

## Appendix 4D

**Korvest Ltd**  
**ABN 20 007 698 106**

### Half-Year Financial Report 31 December 2021

#### Results for announcement to the market:

\$A'000

Revenues from ordinary activities	<b>Up 58.2%</b>	to	<b>51,580</b>
Net profit after tax for the period attributable to members	<b>Up 148.2%</b>	to	<b>7,036</b>
<b>Dividends</b>	Amount per security	Franked amount per security	
Proposed interim dividend (#)			
- current reporting period	<b>25.0¢</b>		<b>25.0¢</b>
- previous corresponding period	15.0¢		15.0¢
Paid final dividend (##)			
- current reporting period	<b>20.0¢</b>		<b>20.0¢</b>
- previous corresponding period	13.0¢		13.0¢
<p># Interim dividend proposed in respect of the current reporting period. The financial effect of this dividend will be recognised in the next reporting period. ## Final dividend is paid during the first-half reporting period and relates to the second half of the prior financial year</p>			
Record date for determining entitlements to the dividend	<b>18 February 2022</b>		
<p>Brief explanation of any of the figures reported above and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:</p> <p style="text-align: center;"><b>Refer Directors' report on pages 2 to 4 of this financial report.</b></p>			

This financial report is all the half-year information provided to the Australian Stock Exchange under listing rule 4.2A. The report also satisfies the half-year reporting requirements of the Corporations Act 2001.

**This half-year financial report should be read in conjunction with the 2021 annual financial report.**

## Korvest Ltd Directors' Report

The Directors present their report together with the financial report of Korvest Ltd ("the Company") and its subsidiaries ("the Group") for the half-year ended 31 December 2021 and the auditor's review report thereon.

### Directors

The Directors of the Company at any time during or since the end of the half-year are:

**Andrew Stobart** B. Eng (Hons), Grad Dip Bus Admin, GAICD  
Chairman – appointed 31 August 2021  
Independent Non-Executive Director  
A Director since August 2016  
Former Executive Chairman Nexans Olex Australia & New Zealand

**Chris Hartwig** BA(Acc), MAICD  
Managing Director  
Appointed 28 February 2018  
Director Galvanising Association of Australia

**Gary Francis** BSc. (Hons) (Civil), MAICD  
Independent Non-Executive Director  
Chairman of Remuneration Committee  
A Director since February 2014

**Gerard Hutchinson** MBA, MBL, MSc(IS), BEc, MA (research), FCA, FAICD, FAIM  
Independent Non-Executive Director  
Chairman of Audit Committee  
Chief Financial Officer for Elegancia Group  
A Director since November 2014

**Therese Ryan** LLB, GAICD  
Independent Non-Executive Director – appointed 1 September 2021  
Director Bapcor Limited

**Steven McGregor** BA (Acc), FCA, AGIA, ACG  
Finance Director  
A Director since January 2009  
Company Secretary since April 2008

**Graeme Billings** BCom, FCA, MAICD  
Chairman – appointed 18 September 2014  
Independent Non-Executive Director  
A Director since May 2013  
Retired as Director and Chairman 31 August 2021

### Result

The profit for the half-year attributable to the members of the Company was:

<i>In thousands of AUD</i>	31 Dec 21	31 Dec 20
Profit after income tax expense	7,036	2,835
Net profit attributable to owners of the Company	7,036	2,835

## Korvest Ltd Directors' Report

### Other Ratios

	31 Dec 21	31 Dec 20
<b>Net tangible asset (NTA) backing</b>		
Net tangible assets per ordinary share	\$3.08	\$2.65
Profit before tax / revenue (excluding JobKeeper)	18.8%	6.9%
Profit before tax / total revenue (including JobKeeper)	18.8%	11.9%
Profit after tax / equity interests	17.2%	8.3%

### Review of Operations

Revenue from trading operations increased by 58.2% to \$51.6 million primarily as a result of a concentration of large project work in the Industrial Products segment. In August, the Power Step and Titan Technologies businesses were sold realising a pre-tax profit on sale of \$0.74 million net of selling costs.

#### COVID-19

The Group did experience some COVID-related impacts during the first half. The most significant impact has been the disruptions to global supply chains that have been widely reported. For Korvest this has meant delayed overseas shipments together with very significant increases in the freight cost to import goods.

In January 2022 we are now seeing workforce disruptions as staff are required to isolate as either COVID cases or close contacts of a COVID case.

