



APPENDIX 4D

EQT Holdings Limited ABN 22 607 797 615

RESULTS FOR ANNOUNCEMENT TO THE MARKET FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

PERFORMANCE	31 DECEMBER 2020 \$'000		31 DECEMBER 2019 \$'000
Revenue from ordinary activities	48,266	down 1.3% from	48,882
Profit after tax from ordinary activities attributable to members	9,831	down 14.5% from	11,495
Net profit for the period attributable to members	9,831	down 14.5% from	11,495
Earnings per share attributable to members (cents per share)	47.16	down 15.5% from	55.78
DIVIDENDS	31 DECEMBER 2020		31 DECEMBER 2019
Interim Dividend (cents per share)	44		47
Franked percentage	100%		100%
KEY DATES			
Record date for determining entitlements to the Interim dividend			Thu, 4 March
Last date for the receipt of an election notice for participation in the DRP			Fri, 5 March
Payment date for Interim dividend			Tue, 23 March

The Directors have declared a fully franked Interim dividend of 44 cents per share. The Directors have also declared that the Dividend Reinvestment Plan (DRP) will operate for this dividend. The share price to be used for the DRP will be calculated based on the volume weighted average market price of EQT traded shares on the first five days of EQT share trading after the Record Date. A 1% discount will be applied.



ASX ADDITIONAL INFORMATION

Additional information, current as at 31 December 2020, and not shown elsewhere in this report, follows:

NET TANGIBLE ASSETS PER SHARE

NET TANGIBLE ASSETS PER SHARE ¹	31 DECEMBER 2020	31 DECEMBER 2019
Net tangible asset backing per share	\$2.80	\$2.83

¹Based on shares on issue at 31 December 2020 of 20,899,909 (31 December 2019: 20,679,668).

CONTROL GAINED OR LOST OVER ENTITIES DURING THE PERIOD

HALF-YEAR ENDED 31 DECEMBER 2020

There were no material entities for which control was gained or lost during the period.

HALF-YEAR ENDED 31 DECEMBER 2019

There were no material entities for which control was gained or lost during the period.

AUDIT

A review of the condensed consolidated half-year financial statements has been completed with an unqualified conclusion expressed by the Auditor. A copy of the review report is attached.

COMMENTARY

Additional Appendix 4D disclosure requirements can be found in the half-year Report, which contains the Directors' Report and the 31 December 2020 Financial Statements and accompanying notes.

For a comprehensive overview of the half-year results, please refer to the separate ASX release covering the Announcement of Results and Shareholder Presentation.

The Board has authorised that this document be given to the ASX

For personal use only

**CONSOLIDATED
FINANCIAL REPORT FOR
THE HALF-YEAR ENDED
31 DECEMBER 2020**



Equity Trustees

Effective Date: 18 February 2021
EQT Holdings Limited
ABN 22 607 797 615

AUDITOR

Deloitte Touche Tohmatsu
477 Collins Street
Melbourne VIC 3000

SHARE REGISTRY

Link Market Services
Level 12
680 George Street
Sydney NSW 2000
Telephone: (02) 8280 7100

REGISTERED OFFICE

Level 1
575 Bourke Street
Melbourne VIC 3000
Telephone: (03) 8623 5000
Facsimile: (03) 8623 5200
Email: enquiry@eqt.com.au

CORPORATE GOVERNANCE STATEMENT

Our Corporate Governance Statement is available on our website:
www.eqt.com.au/investor-centre/corporate-governance

The Board has authorised that this document be given to the ASX

DIRECTORS' REPORT

The Directors of EQT Holdings Limited (the Company) present the financial report for EQT Holdings Limited and its subsidiaries (referred to herein as Equity Trustees, EQT, or the Group) for the half-year ended 31 December 2020, and the independent auditors' review report thereon.

The names of the Directors of the Company during or since the end of the half-year are:

- Carol Schwartz, Chair (appointed Chair 28 October 2020)
 - Anne M O'Donnell
 - Kevin J Eley
 - D Glenn Sedgwick
 - James (Jim) R Minto
 - Timothy (Tim) E D Hammon
 - Catherine A Robson
 - Michael (Mick) J O'Brien, Managing Director
-
- The Hon Jeffrey G Kennett AC, Chairman (retired 28 October 2020)
 - Alice J M Williams (retired 28 October 2020)

PRINCIPAL ACTIVITIES

The principal activities of the Group during the course of the half-year were:

- Estate planning, executorship and administration services
- Philanthropic services, including services for living donors and charitable trusts
- Compensation, community and personal trust services
- Trustee and fund governance services
- Investment administration and custody services
- Superannuation trustee services

OPERATING AND FINANCIAL REVIEW OF THE GROUP

STRATEGY

Established in 1888, Equity Trustees aims to be Australia's leading independent specialist provider of Trustee services. The Group has acted in a trusted role for individuals, trusts and corporations for over 130 years.

The Group has two business units through which we offer our services to both retail and corporate clients:

- Trustee & Wealth Services (TWS) provides a range of Private Client, Philanthropic and Superannuation Trustee services including estate planning and management; charitable, compensation, community and personal trust services; wealth management and advice.
- Corporate Trustee Services (CTS) provides a range of global fiduciary services for managed investment funds on behalf of local and international fund managers and sponsors, as well as specialised Trustee services for corporates and structured multi-party transactions.

The Group's vision is to be Australia's leading trustee company, for individuals and families, and on behalf of fund managers, investors, and other stakeholders and a significant global player in fund governance services. The Group's strategy is underpinned by four key targets, known as the T4, summarised as follows:

- T1 Improving Client Satisfaction
- T2 Lifting Employee Engagement
- T3 Growing Shareholder Value
- T4 Deepening Community Impact

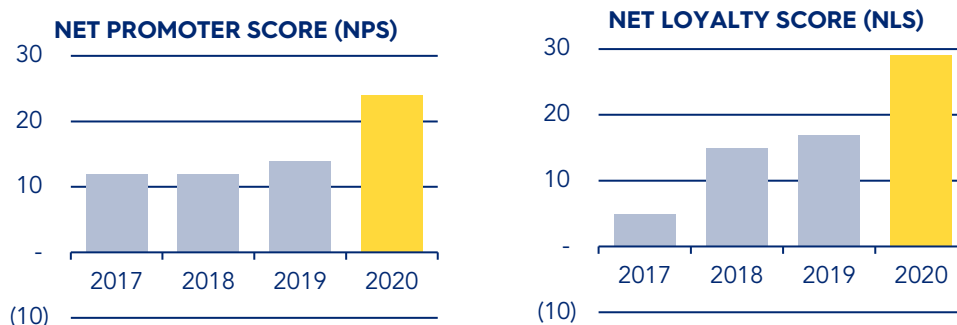
T1 IMPROVING CLIENT SATISFACTION

Measures

- Net promoter score (NPS): The likelihood of clients recommending Equity Trustees.
- Net loyalty score (NLS): The likelihood of buying another product or service from Equity Trustees.

Update as at 31 December 2020

Improvement in our T1 client satisfaction measures over the year was very strong. Our Net Promoter Score (a measure of whether clients will recommend Equity Trustees) increased by 10 points to 24, our Net Loyalty Score (a measure of whether clients will buy other services from Equity Trustees) was up 12 points to 29, and Satisfaction rose from 77% to 81%.



Commentary

The Group's first target relates to client satisfaction. The Group recognises the importance of trust in the relationship between client and company. As Australia's leading specialist trustee company, we are committed to acting in the best interests of our clients.

The Group measures the strength of its trusted relationships with clients with reference to client satisfaction surveys. Specifically, net promoter and net loyalty scores are measured, which are widely accepted approaches to measuring client satisfaction.

The NPS and NLS scores were remeasured in April 2020, and pleasingly both scores have increased substantially from the comparative period. They will be measured again in March 2021.

A Client Service Steering Committee oversees actions to further improve the client experience. Key initiatives and programs during the year have included:

- Virtual meeting training to enhance client interaction and introduction of communities of practice across the business to enable staff in similar roles to share ideas about service and innovation
- TWS product training to ensure all personnel are better informed about all Equity Trustees products and services and can have effective appropriate conversations in a timely way with our clients and beneficiaries
- Development of a new client onboarding program for TWS – Private Clients (due for completion in February / March 2021)
- The client service charter continues to be promoted both internally and externally, enabling both staff and clients to better understand expectations of service
- In Estate Management an enhanced workflow platform has been implemented leading to improved feedback from beneficiaries. A similar exercise is underway for Trust Beneficiaries
- Significant enhancements to client communications with a range of regular updates and improvements to the management of information. This has included quarterly market updates, a quarterly philanthropy publication, "Horizon", the Philanthropy Annual Giving Review and a new bi-annual publication showcasing our private client services, "Generation"

- During COVID -19, our improved client communications (email and online events and presentations) was essential to maintaining contact and connection with clients. In addition, new procedures have been put in place to encourage safe client meetings at our offices
- The continued promotion of our formal relationship handover process to significantly enhance the client experience – this is still being embedded across the business

The Group has and will continue to invest in initiatives to further strengthen client satisfaction in the period ahead.

T2 LIFTING EMPLOYEE ENGAGEMENT

Measures

Each year, Equity Trustees conducts an employee engagement survey, looking at two measures: employee engagement and employee enablement. Employee engagement is the “want to” of work and refers to having committed and loyal employees who are willing to go the extra mile. Employee enablement is the “can do” of work and is about having the right people in the right roles, in an enabling work environment.

