

APPENDIX 4D

Interim Report

For the half year ended 31 December 2021

Name of entity	Aventus Group
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Aventus Group

The Aventus Group is a stapled entity comprising the Aventus Retail Property Fund (ARPF) (ARSN 608 000 764) and its controlled entities and Aventus Holdings Limited (AHL) (ACN 627 640 180) and its controlled entities.

For financial reporting purposes ARPF has been deemed the parent entity of the Aventus Group.

This Appendix 4D should be read in conjunction with the Aventus Group interim consolidated financial report for the half year ended 31 December 2021.

Explanation of reporting periods

The interim report of the Aventus Group is for the period 1 July 2021 to 31 December 2021. The previous corresponding interim period is 1 July 2020 to 31 December 2020.

Results for announcement to the market

		Change \$m	Change %		31 Dec 2021 \$m
Revenue from ordinary activities	Up	4.6	5.3%	to	91.6
Net profit after tax attributable to securityholders	Up	178.8	172.9%	to	282.2
Funds from operations attributable to securityholders	Up	5.7	10.2%	to	61.6

Refer to the directors' report in the attached interim consolidated financial report for an overview of the financial performance for the half year ended 31 December 2021.

Distributions

Quarter ended	Distribution per security (cents)	Total distribution \$m	Ex-distribution date	Record date	Payment date
September 2021	4.50	25.7	29/09/2021	30/09/2021	18/11/2021
December 2021	5.00	28.6	30/12/2021	31/12/2021	4/02/2022
Total	9.50	54.3			
September 2020	4.00	22.3	29/09/2020	30/09/2020	30/10/2020
December 2020	4.20	23.9	30/12/2020	31/12/2020	24/02/2021
Total	8.20	46.2			

Distribution reinvestment plan (DRP)

For the period 1 July 2021 to 30 September 2021 the Aventus Group operated a DRP under which securityholders may elect to reinvest all or part of their distributions or dividends in new stapled securities rather than being paid in cash. The last date for the receipt of an election notice for participation in the DRP is the next business day after the record date for the respective distribution or dividend. The DRP price is determined as the average of the daily volume weighted average price of the stapled securities sold on the Australian Securities Exchange during a ten-day trading period prior to the payment date for the distribution or dividend, less a discount (if any). The DRP unit price for the quarter ended 30 September 2021 did not include a discount.

The DRP was suspended during the period 1 October 2021 to 31 December 2021.

Net tangible assets

	31 Dec 2021	30 June 2021
Net tangible assets (\$m)	1,767.0	1,535.0
Net tangible assets per security (\$)	3.09	2.69

Entities over which control has been gained or lost during the period

Not applicable.

Details of associates and joint venture entities

Refer to note 8 Investments in associates in the attached interim consolidated financial report.

Accounting standards used by foreign entities

Not applicable.

Audit

This report is based on the attached interim consolidated financial statements which have been reviewed by Ernst & Young.

AVENTUS RETAIL PROPERTY FUND & CONTROLLED ENTITIES (AVENTUS GROUP)

ARSN 608 000 764

Interim consolidated financial report
for the half year ended 31 December 2021



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DIRECTORS' REPORT

The directors of Aventus Capital Limited (ACL) (ACN 606 555 480), the Responsible Entity of the Aventus Retail Property Fund (ARPF or Fund) (ARSN 608 000 764), and the directors of Aventus Holdings Limited (AHL) (ACN 627 640 180) present their report together with the interim consolidated financial statements of the Aventus Group and AHL Group for the half year ended 31 December 2021.

The Aventus Group is a stapled entity comprising ARPF and its controlled entities (the ARPF Group) and AHL and its controlled entities (the AHL Group). For financial reporting purposes ARPF has been deemed the parent entity of the Aventus Group. The interim consolidated financial statements of the Aventus Group comprise ARPF and its controlled entities which includes AHL.

Directors

The following persons held office as directors of ACL and AHL during the period and up to the date of this report, unless otherwise stated:

- | | |
|------------------|------------------------------------|
| > Bruce Carter | Independent Non-Executive Chairman |
| > Darren Holland | Executive Director |
| > Kieran Pryke | Independent Non-Executive Director |
| > Robyn Stubbs | Independent Non-Executive Director |
| > Ray Itaoui | Independent Non-Executive Director |

The company secretaries of ACL and AHL are Mary Weaver AGIA and Lawrence Wong.

Review of operations and results

Principal activity

The principal activity of the Aventus Group during the period was investment, management and development of large format retail property assets.

Update on the Merger of Aventus Group with HomeCo Daily Needs REIT (HDN) and Home Consortium Ltd (HMC)

On 18 October 2021 the Aventus Group announced it had entered into a Scheme Implementation Deed (SID) to implement a merger with HDN and HMC (the Merger). The Merger was subsequently approved by HDN and Aventus securityholders on 24 January 2022 and 25 January 2022 respectively.

Key events expected to occur as part of the implementation of the Merger include:

- Aventus securities, comprising units in ARPF and shares in AHL will be unstapled.
- HDN will acquire 100% of units in ARPF and HMC will acquire 100% of shares in AHL.
- As consideration Aventus security holders will receive 2.20 HDN units and either \$0.285 in cash or 0.038 HMC securities for each Aventus security.
- The Aventus Group will be delisted from the Australian Securities Exchange (ASX).
- All secured ARPF debt facilities will be repaid by HDN and all ARPF debt facilities will be terminated.
- The intra-staple loan and payables between ARPF and AHL will be forgiven.
- All interest rate swaps will either be terminated or novated to HDN.
- Darren Holland and Lawrence Wong will both be offered positions as Chief Executive Officer and Chief Financial Officer of HDN respectively.
- Darren Holland, Robyn Stubbs, and Bruce Carter are expected to be offered positions on the board of HMC Funds Management Pty Limited (HDN Trustee). It is intended Bruce Carter will remain on the HDN Trustee board until December 2022 to facilitate a smooth transition.

