Record revenue and maiden dividend despite construction shut-down hurting profits

17 February 2022

Teaminvest Private Group Limited (ASX:TIP) (**Company**) is pleased to announce record Segment Revenue of $75.1m for the half year ended 31 December 2021 (**1H22**) despite the coronavirus related Sydney construction shut-down, which reduced Segment EBITDA to $6.2m.

Dividend

The Company is also pleased to announce a maiden fully franked dividend of 0.25 cents per share. The record date for the dividend is Thursday, 3 March 2022.

Dividend Reinvestment Plan

The dividend is accompanied by a dividend reinvestment plan (**DRP**). The Company intends purchasing shares 'on market' to satisfy the take-up by participating shareholders under the DRP. A copy of the DRP can be found at the Company website (www.teaminvestprivate.com.au). Shareholders who wish to participate in the DRP must make an election to do so online by Thursday 10 March 2022 at: www.computershare.com.au/easyupdate/TIP.

Interim results presentation

The Company's interim investor presentation and Q&A will be held via Zoom at 11am AEDST on Tuesday, 22 February 2022 at the link below:

https://us06web.zoom.us/j/83559924594?pwd=OGRTaWphYXRLblJOYWJLR29ZeUpKQT09

Meeting ID: 835 5992 4594
Passcode: 992761

The Company Appendix 4D and Interim Report (including CEO letter) follow.

For more information, please contact:

Andrew Coleman
Chief Executive Officer
andrew.coleman@tipgroup.com.au
Teaminvest Private Group Limited

1. Company details

Name of entity:	Teaminvest Private Group Limited
ABN:	74 629 045 736
Reporting period:	For the half-year ended 31 December 2021
Previous period:	For the half-year ended 31 December 2020

2. Results for announcement to the market

				$'000
Revenues from ordinary activities	down	7%	to	44,292
Profit from ordinary activities after tax attributable to the owners of Teaminvest Private Group Limited	down	93%	to	218
Profit for the half-year attributable to the owners of Teaminvest Private Group Limited	down	93%	to	218

Dividends
There were no dividends paid, recommended or declared during the current financial period.

Comments
The profit for the Group after providing for income tax amounted to $270,000 (31 December 2020: $3,023,000).

The Group has been impacted by the Coronavirus (COVID-19) construction shutdown in Sydney during July-September. The restrictions led to a reduction in revenue for those months and coincided with inflation of cost prices delivered under fixed contracts, both impacting the Gross Margin on the companies exposed to the construction industry. A subsidiary benefited from the stimulus measures enacted by the NSW state government in relation to COVID-19. The Coronavirus (COVID-19) construction shutdown has significantly impacted the Group’s results and overshadows some strong performances by other companies.

Refer to the 'CEO letter' for further details of operations and commentary on the results.

Other information requiring disclosures to comply with Listing rule 4.2A is contained in, and this Appendix 4D should be read in conjunction with the Interim Financial Report for the half-year ended 31 December 2021.

The information in this Appendix 4D should also be read in conjunction with the Group's 2021 Annual report.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	29.81	29.94

The net tangible assets calculation does not include deferred tax liabilities of $5,500,000 (31 December 2020: $73,000), right-of-use assets of $3,366,000 (31 December 2020: $3,197,000) but includes lease liabilities of $4,335,000 (31 December 2020: $4,327,000).

4. Control gained over entities

Name of entities (or group of entities)	Diversified Growth Management Pty Ltd
Date control gained	12 November 2021

	$'000
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)	232
Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) for the whole of the previous period (where material)	-

5. Loss of control over entities

Not applicable.

6. Dividends

Current period
There was no dividend paid, recommended or declared during the current financial period. Subsequent to the end of the financial period, a dividend of 0.25 cents per share was declared, for payment on 17 March 2022.

Previous period
There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

On 20 December 2021, the board of directors announced a dividend reinvestment plan. Refer to this link to our website for full details.

