Proceeds from borrowings		437,400	-
Repayment of borrowings		(370,000)	-
Borrowing costs		(3,028)	(1,063)
Payment of principal portion of lease liabilities	14	(2,569)	(1,883)
Net cash flows from/(used in) financing activities		61,803	(2,946)
Net increase/(decrease) in cash and cash equivalents held		54,286	(39,176)
Effects of exchange rate changes on cash held in foreign currencies		(364)	324
Cash and cash equivalents at 1 July		36,539	75,391
Cash and cash equivalents at 30 June	8	90,461	36,539

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

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Corporate information

Reporting entity

The consolidated financial statements (the financial statements) comprise that of PEXA Group Limited and its subsidiaries (the Group) for the year ended 30 June 2024. It was authorised for issue in accordance with a resolution of the Directors on 21 August 2024. The Directors have the power to amend and reissue the financial statements.

Note 2. Summary of significant accounting policies

a. Basis of preparation and statement of compliance

i. Statement of compliance

This financial report is a general-purpose financial report for a 'for-profit' entity, which has been prepared in accordance with Australian Accounting Standards, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The financial statements also comply with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The financial statements have been prepared on a historical cost basis. The financial statements are presented in Australian Dollars.

ii. Rounding

Amounts within this report have been rounded to the nearest $1,000 (unless otherwise stated) under the option available to the Group under ASIC Corporations Instrument 2016/191.

iii. Change in presentation

Subsequent to the acquisition of Smoove in December 2023, and the further development of its various operations, the Group reviewed the presentation of the Statement of Comprehensive Income in line with AASB 101 *Presentation of Accounting Standards*. To further assist the users of these accounts, the previous Product Development category has been replaced by a Product Management category, and an Operations category has been added within the face of the Consolidated Statement of Comprehensive Income.

Product management represents costs to manage products, as well as development costs which don't meet the criteria for capitalisation of an intangible asset.

Sales and marketing represents business development and customer management related costs, including marketing and related travel costs.

Operations represents costs to run the Group's businesses, such as call centres, processing centres, as well as technology run costs.

General and administrative represents back office costs, as well as non-operating expenditure and public company costs.

The impact of these changes on the comparative 30 June 2023 statement of comprehensive income are represented in the Reclassification column in the table below.

For the full year ended 30 June 2023	30 June 2023 $'000	Reclassification $'000	Reclassified 30 June 2023 $'000
Revenue	281,688	-	281,688
Cost of sales	(34,767)	-	(34,767)
Gross profit	246,921	-	246,921
Product management[1]	(50,604)	23,727	(26,877)
Sales and marketing	(44,028)	30,921	(13,107)
Operations	-	(45,984)	(45,984)
General and administrative	(76,185)	(8,664)	(84,849)
Depreciation and amortisation	(74,981)	-	(74,981)
Amortisation of debt raising transaction costs	(755)	-	(755)
Depreciation of right of use assets	(1,808)	-	(1,808)
Unrealised foreign exchange (loss)	3,719	-	3,719
Share of loss after tax from investments in associates	(1,304)	-	(1,304)
Profit before interest and tax	975	-	975
Interest income	10,083	-	10,083
Interest expense on loans and borrowings	(13,821)	-	(13,821)
Finance costs associated with leases	(401)	-	(401)
(Loss) before income tax	(3,164)	-	(3,164)
Income tax expense	(18,676)	-	(18,676)
(Loss) after income tax	(21,840)	-	(21,840)
Other comprehensive income			
Items that may be reclassified to profit or loss in future periods			
Exchange differences on translation of foreign operations, net of tax	(1,649)	-	(1,649)
Total comprehensive (loss)	(23,489)	-	(23,489)
Basic earnings per share (cents)	(12.23)	-	(12.23)
Diluted earnings per share (cents)	(12.23)	-	(12.23)

1. Product management was previously named product development.

b. Going concern

The financial statements have been prepared on the basis that the Group is a going concern, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Directors consider that the basis of going concern is appropriate and the Group will continue to meet its ongoing obligations.

c. New accounting standards and interpretations

i. Adoption of new accounting standards and amendments effective this year

The adoption of these new accounting standards and amendments did not have a material impact on the Group's financial statements:

- Disclosure of Accounting Policies and Accounting Estimates – Amendments to AASB 7 *Financial Instruments: Disclosure*, AASB 101 *Presentation of Accounting Standards*, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors , AASB 134 *Interim Financial Reporting* and AASB Practice Statement 2
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to AASB 112 *Income Taxes*
- Classification of Liabilities as Current or Non-current – Amendments to AASB 101 *Presentation of Accounting Standards*

ii. Other standards issued but not yet effective and not early adopted by the Group

- Non-current Liabilities with Covenants – Amendments to AASB 101 *Presentation of Accounting Standards*

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to AASB 10 *Consolidated Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures*
- *Presentation and Disclosure in Financial Statements* – AASB 18

The Group has considered and continues to assess the impact of these and other accounting standards, amendments and interpretations that have been issued and will be applicable in future periods.

iii. IFRIC agenda decisions published from 1 July 2023 to 30 June 2024

The adoption of these IFRIC publications did not have a material impact on the Group's financial statements:

- Payments contingent on Continued Employment during handover periods – IFRS 3 *Business Combinations*
- Climate related commitments – IAS 37 *Provisions, Contingent Liabilities and Contingent Assets.*

d. Basis of consolidation

The consolidated financial statements comprise the financial statements of PEXA Group Limited and its subsidiaries as at 30 June 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it de-recognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

e. Comparative figures

Where applicable, comparative amounts have been adjusted to conform to changes in presentation in the current financial year. Where applicable, presentation or classification of items in the financial statements has been amended, comparative figures have been reclassified unless reclassification is impractical.

f. Revenue and income

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

i. Property settlement transaction (PST) revenue

The Group currently generates the majority of its revenue from PST fees collected from subscribers for electronic conveyancing transactions completed via PEXA's ELN in Australia. The Group recognises revenue on the day of successful financial settlement and title lodgement of an electronic conveyancing transaction. It is only at this point that the performance obligation to provide the electronic conveyancing network is satisfied and PEXA is entitled to collect PST fees. PST fees are collected as a disbursement of settlement funds at the time of settlement or via direct debit when the electronic conveyancing transaction does not include financial settlement. Direct debits are processed on the evening of the day of lodgement.

PEXA groups its PST fees into three categories:

- Transfer lodgements: dealings connected to the transfer of a property title or sales transfer, and any associated discharges and mortgages in conjunction with the property transfer and other ownership transfers such as inheritance and family law matters.
- Refinancing/remortgage lodgements: dealings connected to the refinance of a debt facility secured by a mortgage, but which are not connected to a sales transfer and involve a discharge of an existing mortgage replaced by a new mortgage.
- Other lodgements: other dealings lodged, either alone or together, but which are not connected to a transfer lodgement or a refinance lodgement (such as a standalone discharge of mortgage lodged after a loan has been wholly repaid), a standalone mortgage lodged after a new loan is advanced, caveat-related dealings, death-related dealings, and lease-related dealings.

ii. Conveyancing and related revenue

The Group's UK subsidiaries generate conveyancing and conveyancing related revenue including conveyancing services on sale and purchase transactions and remortgages, income on referrals, related search and identification verification fees, provision of advisory services and other related legal services.

Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

The Group recognises revenue when a successful sale and purchase transaction or remortgage, or related service, is completed. It is only at this point in time when the performance obligation is met and all of the following conditions are satisfied:

- the amount of revenue can be measured reliably,
- it is probable that the Group will receive the consideration due under the contract, and
- the costs incurred and the costs to complete the contract can be measured reliably.

The portion of the fee that the Group receives for the referral of a conveyancing transaction that is remitted to third parties is recognised as a cost of sale. This is due to the Group bearing most of the credit risk, delivering the service and setting the pricing.

iii. Subscription revenue

The Group also recognises revenue from the sale of subscription services.

Subscription services revenue primarily consists of fees from business customers that subscribe to tools that give them access to digital platforms and data.

These revenues are recognised over time as they are delivered and consumed concurrently over the contractual term, beginning on the date the service is made available to the customer. Accordingly, subscription revenue is recognised evenly over the subscription period.

Customers are generally invoiced in advance for subscription contracts.

Subscription revenue received in advance is recognised over the life of the contract. Revenue not yet recognised in the Consolidated Statement of Comprehensive Income under this policy is classified as contract liabilities in the Consolidated Balance Sheet.

iv. Other product revenues

The Group has other revenue streams such as professional / consulting services, transactional sales (eg: sale of information reports and data) and foreign exchange commissions.

The Group recognises this revenue on successful completion of the service / transaction. It is only at this point in time when the performance obligation is meet and all of the following conditions are satisfied:

- the amount of revenue can be measured reliably,
- it is probable that the Group will receive the consideration due under the sale agreement, and
- the costs incurred and the costs to complete the contract can be measured reliably.

v. Interest income

Interest income is recognised as interest accrues using the effective interest method on the Group's cash and cash equivalents and on off balance sheet trust accounts in Australia and the UK (that are not recognised in the Consolidated Statement of Financial Position), as the Group has a contractual right to any interest earned on monies in those trust accounts.

g. Cost of sales

Australian cost of sales primarily relate to fees paid to state land registries for property information relating to settlements. The Group incurs these expenses on a per lodgement basis in advance of when a transaction completes. Costs associated with open transactions at year end are recorded in the Consolidated Statement of Financial Position as an asset and recognised as an expense when the transaction completes.

Other Australian subsidiaries cost of sales primarily relate to the acquisition of data and research information.

UK subsidiaries cost of sales primarily relate to payments to consultant conveyancers and third party service providers associated with the completion of conveyancing cases, payments to providers of consultant compliance services and referral fees to introducers of conveyancing cases and data providers.

h. Software as a Service (SaaS) arrangements

When the Group enters into a SaaS arrangement, the Group evaluates whether the SaaS arrangement provides a resource that it can control.

Generally, costs incurred to configure or customise SaaS arrangements are expensed when the supplier provides the services. However, if the Group has the power to obtain future economic benefits flowing from the use of an underlying resource and can restrict the access of others to those benefits, then any costs incurred to configure or customise SaaS arrangements are recognised as a separate intangible software asset and amortised over the useful life of the software on a straight-line basis.

i. Employee benefits and provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the provisions are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the obligation arises, the liability is discounted to present value based on management's best estimate of the timing of settlement and the expenditure required to settle the liability at the reporting date.

The discount rates used to determine the present value of employee-related provisions are determined by reference to market yields at the end of the reporting period attaching to high-quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows of the related liability.

j. Research and development costs

Costs incurred on internal projects that do not meet the criteria outlined in Note 2(p)(i) for recognition as an internally generated intangible asset (development costs) are recognised as an expense in profit or loss, within product management costs on the face of the statement of comprehensive income.

k. Share-based payment and cash incentive plans

Certain employees of the Group receive remuneration in the form of share-based payments or cash incentives, whereby employees render services as consideration for equity instruments (equity settled transactions) or cash incentives.

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the relevant equity grant is made using an appropriate valuation model often with the assistance of external experts. Further details are contained in Note 25.

That cost is recognised in employee benefits expense, together with a corresponding increase in equity (share-based payments reserve), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the Consolidated Statement of Comprehensive Income for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood and probability of these conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/ or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original terms of the award are met. An additional expense, measured as at the date of modification, is recognised for the increase in fair value over the original grant date fair value.

Where an award is cancelled by the entity or by the counter-party, any remaining element of the fair value of the award is expensed immediately through profit or loss.

l. Impairment of non-financial assets

Non-financial assets, other than goodwill and indefinite life intangibles which are tested for indicators of impairment annually, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The Group conducts an annual internal review of asset values, which is used as a source of information to assess for any indicators of impairment. External factors, such as changes in expected future processes, technology and economic conditions are also monitored to assess for indicators of impairment. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of its value in use and the asset's fair value less costs to sell. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Non-financial assets other than goodwill that suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

m. Income tax and other taxes

i. Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the Consolidated Statement of Comprehensive Income.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- When the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that sufficient taxable temporary differences exist relating to the same taxation authority and the same taxable entity which are expected to reverse or it is probable (probable is considered as more likely than not) that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- When the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Where there is uncertainty as to the tax treatment of a particular item by tax authorities, the Group considers whether it is probable that the taxation authority will accept the uncertain tax treatment. If the Group concludes that the position is not probable of being accepted, the effect of the uncertainty is measured based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty. If the Group concludes that the position is probable of being accepted, the Group reflects amounts consistently with the treatment used or planned to be used in its income tax filings.

ii. Other taxes

Revenues, expenses and assets are recognised net of the amount of Goods and Services Taxes (GST) (in Australia) or Value Added Tax (VAT) in the UK except:

- when the GST/VAT incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST/VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST/VAT included.

The net amount of GST/VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Consolidated Statement of Financial Position.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis and the GST/VAT component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST/VAT recoverable from, or payable to, the taxation authority.

n. Cash and short-term deposits

Cash and cash equivalents in the Consolidated Statement of Financial Position comprise cash at banks and in-hand and short-term highly liquid deposits with a maturity of three months or less, that are held for the purpose of meeting short-term cash commitments and are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. Cash balances contained in Settlement and Disbursement trust accounts, operated by the Group in Australia and the United Kingdom, are not recognised in the Consolidated Statement of Financial Position because the Group does not control or have beneficial entitlement to those monies.

o. Property, plant and equipment

Each class of property, plant and equipment is carried at historical cost less any accumulated depreciation and impairment losses. The resulting balance also includes the cost of replacing parts that are eligible for capitalisation, these are recorded when the cost of replacing the parts is incurred. All other repairs and maintenance are recognised in the Consolidated Statement of Comprehensive Income as incurred.

As property, plant and equipment is not considered to generate independent cash flows, the carrying amount of these assets is included within the assets of the cash generating unit assessed as part of the Group's impairment testing process as outlined in Note 2(l).

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful life between 3 to 5 years for property, plant and equipment.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Consolidated Statement of Comprehensive Income.

p. Intangible assets

i. Initial recognition

Intangible assets are recognised when they are identifiable, it is probable that they will result in future economic benefits flowing to the Group, and the cost can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

An intangible asset arising from development expenditure on an internal project is recognised only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate probable future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development.

ii. Subsequent measurement

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the profit or loss in the expense category that is consistent with the function of the intangible assets.

The table below outlines the amortisation periods and methods currently applied to the Group's finite life intangibles (updated from the prior period to include Smoove):

	Intangible software assets	Customer relationships	Brand	Operational procedures
Useful lives	3-15 years	10-15 years	10-25 years	3 years
Amortisation method used	Amortised over the period of expected future benefits on a straight-line basis	Amortised over the period of expected future benefits on a straight-line basis	Amortised over the period of expected future benefits on a straight-line basis	Amortised over the period of expected future benefits on a straight-line basis
Internally generated or acquired	Both internally generated (development costs) and acquired	Acquired	Acquired	Acquired

Irrespective of whether there is any indication of impairment, intangible assets with indefinite useful lives (including goodwill) or an intangible asset not yet available for use, are tested for impairment annually, either individually or at the CGU level (refer Note 2(l)).