#### Industrial Products

The EzyStrut business had a very strong first half. This business generally supplies either one or two major projects at any given time however, in the current half, four major projects were supplied. As a result, the contribution from major projects was higher compared to the PCP. Furthermore, the small project and day-to-day market also improved when compared to the PCP with all states experiencing improved revenue. It should be noted that significant input cost increases (steel and freight) required EzyStrut to pass these onto customers via price rises and these have also contributed to the increase in revenue.

Inventory increased during the first half due to a combination of higher raw material costs, projects items and increased holdings to mitigate COVID-19 related supply chain risks.

#### Production

The Galvanising business also had a very strong half with overall volumes almost reaching the record level for the last decade. Galvanising benefited from the strong EzyStrut trading as all of the EzyStrut major projects utilise galvanised product. This resulted in record internal tonnes for the half. External tonnes were marginally below the levels that have been achieved in recent halves although the average sell price was higher than it was in the PCP. Price rises to customers were required to counteract the cost of zinc which increased by 23% in Australian dollar terms during the half.

### Dividends

On 21<sup>st</sup> January 2022 the Directors announced a fully franked interim dividend of 25.0 cents per share.

The Dividend Reinvestment Plan (DRP) will not operate for the interim dividend. The dividend will be paid on 4 March 2022 and the record date is 18 February 2022.

**Korvest Ltd**  
**Directors' Report**

**Events Subsequent to Reporting Date**

No matter or circumstance has occurred subsequent to 31 December 2021 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 subsequent years.

**2022 Outlook**

Korvest begins the second half with a strong order book of major infrastructure project work. However, it is not expected that project work in the second half will match the record levels delivered in the first half. The small project and day-to-day markets are expected to maintain recent activity levels. Considering these factors, prior to the potential impacts of COVID-19 mentioned below, it is expected that the second half result will be more comparable with 2H FY21 than with 1H FY22.

The significant unknown is what the impact of the COVID-19 pandemic will be on Korvest's operations and customer base over the remainder of the financial year. Like most other businesses, Korvest has experienced workforce disruption in January with workers being unable to attend work due to contracting COVID-19 or being a close contact. It is not possible to estimate the impact on trading over the next 3-6 months that any ongoing workforce disruptions will have.

From a longer term perspective, the infrastructure pipeline for the next 3-5 years remains strong. Therefore, Korvest's market opportunities remain strong over that period.

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

The lead auditor's independence declaration is set out on page 5 and forms part of the Directors' report for the half-year ended 31 December 2021.

**Rounding Off**

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that Instrument, amounts in the financial report and Directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Dated at Kilburn this 21st day of January 2022.

Signed in accordance with a resolution of the Directors:

A handwritten signature in black ink, appearing to read 'A Stobart', is written over a light grey rectangular background.

**A Stobart**  
Chairman



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

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To the Directors of Korvest Ltd

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

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.



KPMG

Paul Cenko  
Partner

Adelaide

21 January 2022

**Korvest Ltd****Condensed consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2021**

<i>In thousands of AUD</i>	Note	<b>31 Dec 21</b>	<b>31 Dec 20</b>
Revenue	6(a)	51,580	32,612
Other income		10	-
Profit on sale of subsidiaries	11	815	-
JobKeeper income		-	1,864
Expenses excluding net financing costs	6(b)	(42,670)	(30,319)
<b>Results from operating activities excluding net financing income</b>		<b>9,735</b>	<b>4,157</b>
Finance income		6	10
Finance costs – lease liability interest		(83)	(63)
<b>Net finance income / (expense)</b>		<b>(77)</b>	<b>(53)</b>
<b>Profit before income tax</b>		<b>9,658</b>	<b>4,104</b>
Income tax expense		(2,622)	(1,269)
<b>Net profit for the period</b>		<b>7,036</b>	<b>2,835</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>7,036</b>	<b>2,835</b>
<b>Attributable to:</b>			
Owners of the Company		7,036	2,835
<b>Earnings per share</b>			
Basic earnings per share		61.5¢	25.1¢
Diluted earnings per share		61.0¢	24.9¢

The Condensed consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes set out on pages 10 to 15.

