

APPENDIX 4D

For the Half Year Ended 31 December 2020

Company Information

Current Reporting Period: For the half year ended 31 December 2020
 Previous Corresponding Period: For the half year ended 31 December 2019

This information should be read in conjunction with the 31 December 2020 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 2020.

This report is based on the consolidated financial statements for the half year ended 31 December 2020 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 2020.

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 2020.

Results \$'000		31 Dec 2020	31 Dec 2019
Revenue from continuing operations	Down 3%	340,846	352,224
Profit (loss) from ordinary activities after tax attributable to members	Up 92%	23,790	12,368
Net profit (loss) for the period attributable to members	Up 92%	23,790	12,368

All comparisons are on a statutory basis unless stated.

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 2020	31 Dec 2019
Net Tangible Assets per security (cents)	40.0	21.6

Dividend Amount per Security

	Amount per security (cents)	Franked amount per security (cents)
Interim dividend for the half year ended 31 Dec 2020	7.0	7.0
Interim dividend for the half year ended 31 Dec 2019	Not applicable	Not applicable

Record date for determining entitlements to the dividend:

- Interim dividend entitlement date: close of business 10 March 2021, and
- Payment date: 15 April 2021.

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 2020.

Attachments

Interim Financial Report for the half year ended 31 December 2020 for IVE Group Limited.

Authorised for release: The Board

IVE GROUP LIMITED INTERIM CONSOLIDATED FINANCIAL REPORT

31 December 2020

ABN 62 606 252 644

Contents

Operating and financial review	2
Directors' report	12
Lead auditor's independence declaration	13
Condensed consolidated financial statements	14
Notes to the consolidated financial statements	19
Directors' declaration	30
Independent auditor's review report	31

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 2020.

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 delivered solid financial performance for the Half Year despite the challenging conditions. Previous guidance for the Full Year is reaffirmed.

There has been continued impact from COVID-19 on the economy and customer activity.

We have seen a diverse range of customer outcomes under these conditions with Coles reducing letterbox distributions while Australian Community Media (ACM) signed a significant long-term print contract.

Evolution of the business structure continued with IVE Telefundraising (formally Pareto Phone) being divested for cash consideration of \$16.5m, and a net gain on sale of \$4.2m, with the proceeds used to further strengthen the balance sheet.

Following the successful pivot into PPE during FY20, our involve brand and extensive range of PPE was successfully launched in October 2020.

We continued through the period to flex and streamline our cost base in response to COVID-19 to mitigate short term revenue impacts and to further strengthen the business on an ongoing basis. JobKeeper support ended for the majority of IVE businesses at the end of the September quarter. IVE Distribution received JobKeeper through to the end of December.

Company net debt continued to reduce, liquidity levels are strong and the dividend has been re-instated. The share buyback, announced on 12 November 2020, for up to 10% of issued shares, has also commenced.

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

(Underlying continuing and post AASB 16)

- > Revenue \$340.8m
 - > EBITDA \$59.2m
 - > NPATA* \$23.0m
 - > Gross profit margin consistent with FY20 full year
 - > Cash on hand \$94.6m at 31 December 2020
 - > Free cash conversion to EBITDA 119%
 - > Net Debt \$90.1m (a further reduction of \$47.0m from 30 June 2020)
 - > Earnings per share of 16.0 cents (based on NPATA divided by average weighted shares on issue at 31 December 2020)
 - > Interim dividend of 7.0 cents per share, fully franked
- *NPAT excluding amortisation of customer contracts
 - The underlying financial results are on a non-IFRS basis and are not audited or reviewed
 - The underlying results are on a continued operations basis and exclude non-operating items (refer Table 2)
 - The underlying results include net JobKeeper receipts of \$14.9m.

Summary of group financial 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 in March 2020 with the Company maintaining a strong financial position and good liquidity.

The overall result for the period was impacted by revenue reduction in some areas offset, in part, by additional revenue from existing and new clients. We maintained our strong focus on cost control throughout the period, gross profit margins remained stable and net debt continued to decline.

Revenue for H1 FY20 was \$340.8m, down 3.2% on the previous corresponding period (pcp). FY21 revenue includes \$53.5m of revenue from Letterbox Distribution (following the acquisitions of Salmat Media Solutions and Reach Media NZ) not reflected in pcp. Normalised for this revenue the reduction was a result of impacts of COVID-19, particularly in the retail catalogue and travel sectors.

Underlying EBITDA was \$59.2m in the six months and compares to pcp of \$49.9m. EBITDA includes a \$14.9m net benefit from JobKeeper. The business continued to leverage and streamline the cost base in the period as well as maintain the gross profit margin resulting in an EBITDA margin of 13.0% compared to pcp of 14.2% (ex JobKeeper).

Underlying NPAT including JobKeeper was \$20.8m for the period, excluding JobKeeper was \$10.5m, down \$5.4m on the pre-COVID pcp of \$15.9m. IFRS NPAT after discontinued operations of \$23.8m compares to pcp of \$12.4m reflecting the net gain on the divestment of IVE Telefundraising of \$4.2m.

An interim dividend, fully franked, of 7.0 cents per share has been declared and represents a return to dividend payments that were prudently withdrawn in early 2020 given the uncertainty surrounding the pandemic at that time.