8. Details of associates and joint venture entities

	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)	
	Reporting period	Previous period	Reporting period	Previous period
Name of associate / joint venture	%	%	$'000	$'000
Colour Capital Pty Ltd	33.30%	33.30%	405	415
Multimedia Technology Pty Ltd	30.00%	30.00%	1,109	602
Teaminvest Private Insurance Services Pty Ltd	50.00%	50.00%	16	8
Wood & Lee Pty Ltd	50.00%	-	11	-
Group's aggregate share of associates and joint venture entities' profit/(loss) (where material)				
Profit/(loss) from ordinary activities after income tax			1,542	1,025

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

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11. Attachments

Details of attachments (if any):

The Interim Report of Teaminvest Private Group Limited for the half-year ended 31 December 2021 is attached.

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12. Signed

As authorised by the Board of Directors

Signed ______________________________ Date: 16 February 2022

Andrew Coleman
Managing Director and Chief Executive Officer
Sydney

Teaminvest Private Group Limited

(ASX:TIP)

ACN 629 045 736

CEO letter

For the half year ended 31 December 2021

Noble purpose: *Transferring knowledge between generations*

Mission: *Assist successful business owners to enhance their legacy; and mentor the next generation of business leaders*

Vision: *To build a society where the knowledge we accumulate over a lifetime isn't lost to retirement, forcing the next generation to learn it all again*

Record revenue despite construction shut-down hurting profits

Teaminvest Private Group Limited (**TIP**) delivered record Segment Revenue of $75.1m for the half year ended 31 December 2021 (**1H22**) despite the coronavirus related Sydney construction shut-down, which reduced Segment EBITDA to $6.2m.

The decline in profitability is disappointing. However our ability to grow revenue in the face of major external shocks shows that our strategy of owning a diversified portfolio of quality assets delivers benefits.

Maiden dividend

With a franking credit balance now exceeding $2.5m, the board is pleased to announce a maiden fully franked dividend of 0.25 cents per share. We have established a dividend reinvestment plan (**DRP**) for those who wish to invest in our future growth, and intend purchasing shares 'on market' to satisfy the take-up.

As a natural acquirer we may need to retain cash for new investments or even "mine shareholders wallets" if a particularly attractive opportunity arises that we cannot fund internally. As we on the board are all shareholders, you can be assured that any decision to request funds will only be made when the opportunity is too good to miss.

Theme for this half

TIP's noble purpose is "Transferring knowledge between generations". We live this purpose by providing mentorship and education to both our Portfolio Companies and Selected Shareholders. I also do my bit for our noble purpose in my CEO letter by including a section to assist the wider market understand our unique business better.

This half I focus on the intersection between medium-sized business investing and diversification. Diversification has particularly profound implications for TIP as an investor in medium-sized businesses. If you are interested in understanding more about how diversification in our target market delivers returns for our shareholders, read on. If not, skip ahead to my discussion of Segment Results on page 3.

The three largest risks and benefits of investing in medium-sized businesses

TIP is exposed to three risks specific to investing in medium sized businesses. These are:

1. **Cultural risk**: with less systemised processes and governance procedures, poor culture or dishonesty can cause greater damage than in a larger business with more checks and balances;
2. **Key person risk:** in a smaller business the loss of a key person can have a larger impact on profitability and operations than in a business with greater depth of management; and
3. **Contract concentration risk:** losing or underperforming on a key contract will have a disproportionate effect on profitability compared to a larger business with more customers and projects.

Since our formation ten years ago in January 2012, we have experienced all three risks. Most of the time we have mitigated the damage and limited the impact. However, since listing in May 2019 three events have necessitated wider discussion in market announcements or in my letter.

- In December 2019, Whites Diesels Australia was placed into voluntary administration following a significant decline in profitability. This decline started when the two former founders of the business exited, taking with them substantial knowledge, customer relationships and leadership skill. Our inability to successfully manage this key person risk cost TIP $0.2m in FY20 (a small amount in terms of the size of our company today, but a much larger proportion of profits at the time!).
- In April 2021 we were impacted by significant cultural issues at Coastal Energy. The subsequent loss of one of its licenses necessitated a major restructure and downsizing. This instance of cultural risk caused an operating loss of $1.5m and a non-operating charge of $5.2m in FY21.
- This half we were impacted by the unprecedented Sydney coronavirus construction shut-down. This caused revenue losses and operational issues at Icon Metal and TIP Residential Group, both of which incurred costs to meet contractual requirements relating to speed of delivery when it was near impossible to get on-site. These resulted in a $2.3m impact to our results this half: $1.3m directly attributable to the shut-down period, and $1.0m due to the flow-on effects.