DIRECTORS' REPORT

As announced on 18 February 2022 the expected implementation date of the Merger is 4 March 2022.

Summary of financial performance

A summary of the financial performance of the Aventus Group for the periods ended 31 December 2021 and 31 December 2020 is set out below.

	31 Dec 2021 \$m	31 Dec 2020 \$m
Funds from operations (FFO)	61.6	55.9
FFO per security (cents per security)	10.8	10.0
Net profit after tax	282.2	103.4
Basic and diluted earnings per security (cents per security)	49.5	18.4
Distributions to securityholders	54.3	46.2
Distributions to securityholders (cents per security)	9.5	8.2

Funds from Operations (FFO)

FFO represents the Aventus Group's underlying and recurring earnings from operations. FFO is calculated by adjusting statutory net profit after tax for certain non-cash items, unrealised revenue and expenses and non-recurring amounts outside core operating activities. FFO has been determined in accordance with best practice guidelines published by the Property Council of Australia.

The Aventus Group derived FFO of \$61.6m for the period ended 31 December 2021 representing an increase of \$5.7 million or 10.2% on the prior financial period. This translates to FFO per security of 10.8 cents per security representing an increase of 0.8 cents per security or 8.0%. The \$5.7 million increase was mainly attributable to a \$3.7 million increase in net property income (excluding non-cash straight-lining adjustments) and a \$1.8 million decrease in interest expenses resulting from lower drawn debt, lower hedging and lower interest rates compared to the prior period. The FFO result represents a record for the Aventus Group since listing in 2015 and was achieved despite the ongoing challenges of the COVID-19 pandemic and lockdowns which occurred in the six months to December 2021.

Net profit

The Aventus Group's net profit for the period ended 31 December 2021 was \$282.2 million representing an increase of \$178.8 million or 172.9% on the prior financial period. The increase included a \$175.0 million increase in net fair value adjustments on investment properties. A reconciliation of statutory net profit for the financial period to FFO is as follows:

	31 Dec 2021 \$m	31 Dec 2020 \$m
Net profit after tax	282.2	103.4
Straight-lining of rental income	0.9	1.3
Amortisation of rental guarantees	1.9	-
Amortisation of debt establishment costs	0.4	0.7
Transaction costs	4.0	-
Net gain on movement in fair value of investment properties	(220.7)	(45.7)
Net gain on movement in fair value of derivative financial instruments	(5.4)	(3.7)
Share of net profit or loss from associates	(2.1)	(0.3)
Distribution income from associates	0.3	0.3
Other	0.1	(0.1)
FFO	61.6	55.9

DIRECTORS' REPORT

Portfolio update

All Aventus centres are open and trading and have experienced a strong rebound in traffic since the easing of COVID-19 restrictions. The portfolio remains underpinned by a strong tenant profile which comprises approximately 88% national retailers with the majority listed companies.

Demand for the portfolio remains strong with occupancy remaining constant at 98.8% at 31 December 2021 (30 June 2021: 98.8%). 52 leasing deals were successfully negotiated during the period with positive leasing spreads well above CPI and low lease incentives below 5.0%. The weighted average lease expiry of the portfolio at 31 December 2021 was 3.4 years decreasing from 3.7 years at 30 June 2021.

Cash collections for the six months to December 2021 were 99% and have returned to pre-COVID-19 levels.

During the period Aventus continued to support its small and medium retailers impacted by the recent lockdowns and ongoing COVID-19 pandemic by providing rental relief in the form of rental abatements and/or deferred rental payments. Total rental abatements granted to tenants during the period was \$3.3 million. Rental abatements are recognised as bad and doubtful debts expenses which are classified as property expenses in the consolidated statement of comprehensive income. The impact of rental abatements was partially offset by \$2.6 million in land tax relief derived from the NSW state government.

Distributions

Distributions declared and/or paid to securityholders during the periods ended 31 December 2021 and 31 December 2020 were as follows:

Quarter ended	Distribution per security (cents)	Total distribution \$m	Ex-distribution date	Record date	Payment date
September 2021	4.50	25.7	29/09/2021	30/09/2021	18/11/2021
December 2021	5.00	28.6	30/12/2021	31/12/2021	4/02/2022
Total	9.50	54.3			
September 2020	4.00	22.3	29/09/2020	30/09/2020	30/10/2020
December 2020	4.20	23.9	30/12/2020	31/12/2020	24/02/2021
Total	8.20	46.2			

The Aventus Group's distribution policy is to distribute between 90% and 100% of FFO to securityholders.

DIRECTORS' REPORT

Summary of financial position

A summary of the Aventus Group's financial position at 31 December 2021 and 30 June 2021 is outlined below. The Group is in a strong financial position at 31 December 2021 with higher investment property values, higher net tangible assets, higher liquidity, higher debt serviceability, lower gearing and stronger debt covenants compared to 30 June 2021.

	Dec 2021 \$m	June 2021 \$m
Assets		
Investment property portfolio (including rental guarantees)	2,462.4	2,269.7
Total assets	2,642.1	2,437.4
Net tangible assets	1,767.0	1,535.0
Net tangible assets (\$ per security)	3.09	2.69
Net asset value	1,912.6	1,681.1
Net asset value (\$ per security)	3.35	2.95
Capital management		
Drawn debt	669.2	694.9
Debt facility limit	820.0	820.0
Cash and undrawn debt	161.9	132.4
Look-through gearing ratio (%)	26.6%	30.3%
Loan to value ratio (LVR) (%)	27.2%	30.8%
Interest cover ratio (ICR) (x)	7.7x	6.6x
Interest rate hedging (notional amount)	340.0	360.0
Hedged debt to drawn debt ratio (%)	50.8%	51.8%

Investment property portfolio

At 31 December 2021 the Aventus Group owned 18 large format retail investment properties across Australia with a combined value of \$2.5 billion (30 June 2021: \$2.3 billion).

