

1. Company details

Name of entity:	Big River Industries Limited
ABN:	72 609 901 377
Reporting period:	For the half-year ended 31 December 2022
Previous period:	For the half-year ended 31 December 2021

2. Results for announcement to the market

			\$'000
Revenues from ordinary activities	up	19.9% to	232,375
Profit from ordinary activities after tax attributable to the owners of Big River Industries Limited	up	45.8% to	12,893
Profit for the half-year attributable to the owners of Big River Industries Limited	up	45.8% to	12,893

	31 Dec 2022 Cents	31 Dec 2021 Cents
Basic earnings per share	15.59	10.88
Diluted earnings per share	15.33	10.88

Dividends

	Amount per security Cents	Franked amount per security Cents
Final dividend paid on 6 October 2022	10.00	10.00

On 23 February 2023, the director's determined a fully franked interim dividend of 8.6 cents per fully paid ordinary share to be paid on 29 March 2023.

Comments

The profit for the Group after providing for income tax amounted to \$12,893,000 (31 December 2021: \$8,840,000).

Refer to the Interim Report attached to this Appendix 4D for detailed explanation and commentary on the results.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	68.36	55.05

Calculated as follows:

	31 Dec 2022 \$'000	Group 31 Dec 2021 \$'000
Net assets	118,328	104,956
Intangibles	(61,575)	(59,708)
Net tangible assets	56,753	45,248
Ordinary shares (No.)	83,014,871	82,191,195

4. Dividend reinvestment plans

The following dividend or distribution plans are in operation:

The dividend reinvestment plan dated 10 December 2019 is in operation, which can be downloaded at <http://bigriverindustries.com.au/investors/?pageshome>

The last date(s) for receipt of election notices for the dividend or distribution plans: 8 March 2023

5. Audit qualification or review

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

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

6. Attachments

Details of attachments (if any):

The Interim Report of Big River Industries Limited for the half-year ended 31 December 2022 is attached.

Big River Industries Limited

ABN 72 609 901 377

Interim Report - 31 December 2022

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The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Big River Industries Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2022.

Directors

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

James Bernard Bindon	Managing Director and Chief Executive Officer
Malcolm Geoffrey Jackman	Chairman
Martin Kaplan	
Vicky Papachristos	
Brendan York	
Brad Soller	
Martin Monro	

Principal activities

During the financial half-year the principal continuing activities of the Group consisted of the manufacture of veneer, plywood and formply, and the distribution of building supplies.

Dividends

Dividends paid during the financial half-year were as follows:

	31 Dec 2022 \$'000	Group 31 Dec 2021 \$'000
Final dividend of 10.0 cents per fully paid ordinary share paid on 6 October 2022 (31 December 2021: 3.0 cents paid on 6 October 2021)	<u>8,291</u>	<u>2,419</u>

On 23 February 2023, the director's determined a fully franked interim dividend of 8.6 cents per fully paid ordinary share to be paid on 29 March 2023.

Review of operations

The profit for the Group after providing for income tax amounted to \$12,893,000 (31 December 2021: \$8,840,000).

Revenue for the financial half-year ended 31 December 2022 was \$232.4 million, up 19.9% from \$193.8 million in the previous corresponding period reflects continued organic growth and contribution from recent acquisitions, being five months from F.A. Mitchell and a month from Epping Timber. Comparable store revenue increased by 10.8% on like-for-like basis (stores trading for a full six months).

A strong revenue growth along with improvement of 116 bps in gross margin saw EBITDA* increasing from \$21.5 million in prior corresponding period to \$28.2 million in the current period, a growth of 31.2%.

During the half-year the Group completed the acquisition of F.A. Mitchell and Epping Timber with associated acquisition costs of \$0.3 million net of tax.

During the half-year the Group also completed sale of land and building at its Wagga site and received net consideration of \$2.7 million.

Net profit after tax ('NPAT') (before significant items) was \$13.4 million, up 35.4% on the previous corresponding period of \$9.9 million.

