

25 February 2022

Appendix 4D

Half-year report

Period ended 31 December 2021

OZGROWTH LIMITED

ABN 52 126 450 271

Results for announcement to the market

Extracts from this report for announcement to the market

\$AUD

| | 31 Dec 2021 | 31 Dec 2020 | Change \$ | Change % |
|--|---------------------|----------------|-----------------------------|------------|
| Revenue from ordinary activities | \$2,541,885 | \$1,799,698 | \$742,187 | 41% |
| Profit/(loss) from ordinary activities after tax attributable to members | \$19,709,344 | \$18,445,499 | \$1,263,845 | 6.8% |
| Net Profit/(loss) for the period attributable to members | \$19,709,344 | \$18,445,499 | \$1,263,845 | 6.8% |
| Net Tangible Assets per share | \$0.323 | \$0.252 | | 28% |
| Dividends and Distributions | Amount per security | | Franked amount per security | |
| Interim Dividend | - | | - | |
| Record date for determining entitlements to the interim dividend | | | | - |
| DRP election date | | | | - |
| Interim dividend payable date | | | | - |

For further information please contact:

Anthony Hewett

Company Secretary

P: 08 9488 1400

E: ahewett@eurozhartleys.com

This announcement is authorised for release by the Board of Ozgrowth Limited.

Reporting period

The financial information contained in this report is for the period ended 31 December 2021. This document should be read in conjunction with the Financial Report and any public announcements made in the period by Ozgrowth Limited in accordance with the continuous disclosure requirements of the Corporations Act 2001 and ASX Listing Rules.

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Ozgrowth Limited

ABN 52 126 450 271

Half Year Financial Report

For the half-year ended 31 December 2021

For personal use only

OZGROWTH LIMITED
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

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OZGROWTH LIMITED
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

CORPORATE DIRECTORY

REGISTERED OFFICE

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58 Mounts Bay Road
PERTH WA 6000

Telephone: (08) 9321 7877
Facsimile: (08) 9321 8288
Website: www.ozgrowth.com.au

AUDITORS

Ernst & Young
11 Mounts Bay Road
PERTH WA 6000

BANKERS

Westpac Banking Corporation
109 St George's Terrace
PERTH WA 6000

SHARE REGISTRY

Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
PERTH WA 6000

Telephone: (08) 9323 2000
Facsimile: (08) 9323 2033

BOARD OF DIRECTORS

Jay Hughes
Non-Executive Chairman
Michael Jefferies
Independent Non-Executive Director
Simon Joyner
Independent Non-Executive Director
Anthony Hewett
Company Secretary

OZGROWTH LIMITED
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

DIRECTORS' REPORT

Your Directors submit their report for the half-year ended 31 December 2021.

1. DIRECTORS

The names of the Directors of the Company in office at the date of this report or during the half-year are as follows:

Jay Hughes
Michael Jefferies
Simon Joyner

2. REVIEW AND RESULTS OF OPERATIONS

Highlights of the Company's operations during the period ended 31 December 2021 are as follows:

- A net profit after tax of \$19,709,344 was recorded for the period. This included gains and losses on investments, interest income, dividend income and changes in the fair value of financial assets designated at fair value through profit and loss held as at 31 December 2021;
- Net assets per share was 32.3 cents per share at 31 December 2021. This figure is calculated by dividing the net assets as set out in the Statement of Financial Position by the number of ordinary shares on issue as at the reporting date and is after allowance for dividends and all costs; and
- On 23rd December 2021, it was announced to the Australian Securities Exchange ("ASX") that that Ozgrowth Limited and WAM Capital Limited have entered into a Scheme Implementation Agreement to merge the two entities. As at the date of this report the conditions required for the proposed merger to proceed are incomplete.

After considering the above results following the completion of the half-year to 31 December 2021, the Directors remain confident that the Company's objectives will be met over its investment horizon.

3. EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

No material matters have occurred since 31 December 2021.

4. AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration under section 307C of the Corporations Act 2001 is included on page 4 and forms part of Ozgrowth Limited's Directors' Report for the period from 1 July 2021 to 31 December 2021.