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’.



Strategy

IVE commenced the evolution to a broader product and service offering late in the 1990’s 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

Creative Services

- > Visual
- > Motion
- > Digital
- > Personalised
- > Structural (3D)

Data-Driven Communications

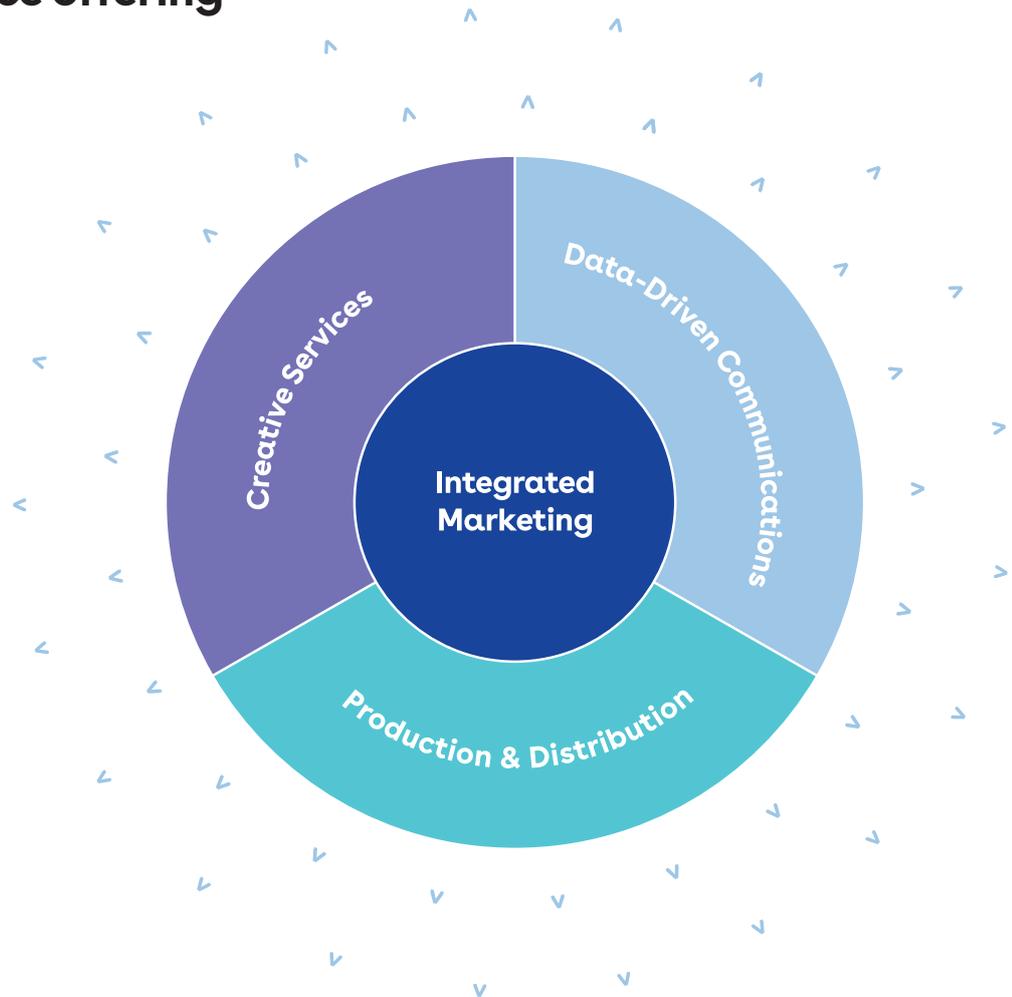
- > CX data & insights
- > Marketing technology
- > Omni-channel deployment
- > Retrieval & enrichment

Production & Distribution

- > Print
- > Retail display
- > Premiums & merchandising
- > Integrated logistics
- > Distribution