Together, these measures produce engaged performance and lead to operational excellence, client loyalty, strong financial performance, a trusted employer brand and the ability to attract and retain talent.

Update and Commentary as at 31 December 2020

Our people are our greatest asset.

Over the last six months, we have prioritised the health and wellbeing of our employees by following both Federal and State government advice regarding COVID-19, to ensure they remained safe, productive and engaged during our predominantly work-from-home arrangements.

Human Resources conducted regular Care Checks, both in Australia and Europe, to see how employees were coping during this difficult time and to identify any areas where the company could offer more support. Where possible, we made people programs virtual, including Equilibrium – our wellness program.

In addition, we ran a number of new initiatives under our Co>Create program – which aims to improve collaboration, communication and innovation across the company. There was a particular focus on properly assimilating new starters, who commenced in the remote working environment, to ensure they felt like part of the team despite not having met their colleagues in person.

The company also ramped up an already comprehensive communication program to ensure we stayed in touch regularly with our employees and that they were fully informed about the company’s response to COVID and our performance, financial and otherwise.

Pleasingly, we have returned to the office at 50% capacity in Victoria under a COVID-safe plan, and it is wonderful to be working together in person again. Like most companies, when life returns to the “new normal” we will need to find the right balance of workplace flexibility to ensure we continue to meet our commitments to all stakeholders – clients, employees, shareholders and the community.

Our next employee engagement survey will be conducted before 30 June 2021.

T3 GROWING SHAREHOLDER VALUE

Key Measures

- Net Profit After Tax
- Earnings per share
- Dividends
- Growth in funds under management, administration, advice, and supervision (FUMAS)

Update as at 31 December 2020

Refer to the *Group Financial Performance* section of this Directors' Report.

T4 DEEPENING COMMUNITY IMPACT

Measures

- The value and impact of grants distributed
- Employee volunteering, workplace giving, and other employee-related community impact initiatives

Update as at 31 December 2020

For the 30 June 2020 financial year, the Group supported the granting of \$91m for charitable purposes. Included within this amount is \$7.6m of one-off bequests. Our regular annual granting of \$83.4m is well above the prior corresponding period of \$78.8m.

We are proud that our people have delivered more than 150 days of pro bono work and another 40 volunteering days through the year (2019: 60 days). In addition, the Group's workplace giving program, resulted in staff donating circa \$11,500 to the Equity Trustees Foundation, including approximately \$2,200 specifically to the Australian Volunteers Support Trust. These total donations were subsequently matched 100% by the Group, meaning over \$23,000 was donated back to support the community.

Commentary

The T4 target relates to the Group's activities in philanthropy and helping the community. The Group has a number of roles in relation to philanthropy, including:

- Acting as trustee or co-trustee for Perpetual Charitable Trusts and other structured giving vehicles
- Granting advice and administration services to philanthropic individuals and organisations
- Investment management of funds in philanthropic trusts as well as not-for-profit organisations
- The establishment of two specialist disaster response trusts to distribute key funding to areas impacted by the bushfires last summer. The establishment of these trusts leveraged over 1200 pro bono hours of dedicated EQT specialists time including legal, marketing, fundraising, and trust management support

The Group is proud to support the philanthropic pursuits of our clients, including those who practice philanthropy through their lifetimes and those who have left lasting philanthropic legacies.

Some of the key initiatives undertaken during the past year that demonstrate how we are continuing to deepen our impact are:

- We published our third Annual Giving Review (launched in December 2020), outlining our giving and our progress on measuring our responsible stewardship of the funds and the social impact they're making
- The process of building our Impact Measurement Framework is well underway. We are currently collaborating with data experts and for-purpose organisations to identify and finalise the actual indicators of social change that we will be measuring our contribution towards. We have progressed our work now to three of our focus areas and will use this as a model for our remaining focus areas, in order to further build our Social Impact Measurement Framework
- We are supporting the charitable pursuits of our staff by providing volunteer leave and donation matching through the Group Workplace Giving Program

We are acting as trustee for community trusts that protect and grow the wealth of Indigenous communities. In November 2020 we launched our first 'Snapshot' publication which showed the different ways we are aiming to have a constructive impact on closing the gap on Indigenous disadvantage – through our corporate partnerships and our philanthropic granting program.

In addition, we meet our T4 target through our broader corporate partnerships (sponsorships program) which aims to do more than simply create brand awareness in market segments. We are mindful to match with organisations that align with our values, provide our employees exposure to volunteering and community service opportunities, and provide support to organisations that have a social impact. We have ongoing partnerships with Aboriginal and Torres Strait Islander initiatives and organisations (including NAIDOC and National Reconciliation Week), the Royal Children's Hospital (150th Anniversary Art Trail), and the Melbourne Symphony Orchestra.

GROUP FINANCIAL PERFORMANCE

Results and Dividends

FINANCIAL SUMMARY	1H21	2H20	1H20	1H21 v 2H20	1H21 v 2H20	1H21 v 1H20	1H21 v 1H20
	\$'000	\$'000	\$'000	\$'000	%	\$'000	%
Revenue	48,266	46,548	48,882	1,718	3.7%	(616)	(1.3%)
Total expenses	(35,155)	(32,405)	(32,712)	(2,750)	8.5%	(2,443)	7.5%
Net Profit Before Tax (NPBT)	13,111	14,143	16,170	(1,032)	(7.3%)	(3,059)	(18.9%)
Net Profit After Tax (NPAT)	9,392	7,342	11,145	2,050	27.9%	(1,753)	(15.7%)
Loss attributable to non-controlling interest	(439)	(375)	(350)	(64)	17.1%	(89)	25.4%
NPAT attributable to equity holders of the Company	9,831	7,717	11,495	2,114	27.4%	(1,664)	(14.5%)
Reconciliation to Underlying NPAT (UNPAT) ¹							
Settlement of ATO dispute	(846)	2,101	(79)				
M&A Project costs	1,686	-	-				
Underlying NPAT	10,671	9,818	11,416	853	8.7%	(745)	(6.5%)
VALUE CREATION MEASURES	1H21	2H20	1H20	1H21 v 2H20	1H21 v 2H20	1H21 v 1H20	1H21 v 1H20
					%		%
Earnings Per Share (EPS) (cents)	47.16	37.17	55.78	9.99	26.9%	(8.62)	(15.5%)
Underlying Earnings Per Share (EPS) (cents)	51.19	47.50	55.40	3.69	7.8%	(4.21)	(7.6%)
Dividends per share (cents) (Paid and proposed)	44	43	47	-	2.3%	-	(6.4%)
Return on equity using NPAT	7.2%	5.7%	8.5%	-	N/A	-	N/A

¹ Underlying net profit after tax (UNPAT) excludes significant items. For all three periods presented, an adjustment has been made to reflect the impact of a settlement reached with the Australian Taxation Office (ATO) in relation to a disputed rights to future income deduction on an acquisition that occurred in 2010. The underlying NPAT and underlying earnings per share presented provide disclosure of the Group's result as it would have been had the deduction taken in that year reflected the position that has been subsequently agreed with the ATO. The adjustments made in each period from statutory NPAT to UNPAT in relation to this matter are: 1H20 \$79k reduction to arrive at UNPAT, 2H20 \$2.1m uplift to arrive at UNPAT, 1H21 \$846k reduction to arrive at UNPAT. Underlying NPAT for FY21 also includes a one-off post tax adjustment of \$1.7m (pre-tax also \$1.7m) to NPAT for M&A project costs during the half year for M&A that did not proceed.

The Directors of Equity Trustees are pleased to present the results of the Group for the half-year ended 31 December 2020. The key themes for the results for the half-year are:

- Good organic growth, particularly in our TWS- Superannuation services
- The impact of the gradual market recovery from the impacts of COVID-19
- Selective investment in growth areas along with operating cost containment; and
- Settlement of a longstanding tax matter with the Australian Taxation Office (ATO)

Total revenue for the half-year was up 3.7% on the second half of FY20, and down 1.3% on the prior corresponding period. Investment markets were comparatively high over the first half of last financial year, dropping dramatically during the second half of 2020, and have slowly recovered since their trough in March 2020. The Group's revenues are approximately 50% linked to domestic investment market levels and to a lesser extent, international markets. This gradual recovery has supported an improvement in revenues, particularly relative to the second half of FY20. The first half of this financial year has also seen good organic growth, with new business being particularly strong in CTS and TWS – Superannuation. Refer to the *Business Unit Performance* Sections of this report for further details on the opportunities secured.

Total Expenses for the half-year are up 8.5% on the second half of FY20, and 7.5% up on the prior corresponding period. Total expenses include both operating and non-operating expenses. During the period, the Group incurred costs of \$1.7m in respect of potential M&A opportunities. While on this occasion this investment has not materialised into an acquisition, the Group is quite comfortable its diligent and conservative approach to M&A is appropriate. The Group continues to search for and assess high quality businesses to complement our longer-term strategic aspirations. Adjusting total expenses for these M&A project costs results in total expenses of \$33.5m, up a more modest 3.4% on the second half of FY20. The increase in expenses reflects the Group's continued investment in resources for TWS – Superannuation services, noting the strong growth this area of the business is experiencing, as well as an increase in technology investment across the Group to support the expansion of our digital strategy, which had previously been foreshadowed in the results presentation for the year ended 30 June 2020.