**Korvest Ltd**
**Condensed consolidated statement of changes in equity for the half-year ended 31 December 2021**

<i>In thousands of AUD</i>	Share capital	Equity compens- ation reserve	Asset revaluation reserve	Profits reserve	Retained earnings / (loss)	Total
Balance at 1 July 2021	14,268	758	4,393	16,506	-	35,925
Total comprehensive income for the period						
Profit for the period	-	-	-	-	7,036	7,036
Total comprehensive income for the period	-	-	-	-	7,036	7,036
Transactions with owners of the Company recognised directly in equity						
Shares issues under share plans	32	155	-	-	-	187
Dividends paid	-	-	-	(2,288)	-	(2,288)
Total transactions with owners of the Company	32	155	-	(2,288)	-	(2,101)
Transfer to the profits reserve	-	-	-	7,036	(7,036)	-
Balance at 31 December 2021	<b>14,300</b>	<b>913</b>	<b>4,393</b>	<b>21,254</b>	<b>-</b>	<b>40,860</b>
Balance at 1 July 2020	14,202	433	4,393	13,621	-	32,649
Total comprehensive income for the period						
Profit for the period	-	-	-	-	2,835	2,835
Total comprehensive income for the period	-	-	-	-	2,835	2,835
Transactions with owners of the Company recognised directly in equity						
Shares issues under share plans	30	152	-	-	-	182
Dividends paid	-	-	-	(1,470)	-	(1,470)
Total transactions with owners of the Company	30	152	-	(1,470)	-	(1,288)
Transfer to the profits reserve	-	-	-	2,835	(2,835)	-
Balance at 31 December 2020	<b>14,232</b>	<b>585</b>	<b>4,393</b>	<b>14,986</b>	<b>-</b>	<b>34,196</b>

The Condensed consolidated statement of changes in equity is to be read in conjunction with the notes set out on pages 10 to 15.

**Korvest Ltd**
**Condensed consolidated statement of financial position as at 31 December 2021**

<i>In thousands of AUD</i>	Note	<b>31 Dec 21</b>	<b>30 Jun 21</b>
<b>Current Assets</b>			
Cash and cash equivalents		2,575	6,690
Investments		275	275
Trade and other receivables	10	17,471	14,153
Prepayments		526	304
Inventories		17,705	12,445
<b>Total current assets</b>		<b>38,552</b>	<b>33,867</b>
<b>Non-Current Assets</b>			
Property, plant and equipment		16,834	16,589
Right-of-use asset		5,627	6,068
<b>Total non-current assets</b>		<b>22,461</b>	<b>22,657</b>
<b>Total assets</b>		<b>61,013</b>	<b>56,524</b>
<b>Current Liabilities</b>			
Trade and other payables		8,071	8,461
Employee benefits		2,871	2,925
Tax payable		1,632	1,217
Lease liabilities		794	787
Provisions		-	46
<b>Total current liabilities</b>		<b>13,368</b>	<b>13,436</b>
<b>Non-Current Liabilities</b>			
Deferred tax liabilities		1,001	1,016
Employee benefits		242	208
Lease liabilities		5,050	5,447
Provisions		492	492
<b>Total non-current liabilities</b>		<b>6,785</b>	<b>7,163</b>
<b>Total liabilities</b>		<b>20,153</b>	<b>20,599</b>
<b>Net assets</b>		<b>40,860</b>	<b>35,925</b>
<b>Equity</b>			
Issued capital	12	14,300	14,268
Retained earnings		-	-
Reserves		26,560	21,657
<b>Total equity attributable to owners of the Company</b>		<b>40,860</b>	<b>35,925</b>
<b>Total equity</b>		<b>40,860</b>	<b>35,925</b>

The Condensed consolidated statement of financial position is to be read in conjunction with the notes set out on pages 10 to 15.

**Korvest Ltd****Condensed consolidated statement of cash flows for the half-year ended 31 December 2021**

<i>In thousands of AUD</i>	Note	31 Dec 21	31 Dec 20
<b>Cash flows from operating activities</b>			
Cash receipts from customers		55,397	37,263
Cash receipts from JobKeeper		-	2,386
Cash payments paid to suppliers and employees		(54,433)	(35,567)
Interest received		6	10
Interest paid lease liabilities		(83)	(63)
Income taxes received / (paid)		(2,268)	(1,291)
<b>Net cash provided by / (used in) operating activities</b>		<b>(1,381)</b>	<b>2,738</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment		20	1
Proceeds from sale of subsidiaries		880	-
Acquisition of property, plant and equipment		(956)	(1,219)
<b>Net cash used in investing activities</b>		<b>(56)</b>	<b>(1,218)</b>
<b>Cash flows from financing activities</b>			
Transaction costs related to the issue of share capital		(3)	(3)
Payment of lease liabilities		(387)	(401)
Dividends paid		(2,288)	(1,470)
<b>Net cash used in financing activities</b>		<b>(2,678)</b>	<b>(1,874)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(4,115)</b>	<b>(354)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>6,690</b>	<b>6,470</b>
<b>Cash and cash equivalents at 31 December</b>		<b>2,575</b>	<b>6,116</b>

The condensed consolidated statement of cash flows is to be read in conjunction with the notes set out on pages 10 to 15.