Integrated Marketing

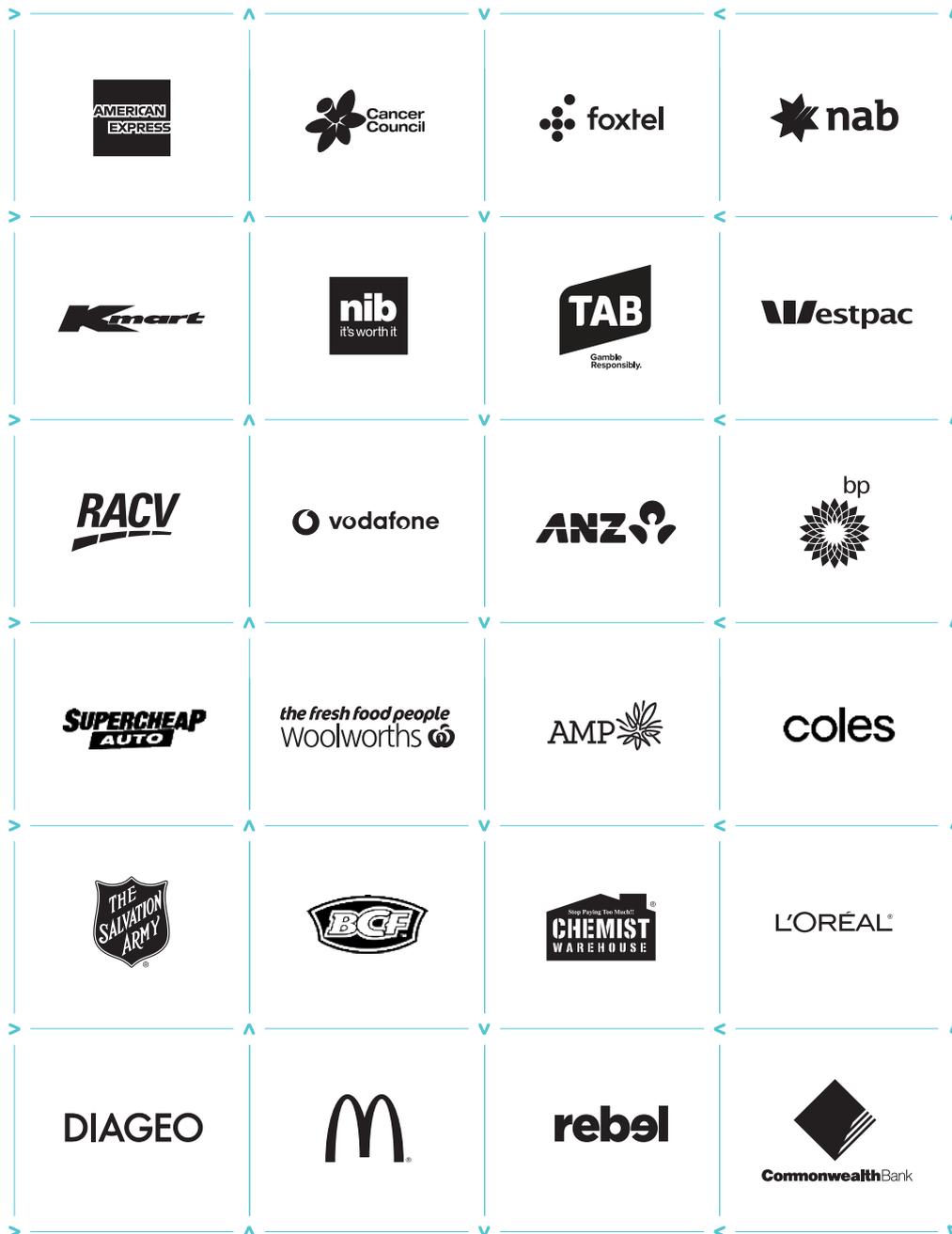
- > Collateral optimisation
- > Resource management
- > Supply chain
- > Business intelligence



Further information on IVE's strategy, operations and markets are set out in our 30 June 2020 Annual Report.

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. Circa 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 2020

IVE's Financial Report for H1 FY2021 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 2020 financial information

All financial commentary is based on post AASB 16 adoption and continuing operations basis.

Table 1: H1 FY2021 and H1 FY2020 IFRS and underlying profit and loss.

	H1 FY21 & FY20 Post AASB16			
	Actual H1 FY2021 \$m	Actual H1 FY2020 \$m	Variance \$m	Variance %
Revenue	340.8	352.2	(11.4)	(3.2%)
Gross Profit	161.3	166.6	(5.3)	(3.2%)
% of Revenue	47.3%	47.3%		0.1%
Underlying EBITDA continuing operations (incl. JobKeeper)	59.2	49.9	9.2	18.5%
Underlying EBITDA continuing operations (excl. JobKeeper)	44.3	49.9	(5.6)	(11.3%)
Underlying EBITDA margin % (incl. JobKeeper)	17.4%	14.2%		22.4%
Underlying EBITDA margin % (excl. JobKeeper)	13.0%	14.2%		(8.4%)
Non-Operating items (incl. JobKeeper)	(2.7)	(5.8)	3.1	53.5%
Non-Operating items (excl. JobKeeper)	12.2	(5.8)	18.0	311.4%
EBITDA	56.6	44.2	12.4	28.1%
Depreciation and amortisation	24.2	21.9	2.3	10.7%
EBIT	32.4	22.3	10.1	45.2%
Net finance costs	5.0	5.2	(0.2)	(4.5%)
NPBT	27.4	17.1	10.3	60.4%
Income tax expense	8.5	5.5	3.0	54.3%
NPAT from continuing operations	18.9	11.6	7.3	63.3%
Discontinued Operations (NPAT)	4.8	0.8	4.1	528.9%
NPAT	23.8	12.4	11.4	92.3%
NPATA continuing operations	21.1	13.5	7.7	56.9%
Underlying NPAT continuing operations (incl. JobKeeper)	20.8	15.9	5.0	31.2%
Underlying NPAT continuing operations (excl. JobKeeper)	10.5	15.9	(5.4)	(33.9%)
Underlying NPATA continuing operations (incl. JobKeeper)	23.0	17.7	5.3	29.7%
Underlying NPATA continuing operations (excl. JobKeeper)	12.7	17.7	(5.1)	(28.6%)

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

The key variances on a IFRS and non-IFRS basis between H1 FY2021 and H1 FY2020 are as follows:

Revenue

The impacts of COVID-19 have varied across our business, our customers and the sector. It is through the resilience and commitment of our staff, the quality of our offering and the strength of our client relationships that we have been able to support our many clients through this challenging period.