Signed for and on behalf of the Directors in accordance with a resolution of the Board.



Jay Hughes
Non-Executive Chairman

24 February 2022



**Building a better
working world**

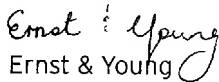
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11 Mounts Bay Road
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Auditor's independence declaration to the directors of Ozgrowth Limited

As lead auditor for the review of the half-year financial report of Ozgrowth Limited for the half-year ended 31 December 2021, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

The Ernst & Young logo, featuring the company name in a cursive script above the name in a sans-serif font.

A handwritten signature in black ink, appearing to read 'Fiona Drummond'.

Fiona Drummond
Partner

24 February 2022

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OZGROWTH LIMITED
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| | Note | 31/12/2021 \$ | 31/12/2020 \$ |
|---|------|--------------------|--------------------|
| Revenue | | | |
| Interest revenue | | 44,167 | 20,034 |
| Dividend revenue | | 2,467,718 | 1,765,640 |
| Sub-underwriting fee | | 30,000 | - |
| Other income | | - | 14,024 |
| Total revenue | | <u>2,541,885</u> | <u>1,799,698</u> |
| Changes in the fair value of investments at fair value through profit or loss | 4 | <u>30,719,511</u> | <u>29,879,571</u> |
| Total income | | <u>33,261,396</u> | <u>31,679,269</u> |
| Expenses | | | |
| Manager's fees | 5 | (6,003,626) | (5,931,292) |
| Directors' fees | | (62,500) | (55,000) |
| Professional fees | | (13,465) | (21,662) |
| Share registry fees | | (17,035) | (16,702) |
| ASX fees | | (57,845) | (49,020) |
| Other expenses | | (8,312) | (8,335) |
| Total expenses | | <u>(6,162,783)</u> | <u>(6,082,011)</u> |
| Profit before income tax | | 27,098,613 | 25,597,258 |
| Income tax (expense) / benefit | | <u>(7,389,269)</u> | <u>(7,151,759)</u> |
| Net profit for the period | | <u>19,709,344</u> | <u>18,445,499</u> |
| Other Comprehensive Income | | - | - |
| Total Comprehensive Income for the period | | <u>19,709,344</u> | <u>18,445,499</u> |
| Earnings per share (cents) | | | |
| Basic and Diluted | | 5.62 | 5.24 |

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

OZGROWTH LIMITED
AS AT 31 DECEMBER 2021

STATEMENT OF FINANCIAL POSITION

| | Note | 31/12/2021 | 30/06/2021 |
|---|------|--------------------|---------------------|
| | | \$ | \$ |
| Assets | | | |
| Cash and Cash Equivalents | | 28,989,603 | 3,242,386 |
| Other Assets | | 38,469 | 661,160 |
| Investments in financial assets at fair value through profit or loss: | | | |
| - Listed Equities | 4 | 101,376,566 | 99,847,339 |
| - Unlisted Equities | 4 | <u>900,000</u> | <u>900,000</u> |
| Total assets | | <u>131,304,638</u> | <u>104,650,885</u> |
| Liabilities | | | |
| Trade and Other Payables | 11 | 5,549,990 | 1,244,350 |
| Income tax payable | | 3,026,505 | - |
| Deferred Tax Liabilities | 8 | <u>9,503,003</u> | <u>8,614,226</u> |
| Total liabilities | | <u>18,079,498</u> | <u>9,858,576</u> |
| Net assets | | <u>113,225,140</u> | <u>94,792,309</u> |
| Equity | | | |
| Contributed Equity | 6 | 71,795,583 | 71,845,531 |
| Profit Reserve | 7 | 36,492,183 | 37,718,748 |
| Accumulated Losses | | <u>4,937,374</u> | <u>(14,771,970)</u> |
| Total equity | | <u>113,225,140</u> | <u>94,792,309</u> |