Net profit after tax (NPAT) attributable to shareholders of the Company is up 27.4% on the second half of FY20, and down 14.5% on the prior corresponding period. This result incorporates the settlement of a longstanding dispute with the ATO relating to a rights to future income deduction on an acquisition that occurred in 2010. At 30 June 2020, the Group made a provision for this settlement, based on its best estimate of the likely settlement outcome at the time. The Group has subsequently been able to settle on more favourable terms than previously anticipated, resulting in a positive write-back to income tax expense in the current period of \$846k. As a result of the settlement, no further amounts are expected to be incurred (or received) with the ATO in respect of this matter.

The Group has also presented an underlying NPAT metric, which excludes the impact of the settlement reached with the Australian Taxation Office (ATO), as well as a \$1.7m post-tax (pre-tax also \$1.7m) adjustment for costs attributable to M&A activity during the half-year. Underlying NPAT for the half-year, as well as for the 1H20 and 2H20 comparative periods, provides disclosure of the Group's result as it would have been had the tax deduction taken in that year reflected the position that has been subsequently agreed with the ATO. The adjustments made in each period from statutory NPAT to UNPAT in relation to the ATO matter are: 1H20 \$79k reduction to arrive at UNPAT, 2H20 \$2.1m uplift to arrive at UNPAT, 1H21 \$846k reduction to arrive at UNPAT.

Underlying NPAT is intended to provide readers with a normalised view of performance of the Group, adjusting for amounts that are material, but are not necessarily expected to reoccur, and don't relate directly to the operating performance of the business. Underlying NPAT for the half year is \$10.7m, up 8.7% on the second half of FY20, demonstrating a material improvement in operating performance over the past six months.

EBITDA and NPBT Margin

	1H21	2H20	1H20	1H21 v 2H20	1H21 v 1H20
EBITDA margin	34.5%	37.4%	39.4%	(7.9%)	(12.5%)
Underlying EBITDA margin	38.1%	37.4%	39.4%	1.7%	(3.4%)
NPBT margin	27.2%	30.4%	33.1%	(10.6%)	(17.9%)
Underlying NPBT margin	30.8%	30.4%	33.1%	1.3%	(7.0%)

The Group's EBITDA margin, calculated as earnings before interest, tax, depreciation and amortisation, divided by total revenue, has declined to 34.5% compared with 39.4% for the prior corresponding period, and 37.4% for the second half of FY20. The decline in EBITDA margin during the first half of the year is attributable to the inclusion of \$1.7m (pre-tax) of M&A project costs in expenses. Adjusting for these costs, the EBITDA margin for the first half of FY21 is 38.1%, slightly improved on the previous half.

The Group's NPBT margin is similarly affected by the M&A project costs, declining to 27.2% for the first half of FY21. Adjusting for these M&A costs, the NPBT margin is 30.8%, again slightly improved on the previous half.

Reported Earnings

The statutory earnings per share for the half-year period was 47.16 cents per share, compared with 37.17 cents per share for the second half of FY20, and 55.78 cents per share for the prior corresponding period. Underlying earnings per share for the half year were 51.19, compared with 47.50 cents per share for the second half of FY20, and 55.40 cents per share for the prior corresponding period. As described elsewhere, the key adjustments between statutory and underlying earnings per share relate to the settlement of the tax matter with the ATO, as well as the aforementioned M&A project costs, impacting the current period. Underlying earnings per share has grown strongly from the second half of FY20, due to recovering equity markets, organic growth and the improved operating performance of the business.

The weighted average shares on issue during the period of 20,846,831 (half-year ended 31 December 2019: 20,607,819), represents a 1.2% increase over the prior year. This increase arises from shares issued in relation to:

- participation under the dividend reinvestment plan (DRP) in relation to the 2020 interim and final dividends; and
- participation in employee share acquisition plans, share based remuneration and salary sacrifice share schemes.

Dividends

During the half-year period, a fully franked final dividend of 43 cents per share was paid to ordinary shareholders of the Company in respect of the financial year ended 30 June 2020.

Subsequent to 31 December 2020, the Directors have declared a fully franked interim dividend of 44 cents per share in respect of the first half of the financial year ending 30 June 2021 (first half of financial year 30 June 2020: 47 cents, fully franked). The interim dividend represents a dividend payout ratio of 93% on a statutory basis, or 86% on an underlying basis.

FINANCIAL POSITION

AS AT 31 DECEMBER	1H21 \$'000	FY20 \$'000
Assets		
Cash and cash equivalents -corporate	68,949	75,738
Cash and cash equivalents - ORFR related	23,250	9,000
Trade receivables, accrued income and prepayments	31,564	27,518
Goodwill and intangible assets	207,177	208,345
Other assets (including managed fund investments)	21,015	22,065
Total Assets	351,955	342,666
Liabilities		
Trade payables and other current liabilities	10,396	13,751
Borrowings - corporate	16,000	20,000
Borrowings - ORFR related	23,250	9,000
Other non-current liabilities	32,179	32,557
Total Liabilities	81,825	75,308
Equity		
Issued capital	251,724	248,862
Reserves	1,408	1,949
Retained earnings	18,879	18,009
Total equity attributable to owners of the Company	272,011	268,820
Non-controlling interest	(1,881)	(1,462)
Total Equity	270,130	267,358

ORFR RELATED ASSETS AND LIABILITIES

	1H21 \$'000	FY20 \$'000
Assets		
Cash and cash equivalents	23,250	9,000
Liabilities		
Borrowings	23,250	9,000

Net Assets and Net Tangible Assets

Overall, the Group's financial position has strengthened during the first six-months of the financial year. At 31 December 2020, net assets increased to \$270.1m, up 1.0% from \$267.4m at 30 June 2020. Net tangible asset backing per share has increased by 6.1% to \$2.80 from \$2.64 at 30 June 2020.

Borrowings - Corporate

During the period the Group repaid \$4m (20%) of its outstanding debt facilities. The balance of the \$40m facility with ANZ Bank remains available should it be required.

Borrowings – ORFR facility loans

The Group enters into borrowing arrangements in relation to its superannuation trustee activities. Some superannuation funds are configured such that some or all of the Operational Risk Financial Requirements (ORFR) (a superannuation prudential requirement) are held on the superannuation trustee balance sheets as tier 1 common equity, rather than within the superannuation funds themselves. Where it has been determined that ORFR will be met via capital held on the trustee balance sheet, the Group enters into special purpose, limited recourse borrowing arrangements to fund these requirements and appropriately capitalise the respective trustee entities.

The ORFR facility loans have increased in line with the increase in TWS - Superannuation Trustee business. The Group currently has four such loan facilities in place (ORFR facility loans). The ORFR facility loans have differing maturities of between three and five years, and the arrangements provide for the replenishment of ORFR amounts in the event of an operational event that results in a deduction to the reserves. Amounts borrowed are held as segregated cash in the respective trustee entities, the obligations are fully cash-backed, and the net interest cost is effectively neutral to Equity Trustees.

Debt to Equity Ratio

The Group's debt to equity ratio at 31 December 2020 is 14.6% including the ORFR facility loans, and 5.9% excluding the ORFR facility loans (and their related cash). This compares favourably to the position at 30 June 2020 of 10.8% (including ORFR facility loans) and 7.5% (excluding ORFR facility loans and their related cash).

CASH FLOW

	1H21 \$'000	1H20 \$'000
Cash from operating activities		
Receipts from customers	49,982	47,234
Payment to suppliers and employees	(39,930)	(37,536)
Operating cash flow before income tax	10,052	9,698
Income tax paid	(5,302)	(7,391)
Net cash from operating activities after income tax	4,750	2,307
Dividends paid to members of the Company	(7,218)	(7,058)
Net payments for assets and acquisitions	(201)	(623)
Repayment of borrowings - corporate facility	(4,000)	(2,000)
Net proceeds from borrowings - operational risk financial requirement facilities	14,250	9,000
Payment of lease liabilities	(688)	(521)
Interest received	305	411
Other cash flows	54	1,308
Net increase in cash and cash equivalents	7,252	2,824
Cash and cash equivalents at the beginning of the half-year	84,738	54,434
Exchange fluctuations on foreign cash balances	209	40
Cash and cash equivalents at the end of the half-year	92,199	57,298

Cash Flow Analysis

Pre-tax operating cash flows have increased by 3.7% on the prior corresponding period. This is predominantly driven by an improvement in collections relative to the PCP, notwithstanding similar overall levels of revenue.

Income tax paid has declined by 28.3% relative to the PCP, which is largely a function of the reduced operating performance of the business relative to the PCP as a result of relatively more challenging equity markets.

Material non-operating cash outflows during the half-year were:

- a \$4m repayment of corporate borrowings
- a \$14.3m drawdown of ORFR facility loans
- \$7.2m of dividend payments (net of DRP) to shareholders, up 2.3% on the prior corresponding period

BUSINESS UNIT PERFORMANCE – CORPORATE TRUSTEE SERVICES (CTS)

Key products and services include:

Australia

- Fund governance services for managed funds on behalf of local and international managers and sponsors
- Corporate Trust services for structured products, loan arrangements, securitisations and escrow arrangements

United Kingdom and Ireland

- Authorised Corporate Director (ACD) for UK-based Open-Ended Investment Companies (OEICs), and Management Company Services to Ireland-based Alternative Investment Funds (AIFs) and Undertakings in Collective Investment Transferrable Securities (UCITS) on behalf of local and international managers and sponsors

Revenues for CTS are grouped together as a single category of services, named *trustee services*.