Revenue of \$340.8m compared to the pcp of \$352.2m which was down \$11.4m or 3.2%. The revenue outcome was driven by continued COVID-19 impacts that we estimate have been circa \$50m, particularly in the retail catalogue and travel sectors.

While there were no material client losses, the decision by Coles to cease letterbox distribution of their catalogue on 9 September 2020 did have a meaningful impact on overall volumes, with the revenue impact estimated to be circa \$12m for the period.

The revenue reduction in some areas however was offset by a range of factors versus pcp including growth in new revenues of \$53.5m following the acquisition of Salmat Marketing Solutions and Reach Media NZ (IVE Distribution) in January 2020.

There was also good momentum on new customer wins including ACM where expected revenues are in the order of circa \$100m over the five year term. Revenue from this contract is still in the ramp-up phase and will transition mainly in 2H FY21. To further support ACM's requirements, and further enhance service to our clients, IVE acquired selected assets of ACM's web offset operation in WA for a purchase consideration of \$2.0m.

Gross profit

Gross profit margin of 47.3% was stable on pcp. Paper costs continue to reflect the benefits of improved pricing in global markets and the group continued to leverage the supply chain where possible.

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

Underlying EBITDA inclusive of JobKeeper was \$59.2m and compares to pcp of \$49.9m – an increase of 18.5% impacted by the net JobKeeper benefit of \$14.9m in the period. IVE ceased to qualify for future JobKeeper benefits from 30 September 2020 (Distribution only for October to December 2020).

During the early phase of the pandemic the business enhanced efficiency through cost calibration and business simplification. This work continued in the recent six months, resulting in further cost reductions and increasing operational efficiencies that helped mitigate short-term revenue impacts and further strengthen the business on an ongoing basis.

The EBITDA margin, inclusive of JobKeeper, was 17.4% and excluding JobKeeper was 13.0% which compares to pcp (pre-COVID) of 14.2%.

NPAT (Net profit after tax)

Underlying NPAT including JobKeeper was \$20.8m and ex JobKeeper was \$10.5m which compares to pcp of \$15.9m (down \$5.4m or 33.9%).

Depreciation and amortisation of \$24.2m compares to pcp of \$21.9m and pre AASB 16 H1 FY21 \$12.1m compares to \$11.3m pcp.

Net finance costs H1 FY21 \$5.0m compares to pcp of \$5.2m and pre AASB 16 \$3.4m in FY21 flat on pcp.

In October 2020 IVE Telefundraising (formally Pareto Phone) was sold for a consideration of \$16.5m. As a result IFRS NPAT of \$23.8m includes profit on the IVE Telefundraising divestment of \$4.2m.

Restructure and acquisition costs that are excluded from underlying earnings were \$2.7m and mainly reflect continued reduction of the cost base post COVID-19, relocation of Retail Display and Distribution business units, and the acquisition of ACM's WA operation.

Table 2: H1 FY2021 IFRS Statutory NPAT reconciliation to underlying NPAT.

Statutory to underlying NPAT reconciliation	H1 FY2021 \$m
Statutory NPAT continuing operations	18.9
Restructure and acquisition costs	2.7
Sub Total Non Operating items	2.7
Tax effect of adjustments	(0.8)
Underlying NPAT continuing operations	20.8

Balance sheet and cash flow

Table 3 sets out the indebtedness of IVE on an IFRS basis as at 31st December 2020 as a comparison to 30th June 2020.

Table 3

Statutory to underlying NPAT reconciliation	Actual 31 Dec 2020 \$m	Actual 30 Jun 2020 \$m
Borrowings - short term	6.4	6.9
Borrowings - long term	178.3	181.8
Borrowings* - sub total	184.7	188.7
Less cash	94.6	51.6
Net Debt	90.1	137.1

* Loans and borrowings are gross of facility establishment costs.

* Excludes right of use liabilities impacts from adopting AASB 16.

There was a further reduction in net debt in the six months to \$90.1m from \$137.1m at 30 June 2020. The increase in cash holdings reflects underlying earnings coupled with reduced working capital reflecting high cash conversion, JobKeeper receipts as well as the proceeds from divestment of IVE Telefundraising.

The working capital facility of \$30m remains fully undrawn as at 31 December 2020.

IVE's operational footprint is in excellent shape and as a result H1 capital expenditure was \$4.5m with the full year expected to be circa \$10m as communicated in previous guidance.

Capital expenditure of \$4.5m in the half consisted of group wide targeted investment and maintenance capital expenditure of \$3.3m and group wide MIS upgrades of \$1.2m.

This capital expenditure does not include the \$2.0m associated with the acquisition of land and building at the ACM Mandurah site in Western Australia.

Cash flow

Cashflow continued the strong momentum from H2 FY2020 reflecting high free cash conversion 119% (underlying) and 121% (IFRS) of EBITDA. The strong cash generation was driven by underlying earnings including JobKeeper, further reduction in working capital due to reduced debtor collection days on pcp and targeted reduction of inventory holdings. It should also be noted that there were no bad debts during the period. As a result the net debt and balance sheet remain in a very strong position.