Net fair value gains on the portfolio for the period ended 31 December 2021 amounted to \$220.7 million (31 December 2020: gain of \$45.7 million).

The weighted average capitalisation rate of the portfolio decreased 0.31% during the period to 5.70% (30 June 2021: 6.01%). The compression of capitalisation rates was mainly due to recent market transactions which reflect strong investor demand for large format retail assets given their performance during the COVID-19 pandemic.

Disposals

In May 2021 the Aventus Group entered into an agreement to sell MacGregor Home for \$42.2 million reflecting an implied capitalisation rate of 6.00%. The transaction settled on 16 August 2021.

Investments in associates

The Aventus Group also holds a 25.3% interest in Aventus Property Syndicate 1 Fund (APS 1). The principal activity of APS 1 is the ownership of McGraths Hill Home.

The carrying amount of the investment increased \$1.8m during the period to \$9.4 million at 31 December 2021 (30 June 2021: \$7.6 million). The fair value of the McGraths Hill Home property was \$57.0 million at 31 December 2021 (30 June 2021: \$50.0 million).

DIRECTORS' REPORT

Debt portfolio

Gearing

Gearing decreased 3.7% to 26.6% at 31 December 2021 (30 June 2021: 30.3%) mainly due to \$220.7 million of net valuation gains on investment properties and debt repayments following the settlement of MacGregor Home in August 2021.

Covenants

The Aventus Group complied with and maintained significant headroom for all debt covenants during the financial period.

Hedging

At 31 December 2021 the Aventus Group had entered into interest swap agreements totalling \$340.0 million (30 June 2021: \$360.0 million) representing 50.8% of drawn debt (30 June 2021: 51.8%).

Events occurring after the reporting period

Refer to note 19 for key events occurring after the reporting period.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 8.

Rounding of amounts

In accordance with ASIC Legislative Instrument 2016/191 amounts disclosed in the directors' report and the financial report for the Aventus Group have been rounded off to the nearest hundred thousand dollars, or in certain cases, to the nearest thousand dollars or nearest dollar. AHL Group balances have been rounded to the nearest thousand dollars, or in certain cases to the nearest dollar.

This report is made in accordance with a resolution of the directors of ACL and AHL made pursuant to s306(3) of the Corporations Act 2001.



Darren Holland
Executive Director

Sydney
23 February 2022



Bruce Carter
Chairman

Sydney
23 February 2022



**Building a better
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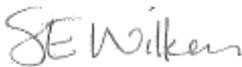
Auditor's independence declaration to the directors of Aventus Capital Limited as the Responsible Entity of Aventus Retail Property Fund and the Directors of Aventus Holdings Limited

As lead auditor for the review of the half-year financial report of Aventus Group 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.

This declaration is in respect of Aventus Retail Property Fund and Aventus Holdings Limited and the entities it controlled during the financial period.


Ernst & Young



St Elmo Wilken
Partner
23 February 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Note	Aventus Group 2021 \$m	Aventus Group 2020 \$m	AHL Group 2021 \$'000	AHL Group 2020 \$'000
Revenue					
Property revenue		90.5	85.4	-	-
Revenue from services		0.9	0.9	9,113	9,720
Other revenue		0.2	0.7	61	572
		91.6	87.0	9,174	10,292
Other income					
Net gain on movement in fair value of investment properties		220.7	45.7	-	-
Share of net profits from associates		2.1	0.3	-	-
Total revenue and other income		314.4	133.0	9,174	10,292
Expenses					
Property expenses		(15.1)	(14.2)	-	-
Finance costs	4	(3.3)	(7.1)	(1,313)	(1,347)
Employee benefits expense		(6.6)	(5.3)	(7,289)	(5,631)
Transaction costs	5	(4.0)	-	(728)	-
Depreciation		(0.6)	(0.6)	(459)	(458)
Other expenses		(2.4)	(2.0)	(1,955)	(2,016)
Total expenses		(32.0)	(29.2)	(11,744)	(9,452)
Profit before income tax					
		282.4	103.8	(2,570)	840
Income tax expense		(0.2)	(0.4)	(199)	(351)
Profit for the period					
		282.2	103.4	(2,769)	489
Other comprehensive income for the period net of tax					
		-	-		-
Total comprehensive income for the period					
		282.2	103.4	(2,769)	489
Profit for the year and total comprehensive income for the period attributable to:					
ARPF		291.0	109.8	-	-
AHL		(8.8)	(6.4)	(2,769)	489
Total		282.2	103.4	(2,769)	489
Earnings per security					
Basic and diluted earnings per security attributable to the securityholders (cents per security)	6	49.5	18.4	(0.5)	0.1

The consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2021

	Note	Aventus Group Dec 2021 \$m	Aventus Group June 2021 \$m	AHL Group Dec 2021 \$'000	AHL Group June 2021 \$'000
Assets					
Current assets					
Cash and cash equivalents		11.1	7.3	3,965	6,410
Trade and other receivables	7	8.9	2.8	2,881	1,663
Rental guarantees		-	1.9	-	-
Other assets		2.5	3.4	1,236	274
Investment properties classified as held for sale		-	42.2	-	-
Total current assets		22.5	57.6	8,082	8,347
Non-current assets					
Derivative financial instruments	12	1.3	-	-	-
Plant and equipment		0.9	0.3	752	208
Right-of-use assets		1.4	1.9	716	1,146
Investments in associates	8	9.4	7.6	-	-
Investment properties	9	2,462.4	2,225.6	-	-
Intangible assets	10	144.2	144.2	186,002	186,002
Deferred tax assets		-	0.2	-	-
Total non-current assets		2,619.6	2,379.8	187,470	187,356
Total assets		2,642.1	2,437.4	195,552	195,703
Liabilities					
Current liabilities					
Trade and other payables		(22.1)	(25.3)	(8,414)	(5,658)
Distributions payable		(28.6)	(24.9)	-	-
Lease liabilities		(0.9)	(1.1)	(750)	(888)
Derivative financial instruments	12	(1.5)	(1.1)	-	-
Current tax liabilities		-	(0.2)	-	(191)
Provision for employee benefits		(0.7)	(0.5)	(720)	(532)
Deferred revenue		(6.1)	(3.1)	-	-
Total current liabilities		(59.9)	(56.2)	(9,884)	(7,269)
Non-current liabilities					
Borrowings	11	(666.4)	(691.8)	(84,941)	(84,941)
Lease liabilities		(0.5)	(0.9)	-	(300)
Derivative financial instruments	12	(2.6)	(7.2)	-	-
Deferred tax liabilities		-	-	(41,782)	(41,560)
Provision for employee benefits		(0.1)	(0.2)	(130)	(180)
Total non-current liabilities		(669.6)	(700.1)	(126,853)	(126,981)
Total liabilities		(729.5)	(756.3)	(136,737)	(134,250)
Net assets		1,912.6	1,681.1	58,815	61,453

**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2021**

	Note	Aventus Group Dec 2021 \$m	Aventus Group June 2021 \$m	AHL Group Dec 2021 \$'000	AHL Group June 2021 \$'000
Equity					
Contributed equity	13	1,152.0	1,147.7	-	-
Reserves		(1.0)	(0.1)	-	-
Retained earnings		796.6	559.9	-	-
Total equity attributable to ARPF		1,947.6	1,707.5	-	-
Contributed equity	13	8.5	8.3	62,858	62,693
Reserves		-	-	(38)	(4)
Accumulated losses		(43.5)	(34.7)	(4,005)	(1,236)
Total equity attributable to AHL		(35.0)	(26.4)	58,815	61,453
Total equity		1,912.6	1,681.1	58,815	61,453

The consolidated balance sheet should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

Aventus Group	Note	ARPF Contributed equity \$m	ARPF Reserves \$m	ARPF Retained earnings \$m	ARPF Total equity \$m	AHL Contributed equity \$m	AHL Reserves \$m	AHL Accumulated losses \$m	AHL Total equity \$m	Aventus Group Total equity \$m
Balance at 1 July 2020		1,118.2	0.9	234.4	1,353.5	6.9	0.1	(20.0)	(13.0)	1,340.5
Profit/(loss) for the period		-	-	109.8	109.8	-	-	(6.4)	(6.4)	103.4
Other comprehensive income		-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the period		-	-	109.8	109.8	-	-	(6.4)	(6.4)	103.4
Issue of securities net of transaction costs		23.4	(1.5)	-	21.9	1.1	(0.1)	-	1.0	22.9
Security based payments		-	0.3	-	0.3	-	-	-	-	0.3
Distributions paid or provided for	14	-	-	(46.2)	(46.2)	-	-	-	-	(46.2)
Balance at 31 December 2020		1,141.6	(0.3)	298.0	1,439.3	8.0	-	(26.4)	(18.4)	1,420.9
Balance at 1 July 2021		1,147.7	(0.1)	559.9	1,707.5	8.3	-	(34.7)	(26.4)	1,681.1
Profit/(loss) for the period		-	-	291.0	291.0	-	-	(8.8)	(8.8)	282.2
Other comprehensive income		-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss) for the period		-	-	291.0	291.0	-	-	(8.8)	(8.8)	282.2
Issue of securities net of transaction costs	13	4.3	(1.2)	-	3.1	0.2	-	-	0.2	3.3
Security based payments		-	0.3	-	0.3	-	-	-	-	0.3
Distributions paid or provided for	14	-	-	(54.3)	(54.3)	-	-	-	-	(54.3)
Balance at 31 December 2021		1,152.0	(1.0)	796.6	1,947.6	8.5	-	(43.5)	(35.0)	1,912.6

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2021

AHL Group		Contributed equity \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
	Note				
Balance at 1 July 2020		61,283	42	305	61,630
Profit for the period		-	-	489	489
Other comprehensive income		-	-	-	-
Total comprehensive profit for the period		-	-	489	489
Issue of securities net of transaction costs		1,130	(69)	-	1,061
Security based payments		-	13	-	13
Dividends paid or provided for		-	-	-	-
Balance at 31 December 2020		62,413	(14)	794	63,193
Balance at 1 July 2021		62,693	(4)	(1,236)	61,453
Loss for the period		-	-	(2,769)	(2,769)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the period		-	-	(2,769)	(2,769)
Issue of securities net of transaction costs	13	165	(45)	-	120
Security based payments		-	11	-	11
Dividends paid or provided for		-	-	-	-
Balance at 31 December 2021		62,858	(38)	(4,005)	58,815