Summary results

	31 Dec 2022 \$'000	31 Dec 2021 \$'000
Revenue	232,375	193,838
EBITDA*	28,170	21,491
Depreciation	(5,591)	(5,267)
Amortisation	(1,287)	(609)
Earnings before interest and tax ('EBIT')	21,292	15,615
Finance costs	(2,161)	(1,482)
Net profit before tax ('NPBT') and before significant items	19,131	14,133
Taxation	(5,687)	(4,178)
Net profit after tax ('NPAT') and before significant items	13,444	9,955
Significant Items, net of tax	(551)	(1,115)
Statutory NPAT	12,893	8,840
<i>Significant items, net of tax:</i>		
Acquisition costs	274	745
Share-based remuneration	277	370
Total significant items	551	1,115

* EBITDA is net profit before interest, taxes, depreciation, amortisation and significant costs which are share-based remuneration and acquisition costs.

Significant changes in the state of affairs

Acquisition of businesses

F.A. Mitchell & Co Pty Ltd ('Mitchell')

On 7 July 2022, the Group executed a business purchase deed to acquire the business and assets of F.A. Mitchell & Co Pty Ltd ('Mitchell'), a business located in Lidcombe, NSW. Completion was effective from 1 August 2022 and purchase price of \$598,000 paid in cash, which includes inventory and plant and equipment. The acquisition contributed \$1.8 million to revenue and \$0.1 million to net profit after tax of the Group for the half-year ended 31 December 2022.

Epping Timber Joinery & Hardware Pty Ltd and Epping Timber Prefab Pty Ltd ('Epping Timber')

On 14 November 2022, the Group executed a business purchase deed to acquire the business and assets of Epping Timber Joinery & Hardware Pty Ltd and Epping Timber Prefab Pty Ltd ('Epping Timber'), a business located in the Epping and Beaufort, VIC. Completion was effective from 1 December 2022 and the maximum purchase price of \$6 million, which includes inventory, and plant and equipment, was settled through the payment of \$5 million in cash, with the balance payable upon achieving agreed EBITDA targets over a two year period. The acquisition contributed \$1.5 million to revenue and \$0.1 million to net profit after tax of the Group for the half-year ended 31 December 2022.

Resignation and appointment of CEO

Jim Bindon tendered his resignation as Managing Director and CEO on 5 September 2022. Subsequently, John Lorente was appointed as Managing Director and CEO effective 1 March 2023. Jim Bindon will step down from his roles on 1 March 2023, but will remain in the business until 31 March 2023.

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

Matters subsequent to the end of the financial half-year

Apart from the dividend declared as discussed above, no other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Rounding of amounts

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

Auditor's independence declaration

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

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

On behalf of the directors



Malcolm Jackman
Chairman

23 February 2023
Sydney



James Bindon
Managing Director and Chief Executive Officer

The Board of Directors
Big River Industries Limited
Trenayr Road
Junction Hill, NSW 2480

23 February 2023

Dear Board Members

Auditor's Independence Declaration to Big River Industries Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Big River Industries Limited.

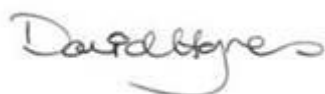
As lead audit partner for the review of the half-year financial report of Big River Industries Limited for the half year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) The auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) Any applicable code of professional conduct in relation to the review.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



David Haynes
Partner
Chartered Accountants

Big River Industries Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2022



		31 Dec 2022	Group 31 Dec 2021
	Note	\$'000	\$'000
Revenue	4	232,375	193,838
Other income		55	45
Expenses			
Raw materials and consumables used		(168,105)	(142,473)
Selling and distribution expense		(3,781)	(3,640)
Employee benefits expense		(22,649)	(18,535)
Occupancy expense		(1,914)	(2,194)
General and administration expense		(7,393)	(5,017)
Acquisition costs		(274)	(844)
Depreciation and amortisation expense		(6,878)	(5,877)
Impairment of receivables		(695)	(903)
Finance costs		(2,161)	(1,482)
Profit before income tax expense		18,580	12,918
Income tax expense		(5,687)	(4,078)
Profit after income tax expense for the half-year attributable to the owners of Big River Industries Limited		12,893	8,840
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		799	176
Other comprehensive income for the half-year, net of tax		799	176
Total comprehensive income for the half-year attributable to the owners of Big River Industries Limited		13,692	9,016
		Cents	Cents
Basic earnings per share	12	15.59	10.88
Diluted earnings per share	12	15.33	10.88