	Underlying HI FY2021 \$m	Stat HI FY2021 \$m
EBITDA	59.2	56.6
Movement in NWC/non cash items in EBITDA	11.5	11.9
Free Cash Flow	70.7	68.5
Capital expenditure (net)	(4.5)	(4.5)
Investments	(5.4)	(5.4)
Payments for acquisitions	(2.1)	(2.1)
Net proceeds from sale of Telefundraising	0.0	15.2
Discontinued operations	0.0	1.6
Net cash flow before financing and taxation	58.8	73.3
Tax	(8.7)	(7.9)
Payment of loans	(1.6)	(1.6)
Payment of lease liabilities	(17.9)	(17.9)
Payment of share buy back	(0.6)	(0.6)
Interest paid	(2.3)	(2.3)
Net cash flow	27.7	43.0
Free cash conversion to EBITDA	119%	121%

Underlying cash flow is presented on a continuing operations basis.
The underlying financial results are on a non-IFRS basis and are not audited or reviewed.

Share Buyback

As previously communicated IGL commenced an on-market share buyback program in December 2020.

The Directors are of the view that this program represents a flexible and efficient capital management initiative that benefits shareholders and reflects confidence in the Company's ongoing performance.

Under the terms of the program IVE can buy-back up to 10% of the Company's ordinary shares. There were approximately 148.2m shares on issue when the buyback commenced in December.

As at 31 December 2020 IVE had bought back 510,354 shares at a cost of \$0.7m.

As at 18 January 2021 IVE have bought back 990,477 shares at a cost of \$1.3m.

Dividends

As foreshadowed at our AGM in November 2020, the Company has reinstated dividend payments with the declaration of an interim dividend of 7.0 cents per share fully franked for HI FY21.

Full Year 2021 outlook

- > FY21 full year underlying EBITDA expected to be consistent with FY20 (\$100m underlying EBITDA continuing operations)
- > Gross profit margin expected to remain stable over the remainder of FY21
- > Full year capital expenditure expected to be approximately \$10m including MIS/ERP upgrades
- > Full year restructure and acquisition costs expected to be approximately \$4m
- > Forecast net debt at 30 June 2021 expected to be \$90-100m

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

IVE Group Limited

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 2020 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

Carole Louise Campbell (resigned: 24 November 2020)

Catherine Ann Aston (appointed: 15 December 2020)

Operating and financial review

The profit after tax of the Group for the six months ended 31 December 2020 was \$23,790 thousand (for six months ended 31 December 2019 was \$12,368 thousand). A review of operations and results of the Group for the six months ended 31 December 2020 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 7.0 Australian cents per share, fully franked, to be paid on 15 April 2021 to shareholders on the register at 10 March 2021. The interim dividend declared by the Company to members for the six months ended 31 December 2020 was \$10,343 thousand (for the six months ended 31 December 2019: \$12,745 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 13 and forms part of the directors' report for the six months ended 31 December 2020.

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



Geoff Selig

Director

Dated at Sydney this 25th day of February 2021

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 2020 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.

A handwritten signature in blue ink that reads 'KPMG'.

KPMG

A handwritten signature in blue ink, appearing to be 'D. Camilleri'.

Daniel Camilleri

Partner

Sydney

25 February 2021

KPMG, an Australian partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation.

Liability limited by a scheme approved under Professional Standards Legislation.

Condensed consolidated financial statements

IVE Group Limited

Condensed consolidated statement of profit or loss and other comprehensive income

For the six months ended 31 December 2020

<i>In thousands of AUD</i>	Note	31 December 2020	31 December 2019 Restated*
Revenue	4	340,846	352,224
Cost of sales		(179,515)	(185,610)
Gross profit		161,331	166,614
Other income		-	35
Production expenses		(69,109)	(90,803)
Administrative expenses		(57,153)	(48,202)
Other expenses		(2,779)	(5,378)
Results from operating activities	5, 6	32,290	22,266
Finance income		-	79
Finance costs		(4,997)	(5,268)
Net finance costs	7	(4,997)	(5,189)
Profit before tax		27,293	17,077
Income tax expense	8	(8,414)	(5,480)
Profit/(loss) from continuing operations		18,879	11,597
Discontinued operation			
Profit/(loss) from discontinued operations, net of tax*	18	4,911	771
Profit/(loss) for the year		23,790	12,368
Other comprehensive income			
Cash flow hedges – effective portion of changes in fair value		(186)	(486)
Cash flow hedges – reclassified to profit or loss		185	284
Total comprehensive income for the period		23,789	12,166
Profit/(loss) attributable to:			
Owners of the Company		23,790	12,368
Profit/(loss) for the period		23,790	12,368
Total comprehensive income attributable to:			
Owners of the Company		23,789	12,166
Total comprehensive income for the period		23,789	12,166
Earnings per share			
Basic earnings per share (cents per share)		16.0	8.3
Diluted earnings per share (cents per share)		16.0	8.3
Basic earnings per share (cents per share) – continuing operations		12.7	7.8
Diluted earnings per share (cents per share) – continuing operations		12.7	7.8

* The condensed comparative consolidated statement of profit or loss and other comprehensive income has been restated to show the discontinued operation separately from continuing operations (see Note 18).

The notes on pages 19 to 29 are an integral part of these interim consolidated financial statements.