For assuming these risks we get three valuable upsides not available at the larger end of the market:

1. **Transferring knowledge provides an outsized return**: successful medium-sized businesses usually become successful because their product or service is superior, not because of their systems or management depth. This contrasts with larger businesses which may succeed with poorer product by relying on robust systems or deep management teams. When we improve systems and mentor management in a medium-sized business we achieve outstanding compound growth as the other key ingredient (competitive advantages in product and service) is usually already there and valued by customers.
2. **Being smaller means more room for growth:** medium-sized businesses mostly occupy a market niche. By expanding beyond this niche, we can compound growth for longer than would be possible in a business that was already the largest in their space: driving significant increases in shareholder wealth without needing to make huge capital investments.
3. **It costs less:** it usually costs less per dollar of profit to acquire a medium-sized business than when buying into something much larger. The average P/E multiple we pay for a medium-sized business is in the range of $3 to $7 per $1 of profit, compared to the ASX All-Ords market average PE of $24 per $1 (as of December 2021). This lets us acquire more with the same capital, and generates further wealth when the growth of our investments leads to PE multiple expansion.

Diversification matters

In 1952 the economist Harry Markowitz published one of the seminal works of financial academia. In a paper published in the Journal of Finance titled *Portfolio Selection*, he proved that:

1. All investments face two types of risk: systematic risk which are risks common to all companies in an economy; and unsystematic risks which are unique to a specific business or asset; and
2. That systematic risk cannot be avoided or prevented by an investing strategy alone; but
3. Unsystematic risk could be reduced (and sometimes eliminated) by constructing a portfolio of uncorrelated investments.

This became known as *Modern Portfolio Theory* (**MPT**).

MPT's profound lesson that a diverse portfolio is less risky than, and outperforms, a more concentrated group of investments, is the foundation of most modern investing strategies and a key plank of our risk mitigation strategy.

MPT protects TIP from many risks of investing in medium sized businesses, whilst still benefitting from the three key upsides: transferring knowledge; having more room for growth; and purchasing at lower multiples. By reducing the risk of investing in medium-sized businesses, MPT provides long-term benefits without as many sleepless nights. This not only reduces my stress as CEO and a substantial shareholder, but also gives us a substantial competitive advantage now and in the future.

How MPT reduces our risk

All three of our largest risks are what Markowitz called unsystematic risks. In other words, risks that occur to a specific company or industry and not to the broader economy.

- Cultural risk covers how people in a specific business operate. Provided those people only work for one company, then risks associated with their behaviour and decision making are limited to that entity.
- Key person risk is limited to a few people in any business. Losing a key person at one company should have little or no impact on the performance of the key people in another business.
- Contract risk is linked to specific contracts and their disproportionate effect on any one business. Losing a key contract at one company should have little or no impact on the revenue at another business with different customers in a different industry.

Owning a broad portfolio of medium-sized businesses insulates TIP (as a whole) from these risks. When unsystematic risks occur, MPT helps ensure any damage is contained and minimised.

In the examples above:

- Whites Diesels Australia suffered key person risk in FY20, yet TIP still delivered record Segment Revenue and Segment EBITDA.
- Coastal Energy lost its license in FY21, yet TIP still delivered record operating profit.
- The construction shut-down materially impacted Icon Metal and TIPRG in 1H22, yet TIP still delivered record Segment Revenue.

In each case a specific portfolio company was affected by an incident of unsystematic risk, but the effects on TIP (as a whole) were *temporary* and *contained*. This is no surprise: it is MPT in action.

How often can we expect negative surprises?

Diversification minimises risk and reduces damage to the *portfolio as a whole*. However, it does not eliminate all risk. It is a damage minimisation tool, not a likelihood reduction tool.

As well as benefitting from diversification, TIP reduces the likelihood of being impacted by risks through:

1. Filters and processes we apply *before* investing, which aim to reduce the likelihood that we invest in a business that is overexposed to a known existential risk; and
2. Checks, balances and mentoring that we apply *after* investing which reduce the likelihood of a risk occurring.