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

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

	Notes	Aventus Group 2021 \$m	Aventus Group 2020 \$m	AHL Group 2021 \$'000	AHL Group 2020 \$'000
Cash flows from operating activities					
Rental and other property revenue received		95.6	95.8	-	-
Receipts from services		0.8	0.8	8,806	11,023
Other revenue received		0.2	0.7	66	630
Payments to suppliers and employees		(29.9)	(28.6)	(11,374)	(8,660)
Finance costs paid		(8.1)	(10.3)	(1,961)	(674)
Transaction costs paid		(0.9)	-	(103)	-
Income tax paid		(0.2)	(0.1)	(168)	(94)
Net cash inflows/(outflows) from operating activities		57.5	58.3	(4,734)	2,225
Cash flows from investing activities					
Proceeds on sale of investment property		42.2	-	-	-
Acquisition of development land		-	(11.6)	-	-
Payments for capital expenditure		(21.8)	(18.4)	-	-
Payment for plant and equipment		(0.7)	-	(573)	(41)
Distributions from associates		0.3	0.3	-	-
Advances to related parties		-	-	-	(5,444)
Repayment of advances to related parties		-	-	-	4,950
Net cash inflows/(outflows) from investing activities		20.0	(29.7)	(573)	(535)
Cash flows from financing activities					
Proceeds from issue of securities		-	20.6	-	-
Security issue transaction costs		-	(0.2)	-	-
Proceeds from borrowings		17.0	23.0	6,500	-
Repayment of borrowings		(42.8)	(66.5)	(3,200)	-
Payment of debt establishment costs		(0.1)	(0.1)	-	-
Distributions paid		(47.3)	(32.8)	-	-
Principal elements of lease payments		(0.5)	(0.5)	(438)	(423)
Net cash inflows/(outflows) from financing activities		(73.7)	(56.5)	2,862	(423)
Net increase/(decrease) in cash and cash equivalents		3.8	(27.9)	(2,445)	1,267
Cash at the beginning of the financial period		7.3	39.2	6,410	3,929
Cash at the end of the financial period		11.1	11.3	3,965	5,196

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

1. Basis of preparation

a) The Aventus Group

The Aventus Group is a stapled entity comprising the Aventus Retail Property Fund (ARPF) (ARSN 608 000 764) and its controlled entities (the ARPF Group) and Aventus Holdings Limited (AHL) (ACN 627 640 180) and its controlled entities (the AHL Group). For financial reporting purposes ARPF has been deemed the parent entity of the Aventus Group. The interim consolidated financial statements of the Aventus Group comprise ARPF and its controlled entities which includes AHL.

The stapled securities of the Aventus Group comprise one unit in ARPF and one share in AHL. Stapled securities cannot be traded or dealt with separately. ARPF and AHL remain separate legal entities in accordance with the Corporations Act 2001.

b) Statement of compliance

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

The interim consolidated financial report does not include all the notes normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 30 June 2021 and public announcements made during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

c) Comparative information

Where necessary, comparative information has been adjusted to conform with changes in presentation in the current period.

d) Excess of current liabilities over current assets

The Aventus Group's current liabilities exceeded its current assets by \$37.4 million at 31 December 2021. The deficiency is mainly attributable to distributions payable of \$28.6 million and deferred revenue of \$6.1 million which are recorded as current liabilities at balance date. Distributions were paid on 4 February 2022. Deferred revenue represents rental income received in advance and will be recognised as revenue in future financial periods.

The AHL Group's current liabilities exceeded its current assets by \$1.8 million primarily due to an intra-entity payable to ARPF in the amount of \$5.5 million. As disclosed in note 19 to the financial statements, as part of the implementation of the Merger with HDN and HMC, all intra-staple loans and payables between ARPF and AHL will be forgiven.

e) New and amended accounting standards adopted

The Aventus Group adopted all of the new and revised accounting standards issued by the Australian Accounting Standards Board that are relevant to its operation and effective for the financial reporting period beginning 1 July 2021.

No changes to accounting policies were required in adopting these new and amended standards and there were no changes to amounts recognised in prior periods.

f) New and amended accounting standards issued but not yet adopted

Certain new accounting standards have been published that are not mandatory for the financial reporting period beginning 1 July 2021 and have not been early adopted by the Aventus Group. These standards are not expected to have a material impact in the current or future reporting periods and on foreseeable future transactions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

2. Critical accounting estimates and judgements

The preparation of the consolidated financial statements requires the use of critical accounting estimates and judgement.

Financial statement balances or transactions involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the consolidated financial statements are outlined below.

Account balance or transaction	Note
Investment properties	9
Goodwill and management rights with an indefinite useful life	10
Derivative financial instruments	12

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events, that may have a financial impact on the Aventus Group and are believed to be reasonable under the circumstances.

The resulting accounting estimates may differ from actual results.

3. Segment information

The Aventus Group

The Aventus Group has only one reportable segment being the investment, management and development of Australian large format retail assets.

The directors of ACL are the chief operating decision makers of the Aventus Group. Information provided to the directors for strategic decision making is consistent with that presented in the financial report.

The AHL Group

The AHL Group has only one reportable segment being the management of Australian large format retail assets.

The directors of AHL are the chief operating decision makers of the AHL Group.

4. Finance costs

	Aventus Group 2021 \$m	Aventus Group 2020 \$m	AHL Group 2021 \$'000	AHL Group 2020 \$'000
Interest expenses	8.3	10.4	1,313	1,347
Amortisation of debt establishment costs	0.4	0.7	-	-
Less: amounts capitalised relating to redevelopment of investment properties	-	(0.3)	-	-
Fair value gains on interest rate swaps	(5.4)	(3.7)	-	-
Finance costs expensed	3.3	7.1	1,313	1,347

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

5. Transaction costs

	Aventus Group 2021 \$m	Aventus Group 2020 \$m	AHL Group 2021 \$'000	AHL Group 2020 \$'000
HomeCo Merger	3.6	-	625	-
MacGregor Home sale	0.2	-	-	-
Other	0.2	-	103	-
Total	4.0	-	728	

6. Earnings per security

	Aventus Group 2021 \$m	Aventus Group 2020 \$m	AHL Group 2021 \$'000	AHL Group 2020 \$'000
Net profit/(loss) for the period	282.2	103.4	(2,769)	489
Weighted average number of securities used in calculating basic and diluted earnings per security (m)	570.6	560.9	570.6	560.9
Basic and diluted earnings per security (cents)	49.5	18.4	(0.5)	0.1

