ABN 62 606 252 644

APPENDIX 4D

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

Company Information

Current Reporting Period: For the half year ended 31 December 2021.

Previous Corresponding Period: For the half year ended 31 December 2020.

This information should be read in conjunction with the 31 December 2021 Interim Consolidated Financial Report of IVE Group Limited and its controlled entities and any public announcements made in the period by IVE Group Limited in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and Listing Rules.

Additional Appendix 4D disclosure requirements can be found in the Directors' Report and the consolidated financial statements for the half year ended 31 December 2021.

This report is based on the consolidated financial statements for the half year ended 31 December 2021 of IVE Group Limited and its controlled entities, which have been reviewed by KPMG. The Independent Auditor's Review Report provided by KPMG is included in the consolidated financial statements for the half year ended 31 December 2021.

Results for announcement to the market

In accordance with the ASX Listing Rule 4.3, the board and management of IVE Group Limited has enclosed an Appendix 4D for the half year ended 31 December 2021.

Results		31 Dec 2021 $'000	31 Dec 2020 $'000
Revenue from continuing operations	**Up 12.2 %**	**382,575**	340,846
Profit (loss) from ordinary activities after tax attributable to members	**Down 23.4%**	**18,215**	23,790
Net profit (loss) for the period attributable to members	**Down 23.4%**	**18,215**	23,790

All comparisons are on a statutory basis unless stated otherwise.

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

Net Tangible Assets per Security

	31 Dec 2021	31 Dec 2020
Net Tangible Asset per security (cents)	**36.5**	37.4

*2020 has been restated to exclude capital work in progress relating to computer software in PPE of $3,735 thousand.

Dividend Amount per Security

	Amount per security cents	Franked amount per security cents
Interim dividend for the half year ended 31 Dec 2021	**8.5**	**8.5**
Interim dividend for the half year ended 31 Dec 2020	7.0	7.0

Record date for determining entitlements to the dividend

- Interim dividend entitlement date: close of business 16 March 2022 and
- Payment date: 14 April 2022.

Audit review

The Independent Auditor's Review Report provided by KPMG is included in the IVE Group Limited Interim Financial Report for the half year ended 31 December 2021.

Attachments

Interim Financial Report for the half year ended 31 December 2021 for IVE Group Limited.

Authorised for release: The Board.

IVE GROUP LIMITED INTERIM CONSOLIDATED FINANCIAL REPORT

ABN 62 606 252 644

31 DECEMBER 2021

ive

CONTENTS

OPERATING AND FINANCIAL REVIEW

INTRODUCTION

The Directors are pleased to present the Operating and Financial Review (OFR) for IVE Group Limited (IVE) for the six months ended 31 December 2021.

The OFR is provided to assist shareholders understanding of IVE's business performance and factors underlying its results and financial position.

HALF YEAR IN REVIEW

IVE has delivered a strong result with significant uplift in Earnings Per Share (EPS) over the prior corresponding period (pcp) as a result of solid revenue growth, stable margins, and leverage of a recalibrated cost base.

The growth and evolution of the business continues with the acquisitions on 1 November 2021 of both the Active Display Group (ADG) and AFI businesses. Integration is progressing well and the businesses will be fully consolidated by 30 June 2022. Post integration we remain confident of achieving $45m annualised revenue, EBITDA of $6.5m and NPAT of $4m from these businesses.

The supply chain has been a source of divergent influence. We have been the beneficiary of clients moving revenue onshore from Asia and we expect this to continue, meanwhile challenges exist, primarily around paper, and require an ongoing focus.

We committed over the last 12 months to the 're-invention' of Lasoo. Phase 1 is investment of $3.5m to re-platform the offering, develop a new logo and brand identity, and to update the app and browser - all of which is progressing according to plan. We are on track for a comprehensive go to market launch within 6 months.

The Company's balance sheet has ended the period in a strong position. Net debt is at low levels and there is ongoing strong cash generation. There is capacity to pursue a range of earnings accretive initiatives as well as supporting the strong dividend payout and capex requirements of the Company.

We remain confident that we are ideally placed to maintain and grow our strong market position in the second half of this financial year.

HALF YEAR FINANCIAL HIGHLIGHTS[1,2]

REVENUE **$382.6m** ↑12.2% on PCP	EBITDA[3] **$55.2m** ↑24.7% on PCP	NPAT[3] **$20.9m** ↑99% on PCP	EARNINGS PER SHARE **14.6c** ↑104% on PCP
GROSS PROFIT MARGIN REMAINS CONSISTENT AT **47.5%**	OPERATING CASH CONVERSION TO EBITDA **78%**	NET DEBT **$78.7m** CASH ON HAND $51.6m	INTERIM DIVIDEND OF **8.5c per share** 100% FRANKED

1. The underlying financial results are on a non-IFRS basis and are not audited or reviewed.
2. The underlying results are on a continuing operations basis and excludes non-operating items (refer Table 2).
3. The underlying results comparison to pcp excludes JobKeeper receipts of $14.9m in 1H21.

OPERATING AND FINANCIAL REVIEW (CONT.)

SUMMARY OF GROUP PERFORMANCE

In the six months to 31 December, IVE has continued to successfully navigate the uncertain conditions that resulted from the outbreak of the COVID-19 pandemic. The most recent period has seen the Company produce very positive outcomes across the business relative to pcp.

Revenue increased by 12.2% to $382.6m and the gross profit margin remained strong at 47.5% compared with pcp at 47.3%.

There have been predominantly stable market conditions excluding the current supply chain challenges. Tight management of COGS and leveraging the recalibrated cost base has enhanced the positive outcomes.

Underlying EBITDA, was up by $10.9m to $55.2m. after excluding the JobKeeper benefit in the pcp.