**Korvest Ltd – 31 December 2021 Interim Consolidated Financial Report**  
**Notes to the Condensed Interim Consolidated Financial Report**

<b>6. Revenues and Expenses (cont)</b>	<b>31 Dec 21</b>	<b>31 Dec 20</b>
<b>(b) Expenses</b>		<b>Restated*</b>
Costs of goods and services sold	32,043	21,140
Sales, marketing and warehousing expenses	6,845	6,347
Distribution expenses	2,115	1,365
Administration expenses	1,660	1,459
Bad and doubtful debts expense net of reimbursement right	7	8
	<b>42,670</b>	<b>30,319</b>

\* In the prior period financial report distribution expenses included inward freight costs of \$1,075,000. In the current period inward freight costs have been included within cost of goods sold. The prior period cost of goods sold disclosed above has been increased and the distribution expenses decreased by \$1,075,000 for comparability purposes.

<b>(c) Depreciation</b>	<b>31 Dec 21</b>	<b>31 Dec 20</b>
Buildings	37	37
Plant and equipment	592	624
Total depreciation of property, plant and equipment	<b>629</b>	<b>661</b>
Right-of-use assets	437	443

**7. Segment disclosures**

The Group has two reportable segments. The business is organised based on products and services. The following summary describes the operations in each of the Group's reportable segments.

- Industrial Products - includes the manufacture of electrical and cable support systems and steel fabrication. It includes the businesses trading under the EzyStrut, Power Step and Titan Technologies names.
- Production – represents the Korvest Galvanising business, which provides hot dip galvanising services.

Both reportable segments consist of the aggregation of a number of operating segments in accordance with AASB 8 *Operating Segments*.

Information regarding the operations of each reportable segment is included below in the manner reported to the chief operating decision maker as defined in AASB 8. Performance is measured based on segment earnings before interest and tax (EBIT). Inter-segment transactions are not recorded as revenue. Instead a cost allocation relating to the transactions is made based on negotiated rates.

**Information about reportable segments**

	Industrial Products		Production		Total	
<i>In thousands of AUD</i>	31 Dec 21	31 Dec 20	31 Dec 21	31 Dec 20	31 Dec 21	31 Dec 20
Sales Revenues	47,767	29,466	3,813	3,146	51,580	32,612
Reportable segment profit before tax	8,598	2,405	892	292	9,490	2,697
Reportable segment assets	37,941	23,756	5,463	5,287	43,404	29,043

**Korvest Ltd – 31 December 2021 Interim Consolidated Financial Report**  
**Notes to the Condensed Interim Consolidated Financial Report**

**7. Segment Disclosures (cont)**

**Reconciliation of reportable segment profit and assets**

<i>In thousands of AUD</i>	<b>31 Dec 21</b>	<b>31 Dec 20</b>
<b>Profit</b>		
Total profit or (loss) for reportable segments	9,490	2,697
JobKeeper income	-	1,864
Profit on sale of subsidiaries	815	-
Unallocated amounts – other corporate expenses	(647)	(457)
Profit / (loss) before income tax	<u>9,658</u>	<u>4,104</u>
<b>Assets</b>		
Total assets for reportable segments	43,404	29,043
Land and buildings	8,122	8,195
Right-of-use assets	5,627	4,208
Cash and investments	2,850	6,391
Unallocated amounts – other assets	1,010	1,340
Total assets	<u>61,013</u>	<u>49,177</u>

**Geographical segments**

The Group operates predominantly in Australia.

**Customers**

No single customer represented more than 10% of the Group's total revenue. In the six months to 31 December 2020 revenues from one customer in the Industrial Products segment represented approximately \$3,271,000 (10%) of the Group's total revenues.

**8. Write-down of obsolete inventory**

During the six months ended 31 December 2021 the Group decreased its obsolescence provision against inventory by \$645,000. The reduction in the current year provision related to the inventory held in the subsidiaries that were sold during the period, with the profit impact included in profit on sale of subsidiaries. Refer Note 11.