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

		Group
Note	31 Dec 2022	30 Jun 2022
	\$'000	\$'000
Assets		
Current assets		
	16,915	19,796
Cash and cash equivalents	56,356	63,414
Trade and other receivables	80,497	72,815
Inventories	113	113
Financial assets	1,940	499
Other	155,821	156,637
	-	2,701
Non-current assets classified as held for sale	155,821	159,338
Total current assets		
Non-current assets		
	22,805	21,944
Property, plant and equipment	25,374	21,511
Right-of-use assets	5	61,575
Intangibles	770	21
Deferred tax	110,524	101,903
Total non-current assets		
	266,345	261,241
Total assets		
Liabilities		
Current liabilities		
	54,297	61,881
Trade and other payables	6	2,703
Borrowings	8,420	7,794
Lease liabilities	4,865	5,290
Income tax	7,332	6,938
Provisions	7	3,390
Contingent consideration	2,324	2,324
Other liabilities	83,331	90,278
Total current liabilities		
Non-current liabilities		
	41,000	36,000
Borrowings	20,555	17,432
Lease liabilities	1,042	756
Provisions	7	2,089
Contingent consideration	64,686	58,543
Total non-current liabilities		
	148,017	148,821
Total liabilities		
	118,328	112,420
Net assets		
Equity		
	8	98,460
Issued capital	(158)	331
Reserves	20,026	15,424
Retained profits		
	118,328	112,420
Total equity		

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

Big River Industries Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2022



Group

	Issued capital \$'000	Foreign currency translation reserve \$'000	Share-based payments reserve \$'000	Retained profits \$'000	Total equity \$'000
Balance at 1 July 2021	93,409	(419)	605	1,096	94,691
Profit after income tax expense for the half-year	-	-	-	8,840	8,840
Other comprehensive income for the half-year, net of tax	-	176	-	-	176
Total comprehensive income for the half-year	-	176	-	8,840	9,016
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs	3,298	-	-	-	3,298
Share-based payments	-	-	370	-	370
Dividends paid (note 9)	-	-	-	(2,419)	(2,419)
Balance at 31 December 2021	96,707	(243)	975	7,517	104,956

Group

	Issued capital \$'000	Foreign currency translation reserve \$'000	Share-based payments reserve \$'000	Retained profits \$'000	Total equity \$'000
Balance at 1 July 2022	96,665	(1,183)	1,514	15,424	112,420
Profit after income tax expense for the half-year	-	-	-	12,893	12,893
Other comprehensive income for the half-year, net of tax	-	799	-	-	799
Total comprehensive income for the half-year	-	799	-	12,893	13,692
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 8)	230	-	-	-	230
Share-based payments	-	-	277	-	277
Vesting of performance rights	1,565	-	(1,565)	-	-
Dividends paid (note 9)	-	-	-	(8,291)	(8,291)
Balance at 31 December 2022	98,460	(384)	226	20,026	118,328

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

		Group
	Note	31 Dec 2021
		\$'000
		31 Dec 2022
		\$'000
Cash flows from operating activities		
Receipts from customers (inclusive of GST)		262,740
Payments to suppliers and employees (inclusive of GST)		(241,805)
		20,935
Government grant		-
Other revenue		-
Interest and other finance costs paid		(1,372)
Income taxes paid		(6,683)
Net cash from operating activities		12,880
Cash flows from investing activities		
Payment for purchase of businesses	11	(5,594)
Payments for property, plant and equipment		(1,780)
Payments for intangibles		-
Payments of deferred consideration	7	(3,641)
Proceeds from disposal of held for sale asset		2,701
Proceeds from disposal of property, plant and equipment		146
Net cash used in investing activities		(8,168)
Cash flows from financing activities		
Share issue transaction costs		-
Proceeds from borrowings		5,000
Net lease repayments		(4,716)
Dividends paid		(8,061)
Net cash from/(used in) financing activities		(7,777)
Net decrease in cash and cash equivalents		(3,065)
Cash and cash equivalents at the beginning of the financial half-year		17,258
Effects of exchange rate changes on cash and cash equivalents		19
Cash and cash equivalents at the end of the financial half-year		14,212