Underlying NPAT was $20.9m in the half, an increase of $10.4m after excluding the JobKeeper benefit in pcp. Given this performance, EPS has increased by more than 100% to 14.6 cents per share.

Continued balance sheet strength and strong cash generation has seen net debt reduce to $78.7m from $90.1m pcp. ($77.3m at 30 June 2021) Cash at bank is $51.6m and a working capital facility of $30.0m remains undrawn. A $50.0m senior debt facility was repaid in August 2021.

Capital expenditure was $3.5m inthe half, excluding $2.7m to re-platform and transition the Lasoo business.

An interim dividend, fully franked, of 8.5 cents per share has been declared.

OUR VISION, PURPOSE AND VALUES

Our vision and purpose is to maintain and grow a highly respected, strong and sustainable business for all key stakeholders – our staff, our clients and our shareholders.

Core to this is ensuring a value proposition that maintains its relevance to our clients' ever-evolving communications needs.

IVE unlocks value for our stakeholders through the powerful combination of our brand values that are the guiding principles of our behaviour – core to this is our 'one company philosophy'.

As specialists, we collaborate to deliver holistic customer focused solutions for our clients. Drawing on our combined skills, we partner with our clients in a flexible and friendly manner to deliver exceptional outcomes.

We have a responsibility to our clients, our shareholders and our staff to be honest, upfront and accountable. Every moment matters, so we're always on point and ready to deliver reliable, effective marketing solutions.

We're focused on leading the way with practical, progressive and innovative solutions. Always looking ahead and reading the shifts in our sector, we anticipate what's coming next and invest accordingly.

We're a dynamic business full of genuine, passionate people – always at the ready, to deliver more for our clients. We believe in the work we do and the benefits we provide. It's what drives us all to go further every day.

STRATEGY

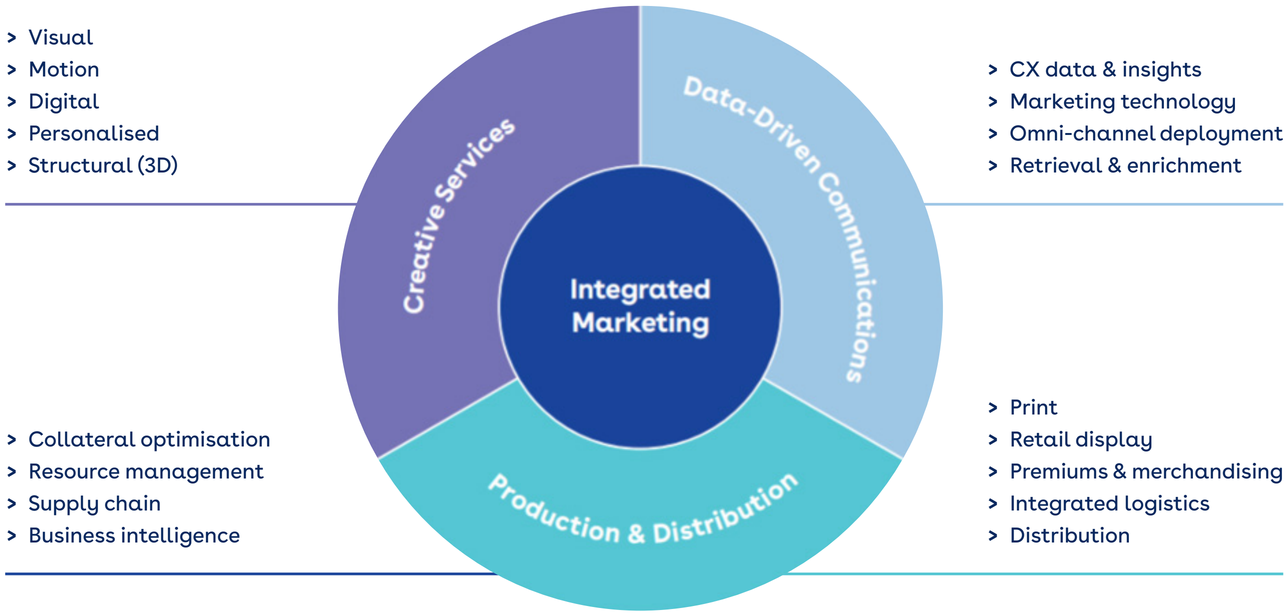
IVE commenced the evolution to a broader product and service offering late in the 1990s through a combination of organic growth initiatives and a long-term strategic acquisition program. Our continued growth and diversification, and the convergence of technologies on the back of the digital revolution over the last decade, has coincided with meaningful consolidation across the more traditional parts of the marketing communications sector.

This has resulted in a more defined competitive landscape than ever before with a reduced number of competitors. IVE has led sector consolidation and innovation over the last 10 years and today has the most diversified integrated marketing communications offer in the Australian market. This integrated offering all sits under the one IVE brand following the move in 2019 to simply the offer IVE takes to market.

IVE's strengths relative to competitors places us in an ideal position to defend and grow revenue:

- Our people and culture.
- Our customer first philosophy.
- Significant and ongoing investment in our asset base and operations over many years.
- Efficient operations enhanced further through further cost recalibration and business simplification over the last 12 months.
- Diversified value proposition facilitates a 'bundled offer' to our clients.
- Scale of business ensures powerful buying power.
- Strong financial position provides staff, clients and suppliers with security.
- Very well credentialed in terms of quality, environment and data security.

OUR INTEGRATED SERVICE OFFERING



Further information on IVE's strategy, operations and markets are set out in our 30 June 2021 Annual Report.

OPERATING AND FINANCIAL REVIEW (CONT.)

OUR CLIENTS

IVE has a high quality customer base with over 2,800 customers spanning much of the Australian economy.

The customer base is highly diversified with the largest customer representing around 5% of total revenue.