IVE Group Limited

Condensed consolidated statement of financial position

As at 31 December 2020

<i>In thousands of AUD</i>	<i>Note</i>	31 December 2020	30 June 2020
Assets			
Cash and cash equivalents		94,629	51,640
Trade and other receivables		108,168	103,590
Contract assets		752	521
Inventories		46,960	56,267
Prepayments		2,996	3,654
Other current assets		1,782	2,519
Total current assets		255,287	218,191
Deferred tax assets		16,399	15,295
Financial assets	15	4,862	-
Property, plant and equipment	9	108,172	109,793
Right of use assets	9	104,971	115,548
Intangible assets and goodwill	10	128,731	142,408
Total non-current assets		363,135	383,044
Total assets		618,422	601,235
Liabilities			
Trade and other payables		88,855	84,028
Lease liabilities		29,760	34,343
Loan and borrowings		3,153	3,102
Employee benefits		18,229	16,996
Current tax payable		5,109	3,252
Contract liabilities		5,194	5,805
Provisions		989	993
Total current liabilities		151,289	148,519
Loan and borrowings		168,101	169,855
Lease liabilities		100,799	108,084
Employee benefits		6,686	6,700
Provisions		3,781	3,575
Total non-current liabilities		279,367	288,214
Total liabilities		430,656	436,733
Net assets		187,766	164,502
Equity			
Share capital	11	155,843	156,502
Reserves		(449)	(582)
Retained earnings		32,372	8,582
Total equity		187,766	164,502

The notes on pages 19 to 29 are an integral part of these interim consolidated financial statements.

IVE Group Limited

Condensed consolidated statement of changes in equity

For the six months ended 31 December 2020

<i>In thousands of AUD</i>	<i>Note</i>	Share capital	Share based payment reserve	Hedging reserve	Retained earnings	Total equity
Balance at 1 July 2019		156,468	119	(612)	49,832	205,807
Initial application of AASB 16*		-	-	-	(13,145)	(13,145)
Adjusted balance 1 July 2019		156,468	119	(612)	36,687	192,662
Total comprehensive income for the period						
Profit for the period		-	-	-	12,368	12,368
Other comprehensive income		-	-	(202)	-	(202)
Total comprehensive income for the period		-	-	(202)	12,368	12,166
Transactions with owners of the Company						
Dividends to owners of the Company	11	-	-	-	(11,412)	(11,412)
Performance share rights	12	34	(34)	-	-	-
Total transactions with owners of the Company		34	(34)	-	(11,412)	(11,412)
Balance at 31 December 2019		156,502	85	(814)	37,643	193,416
Balance at 1 July 2020		156,502	198	(780)	8,582	164,502
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 buy back (including transaction costs)	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)	32,372	187,766

The notes on pages 19 to 29 are an integral part of these consolidated financial statements.

IVE Group Limited

Condensed consolidated statement of cash flows

For the six months ended 31 December 2020

<i>In thousands of AUD</i>	<i>Note</i>	31 December 2020	31 December 2019 Restated*
Cash flows from operating activities			
Cash receipts from customers		373,821	394,647
Cash paid to suppliers and employees		(301,492)	(353,578)
Cash generated from operating activities		<u>72,329</u>	<u>41,069</u>
Interest received		-	38
Interest paid		(2,255)	(4,955)
Income tax paid		(7,936)	(7,099)
Payment of costs in relation to acquisitions		(196)	(388)
Restructure and make good		(2,074)	(3,100)
Net cash from operating activities		<u>59,868</u>	<u>25,565</u>
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	449
Acquisition of property, plant and equipment and intangible assets	9, 10	(4,503)	(6,670)
Acquisition of financial asset (including transactions costs)	15	(5,354)	-
Acquisitions of businesses (including transactions costs)	13	(2,078)	-
Net proceeds on disposal of business (net of cash and transactions costs)*	18	15,165	-
Net cash used in investing activities		<u>3,230</u>	<u>(6,221)</u>
Cash flows from financing activities			
Repayment of loans		(1,604)	(1,461)
Share buyback (including transaction costs)	11	(583)	-
Dividends paid		-	(11,412)
Payment of lease liabilities		(17,922)	(14,274)
Net cash from financing activities		<u>(20,109)</u>	<u>(27,147)</u>
Net (decrease)/increase in cash and cash equivalents		42,989	(7,803)
Cash and cash equivalents at 1 July		<u>51,640</u>	<u>31,501</u>
Cash and cash equivalents at 31 December		<u>94,629</u>	<u>23,698</u>

* The condensed comparative consolidated statement of cash flows has been restated to show the discontinued operation separately from continuing operations (see Note 18).

The notes on pages 19 to 29 are an integral part of these consolidated financial statements.

IVE Group Limited

Notes to the interim condensed consolidated financial statements

For the six months ended 31 December 2020

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 2020 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, multi-channel solutions and call centre services;
- 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 2020.

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.

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 2020.

The interim consolidated financial statements were authorised for issue by the Board of Directors on 25 February 2021.

IVE Group Limited

Notes to the interim condensed consolidated financial statements (continued)

For the six months ended 31 December 2020

2 Basis of preparation (continued)

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. Adoption of these standards and interpretations has not resulted in any material changes to the Group's half-year financial report.

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 2020.

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.

IVE Group Limited

Notes to the interim condensed consolidated financial statements (continued)

For the six months ended 31 December 2020

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 derived from contracts with customers.