CTS Performance and Key Drivers

	1H21	2H20	1H20	1H21 v 2H20	1H21 v 2H20	1H21 v 1H20	1H21 v 1H20
FINANCIAL PERFORMANCE	\$'000	\$'000	\$'000	\$'000	%	\$'000	%
Revenue	15,960	16,074	15,476	(114)	(0.7%)	484	3.1%
Expenses	(10,006)	(9,600)	(9,724)	(406)	4.2%	(282)	2.9%
Business unit net profit before tax	5,954	6,474	5,752	(520)	(8.0%)	202	3.5%
Business unit profit margin (%)	37.3%	40.3%	37.2%	-	(7.4%)	-	0.4%
GROWTH IN KEY DRIVERS	1H21	FY20	1H20	1H21 v FY20	1H21 v FY20	1H21 v 1H20	1H21 v 1H20
					%		%
Funds under supervision (FUS) (\$b)	89.7	81.7	89.8	8.0	9.8%	(0.1)	(0.1%)
Funds Manager Clients							
No. Clients	149	137	145	12	8.8%	4	2.8%
No. Funds	351	341	328	10	2.9%	23	7.0%

CTS revenues have increased by 3.1%, or \$484k on the prior corresponding period, and decreased by 0.7% or \$114k on the second half of FY20. CTS revenues are approximately 50% linked to prevailing market levels, particularly global markets. This result reflects a combination of gradual recovery of investment markets from the lows experienced in the second half of FY20 and organic growth offset by a small number of fund closures and mandate exits early in the first half of FY21. Funds under supervision have increased by 9.8% on the second half of FY20 and have now recovered to their pre-pandemic levels.

Despite the relatively similar performance over the first half of FY21 compared with the PCP, there has been a considerable amount of new fund establishment activity, causing the number of funds supervised to increase by 7% on the prior corresponding period and 2.9% on the second half of FY20. Most of this activity has related to Australian Responsible Entity Services, and while these new funds have had limited impact on revenues to date, they are expected to contribute positively in the second half of the financial year and beyond.

Australian Corporate Trust Services, despite being comparatively small, continues to grow, with revenues up approximately 1.9%, and FUS up 45.6% on the PCP. The team have completed a number of new transactions during the period, including a \$385m note transaction for Challenger Limited, and have onboarded their first clients utilising the Group's new credit license. During the period the team's capability was enhanced by the addition of new resources and technology, which will further support their growing presence and service offering for capital market transactions.

The CTS UK and European teams have continued to pursue and win a number of opportunities over the first half of FY21. The team has expanded in size, providing increased capacity to grow and onboard new funds. The combined businesses now supervise 30 funds with approximately £2.25b worth of funds under supervision. The pipeline of opportunities remains healthy for the Group's overseas operations, however at the time of writing, strict lockdowns remain in force for Ireland and the United Kingdom, which can cause delays in some fund establishment activity.

CTS expenses have increased by \$282k, or 2.9% on the prior corresponding period. Expenses continue to be well managed, and this increase predominantly reflects the aforementioned increases in resourcing for the Australian Corporate Trust Services team, as well as the teams in Ireland and the United Kingdom. It is expected that this additional resourcing will support the business unit's top line growth over the period ahead.

The outlook for CTS is positive with strong organic client and fund growth activity in the first half of the financial year, which looks set to continue in the second half. Key hires made are expected to support continued growth in new fund openings in Australia, Ireland and the United Kingdom, and increased transaction activity in the Australian Corporate Trust business. Growth in these underlying drivers, as well as the recovery of investment markets over the previous six months, is expected to benefit revenue in the second half, and in periods ahead.

BUSINESS UNIT PERFORMANCE – TRUSTEE & WEALTH SERVICES (TWS)

Key products and services include:

- Superannuation trustee services to superannuation funds and members
- Philanthropy services, including perpetual charitable trusts, living donors and investment management for not-for-profit organisations
- Wealth and asset management advice and services
- Estate planning advice and the management of deceased estates
- Trustee administration and services including personal, compensation and indigenous trusts

Revenues for TWS are grouped into the following categories of services:

- Private client trustee services
- Superannuation trustee services
- Other services

Services within each category have been grouped as they have similar performance obligations, and the basis upon which revenues are measured is also similar.

TWS Performance and Key Drivers

	1H21	2H20	1H20	1H21 v 2H20	1H21 v 2H20	1H21 v 1H20	1H21 v 1H20
FINANCIAL PERFORMANCE	\$'000	\$'000	\$'000	\$'000	%	\$'000	%
Private client trustee services revenue	19,865	19,877	22,356	(12)	(0.1%)	(2,491)	(11.1%)
Superannuation trustee services revenue	9,426	7,129	6,906	2,297	32.2%	2,520	36.5%
Other services revenue	2,520	3,367	3,499	(847)	(25.2%)	(979)	(28.0%)
Total TWS revenue	31,811	30,373	32,761	1,438	4.7%	(950)	(2.9%)
Expenses	(23,306)	(22,631)	(22,874)	(675)	3.0%	(432)	1.9%
Business unit net profit before tax	8,505	7,742	9,887	763	9.9%	(1,382)	(14.0%)
Business unit profit margin (%)	26.7%	25.5%	30.2%	-	4.9%	-	(11.4%)
	1H21	FY20	1H20	1H21 v FY20	1H21 v FY20	1H21 v 1H20	1H21 v 1H20
GROWTH IN KEY DRIVERS	\$B	\$B	\$B	\$B	%	\$B	%
Funds under management, advice, administration and supervision (FUMAS)	38.3	19.3	21.3	19.0	98.4%	17.0	79.8%
Superannuation	29.2	11.2	12.3	18.0	160.7%	16.9	137.4%
Philanthropy	2.2	2.0	2.2	0.2	10.0%	-	-
Asset Management	4.4	3.9	4.4	0.5	12.8%	-	-
Trusts & Estates	1.9	1.6	1.7	0.3	18.8%	0.2	11.8%
Wealth Advice	0.6	0.6	0.7	-	-	(0.1)	(14.3%)

TWS revenues grew by 4.7% or \$1.4m on the second half of FY20 and declined by 2.9% or \$950k on the prior corresponding period. This result is a function of several drivers including:

- A gradual recovery of investment markets over the first half of FY21. TWS Private Client revenues are approximately 50% to 60% linked to domestic equity markets, have benefitted from the recovery of markets from their lows in the second half of FY20, with assets under management now returning to pre-pandemic levels
- Organic growth momentum has been solid, but has been offset to a certain extent by declining interest rates adversely impacting returns on cash management products and lower income commissions driven by lower Australian equity market dividends during the period
- Strong growth in Superannuation Trustee Services over the period, with significant appointments to AMP Life (part of the Resolution Life Group) and Hub24 totalling \$15.4b, contributing positively to revenue from early in the first half of FY21
- Revenues from other services, which include estate management, estate planning and tax services have decreased by 25.2% on the second half of FY20, and 28% on the prior corresponding period. This decrease reflects the predominantly transactional nature of these services, which during the comparative periods included the completion of a substantial estate

Expenses have grown by \$432k or 1.9% on PCP, and \$675k or 3% on the second half of FY20. Expense growth is predominantly attributable to the addition of new resources supporting the growth in new trustee appointments in Superannuation Trustee Services. Expense growth otherwise continues to be modest and in line with the Group's longer-term expense growth rate.

The outlook for TWS in the period ahead is encouraging. A healthy pipeline of opportunities exists in Superannuation Trustee Services, and the business benefits from its emergence as the clear number one provider of independent trustee services to superannuation funds. Funds under management across the TWS business unit have returned to pre-pandemic levels, and organic growth opportunities across Trusts and Estates, and Philanthropy Services continue to emerge. The pipeline of activity in our compensation trust and indigenous trust businesses are promising.

On a longer-term basis, the fundamentals underpinning the TWS business remain strong. Traditional trustee services continue to benefit from an ageing demographic and increasing levels of intergenerational wealth transfer, while compulsory superannuation, and continued interest in the value of independence, is enabling Superannuation Trustee Services to strengthen its preferred status as the number one independent superannuation trustee in Australia.

BUSINESS RISKS

The Equity Trustees Group utilises a comprehensive Risk Management Framework (RMF) comprising the totality of systems, processes, structures, policies and people involved in identifying, assessing mitigating and monitoring risks. The key elements are set out below.