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

Note 1. General information

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

Big River Industries Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Trenayr Road
Junction Hill NSW 2460

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 23 February 2023.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements are condensed financial statements that do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 3. Operating segments

Identification of reportable segments

The Directors have identified the Group's operating segments based on the internal reports that are reviewed and used by the Board of Directors (the chief operating decision maker) in assessing performance and in determining the allocation of resources. Discrete financial information about these operating segments is reported on at least a monthly basis.

The information reported to the Board of Directors is aggregated based on product types and nature of the underlying activities which the Group operates. The Group's reportable segments are as follows:

Panels	Comprised of three manufacturing and six distribution sites of timber panel products in Australia and New Zealand
Construction	Comprised of seventeen sites which sell building, commercial and formwork products in Australia

Sales between segments are based on similar terms and conditions to those in place with third party customers and are eliminated from the results below.

The Directors consider Revenue and EBITDA as the Group's key segment measure.

Note 3. Operating segments (continued)

EBITDA is measured pre significant items which are presented separately due to their nature, size and expected infrequent occurrence and therefore do not reflect the underlying trading of the Group.

Operating segment information

	Panels \$'000	Construction \$'000	Corporate (unallocated) \$'000	Total \$'000
Group - 31 Dec 2022				
Revenue				
Sales to external customers	66,717	165,658	-	232,375
Other revenue	-	-	-	-
Total revenue	<u>66,717</u>	<u>165,658</u>	<u>-</u>	<u>232,375</u>
EBITDA (pre significant items)	<u>10,548</u>	<u>20,710</u>	<u>(3,088)</u>	<u>28,170</u>
Depreciation and amortisation				(6,878)
Finance costs				(2,161)
Significant items				(551)
Profit before income tax expense				<u>18,580</u>
Income tax expense				(5,687)
Profit after income tax expense				<u>12,893</u>

	Panels \$'000	Construction \$'000	Corporate (unallocated) \$'000	Total \$'000
Group - 31 Dec 2021				
Revenue				
Sales to external customers	56,654	137,183	-	193,837
Other revenue	-	1	-	1
Total revenue	<u>56,654</u>	<u>137,184</u>	<u>-</u>	<u>193,838</u>
EBITDA (pre significant items)	<u>10,845</u>	<u>13,131</u>	<u>(2,485)</u>	<u>21,491</u>
Depreciation and amortisation				(5,877)
Finance costs				(1,482)
Significant items				(1,214)
Profit before income tax expense				<u>12,918</u>
Income tax expense				(4,078)
Profit after income tax expense				<u>8,840</u>

There is no single customer with 10% or more of revenue.

Note 4. Revenue

	31 Dec 2022 \$'000	Group 31 Dec 2021 \$'000
<i>Revenue from contracts with customers</i>		
Sale of goods	<u>232,375</u>	<u>193,837</u>
<i>Other revenue</i>		
Other revenue	<u>-</u>	<u>1</u>
Revenue	<u><u>232,375</u></u>	<u><u>193,838</u></u>

Note 4. Revenue (continued)

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	31 Dec 2022 \$'000	Group 31 Dec 2021 \$'000
<i>Geographical regions</i>		
Australia	215,521	177,660
New Zealand	16,854	16,177
	<u>232,375</u>	<u>193,837</u>
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	<u>232,375</u>	<u>193,837</u>