**9. Property, plant and equipment**

*Acquisitions and disposals*

During the six months ended 31 December 2021, the Company acquired assets with a cost of \$956,000 (six months ended 31 December 2020: \$1,219,000). No assets were acquired through business combinations. Assets with a net book value of \$11,000 were disposed of during the six months ended 31 December 2021 (six months ended 31 December 2020: \$nil), resulting in a \$10,000 profit on disposal (six months ended 31 December 2020: \$1,000 profit).

*Capital commitments*

The Company has capital commitments of \$1,025,000 at 31 December 2021 (30 June 2021: \$650,000).

**10. Trade receivables**

*In thousands of AUD*

	<b>31 Dec 21</b>	<b>30 June 21</b>
Trade receivables	17,554	14,230
Less: Allowance for impairment	(149)	(120)
Add: Reimbursement right	66	43
Net trade receivables	<u>17,471</u>	<u>14,153</u>
<b>Net Movement in allowance for impairment</b>		
Balance at 1 July 2021	(77)	
Impairment loss recognised	(6)	
Balance at 31 December 2021	<u>(83)</u>	

**Korvest Ltd – 31 December 2021 Interim Consolidated Financial Report**  
**Notes to the Condensed Interim Consolidated Financial Report**

**11. Sale of subsidiaries**

On 31 August 2021 Power Step (Australia) Pty Ltd and its controlled entity, and Titan Technologies (SE Asia) Pty Ltd were sold. Consideration received was \$880,000. Net assets sold were \$65,000 resulting in a profit on sale of \$815,000 not including costs of \$72,000 that were incurred in selling the business.

The assets and liabilities sold were as follows:

	\$'000
Trade and other receivables	81
Inventory (net of provision)	134
Property, plant and equipment	72
Other assets	15
Deferred tax assets	46
Trade and other payables	(133)
Employee provisions	(102)
Provisions	(48)
<b>Net assets sold</b>	<b>65</b>

**12. Share Capital**

	<b>31 Dec 21</b>	<b>30 June 21</b>
<i>In thousands of AUD</i>		
<b>Issued and paid-up capital</b>		
11,456,205 ordinary shares fully paid (30 June 2021: 11,327,116)	14,300	14,268

100,929 shares were issued under the Korvest Performance Rights Plan, 15,000 shares were recognised under the Korvest Executive Share Plan when the non-recourse loan related to them was repaid and 13,160 shares were issued under the Korvest Employee Share Bonus Plan. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of the winding up of the Company, ordinary shareholders rank after creditors and are fully entitled to any proceeds of liquidation.

**Employee Share Bonus Plan**

The Company issued ordinary shares under the Employee Share Bonus Plan during the period. All employees meeting the service criteria were eligible to participate in the issue. The shares are issued at market value for no consideration. Details of the issue are as follows:

Date of issue	Total number of shares issued	Market value of shares issued \$	Shares issued per participating employee	Number of participating executive directors
<b>31 December 2021</b>				
24 September 2021	13,160	69,880	140	-
<b>31 December 2020</b>				
15 September 2020	15,048	65,760	114	-

Shares issued to employees under the Employee Share Bonus Plan are recognised in equity at the fair value of the shares issued. For the issue made during the period this was \$35,000 (2020: \$33,000). The fair value has been measured consistently with the previous annual report and takes into account that the shares issued are unable to be sold by employees for a period of 7 years after issue.

**Korvest Ltd – 31 December 2021 Interim Consolidated Financial Report**  
**Notes to the Condensed Interim Consolidated Financial Report**

**12. Share Capital (cont)**

**Share-based payment**

In August 2011 the Company established the Korvest Performance Rights Plan. The Plan is designed to provide long term incentives to eligible senior employees in the Company and entitles them to acquire shares in the Company, subject to the successful achievement of specified performance hurdles.

Under the plan, eligible employees are offered Performance Rights which enables the employee to acquire one fully paid ordinary share in the Company for no monetary consideration once the Performance Rights vest. The conditions attached to the Performance Rights are measured over the three year period commencing at the beginning of the financial year in which the Performance Rights are granted. If the performance conditions at the end of the three year period are met, in whole or in part, all or the relevant percentage of the Performance Rights will vest.

A total of 65,230 Performance Rights were issued in October 2021 (2020: 84,814).

*Fair value of Performance Rights granted*

For the Performance Rights issued during the period, half will be tested against an Earning Per Share (EPS) measure whilst the other half will be tested against a Return on Invested Capital (ROIC) measure.