RISK AND COMPLIANCE CULTURE

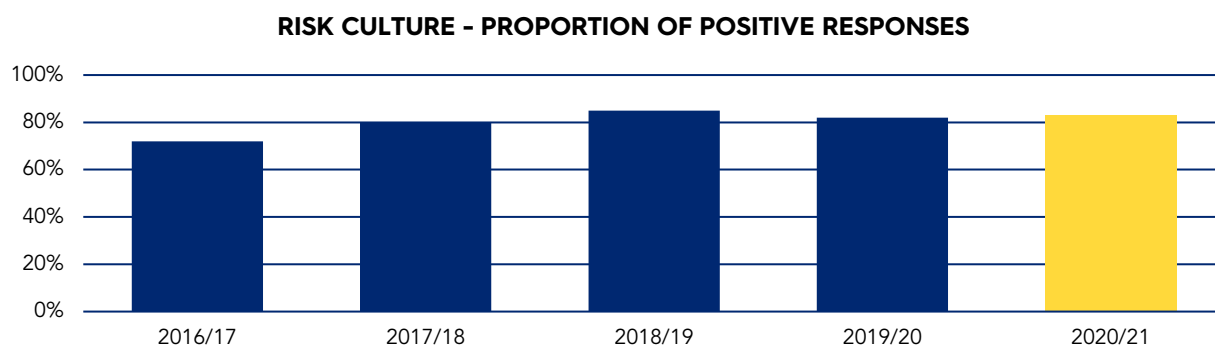
Our Risk Culture is the system of values and behaviours that supports good risk and compliance management and determines our collective ability and commitment to identify, understand, openly discuss and act on our current, emerging and future risks and obligations whilst operating consistently within our Risk Appetite.

The Group strives to foster a Risk Culture (RC) aligned to its Values:

- We make risk-informed decisions in line with our risk appetite (Trusted)
- Everyone feels safe to raise issues and incidents and ask for help if they don't know (Trusted and Empowering)
- We are accountable and identify, address and learn from breaches and incidents rather than hiding them (Accountable)
- We are pragmatic in our approach to identifying and managing risk rather than ticking a box (Accountable)

SUPPORT AND MONITORING FOR THE RISK CULTURE

- Annual Risk Culture Survey
- Key Risk Indicator Monitoring to Management and Board Committees
- Ongoing mandatory compliance training
- Group-wide relevant policies



The outcome of the 2020/21 risk culture survey continues to suggest positive progress in building and maintaining the type of culture the Group is committed to fostering.

Staff and Director participation in the survey was over 90% which gives confidence the outcomes are representative. The proportion of positive responses continues to be above 80% and improved marginally on 2019/20.

More importantly, the results suggest continued progress across all levels of the organisation and in respect to areas previously targeted with management action. They also provide important intelligence on where to target initiatives to ensure all of our staff are well informed about, and responsive to, the evolving risk environment and the steps we need to take to manage those risks appropriately.

THREE LINES OF DEFENCE

EQT operates the three lines of defence governance model to ensure clear accountability and responsibility for governance, risk management and compliance. The model ensures appropriate structures are in place for:

- Taking and managing risk
- Meeting compliance obligations
- Provision of advice with, challenge and oversight in the risk management process
- Assurance in control design and operating effectiveness

The three lines have independent reporting lines through Executive Management and into Group Boards and Sub-Committees, with unfettered access to Directors to ensure appropriate checks and balances are built into our operating model.



BUSINESS RISKS AND COVID-19

The emergence of COVID-19, in line with much of the industry, resulted in the elevation of Equity Trustees' risk profile in March 2019. The elevation occurred across multiple risk categories including, people, financial, investment, strategic and operational risks.

Our primary objectives were to ensure the safety of our people, continued uninterrupted service to our clients and the appropriate discharge of our obligations as Trustee to the members, investors and beneficiaries of our trusts and funds. Our business continuity plan was invoked and has resulted in over 95% of our staff successfully working remotely since March 2020. In addition, a series of steps have been taken to ensure an appropriate control environment continues to operate with many of our staff and service providers working remotely.

Additional governance structures were successfully put in place to ensure appropriate focus on matters requiring trustee consideration and decision making, including equity issues (liquidity, valuation, equity), technical matters relating to fund operation, and beneficiary service and outcomes. Such matters require consideration within short timeframes.

In addition, the impact of market volatility and associated financial risks have been closely managed to ensure appropriate management of expenses in response to revenue pressures.

While a number of the immediate risks have been successfully navigated in the first instance, continued lockdowns, new breakouts and possible mutations present continued risks to the business. Accordingly, Management continue to monitor all developments and will respond appropriately where necessary.

KEY RISKS

Key risks faced by the Group are categorised with reference to the Group's risk management framework (RMF), as follows:

RISK CATEGORY	DESCRIPTION	KEY CONTROLS AND MITIGANTS
STRATEGIC	There is a risk that the assumptions underlying the Group's strategic decisions are (or prove to be) incorrect or that the conditions underpinning those decisions may change. Also, one or more of the Group's strategic initiatives may prove to be too difficult or costly to execute. Opportunities that are pursued may change the Group's risk profile and/or capital structure.	<p>Articulated Group strategy.</p> <p>Dedicated Group Strategy committee.</p> <p>Regular reviews of the Group's business model.</p> <p>Executive KPIs aligned to Group strategic objectives.</p> <p>Dedicated business development and referral channels.</p> <p>Review of the risk profile following new or changed strategic initiatives.</p>
OPERATIONAL	Operational risks are a core component of doing business, arising from the day-to-day operational activities of the Group as well as projects and business change activities. A substantial operational risk event may give rise to losses, including financial losses, fines, penalties, personal injuries, reputational damage, loss of market share, theft of property, customer redress and litigation. Under our RMF, this category also includes insurance risk.	<p>Detailed policies and procedures.</p> <p>Defined roles and responsibilities for staff.</p> <p>Information security policy and Group privacy framework.</p> <p>Incident and breach management policy.</p> <p>Business continuity management policy and annual testing program.</p> <p>A Group controls-monitoring program, which includes quarterly attestations from external service providers, and targeted testing.</p>
FINANCIAL	<p>Financial risks encompass liquidity, foreign exchange, interest rate, credit and balance sheet management risks, which, if not managed well, could have a significant adverse impact on the Group.</p> <p>Financial risks also encompass the preparation of financial statements for the Group and the entities for which the Group acts as Responsible Entity or Trustee. Should the estimates and assumptions adopted in preparation of the financial statements be found to be incorrect, there could be an impact on the Group's performance, reputation and position.</p>	<p>Forecasting and budgeting process.</p> <p>Oversight by Board Audit Committees.</p> <p>Annual business unit strategy and plan reviews.</p> <p>Regular cost control and improvement initiatives.</p> <p>Group capital management policy.</p> <p>Detailed financial policies and procedures.</p> <p>Independent audits by reputable accounting firms.</p>
PEOPLE	The success of Equity Trustees relies on its ability to attract, motivate and retain people who have the necessary skills and experience to help achieve the Group's goals. The loss of key personnel could disrupt our operations in the short term. While our incentives program is designed to align key personnel interests with the Group's goals, there is no guarantee of their continued employment.	<p>Succession planning for key roles.</p> <p>Employee engagement monitoring and action plans.</p> <p>Wellness program.</p> <p>Remuneration benchmarking.</p> <p>Risk culture training and annual risk culture surveys.</p> <p>Clearly articulated corporate values.</p>

RISK CATEGORY	DESCRIPTION	KEY CONTROLS AND MITIGANTS
OUTSOURCING	Equity Trustees relies on many third-party service providers for various fund administration, investment management, accounting, custody, market data, market indices, promotion and other distribution and operational needs. The failure of one or more of those service providers to fulfil its obligations could lead to operational and regulatory impacts to the Group. Equity Trustees actively manages its key third-party service providers and vendor relationships.	Outsourcing and vendor management framework. Monitoring of third-party performance against service level agreements. Use of standardised contracts wherever possible. Partnering with reputable organisations. Thorough legal and due diligence processes.
INVESTMENT	Equity Trustees', and its clients' investment portfolios are subject to normal market risks, such as interest rates and equity market volatility. These risks can affect investment valuations and income volatility. Equity Trustees actively manages its', and its clients' investments and capital in line with our risk appetite and investment and capital management policies.	Oversight by management and Board sub-committees. Detailed investment governance and selection frameworks. Regular monitoring of mandate limits and investment performance.
GOVERNANCE AND COMPLIANCE	Entities controlled by Equity Trustees hold several licences and operate in a highly regulated environment. If the entities that hold those licences fail to comply with their obligations and conditions, this could impact the ability to operate key parts of the Company' business, which could potentially lead to a material adverse effect on either business or financial performance.	Maintenance of a Group obligations register. Governance and compliance frameworks. A Group controls monitoring program, which includes quarterly attestations from external service providers, and targeted testing. Regular compliance reporting to management and Board sub-committees. Three lines of defence model. Ongoing and constructive dialogue with Regulators.

OUTLOOK

The Group has emerged from the first half of FY21 well capitalised, with organic growth momentum and along with recovering investment markets, is well positioned to pursue growth opportunities in all segments of our business.

Our staff have responded positively and constructively in the context of the challenges over the past year. Despite working remotely for many months, client service levels have been maintained to a high standard. This is particularly important given the high reliance placed on Equity Trustees by so many of our many clients, investors and beneficiaries.

There is now a renewed sense of optimism among many staff who have in recent weeks and months been able to see their colleagues in person again for the first time since last financial year. There has been much satisfaction in reengaging with clients on a face to face basis where this has been possible. While there will inevitably be changes to the way business is conducted in a post-COVID-19 world, our staff will continue to focus on delivering the best possible service to their clients. We are also mindful, that while here in Australia some sense of normality is slowly returning, our colleagues in the UK and Ireland are back under strict lock-down measures and we are doing our best to support both our staff and our clients in Europe during this time.

Despite the ongoing threats associated with COVID-19, the fundamentals of the Group's business are solid, and we continue to see opportunities to grow across the broad spectrum of our trustee services. Previous investments in technology and people are strengthening our broader client proposition and contributing to new client wins, such as those seen in TWS - Superannuation and Corporate Trustee Services. Across the wider business, prospective clients are increasingly seeing the value of an independent, unconflicted, specialist trustee.