Close to 70% of our customers use IVE for more than one service and our ability to meet their current needs and grow as necessary is one of our key advantages leading to the long tenure of customer relationships – circa 10 years on average.

RESULTS FOR THE HALF YEAR TO 31 DECEMBER 2021

IVE's Financial Report for H1 FY2022 is presented in accordance with Australian Accounting Standards which comply with International Financial Reporting Standards (IFRS).

In this OFR, certain non-IFRS financial information has also been included to allow investors to understand the underlying performance of IVE. The underlying results are on a 'continuing operations' basis and exclude non-operating items. The Directors believe the non-IFRS results better reflect the underlying operating performance and is consistent with prior year reporting, even though this differs from the IFRS presentation.

The underlying financial results are on a non-IFRS basis and are not audited or reviewed.

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

HALF YEAR ENDED 31 DECEMBER 2021 FINANCIAL INFORMATION

The H1 FY2022 underlying results are presented before certain one-off items. Refer to Table 2.

Table 1: H1 FY2022 and H1 FY2021 IFRS and non-IFRS Profit and Loss.

	Actual H1 FY2022	Actual H1 FY2021	Variance $m	Variance %
Revenue	382.6	340.8	41.7	12.2
Gross Profit	181.7	161.3	20.3	12.6
% of Revenue	*47.5%*	*47.3%*	0.0	0.3
Underlying EBITDA continuing operations (inc JobKeeper)	55.2	59.2	-4.0	-6.7
Underlying EBITDA continuing operations (ex JobKeeper)	55.2	44.3	10.9	24.7
EBITDA	52.1	56.6	-4.5	-8.0
Depreciation and amortisation	21.4	24.2	-2.8	-11.6
EBIT	30.6	32.4	-1.8	-5.5
Net finance costs	3.9	5.0	-1.1	-22.5
NPBT	26.8	27.4	-0.7	-2.4
Income tax expense	8.6	8.5	0.1	1.3
NPAT from continuing operations	18.2	19.0	-0.8	-4.0
NPATA continuing operations	20.1	21.1	-1.0	-4.7
Underlying NPAT continuing operations (inc JobKeeper)	20.9	20.9	0.1	0.4
Underlying NPAT continuing operations (ex JobKeeper)	20.9	10.5	10.4	98.9
Underlying NPATA continuing operations (inc JobKeeper)	22.8	23.0	-0.2	-0.9
Underlying NPATA continuing operations (ex JobKeeper)	22.8	12.7	10.1	79.7

OPERATING AND FINANCIAL REVIEW (CONT.)

The key variances on an IFRS and non-IFRS basis between H1 FY2022 and H1 FY2021 are as follows:

Revenue

Revenue of $382.6m compared to pcp of $340.8m was up $41.7m or 12.2%.

Revenue uplift over pcp of $41.7m ($382.6m H1 FY22 to pcp of $340.8m)

- Existing clients
  - Revenue increases over pcp across all parts of the business and across most sectors
  - Top 20 clients circa 12% up over pcp
  - Travel and tourism, and merchandise for events remained at similar levels to pcp, however currently rebounding as expected
  - We have been the beneficiary of clients moving revenue onshore from Asia due to supply chain issues, particularly in retail display. We expect this to continue in the medium term
  - A number of retail catalogues clients reduced volumes to some extent due to lack of predictability across their product supply chain. We have also seen a number of existing retail clients return to the catalogue and letterbox distribution channel
  - No material client losses through the period with client retention remaining consistently high
  - Continued revenue growth as a result of effectively cross selling broader offer to existing clients
- New business
  - Continued to focus on growing market share through harnessing the power and uniqueness of IVE's go-to-market proposition
  - New business momentum across all parts of the business remains strong with a number of new clients on-boarded during the period
  - Letterbox distribution revenue up 17% over pcp, predominantly as result of significant new business wins (Aldi, Officeworks and Bunnings) and the closure of competitor walker network in Australia
  - two high profile clients (each circa $10m annual revenue) recently secured, with one contract executed and one awaiting contract execution
- ADG and AFI (businesses acquired 1 November 2021) revenue for the period was $8.2m

Gross profit

Gross profit margin of 47.5% continues to remain stable, and compares to pcp of 47.3%. H1 was not materially impacted by increases in input costs (mainly paper) and supply chain remained well managed in the period. Paper price and supply chain impacts will reflect more so in H2 of FY2022 as previously foreshadowed, however IGL is well placed to minimise any downside impacts and will pass on increases over time.

EBITDA (earnings before interest, tax, depreciation and amortisation)

Underlying EBITDA was $55.2m and compares to pcp of $44.3m, an increase of 24.7% (excluding JobKeeper).

The increase in EBITDA reflects the impacts on higher revenue over pcp, continued stable gross profit as well as the reduced cost base as a result of measures taken in FY20 and FY21 during the early phase of the pandemic.

IFRS EBITDA of $52.1m compares to pcp of $56.6m, with pcp mainly reflecting the benefit of $14.9m of JobKeeper not in H1 FY22.

NPAT (net profit after tax)

NPAT on an underlying basis of $20.9m compares to pcp ex JobKeeper of $10.5m, an increase of 99%, again reflecting benefits of increased revenue coupled with stable margin and lower cost base. Finance costs decreased due to senior debt pay down in August 2021 also positively impacting NPAT on an underlying and IFRS basis.

On an IFRS basis, NPAT of $18.2m compares to pcp of $19.0m with pcp including the benefits of circa $10.3m (NPAT) relating to JobKeeper.

H1 FY2022 IFRS NPAT is after certain one-off items excluded from the underlying results which include restructure and acquisition costs, software as a service computer expenses, relating to new system implementation, however excluded from underlying as MIS system is still in development stage. A one-off employee share issue as previously communicated as a result of our employees' efforts and sacrifices made through the COVID period has also been excluded from the underlying result.