7. Trade and other receivables

	Aventus Group Dec 2021 \$m	Aventus Group June 2021 \$m	AHL Group Dec 2021 \$'000	AHL Group June 2021 \$'000
Current				
Trade receivables	5.6	2.8	2,492	1,038
Expected credit loss allowance	(2.4)	(1.6)	-	-
	3.2	1.2	2,492	1,038
Other receivables	5.7	1.6	389	625
Total	8.9	2.8	2,881	1,663

A reconciliation of the movement in the expected credit loss allowance during the period is as follows:

	Aventus Group 1 July 2021 to 31 Dec 2021 \$m	Aventus Group 1 July 2020 to 30 June 2021 \$m
Balance at the beginning of the financial period	1.6	6.7
Increase in loss allowance recognised in profit or loss during the period	4.0	1.3
Receivables written off during the period as uncollectable	(3.2)	(6.4)
Balance at the end of the financial period	2.4	1.6

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

8. Investments in associates

	Ownership interest Dec 2021	Ownership interest June 2021	Aventus Group Dec 2021 \$m	Aventus Group June 2021 \$m
Non-current				
Investment in Aventus Property Syndicate 1 Fund (APS 1)	25.3%	25.3%	9.4	7.6

The principal activity of APS 1 is the ownership of McGraths Hill Home.

The movement in the carrying amount of the investment during the period is as follows:

	Aventus Group 1 July 2021 to 31 Dec 2021 \$m	Aventus Group 1 July 2020 to 30 June 2021 \$m
Balance at the beginning of the period	7.6	5.8
Equity accounted gain for the period	2.1	2.4
Distributions	(0.3)	(0.6)
Balance at the end of the period	9.4	7.6

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

9. Investment properties

Property	Independent valuation date	Independent valuation \$m	Aventus Group Dec 2021 \$m	Aventus Group June 2021 \$m
Ballarat Home	31 Dec 2021	50.5	50.5	46.5
Bankstown Home	31 Dec 2021	89.0	89.0	78.0
Belrose Super Centre	31 Dec 2021	220.0	220.0	202.0
Caringbah Super Centre	31 Dec 2021	164.7	164.7	152.2
Hills Super Centre	31 Dec 2021	390.0	390.0	354.0
Cranbourne Home	31 Dec 2021	202.0	202.0	175.5
Epping Hub	31 Dec 2021	67.5	67.5	64.0
Highlands Hub	31 Dec 2021	46.0	46.0	44.0
Jindalee Home	31 Dec 2021	175.9	175.9	163.3
Kotara Home (South)	31 Dec 2021	161.0	161.0	137.0
Logan Super Centre	31 Dec 2021	115.0	115.0	107.0
MacGregor Home	N/A	-	-	42.2
Marsden Park Home	31 Dec 2021	122.0	122.0	108.2
Midland Home	31 Dec 2021	74.0	74.0	67.0
Mile End Home	31 Dec 2021	140.0	140.0	127.5
Peninsula Home	31 Dec 2021	128.0	128.0	115.0
Sunshine Coast Home	31 Dec 2021	132.0	132.0	121.0
Tuggerah Super Centre	31 Dec 2021	126.8	126.8	110.8
Warners Bay Home	31 Dec 2021	58.0	58.0	54.5
		2,462.4	2,462.4	2,269.7
Less MacGregor Home classified as investment properties held for sale			-	(42.2)
Less amounts classified as rental guarantees			-	(1.9)
			2,462.4	2,225.6

A reconciliation of the movement in the carrying value of investment properties for the period is as follows:

	Aventus Group 1 July 2021 to 31 Dec 2021 \$m	Aventus Group 1 July 2020 to 30 June 2021 \$m
Balance at the beginning of the period	2,225.6	1,930.3
Acquisition of development land	-	12.2
MacGregor Home reclassified as investment properties held for sale	-	(42.2)
Capitalised expenditure	17.0	31.5
Straight-lining of rental income	(0.9)	(3.5)
Net gain on movement in fair value of investment properties	220.7	297.3
Balance at the end of the period	2,462.4	2,225.6

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

10. Intangible assets

	Aventus Group Dec 2021 \$m	Aventus Group June 2021 \$m	AHL Group Dec 2021 \$'000	AHL Group June 2021 \$'000
Goodwill	140.4	140.4	42,923	42,923
Management rights	3.8	3.8	143,079	143,079
	144.2	144.2	186,002	186,002

11. Borrowings

	Aventus Group Dec 2021 \$m	Aventus Group June 2021 \$m	AHL Group Dec 2021 \$'000	AHL Group June 2021 \$'000
Non-current				
<i>Secured</i>				
Syndicated bank debt facility	-	-	-	-
Syndicated loan note facility	160.0	160.0	-	-
Bi-lateral bank debt facilities	509.2	534.9	-	-
Less: unamortised transaction costs	(2.8)	(3.1)	-	-
	666.4	691.8	-	-
<i>Unsecured</i>				
Interest bearing loan – ARPF	-	-	84,941	84,941
Total	666.4	691.8	84,941	84,941

a) Financing arrangements

At 31 December 2021 and 30 June 2021 the Aventus Group had access to the following undrawn debt:

	Dec 2021			June 2021		
	Limit \$m	Drawn \$m	Undrawn \$m	Limit \$m	Drawn \$m	Undrawn \$m
Bi-lateral bank debt facilities	660.0	509.2	150.8	660.0	534.9	125.1
Syndicated loan note facility	160.0	160.0	-	160.0	160.0	-
Total	820.0	669.2	150.8	820.0	694.9	125.1

Undrawn debt under the bi-lateral bank debt facilities may be drawn at any time.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

11. Borrowings

b) Compliance with debt covenants

The Aventus Group has complied with the financial covenants of its borrowing facilities during the period ended 31 December 2021.