The fair value at grant date was assessed in accordance with AASB 2 *Share Based Payments*. A Black Scholes valuation methodology was used to value both the EPS and ROIC performance rights and the fair value at grant date was \$5.48 per Performance Right. The inputs to the calculations have been set out below.

- a) Exercise price: \$0.00
- b) Vesting period: 3 years
- c) Grant date (for Accounting Standards): 21 October 2021
- d) Expiry date: 30 June 2024
- e) Share price at grant date: \$6.45
- f) Expected price volatility of the Company's shares: 34%
- g) Expected dividend yield: 5.43%
- h) Risk-free interest rate: 1.79%
- i) Restricted period: 2 years (post vesting)

Total expenses arising from share-based transactions recognised during the period as part of employee benefit expense were as follows:

<i>In thousands of AUD</i>	<b>31 Dec 21</b>	<b>31 Dec 20</b>
Performance rights issued under Korvest Performance Rights Plan	155	152
Shares issued under Employee Share Bonus Plan	35	30
	190	182

The previous share plan, the Korvest Ltd Executive Share Plan (ESP) ceased during the period.

The shares issued pursuant to options granted under the ESP were financed by an interest free loan from the Company repayable within twenty years from the proceeds of dividends declared by the Company. These loans were of a non-recourse nature. For accounting purposes these 20 year loans were treated as part of the options to purchase shares until the loan was extinguished at which point the shares were recognised.

During the period the final employee loan was paid out and the shares were recognised.

**Korvest Ltd – 31 December 2021 Interim Consolidated Financial Report**  
**Notes to the Condensed Interim Consolidated Financial Report**

**13. Dividends**

Dividends paid or provided for by the Company in the current period and the previous corresponding period are:

	Cents per share	Total amount \$'000	Franked / unfranked	Date of payment
<b>31 December 2021</b>				
Final – ordinary	20.0	<u>2,288</u>	Franked	3 September 2021
<b>31 December 2020</b>				
Final – ordinary	13.0	<u>1,470</u>	Franked	4 September 2020
<b>Subsequent events</b>				
Since the end of the half-year, the Directors declared the following dividends:				
Interim – ordinary	25.0	<u>2,864</u>	Franked	4 March 2022

The financial effect of these dividends has not been brought to account in this financial report. It will be recognised in the next reporting period.

All dividends paid or declared are fully franked at the tax rate of 30%. The Directors expect that dividends will be fully franked for the foreseeable future.

**14. Financial Instruments**

**Carrying amounts versus fair values**

The fair values of all financial assets and liabilities approximate their carrying amounts.

**15. Contingent Liabilities and Contingent Assets**

There have been no material changes in contingent liabilities or contingent assets since 30 June 2021.

**16. Events Subsequent to Reporting Date**

No matter or circumstance has occurred subsequent to 31 December 2021 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 subsequent years.

**17. Related Parties**

There have been no material changes to arrangements with related parties since 30 June 2021.

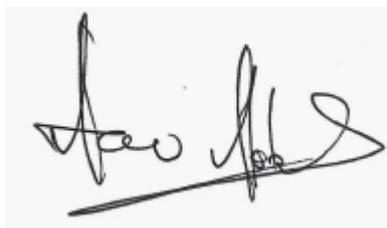
**Korvest Ltd**  
**Directors' Declaration**

In the opinion of the Directors of Korvest Ltd ("the Company"):

- 1 the condensed consolidated financial statements and notes set out on pages 6 to 15, are in accordance with the *Corporations Act 2001*, including:
  - (a) giving a true and fair view of the financial position of the Group as at 31 December 2021 and of its performance, for the half-year ended on that date; and
  - (b) complying with Australian Accounting Standard AASB 134 "*Interim Financial Reporting*" and the Corporations Regulations 2001; and
- 2 there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Kilburn this 21st day of January 2022.

Signed in accordance with a resolution of the Directors:

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

**A Stobart**  
Chairman



# Independent Auditor's Review Report

To the shareholders of Korvest Ltd

## Conclusion

We have reviewed the accompanying **Half-year Financial Report** of Korvest Ltd.

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

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

The **Half-year Financial Report** comprises:

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

The **Group** comprises Korvest Ltd (the Company) and the entities it controlled at the Half year's end or from time to time during the Half-year.

## Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

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



## Responsibilities of the Directors 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*
- 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 does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the Half-Year ended on that date, and complying with *Australian 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.

KPMG

Paul Cenko  
Partner

Adelaide

21 January 2022