Table 2: H1 FY2022 IFRS Statutory NPAT reconciliation to underlying NPAT.

IFRS to underlying NPAT reconciliation	YTD Dec 2021
IFRS NPAT (continuing)	**18.2**
Restructure costs	0.5
Acquisition costs	0.5
Software as a service (still in development stage)	0.9
Financial asset write down	0.2
Employee share issue	1.2
Sub total non-operating items	**3.4**
Tax effect of adjustments	-0.6
Underlying NPAT	**20.9**

BALANCE SHEET AND CASH FLOW

Table 3 sets out the indebtedness of IVE on an IFRS pre AASB 16 basis as at 31 December 2021 as a comparison to 30 June 2020.

	H1 FY2022 actual	FY2021 actual
Loans & borrowings*	**130.3**	**183.8**
Cash	51.6	106.5
Net debt	**78.7**	**77.3**

** Loans & borrowings are gross of facility establishment costs. Excludes right of use lease liabilitites impacts from adopting AASB 16.*

Net debt as at 31 December 2021 was $78.7m up slightly from 30 June 2021 of $77.3m. The reduction in cash is due to the repayment of $50.0m of senior debt in August 2021, of which $35.0m was a permanent reduction to senior facilities. Overall net debt position is again a good result taking into account seasonal working capital increase as well as payments for acquisitions.

The working capital facility of $30m remains fully undrawn as at 31 December 2021 as well further undrawn senior facility of $15.0m.

H1 capital expenditure was $3.5m (excluding Lasoo development of $2.7m).

OPERATING AND FINANCIAL REVIEW (CONT.)

Operating cash conversion of 78% to EBITDA on an underlying basis reflecting seasonal increase in working capital.

Dividends

Following the strong performance in the 6 months to 31 December 2021, the Board has declared an interim dividend of 8.5 cents per share, fully franked.

FULL YEAR 2022 OUTLOOK AND GUIDANCE

A solid H1 result and continued momentum across the business place us in a strong position to deliver a healthy full year result, well up on FY21

- As illustrated by the strength of H1 earnings, heightened operating leverage across the business has contributed to a significant uplift over our H1 FY21 performance, as existing client revenue rebounds and recently secured new business phases in
- Revenue momentum continues and we remain optimistic this will continue over the remainder of the FY22 year
- FY22 full year
  - earnings guidance
    - underlying EBITDA expected to be $98-101m
    - underlying NPAT expected to be $33-35m
    - H2 NPAT impacted by $3m as a result of the one off contractual timing differences of recent paper price increases
  - restructure and acquisition costs expected to be approximately $4m
  - capital expenditure expected to be $13m (excluding Lasoo investment of $3.5m)
  - Net debt at 30 June 2022 expected to be circa $85.0m
- We will continue to closely manage paper supply chain pressures which we expect to continue through the remainder of 2022
- Initiatives
  - Complete the Victorian business relocations and Braeside (Victoria) site consolidation by 30 June 2022
  - Successfully complete the integration of ADG and AFI into the broader IVE business by 30 June 2022
  - Final stage development and go to market launch of phase 1 enhanced Lasoo platform by 30 June 2022
  - Finalise strategy and plan to build fibre based packaging capability

ADDITIONAL INFORMATION

For further information contact:

Geoff Selig
Executive Chairman
+ 61 2 9089 8550

Darren Dunkley
Chief Financial Officer
+ 61 2 8020 4400

Richard Nelson
Investor Relations
+ 61 2 8064 5425

DIRECTORS' REPORT

For the six months ended 31 December 2021

The directors present their report together with the interim consolidated financial statements of the Group comprising of IVE Group Limited (the Company), and its subsidiaries (the Group) for the six months ended 31 December 2021 and the auditor's review report thereon.

DIRECTORS

The names of the Company's directors in office during the interim period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Geoff Bruce Selig
Gavin Terence Bell
Paul Stephen Selig
James Scott Charles Todd
Sandra Margaret Hook
Catherine Ann Aston

OPERATING AND FINANCIAL REVIEW

The profit after tax of the Group for the six months ended 31 December 2021 was $18,215 thousand (for six months ended 31 December 2020 was $23,790 thousand). A review of operations and results of the Group for the six months ended 31 December 2021 are set out in the Operating and Financial Review, which forms part of the interim consolidated financial report.

DIVIDENDS

The directors have declared an interim dividend of 8.5 Australian cents per share, fully franked, to be paid on 14 April 2022 to shareholders on the register at 16 March 2022. The interim dividend declared by the Company to members for the six months ended 31 December 2021 was $12,198 thousand (for the six months ended 31 December 2020: $10,343 thousand).

ROUNDING OFF

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

LEAD AUDITOR'S INDEPENDENCE DECLARATION

The Lead auditor's independence declaration is set out on page 14 and forms part of the directors' report for the six months ended 31 December 2021.