In the period ahead the Equity Trustees proposition is supported by the long-term structural dynamics of an ageing demographic, combined with government-mandated superannuation and an unprecedented intergenerational wealth transfer. In addition, there is both a regulatory and industry focus on improved governance. Equity Trustees independent, unconflicted specialist trustee model is well placed to provide products and services to clients of real value in this environment.

Industry restructuring is also potentially enabling corporate opportunities to arise as companies review their strategies and place renewed focus on their core capability while exiting or out-sourcing other components. Opportunities that are a good strategic fit for EQT include those that enable our core trustee capability to be strengthened or deployed more broadly.

Over the medium to longer term the characteristics of this environment are favourable and, along with our market-leading, specialist focus on trusteeship and targeted further investment in our core trustee capabilities, these factors are expected to underpin a positive outlook for the year ahead, and beyond.

ROUNDING-OFF OF AMOUNTS

The Company is a company of the kind referred to in *ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191* dated 24 March 2016, and in accordance with the Corporations Instrument amounts in the Directors' Report and Financial Statements are rounded off to the nearest thousand dollars unless otherwise indicated.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration is included on page 22 of the half-year report.

Signed in accordance with a resolution of the Directors made pursuant to section 306(3) of the *Corporations Act 2001*.

On behalf of the Directors

Mr Michael J O'Brien
Managing Director
Melbourne

18 February 2021

18 February 2021

The Board of Directors
EQT Holdings Limited
477 Collins Street
MELBOURNE VIC 3000

Dear Board Members

EQT Holdings Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of EQT Holdings Limited.

As lead audit partner for the review of the financial statements of EQT Holdings Limited for the half-year ended 31 December 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Mark Stretton
Partner
Chartered Accountants

DIRECTORS' DECLARATION

The Directors declare that:

- in the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

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

On behalf of the Directors

Mr Michael J O'Brien
Managing Director
Melbourne

18 February 2021

EQT HOLDINGS LIMITED

ABN 22 607 797 615

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	NOTE	31 DEC 20 \$'000	31 DEC 19 \$'000
Revenue and other income	2	48,266	48,882
Expenses	3	(31,632)	(29,625)
Finance costs		(790)	(492)
Depreciation and amortisation		(2,733)	(2,595)
Profit before income tax expense		13,111	16,170
Income tax expense	5	(3,719)	(5,025)
Profit for the period		9,392	11,145
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit and loss:</i>			
Foreign exchange translation differences for foreign operations		21	37
Total comprehensive income for the period		9,413	11,182
Profit for the period attributable to:			
Equity holders of the Company		9,831	11,495
Non-controlling interests		(439)	(350)
Profit for the period		9,392	11,145
Total comprehensive income attributable to:			
Equity holders of the Company		9,832	11,579
Non-controlling interests		(419)	(397)
Total comprehensive income for the period		9,413	11,182
Earnings per share			
Basic (cents per share)		47.16	55.78
Diluted (cents per share)		47.12	55.41

The above statement should be read in conjunction with the accompanying notes to the financial statements.

EQT HOLDINGS LIMITED

ABN 22 607 797 615

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	NOTE	31 DEC 20 \$'000	30 JUN 20 \$'000
Current assets			
Cash and cash equivalents		92,199	84,738
Trade and other receivables		14,729	15,760
Prepayments		3,449	2,407
Accrued income		12,942	9,153
Other financial assets	11	5,000	5,000
Total current assets		128,319	117,058
Non-current assets			
Trade and other receivables		444	198
Furniture, equipment and leasehold		5,422	6,010
Right-of-use assets		6,121	6,799
Deferred tax assets		4,472	4,256
Intangible assets		79,624	80,772
Goodwill	6	127,553	127,573
Total non-current assets		223,636	225,608
Total assets		351,955	342,666
Current liabilities			
Trade and other payables		2,448	3,008
Provisions		5,218	6,616
Other current liabilities		2,269	2,417
Current tax payable		461	1,710
Total current liabilities		10,396	13,751
Non-current liabilities			
Provisions		3,326	3,110
Borrowings	8	39,250	29,000
Other non-current liabilities		7,499	7,990
Deferred tax liabilities		21,354	21,457
Total non-current liabilities		71,429	61,557
Total liabilities		81,825	75,308
Net assets		270,130	267,358
Equity			
Issued capital	9	251,724	248,862
Reserves		1,408	1,949
Retained earnings		18,879	18,009
Equity attributable to owners of the Company		272,011	268,820
Non-controlling interest		(1,881)	(1,462)
Total equity		270,130	267,358

The above statement should be read in conjunction with the accompanying notes to the financial statements.

EQT HOLDINGS LIMITED

ABN 22 607 797 615

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

		FULLY PAID ORDINARY SHARES	RETAINED EARNINGS	OTHER RESERVES	CURRENCY TRANSLATION	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	NON- CONTROLLING INTEREST	TOTAL EQUITY
	NOTE	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2019		242,981	18,111	2,717	190	263,999	(895)	263,104
Profit/(loss) for the period		-	11,495	-	-	11,495	(350)	11,145
Foreign exchange translation differences for foreign operations		-	(90)	-	174	84	(47)	37
Total comprehensive income for the period		-	11,405	-	174	11,579	(397)	11,182
Foreign exchange translation differences for foreign operations		-	(80)	-	(37)	(117)	117	-
Shares issued under employee salary sacrifice share plan		59	-	-	-	59	-	59
Shares issued under dividend reinvestment plan		2,420	-	-	-	2,420	-	2,420
Shares issued under employee share acquisition plan		205	-	(205)	-	-	-	-
Shares issued under executive share scheme		979	-	(979)	-	-	-	-
Share issue costs		(22)	-	-	-	(22)	-	(22)
Related income tax		6	-	-	-	6	-	6
Provision for executive share entitlements		-	-	651	-	651	-	651
Provision for employee share acquisition plan		-	-	122	-	122	-	122
Payment of dividends		-	(9,475)	-	-	(9,475)	-	(9,475)
Balance as at 31 December 2019		246,628	19,961	2,306	327	269,222	(1,175)	268,047
Balance as at 1 July 2020		248,862	18,009	1,695	254	268,820	(1,462)	267,358
Profit/(loss) for the period		-	9,831	-	-	9,831	(439)	9,392
Foreign exchange translation differences for foreign operations		-	-	-	1	1	20	21
Total comprehensive income for the period		-	9,831	-	1	9,832	(419)	9,413
Foreign exchange translation differences for foreign operations		-	(3)	-	1	(2)	-	(2)
Shares issued under employee salary sacrifice share plan		68	-	-	-	68	-	68
Shares issued under dividend reinvestment plan		1,738	-	-	-	1,738	-	1,738
Shares issued under employee share acquisition plan		211	-	(211)	-	-	-	-
Shares issued under executive share scheme		855	-	(855)	-	-	-	-
Share issue costs		(14)	-	-	-	(14)	-	(14)
Related income tax		4	-	-	-	4	-	4
Provision for executive share entitlements		-	-	438	-	438	-	438
Provision for employee share acquisition plan		-	-	85	-	85	-	85
Payment of dividends		-	(8,958)	-	-	(8,958)	-	(8,958)
Balance as at 31 December 2020		251,724	18,879	1,152	256	272,011	(1,881)	270,130

The above statement should be read in conjunction with the accompanying notes to the financial statements.

EQT HOLDINGS LIMITED

ABN 22 607 797 615

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	NOTE	31 DEC 20 \$'000	31 DEC 19 \$'000
Cash flows from operating activities			
Receipts from customers		49,982	47,234
Payments to suppliers and employees		(39,930)	(37,536)
Income tax paid		(5,302)	(7,391)
Net cash provided by operating activities		4,750	2,307
Cash flows from investing activities			
Interest and managed fund distributions received		305	411
Payment for furniture, equipment, leasehold and right-of-use assets		(125)	(327)
Payment for intangible assets		(76)	(296)
Net cash provided by/(used in) investing activities		104	(212)
Cash flows from financing activities			
Proceeds from issues of equity securities		68	1,330
Repayment of borrowings - corporate facility		(4,000)	(2,000)
Net proceeds from borrowings - operational risk financial requirement facilities		14,250	9,000
Repayment of lease liabilities		(688)	(521)
Payment for share issue costs		(14)	(22)
Dividends paid to members of the parent entity (net of shares issued under the dividend reinvestment plan)		(7,218)	(7,058)
Net cash provided by financing activities		2,398	729
Net increase in cash and cash equivalents		7,252	2,824
Cash and cash equivalents at the beginning of the half-year		84,738	54,434
Exchange rate fluctuations on foreign cash balances		209	40
Cash and cash equivalents at the end of the half-year		92,199	57,298

The above statement should be read in conjunction with the accompanying notes to the financial statements.

EQT HOLDINGS LIMITED

ABN 22 607 797 615

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

GENERAL INFORMATION

EQT Holdings Limited (the Company) is a public company listed on the Australian Securities Exchange (trading under the symbol: "EQT"), incorporated in Australia, and operating in Australia, the United Kingdom and Ireland.