We make every effort to ensure that these two processes substantially reduce the likelihood of harm to our portfolio companies. However, we will not always get it right.

Our experience of investing in listed equities via our original parent (and now subsidiary) Teaminvest, shows that a combination of proprietary tools and processes will likely deliver 85% positive surprises and 15% negative surprises over an economic cycle.

As board director Howard Coleman puts it: "our backs should be patted six more times more often than our pants get kicked… and my bottom finds this ratio comforting".

However, whilst we should find our backs patted more often than our pants get kicked, we will still get kicked. And with 12 companies in our portfolio at TIP, we should expect that each year we get an average of 15%, or about 2, kicks in the pants.

When we do get a kick in the pants, you can expect management will feel appropriately sheepish and will make a market announcement. However, we should not forget the back patting that goes unannounced.

For those who are interested in the statistics, I have included a table below showing the ratio of back pats to pants kicks in each year since we listed.

To qualify as a 'pat on the back' or 'kick in the pants' I have kept it simple:

- If profits were a new record since we invested in a particular Portfolio Company it is a back pat; and
- If something negative enough to warrant a market announcement occurred it is a pants kick!

	FY19	FY20	FY21	1H22	Total
Back pat	**3**	**5**	**7**	**5**	**20**
(%)	100%	83%	88%	71%	83%
Pants kick	**-**	**1**	**1**	**2**	**4**
(%)	0%	17%	12%	29%	17%

As you can see, our investments in medium-sized businesses tracks in line with our expected ratio… but most of us will remember the kicks in the pants in far more detail than the pats on the back!

Segment Results

This is the normalised revenue and EBITDA for each segment of our Group (**Segment Results**). Segment Results provide shareholders with the best approximation of operating performance. These are the figures management spend most time discussing. Whilst we find Segment Results to be the most useful measure of our performance, they often differ from Statutory Consolidated Income (**SCI**) reported in accordance with accounting standards. Discussion of our SCI and a comparison to Segment Results can be found on page 5.

($m)					Revenue					
Segment	**FY17**	**FY18**	**FY19**	**FY20**	**FY21**	**1H19**	**1H20**	**1H21**	**1H22**	**Δ%**
Engineering	57.7	61.6	66.0	67.9	66.5	32.9	34.8	34.4	31.3	(9%)
Services	59.6	64.1	69.7	69.6	78.1	28.3	34.7	36.8	43.8	19%
Pre-abnormal	117.3	125.7	135.7	137.5	144.6	61.2	69.5	71.2	75.1	5%
Abnormal				3.5	(0.1)		2.8			
Total	117.3	125.7	135.7	141.0	144.5	61.2	72.4	71.2	75.1	5%

($m)					EBITDA					
Segment	**FY17**	**FY18**	**FY19**	**FY20**	**FY21**	**1H19**	**1H20**	**1H21**	**1H22**	**Δ%**
Engineering	(0.7)	4.6	3.6	7.7	7.9	2.6	3.3	3.9	2.5	(37%)
Services	1.5	3.8	3.6	5.9	6.8	1.8	2.7	3.5	3.8	8%
Pre-abnormal	0.8	8.4	7.2	13.6	14.7	4.4	6.0	7.4	6.2	(16%)
Abnormal				3.5	(2.2)		2.8	(0.6)	(2.3)	
Total	0.8	8.4	7.2	17.1	12.5	4.4	8.8	6.8	3.9	(43%)

Group Segment EBITDA was down 16% on the first half of FY22 to $6.2m, similar to 1H20 levels. Whilst we regard revenue as less important than profit (as the saying goes: "revenue is vanity while profit is sanity"), Segment Revenue grew 5% to a new first-half record of $75.1m.

Our Portfolio Companies invested in areas other than Sydney construction grew steadily over 1H22, and in four cases delivered a record first-half result. Contrastingly, those Portfolio Companies exposed to Sydney construction suffered materially from the government imposed shut-down and slow return to work.