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

OZGROWTH LIMITED
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

STATEMENT OF CASH FLOWS

| | Note | 31/12/2021 \$ | 31/12/2020 \$ |
|--|------|--------------------|--------------------|
| Cash flows from operating activities | | | |
| Interest received | | 44,167 | 20,034 |
| Dividends received | | 2,503,718 | 1,819,390 |
| Payments to suppliers (inclusive of GST) | | (183,381) | (550,312) |
| Receipts from customers (inclusive of GST) | | 30,000 | 14,024 |
| Tax paid | | (3,473,986) | - |
| Net cash flows (used in) / from operating activities | | <u>(1,079,482)</u> | <u>1,303,136</u> |
| Cash flows from investing activities | | | |
| Proceeds from sale of investments fair value through profit and loss | | 56,854,938 | 30,923,844 |
| Payments for purchases of investments fair value through profit and loss | | (28,751,726) | (36,583,079) |
| Net cash flows from / (used in) investing activities | | <u>28,103,212</u> | <u>(5,659,235)</u> |
| Cash flows from financing activities | | | |
| Share buyback | | (49,948) | (296,120) |
| Dividends paid | | (1,226,565) | (1,071,843) |
| Net cash flows used in financing activities | | <u>(1,276,513)</u> | <u>(1,367,963)</u> |
| Net increase / (decrease) in cash held | | 25,747,217 | (5,724,062) |
| Cash and cash equivalents at the beginning of the period | | 3,242,386 | 8,362,936 |
| Cash and cash equivalents at the end of the period | 10 | <u>28,989,603</u> | <u>2,638,874</u> |

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

OZGROWTH LIMITED
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

STATEMENT OF CHANGES IN EQUITY

| | Issued Capital \$ | Profit Reserve \$ | Accumulated Losses \$ | Total Equity \$ |
|---|----------------------------------|----------------------------------|--------------------------------------|--------------------------------|
| At 1 July 2021 | 71,845,531 | 37,718,748 | (14,771,970) | 94,792,309 |
| Profit for the period | - | - | 19,709,344 | 19,709,344 |
| Total Comprehensive Income for the period | - | - | 19,709,344 | 19,709,344 |
| Transfer from Retained earnings to Profit Reserve | - | - | - | - |
| Transactions with owners in their capacity as owners: | | | | |
| Share buyback costs | (49,948) | - | - | (49,948) |
| Dividend for the period | - | (1,226,565) | - | (1,226,565) |
| At 31 December 2021 | <u>71,795,583</u> | <u>36,492,183</u> | <u>4,937,374</u> | <u>113,225,140</u> |
| | Issued Capital \$ | Profit Reserve \$ | Accumulated Losses \$ | Total Equity \$ |
| At 1 July 2020 | 72,198,956 | 24,846,450 | (25,690,040) | 71,355,366 |
| Profit for the period | - | - | 18,445,499 | 18,445,499 |
| Total Comprehensive Income for the period | - | - | 18,445,499 | 18,445,499 |
| Transfer from Retained earnings to Profit Reserve | - | 13,939,094 | (13,939,094) | - |
| Transactions with owners in their capacity as owners: | | | | |
| Share buyback costs | (296,120) | - | - | (296,120) |
| Dividend for the period | - | (1,066,940) | - | (1,066,940) |
| At 31 December 2020 | <u>71,902,836</u> | <u>37,718,604</u> | <u>(21,183,635)</u> | <u>88,437,805</u> |

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

**OZGROWTH LIMITED
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate information

The financial report of Ozgrowth Limited for the half-year ended 31 December 2021 was authorised for issue in accordance with a resolution of the Directors on 24 February 2022.

Ozgrowth Limited is a company limited by shares that is incorporated and domiciled in Australia whose shares are listed on the Australian Securities Exchange.

Ozgrowth Limited does not control any entities at 31 December 2021 (2020: nil).

The company had no employees as at 31 December 2021 (2020: nil).

The nature of the operations and principal activities of the Company are as an investment company.

2. Basis of preparation and accounting policies

Basis of preparation

This interim condensed financial report for the half-year ended 31 December 2021 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2021 and considered together with any public announcements made by Ozgrowth Limited during the half-year ended 31 December 2021 in accordance with the continuous disclosure obligations of the ASX listing rules.