Note 5. Intangibles

	31 Dec 2022 \$'000	Group 30 Jun 2022 \$'000
<i>Non-current assets</i>		
Goodwill	48,921	44,497
Customer relationships	13,253	13,237
Less: Accumulated amortisation	(4,928)	(3,797)
	<u>8,325</u>	<u>9,440</u>
Software - at cost	2,082	2,082
Less: Accumulated amortisation	(749)	(600)
	<u>1,333</u>	<u>1,482</u>
Product development - at cost	191	191
Less: Accumulated amortisation	(106)	(94)
	<u>85</u>	<u>97</u>
Brand - at cost	2,911	2,911
	<u>61,575</u>	<u>58,427</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Group	Goodwill \$'000	Customer relationships \$'000	Software \$'000	Product development \$'000	Brand \$'000	Total \$'000
Balance at 1 July 2022	44,497	9,440	1,482	97	2,911	58,427
Additions through business combinations (note 11)	4,022	-	-	-	-	4,022
Exchange differences	402	11	-	-	-	413
Amortisation expense	-	(1,126)	(149)	(12)	-	(1,287)
Balance at 31 December 2022	<u>48,921</u>	<u>8,325</u>	<u>1,333</u>	<u>85</u>	<u>2,911</u>	<u>61,575</u>

Note 6. Borrowings

	31 Dec 2022 \$'000	Group 30 Jun 2022 \$'000
<i>Current liabilities</i>		
Bank overdraft and trade finance	2,703	2,538
<i>Non-current liabilities</i>		
Bank bills	41,000	36,000

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	31 Dec 2022 \$'000	Group 30 Jun 2022 \$'000
<i>Total facilities</i>		
Bank overdraft and trade finance	18,234	18,131
Bank bills	46,000	46,000
Lease facility	3,900	3,900
	68,134	68,031
<i>Used at the reporting date</i>		
Bank overdraft and trade finance	2,703	2,538
Bank bills	41,000	36,000
Lease facility	2,278	2,465
	45,981	41,003
<i>Unused at the reporting date</i>		
Bank overdraft and trade finance	15,531	15,593
Bank bills	5,000	10,000
Lease facility	1,622	1,435
	22,153	27,028

Note 7. Contingent consideration

	31 Dec 2022 \$'000	Group 30 Jun 2022 \$'000
<i>Current liabilities</i>		
Contingent consideration	3,390	3,513
<i>Non-current liabilities</i>		
Contingent consideration	2,089	4,355
<i>Reconciliation</i>		
Reconciliation of the fair values at the beginning and end of the current financial half-year and previous financial year are set out below:		
Opening balance	7,868	7,160
Additions through business combinations (note 11)	853	1,920
Unwind of present value interest	399	778
Payments made	(3,641)	(2,022)
Exchange differences	-	32
Closing balance	5,479	7,868

Note 8. Issued capital

	31 Dec 2022 Shares	30 Jun 2022 Shares	31 Dec 2022 \$'000	Group 30 Jun 2022 \$'000
Ordinary shares - fully paid	83,014,871	82,227,610	98,460	96,665

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$'000
Balance	1 July 2021	82,227,610		96,665
Issue of shares on exercise of performance rights	2 September 2022	677,590	\$2.31000	1,565
Issue of shares in relation to dividend reinvestment plan	6 October 2022	109,671	\$2.10120	230
Balance	31 December 2022	83,014,871		98,460

Note 9. Dividends

Dividends paid during the financial half-year were as follows:

	31 Dec 2022 \$'000	Group 31 Dec 2021 \$'000
Final dividend of 10.0 cents per fully paid ordinary share paid on 6 October 2022 (31 December 2021: 3.0 cents paid on 6 October 2021)	8,291	2,419

On 23 February 2023, the director's determined a fully franked interim dividend of 8.6 cents per fully paid ordinary share to be paid on 29 March 2023.

Note 10. Contingent liabilities

The Group has given bank guarantees as at 31 December 2022 of \$2,554,000 (30 June 2022: \$2,497,000) to various landlords.