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

Geoff Selig

Geoff Selig
Director

Dated at Sydney this 24th day of February 2022

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

To the Directors of IVE Group Limited

I declare that, to the best of my knowledge and belief, in relation to the review of IVE Group Limited for the half-year ended 31 December 2021 there have been:

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

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

KPMG

KPMG

Daniel Camilleri

Partner

Sydney

24 February 2022

FINANCIAL REPORT

CONTENTS

CONDENSDED CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2021

In thousands of AUD	*Note*	31 December 2021	31 December 2020
Revenue	*4*	382,575	340,846
Cost of sales		(200,910)	(179,515)
Gross profit		**181,665**	**161,331**
Other income		2	–
Production expenses		(85,733)	(69,109)
Administrative expenses		(63,286)	(57,153)
Other expenses		(2,033)	(2,779)
Results from operating activities	*5, 6*	**30,615**	**32,290**
Finance income		61	–
Finance costs		(3,900)	(4,997)
Net finance costs	*7*	(3,839)	(4,997)
Profit before tax		**26,776**	**27,293**
Income tax expense	*8*	(8,561)	(8,414)
Profit / (loss) from continuing operations		**18,215**	**18,879**
Discontinued operation			
Profit/(loss) from discontinued operations, net of tax		–	4,911
Profit / (loss) for the period		**18,215**	**23,790**
Other comprehensive income			
Cash flow hedges – effective portion of changes in fair value		(9)	(351)
Cash flow hedges – reclassified to profit or loss		150	350
Total comprehensive income for the period		**18,356**	**23,789**
Profit / (loss) attributable to:			
Owners of the Company		18,215	23,790
Profit/(loss) for the period		**18,215**	**23,790**
Total comprehensive income / (loss) attributable to:			
Owners of the Company		18,356	23,789
Total comprehensive income for the period		**18,356**	**23,789**
Earnings per share			
Basic earnings per share (cents per share)		12.7	16.0
Diluted earnings per share (cents per share)		12.6	16.0
Basic earnings per share (cents per share) – continuing operations		12.7	12.7
Diluted earnings per share (cents per share) – continuing operations		12.6	12.7

The Notes on pages 20 to 30 are an integral part of these interim consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

In thousands of AUD	*Note*	31 December 2021	30 June 2021 Restated*
Assets			
Cash and cash equivalents		51,643	106,474
Trade and other receivables		114,333	100,408
Inventories		53,656	43,844
Prepayments		4,087	4,174
Financial assets	*15*	1,557	1,762
Other current assets		4,424	1,703
Total current assets		229,700	258,365
Deferred tax assets		16,527	15,233
Property, plant and equipment	*9*	98,866	100,122
Right of use assets	*9*	85,881	96,228
Intangible assets and goodwill	*10*	133,176	130,178
Other non-current assets		3,737	-
Total non-current assets		338,187	341,761
Total assets		**567,887**	**600,126**
Liabilities			
Trade and other payables		106,203	91,733
Lease liabilities		24,463	27,937
Loan and borrowings		2,791	2,791
Employee benefits		23,551	18,850
Current tax payable		5,158	3,283
Other current liabilities		6,896	9,325
Total current liabilities		169,062	153,919
Loan and borrowings		115,590	167,044
Lease liabilities		84,021	91,823
Employee benefits		7,122	6,568
Provisions		4,878	4,745
Other non-current liabilities		1,638	-
Total non-current liabilities		213,249	270,180
Total liabilities		**382,311**	**424,099**
Net assets		**185,576**	**176,027**
Equity			
Share capital	*11*	150,096	149,066
Reserves		112	(185)
Retained earnings		35,368	27,146
Total equity		**185,576**	**176,027**

*The Group has adopted the International Financial Reporting Standards Interpretations Committee (IFRIC) decision on Configuration or Customisation Costs in a Cloud Computing Arrangement. It has applied AASB 101 'Accounting Policies, Changes in Accounting Estimates and Errors' to adjust opening retained earnings. Refer to Note 2 for further details.

The Notes on pages 20 to 30 are an integral part of these interim consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2021

In thousands of AUD	*Note*	Share capital	Share-based payment reserve	Hedging reserve	Retained earnings	Total equity
Balance at 1 July 2020		**156,502**	**198**	**(780)**	**8,582**	**164,502**
Opening adjustment*		–	–	–	(214)	(214)
Adjusted balance as at 1 July		**156,502**	**198**	**(780)**	**8,368**	**164,288**
Total comprehensive income for the period						
Profit for the period		–	–	–	23,790	23,790
Other comprehensive income		–	–	(1)	–	(1)
Total comprehensive income for the period		**–**	**–**	**(1)**	**23,790**	**23,789**
Transactions with owners of the Company						
Share buyback	*11*	(659)	–	–	–	(659)
Performance share rights	*12*	–	134	–	–	134
Total transactions with owners of the Company		(659)	134	–	–	(525)
Balance at 31 December 2020		**155,843**	**332**	**(781)**	**32,158**	**187,552**
Adjusted balance as at 1 July 2021		**149,066**	**463**	**(648)**	**27,146**	**176,027**
Total comprehensive income for the period						
Profit for the period		–	–	–	18,215	18,215
Other comprehensive income		–	–	141	–	141
Total comprehensive income for the period		**–**	**–**	**141**	**18,215**	**18,356**
Transactions with owners of the Company						
Share buyback	*11*	(188)	–	–	–	(188)
Employee share issue	*11*	1,218	–		–	1,218
Performance share rights	*12*	–	156	–	–	156
Dividends to owners of the Company	*11*	–	–	–	(9,993)	(9,993)
Total transactions with owners of the Company		1,030	156	–	(9,993)	(8,807)
Balance at 31 December 2021		**150,096**	**619**	**(507)**	**35,368**	**185,576**

*The Group has adopted the International Financial Reporting Standards Interpretations Committee (IFRIC) decision on Configuration or Customisation Costs in a Cloud Computing Arrangement. It has applied AASB 101 'Accounting Policies, Changes in Accounting Estimates and Errors' to adjust opening retained earnings. Refer to Note 2 for further details.