Changes in accounting policy

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption did not have a material impact on the entity's financial performance or position.

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

3. Segment information

For management purposes, the Company is organised into one segment, which invests primarily in equity securities. All of the Company's activities are interrelated, and each activity is dependent on the others. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

OZGROWTH LIMITED
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

NOTES TO THE FINANCIAL STATEMENTS

4. Changes in fair value of investments at fair value through profit or loss

| | 31/12/2021 \$ | 31/12/2020 \$ |
|--|-------------------|-------------------|
| Net realised gain in the current period on disposal of investments | | |
| - listed equities | 24,547,443 | 2,229,570 |
| Net unrealised gain on investments | | |
| - listed equities | <u>6,172,068</u> | <u>27,650,001</u> |
| | <u>30,719,511</u> | <u>29,879,571</u> |

The primary reason for the change in fair values was movement in market prices for listed investments held in the investment portfolio. The fair values of the Company's financial assets have been affected by changes in the broad economic and fiscal environment as well as specific matters that impact the value of individual investments. Specific factors that have impacted the portfolio are changes in outlook for interest rates, commodity prices and economic growth. Individual stock positions have been impacted by changes in earnings expectations, balance sheet structures and ability to generate cash flow. Managing the investment portfolio in the face of these and other changes is inherent in the Company's activities and they are managed in accordance with the financial risk management objectives and policies as disclosed in the most recent annual financial report of the Company.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The following table shows financial instruments recorded at fair value, analysed between those whose fair value is based on quoted market prices, those involving valuation techniques where model inputs are observable in the market and those where the valuation technique involves the use of non-market observable inputs. The fair value of all other financial instruments approximates their carrying value.

| | 31 December 2021 | | | Total |
|--|---|--|--|--------------------|
| | Valued at Quoted market price (Level 1) | Valuation Technique market observable inputs (Level 2) | Valuation technique non – market observable inputs (Level 3) | |
| Financial assets at fair value through profit or loss | | | | |
| <i>(i) Listed equities</i> | 101,376,566 | - | - | 101,376,566 |
| <i>(ii) Unlisted Equities</i> | - | - | 900,000 | 900,000 |
| | 101,376,566 | - | 900,000 | 102,276,566 |

OZGROWTH LIMITED
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

NOTES TO THE FINANCIAL STATEMENTS

4. Changes in fair value of investments at fair value through profit or loss (cont'd)

| | 30 June 2021 | | | Total |
|--|---|--|--|--------------------|
| | Valued at Quoted market price (Level 1) | Valuation Technique market observable inputs (Level 2) | Valuation technique non – market observable inputs (Level 3) | |
| Financial assets at fair value through profit or loss | | | | |
| <i>(i) Listed equities</i> | 99,847,339 | - | - | 99,847,339 |
| <i>(ii) Unlisted Equities</i> | - | - | 900,000 | 900,000 |
| | 99,847,339 | - | 900,000 | 100,747,339 |

The level in which instruments are classified in the hierarchy is based on the lowest level input that is significant to the fair value measurement in its entirety. Assessment of the significance of an input requires judgement after considering factors specific to the instrument.

For instruments for which there is currently no active market the Company uses valuation methods generally accepted in the industry. Some of the inputs to those methods may not be market observable and are therefore estimated based on assumptions. In the case of unlisted equities, recent transactional evidence has been obtained that supported the current valuation. If, in the future, similar transactions occur at significantly different values, the fair value of unlisted equities will be revised appropriately.

The fair value of listed equity is based on quoted market prices at the reporting date (bid price for long positions), without any deduction for transaction costs.

5. Management Fee

| | 31/12/2021 | 31/12/2020 |
|-----------------|------------------|------------------|
| | \$ | \$ |
| Management Fee | 614,064 | 442,515 |
| Performance Fee | 5,389,562 | 5,488,777 |
| | <u>6,003,626</u> | <u>5,931,292</u> |

These fees were charged in accordance with a management agreement. The management fee is calculated at 1% per annum of funds managed. The performance fee as specified in the management agreement is payable where performance exceeds 7% over twelve month period to end of June and is calculated at 20% of the performance exceeding the threshold.