The Company's registered office and its principal place of business is Level 1, 575 Bourke St, Melbourne, Victoria 3000, Australia. EQT Holdings Limited and its subsidiaries are referred to as 'the Group' in the notes to the financial statements. The principal activities of the Group are described in note 4.

IMPACT OF COVID-19 ON EQUITY TRUSTEES AND THESE FINANCIAL STATEMENTS

The COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020. Since that time, the pandemic has had a significant impact on the community, the economy, investment markets, and the operations of our business. These effects have taken place in Australia - where the Group is domiciled, where the majority of its operations are based, and from where the majority of its revenues are derived - and in the Group's other operating locations, Dublin, Ireland and London, United Kingdom.

During the pandemic the Group has continued to fulfil its principal activities as they are described in these financial statements. The Group maintains strong margins, is well capitalised with substantial cash reserves in excess of its regulatory capital requirements, and further credit facilities with a major Australian bank should they be required.

The Group has not applied for any financial assistance from Government.

At present, our staff in Australia have begun returning to the office, subject to local health requirements. Staff not in the office are able to continue to perform their jobs from home.

Particular consideration has been given in the preparation of these financial statements to areas that may be impacted by COVID-19. The two key areas of impact are credit risk on trade debtors and financial assets and assumptions relating to impairment testing for goodwill, indefinite life management rights and customer contract intangibles. Our overall conclusion is that while there is an increased level of uncertainty in the operating environment, the impact of COVID-19 on the operations of the Group has been manageable.

1 BASIS OF PREPARATION

STATEMENT OF COMPLIANCE

This half year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half year financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

The financial statements were authorised for issue by the Directors on 18 February 2021.

BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain financial instruments that are measured at fair value. Historical cost is generally based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars unless otherwise noted.

The Company is a company of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's annual financial report for the financial year ended 30 June 2020, except for the impact of the Standards and Interpretations described in note 14. These accounting policies comply with Australian Accounting Standards and the International Financial Reporting Standards.

EQT HOLDINGS LIMITED

ABN 22 607 797 615

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

PERFORMANCE

2 REVENUE AND OTHER INCOME

	31 DEC 20 \$'000	31 DEC 19 \$'000
Revenue		
Private Client Trustee Services	19,865	22,356
Superannuation Trustee Services	9,426	6,906
Corporate Trustee Services	15,960	15,476
Other Services	2,520	3,499
Revenue from service activities	47,771	48,237
Interest and managed fund distributions	265	490
	48,036	48,727
Other income		
Recoveries	84	36
Foreign currency gain	146	119
Total revenue and other income	48,266	48,882

ACCOUNTING POLICIES

Revenue is recognised on an accruals basis, as a service is transferred to a customer or a performance obligation is satisfied (if it is highly probable that a significant reversal is unlikely to occur), at the fair value of the consideration specified in the contract.

Revenue recognition for each of the Group's revenue streams is as follows:

REVENUE STREAM	INCLUDES	PERFORMANCE OBLIGATION	TIMING OF RECOGNITION
Private Client Trustee Services	Traditional trustee services for philanthropy, testamentary, indigenous and compensation trusts, and investment mandates	Governance and oversight of trusts, portfolios, mandates and their related investments	Over time as the relevant services are provided. Revenues are determined with reference to funds under management, administration and supervision
Superannuation Trustee Services	Trustee services for superannuation funds	Governance and oversight of funds and their related investments	Over time as the relevant services are provided. Revenues are determined with reference to funds under management and supervision
Corporate Trustee Services	Responsible entity and corporate trustee services	Governance and oversight of registered and unregistered schemes and trusts	Over time as the relevant services are provided. Revenues are determined with reference to funds under supervision
Other Services (this category includes all residual services that do not fall into one of the above categories)	Estate administration fees	Estate administration and distribution	Over time as the relevant services are provided. Revenues are determined with reference to funds under administration during the estate administration process
	Estate planning fees Tax fees	Preparation of estate plans and tax returns	On completion of the provision of the relevant service. Revenues are determined with respect to the complexity of client arrangements

EQT HOLDINGS LIMITED

ABN 22 607 797 615

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

3 EXPENSES

	31 DEC 20 \$'000	31 DEC 19 \$'000
Salaries and related employee expenses:		
Wages and salaries	20,417	19,195
Post-employment benefits	1,489	1,394
Equity-settled share-based payments	591	832
Other employment related expenses	779	1,104
Administrative and general expenses:		
Other administrative and general expenses	1,021	2,324
Information technology expenses	2,544	2,354
Occupancy expenses:		
Minimum lease payments (short term and low value leases)	109	103
Outgoings and other occupancy expenses	405	388
Legal, consulting and regulatory expenses (note 7)	3,063	946
Audit and tax advice expenses	553	538
Insurance expenses	661	447
Total expenses	31,632	29,625

4 SEGMENT PERFORMANCE

Information reported to the Group's Managing Director (chief operating decision maker) for the purpose of resource allocation and assessment of performance is focused on the categories of services provided to customers. The principal categories of services are Trustee & Wealth Services and Corporate Trustee Services. No operating segments have been aggregated in arriving at the reportable segments of the Group. The Group's reportable segments, as determined in accordance with AASB 8 *Operating Segment*, are as follows:

TRUSTEE & WEALTH SERVICES (TWS)

Provides a range of private client, philanthropic and superannuation services including estate planning and management; charitable, compensation, community and personal trust services; superannuation trusteeship, wealth management and advice. TWS operates within Australia.

CORPORATE TRUSTEE SERVICES (CTS)

Provides a range of fund governance and trustee services for managed investment trusts on behalf of local and international fund managers and sponsors, as well as specialised trustee services for corporates and structured multi-party transactions. CTS operates in Australia, the United Kingdom and Ireland. Due to their size relative to the Australian operations and their similar economic characteristics, the United Kingdom and Ireland operations are aggregated for the purposes of segment reporting.

EQT HOLDINGS LIMITED

ABN 22 607 797 615

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

The following is a summary of the Group's revenue and results from continuing operations by reportable segment. These operating segments also constitute the major categories of services offered by the Group.

	31 DEC 20 \$'000	31 DEC 19 \$'000
Segment revenue		
Trustee & Wealth Services		
Private Client Trustee Services	19,865	22,356
Superannuation Trustee Services	9,426	6,906
Other services	2,520	3,499
	31,811	32,761
Corporate Trustee Services		
Corporate Trustee Services - Australia	14,979	15,014
Corporate Trustee Services - United Kingdom / Ireland	981	462
	15,960	15,476
	47,771	48,237
Unallocated	495	645
Total revenue and other income per statement of profit or loss	48,266	48,882

The revenue reported above represents revenue generated from external customers. There were no inter-segment sales (31 December 2019: nil).

There were no discontinued operations (31 December 2019: nil).

No single customer accounts for 10% or more of the Group's revenue.

	31 DEC 20 \$'000	31 DEC 19 \$'000
Segment net profit/(loss) before tax		
Trustee & Wealth Services	8,505	9,887
Corporate Trustee Services		
Corporate Trustee Services - Australia	7,640	7,323
Corporate Trustee Services - United Kingdom / Ireland	(1,686)	(1,571)
	5,954	5,752
	14,459	15,639
Unallocated	(1,348)	531
Total net profit before tax per statement of profit or loss	13,111	16,170

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit represents the contribution made to the group result by each segment without the allocation of non-operating income and expenditure (including projects and acquisition related expenditure) or income tax. This is the measure used by the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

For the purpose of monitoring performance, the chief operating decision maker reviews balance sheet items for the Group as a whole. The Group's assets and liabilities are not allocated to the reportable segments for management reporting purposes.

EQT HOLDINGS LIMITED

ABN 22 607 797 615

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

5 INCOME TAXES

	31 DEC 20 \$'000	31 DEC 19 \$'000
Income tax expense comprises:		
Current income tax expense	4,066	5,443
Prior period adjustments and other deferred tax adjustments relating to the origination and reversal of temporary differences	(347)	(418)
Total income tax expense	3,719	5,025
The income tax expense for the year can be reconciled to accounting profit as follows:		
Profit before tax from continuing operations	13,111	16,170
Income tax expense calculated at 30%	3,933	4,850
Effect of different tax rates of subsidiaries operating in other jurisdictions	311	281
Non-deductible expenses	252	311
Non-assessable income	(292)	(467)
	4,204	4,975
Prior year tax adjustments	(485)	50
Total income tax expense	3,719	5,025

During the half-year, the Group settled a longstanding dispute with the ATO concerning a right to future income deduction arising on an acquisition made in the 2011 financial year.

The settlement has resulted in a favourable adjustment to amounts previously provisioned for in respect to this matter, which is the key driver of the prior year tax adjustment amount reflected in the table above.

OPERATING ASSETS

6 GOODWILL

	31 DEC 20 \$'000	30 JUN 20 \$'000
Cost	127,553	127,573
	127,553	127,573
Balance at the beginning of the financial year	127,573	127,586
Effects of foreign currency exchange differences	(20)	(13)
	127,553	127,573

7 BUSINESS COMBINATIONS

HALF YEAR ENDED 31 DECEMBER 2020

There were no business combinations during the period.

During the half-year, the Group incurred costs of \$1.7m in relation to potential merger and acquisition activities. These amounts are recorded in note 3 above as Legal, consulting and regulatory expenses.

HALF YEAR ENDED 31 DECEMBER 2019

There were no business combinations during the period.