12. Derivative financial instruments

	Aventus Group Dec 2021 \$m	Aventus Group June 2021 \$m	AHL Group Dec 2021 \$'000	AHL Group June 2021 \$'000
Non-current assets				
Interest rate swaps	1.3	-	-	-
Current liabilities				
Interest rate swaps	1.5	1.1	-	-
Non-current liabilities				
Interest rate swaps	2.6	7.2	-	-

The Aventus Group utilises interest rate swaps to partially hedge against interest rate fluctuations.

As at 31 December 2021 the Aventus Group had entered into interest swap agreements totalling \$340.0 million (30 June 2021: \$360.0 million) representing 50.8% of drawn debt (30 June 2021: 51.8%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

13. Contributed equity

	Aventus Group Dec 2021 \$m	Aventus Group June 2021 \$m	AHL Group Dec 2021 \$'000	AHL Group June 2021 \$'000
571,366,881 fully paid stapled securities (30 June 2021: 569,986,504)				
ARPF	1,152.0	1,147.7	-	-
AHL	8.5	8.3	62,858	62,693
Total	1,160.5	1,156.0	62,858	62,693

A reconciliation of the movement in contributed equity of the Aventus Group is as follows:

Aventus Group	1 July 2021 to 31 Dec 2021 Securities	1 July 2020 to 30 June 2021 Securities	1 July 2021 to 31 Dec 2021 \$m	1 July 2020 to 30 June 2021 \$m
Balance at the beginning of the period	569,986,504	557,117,635	1,156.0	1,125.1
Securities issued in accordance with underwriting the distribution reinvestment plan	-	8,804,226	-	20.6
Securities issued in accordance with the distribution reinvestment plan	1,012,333	3,419,509	3.3	8.9
Securities issued in accordance with the executive incentive scheme and employee security scheme	368,044	645,134	1.2	1.5
Security issue costs	-	-	-	(0.1)
Balance at the end of the period	571,366,881	569,986,504	1,160.5	1,156.0

A reconciliation of the movement in contributed equity of the AHL Group is as follows:

AHL Group	1 July 2021 to 31 Dec 2021 Securities	1 July 2020 to 30 June 2021 Securities	1 July 2021 to 31 Dec 2021 \$m	1 July 2020 to 30 June 2021 \$m
Balance at the beginning of the period	569,986,504	557,117,635	62,693	61,283
Securities issued in accordance with underwriting the distribution reinvestment plan	-	8,804,226	-	948
Securities issued in accordance with the distribution reinvestment plan	1,012,333	3,419,509	120	397
Securities issued in accordance with the executive incentive scheme and employee security scheme	368,044	645,134	45	70
Security issue costs	-	-	-	(5)
Balance at the end of the period	571,366,881	569,986,504	62,858	62,693

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

14. Distributions

	Aventus Group 2021 Distribution cents	Aventus Group 2021 Distribution \$m	Aventus Group 2020 Distribution cents	Aventus Group 2020 Distribution \$m
Fully paid ordinary securities				
September quarter	4.50	25.7	4.00	22.3
December quarter	5.00	28.6	4.20	23.9
Total	9.50	54.3	8.20	46.2

Distribution reinvestment plan (DRP)

For the period 1 July 2021 to 30 September 2021 the Aventus Group operated a DRP under which securityholders may elect to reinvest all or part of their distributions or dividends in new stapled securities rather than being paid in cash. The last date for the receipt of an election notice for participation in the DRP is the next business day after the record date for the respective distribution or dividend. The DRP price is determined as the average of the daily volume weighted average price of the stapled securities sold on the Australian Securities Exchange during a ten-day trading period prior to the payment date for the distribution or dividend, less a discount (if any). The DRP unit price for the quarter ended 30 September 2021 did not include a discount.

The DRP was suspended during the period 1 October 2021 to 31 December 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

15. Fair value measurement of financial instruments

Aventus Group

a) Financial assets and liabilities measured at fair value on a recurring basis

To provide an indication about the reliability of inputs used in determining fair value, the Aventus Group classifies its financial assets and liabilities into three levels prescribed under accounting standards. An explanation of each level is outlined below:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Inputs for the asset or liability are not based on observable market data (unobservable inputs).

The following table summarises the Aventus Group's financial assets and liabilities measured and recognised at fair value on a recurring basis:

Aventus Group	Note	Level 2	
		Dec 2021 \$m	June 2021 \$m
Financial assets			
Derivative financial instruments	12	1.3	-
Financial liabilities			
Derivative financial instruments	12	4.1	8.3

The Aventus Group did not measure any financial assets or liabilities at fair value on a non-recurring basis as at 31 December 2021 or 30 June 2021.

Valuation techniques used to derive level 2 fair values

The only level 2 assets or liabilities measured at fair value are interest rate swaps.

The fair value of interest rate swaps is estimated using the discounted cash flow technique. Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

b) Assets and liabilities not measured at fair value

The Aventus Group and AHL Group have a number of financial assets and liabilities which are not measured at fair value in the consolidated balance sheet. The fair values of these assets and liabilities are not materially different to their carrying amounts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

16. Contingencies

	Aventus Group Dec 2021 \$m	Aventus Group June 2021 \$m	AHL Group Dec 2021 \$'000	AHL Group June 2021 \$'000
Bank guarantees	1.6	1.6	-	-
Advisory fees	7.8	-	-	-
Employee benefits	3.5	-	3,549	-
	12.9	1.6	3,549	-

Bank guarantees

ARPF has a \$5.0 million bank guarantee facility which expires in July 2023. At 31 December 2021 and 30 June 2021 \$4.1m of bank guarantees had been issued including a:

- \$1.1 million guarantee relating to the redevelopment of investment properties.
- \$0.5 million relating to the lease of office premises.
- \$2.5 million guarantee provided to ACL in relation to its Australian Financial Services Licence. The guarantee has been eliminated on consolidation of the Aventus Group and represents a contingent asset of ACL.