Note 11. Business combinations

F.A. Mitchell & Co Pty Ltd ('F.A. Mitchell')

On 7 July 2022, the Group executed a business purchase deed to acquire the business and assets of F.A. Mitchell & Co Pty Ltd ('F.A. Mitchell'), a business located in Lidcombe, NSW. Completion was effective from 1 August 2022 and purchase price of \$598,000 paid in cash, which includes inventory and plant and equipment. The acquisition contributed \$1.8 million to revenue and \$0.1 million to net profit after tax of the Group for the half-year ended 31 December 2022.

Epping Timber Joinery & Hardware Pty Ltd and Epping Timber Prefab Pty Ltd ('Epping Timber')

On 14 November 2022, the Group executed a business purchase deed to acquire the business and assets of Epping Timber Joinery & Hardware Pty Ltd and Epping Timber Prefab Pty Ltd ('Epping Timber'), a business located in the Epping and Beaufort, VIC. Completion was effective from 1 December 2022 and the maximum purchase price of \$6 million, which includes inventory, and plant and equipment, was settled through the payment of \$5 million in cash, with the balance payable upon achieving agreed EBITDA targets over a two year period. The acquisition contributed \$1.5 million to revenue and \$0.1 million to net profit after tax of the Group for the half-year ended 31 December 2022.

Details of the acquisitions are as follows:

	F.A. Mitchell Fair value \$'000	Epping Timber Fair value \$'000	Total \$'000
Inventories	468	1,702	2,170
Prepayments	-	94	94
Plant and equipment	108	472	580
Right-of-use assets	1,094	-	1,094
Deferred tax asset	23	156	179
Employee benefits	(77)	(521)	(598)
Lease liability	(1,094)	-	(1,094)
Net assets acquired	522	1,903	2,425
Provisional value of intangibles	76	3,946	4,022
Total consideration transferred	598	5,849	6,447
Representing:			
Cash paid or payable to vendor	598	4,996	5,594
Contingent consideration	-	853	853
	598	5,849	6,447
Cash used to acquire business, net of cash acquired:			
Total consideration transferred	598	5,849	6,447
Less: contingent consideration	-	(853)	(853)
Net cash used	598	4,996	5,594

As at the date of issuing this report, the initial accounting for Epping Timber is provisional. Management is in the process of obtaining complete information to determine the fair value of customer relationships acquired. The accounting is expected to be finalised in the second half of this financial year (within the 12 months measurement period) and the value of goodwill and customer relationship will be updated in the annual financial report.

Note 12. Earnings per share

	31 Dec 2022 \$'000	Group 31 Dec 2021 \$'000
Profit after income tax attributable to the owners of Big River Industries Limited	12,893	8,840
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	82,725,055	81,233,223
Adjustments for calculation of diluted earnings per share:		
Performance rights	1,357,776	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	84,082,831	81,233,223
	Cents	Cents
Basic earnings per share	15.59	10.88
Diluted earnings per share	15.33	10.88

As at 31 December 2021, the performance conditions in relation to the performance rights issued were not met and, accordingly, the performance rights under employee share plans have not been included as dilutive.

Note 13. Share-based payments

Performance rights

On 14 October 2022, the Company granted 286,565 performance rights to certain key executives.

Valuation model inputs

For the performance rights granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Dividend yield	Risk-free interest rate	Fair value at grant date
14/10/2022	14/10/2027	\$2.03000	7.60%	4.00%	\$1.610

Note 14. Events after the reporting period

Apart from the dividend declared as disclosed in note 9, no other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors



Malcolm Jackman
Chairman

23 February 2023
Sydney



James Bindon
Managing Director and Chief Executive Officer

Independent Auditor's Review Report to the Members of Big River Industries Limited

Conclusion

We have reviewed the half-year financial report of Big River Industries Limited (the "Company") and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 6 to 17.

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

- (a) Giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) Complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

Basis for Conclusion

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

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' Responsibilities for the Half-year Financial Report

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

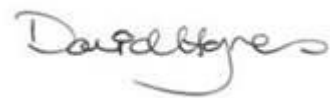
Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

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



Deloitte Touche Tohmatsu



David Haynes
Partner
Chartered Accountants
Sydney, 23 February 2023