EQT HOLDINGS LIMITED

ABN 22 607 797 615

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

CAPITAL STRUCTURE

8 BORROWINGS

	31 DEC 20 \$'000	30 JUN 20 \$'000
Unsecured, at amortised cost		
Corporate facility	16,000	20,000
Operational risk financial requirement (ORFR) facilities	23,250	9,000
	39,250	29,000

CORPORATE FACILITY

The Group has a \$40m facility with Australia and New Zealand Banking Group Limited (ANZ). The facility has a 3 year term and was renewed in the 2020 financial year.

Loans are drawn down as needed and the drawn tranches bear interest at variable market rates. The facility is drawn down to \$16m (30 June 2020: \$20m). The weighted average effective interest rate on all corporate facility drawn down loans is 1.6% per annum (30 June 2020: 1.8%).

OPERATIONAL RISK FINANCIAL REQUIREMENT (ORFR) FACILITIES

ORFR facilities relate to the Group's superannuation activities. These facilities are in place to ensure appropriate capital adequacy with respect to the Group's regulatory obligations for associated superannuation funds. Funds provided by these facilities are held as cash by the superannuation trustee to support the regulatory ORFR and form part of cash and cash equivalents in the condensed consolidated statement of financial position. ORFR facilities are limited recourse arrangements and the net interest cost is neutral to the Group.

During the half-year the Group entered into additional borrowing facilities with AMP and HUB24. The AMP facilities have a term of 5 years, a limit of \$7.7m and are fully drawn at 31 December 2020. The HUB24 facility has a term of 3 years, a limit of \$10m and is drawn down to \$7.6m at 31 December 2020.

In the 2020 financial year, the Group entered into a borrowing facility with Colonial Mutual Life Assurance Society Limited (CMLA). The facility has a 5 year term, a limit of \$9m and is drawn down to \$8m at 31 December 2020 (\$9m at 30 June 2020). The weighted average effective interest rate on all ORFR facility drawn down loans is 3.9% per annum (30 June 2020: 2.1%).

9 ISSUED CAPITAL

	31 DEC 20		30 JUN 20	
	No. '000	\$'000	No. '000	\$'000
Fully paid ordinary shares				
Balance at the beginning of the financial year	20,776	248,862	20,522	242,981
Shares issued under employee salary sacrifice share plan	3	68	5	125
Shares issued under executive share scheme	49	855	68	979
Shares issued under employee share acquisition plan	8	211	7	204
Shares issued under dividend reinvestment plan (DRP)	64	1,738	174	4,597
Share issue costs net of tax	-	(10)	-	(24)
Closing balance as at the end of the period	20,900	251,724	20,776	248,862

EQT HOLDINGS LIMITED

ABN 22 607 797 615

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

10 DIVIDENDS

FULLY PAID ORDINARY SHARES	DATE OF PAYMENT	CENTS PER SHARE	TOTAL \$'000
Recognised amounts			
Final 2020 dividend (fully franked)	8 October 2020	43	8,958
Interim 2020 dividend (fully franked)	30 March 2020	47	9,720
Unrecognised amounts			
Interim 2021 dividend (fully franked)	23-March-2021	44	9,196

FINANCIAL RISK MANAGEMENT

11 FINANCIAL INSTRUMENTS

This note provides information about how the Group determines fair values of various financial assets. The Group has no financial liabilities measured at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

FAIR VALUE OF THE GROUP'S FINANCIAL ASSETS THAT ARE MEASURED AT FAIR VALUE ON A RECURRING BASIS

FINANCIAL ASSETS	FAIR VALUE AS AT		FAIR VALUE HIERARCHY	VALUATION TECHNIQUE
	31 DEC 20 \$'000	30 JUN 20 \$'000		
EQT Wholesale Mortgage Income Fund	5,000	5,000	Level 2	Daily published prices

There are no significant unobservable inputs in relation to the fair value of EQT Wholesale Mortgage Income Fund in the half-year (30 June 2020: same).

There were no transfers between levels in the fair value hierarchy at the end of the reporting period (30 June 2020: nil).

FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES THAT ARE NOT MEASURED AT FAIR VALUE ON A RECURRING BASIS

The Directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values.

IMPACT OF COVID-19 ON CAPITAL RISK MANAGEMENT

The Group has taken steps to solidify its capital and liquidity position during the half-year in response to the COVID-19 pandemic. These include maintaining higher than average cash balances (in excess of regulatory capital requirements), a greater emphasis on working capital management, and follow up of debtors. The Group's cash holdings are diversified amongst local and international banks, and the Group has minimal exposure to managed funds. Other activities, such as monitoring of capital requirements, bank covenants and other obligations, continue to be performed regularly.

EQT HOLDINGS LIMITED

ABN 22 607 797 615

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

CONTINGENCIES AND SUBSEQUENT EVENTS

12 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no contingent liabilities (30 June 2020: nil).

There are no contingent assets (30 June 2020: nil).

13 SUBSEQUENT EVENTS

The COVID-19 outbreak was declared a pandemic by the World Health Organisation in March 2020. Since that time, in response to the pandemic, Governments around the world have imposed a variety of restrictions intended to limit the gathering of people, and the potential spread of the virus. These restrictions have meant that the Group has not always been able to operate from its premises. In response, the Group's business continuity plan was activated and our staff have been able to work safely from home.

At the time of preparing these financial statements, restrictions remain on the number of staff able to work from our premises in Melbourne, London and Dublin. Future restrictions remain a possibility, however the Group continues to closely monitor these developments and will take appropriate steps to mitigate the impact on the Group.

There has not been any matter or circumstance that has arisen since the end of the half year, that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years (31 December 2019: nil).

OTHER DISCLOSURES

14 NEW AND AMENDED ACCOUNTING STANDARDS

AMENDMENTS TO ACCOUNTING STANDARDS THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT REPORTING PERIOD

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standard Board (the AASB) that are relevant to its operations and effective for the current reporting period.

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

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- AASB 2018-7 *Amendments to Australian Accounting Standards - Definition of Material*
- Conceptual Framework for Financial Reporting and AASB 2019-1 *Amendments to Australian Accounting Standards - References to the Conceptual Framework*
- AASB 2019-5 *Amendments to Australian Accounting Standards - Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia*
- AASB 2020-4 - *Amendments to Australian Accounting Standards - COVID-19 Related Rent Concessions*

Impact of the application of AASB 2018-7 *Amendments to Australian Accounting Standards - Definition of Material*

This Standard amends AASB 101 *Presentation of Financial Statements* and AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, and makes consequential amendments to several other pronouncements and publications. The Group has adopted these amendments for the first time in the current half-year. The amendments make the definition of material in AASB 101 easier to understand and are not intended to alter the underlying concept of materiality in Australian Accounting Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in AASB 108 has been replaced by a reference to the definition of material in AASB 101. In addition, the Standard also amends other Australian Accounting Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term 'material' to ensure consistency.

The application of AASB 2018-7 did not have an impact on the Group's condensed consolidated financial statements.

EQT HOLDINGS LIMITED

ABN 22 607 797 615

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

Impact of the application of the Conceptual Framework for Financial Reporting and AASB 2019-1 Amendments to Australian Accounting Standards References to the Conceptual Framework

The Group has adopted the amendments included in AASB 2019-1 for the first time in the current half-year.

The amendments include consequential amendments to affected Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of the Conceptual Framework for Financial Reporting (Conceptual Framework) by the AASB.

The amendments:

- Update numerous pronouncements to refer to the new Conceptual Framework for Financial Reporting or to clarify which version of the Framework is being referenced. These amendments apply to for-profit private sector entities that have public accountability and are required by legislation to comply with Australian Accounting Standards and other for-profit entities that voluntarily elect to apply the new Conceptual Framework
- Permit other entities to continue using the Framework for the Preparation and Presentation of Financial Statements adopted by the AASB in 2004

The application of AASB 2019-1 did not have an impact on the Group's condensed consolidated financial statements.

Impact of the application of AASB 2019-5 Amendments to Australian Accounting Standards - Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia

The Group has adopted the amendments included in AASB 2019-5 for the first time in the current half-year.

This Standard makes amendments to AASB 1054 *Additional Australian Disclosures* by adding a disclosure requirement for an entity intending to comply with IFRS Standards to disclose the information specified in paragraphs 30 and 31 of AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* on the potential effect of an IFRS Standard that has not yet been issued by the AASB.

The application of AASB 2019-5 did not have an impact on the Group's condensed consolidated financial statements.

Impact of AASB 2020-4 Amendments to Australian Accounting Standards - COVID-19 Related Rent Concessions

The Group has adopted the amendments included in AASB 2020-4 for the first time in the current half-year.

The amendments introduce a practical expedient into AASB 16. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election does account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying AASB 16 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change
- Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession would meet this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021)
- There is no substantive change to other terms and conditions of the lease.

The application of AASB 2020-4 did not have an impact on the Group's condensed consolidated financial statements.

Independent Auditor's Review Report to the Members of EQT Holdings Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of EQT Holdings Limited, which comprises the condensed statement of financial position as at 31 Dec 2020, the condensed statement of comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 23 to 36.

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

- (a) giving a true and fair view of the Company's financial position as at 31 Dec 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

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

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

Directors' Responsibilities for the Half-year Financial Report

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

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

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 Dec 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

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

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

M Stretton

Mark Stretton
Partner
Chartered Accountants

Melbourne, 18 February 2021

For personal use only