The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is de-recognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss.

q. Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the Consolidated Statement of Comprehensive Income and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial information and statements of the associates are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within "Share of profit of an associate" in the Consolidated Statement of Comprehensive Income.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit and loss.

r. Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances, and other pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of AASB 9 *Financial Instruments*, is measured at fair value with the changes in fair value recognised in the profit or loss in accordance with AASB 9 *Financial Instruments*. Other contingent consideration that is not within the scope of AASB 9 *Financial Instruments* is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired exceeds the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGU) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

s. Financial instruments

i. Financial assets

Recognition and subsequent measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus transaction costs. The exception being trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient. Trade receivables are initially measured at the transaction price determined under AASB 15 as disclosed in Note 2(f).

For a financial asset to be classified and measured at amortised cost or fair value through OCI , it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding (apart from equity instruments which can be designated as fair value through OCI). This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Currently, the Group's business model for all financial assets is to hold these assets to collect contractual cash flows. This results in the Group's principal financial assets being subsequently measured at amortised cost. These include:

- Trade and other receivables, and
- Other financial assets.

De-recognition

A financial asset is de-recognised when the rights to receive cash flows from the asset have expired or when the Group has transferred its rights to receive cash flows from the asset and has either transferred substantially all of the risks and rewards associated with the asset or control of the asset to a third party.

Impairment

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. Refer to Note 9 for further details of the Group's approach to recognising ECL's on trade receivables.

ii. Financial liabilities

Recognition and subsequent measurement

Financial liabilities are classified, at initial recognition, as either financial liabilities at fair value through profit or loss or financial liabilities at amortised cost, consistent with their subsequent measurement.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Group's principal financial liabilities at 30 June 2024 include external loans, trade and other payables which are measured at amortised cost.

De-recognition

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred, or liabilities assumed, is recognised in profit or loss as other income or finance costs.

iii. Measurement of financial assets and liabilities at amortised cost

Financial instruments measured at amortised cost are subsequently measured using the effective interest rate (EIR) method. This is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period using the EIR. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

t. Trade and other payables

Trade and other payables represent liabilities for purchases of goods and services by the Group. The amounts are unsecured and are usually paid within 45 days of recognition. Trade and other payables are carried at amortised cost and due to their short-term nature, they are not discounted.

u. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. This occurs where the contract conveys the right to control the use of an identified asset for a defined period in exchange for consideration.

The Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term or estimated useful life (remaining lease lives being between 0.33 and 9.33 years).

ii. Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable and amounts expected to be paid under residual value guarantees but do not include payments relating to non-lease components of the agreement. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The present value of lease payments is calculated using the interest rate implicit within the lease or, if this is not readily determinable, the Group's incremental borrowing rate (IBR). The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

iii. Short-term leases and leases of low value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low-value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense in line with lease payment schedules.

iv. Leases acquired in a business combination

For leases acquired in a business combination, the Group measures the acquired lease liabilities using the present value of the remaining lease payments at the date of acquisition. Right-of-use assets are measured at an amount equal to lease liabilities, adjusted to reflect the favourable or unfavourable terms of the lease relative to market terms.

v. Interest-bearing loans and borrowings

All loans and borrowings are initially measured at fair value minus transaction costs that are directly attributable. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest method. Amortised cost is calculated by taking account of any issue costs and any discount or premium on settlement.

Interest-bearing loans and borrowings are classified as non-current liabilities when the Group has an unconditional right to defer settlement for at least twelve months from reporting date.

All borrowing costs are expensed in the period they occur apart from where they directly relate to the raising of qualifying assets. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

w. Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or performance rights are shown in equity as a deduction, net of tax, from the proceeds.

Note 3. 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.

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 may be found in the relevant notes to the financial statements.

a. Significant accounting judgements

i. Taxation

As detailed in Note 7(d), at 30 June 2024 the Group has recognised deferred tax assets of $105.9 million (30 June 2023: $119.1 million) and $8.2 million (30 June 2023: $7.6 million) relating to carry forward tax losses in Australia and the UK respectively.

The Group's accounting policy for taxation requires management to assess whether deferred tax assets are recognised on the Consolidated Statement of Financial Position. Consistent with this policy, during the comparative period the Group de-recognised a $16.9 million deferred tax asset relating to Australian R&D tax offsets following Link Group's in-specie distribution of its PEXA shares in January 2023.

Utilisation of the Australian tax losses and R&D tax credits are subject to integrity rules under Australian tax law, specifically, the Continuity of Ownership Test (COT) and the Business Continuity Test (BCT). Broadly, should the Group fail the COT, the ability to utilise the tax losses and R&D tax credits will be subject to satisfaction of the BCT. Failure to satisfy the COT and the BCT in respect of any or all of the tax losses or R&D tax credits in the future may result in some or all of the DTA being reversed.

Similarly, utilisation of the UK tax losses is also subject to integrity rules under UK tax law. Deferred tax assets are recognised in relation to certain tax losses which are eligible for group relief between UK entities, however, deferred tax assets have not been recognised on UK tax losses acquired by the Group that are subject to the Major Change in Nature or Conduct of Trade (MCINOCOT) test.

Recognition of deferred tax amounts are subject to significant judgement, risk and uncertainty, particularly around the interpretation of relevant taxation law. Changes in the Group's circumstances or structure and interpretations of taxation law could alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the Consolidated Statement of Financial Position and the availability of amounts in future financial periods. Additionally, a deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future profits will be available against which the asset can be utilised.

ii. Capitalisation of internally developed software and impairment assessments

Distinguishing between the research and development phases of a new customised software project and determining whether the recognition requirements for the capitalisation of development costs as discussed in Note 2(p)(i) are met, requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

iii. Off balance sheet trust accounts

As part of the operations of the businesses, the Group provides various settlement and disbursement trust accounts to provide a mechanism by which consumers and businesses can contribute funds to the settlement of a conveyancing transaction in Australia and in the UK.

The settlement and disbursement trust accounts in Australia were established under the terms of the PEXA Settlement Money Trust Deed (2014) (the Deed) and the Group is the Trustee of the Account. The Group holds all settlement money of a purchaser on trust in accordance with the Deed, until that settlement money is disbursed or transferred under instruction. The total balance of these trust accounts held in Australia is $237.8 million at 30 June 2024, the average balance was $300.8 million and interest earned as fees for settlement services rendered for the year was $13.6 million (2023: $262.3 million, average balance $272.5 million, interest earned $6.9 million).

Various settlement and disbursement trust accounts are held in the UK by Optima Legal and Amity Law Limited (a subsidiary of Smoove Limited). Client monies held in these accounts are held in accordance with the requirements of the Solicitors Regulation Authority or the Council for Licensed Conveyancers as the relevant regulator, until that settlement money is disbursed or transferred under instruction. The total balance of trust accounts held in the UK is $537.6 million at 30 June 2024, average balance $37.9 million and interest earned on these accounts for the year was $3.4 million (2023: $541.5 million, average balance $45.2 million, interest earned $1.7 million).

The Group has not recognised trust accounts from either Australia or the UK as an asset and they are not recognised in the Consolidated Statement of Financial Position. Management consider the Group does not have control of any monies that move through these trust accounts and the Group cannot deny or regulate the use of monies held in these trust accounts as they act on instruction by the relevant subscribers. In addition, the beneficial interest of these trust accounts and any settlement monies always resides with the end purchaser or refinancing financial institution.

iv Interoperability software intangible asset

PEXA has been developing an interoperability software asset worth $14.1 million as at 30 June 2024 as per ARNECC's direction. However on 26 June 2024, ARNECC announced that the financial services aspects of interoperability are beyond its remit, posing challenges for the program's progress without resolution from relevant parties. ARNECC has stood down its interoperability project team, and PEXA has followed suit.

While the project is paused under the Model Operating Requirements (MoR), PEXA is still required to deliver interoperability per legislation and ARNECC requirements unless granted necessary waivers.

Management believes the current asset won't need a significant rebuild, as future work will build upon or expand the existing asset. Per AASB 136, the interoperability asset is assessed as part of the Exchange cash-generating unit (CGU), which is not impaired as of 30 June 2024.

Management has also considered AASB 138 criteria for recognising an intangible asset under development and believes the relevant criteria continues to be met. Based on current circumstances, PEXA intends to restart the project and complete the asset unless there is a change or waiver of PEXA's regulatory requirements, and expects the asset to generate future economic benefits as a result.

b. Significant accounting estimates and assumptions

i. Estimation of useful lives of assets

Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment. Adjustments to useful lives are made when considered necessary.

ii. Settlement method and valuation of the share based payment plans

Estimating the fair value for share-based payment transactions requires determination of the most appropriate valuation model which, for equity settled plans, depends on the terms and conditions of the grant at grant date. This estimate also required determination of the most appropriate inputs to the valuation model including the expected life of the performance right or appreciation right, volatility and dividend yield and making assumptions about them. Different inputs and assumptions may lead to different determinations of fair value. The valuation method applied by the Group and key estimates and assumptions is detailed in Note 25.

iii. Impairment testing of intangible assets (including goodwill)

The Group assesses whether its intangible assets (including goodwill) are carried above their recoverable amount on an annual basis or when there are other indicators of impairment. The Group completes its impairment assessment based on all known facts and circumstances, incorporating its best estimates from information available at reporting date.

For the years ended 30 June 2024 and 30 June 2023, the Group applied a Value in Use ('VIU') discounted cash flow methodology to assess recoverable amount.

Note 4. Revenue and expenses

	2024 $'000	2023 $'000
Revenue from contracts with customers		
Transfer lodgements – Australia	226,890	197,361
Refinancing/Remortgage lodgements – Australia	45,922	48,187
Other lodgements – Australia	17,793	16,445
Conveyancing and related services – United Kingdom	32,376	7,006
Other products – Australia	17,076	12,689
Total revenue from contracts with customers	340,057	281,688
Timing of revenue recognition		
Goods and Services transferred at a point in time	328,699	273,978
Goods and Services transferred over time	11,358	7,710
	340,057	281,688
Product management expenses[1]		
Employee benefit expenses[2]	(26,644)	(26,877)
	(26,644)	(26,877)
Sales and marketing expenses[3]		
Employee benefit expenses[2]	(12,163)	(8,907)
Travel and entertainment	(2,656)	(2,221)
Sales and marketing	(2,034)	(1,979)
	(16,853)	(13,107)
Operations[4]		
Employee benefit expenses[2]	(34,708)	(22,603)
IT and technology costs	(25,866)	(22,101)
Other	(1,699)	(1,280)
	(62,273)	(45,984)
General and administrative expenses[5]		
Employee benefit expenses[2]	(42,345)	(35,244)
Deferred consideration[2]	(4,179)	(2,571)
Share based payment expense[2]	(3,201)	(1,987)
Redundancy costs	(7,176)	(1,446)
Professional fees	(21,220)	(25,357)
M&A consulting fees	(4,983)	(6,177)
Occupancy expenses	(1,391)	(1,208)
Insurance	(6,900)	(7,039)
Other[6]	(3,838)	(3,820)
	(95,233)	(84,849)

1. Product management represents costs to manage products, as well as development costs which don't meet the criteria for capitalisation of an intangible asset.
2. Total employee benefits expense for the period was $123.0 million (30 June 2023: $98.2 million).
3. Sales and marketing represents business development and customer management related costs, including marketing and related travel costs.
4. Operations represents costs to run the Group's businesses such as call centres, processing centres, as well as technology run costs.
5. General and administrative represents back office costs, as well as non-operating expenditure and public company cost.
6. Other general and administration expenditure is predominantly other non-operating expenditure, Directors' fees and bank charges.

	30 June 2024 $'000	30 June 2023 $'000
Depreciation and amortisation		
Depreciation of property, plant and equipment	(1,392)	(828)
Amortisation of intangibles	(86,652)	(74,153)
Depreciation of right of use assets	(2,410)	(1,808)
	(90,454)	(76,789)

Note 5. Segment information

The Group has three reportable operating segments, being:

- Exchange: comprising the Australian Electronic Lodgement Network (ELN) in Australia, across New South Wales, Victoria, Western Australia, South Australia, Queensland, and the Australian Capital Territory.
- Digital Solutions (previously named Digital Growth): provides property-related analytics and digital solutions to financial institutions, governments, property developers and related professionals, and practitioners in Australia.
- International: provides digitalised property registration and settlement, and related services, in overseas Torrens Title jurisdictions.

The Group does not currently generate revenue from transactions with a single external customer for amounts equal to or greater than 10% of total revenue.

Exchange revenue is predominantly made up by transfer and refinance/remortgage lodgements, Digital Solutions is predominantly subscription and consulting revenue with International being conveyancing and related services.

Separate segment performance reports are provided to the Chief Operating Decision Makers (CODMs) (being the Chief Executive Officer and Group Chief Financial Officer) on a monthly basis to aid decision making around resource allocation and performance assessment.

The CODMs manage and monitor performance on Earnings before Interest, Tax, Depreciation and Amortisation (Operating EBITDA), which is a non-IFRS measure. Operating EBITDA is calculated as statutory net profit adjusted for interest, tax, depreciation and amortisation costs.

Assets and liabilities for the reporting segments predominantly include intangible assets and investments. International assets are predominantly $61.4 million (30 June 2023: $42.7 million) of capitalised in-house software assets and $78.1 million (30 June 2023: $24.6 million) of acquired / generated on acquisition intangibles from the Optima Legal and Smoove acquisitions. Digital Solutions assets are primarily the Group's investments in associates $31.9 million (30 June 2023: $29.4 million) (which are subject to equity accounting), internally generated software $19.0 million (30 June 2023: $19.5 million) and acquired intangibles (including .id and Value Australia) of $25.0 million (30 June 2023: $24.2 million).

Segment results

The segment financial information provided to the Chief Operating Decision Makers is set out below:

For the year ended 30 June 2024	Exchange $'000	Digital Solutions $'000	International[1] $'000	Total $'000
Segment operating revenue[2]	292,009	15,672	32,376	340,057
Cost of sales	(34,866)	(1,517)	(13,891)	(50,274)
Gross margin	257,143	14,155	18,485	289,783
Product management	(8,498)	(8,854)	(9,292)	(26,644)
Sales and marketing	(10,376)	(4,439)	(2,038)	(16,853)
Operations	(28,040)	(2,222)	(32,011)	(62,273)
General and administrative	(51,101)	(5,692)	(15,697)	(72,490)
Operating EBITDA from core operations[3]	159,128	(7,052)	(40,553)	111,523

For the year ended 30 June 2024	Exchange $'000	Digital Solutions $'000	International[1] $'000	Total $'000
Integration costs	(20)	-	(4,551)	(4,571)
Redundancy and restructuring related costs	(3,686)	(4,996)	(2,833)	(11,515)
Unrealised FX gain	-	-	674	674
M&A transaction professional fees	(32)	(108)	(4,843)	(4,983)
Other items[4]	(1,286)	(3,534)	(156)	(4,976)
Share of loss after tax from investments in associates	-	(1,788)	1	(1,787)
Operating EBITDA[5]	154,104	(17,478)	(52,261)	84,365
Amortisation of debt raising transaction costs				(1,418)
Depreciation and amortisation				(90,454)
Interest expense (net)				(1,273)
Statutory net (loss) before tax				(8,780)

1. International costs are mainly incurred in the UK, except for product management costs which are mainly incurred in Australia.
2. Statutory revenue excludes $3.4 million of Optima Legal interest income, which is included in business revenue within the Review of operations in the Directors report.
3. Operating EBITDA from core operations represents statutory net profit before interest, tax, depreciation and amortisation and specified items (items notable due to their size, non operational or non-recurring nature, detailed in the table above) and is a non-IFRS measure.
4. Includes deferred consideration on acquisitions.
5. Operating EBITDA represents statutory net profit before interest, tax, depreciation and amortisation and is a non-IFRS measure.