New records

Multimedia Technology (**MMT**) (Services Division, 30% owned) achieved a third-consecutive record first-half operating result. Despite the interruptions, supply-chain disruptions, and stress caused by the coronavirus pandemic, MMT grew EBITDA by 71% compared to 1H21, more than doubling profits since 1H20. Revenue was also a first-half record, up 42% on 1H21. This outstanding business, led by its founder John Hassall, has been so successful that were it to be trading on the ASX at a similar P/E multiple to competitor Dicker Data, it would have a market cap of above $280m!

Our world-leading trailer engineering business Graham Lusty Trailers (**GLT**) (Engineering Division, 100% owned) continued to grow, delivering a third consecutive record first-half operating result. The team, led by Graham and Fiona Lusty, have a passion for innovation, quality and efficiency – and this delivered record revenue (up 3% compared to 1H21) and record EBITDA (up 11%) despite cost inflation and labor shortages affecting manufacturing and logistics. GLT's unique designs command a substantial premium in the transport market, and their ongoing innovation cements their reputation as the "Rolls Royce" of bulk haulage. A GLT trailer enhances customer's profit so significantly that the order book now stretches to 18 months despite utilizing a second manufacturing facility to meet demand. A tribute to their build-quality is that some three-year-old GLT trailers are currently selling second-hand for more than their initial purchase price!

Teaminvest Pty Ltd (Teaminvest) (Services Division, 100% owned) continued to grow membership. Teaminvest provides investor education for those who wish to learn to manage their own money wisely, in line with the principles of Benjamin Graham and Warren Buffett. Their firm principles and a collegiate environment provide a significant market differentiator. Combined with a successful launch of Team USA (the expansion of Teaminvest to cover US stock markets for members who opt-in) increased revenue by 21% and EBITDA by 58% to new records. Not only were these financial results pleasing, but the expansion of the team of facilitators to include some long-standing members has injected new enthusiasm and wider perspectives.

Our boutique insurance brokerage Teaminvest Private Insurance Services (**TIPIS**) (Services Division, 50% owned) delivered a record first-half result with EBITDA up 120% and revenue up 9% compared to 1H21. Led by the talented young Blaize Irving-Holliday, TIPIS delivers outstanding customer service by tailoring packages that deliver superior coverage to business clients. Check what you are paying for your business insurance and contact Blaize – you may be surprised just how much more you can get for the same price.

Portfolio Companies impacted by the Sydney coronavirus shut-down

After three consecutive years of record revenue and earnings, Icon Metal (Engineering Division, 100% owned) was significantly affected by the Sydney construction shut-down and associated coronavirus impact. This, combined with increased costs as Icon Metal invested in overtime and labour hire to meet Tier-1 customer timelines despite lost production hours, resulted in a $1.9m EBITDA loss for the half. Icon's decision to prioritize customer needs over business performance protected their reputation for service and quality in the long-term, but also generated short-term challenges that have required difficult decisions around staffing and capacity. The team is focused on clawing back losses in 2H22, using their enhanced reputation to deliver future records on the back of this (expensive) investment in customer satisfaction.

Teaminvest Private Residential Group (**TIPRG**) (Services Division, 100% owned), was also affected by the coronavirus construction impacts. 1H22 revenue fell 27% compared to 1H21, and EBITDA dropped to a loss of $0.5m. Whilst sales of new homes continued steadily throughout the half, delivery of materials (and thus booking of revenue and profit) was hampered by loss of site access, logistics challenges, material shortages and building material inflation. TIPRG was caught napping by this simultaneous confluence of factors, but the management team has made substantial improvements to reduce exposure to strained supply-chains and the vagaries of coronavirus restricted access. These changes are expected to deliver improved performance in 2H22. Being conservative investors we will only consider them successful (and reward the management accordingly) when profits are in the bank.

Statutory Comprehensive Income (SCI)

Unlike Segment Results, which are compiled on a normalised (i.e. operating) basis, SCI is calculated in accordance with the technical accounting standards in force at any time. It encompasses consolidation accounting where we own 50% or more of a business, equity accounting where we own a substantial share of between 20% and 50%, and investment accounting where we own less than 20%. Because it reflects accounting standards, and not operating performance, SCI is also regularly affected by one-off items, changes in accounting rules, and technical quirks.