Disaggregation of revenue

In thousands of AUD

	Half year 31 December 2020	Half year 31 December 2019
Products transferred at a point in time	263,853	317,491
Products and services transferred over time	76,993	34,733
	340,846	352,224

5 Personnel expenses

In thousands of AUD

	Half year 31 December 2020	Half year 31 December 2019
Wages and salaries	71,477	89,567
Contributions to defined contribution plans	6,368	6,483
Share-based payment expense	134	91
	77,979	96,141

The Group has credited to wages and salaries \$16,330 thousand relating to the JobKeeper Payment scheme (31 December 2019: nil).

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 2020	Half year 31 December 2019
Depreciation and amortisation	24,269	21,956
Restructuring costs	1,916	2,844
Acquisition and transaction costs	766	2,924

IVE Group Limited

Notes to the interim condensed consolidated financial statements (continued)

For the six months ended 31 December 2020

7 Finance income and finance costs

In thousands of AUD

	31 December 2020	31 December 2019
Interest income	-	50
Net foreign exchange gains	-	29
Finance income	-	79
Interest expense	(4,984)	(5,268)
Net foreign exchange losses	(13)	-
Finance costs	(4,997)	(5,268)
Net finance costs	(4,997)	(5,189)

8 Tax expense

In thousands of AUD

	31 December 2020	31 December 2019
Current tax expense		
Current year	9,385	4,378
Changes in estimates related to prior years	(173)	255
Deferred tax benefit		
Origination and reversal of temporary differences	(798)	847
Total tax expense	8,414	5,480

Numerical reconciliation between tax expense and pre-tax accounting profit

In thousands of AUD

	31 December 2020	31 December 2019
Profit before tax from continuing operations	27,293	17,077
Tax using the Company's domestic tax rate of 30%	8,188	5,123
Non-assessable income and non-deductible expenses	351	107
Change in recognised deductible temporary differences	173	(255)
Changes in estimates related to prior years	(173)	255
Other items (net)	(125)	250
	8,414	5,480

IVE Group Limited

Notes to the interim condensed consolidated financial statements (continued)

For the six months ended 31 December 2020

9 Property, plant and equipment, and Right-of-use assets

Acquisitions

During the six months ended 31 December 2020 the Group acquired property, plant and equipment with a cost of \$3,342 thousand (six months ended 31 December 2019: \$8,615 thousand).

During the six months ended 31 December 2020, the Group entered into a new lease agreement for the use of a property for seven 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 \$3,742 thousand of right of use asset and lease liability (six months ended 31 December 2019: \$1,429 thousand).

10 Intangible assets and goodwill

Acquisitions

During the six months ended 31 December 2020 the Group acquired intangible assets with a cost of \$1,161 thousand (six months ended 31 December 2019: \$706 thousand).

Disposals

During the six months ended 31 December 2020 the Group disposed of intangible assets with carrying value of \$10,947 thousand (six months ended 31 December 2019: nil).

11 Capital and reserves

Issued and paid up capital

	31 December 2020	30 June 2020
147,750,575* (June 2020: 148,207,285) ordinary shares fully paid	155,843	156,502

Movement in ordinary share capital

Date	Details	Number of shares	Issue Price	Total \$'000
1-Jul-19	Opening balance	148,179,157		156,468
4-Sep-19	Issue of shares under the Equity Incentive Plan	28,128	\$1.21	34
31-Dec-19	Closing balance	148,207,285		156,502
1-Jul-20	Opening balance	148,207,285		156,502
21 to 31 Dec-20	Share buyback (including transaction costs)*	(510,354)*		(659)
31-Dec-20*		147,696,931*		155,843

* 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.

IVE Group Limited

Notes to the interim condensed consolidated financial statements (continued)

For the six months ended 31 December 2020

Dividends

The following dividends were declared by the Group:

For the six months ended 31 December 2020

In thousands of AUD

	31 December 2020	31 December 2019
7.0 cents per share (31 December 2019: 8.6 cents per share)	10,343	12,745

On 25 February 2021, the directors have declared a fully franked interim dividend of 7.0 cents per share to be paid on 15 April 2021 to shareholders on the register at 10 March 2021. The interim dividend payout is \$10,343 thousand (for the six months ended 31 December 2019: \$12,745 thousand). A liability has not been recognised as the interim dividend was declared after the reporting date.

12 Share-based payments reserve

During the six months ended 31 December 2020, 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	24 November 2020*
Number granted	1,884,613
Contractual life	3 years and 2 months
Vesting conditions	The Rights are subject to the following Performance Conditions: sixty percent of the Rights are referenced against achieving Earnings Per Share Target (EPS), and forty percent are referenced against achieving Relative Shareholder Return (TSR) target. The performance period is 1 July 2020 to 30 June 2023 inclusive. The vesting date is expected to be on or soon after the approval of IVE's 2023 Annual Financial Report.
Weighted average fair value	\$0.52
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	\$0.79
Expected volatility	45%
Risk free interest rate	0.23%
Dividend yield	10.6%

* Share rights issued to Directors required shareholder approval. This occurred at the Group's 2020 Annual General Meeting.

Total expense relating to Share-based Payments has been disclosed in Note 5 of this interim consolidated financial statements.