For the year ended 30 June 2023	Exchange $'000	Digital Solutions $'000	International[1] $'000	Total $'000
Segment operating revenue[2]	263,071	11,611	7,006	281,688
Cost of sales	(32,047)	(1,989)	(731)	(34,767)
Gross margin	231,024	9,622	6,275	246,921
Product management	(6,848)	(12,352)	(7,677)	(26,877)
Sales and marketing	(8,959)	(2,788)	(1,360)	(13,107)
Operations	(27,015)	(2,098)	(16,871)	(45,984)
General and administrative	(47,088)	(8,176)	(8,693)	(63,957)
Operating EBITDA from core operations[3]	141,114	(15,792)	(28,326)	96,996
Integration costs	-	-	(6,836)	(6,836)
Redundancy and restructuring related costs	(1,354)	(92)	-	(1,446)
Unrealised FX (loss)	-	-	3,719	3,719
M&A transaction professional fees	(34)	(2,306)	(2,165)	(4,505)
Other items	(2,334)	(2,673)	(3,098)	(8,105)
Share of loss after tax from investments in associates	-	(1,304)	-	(1,304)
Operating EBITDA[4]	137,392	(22,167)	(36,706)	78,519
Amortisation of debt raising transaction costs				(755)
Depreciation and amortisation				(76,789)
Interest expense (net)				(4,139)
Statutory (loss) profit before tax				(3,164)

1. International costs are mainly incurred in the UK, except for product management costs which are mainly incurred in Australia.
2. Statutory revenue excludes $1.7 million of Optima Legal interest income, which is included in business revenue within the Review of operations in the Directors report.
3. Operating EBITDA from core operations represents statutory net profit before interest, tax, depreciation and amortisation and specified items (items notable due to their size, non operational or non-recurring nature, detailed in the table above) and is a non-IFRS measure.
4. Operating EBITDA represents statutory net profit before interest, tax, depreciation and amortisation and is a non-IFRS measure.

Note 6. Business combinations

Land Insight & Resources Holdings Pty Ltd (Land Insight)

On 3 July 2023, the Group acquired 100% of Land Insight, a Sydney-based data start-up that quantifies and evaluates natural hazards, pollution, and ground hazards to help government, organisations (and eventually individuals) identify, prepare, and plan for environmental disasters. The business' master database and algorithms collate geospatial data including 100 years of bushfire data, historical aerial imagery, flood reports, government databases and historical business databases dating back to the late 1800s, to score the environmental risks to property and land and geocode over 30,000 locations of contaminated land.

As such, Land Insight *strengthens and diversifies PEXA Group's position as* a leading provider of demographic, economic and property information to its customers through climate risk assessments.

The acquired business contributed revenue of $0.5 million and a net loss after tax of $0.7 million to the Group for the period since acquisition to 30 June 2024. If the acquisition had occurred on 1 July 2023, the contributed revenue and net loss after tax for the year to 30 June 2024 would be as noted, given the business was acquired on 3 July 2023.

$0.3 million of acquisition related costs were incurred and expensed in M&A due diligence costs as part of general and administration expenses.

The acquisition has been accounted in accordance with the Purchase Price Allocation (PPA) process which included identification of identifiable intangible assets, using the acquisition method. Goodwill of $0.5 million represents the future value of synergies expected to be received as a result of the Land Insight acquisition, including enabling Digital Solutions to expand its service offering across the environmental and climate segment.

The consideration transferred, and the fair value of the assets and liabilities at the date of the acquisition were as follows:

	$'000
Purchase Consideration	1,985
Net assets acquired of Land Insight & Resources Holdings Pty Ltd as at the date of acquisition were:	
Cash	19
Trade Debtors	114
Other Receivables / Prepayments	13
Fixed assets	3
Provisions	(7)
Creditors / Payables / Accruals	(91)
Commercialised Software	1,392
Goodwill	542
Total identifiable net assets at fair value acquired	1,985

Cashflow on acquisition

	$'000
Net cash acquired with the subsidiary	19
Cash paid	(1,985)
Net cashflow on acquisition	(1,966)

No Contingent liabilities or guarantees existed at the acquisition date.

The fair value, and the gross amount, of the trade receivables as at date of acquisition (3 July 2023) was $0.1 million and the full contractual amounts were collected before 30 June 2024.

The Goodwill is allocated entirely to the Digital Solutions segment.

Smoove Group

On 19 December 2023, the Group acquired 100% of Smoove plc ("Smoove"), a UK-based conveyancing technology provider. Smoove's primary product is e-Conveyancer, a panel management service that brings together conveyancers and introducers, such as mortgage brokers and lenders, and their customers to offer a two-sided conveyancer marketplace connecting consumers with quality conveyancers.

Acquiring Smoove will help deepen the Group's presence in the UK market by providing access to conveyancer firms through its role in arranging panels for lenders and mortgage advisors across the UK market and the associated remortgage and sale and purchase flow.

The acquired business contributed revenue of $21.5 million and a net loss after tax of $1.5 million to the Group for the period since acquisition to 30 June 2024. If the acquisition had occurred on 1 July 2023, the contributed revenue for the year to 30 June 2024 would have been $41.7 million and a net loss after tax of $6.9 million.

$4.9 million of acquisition related costs were incurred and expensed in M&A due diligence costs as part of general and administration expenses.

The acquisition has been accounted in accordance with the Purchase Price Allocation (PPA) process which included identification of identifiable intangible assets, using the acquisition method. Goodwill of $29.3 million represents the future value of synergies expected to be received as a result of the Smoove Group acquisition, including enabling PEXA UK to access distribution via Smoove's existing customer base.

The consideration transferred, and the fair value of the assets and liabilities at the date of the acquisition were as follows:

	$'000
Purchase Consideration	58,026
Net assets acquired of Smoove Group as at the date of acquisition were:	
Cash	14,385
Trade Debtors	1,379
Other Receivables / Prepayments	2,116
Fixed assets	457
Leased Assets	1,104
Creditors / Payables / Accruals	(7,062)
Contract Liabilities	(376)
Lease liability	(1,172)
Net DTA / (DTL)	(5,304)
Commercialised Software	13,497
Customer Relationships	5,796
Brand	3,915
Goodwill	29,291
Total identifiable net assets at fair value acquired	58,026

Cashflow on acquisition

	$'000
Net cash acquired with the subsidiary	14,385
Cash paid	(58,026)
Net cashflow on acquisition	(43,641)

No Contingent liabilities or guarantees existed at the acquisition date.

The fair value, and the gross amount, of the trade receivables as at date of acquisition (3 July 2023) was $1.4 million and the full contractual amounts were collected before 30 June 2024.

The deferred tax liability mainly comprises the tax effect of the written down value of the intangible assets identified at acquisition (excluding goodwill).

The goodwill is allocated entirely to the International segment.

Note 7. Income tax

a. Income tax (expense)/benefit

The major components of income tax expense are:

	2024 $'000	2023 $'000
Consolidated Statement of Comprehensive Income		
Current income tax expense		
Current income tax charge	-	-
Deferred income tax expense		
Utilisation of prior year losses	(14,432)	-
Relating to deferred tax on temporary differences	1,350	(18,837)
Adjustment in respect of prior years	2,017	2,583
Deferred tax – research & development tax credit	(1,333)	(2,251)
Recognition of current period tax losses carried forward	1,539	12,749
Reversal of tax benefit relating to prior period research and development tax credits carried forward	-	(16,896)
Recognition of current period tax credits carried forward	1,658	2,934
Other adjustments	(31)	(249)
Effect of changes in the tax rate in foreign jurisdictions	-	1,291
Income tax (expense) reported in the Consolidated Statement of Comprehensive Income	(9,232)	(18,676)

b. Reconciliation between profit/(loss) before tax and income tax (expense)/benefit recognised in the Consolidated Statement of Comprehensive Income

A reconciliation between tax expense, and the accounting profit/(loss) before income tax multiplied by the Group's applicable income tax rate is as follows:

	2024 $'000	2023 $'000
Accounting (loss) before tax	(8,780)	(3,164)
Benefit at the Group's statutory tax rate of 30% (2023: 30%)	2,633	949
Adjustments in respect of current income tax		
Effect of tax rates in foreign jurisdictions	(1,872)	(2,050)
Expenditure not allowable for income tax	(6,338)	(5,190)
Adjustment in respect of prior years	2,632	2,583
Deferred tax – research & development tax credit	(1,333)	(2,251)
Recognition of current period tax credits carried forward	1,658	2,934
Reversal of tax benefit relating to prior period research and development tax credits carried forward	-	(16,896)
Movements in foreign currency	(82)	233
Effect of changes in the tax rate in foreign jurisdictions	-	1,276
Amounts not recognised	(6,263)	-
Other adjustments	(267)	(264)
Income tax (expense) reported in the Consolidated Statement of Comprehensive Income	(9,232)	(18,676)

c. Amounts recognised directly in equity/balance sheet

Aggregate current and deferred tax arising in the reporting period, not recognised in net profit or loss but directly debited or credited to equity/balance sheet.

Amounts recognised in foreign currency fluctuation reserve relate to the conversion of international deferred tax assets and deferred tax liabilities to reporting currency.

	2024 $'000	2023 $'000
Net deferred tax – (credited)/debited directly to foreign currency fluctuation reserve	(21)	118
Net deferred tax – (credited) directly to other equity	-	(23)
Total	(21)	95

d. Deferred tax balances

Deferred tax balances are offset in the Consolidated Statement of Financial Position as the Group has a legally enforceable right to set off deferred tax assets and deferred tax liabilities where they relate to income taxes levied by the same tax authority. The gross deferred tax balances are shown below:

Australia

	Consolidated Statement of Financial Position		Acquired in Business Combination		Consolidated Statement of Comprehensive Income	
	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000
Deferred Tax Liabilities						
Intangible assets	(193,958)	(195,088)	-	(2,000)	1,130	(15,326)
Provisions and accruals	(1)	-	-	-	(1)	-
Total Deferred Tax Liabilities	(193,959)	(195,088)	-	(2,000)	1,129	(15,326)
Deferred Tax Assets						
Transaction costs	4,867	6,754	-	-	(1,887)	(6,121)
Provisions and accruals	11,076	9,188	-	1,272	1,888	(1,373)
Carry forward tax losses and tax credits	105,872	119,081	-	-	(13,209)	(3,358)
Total Deferred Tax Assets	121,815	135,023	-	1,272	(13,208)	(10,852)
Net Deferred Tax Liabilities	(72,144)	(60,065)	-	(728)	(12,079)	(26,178)

United Kingdom

	Consolidated Statement of Financial Position		Acquired in Business Combination		Consolidated Statement of Comprehensive Income	
	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000
Deferred Tax Liabilities						
Intangible assets and other	(6,909)	(2,006)	(5,304)	(2,035)	421	(89)
Provisions and accruals	-	-	-	-	-	-
Total Deferred Tax Liabilities	(6,909)	(2,006)	(5,304)	(2,035)	421	(89)
Deferred Tax Assets						
Carry forward tax losses	8,152	7,591	-	-	561	7,591
Total Deferred Tax Assets	8,152	7,591	-	-	561	7,591
Net Deferred Tax Assets / (Liabilities)	1,243	5,585	(5,304)	(2,035)	982	7,502

The Group is carrying a deferred tax asset of $105.9 million (June 2023: $119.1 million) relating to carry forward Australian tax losses and research and development (R&D) tax credits. Utilisation of these tax losses and R&D tax credits are subject to integrity rules under tax law. During the previous period the Group de-recognised a $16.9 million deferred tax asset relating to R&D tax offsets following Link Group's in-specie distribution of its PEXA shares in January 2023.

The Group acquired two entities via a Business Combination in the year ended 30 June 2024 (refer to Note 6). Deferred tax liabilities were recognised on the initial recognition of intangible assets acquired in accordance with AASB 112.

e. Members of the tax consolidated group

i. Members of the Australian tax consolidated group and the tax sharing arrangement

PEXA Group Limited and its 100% owned Australian resident subsidiaries formed a tax consolidated group with effect from 18 December 2018. PEXA Group Limited is the head entity of the tax consolidated group. Two entities joined the tax consolidated group during the year ended 30 June 2024, namely Land Insight and Resources Holdings Pty Ltd and Land Insight and Resources Pty Ltd.

Members of the tax consolidated group have entered into a tax sharing agreement that provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations.

The Group also holds less than 100% interest in an Australian resident subsidiary which does not form part of the tax consolidated group.

ii. Tax effect accounting by members of the tax consolidated group (AASB Interpretation 1052 Tax Consolidation Accounting)

The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group. The current and deferred tax amounts are measured in a systematic manner that is consistent with the broad principles in AASB 112 Income Taxes. The nature of the tax funding agreement is discussed further below.

In addition to its own current and deferred tax amounts, the head entity also recognises current tax liabilities (or assets) and the deferred tax assets arising from carry forward tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

iii. Nature of the tax funding agreement

Members of the tax consolidated group have entered into a tax funding agreement. The tax funding agreement requires payments to/from the head entity to be recognised via an inter-entity receivable (payable) which is at call.

The amounts receivable or payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

iv. Overseas interests

The Group has ten wholly owned subsidiaries in the United Kingdom which are not part of the Australian tax consolidated group and which are standalone taxpayers in the United Kingdom (refer Note 27(c)). These entities are eligible for tax group relief rules which allow entities to share tax losses in the United Kingdom.

The Group, via its subsidiaries in the United Kingdom, has recognised a net deferred tax asset of $1.2 million (GBP 0.7 million) (June 2023: $5.6 million (GBP 2.9 million)).

The Group has $111.8 million/GBP 58.6 million (June 2023: $55.4 million/GBP 29.1 million) of UK tax losses carried forward. The Group has determined that it cannot recognise deferred tax assets in respect of approximately $79.2 million/GBP 41.6 million (June 2023: $25.1 million/GBP 13.2 million) of these losses as the Group does not have sufficient taxable temporary differences in the UK, nor any UK tax planning opportunities available that could further support the recognition of these losses as deferred tax assets at this time.