The Notes on pages 20 to 30 are an integral part of these interim consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2021

In thousands of AUD	*Note*	31 December 2021	31 December 2020
Cash flows from operating activities			
Cash receipts from customers		408,123	373,821
Cash paid to suppliers and employees		(365,905)	(322,650)
Cash generated from operating activities		**42,218**	**51,171**
Interest received		38	–
Interest paid		(1,568)	(2,255)
Income tax paid		(7,820)	(7,936)
JobKeeper Payment received (net)		–	21,158
Restructure and make good		(534)	(2,074)
Net cash from operating activities		**32,334**	**60,064**
Cash flows from investing activities			
Acquisition of property, plant and equipment, and intangible assets	*9, 10*	(6,204)	(4,503)
Acquisition of financial asset (including transactions costs)	*15*	–	(5,354)
Acquisitions of businesses (including transaction costs)	*13*	(4,937)	(2,078)
Payment of costs in relation to acquisitions		(113)	(196)
Net proceeds on disposal of business (net of cash and transactions costs)	*18*	–	15,165
Net cash used in investing activities		**(11,254)**	**3,034**
Cash flows from financing activities			
Repayment of loans		(51,635)	(1,604)
Share buyback (including transaction costs)	*11*	(188)	(583)
Dividends paid		(9,993)	–
Payment of lease liabilities		(14,095)	(17,922)
Net cash from financing activities		**(75,911)**	**(20,109)**
Net (decrease)/increase in cash and cash equivalents		(54,831)	42,989
Cash and cash equivalents at 1 July		106,474	51,640
Cash and cash equivalents at 31 December		**51,643**	**94,629**

The Notes on pages 20 to 30 are an integral part of these interim consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2021

1 REPORTING ENTITY

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

These interim consolidated financial statements, as at and for the six months ended 31 December 2021 comprises the Company and its subsidiaries (IVE or Group).

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

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

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

2 BASIS OF PREPARATION

This interim consolidated financial report has been prepared in accordance with AASB 134 *Interim Financial Reporting*, the *Corporations Act 2001* and IAS 34 *Interim Financial Reporting*. It does not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 30 June 2021.

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

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

Significant accounting policies

The accounting policies applied in these interim consolidated financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 30 June 2021, except for the International Financial Reporting Standards Interpretations Committee (IFRIC) decision on Configuration or Customisation Costs in a Cloud Computing Arrangement (refer below).

The interim consolidated financial statements were authorised for issue by the Board of Directors on 24 February 2022.

2 BASIS OF PREPARATION (cont.)

Changes in Accounting Policies

Adoption of new accounting standards

The Group has adopted all new and amended Australian Accounting Standards and Australian Accounting Standards Board (AASB) interpretations that are mandatory for the current reporting period and relevant to the Group. With the exception of the IFRIC decision on Configuration or Customisation Costs in a Cloud Computing Arrangement (see below) adoption of these standards and interpretations has not resulted in any material changes to the Group's half-year financial report.

Configuration or Customisation Costs in a Cloud Computing Arrangement

In April 2021, the International Financial Reporting Standards Interpretations Committee (IFRIC) issued a final agenda decision, Configuration or customisation costs in a cloud computing arrangement.

The decision discusses whether configuration or customisation expenditure relating to cloud computing arrangements is able to be recognised as an intangible asset and if not, over what time period the expenditure is expensed.

The Group's accounting policy has historically been to capitalise all costs related to cloud computing arrangements as intangible assets in the Statement of Financial Position. The adoption of this agenda decision has resulted in a reclassification of these intangible assets as an expense for the six months ended 31 December 2021 of $907 thousand (for the six months ended 31 December 2020 is immaterial), and an adjustment to opening retained earnings of $635 thousand as at 1 July 2021 ($214 thousand as at 1 July 2020).

The following table presents the impact of the 1 July 2021 restatement on the comparative information presented in for the prior year ending 30 June 2021.

Consolidated Statement of Financial Position as at 30 June 2021

In thousands of AUD	As previously reported	Adjustment	As restated
Intangible assets	131,085	(907)	130,178
Deferred tax assets	14,961	272	15,233
Other net assets/(liabilities)	30,616	–	30,616
Net asset	**176,662**	**(635)**	**176,027**
Share capital	149,066	–	149,066
Reserves	(185)	–	(185)
Retained earnings	27,781	(635)	27,146
Total equity	**176,662**	**(635)**	**176,027**

The Group has assessed the net impact from adopting the IFRIC decision on prior year's consolidated statement of profit and loss, and consolidated statement of cash flows to be immaterial, and has not restated these financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

For the six months ended 31 December 2021

3 USE OF ESTIMATES AND JUDGEMENTS

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2021.

Measurement of fair values

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

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

Further information about the assumptions made in measuring fair values is included in Note 15 Financial instruments.

4 REVENUE

The Group's operations and main revenue streams are those described in the last annual financial statements. The tables below provide information on the Group's revenue and contract balances derived from contracts with customers.

Disaggregation of revenue

In thousands of AUD	**Half year 31 December 2021**	**Half year 31 December 2020 Restated***
Products transferred at a point in time	357,523	317,428
Products and services transferred over time	25,052	23,418
	382,575	**340,846**

*2020 has been restated to re-classify Distributions revenue of $53,576 thousand from over time to a point in time. The restated disclosure for Distribution has not affected any other section of the consolidated financial statements.

5 PERSONNEL EXPENSES

In thousands of AUD	**Half year 31 December 2021**	**Half year 31 December 2020**
Wages and salaries	91,708	71,477
Contributions to defined contribution plans	6,711	6,368
Share-based payment expense	1,399	134
	99,818	**77,979**

The Group has credited to wages and salaries nil relating to the JobKeeper Payment scheme (31 December 2020: $16,330 thousand).