IVE Group Limited

Notes to the interim condensed consolidated financial statements (continued)

For the six months ended 31 December 2020

13 Acquisitions

On 30 October 2020, IVE acquired selected assets of Australian Community Media's (ACM) web offset printing operation in Mandurah, Western Australia. It will be integrated into IVE's Production & Distribution business.

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

<i>In thousands of AUD</i>	Total
Consideration transferred	
Initial cash paid	2,000
Completion adjustment to be received*	(223)
	<u>1,777</u>
Identifiable assets acquired and liabilities assumed	
Inventories	37
Property, plant and equipment	2,000
Deferred tax assets/(liabilities)	112
Employee benefits	(372)
	<u>1,777</u>
Goodwill on acquisition	<u>-</u>

* 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.

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.

The business of ACM is being integrated into IVE. The profit before tax contribution of 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 \$1,435 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 \$344,011 thousand for the six months to 31 December 2020. The Group has not estimated the profit before tax for the reasons provided above.

Acquisition-related costs totalling \$78 thousand has been included in Other expenses in the Group's consolidated statement of profit or loss and other comprehensive income.

IVE Group Limited

Notes to the interim condensed consolidated financial statements (continued)

For the six months ended 31 December 2020

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 (post AASB 16) 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.

<i>In thousands of AUD</i>	31 December 2020	31 December 2019
EBITDA	56,559	44,222
Depreciation and amortisation	(24,269)	(21,956)
Net finance costs	(4,997)	(5,189)
Profit before income tax from continuing operations	<u>27,293</u>	<u>17,077</u>

15 Financial instruments

During the period, the Group invested in a corporate bond. The corporate bond has an interest rate of 8.25% and will mature in November 2022. It is held at fair value, with changes in the fair value to be reflected in the statement of profit or loss.

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 in the fair value hierarchy.

Type	Valuation technique	Significant unobservable inputs	Relationship between the fair value and unobservable inputs
Investment in corporate bond	Market comparison/discounted cash flow technique: The fair value is estimated considering: (i) current or recent quoted prices for identical securities in markets that are not active and (ii) a net present value calculated using discount rates derived from quoted prices of securities with similar maturity and credit rating that are traded in active markets, adjusted by an illiquidity factor.	Not applicable	Not applicable
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

IVE Group Limited

Notes to the interim condensed consolidated financial statements (continued)

For the six months ended 31 December 2020

16 Group entities

Ultimate parent entity	Ownership interest %	
	31 December 2020	31 December 2019
IVE Group Limited		
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 Ltd	100	100
Pareto Fundraising Pty Ltd	100	100
Pareto Phone Pty Ltd	-	100
James Bennett & Associates Pty Limited	100	100
IVE Employment (Australia) Pty Ltd	100	100
IVE Employment (Victoria) Pty Ltd	100	100
Taverners No. 13 Pty Ltd	100	100
AIW Printing (Aust) Pty Ltd	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	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	-
Lasoo Pty Ltd	100	-
Reach Media New Zealand Limited	100	-

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

Notes to the interim condensed consolidated financial statements (continued)

For the six months ended 31 December 2020

18 Discontinued operation

On 30 October 2020, the Group sold its Telefundraising business (Pareto Fundraising Pty Ltd).

In the previous financial year the Group closed down its Asian operation.

(i) Results of discontinued operation

In thousands of AUD

	Half year 31 December 2020	Half year 31 December 2019
Revenue	4,713	7,927
Cost of sales	(110)	(1,120)
Gross profit	4,604	6,807
Administrative expenses	(3,547)	(5,698)
Results from operating activities	1,056	1,109
Net gain on sale of discontinued operation	4,177	-
Profit before tax	5,233	1,109
Income tax expense	(322)	(338)
Profit from discontinued operations	4,911	771
Basic earnings per share (cents per share)	3.3	0.5
Diluted earnings per share (cents per share)	3.3	0.5

The profit from the discontinued operation of \$4,911 thousand (2019: \$771 thousand) is attributable entirely to the owners of the Company.

(ii) Cash flows from (used in) discontinued operation

In thousands of AUD

	Half year 31 December 2020	Half year 31 December 2019
Net cash from operating activities	1,586	145
Net cash from investing activities	15,165	-

IVE Group Limited

Notes to the interim condensed consolidated financial statements (continued)

For the six months ended 31 December 2020

(iii) Net gain on sale of discontinued operation

<i>In thousands of AUD</i>	Total
Consideration received	
Initial cash received	16,500
Completion adjustment paid*	(250)
	<hr/>
	16,250
Assets and liabilities disposed	
Cash	(467)
Receivables	(1,134)
Prepayment	(102)
Deferred tax assets	(69)
Other assets	(99)
Property, plant and equipment	(213)
Intangible asset	(10,947)
Trade Creditors	231
Employee benefits	1,302
Provisions	44
	<hr/>
	(11,454)
Costs incurred	(619)
	<hr/>
Net gain on sale of sale of discontinued operation	4,177

* 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.

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 14 to 29, 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 2020 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 25th day of February 2021



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 2020 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:

- Consolidated statement of financial position as at 31 December 2020;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the Interim Period ended on that date;
- Notes 1 to 18 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 2020.

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 2020 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

Daniel Camilleri

Partner

Sydney

25 February 2021