Note 8. Current assets – cash and cash equivalents

	2024 $'000	2023 $'000
Cash at bank and on hand	90,461	36,539
	90,461	36,539

Reconciliation of (Loss) for the year to net cash inflow from operating activities

	2024 $'000	2023 $'000
(Loss) after income tax	(18,012)	(21,840)
Adjustments for:		
Non-cash items:		
Depreciation and amortisation	90,406	76,766
Debt raising transaction costs amortisation	1,418	755
Long term share and other incentive plans	3,201	1,993
Share of loss of associates	1,787	1,304
Impairment / write-off of intangibles	3,988	23
Write off property, plant and equipment	13	-
Provision for deferred consideration	4,179	2,571
Unrealised FX (gain)	(674)	(3,719)
Income tax expense	9,232	18,676
Accrued Interest (Net)	(716)	-
Fair value and other adjustments to other liabilities	(292)	-
Other	2	(1)
Change in operating assets and liabilities:		
(Increase) in receivables	(3,545)	(172)
Decrease in prepayments/other assets	2,472	7,088
Increase/(decrease) in contract liabilities	1,275	(569)
Increase in payables	13,412	224
(Decrease)/increase in provisions	(66)	134
R&D tax credits	1,864	-
Net cash inflows from operating activities	109,944	83,233

Note 9. Current assets – trade and other receivables

	2024 $'000	2023 $'000
Trade receivables from contracts with customers	8,198	5,163
Allowance for expected credit losses	(488)	-
Interest income receivable	1,914	-
Insurance claim	944	-
Other receivables	1,250	538
	11,818	5,701

A provision for impairment of trade receivables is made based on applying a simplified approach in calculating the expected credit losses (ECL). Therefore, the Group does not track changes in credit risk, but instead recognises an ECL allowance based on the lifetime ECL at each reporting date. The Group's provisioning methodology is based on its historical credit loss experience, adjusted for forward looking factors specific to the economic environment.

The Group carries out an ECL review per individual trading business.

- Property Exchange Australia Limited (PEAL) generates Property Settlement Transaction ('PST') fees from transactions on the Exchange that are collected via direct debit from settlement proceeds. PEAL has no history of credit losses and does not expect this to change in the future. Accordingly, the allowance for ECLs at 30 June 2024 was nil (30 June 2023: nil).
- .id, Land Insight and Optima Legal (current year acquisitions) have had no material credit losses historically or for the financial year. Accordingly, the allowance for ECLs at 30 June 2024 was nil (30 June 2023: nil).
- Smoove Group (acquired 19 December 2023) completed an ECL review resulting in a $0.49m allowance for expected credit losses (30 June 2023: N/A).

Note 10. Prepayments and other assets

Current	2024 $'000	2023 $'000
Prepaid insurance	1,135	1,099
Prepaid software licensing and support	6,193	5,984
Prepaid land registry fees – lodgement support services	2,081	1,776
Other prepayments	4,125	3,987
	13,534	12,846

Non-current	2024 $'000	2023 $'000
Prepaid insurance	1,937	2,995

Note 11. Current assets – financial assets

	2024 $'000	2023 $'000
Other financial assets	31,784	27,249

Other financial assets represent lodgement fees that the Group has collected in cash on behalf of the state-based Land Title Registries. These funds are also shown as a payable in trade and other payables (refer Note 17) and are passed on to the Land Title Registries within 3 business days of lodgement. The funds are held in separate bank accounts and are not available for use by the Group.

The asset and liability are created and carried on the balance sheet at the time of receipt of the funds and recognised on the balance sheet until settlement of the liability occurs three business days later.

Note 12. Non-Current asset – property, plant and equipment

Reconciliation of carrying amounts at the beginning and end of the year:

	Furniture and fittings $'000	Office and computer equipment $'000	Total $'000
Cost			
At 30 June 2022	199	2,892	3,091
Acquisition of subsidiaries	-	1,756	1,756
Additions	875	1,390	2,265
Foreign exchange movement	-	4	4
At 30 June 2023	1,074	6,042	7,116
Acquisition of subsidiaries	683	992	1,675
Additions	920	645	1,565
Write off	(164)	(1,706)	(1,870)
Foreign exchange movement	3	24	27
At 30 June 2024	2,516	5,997	8,513
Depreciation and Impairment			
At 30 June 2022	(140)	(1,344)	(1,484)
Acquisition of subsidiaries	-	(1,598)	(1,598)
Depreciation charge for the year	(66)	(762)	(828)
Foreign exchange movement	-	(2)	(2)
At 30 June 2023	(206)	(3,706)	(3,912)
Acquisition of subsidiaries	(394)	(821)	(1,215)
Depreciation charge for the year	(305)	(1,087)	(1,392)
Write off	164	1,693	1,857
Foreign exchange movement	(7)	(27)	(34)
At 30 June 2024	(748)	(3,948)	(4,696)
Net book value			
At 30 June 2023	868	2,336	3,204
At 30 June 2024	1,768	2,049	3,817

Note 13. Non-Current assets – intangible assets

	Goodwill $'000	Commercialised Software $'000	In-House Software $'000	Operational Procedures $'000	Customer Relationships $'000	Brand $'000	Licences $'000	Total $'000
Cost								
At 30 June 2022	693,551	438,900	143,913	1,871	397,451	23,660	14,959	1,714,305
Additions	-	931	64,149	-	-	-	-	65,080
R&D tax credit adjustment[1]	-	-	5,612	-	-	-	-	5,612
Acquisition of subsidiaries	24,447	12,099	1	-	7,147	4,410	-	48,104
Acquired intellectual property	-	10,268	-	-	-	-	-	10,268
Impairment	-	-	(23)	-	-	-	-	(23)
Write down fully amortised assets	-	-	-	(1,871)				(1,871)
Foreign exchange movement	1,133	204	1	-	189	131	-	1,658
At 30 June 2023	719,131	462,402	213,653	0	404,787	28,201	14,959	1,843,133
Additions	-	-	67,283	-	-	-	-	67,283
Transfers[2]	-	(11,199)	11,199	-	-	-	-	-
Minority interest contribution	-	-	472	-	-	-	-	472
Acquisition of subsidiaries	29,834	14,889	-	-	5,796	3,915	-	54,434
Impairment / write-off	-	-	(5,389)	-	-	-	-	(5,389)
Write down fully amortised assets	-	-	(6,580)	-	-	-	-	(6,580)
Foreign exchange movement	389	173	(3)	-	76	52	-	687
At 30 June 2024	749,354	466,265	280,635	-	410,659	32,168	14,959	1,954,040

	Goodwill $'000	Commercialised Software $'000	In-House Software $'000	Operational Procedures $'000	Customer Relationships $'000	Brand $'000	Licences $'000	Total $'000
Amortisation and impairment								
At 30 June 2022	-	(101,627)	(19,374)	(1,871)	(91,468)	-	-	(214,340)
Amortisation	-	(31,169)	(15,974)	-	(26,861)	(126)	-	(74,130)
R&D tax credit adjustment[1]	-	-	(5,612)	-	-	-	-	(5,612)
Acquisition of subsidiaries	-	(26)	-	-	-	-	-	(26)
Write down fully amortised assets	-	-	-	1,871	-	-	-	1,871
Foreign exchange movement	-	(3)	(2)	-	-	-	-	(5)
At 30 June 2023	-	(132,825)	(40,962)	-	(118,329)	(126)	-	(292,242)
Amortisation	-	(33,202)	(25,779)	-	(27,368)	(303)	-	(86,652)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-
Impairment / write-off	-	-	1,401	-	-	-	-	1,401
Write down fully amortised assets	-	-	6,580	-	-	-	-	6,580
Foreign exchange movement	-	14	-	-	7	2	-	23
At 30 June 2024	-	(166,013)	(58,760)	-	(145,690)	(427)	-	(370,890)
Net book value								
At 30 June 2023	719,131	329,577	172,691	-	286,458	28,075	14,959	1,550,891
At 30 June 2024	749,354	300,252	221,875[3]	-	264,969	31,741	14,959	1,583,150

1. Write off fully amortised R&D tax credits.
2. Correction of asset classification based on independent review
3. Includes $37.1 million (June 2023: $16.0 million) of work in progress not considered ready for use

AASB 136 Impairment of Assets requires assets to be assessed for impairment indicators at the end of each reporting period. If any such indicators exist, the recoverable amount of the asset is estimated. No such indicators were identified for the year ended 30 June 2024 or 30 June 2023.

a. Intangible assets

The Group's intangible software assets consists of acquired intangibles and capitalised "in-house" software development costs.

Amortisation and useful life of intangible assets

Where applicable, intangible assets are amortised over the period of expected future benefits (useful life) on a straight- line basis. The useful lives of the Group's intangibles assets are set out below:

Asset Category	Useful Life
Goodwill	Indefinite life
Commercialised and in-house software	3-15 years useful life
Customer relationships	10-15 years useful life
Operational procedures	3 year useful life
Brands (Optima Legal/Smoove)	10-25 years useful life
Brands (PEXA/.id)	Indefinite life
Licences	Indefinite life

For the year ended 30 June 2023

Asset Category	Useful Life
Goodwill	Indefinite life
Commercialised and in-house software	5-15 years useful life
Customer relationships	13-15 years useful life
Operational procedures	3 year useful life
Brand (Optima legal)	10 year useful life
Brands (PEXA/.id)	Indefinite life
Licences	Indefinite life

As identified in the tables above, the PEXA brand, .id brand and licences have been assessed as having indefinite useful lives and are not amortised, however the Optima Legal brand and Smoove brand have useful lives of 10 and 25 years respectively. The Group has considered the following factors in making this assessment:

a. PEXA brand and .id brand: The Group expects to use these indefinitely and expects any hypothetical acquirer would continue to utilise the brand.
b. Optima Legal and Smoove brands: The Group expects to use these during the formative years but not indefinitely.
c. Licences: These represent licences from the Australian e-conveyancing regulator and are critical to the operations of the business. Accordingly, management intends to continually renew these licenses.

During the year ended 30 June 2024, the Group identified and impaired $1.2m and wrote-off $2.8m of in-house software assets (2023: $0.02 million).

b. Impairment testing

i. Background

The Group determines whether its intangible assets (including goodwill) are carried above recoverable amount on an annual basis. For impairment testing purposes the Group identifies its CGUs, which are the smallest identifiable groups of assets that generate cash flows largely independent of cash inflows of other assets or other groups of assets.

Consistent with 30 June 2023 and as detailed in Note 5, the Group has three reportable operating segments which are all subject to impairment testing under the requirements of AASB 136.

During the year ended 30 June 2024, the Group acquired and invested in new businesses and assets such as Smoove plc and its subsidiaries ("Smoove") allocated to International and Land Insight & Resources Holdings Pty Ltd (Land Insight) (allocated to Digital Solutions).

The impairment testing for International reflects consolidated cash flows included in the Board approved UK strategy. The impairment testing for Digital Solutions reflects individual impairment assessments on the asset or business acquired.

ii. 30 June 2024 assessment

For the year ended 30 June 2024, the Group applied a VIU discounted cash flow methodology to assess the recoverable amount of the Exchange, Digital Solutions and International. Key inputs and assumptions to the VIU calculation are outlined below.

iii. Key inputs and assumptions

The table below summarises key assumptions used in the VIU model for the year ended 30 June 2024 and year ended 30 June 2023. Further information on how these were determined is contained below.

	Discount Rates		TV Growth rate (%)		Forecast Cash Flow Period (Years)	
	2024	2023	2024	2023	2024	2023
Exchange	8.4%	9.0%	3.0%	3.0%	5Y	5Y
Digital Solutions						
.id	14.1%	17.1%	2.5%	2.5%	5Y	5Y
Land Insight	14.1%	-	2.5%	-	8Y	-
Value Australia	14.1%	17.1%	2.5%	2.5%	8Y	8Y
International	13.0%	12.7%	2.5%	2.5%	8Y	8Y

iv. Discount rates

The discount rate (post tax) reflects current market assessment of the time value of money, risk-adjusted cash flows and other risks specific to the relevant market in which the CGU operates.

v. Forecast cash flows

Forecast cash flows are derived from Board approved profit and cash flow forecasts and do not include restructuring activities that the Group are not yet committed to, or possible future investments.

In developing forecast cash flows, management has considered and used a range of judgements and assumptions relating to forecast transaction levels, revenue growth including competitor activity, commencement of material operations, overhead costs and discount rates. Five-year forecasts were used for Exchange and .id, while eight-year forecasts were used for Digital Solutions (Value Australia and Land Insight) alongside International to appropriately reflect their earlier-stage of maturity.

A terminal value within the final year of cash flow was determined with reference to both economic and market conditions. All cash flows used a terminal growth rate methodology.

vi. Growth rate estimates

The growth rates are determined based on the long-term anticipated growth rate of each CGU and reviewed using external benchmarks consistent with industry specific forecasts in which the CGU operates.

vii. Sensitivity considerations

Sensitivities to the key assumptions within the VIU calculations were also tested. The table below sets out the change in an individual key assumption that would result in the recoverable amount determined by the VIU assessment being approximately equal to the carrying value of the respective CGU/segment.

	Discount Rate (%)		TV Growth rate (%)		Forecast cash flows (%)	
	2024	2023	2024	2023	2024	2023
Exchange	1.4%	1.3%	(1.7)%	(1.8)%	(19.0)%	(16.9)%
Digital Solutions						
.id	15.9%	5.3%	(76.6)%	(10.8)%	(57.0)%	(29.5)%
Land Insight	23.7%	-	n.m.	-	(69.9)%	-
Value Australia	0.8%	0.1%	(1.6)%	(0.2)%	(7.1)%	(0.8)%
International	6.9%	5.6%	(20.3)%	(15.1)%	(42.0)%	(34.3)%

Note 14. Leases

Group as a lessee

The Group has lease contracts pertaining to several office spaces for which right-of-use assets have been recognised. The Group's accounting policy for recognition of leases acquired in a business combination is contained in Note 2(u).

These leases are for office space and have lease terms of 0.33 to 9.33 years remaining.

The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets and some contracts require maintenance of certain financial ratios.

The Group also has certain leases of office spaces with lease terms of 12 months or less. The Group applies the "short- term lease" recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the current and prior periods:

	Right-of-use assets $'000
At 1 July 2022	7,850
Depreciation expense	(1,808)
At 30 June 2023	6,042
Additions	5,732
Depreciation expense	(2,410)
Foreign exchange mvmt	14
At 30 June 2024	9,378

The following is a reconciliation of the lease liabilities as at 30 June 2024:

	Lease liabilities $'000
At 1 July 2022	9,507
Accretion of interest	401
Payments made	(2,284)
At 30 June 2023	7,624
Additions	5,480
Accretion of interest	449
Payments made	(3,018)
Foreign exchange mvmt	14
At 30 June 2024	10,549

Below is the allocation of lease liabilities between current and non-current liabilities at 30 June 2023:

	2024 $'000	2023 $'000
Lease liabilities		
Current lease liabilities	2,720	2,004
Non-current lease liabilities	7,829	5,620
	10,549	7,624

The following are the amounts recognised in profit or loss:

	2024 $'000	2023 $'000
Depreciation expense of right-of-use assets	2,410	1,808
Interest expense on lease liabilities	449	401
Expense relating to short-term leases (temporary office space)	424	514
Total amount recognised in profit or loss	3,283	2,723

The Group has total cash outflows for leases of $2.9 million for the year ended 30 June 2024 (30 June 2023: $2.3 million).