OZGROWTH LIMITED
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

NOTES TO THE FINANCIAL STATEMENTS

6. Contributed equity

| | 31/12/2021 | 30/06/2021 | | |
|---|-------------------------|-------------------|-------------------------|-------------------|
| | \$ | \$ | | |
| (a) Contributed equity | | | | |
| 350,460,353 (June 2021: 350,664,543) ordinary fully paid shares | 71,795,583 | 71,845,531 | | |
| (b) Movements in ordinary shares on Issue | | | | |
| | Number of Shares | \$ | Number of Shares | \$ |
| Beginning of the financial period | 350,664,543 | 71,845,531 | 352,548,713 | 72,198,956 |
| Movement during the period: | | | | |
| - Share buyback | (204,190) | (49,948) | (1,884,170) | (353,425) |
| | <u>350,460,353</u> | <u>71,795,583</u> | <u>350,664,543</u> | <u>71,845,531</u> |

(c) Terms and conditions of contributed equity

The company does not have authorised capital nor par value in respect of its issued capital. Ordinary fully paid shares have the right to receive dividends as declared and in the event of the winding up of the Company, to participate in proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary fully paid shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

7. Reserves

| | 31/12/2021 | 30/06/2021 |
|----------------|-------------------|-------------------|
| | \$ | \$ |
| Profit Reserve | <u>36,492,183</u> | <u>37,718,748</u> |
| | <u>36,492,183</u> | <u>37,718,748</u> |

The profit reserve is made up of amounts allocated from retained earnings that are preserved for future dividend payments.

Movement in Profits Reserve

| | | |
|-------------------------------------|--------------------|--------------------|
| Balance at beginning of the year | 37,718,748 | 24,846,450 |
| Transfer from Retained Earnings (a) | - | 13,939,097 |
| Provision for / payment of dividend | <u>(1,226,565)</u> | <u>(1,066,799)</u> |
| | <u>36,492,183</u> | <u>37,718,748</u> |

(a) No amount transferred to profit reserve in the period. (30 June 2021: The amount transferred to profit reserve in the 2021 financial year is the profit for the period 1 July 2020 to 30 November 2020 in accordance with resolutions of the Board of Directors dated 19 November 2020).

OZGROWTH LIMITED
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

NOTES TO THE FINANCIAL STATEMENTS

8. Deferred income tax

Deferred Income tax

Deferred income tax at 31 December 2021 relates to the following:

| | Statement of financial position | | Statement of comprehensive income | |
|--|---------------------------------|--------------------|-----------------------------------|------------------|
| | 31/12/2021 | 30/06/2021 | 31/12/2021 | 31/12/2020 |
| <i>Deferred Tax Assets</i> | \$ | \$ | \$ | \$ |
| Tax loss recognised / (utilized) | - | 646,665 | (646,665) | 614,075 |
| Accruals / provisions | 1,626,760 | - | 1,626,760 | (1,780,659) |
| Unrealised loss on investments in financial assets | - | - | - | 259,279 |
| Total DTA | 1,626,760 | 646,665 | 980,095 | (907,305) |
| <i>Deferred Tax Liabilities</i> | | | | |
| Unrealised gain on investments in financial assets | (11,129,763) | (9,260,891) | (1,868,872) | 8,059,064 |
| Total DTL | (11,129,763) | (9,260,891) | (1,868,872) | 8,059,064 |
| Net DTA/(DTL) | (9,503,003) | (8,614,226) | (888,777) | 7,151,759 |

Deferred tax assets in the prior year relate to unrealised losses on investments in financial assets and recognised tax losses. The recognition of these assets was based on an assessment that it is probable that future taxable profits would be generated against which these assets can be utilised.