6 EXPENSES

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

In thousands of AUD	**Half year 31 December 2021**	**Half year 31 December 2020**
Depreciation and amortisation	21,415	24,269
Restructuring costs	534	1,916
Acquisition and transaction costs	517	766

7 FINANCE INCOME AND FINANCE COSTS

In thousands of AUD	**31 December 2021**	**31 December 2020**
Interest income	38	-
Net foreign exchange gains	23	-
Finance income	**61**	**-**
Interest expense	(3,683)	(4,984)
Derivative net change in fair value	(12)	-
Financial assets net change in fair value	(205)	-
Net foreign exchange losses	-	(13)
Finance costs	**(3,900)**	**(4,997)**
Net finance costs	**(3,839)**	**(4,997)**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

For the six months ended 31 December 2021

8 TAX EXPENSE

In thousands of AUD	31 December 2021	31 December 2020
Current tax expense		
Current year	9,708	9,385
Changes in estimates related to prior years	(81)	(173)
Deferred tax expense		
Origination and reversal of temporary differences	(1,066)	(798)
Total tax expense	**8,561**	**8,414**

Numerical reconciliation between tax expense and pre-tax accounting profit

In thousands of AUD	31 December 2021	31 December 2020
Profit before tax from continuing operations	26,776	27,293
Tax using the Company's domestic tax rate of 30%	8,033	8,188
Non-assessable income and non-deductible expenses	609	351
Change in recognised deductible temporary differences	–	173
Changes in estimates related to prior years	(81)	(173)
Other items (net)	–	(125)
	8,561	**8,414**

9 PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

Acquisitions

During the six months ended 31 December 2021 the Group acquired property, plant and equipment with a cost of $3,076 thousand (six months ended 31 December 2020: $3,342 thousand).

During the six months ended 31 December 2021 the Group entered into new lease agreements for the use of properties and equipment between 3 to 7 years. The Group makes fixed payments and additional variable payments depending on market rental review during the contract period. On lease commencement, the Group recognised $3,438 thousand of right of use asset and lease liability (six months ended 31 December 2020: $3,742 thousand).

10 INTANGIBLE ASSETS AND GOODWILL

Acquisitions

During the six months ended 31 December 2021 the Group acquired intangible assets with a cost of $6,641 thousand (six months ended 31 December 2020: $1,161 thousand).

Disposals

During the six months ended 31 December 2021 no intangible assets were disposed by the Group (six months ended 31 December 2020: $10,947).

11 CAPITAL AND RESERVES

Issued and paid up capital (In thousands of AUD)	31 December 2021	31 December 2020
143,508,948 (June 2021: 142,756,952) ordinary shares fully paid	150,096	149,066

Movement in ordinary share capital

Date	Details	Number of shares	Issue price	Total $'000
1-Jul-20	**Opening balance**	**148,207,285**		**156,502**
21 to 31 December 2020	Share buyback (including transaction costs)	(510,354)		(659)
31-Dec-20*		**147,696,931***		**155,843**
1-Jul-21	**Opening balance**	**142,756,952**		**149,066**
1-Jul-21	Share buyback (including transaction costs)	–		(188)
23-Sep-21	Employee share issue	751,996		1,218
31-Dec-21		**143,508,948**		**150,096**

*Included in the number of share buyback during the period were 53,644 shares that were bought on 31 December 2020, but cancelled on 5 January 2021. As at 31 December 2020, 147,750,575 shares were on issue.

Dividends

The following dividends were declared by the Group:

For the six months ended 31 December 2021

In thousands of AUD	31 December 2021	31 December 2020
8.5 cents per share (31 December 2020: 7.0 cents per share)	12,198	10,343

On 24 February 2022, the directors have declared a fully franked interim dividend of 8.5 cents per share to be paid on 14 April 2022 to shareholders on the register at 16 March 2022. The interim dividend payout is $12,198 thousand (for the six months ended 31 December 2020: $10,343 thousand). A liability has not been recognised as the interim dividend was declared after the reporting date.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

For the six months ended 31 December 2021

12 SHARE-BASED PAYMENTS

During the six months ended 31 December 2021, the Company granted Performance Share Rights (Rights) under the Equity Incentive Plan (EIP). The Rights are an entitlement to receive fully paid ordinary IVE Group Limited Shares on a one-for-one basis. Further details on the Rights are described below.

Type of arrangement	Senior Leadership Team Award
Date of grant	23 November 2021
Number granted	823,526
Contractual life	3 years and 2 months
Vesting conditions	The Rights are subject to the following Performance Conditions: sixty per cent of the Rights are referenced against achieving Earnings Per Share Target (EPS), and forty per cent are referenced against achieving Relative Shareholder Return (TSR) target. The performance period is 1 July 2021 to 30 June 2024 inclusive. The vesting date is expected to be on or soon after the approval of IVE's 2024 Annual Financial Report.
Weighted average fair value	$1.19
Valuation methodology	The EPS target was calculated using a risk-neutral assumption, whereas the TSR target has been valued using a Monte Carlo simulation approach.
Expected dividend	Holders of performance share rights are not entitled to receive dividends prior to vesting.
Other key valuation assumptions	
Share price at valuation date	$1.6509
Expected volatility	52%
Risk free interest rate	0.15%
Dividend yield	7.82%

*Share rights issued to Directors required shareholder approval. This occurred at the Group's 2021 Annual General Meeting.

Total expense relating to the Rights during the six months ended 31 December 2021 was $156 thousand (for the six months ended 31 December 2020: $134 thousand) and is included in Note 5 of this interim consolidated financial statements.

For the six months ended 31 December 2021, 824 thousand Rights were granted (2021: 1,885 thousand), 530 thousand lapsed (2021: 159 thousand), and 3,355 thousand remain outstanding (2021: 3,061 thousand).

13 ACQUISITIONS

On 31 October 2021, IVE acquired selected assets of Active Display Group's (ADG) retail display and 3PL business, and 100% shares in fabric printing business of AFI Branding Solutions Pty Ltd (AFI). These businesses will be integrated into IVE's Production & Distribution business.