One of the Group's office lease contracts includes an extension option which allows the Group to extend the arrangement at future market rates upon expiry. This provides the Group flexibility in managing its office space requirements.

The extension option on the Melbourne office has not been included in the measurement of the lease liabilities and right-of-use assets recognised as it is not considered reasonably certain it will be exercised. The potential future cash-flows if this option was exercised in 2026 are approximately $12.4 million (30 June 2023: $12.4 million).

Note 15. Other non-current financial assets

Investments	2024 $'000	2023 $'000
Honey Insurance Pty Ltd	-	250
Opex Contracts Pty Ltd	-	1,079
Archistar Pty Ltd	1,478	1,478
	1,478	2,807

Investments are recognised at fair value at 30 June 2024 (refer Note 23) and will be reassessed each reporting period.

The Group's non-controlling interest in Archistar is 0.95%. This investment is designated at fair value through OCI as the Group considers this investment to be strategic in nature. The fair values of non-listed equity investments are assessed based on valuation techniques including DCF models. This requires management to make certain assumptions about carrying value.

Additional investment in OPEX Contracts Pty Ltd resulted in the investment being accounted for as an investment in associates under AASB 128 guidelines. Refer Note 16.

Note 16. Investments in associates

Investments during the year are detailed below:

Landchecker

During the year, the Group provided additional investment funds into Landchecker Holdings Pty Ltd (Landchecker)

on the following dates:

- 15 August 2023 – $570,000
- 28 August 2023 – $946,015
- 16 February 2024 – $380,000
- 5 March 2024 – $110,000

The Group's share ownership percentage slightly increased to 38.4% (2023: 38%).

Opex

During the year, the Group provided additional investment funds into Opex Contracts Pty Ltd on the following date:

- 14 September 2023 – $500,000

- 1 February 2024 – $375,000
- 1 June 2024 – $375,000

This investment increased PEXA's share ownership to 40.4% resulting in the investment being accounted for as an investment in associates under AASB 128 guidelines (June 2023: The investment was recognised as an investment at fair value Note 15).

Elula

No change in the ownership holding of Elula Holdings Pty Ltd (Elula) since 30 June 2023.

The Group's share ownership percentage is 26.4% (2023: 26.5%)

HomeOwners Alliance Limited

The Smoove Group acquisition on 19 December 2023, included a 35% investment in HomeOwners Alliance Limited. During the Purchase Price Allocation process (PPA) the value of this investment was assessed as Nil.

Summarised aggregated financial information

The following table illustrates the summarised aggregated financial information of the Group's investment in associates:

	2024 $'000	2023 $'000
The Group's share of net assets of investment in associates	2,177	2,123
Goodwill	29,723	27,230
The Group's carrying amount of investment in associates	31,900	29,353
The Group's share of net (loss) after tax	(1,787)	(1,304)
The Group's share of net (loss) after tax and total comprehensive income	(1,787)	(1,304)

At 30 June 2024 the investments have also been subject to impairment testing. The table below summarises key assumptions used in impairment tests for the year ended 30 June 2024. Refer to Note 13 of the financial statements for further details on the Group's impairment assessment process.

	Discount rate		TV Growth rate (%) / EBITDA Multiples ('x')		Forecast Cash Flow Period (Years)	
	2024	2023	2024	2023	2024	2023
Landchecker	14.1%	20.0%	20.0x	20.0x	8Y	8Y
Elula	16.7%	20.0%	20.0x	20.0x	8Y	8Y
Opex	16.7%	-	2.5%	-	8Y	-

Sensitivities to the key assumptions were also tested. The table below sets out the change in an individual key assumption that would result in the recoverable amount determined by the impairment assessment being approximately equal to the carrying value of the investment.

Change in assumption resulting in recoverable amount being equivalent to carrying value – increase/(decrease)	Discount rate		TV Growth rate (%) / EBITDA Multiples ('x')		Cash flow forecast	
	2024	2023	2024	2023	2024	2023
Landchecker	2.6%	3.7%	(3.6x)	(4.4x)	(82.7)%	(39.0)%
Elula	1.7%	1.7%	(2.4x)	(2.3x)	(40.1)%	(41.0)%
Opex	5.0%	-	(18.8)%	-	(28.5)%	-

Note 17. Current liabilities – trade and other payables

	2024 $'000	2023 $'000
Financial liabilities (a)	32,003	27,249
Trade payables (b)	15,298	4,221
Other accruals	30,602	22,983
Deferred consideration	6,750	2,572
Superannuation payable	293	62
Other payables	3,568	2,315
Total	88,514	59,402

Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

a. The Group holds funds as a collection agent of lodgement fees for Land Title Registries. These funds are held in other financial assets (refer Note 11) and passed on to the Land Title Registries within 3 business days of lodgement.

b. Trade payables are non-interest bearing and are normally settled on an average 45-day terms.

Note 18. Contract liabilities

	2024 $'000	2023 $'000
Subscriptions	4,676	3,840
Search Data	801	-
Other	15	-
Total	5,492	3,840

Subscription contract liabilities are predominantly for demographic, economic, and property information.

Search data contract liabilities are primarily relating to the sale of information reports and data in which payment has been received from customers, but the information report has not yet been provided.

Note 19. Current liabilities – provisions

	2024 $'000	2023 $'000
Annual leave	5,243	5,925
Long service leave	2,568	1,937
Total	7,811	7,862

Note 20. Non-Current liabilities – provision

	2024 $'000	2023 $'000
Long service leave	803	728
Dilapidation	343	-
Total	1,146	728

Note 21. Non-Current interest-bearing loans and borrowings

	2024 $'000	2023 $'000
Borrowings – unsecured	367,400	300,000
Deferred borrowing costs[1]	(2,867)	(1,257)
	364,533	298,743

1. Deferred borrowing costs comprise the unamortised value of borrowing costs paid on establishment or refinance of debt facilities. These costs are deferred on the Consolidated Statement of Financial Position and amortised to borrowing costs in the Consolidated Statement of Comprehensive Income.

Certain companies within the Group (known as the 'Obligor Group'), entered into senior unsecured three, four and five year revolving debt facilities totalling $500 million documented under a Common Terms Deed (CTD) and Bilateral Facility Agreements in June 2024, drawing down $367.4 million. These new facilities replaced the Group's previous revolving debt facilities, a $335.0m four year facility entered into in June 2021 and a $40 million two year facility entered into in September 2023, both documented under Syndicated Facility Agreements (SFA's).

As at 30 June 2024 there were no defaults or breaches of any obligations of the Group under the CTD or Bilateral Facility Agreements.

Note 22. Capital and financial risk management

Approach to risk management

The Group takes a balanced approach to risk and seeks the most advantageous position when managing its affairs. It adopts a controlled and transparent approach and ensures all business is carried on with honesty and integrity and in compliance with applicable laws and regulations.

The Group's process for the management of risk is by using a risk management framework (RMF) and related policies to guide management. The overall process for the management of risk is documented in the RMF.

The Group's General Manager for Risk oversees the operational management of risk in line with the RMF and related policies/guidelines and reports regularly to the Group's Audit and Risk Committee.

a. Financial risk management

In the course of its operations, the Group is exposed to certain financial risks that could affect the Group's financial position and performance. This note explains the sources of these risks, how they are managed by the Group and exposure at reporting date. The table below outlines the financial instruments held by the Group:

	2024 $'000	2023 $'000
Financial assets/(liabilities) measured at amortised cost		
Cash and cash equivalents	90,461	36,539
Trade and other receivables	11,818	5,701
Other financial assets	31,784	27,249
Interest-bearing loans and borrowings	(364,533)	(298,743)
Trade and other payables	(88,514)	(59,402)
Total net financial (liabilities)/assets	(318,984)	(288,656)

The fair values of cash and cash equivalents, trade and other receivables, other financial assets and other payables are considered to approximate their carrying amounts due to the short-term maturities of these instruments. The carrying value of interest-bearing loans and borrowings is also considered to approximate its fair value given the facilities are linked to a Bank Bill Swap Rate (BBSY) that is subject to market fluctuations.

i. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Certain companies within the Group (known as the 'Obligor Group'), entered into senior unsecured three, four and five year revolving debt facilities totalling $500 million documented under a Common Terms Deed (CTD) and Bilateral Facility Agreements in June 2024. These new facilities replaced the Group's previous revolving debt facilities, a $335.0m four year facility entered into in June 2021 and a $40 million two year facility entered into in September 2023, both documented under Syndicated Facility Agreements (SFA's).

The new facilities are guaranteed by the Obligor Group and the interest on borrowings under the facility is calculated based on a weighted average margin of 1.40% over BBSY if fully drawn, which is subject to market fluctuations. A +/- 50 basis point movement in interest rates would impact interest expense on borrowings and equity for the last twelve months to 30 June 2024 by +/- $1.8 million (30 June 2023: $1.5 million).

The Group holds cash and cash equivalents which earn interest at floating rates (cash at bank), fixed rates (short-term deposits) and earns interest and equity on settlement and disbursement trust accounts in Australia and the UK at floating rates. A +/- 50 basis point movement in interest rates would impact interest earned at the end of the period by +/- $1.9 million (30 June 2023: +/- $2.0 million).

Further, the Group holds a financial liability in the form of a put/call option in relation to Value Australia. In determining the liability's fair value at 30 June 2024: $3.2 million (30 June 2023: $3.0 million) the liability is discounted at the segment's weighted average cost of capital. Sensitising the segment's FY24 weighted average cost of capital in this calculation by +/- 25 basis points resulted in a +/- $0.1 million (June 2023: $0.1 million) movement in the liability's fair value.

ii. Liquidity risk

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

The table below presents the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Estimated interest and principal payments are based on forward interest rates prevailing at year end and are undiscounted. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Maturing In:				
	1 Year or less $'000	1 to 5 Years $'000	>5 Years $'000	Contractual Total $'000	Carrying Amount $'000
2024					
Financial liabilities	32,003	-	-	32,003	32,003
Trade payables, accruals and other payables	56,511	-	-	56,511	56,511
Interest-bearing loans and borrowings	22,091	429,310	-	451,401	364,533
Lease liabilities	3,203	6,717	2,330	12,250	10,549
Other financial liabilities	-	3,180	-	3,180	3,180
Total	113,808	439,207	2,330	555,345	466,776

	Maturing In:				
	1 Year or less	1 to 5 Years	>5 Years	Contractual Total	Carrying Amount
	$'000	$'000	$'000	$'000	$'000
2023					
Financial liabilities	27,249	-	-	27,249	27,249
Trade payables, accruals and other payables	32,153	-	-	32,153	32,153
Interest-bearing loans and borrowings	18,828	316,699	-	335,527	298,743
Lease liabilities	2,314	5,947	-	8,261	7,625
Other financial liabilities	-	3,000	-	3,000	3,000
Total	80,544	325,646	-	406,190	368,770

iii. Credit risk

Credit risk is the risk that a counter-party to a financial asset held by the Group fails to meet their financial obligations. The Group does not consider itself to be subject to significant credit risk as trade receivables due from subscribers are predominantly collected automatically as a disbursement from settlement funds through transactions completed on the Exchange. Receivables from transactions that do not include financial settlement are collected via direct debit on the day the transaction is completed on the Exchange. Additionally, for non-exchange related revenues in the UK and Australia, the Group has not experienced any credit losses as the counter-parties are largely financial institutions or government entities.

Further, the Group's current year acquisitions, Land Insight and Smoove had credit losses of less than $0.01 million for the full financial year and are not expected to increase the Group's credit risk profile. Smoove is currently carrying an allowance for expected credit loss of $0.49m (30 June 2023: N/A)

Investments of surplus funds as cash and cash equivalents and other financial assets are made only with approved counter-parties and within investment limits assigned to each counter-party. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counter-party's potential failure to make payments. The approved counter-parties comprise of the major Australian banks which maintain investment grade external credit ratings and with UK authorised banks.

b. Capital management

The Group's objective when managing capital is to ensure the allocation of financial and other resources creates sustainable value for shareholders in line with the Group's purpose of 'connecting people to place'. To ensure it achieves this the Group ensures:

- It has an appropriate level of capital resources available to support its business activities and to absorb the impact of any downside risks arising from the pursuit of those activities;
- That capital is allocated effectively across the Group to deliver on its purpose and to generate long-term sustainable returns for shareholders; and
- That material organic and inorganic opportunities are evaluated using a consistent approach and cost of capital.

The Group currently monitors its capital management in line with its objectives outline in its Capital Management Framework (disclosed in the FY24 investor presentation). To fulfil capital management objectives, the Group may issue new shares or seek other new sources of capital such as loans and borrowings.

The Group believes that it has sufficient cash to fund its operational and working capital requirements to meet its business objectives. The Directors note that in the future it may need to raise additional funds in order to support more rapid expansion, respond to competitive pressures, acquire complementary businesses or technologies or take advantage of unanticipated opportunities.

The Group considers it has the ability to seek to raise further funds through equity or debt financing, joint ventures, licensing arrangements, strategic relationships or other means.

Note 23. Fair value measurement

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Financial assets/(liabilities) measured at fair value	Note	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
At 30 June 2023					
Other financial assets	1	-	-	2,807	2,807
Other financial liabilities	2	-	-	(3,000)	(3,000)
		-	-	(193)	(193)
At 30 June 2024					
Other financial assets	1	-	-	1,478	1,478
Other financial liabilities	2	-	-	(3,180)	(3,180)
		-	-	(1,702)	(1,702)

1. The other financial asset (investments) was recognised at fair value at 30 June 2024 and 30 June 2023.
2. The other financial liability in relation to a put/call option (Value Australia) has been recognised at fair value. Management reviewed the put/call option using a value in use (VIU) model and adjusted the fair value as at 30 June 2024 (Management were satisfied with the fair value as at 30 June 2023 and made no adjustment). Sensitising the weighted average cost of capital used in the VIU modelling by +/-25 basis points resulted in a +/- $0.1 million movement in the liabilities fair value ($0.1 million at 30 June 2023).

	2024 $'000	2023 $'000
Movements in initial assets and liabilities measured at fair value		
Opening balance	(193)	829
Acquisition of other financial assets	-	1,978
Sale of other financial assets[1]	(250)	-
Transfer of other financial assets to Investments in Associates[2]	(1,079)	-
Third party contribution to Value Australia[3]	(824)	-
Fair value adjustment to other liabilities[4]	644	(3,000)
	(1,702)	(193)
Classification:		
Current	-	-
Non-current	(1,702)	(193)

1. Sale of Investment in Honey Insurance Pty Ltd for carrying value. No Profit and Loss impact.
2. Increased investment in Opex Contracts Pty Ltd resulted in the nature of the investment changing to an associate investment requiring equity accounting. No profit and loss impact. Refer note 16.
3. Contributions from the non-controlling shareholders of Value Australia during the period which in accordance with the accounting standards are recorded against the other financial liability. No Profit and Loss impact.
4. Includes the initial purchase of the other financial liability (Value Australia) and the adjustment to the value arising from the fair value assessment as at 30 June 2024. This revaluation is reflected in the profit and loss.

The valuation requires management to make certain assumptions about the model inputs, including future operating cash inflows and outflows, expenditure to complete and the rate used to discount those cash-flows. The Group has assessed that there has been no material movement in fair value since that date.