Advisory fees

At 31 December 2021 advisory fees of approximately \$7.8 million were contingent upon the implementation of the Merger with HDN and HMC.

Employee benefits

At 31 December 2021 employee benefits of \$3.5 million were contingent upon the implementation of the Merger with HDN and HMC.

17. Commitments

Development expenditure

Development expenditure contracted for at balance date but not recognised as liabilities is as follows:

	Aventus Group Dec 2021 \$m	Aventus Group June 2021 \$m	AHL Group Dec 2021 \$'000	AHL Group June 2021 \$'000
Development expenditure	1.0	2.9	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

18. Significant contract terms and conditions

Kotara Home call option and pre-emptive deed

The Aventus Group's Kotara Home (South) property (Kotara South) is adjacent to another property (Kotara North) which is owned by an entity associated with Brett Blundy. The respective owners have entered into the Kotara Call Option and Pre-emptive Deed under which:

- > The owner of Kotara South grants to the owner of Kotara North a call option to acquire Kotara South (Call Option); and
- > The owner of Kotara North and the owner of Kotara South have each granted the other reciprocal pre-emptive rights in the event that either of them wishes to sell their respective Kotara properties (Pre-emptive Right).

Further information relating to the Call Option and the Pre-emptive Right is outlined below.

Call option

Where as a result of a vote of securityholders, there is a change of the responsible entity of ARPF to an entity who is not a member of the Aventus Property Group (Call Option Event) the following process will apply:

- > The owner of Kotara North may require a valuation to be conducted on Kotara South, with two independent valuers to be appointed – one by the owner of Kotara North Owner and one by the new responsible entity;
- > the purchase price for Kotara South will be the average of the two valuations; and
- > upon receipt of those valuations, the owner of Kotara North may exercise the call option and purchase Kotara South for the relevant purchase price so determined.

Pre-emptive right

Under the pre-emptive right, where an owner wishes to deal with their Kotara property, it must give notice to the other owner of the proposed sale terms which will constitute an offer to the relevant recipient to acquire the selling owner's Kotara property. The owner will have 40 days to accept those sale terms. If the offer is not accepted, then the owner selling its Kotara asset may sell to another third party within six months on terms and at a price that are no more favourable to the proposed purchaser than the terms offered under the pre-emptive right.

19. Events occurring after the reporting period

Update on the Merger of Aventus Group with HDN and HMC

On 18 October 2021 the Aventus Group announced it had entered into a Scheme Implementation Deed (SID) to implement a merger with HDN and HMC (the Merger). The Merger was subsequently approved by HDN and Aventus securityholders on 24 January 2022 and 25 January 2022 respectively.

Key events expected to occur as part of the implementation of the Merger include:

- Aventus securities, comprising units in ARPF and shares in AHL will be unstapled.
- HDN will acquire 100% of units in ARPF and HMC will acquire 100% of shares in AHL.
- As consideration Aventus security holders will receive 2.20 HDN units and either \$0.285 in cash or 0.038 HMC securities for each Aventus security.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

19. Events occurring after the reporting period

- The Aventus Group will be delisted from the Australian Securities Exchange (ASX).
- All secured ARPF debt facilities will be repaid by HDN and all ARPF debt facilities will be terminated.
- The intra-staple loan and payables between ARPF and AHL will be forgiven.
- All interest rate swaps will either be terminated or novated to HDN.
- Darren Holland and Lawrence Wong will both be offered positions as Chief Executive Officer and Chief Financial Officer of HDN respectively.
- Darren Holland, Robyn Stubbs, and Bruce Carter are expected to be offered positions on the board of HMC Funds Management Pty Limited (HDN Trustee). It is intended Bruce Carter will remain on the HDN Trustee board until December 2022 to facilitate a smooth transition.

As announced on 18 February 2022 the expected implementation date of the Merger is 4 March 2022.

COVID-19 pandemic

Despite the Aventus Group performing strongly during the period ended 31 December 2021 uncertainty exists subsequent to balance date due to the ongoing COVID-19 pandemic. Directors and management are monitoring key developments and will continue to mitigate the impacts of the pandemic on the business and our people where possible. At the date of the financial report the future impact of the pandemic on the Aventus Group is unknown. In the event the impacts of the pandemic are more severe or prolonged than anticipated this may have an adverse impact on the financial position and performance of the Aventus Group and AHL Group in future financial periods.

There has not been any other matter or circumstance occurring subsequent to the end of the financial period that has significantly affected, or may significantly affect, the operations of the Aventus Group or AHL Group, the results of those operations, or the state of affairs of the Aventus Group or AHL Group in future financial years.

DIRECTORS' DECLARATION

In the opinion of the directors of ACL and AHL:

- a) the consolidated financial statements and notes of ARPF and AHL are in accordance with the Corporations Act 2001, including:
 - i. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
 - ii. giving a true and fair view of the consolidated financial position of the Aventus Group and AHL Group as at 31 December 2021 and of their performance for the half year ended on that date, and
- b) there are reasonable grounds to believe that ARPF and AHL will be able to pay their debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors of ACL and AHL made pursuant to s303(5) of the Corporations Act 2001.



Darren Holland
Executive Director

Sydney
23 February 2022



Bruce Carter
Chairman

Sydney
23 February 2022



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Independent Auditor's Review Report to the members of Aventus Group Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Aventus Group (collectively the Group), which comprises Aventus Retail Property Fund (the Fund) and its controlled entities, and Aventus Holdings Limited (the Company or AHL) and its controlled entities, which comprises of the Group and AHL consolidated statements of financial position as at 31 December 2021, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group and AHL is not in accordance with the *Corporations Act 2001*, including:

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

Directors' Responsibility 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 Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's and the Company's financial position as at



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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.

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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

St Elmo Wilken

St Elmo Wilken

Partner

Sydney

23 February 2022