The company believed that such future taxable profits will be generated based on the following:

- The manager has in the past demonstrated an ability to generate taxable profits requiring cash tax payments to be made;
- The manager has a medium to long term investment strategy so future profitability should be judged over an extended period; and
- Return expectations for the market and the portfolio remain consistent with historical results over a reasonable time horizon.

9. Events subsequent to balance date

No matters or events have arisen since the end of the financial period which have significantly affected or may significantly affect the operations of the Company, the results of its operations or the state of affairs of the Company in subsequent financial periods.

10. Notes to the cash flow statement

For the purpose of the half-year cash flow statement, cash and cash equivalents are comprised of the following:

| | 31/12/2021 | 31/12/2020 |
|--------------------------|-------------------|------------------|
| | \$ | \$ |
| Cash at Bank and in hand | <u>28,989,603</u> | <u>2,638,874</u> |

OZGROWTH LIMITED
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

NOTES TO THE FINANCIAL STATEMENTS

11. Trade and other payables

| | 31/12/2021 | 30/06/2021 |
|----------------------------------|------------------|------------------|
| | \$ | \$ |
| Trade payables | 40,148 | 157,277 |
| Management fee payable | 5,509,842 | - |
| Outstanding purchase settlements | - | 1,087,073 |
| | <u>5,549,990</u> | <u>1,244,350</u> |

12. Dividends paid or provided for on ordinary shares

| | 31/12/2021 | 31/12/2020 |
|---|------------------|------------------|
| | \$ | \$ |
| Ordinary Shares | | |
| Final dividend of 0.35 cents per share paid on 27 August 2021 (2020: 0.30 cents per share). | 1,226,565 | 1,071,843 |
| 2021 Nil (2020: 0.30 cents per share per fully paid ordinary share). Fully franked based on tax paid or payable at 30%) | - | 1,052,743 |
| | <u>1,226,565</u> | <u>2,124,586</u> |

13. Related party disclosures

The Directors of Ozgrowth Limited during the period were Mr Jay Hughes, Mr Simon Joyner and Mr Michael Jefferies. During the half year ended 31 December 2021, directors' fees of \$62,500 (2020: \$55,000) were paid.

Westoz Funds Management Pty Ltd, a company of which Mr Hughes is a Director, provides Key Management Personnel ("KMP") services to Ozgrowth Limited as it has the authority for the management of the investment portfolio of Ozgrowth Limited. Westoz Funds Management Pty Ltd received management fees from the Company for the management of its assets. A fee of \$614,064 (2020: \$442,515) was charged in the period for these services. A \$5,389,562 accrual was made for payment of a performance fee in the current period (2020: \$5,488,777).

These fees were charged in accordance with a management agreement, the terms of which have been disclosed.

Euroz Hartleys Limited, a company of which Mr Hughes was formerly a Director (resigned on 11 October 2021), received brokerage fees for transactions undertaken by the Company in respect of its investments. An amount of \$267,838 (2020: \$175,944) was paid in the period as brokerage to Euroz Hartleys Limited.

The above transactions were entered into on normal commercial terms.

**OZGROWTH LIMITED
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

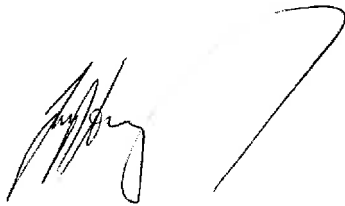
DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Ozgrowth Limited, the Directors declare that:

In the opinion of the Directors:

- (a) the financial statements and notes of the Company are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Company's financial position as at 31 December 2021 and of its performance for the half year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Jay Hughes
Non-Executive Chairman

24 February 2022



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Independent auditor's review report to the members of Ozgrowth Limited

Conclusion

We have reviewed the accompanying half-year financial report of Ozgrowth Limited (the Company), which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies, and the directors' declaration.

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 does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the Company's financial position as at 31 December 2021 and of its financial 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* (ASRE 2410). 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 auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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 December 2021 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*.

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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.

Ernst & Young
Ernst & Young

A handwritten signature in black ink, appearing to read 'Fiona Drummond', written over a thin horizontal line.

Fiona Drummond
Partner
Perth

24 February 2022

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