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

In thousands of AUD	ADG	AFI	Total
Consideration transferred			
Initial cash paid	3,500	1,738	**5,238**
Completion adjustment received*	(603)	–	**(603)**
Contingent consideration payable	–	1,638	**1,638**
	2,897	3,376	**6,273**
Identifiable assets acquired and liabilities assumed			
Trade and other receivables	–	869	**869**
Inventories	1,343	2,106	**3,449**
Prepayments	58	69	**127**
Other current assets	–	31	**31**
Property, plant and equipment	1,442	1,330	**2,772**
Right of use asset	–	596	**596**
Intangible asset	2,300	529	**2,829**
Deferred tax assets/(liabilities)	52	168	**220**
Trade and other payables	(319)	(1,335)	**(1,654)**
Employee benefits	(2,257)	(657)	**(2,914)**
Provisions	(80)	(60)	**(140)**
Lease liability	–	(596)	**(596)**
	2,539	3,050	**5,589**
Goodwill on acquisition	**358**	**326**	**684**

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

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

For the six months ended 31 December 2021

As these businesses are being integrated into IVE the profit before tax contribution from these acquisitions are indistinguishable from existing business unit results. On this basis a disclosure of profit before tax is impracticable. The total revenue since acquisition is $8,203 thousand. Individually this business is considered immaterial.

If this acquisition had occurred from beginning of the reporting period the combined Group revenue would have been estimated at $399,923 thousand. The Group has not estimated the profit before tax for the reasons provided above.

Acquisition-related costs totalling $302 thousand has been included in Other expenses in the Group's consolidated statement of profit or loss and other comprehensive income.

14 OPERATING SEGMENTS

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

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

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

In thousands of AUD	**31 December 2021**	**31 December 2020**
EBITDA	52,030	56,559
Depreciation and amortisation	(21,415)	(24,269)
Net finance costs	(3,839)	(4,997)
Profit before income tax from continuing operations	**26,776**	**27,293**

15 FINANCIAL INSTRUMENTS

Measurement of fair values

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

Type	Valuation technique	Significant unobservable inputs	Relationship between the fair value and unobservable inputs
Financial asset	The valuation is based on market share price of the investee after taking into account the Group's economic interest, and lack of voting rights and marketability	The Group's economic interest, and lack of voting rights and marketability.	The unobservable inputs are applied as a fixed percentage discount to the fair value.
Forward exchange contracts	The fair value is determined using quoted forward exchange rates and present value of estimated future cash flow based on observable yield curves	Not applicable	Not applicable
Contingent consideration	The fair value is calculated based on the acquired business achieving future revenue target	Forecast revenue growth	If the applicable performance targets for the acquisition is lower than expected by 10%, then the contingent consideration value will be decreased by approximately $0.2 million

Reconciliation of Level 3 fair values

The following table shows reconciliation from the opening balances to the closing balances for fair value measurements in Level 3 of the fair value hierarchy:

In thousands of AUD	
Balance at 1 July 2021	–
Assumed in a business combination in current year	1,638
Balance at 31 Dec 2021	**1,638**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONT.)

For the six months ended 31 December 2021

16 GROUP ENTITIES

	Ownership interest %	
Ultimate parent entity IVE Group Limited	**31 December 2021**	**31 December 2020**
Controlled entities		
Caxton Print Group Holdings Pty Limited	100	100
Caxton Print Group Pty Limited	100	100
IVE Group Australia Pty Limited	100	100
IVE Group Victoria Pty Limited	100	100
Task 2 Pty Limited	100	100
Pareto Fundraising Pty Limited	100	100
James Bennett & Associates Pty Limited	100	100
IVE Employment (Australia) Pty Limited	100	100
IVE Employment (Victoria) Pty Limited	100	100
Taverners No. 13 Pty Limited	100	100
AIW Printing (Aust) Pty Limited	100	100
AIW Printing Unit Trust	100	100
IVE Group Asia Limited	100	100
Guangzhou IVE Trading Company Limited	100	100
IVE Singapore Pte Limited	–	100
SEMA Holdings Pty Ltd	100	100
SEMA Infrastructure Pty Ltd	100	100
SEMA Operations Pty Ltd	100	100
John W Gage & Co Pty Ltd	100	100
IVE Distribution Pty Ltd	100	100
Lasoo Pty Ltd	100	100
Reach Media New Zealand Limited	100	100
AFI Branding Solutions Pty Ltd	100	–

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

17 EVENTS AFTER THE REPORTING PERIOD

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

IVE Group Limited
DIRECTORS' DECLARATION

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

(a) the Condensed Consolidated Financial Statements and Notes, set out on pages 16 to 30, are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the six months ended on that date; and

(ii) complying with Australian Accounting Standards AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and

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

Signed in accordance with a resolution of directors.

Geoff Selig
Director

Dated at Sydney this 24th day of February 2022.

Independent Auditor's Review Report

To the shareholders of IVE Group Limited

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying ***Interim Financial Report*** of IVE Group Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of IVE Group Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 31 December 2021 and of its performance for the ***Interim Period*** ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The ***Interim Financial Report*** comprises:

- Condensed consolidated statement of financial position as at 31 December 2021;
- Condensed consolidated statement of profit or loss and other comprehensive income, Condensed consolidated statement of changes in equity and Condensed consolidated statement of cash flows for the Interim Period ended on that date;
- Notes 1 to 17 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The ***Group*** comprises IVE Group Limited (the Company) and the entities it controlled at the Period's end or from time to time during the Interim Period.

The ***Interim Period*** is the 6 months ended on 31 December 2021.

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 Financial Report* section of our report.

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

Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- such internal control as the Directors determine is necessary to enable the preparation of the Interim 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 Interim Financial Report

Our responsibility is to express a conclusion on the Interim 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 Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the Interim Period ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Period 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.

KPMG

KPMG

Daniel Camilleri

Partner

Sydney

24 February 2022