Note 24. Contributed equity

Ordinary shares

	2024 $'000	2023 $'000
Issued and fully paid	1,270,975	1,267,600
	1,270,975	1,267,600

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Movement in ordinary shares on issue	No. of shares	$'000
At 1 July 2022	177,325,788	1,268,362
Shares acquired on market for equity plans[1]	(75,035)	(1,063)
Shares issued in relation to equity plans	21,442	301
At 30 June 2023	177,272,195	1,267,600
Shares issued to a director	3,537	45
Shares issued to executives in relation to STI plans[2]	18,226	209
Shares issued in relation to equity plans	137,226	3,121
At 30 June 2024	177,431,184	1,270,975

1. 75,035 shares were acquired by the Group on-market and were held in trust by PEXA for employee equity plans. These shares have subsequently been released to employees.
2. Some executives elected to have shares issued in lieu of cash settlement of short term incentive (STI) plan payments.

Note 25. Reserves

Foreign Currency Translation Reserve	2024 $'000	2023 $'000
Opening balance	(1,474)	175
Current period movement	(259)	(1,649)
	(1,733)	(1,474)

Share Based Payments Reserve	$'000	$'000
Opening balance	3,538	8,308
Close MEP Share Reserve to Accumulated Losses Reserve	-	(6,267)
Share based payment expense	3,201	1,497
Transferred to Equity	(3,121)	-
	3,618	3,538

Benefits are provided to employees (including the Group Managing Director & Chief Executive Officer, executives, other senior leaders and higher performing employees) of the Group in the form of share-based payments, whereby employees render services in exchange for equity or rights over shares.

The Group has Long-Term Incentive Plans (LTI Plans) for Senior Executives which aims to set and reward a high standard of performance over a three-year period, tied to the appropriate company performance measures and targets. The Sign-On, Retention Plans, UK Employee Share Plan and Transformer Plan are tied to a service condition only. For all LTI Plans the participants are not entitled to any dividends until vested.

a. FY23 Share-Based payment plans

During the twelve-month period ended 30 June 2023 the Group's Board approved the following share-based payment plan for executives and employees:

FY23 LTI Plan

Granted on 20 October 2022 (CEO – 18 November 2022) the FY23 LTI Plan contains a service condition and two performance conditions (one subject to a relative Total Shareholder Return ('TSR') performance condition and one subject to a non-market performance condition – an EPS target). A valuation of the performance rights was completed on this plan. The total fair value of the FY23 LTI Plan grant was $4,121,662.

Key features of the FY23 LTI Plan:

Required period of employment: three years from 1 July 2022 to 30 June 2025.

Performance hurdles:

Relative Total Shareholder Return (TSR): 50% of the FY23 LTI Plan is subject to performance against a relative TSR metric over three years. Relative TSR combines the security price movement and distributions (which are assumed to be reinvested), to show the total return to security holders, relative to that of other companies in the TSR comparator group, which is the ASX 200 Information Technology Index, tested at the end of FY25. The vesting scale is as follows:

Relative TSR	Vesting % of maximum
Below 50th percentile	Nil
At 50th percentile	50%
50-75th percentile	Pro rata
At 75th percentile or above	100%

Earnings per share (EPS): 50% of the FY23 LTI Plan is subject to performance against an EPS metric. EPS is calculated based on NPATA, which is calculated as statutory net profit after tax and after adding back tax-effected amortisation of acquired intangible assets EPS CAGR will be measured based on FY25 audited results compared to FY23 audited results EPS CAGR:

EPS CAGR	Vesting % of maximum
Below Target	Nil
At Target	50%
Between Target and Maximum	Pro rata
Maximum	100%

Across all aspects of the FY23 LTI Plan the Board has full discretion to make adjustments where there would be a material and/or perverse outcome not to do so. These adjustments may have a positive or negative impact on outcomes. The expense relating to both the relative TSR and EPS portion of the LTI Plan is accrued over the performance period of three years.

FY23 Sign-on and Retention Plan (SORP)

Granted on 10 October 2022 and 29 March 2023, this SORP is for nine employees and contains a service condition only, requiring continued employment ranging from July 2023 to December 2024. The total fair value of the FY23 SORP grant was $1,385,964.

FY23 Employee Share Plan (ESP)

Granted on 10 October 2022, the PEXA Group purchased 21,442 PEXA shares on-market for 305 employees on 25 October 2022 and allocated them on 26 October 2022. The shares have no performance measures. The fair value of the purchased shares of $0.3 million was fully expensed in the period as there are no hurdles to their vesting. Fair value has been measured based on the listed value of the purchased shares as at the grant date.

FY23 Transformers Plan (TP)

Granted on 11 October 2022, the PEXA Group purchased 53,593 PEXA shares on-market for 29 participants on 25 and 26 October 2022 and allocated them on 27 October 2022. The shares have no performance measures but have a service condition of one year before they vest. If an employee leaves the business during that period, the shares are forfeited. The fair value of the purchased shares of $0.76 million is expensed over the vesting period. Fair value has been measured based on the listed value of the purchased shares as at the grant date.

b. FY24 Share-Based payment plans

During the twelve-month period ended 30 June 2024 the Group's Board approved the following share-based payment plan for executives:

FY24 LTI Plan

Granted on 1 December 2023 (CEO – 24 November 2023) the FY24 LTI Plan contains a service condition (of three years from 1 July 2023 to 30 June 2026) and two performance conditions (one subject to a relative Total Shareholder Return ('TSR') performance condition and one subject to a non-market performance condition – an EPS target). A valuation of the performance rights was completed on this plan. The total fair value of the FY24 LTI Plan grant was $4,122,854.

Key features of the FY24 LTI Plan:

Required period of employment: three years from 1 July 2023 to 30 June 2026.

Performance hurdles:

Relative Total Shareholder Return (TSR): 50% of the FY24 LTI Plan is subject to performance against a relative TSR metric over three years. Relative TSR combines the security price movement and distributions (which are assumed to be reinvested), to show the total return to security holders, relative to that of other companies in the TSR comparator group, which is the S&P/ASX 200 Index, tested at the end of FY26. The vesting scale is as follows:

Relative TSR	Vesting % of maximum
Below 50th percentile	Nil
At 50th percentile	50%
50-75th percentile	Pro rata
At 75th percentile or above	100%

Earnings per share (EPS): 50% of the FY24 LTI Plan is subject to performance against an EPS metric. EPS is calculated based on NPATA, which is calculated as statutory net profit after tax and after adding back tax-effected amortisation of acquired intangible assets EPS CAGR will be measured based on FY26 audited results compared to FY23 audited results EPS CAGR:

EPS CAGR	Vesting % of maximum
Below Target	Nil
At Target	50%
Between Target and Maximum	Pro rata
Maximum	100%

Across all aspects of the FY24 LTI Plan the Board has full discretion to make adjustments where there would be a material and/or perverse outcome not to do so. These adjustments may have a positive or negative impact on outcomes. The expense relating to both the relative TSR and EPS portion of the LTI Plan is accrued over the performance period of three years.

Valuation

The fair value of performance rights granted under the FY24 LTI Plan is estimated at the date of grant using a combined Black Scholes pricing model (EPS rights) and Monte Carlo simulation pricing model (TSR rights) taking into account the terms and conditions upon which the performance rights were granted. For grants with non-market vesting conditions (EPS), the grant date fair value is expensed over the vesting period and adjusted to reflect the actual number of rights for which the related service and non-market vesting conditions are expected to be met. The grant date fair value of awards with market performance conditions (TSR) reflects the probability of these conditions being met and hence the expense recognised over the vesting period is only adjusted for changes in expectations as to whether service criteria will be met. The fair value of TSR rights has been calculated at $7.21 per share (CEO) and $6.96 per share (all other participants) and EPS rights at $11.86 per share (CEO) and $11.78 per share (all other participants).

Key inputs and assumptions

	Other participants	CEO
Weighted average fair values at the measurement date ($)	$9.37	$9.54
Dividend yield (%)	0%	0%
Expected volatility (%)	32.50%	32.50%
Risk-free interest rate (%)	3.99%	4.11%
Closing share price as at the grant date ($)	$11.78	$11.86
Model used	Combined - Black Scholes pricing model and Monte Carlo simulation pricing model	

The expected life of the performance rights is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the performance rights is indicative of future trends, which may not necessarily be the actual outcome.

The weighted average fair value per performance rights granted under the FY24 LTI Plan during the twelve months ended 30 June 2024 was $9.54 (CEO) and $9.37 (all other participants).

FY24 Retention Plan (RP)

Granted on 1 December 2023 and 1 April 2024, this RP is for five employees and contains a service condition only, requiring continued employment ranging from March 2025 to December 2025. The total fair value of the FY24 RP grant was $274,994.

FY24 Employee Share plan (ESP)

On 30 September 2023, the PEXA Group issued, granted and allocated 29,754 PEXA ordinary shares for 342 employees. The shares have no performance measures. The fair value of the purchased shares of $0.34 million will be fully expensed in the full year results as there are no hurdles to their vesting. Fair value has been measured based on the listed value of the purchased shares as at the grant date.

FY24 UK Employee Share plan (UK ESP)

Granted on 30 October 2023, the PEXA Group issued 1,653 performance rights over PEXA ordinary shares for 31 participants. The performance rights have no performance measures but have a service condition of three year before they vest. If an employee leaves the business during that period, the shares are forfeited. The fair value of the performance rights of $0.02 million is expensed over the vesting period . Fair value has been measured based on the value weighted average price between 29 August and 11 September 2023.

FY24 Transformers plan (TP)

Granted on 30 October 2023, the PEXA Group issued 78,353 performance rights over PEXA ordinary shares for 32 participants. The performance rights have no performance measures but have a service condition of one year before they vest. If an employee leaves the business during that period, the shares are forfeited. The fair value of the performance rights of $0.86 million is expensed over the vesting period . Fair value has been measured based on the value weighted average price between 29 August and 11 September 2023.

c. Performance rights and shares on issue

The movements in the number of performance rights and shares on issue during the year are as follows:

Performance Rights	FY22 LTI Plan	FY23 LTI Plan	FY23 SORP	FY24 LTI Plan	FY24 RP	FY24 UK ESS	FY24 TP	Total
At 1 July 2022	167,301	-	-	-	-	-	-	167,301
Granted during the year	-	341,218	99,191	-	-	-	-	440,409
Forfeited during the year	(37,845)	(59,852)	-	-	-	-	-	(97,697)
Expired during the year	-	-	-	-	-	-	-	-
Vested and exercised during the year	-	-	-	-	-	-	-	-
At 30 June 2023	129,456	281,366	99,191	-	-	-	-	510,013
Granted during the year	-	-	-	458,620	22,790	1,653	78,353	561,416
Forfeited during the year	(1,267)	(23,448)	(4,916)	(36,128)	-	-	(4,598)	(70,357)
Expired during the year	-	-	-	-	-	-	-	-
Vested and exercised during the year	-	-	(59,674)	-	-	-	(1,250)	(60,924)
At 30 June 2024	128,189	257,918	34,601	422,492	22,790	1,653	72,505	940,148

All performance rights and employee shares have a $nil exercise value.

The weighted average remaining contractual life for the performance rights outstanding as at 30 June 2024 was 1.25 years (2023: 1.5 years).

The weighted average fair value of performance rights granted during the year was $9.80 (2023: $12.51).

Employee Shares	FY23 ESP	FY23 TP	FY24 ESP	Total
At 1 July 2022	-	-	-	-
Granted during the year	21,442	53,593	-	75,035
Forfeited during the year	-	(6,784)	-	(6,784)
Expired during the year	-	-	-	-
Vested and exercised during the year	(21,442)	-	-	(21,442)
At 30 June 2023	-	46,809	-	46,809
Granted during the year	-	-	29,754	29,754
Forfeited during the year	-	-	(261)	(261)
Expired during the year	-	-	-	-
Vested and exercised during the year	-	(46,809)	(29,493)	(76,302)
At 30 June 2024	-	-	-	-

Note 26. Earnings per share

Basic earnings per share is calculated as profit/(loss) after income tax attributable to owners of the Group, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares.

Diluted earnings per share adjusts the weighted average number of shares for potentially dilutive ordinary shares.

	2024 $'000	2023 $'000
(Loss) after income tax attributable to owners of PGL	(18,012)	(21,840)
WANOS used in calculation of basic EPS[1]	177,378	177,289
Effects of dilution from:		
Performance rights[2]	-	-
WANOS used in calculation of diluted EPS	177,378	177,289
Basic EPS (cents per share)	(10.15)	(12.32)
Diluted EPS (cents per share)	(10.15)	(12.32)

1. Weighted average number of ordinary shares.
2. Diluted earnings per share is calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year adjusted for the effects of dilutive performance rights not yet converted to shares. As the Group has recorded a loss for the year ended 30 June 2024, the impact of any dilutive performance rights not yet converted to shares is deemed to be nil per AASB 133.

Note 27. Related party disclosures

a. Key management personnel

Compensation for key management personnel (KMP), includes Directors and Executive Committee members remuneration, superannuation and bonuses recognised as an expense during the reporting period is disclosed in the table below.

KMP are those persons who, directly or indirectly, have authority and responsibility for planning, directing, and controlling the major activities of the Group. For the year ended 30 June 2024, Executive KMP are assessed to be the Group Managing Director & Chief Executive Officer, Group Chief Financial Officer and the Chief Executive Officer (Australia).

Executive KMP	2024 $'000	2023 $'000
Short-term employee benefits	3,318	2,902
Share based payments	723	348
Other long-term benefits	41	18
Post-employment benefits – superannuation	82	76
Total	4,164	3,344

Directors - Non-executive KMP	2024 $'000	2023 $'000
Short-term employee benefits	1,454	1,482
Post-employment benefits – superannuation	108	88
Total	1,562	1,570

Prior year (2023) comparisons in the tables above will not align with prior year numbers in sections 8.1 and 8.2 of the remuneration report as the remuneration report is not required to disclose any KMP in the comparative numbers if they are no longer KMP in the current year.

b. Transactions with related parties

Other than as disclosed below, there were no transactions with KMP and their related parties during the year ended 30 June 2024 (30 June 2023: none). The total revenue on transactions that have been entered into with related parties for the relevant financial year is:

Related party	2024 $'000	2023 $'000
Commonwealth Bank of Australia	19,769	19,569
Archistar	200	-
Landchecker	156	109
Total	20,125	19,678

The outstanding receivables from related parties at 30 June were:

Related party	2024 $'000	2023 $'000
Commonwealth Bank of Australia	164	-
Archistar	165	-
Landchecker	23	49
Total	352	49

Commonwealth Bank of Australia (like the three other major Australian financial institutions) is a customer of the Group that utilises the Exchange for registering and discharging mortgages over properties on behalf of their customers and purchases other Group products.

The above transactions were completed on an arm's length basis and on the same terms as all other financial institutions.

c. Parent entity and relationship with subsidiaries

The consolidated financial statements of the Group include the parent entity, PEXA Group Limited, which is domiciled and incorporated in Australia and all its subsidiaries.