Whilst SCI is the official published result of the Group, shareholders should be aware of its limitations when using it to understand operating performance. The table below sets out our SCI and a summary balance sheet.

Statutory

($m)

P&L	1H21	1H22
Revenue	48.7	45.8
Operating expenses	(44.0)	(43.8)
EBITDA	4.7	2.0
D&A	(1.3)	(2.1)
EBIT	3.4	(0.1)
Interest income / (expense)	(0.2)	(0.1)
PBT	3.2	(0.2)
Tax income / (expense)	(0.2)	0.5
Statutory NPAT	**3.0**	**0.3**
Abnormal items	*0.4*	*1.6*
Operating NPAT	*3.4*	*1.9*

($m)

Balance Sheet	1H21	1H22
Current assets	36.8	33.5
Non-current assets	77.7	94.8
Total assets	**114.5**	**128.4**
Current liabilities	23.3	20.1
Non-current liabilities	2.8	8.5
Total liabilities	**26.2**	**28.5**
Equity	**88.3**	**99.8**
Cash	11.3	9.9
Total debt (traditional)	2.4	1.6
Total debt (AASB 16)	5.8	6.0

Comparing SCI across periods

I again include a reconciliation of Statutory NPAT with Operating NPAT (below). This shows the after-tax effect of the 'abnormal' items in 1H21 (the ECT payment) and 1H22 (Sydney coronavirus shut-down). Positive abnormal items refer to one-off costs that should be added back to compare Operating NPAT, and negative items refer to one-off gains that should be removed.

From the table you can see that Operating NPAT declined by 44% in 1H22 to $1.9m. This compares to a Statutory NPAT decline of 91% as reported in our SCI and Appendix 4D.

($m)

Comparison	1H21	1H22	Δ%
Statutory NPAT	3.0	0.3	(91%)
- after tax impact of ECT payment	0.4		
- after tax impact of covid shut-down		1.6	
Operating NPAT	3.4	1.9	(44%)

Explanation of one-off items

One-off items in 1H22

As discussed earlier in this letter, the unprecedented Sydney coronavirus construction shut-down materially impacted the performance of Icon Metal and TIP Residential Group. The combined impact resulted in an EBITDA loss of $2.3m, equivalent to $1.6m after tax.

This compares to a combined positive EBITDA of $3.2m ($2.2m after tax) delivered by these companies in 1H21. The total impact of the shut-down and its flow-on has therefore been $5.6m at the EBITDA line ($3.9m after tax), although we have conservatively only classified the realised losses (and not the foregone comparison gains) to be the abnormal portion of the impact.

One-off items in 1H21

During the comparison period (1H21) the Group recorded a one-off abnormal loss associated with the payment of an historical contractual bonus to the former CEO of East Coast Traffic Control. This payment and its associated costs appear as an 'abnormal' amount in our Segment Results for 1H21 (as it was a one-off event), and was included in full in 1H21 SCI. If you would like more information about this abnormal item, greater detail can be found in the 1H21 and FY21 CEO letters.

Year ahead

The second half of FY22 will require significant adjustment throughout the economy. As government stimulus reduces, inflation rises and society learns to live with the coronavirus, our management teams will need vigilance to navigate their businesses towards profitable opportunities and around potential pitfalls.

We are confident the majority of our outstanding Company management and boards will continue finding ways to enhance and exploit their moats, while reacting quickly and decisively to any risks that arise.

As competitors find themselves in difficulty, we will be ready take advantage. When we get it wrong (as we sometimes will), we will quickly accept our mistakes and change course.

As I have written before: *"My hope is that each future period will have more ups than downs, but (as we have just seen) the world does not always work that way: and we can't always prepare for momentous unplanned events such as the ongoing global emergencies. Fortunately, in this instance we have been largely unaffected, but this may not always be the case in the future. However, I am confident that the talent, hard work, great ethics and dedication of our growing team of business leaders will deliver long term success regardless of any bumps they experience in the road on the way."*

Our results in 1H22 bear this out.