Name	Place of incorporation	% of equity interest 2024	% of equity interest 2023
PEXA Group Limited	Australia		
PEXA Australia Group Pty Ltd[1]	Australia	100%	100%
PEXA Holdings Pty Ltd[1]	Australia	100%	100%
PEXA Technology Pty Ltd[1]	Australia	100%	100%
PEXA Services Pty Ltd[1]	Australia	100%	100%
Property Exchange Australia Ltd[1]	Australia	100%	100%
PEXA International Pty Ltd[1]	Australia	100%	100%
DigCom UK Holdings Ltd	UK	100%	100%
Digital Completion UK Ltd	UK	100%	100%
Optima Legal Services Ltd	UK	100%	100%
Smoove Limited	UK	100%	-
United Legal Services Limited	UK	100%	-
United Home Services Limited	UK	100%	-
Legal-Eye Limited	UK	100%	-
Amity Law Limited	UK	100%	-
Hello Smoove Limited	UK	100%	-
ULS Technology Limited	UK	100%	-
PEXA Cell[2]	Guernsey	100%	100%
Land Insight and Resources (Holdings) Pty Ltd	Australia	100%	-
Land Insight and Resources Pty Ltd	Australia	100%	-
PEXA Insights (Holdings) Pty Ltd[1]	Australia	100%	100%
PEXA Insights Pty Ltd[1]	Australia	100%	100%
I.D. Consulting Pty Ltd[1]	Australia	100%	100%
I.D. (informed decisions) Pty Ltd[1]	Australia	100%	100%
PEXA SettleAssist Pty Ltd	Australia	100%	100%
Slate Analytics Pty Ltd	Australia	70%	70%
PX Ventures (Holdings) Pty Ltd[1]	Australia	100%	100%
PX Ventures Pty Ltd[1]	Australia	100%	100%

1. An ASIC-approved Deed of Cross Guarantee was entered into by PEXA Group Limited (the parent entity) and these entities. Refer to 'Deed of Cross Guarantee' note. Note 32
2. In the year ended 30 June 2023 the Group established a captive insurance Protected Cell Company (the 'PEXA CELL') within Mangrove Insurance Guernsey PCC Limited (a Marsh Insurance related entity).

Note 28. Events after balance sheet date

No matters or circumstance have arisen since 30 June 2024 that has significantly affected, or may significantly affect:

- The consolidated entity's operations in future financial years;
- The results of those operations in future financial years; or
- The consolidated entity's state of affairs in future financial years.

Note 29. Commitments & contingencies

a. Capital commitments

The Group had no quantifiable capital commitments at 30 June 2024 (30 June 2023: nil).

b. Residential guarantee

The wholly owned subsidiary, Property Exchange Australia Limited, offers the PEXA Residential Seller Guarantee (PRSG) to provide protection to residential sellers in the event of certain kinds of fraud. Where the PRSG applies, the vendor (seller) has the option to make a claim against PEXA, rather than seeking to recover the loss by an alternative means.

The Group's obligations are held by Property Exchange Australia Limited and are capped at $2.0 million per claim. No amounts relating to the PRSG have been provided for in the 30 June 2024 financial report.

c. Contingent liabilities

The Group is subject to a number of contractual obligations in agreements which, if not discharged or considered not to be discharged, may give rise to potential claims or other costs. These agreements exist to allow the Group to perform its day to day operations and monitor its various regulatory obligations appropriately.

Those obligations are included in a number of operating, participation, performance, trading and settlement agreements with various government bodies, financial institutions, state registrars, practitioners and regulators (such as ARNECC), in both Australia and the United Kingdom, with varying levels of potential liability. The Group is not aware of any actual or alleged non-performance of any obligations as at 30 June 2024.

Note 30. Auditor's remuneration

During the year payments were made to our auditors for services in addition to the annual audit of the financial accounts of the Group. The following is detail of audit and other services:

Ernst & Young	2024 $	2023 $
Audit and assurance services		
Category 1 Ernst & Young Australia - Group and statutory audit fees	593,000	479,020
Category 1 Ernst & Young United Kingdom - Statutory audit fees	546,000	191,000
Category 1 Total	1,139,000	670,020
Category 2 Other assurance services	52,500	-
Category 3 Other services	158,000	514,750
Total auditor remuneration	1,349,500	1,184,770

Category 1 – Group and statutory audit fees: (i) auditing the statutory financial report of the Group; (ii) review of the year end financial report of the Group; and (iii) auditing the statutory financial reports of any controlled entities. In the year ended 30 June 2024, fees also include the statutory audit fees for the PEXA International segment.

Category 2 – Other assurance services – limited assurance services to the Group in relation to its Scope 1 and 2 greenhouse gas (GHG) emissions, as well as a pre-assessment of Scope 3 GHG emissions (the "Services").

Category 3 – Other services – In the year ended 30 June 2024 services primarily related to Ernst & Young Port Jackson Partners being engaged to assist the group in work related to the e-conveyancing interoperability framework.

The Group has processes in place to maintain the independence of our external auditor, including the nature of the expenditure on non-audit services. Ernst & Young also have specific processes and policies in place to ensure auditor independence. Ernst & Young has provided an auditor's independence declaration to the Directors of the Group confirming that the provision of the other services has not impaired their independence as auditors.

Note 31. Information relating to PEXA Group Limited (The Parent)

	2024 $'000	2023 $'000
Current assets	1,088	4,071
Total assets	1,948,545	1,751,509
Current liabilities	-	-
Total liabilities	(520,610)	(533,056)
Issued share capital	(1,270,975)	(1,267,600)
Equity reserves	(3,618)	(3,538)
Retained earnings	(153,342)	52,685
Gain/(Loss) of the parent entity	206,027	(15,235)
Total comprehensive gain/(loss) of the parent entity	206,027	(15,235)

The Parent had no commitments as at 30 June 2024 (30 June 2023: nil).

Note 32. Deed of Cross Guarantee (The Deed)

The subsidiaries identified in Note 27 (c) per footnote (1) are parties to a deed of cross guarantee under which each company guarantees the debts of the others. By entering into the Deed, the wholly owned entities have been relieved from the requirement to prepare a financial report and directors' report under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785.

These subsidiaries and PEXA Group Limited, together referred to as the 'Closed Group', originally entered into the Deed on 18 May 2023. The effect of the Deed is that each party to it has guaranteed to pay any deficiency in the event of the winding up of any of the entities in the Closed Group.

The Consolidated Statement of Comprehensive Income of the entities which are members of the Closed Group is as follows:

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2024	2024 $'000	2023 $'000
Profit before income tax	33,649	23,054
Income tax (expense)	(11,809)	(26,201)
Profit/(Loss) after income tax	21,840	(3,147)
Accumulated (loss)/profit at the beginning of the financial period	(2,780)	367
Accumulated profit/(loss) at the end of the financial period	19,060	(2,780)

The Consolidated Statement of Financial Position of the entities which are members of the Closed Group is as follows:

Consolidated Statement of Financial Position

As at 30 June:	2024 $'000	2023 $'000
ASSETS		
Current Assets		
Cash and cash equivalents	78,000	26,887
Trade and other receivables	6,023	4,890
Prepayments and other assets	11,963	11,265
Other financial assets	31,784	27,249
Total Current Assets	127,770	70,291

As at 30 June:	2024 $'000	2023 $'000
Non-Current Assets		
Prepayments	1,937	2,996
Property, plant and equipment	1,559	2,277
Related party receivables	11,131	67,993
Intangible assets	1,490,011	1,512,893
Right-of-use assets	4,334	6,042
Other financial assets	1,478	2,807
Investments in related parties	154,668	7,268
Investments in associates	31,900	29,353
Total Non-Current Assets	1,697,018	1,631,629
Total Assets	1,824,788	1,701,920
LIABILITIES		
Current Liabilities		
Trade and other payables	74,765	55,418
Contract liabilities	4,531	3,442
Provisions	7,434	7,542
Lease liabilities	2,240	2,004
Related party payables	131	0
Total Current Liabilities	89,101	68,406
Non-Current Liabilities		
Provisions	805	727
Interest-bearing loans and borrowings	364,533	298,743
Lease liabilities	3,443	5,621
Deferred tax liabilities	71,743	60,065
Total Non-Current Liabilities	440,524	365,156
Total Liabilities	529,625	433,562
Net Assets	1,295,163	1,268,358
EQUITY		
Contributed equity	1,270,975	1,267,600
Reserves	5,128	3,538
Accumulated profits/(losses)	19,060	(2,780)
Total Equity	1,295,163	1,268,358

At 30 June 2024, the Consolidated Statement of Financial Position reflected an excess of current assets over current liabilities of $38.7 million (30 June 2023: $1.9 million).

The Directors are not aware of any uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Entity Name	Entity Type	Body Corporate Country of Incorporation	Body Corporate % of Share Capital Held	Country of Tax Residence
PEXA Group Limited	Body Corporate	Australia	100%	Australia
PEXA Australia Group Pty Ltd	Body Corporate	Australia	100%	Australia
PEXA Holdings Pty Ltd	Body Corporate	Australia	100%	Australia
Property Exchange Australia Limited	Body Corporate	Australia	100%	Australia
PEXA Technology Pty Ltd	Body Corporate	Australia	100%	Australia
PEXA Services Pty Ltd	Body Corporate	Australia	100%	Australia
PEXA SettleAssist Pty Ltd	Body Corporate	Australia	100%	Australia
PEXA Insights (Holdings) Pty Ltd	Body Corporate	Australia	100%	Australia
PEXA Insights Pty Ltd	Body Corporate	Australia	100%	Australia
I.D. Consulting Pty Ltd	Body Corporate	Australia	100%	Australia
I.D. (Informed Decisions) Pty Ltd	Body Corporate	Australia	100%	Australia
PX Ventures (Holdings) Pty Ltd	Body Corporate	Australia	100%	Australia
PX Ventures Pty Ltd	Body Corporate	Australia	100%	Australia
PEXA International Pty Ltd	Body Corporate	Australia	100%	Australia
Land Insight & Resources Holdings Pty Ltd	Body Corporate	Australia	100%	Australia
Land Insight & Resources Pty Ltd	Body Corporate	Australia	100%	Australia
Slate Analytics Pty Ltd	Body Corporate	Australia	70%	Australia
DigCom UK Holdings Ltd	Body Corporate	United Kingdom	100%	United Kingdom
Digital Completion UK Ltd	Body Corporate	United Kingdom	100%	United Kingdom
Optima Legal Services Ltd	Body Corporate	United Kingdom	100%	United Kingdom
Smoove Limited	Body Corporate	United Kingdom	100%	United Kingdom
Amity Law Ltd	Body Corporate	United Kingdom	100%	United Kingdom
Legal-Eye Ltd	Body Corporate	United Kingdom	100%	United Kingdom
United Home Services Ltd	Body Corporate	United Kingdom	100%	United Kingdom
United Legal Services Ltd	Body Corporate	United Kingdom	100%	United Kingdom
Hello Smoove Ltd (Dormant)	Body Corporate	United Kingdom	100%	United Kingdom
ULS Technology Ltd (Dormant)	Body Corporate	United Kingdom	100%	United Kingdom
PEXA Cell[1]	Body Corporate	Guernsey	100%	Guernsey

1. In the year ended 30 June 2023 the Group established a captive insurance Protected Cell Company (the 'PEXA Cell') within Mangrove Insurance Guernsey PCC Limited (a Marsh Insurance related entity).

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of PEXA Group Limited, I state that: In the opinion of the Directors:

1. The financial statements and associated notes set out on pages 94 - 150 are in accordance with the Corporations Act 2001, including:
   a. giving a true and fair view of the financial position of the Group as at 30 June 2024 and of its performance for the year then ended; and
   b. complying with Australian Accounting Standards and Corporations Regulations 2001; and
   c. the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note2(a); and
2. There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
3. The consolidated entity disclosure statement required by section 295(3A) of the *Corporations Act 2001* is true and correct.
4. At the date of the declaration, there are reasonable grounds to believe that the members of the Closed Group identified in Note 27 (c) will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the Deed of Cross Guarantee described in Note 32.
5. This declaration has been made after receiving the declarations required to be made to the Directors by the Chief Executive Officer and Group Chief Financial Officer in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2024.

On behalf of the Board

Mark Joiner
Chairperson

21 August 2024

Building a better working world

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Independent auditor's report to the members of PEXA Group Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of PEXA Group Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2024 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section of our report. We are independent of the Group in accordance with the 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial report section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

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Capitalisation of intangible in-house software assets

Why significant	How our audit addressed the key audit matter
The carrying value of intangible in-house software assets is $221.9 million, as disclosed in Note 13 of the financial report. Software asset development is core to the Group's operations and requires judgement as to whether software development costs meet the capitalisation criteria of AASB 138 *Intangible Assets*. Costs incurred by the Group during the year that were capitalised totalled $67.3 million. The capitalisation of intangible in-house software assets is a key audit matter due to the significant judgements, including: ▶ whether software development costs incurred relate to research costs that should be expensed or development costs that are eligible for capitalisation; ▶ the assessment of future economic benefits and the technical feasibility of the software products; and ▶ the timing of amortisation and the useful lives for projects. The Group's disclosures regarding intangible assets, including intangible in-house software assets are included in Note 3 and Note 13 of the financial report.	Our audit procedures included the following: ▶ We selected a sample of software development projects to determine the nature and status of the projects and assessed whether the costs incurred on these projects met the capitalisation requirements of Australian Accounting Standards. ▶ We met with management, including project managers, to understand project status, assess the feasibility of project completion and consider the timing if future economic benefits. ▶ For a sample of capitalised employee and contractor costs we agreed the pay rates to employment contracts, supplier invoices and obtained evidence of approvals to support the allocated time charged to software development projects. ▶ We assessed the useful lives, timing of the commencement of amortisation and amortisation rates allocated to intangible software assets, as well as recalculating the amortisation expense for the year. ▶ We assessed the consistency of amounts spent and capitalisation methodology applied by the Group in comparison to prior reporting periods and analysed trends in capitalised costs. ▶ We assessed the adequacy of the related disclosures in the financial report, including the disclosure of the judgements associated with the capitalisation of intangible software assets.

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Impairment testing of goodwill and intangible assets

Why significant	How our audit addressed the key audit matter
The carrying value of intangible assets, including goodwill, is $1,583 million as disclosed in Note 13 represent 89% of the total assets of the Group. At each reporting period, the Group performs an impairment assessment of goodwill balances, indefinite life intangibles and intangibles not yet available for use at least annually. The recoverable amounts of the Exchange, International and certain assets within Digital Solutions have been determined based on value-in-use models referencing discounted cash flow forecasts. The models contain estimates, assumptions and significant judgements regarding future projections and the achievement of those forecasts which are critical to the assessment of impairment, particularly planned growth rates and discount rates. These estimates, assumptions and judgements are based on conditions existing and emerging as at 30 June 2024. Key assumptions, judgements and estimates applied in the Group's impairment assessment are set out in Note 3 and Note 13 of the financial report.	Our audit procedures included evaluating whether the Group's determination of its CGUs is in accordance with Australian Accounting Standards, including the consideration of the level at which goodwill is allocated and monitored. We performed the following procedures, amongst others: ▶ Assessed the appropriateness of the impairment testing assumptions and methodologies applied in the determination of recoverable amount. ▶ Tested the mathematical accuracy of the Groups value-in-use cash flow models. ▶ Assessed key assumptions such as forecast transaction levels, revenue growth including competitor assumptions, timeline of operational activity (where applicable), overhead costs and discount rates to external independent data, where relevant. ▶ Compared the Group's results with historical forecasts to assess forecast accuracy and compared future cash flows to board approved budgets. ▶ Compared earnings multiples derived from the Group's valuation models to those observable from external market data of comparable listed entities, where available. ▶ Performed sensitivity analysis in respect of the key assumptions to ascertain the extent to which changes in those assumptions would either individually or collectively be required for the intangible assets to be impaired. Our valuation specialists were involved in the performance of these procedures where appropriate. We also considered the adequacy of the financial report disclosures regarding the impairment testing approach, key assumptions and sensitivity analysis as disclosed in Note 13 of the financial report.

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Exchange revenue recognition and its reliance on automated processes and controls

Why significant	How our audit addressed the key audit matter
The Group recognised $340.1 million in Revenue from contracts with Customers for the year ended 30 June 2024. The Group's disclosures regarding revenue and transactional amounts are included in Note 4 of the financial report. Revenue derived from the Exchange represents 86% of the total revenue of the Group. The Group's Exchange revenue recognition processes are heavily reliant on IT systems with automated processes and application controls over the capturing, valuing and recording of revenue transactions. The recognition of Exchange revenue was considered a key audit matter due to the significance of Exchange revenue to the financial report, its reliance on IT systems associated with the Exchange and the level of audit effort required.	Our audit procedures included the following: ▶ We involved our IT specialists in assessing the design and operating effectiveness of relevant controls over the capturing, valuing and recording of Exchange revenue transactions, including the relevant automated IT controls. ▶ We examined the processes and controls relating to the determination of Exchange revenue recognition. ▶ For Exchange revenue, we selected a sample of revenue transactions recorded during the year and obtained supporting evidence such as contractual pricing agreements, evidence of completion of performance obligations and evidence of customer payment. ▶ We used data analytic techniques to assess Exchange revenue transactions and the relationship with trade receivables and cash receipts. We also assessed the Group's accounting policies and disclosures set out in Notes 2(f) and 4 for compliance with the revenue recognition requirements of Australian Accounting Standards.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 30 June 2024 annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2024.

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

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

Jodi Dawkins
Partner
Melbourne
21 August 2024

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SHAREHOLDER INFORMATION

The following additional information is provided in accordance with ASX Listing Rules. The shareholder information set out below was applicable as at 7 August 2024.

Share capital and voting rights

As at 7 August 2024, the Company has 177,431,184 fully paid ordinary shares on issue which were held by 25,421 shareholders.

Distribution of equity securities

Analysis of the number of equity security holders by size of holding and the total percentage of securities in that class held by the holders in each category:

Distribution of equity securities

	Ordinary shares			
Number of equity securities held	Securities	%	No. of holders	%
100,001 and Over	148,057,791	83.45	38	0.15
10,001 to 100,000	7,484,801	4.22	344	1.35
5,001 to 10,000	4,787,417	2.7	674	2.65
1,001 to 5,000	11,308,366	6.37	5,327	20.96
1 to 1,000	5,792,809	3.26	19,038	74.89
Total	177,431,184	100	25,421	100

There were 2,536 holders with less than a marketable parcel of ordinary shares.

Twenty largest shareholders

The names of the 20 largest holders of the only class of quoted equity securities are listed below:

	Ordinary shares	
Name	**No. held**	**% of Issued shares**
COMMONWEALTH BANK OF AUSTRALIA	42,380,864	23.89
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	36,683,411	20.67
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	21,382,573	12.05
CITICORP NOMINEES PTY LIMITED	16,899,937	9.52
NATIONAL NOMINEES LIMITED	8,936,512	5.04
AUSTRALIAN FOUNDATION INVESTMENT COMPANY LIMITED	3,749,622	2.11
BNP PARIBAS NOMINEES PTY LTD	2,301,814	1.30
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,899,854	1.07
MUTUAL TRUST PTY LTD	1,518,218	0.86
GLENN LEE KING	1,155,637	0.65
BNP PARIBAS NOMS PTY LTD	1,149,423	0.65
BNP PARIBAS NOMINEES PTY LTD	1,004,477	0.57
BOND STREET CUSTODIANS LIMITED	966,556	0.54
BNP PARIBAS NOMS (NZ) LTD	885,793	0.50
MIRRABOOKA INVESTMENTS LIMITED	720,000	0.41
AYERSLAND PTY LTD	567,148	0.32
WASHINGTON H SOUL PATTINSON AND COMPANY LIMITED	523,938	0.30
MR RICHARD GILLEN MOORE	497,818	0.28
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	481,988	0.27
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	417,441	0.24
Total top 20 holders	144,123,024	81.23
Total remaining holders	33,308,160	18.77

Substantial holders

Substantial holders (including associate holdings) in the Company, based on the most recent substantial holder notices lodged with the Company and ASX, are set out below:

	Ordinary shares	
Name	**No. held**	**% of Issued shares**
COMMONWEALTH BANK OF AUSTRALIA	42,380,864	23.89
APOLLO GLOBAL MANAGEMENT (AND ITS CONTROLLED ENTITIES)	9,685,841	5.46
AWARE SUPER PTY LTD AS TRUSTEE OF AWARE SUPER	9,581,088	5.40

Restricted securities

The are no shares remaining in voluntary escrow under the Employee Gift Offer. All have been released under the terms of the Offer.

Share buy-backs

The Company is not currently conducting an on-market share buy-back.

Voting rights

Fully Paid Ordinary Shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote. Upon a poll, each share shall have one vote.

CORPORATE DIRECTORY

Annual General Meeting

The Annual General Meeting will be held at 10.00am (AEDT) on Friday, 15 November 2024.

Company Secretary

James Orr

Registered office and Principal Place of Business

Tower Four Collins Square
Level 16, 727 Collins Street
Docklands VIC 3008
Telephone: +61 3 7002 4500

Corporate Governance Statement

The Company's Corporate Governance Statement is on page 83 of this report.

Share Registry

MUFG Corporate Markets (formerly Link Market Services)
Post: Locked Bag A14, Sydney South NSW 1235 Australia
Email: registrars@linkmarketservices.com.au
Telephone: 1300 554 474
Website: www.linkmarketservices.com.au

Auditor

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000

Securities Exchange Listing

The Company's securities are listed on the ASX as PXA. The Company's securities are not listed on any other stock exchanges.

Website

www.pexa.com.au

www.pexa-group.com

GLOSSARY

AI	Artificial Intelligence
AML/CTF	Anti-Money Laundering and Counter-Terrorism Financing
API	Application Programming Interface. Our APIs enable the PEXA platform to easily integrate with our customer's existing systems.
ARC	(Board) Audit and Risk Committee
ARNECC	Australian Registrars' National Electronic Conveyancing Council
ASRS	Australian Sustainability Reporting Standards
ASX	Australian Securities Exchange
AVM	Automated Valuation Model
Archistar	Archistar is a PEXA partner brand. They are an award-winning Australian-based property intelligence platform that combines architectural design, planning and building regulations with artificial intelligence.
Business Revenue	Business revenue includes interest income earned in connection with Optima Legal's revenues, which is not included in IFRS statutory revenue, but instead is included in interest income in the Statement of Comprehensive Income.
Capex	Capital expenditure
CISC	Cyber and Infrastructure Security Centre
CO_2-e	Carbon dioxide equivalent
Critical Infrastructure	Assets deemed essential to the ongoing function of Australia's economy, society or national security.
CY	Calendar Year
DaaS	Data-as-a-service
DEI	Diversity, equity, inclusion
Dhiira	Dhiira is a 100% owned and operated Aboriginal professional services firm providing strategy, consulting, advisory, training and community engagement services to government, corporate and Aboriginal org clientele.
D&I	Diversity and inclusion
EAC	Ethics Advisory Committee
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortisation
ELNO	Electronic Lodgment Network Operator
ELT	Executive Leadership Team
ESG	Environmental, Social and Governance
FI	Financial institution
Flex First	Flex First is PEXA's inclusive hybrid working model
FY	Financial year
GBP	Abbreviation for British Pound Sterling
GHG	Green house gases
Hack Day	Hack Day is an annual PEXA event for employees, designed to foster collaboration and harness diversity of thought to develop fresh ideas for PEXA's products and operations. Our people are encouraged to join teams, present their pitch and seek sponsorship from our panel of Group Executives in this 'Shark Tank' style event.
Historical acquired intangibles	Historical intangibles predominantly arose due to the uplift in asset values following the change in ownership of PEXA in January 2019. These intangibles exclude any effects arising from Group acquisitions made subsequent to 2019.

Homes for Homes	PEXA community partner Homes for Homes is a social enterprise dedicated to increasing social and affordable housing in Australia, created by the Big Issue.
.id (informed decisions)	PEXA family brand .id (informed decisions) are an established data analytics business that bring spatial insights to local governments and any organisation engaged in location decision making. They help our customers make high-impact decisions by forecasting future demand for housing, infrastructure and services.
ICT	Information and Communications Technology
ISO 27001	ISO/IEC 27001 is an international standard to manage information security, originally published by the International Organization for Standardization
KRIs	Key Risk Indicators
Land Insight	In July 2023, Land Insight became part of the PEXA Group. Land Insight quantifies and evaluates natural hazards, pollution, and ground hazards, helping government and organisations such as banks and financial institutions understand the environmental risks in relation to land and property.
Leadership roles	Inclusive of permanent roles in the Executive Leadership Team, roles that report to the Executive Leadership team and employees with at least one direct report.
LGBTQIA+	Lesbian, Gay, Bisexual, Transgender, Queer, Intersex, Asexual +
L&D	Learning and Development
Melbourne Plex	Our Melbourne Head Office at 727 Collins Street, Melbourne, Australia
NAB	National Australia Bank
NABERS	National Australian Build Environment Rating System
NatWest Group	NatWest Group PLC is a British banking and insurance holding company, based in Edinburgh, Scotland. The group operates a wide variety of banking brands offering personal and business banking, private banking, investment banking, insurance and corporate finance.
NECDL	National E-Conveyancing Development Ltd; PEXA's previous entity/brand name
Net Finance Expense	Net finance expense includes interest income, interest expense on loans and borrowings, finance costs associated on leases, but excludes interest income earned in connection with Optima Legal's revenues, which is included in IFRS statutory interest income in the Statement of Comprehensive Income.
NPAT	Net Profit After Tax
NPATA	Net Profit After Tax, excluding tax-effected historical amortisation of acquired intangibles
ODS or On-D	On-Day-Settlement
OneData	PEXA's new enterprise data platform
Operating EBITDA	Operating EBITDA represents statutory net profit before interest, tax, depreciation, amortisation and specified items and is a non-IFRS measure. Operating EBITDA is inclusive of interest income earned in connection with Optima Legal's revenues.
Operating EBITDA margin	Operating EBITDA / Buisiness revenue
Opex	Operating expenses
OPEX	OPEX is a PEXA partner brand and e-conveyancing platform used by all the key parties when selling off-the-plan or registered real estate projects – the law firm, the property developer, financiers and real estate agents. It is also accessed by the buyers and their solicitors when negotiating and e-signing contracts.
Optima Legal	PEXA family brand Optima Legal Services Limited (Optima Legal) is a high-volume remortgage processing firm headquartered in Leeds, England that provides legal services in the UK remortgage market. Optima has direct relationships with six of the UK's top eight lenders.
PEP	Productivity Enhancement Program
PEXA Allocations	PEXA Allocations is an additional module available via PEXA Planner. Using Allocations, you can set up rules to automatically assign workspaces to your team members or you can manually assign workspaces using the Allocations dashboard.
PEXA Planner	PEXA Planner is a tool integrated with the PEXA Exchange which is designed for high volume transactors, such as Financial Institutions. PEXA Planner displays live Workspace updates from PEXA Exchange, allowing users to prepare for high-volume periods and manage workload and resources efficiency.
PEXA Tracker	PEXA Tracker is a reporting tool integrated with the PEXA Exchange that provides high level, read-only property settlement status information. PEXA Tracker was designed for users such as Banks who outsource property settlements, or front-line staff or lending specialists who require visibility over transactions but don't operational access.

Glossary continued

PMS	Practice Management Software
Practitioners	Legal practitioners including conveyancers, property lawyers
Pro forma	Pro forma results have been adjusted as if PEXA had owned prior year and current year acquisitions, as though they had been owned for the entire period.
RAS	Risk Appetite Statement
Reptrak	RepTrak is a company that reports on the reputation of corporations and places, based on consumer surveys and media coverage.
RMF	Risk Management Framework
S&P	Sale and Purchase
SaaS	Software-as-a-Service
Scope 1 Emissions	Scope 1 emissions are direct GHG emissions that occur from sources that are owned or controlled by the company
Scope 2 Emissions	Scope 2 emissions are indirect GHG emissions from the generation of purchased electricity consumed by the company.
Scope 3 Emissions	Scope 3 emissions are other indirect GHG emissions that are a consequence of the activities of the company, but occur from sources not owned or controlled by the company, for example, carbon embodied in goods and services consumed by the company.
Send Payments	PEXA partner Send Payments (Send) are a multi-award winning Australian based, non-bank, high volume international payments and foreign exchange specialist that assists businesses and their clients with cross-border transactions to and from Australia.
SDGs	United Nations Sustainable Development Goals
Shawbrook Bank	Shawbrook Bank Limited is a retail and commercial bank in the United Kingdom.
Smoove	PEXA family brand Smoove Limited is a UK-based conveyancing technology provider. Smoove's primary product is e-Conveyancer, a panel management service that brings together conveyancers and introducers and their customers to offer a two-sided conveyancer marketplace.
Snowflake	Snowflake Inc. is a cloud computing–based data cloud company. The firm offers a cloud-based data storage and analytics service, generally termed "data-as-a-service".
SOC	Security Operations Centre
SOC2	SOC 2 is a security and compliance standard that offers guidelines for service organizations to protect senstivie data from unauthorized access, security incidents, and other vulnerabilities. It is part of the System and Organization Controls (SOC) suite of services developed by the American Institute of Certified Public Accountants (AICPA).
Specified items	Specified items are items notable due to their size, non-operational or non-recurring nature
SPP	SPP is an independent advisory group
TAM	Total addressable market
Torrens Title	Torrens title is a land registration and land transfer system used in Australia, the UK, New Zealand, Canada
UK	UK for PEXA is England and Wales only
UN Global Compact	The United Nations Global Compact is a non-binding United Nations pact to get businesses and firms worldwide to adopt sustainable and socially responsible policies, and to report on their implementation.
Value Australia	PEXA family brand Value Australia is a next-generation property valuation platform that uses enriched data and advanced artificial intelligence (AI) to provide highly accurate and immediate, automated property valuations (AVM).
WELS	Water Efficiency Labelling and Standards
WGEA	Workplace Gender Equality Agency
YWAM	Youth With a Mission