In a disrupted half-year, five portfolio company teams delivered record profits despite the challenges of a global pandemic, travel restrictions, consumer uncertainty, inflation and a shifting set of global rules. They deserve our hearty praise and admiration.

Learning from challenges creates opportunity for rapid growth. The Austrian economist Joseph Schumpeter famously described economic growth as the process of creative destruction: positing that only through the combination of rewarding success with profit, and failure with bankruptcy, could society continue to reach new heights. Perhaps the most pithy example is his timeless quote that "capitalism without bankruptcy is like Christianity without hell. There's no reason to do the right thing".

Continued success requires being open to creative destruction. New ideas, new leaders and new opportunities flourish when an organisation creates space: a process that requires as much nurturing (mentoring) as it does pruning of dead wood (letting go of old ideas and tired cultures).

Our philosophy of rewarding talent, creating space for opportunity in adversity, and providing access to mentorship via our Selected Shareholders, gives TIP our unique edge. It is the "special sauce" that drives our results and generates shareholder wealth.

Long term goals

In 2019 I wrote that:

> *"Looking forward ten years we want to develop and grow an ever-increasing portfolio of entrepreneurial CEOs who think differently to their competition and enhance society whilst delivering outstanding profits. Whenever we look at acquiring a new business, or mentoring an existing one, we do so through a lens of growing management and business capability: our people and our moats."*

We have made progress towards achieving this. In FY19 we had eight portfolio investments; we now have twelve. Whether a start-up or an established business with revenue exceeding $100m per annum, they share the same goal: to transfer knowledge between generations and enhance our society.

We now promote staff across Portfolio Companies to ensure that we can attract, retain, develop and reward the best talent. This creates opportunity and assists in meeting our noble purpose of transferring knowledge between generations.

The scale of our noble purpose is large. That is what makes it so exciting. As our businesses grow organically, we assist them with an ever-increasing pool of Selected Shareholders to provide mentorship and support. By developing the skills of our people, whilst providing space for them to grow into greater roles, we should comfortably exceed our long-term goals.

A final word

Whilst each period presents new challenges and opportunities, in the long run a mix of successful management teams, surrounded by dedicated mentors, with access to our group philosophy and balance sheet should deliver outstanding results, achieve our noble purpose and reward our shareholders handsomely for their support.

If you are excited by our noble purpose, and you would like to participate in our unique organisation, please apply to become a Selected Shareholder. A copy of the application follows this letter. The knowledge you bring, and the value you add, will accelerate our future success.

I would also like to remind all shareholders that we are, at our core, a natural acquirer and developer of executives and SMEs. If you are the owner or leader of an SME, or know of one, who has reached a stage in their development where access to the mentorship, support and the balance sheet that TIP can provide will take your business to the next level, we would like to hear from you. Owners looking to sell out completely, or financial advisers looking to make a quick buck, need not apply.

Best wishes,

Andrew Coleman
CEO
Teaminvest Private Group Limited

Application to become a Selected Shareholder

Name of applicant ______________________________

Phone number ______________________________

Email address ______________________________

Qualifications ______________________________

Condensed resume

Areas of interest
- ☐ Analysis of investment opportunities
- ☐ Mentorship of Portfolio Companies
- ☐ Directorship of Portfolio Companies

Acknowledgement

By applying to become a Selected Shareholder, I acknowledge that:

- I have read the Company's Securities Trading Policy and agree to be bound by it if accepted;
- I understand that serving as a mentor or director carries specific legal responsibilities; and
- I understand that there is no guarantee that my application will be accepted.

Signature ______________________________

Date ______________________________

Please send this form, along with a complete copy of your resume, to either:

- By email: andrew.coleman@tipgroup.com.au
- By post: Teaminvest Private Group Limited
  Suite 302, 80 Mount Street
  North Sydney, NSW 2060

Teaminvest Private Group Limited

ABN 74 629 045 736

Interim Report - 31 December 2021

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Teaminvest Private Group Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2021.

Directors

The following persons were directors of Teaminvest Private Group Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Malcolm Jones - Chair
Andrew Coleman
Howard Coleman
Ian Kadish
Regan Passlow

Principal activities

During the financial half-year, the principal continuing activities of the Group consisted of investing in Australian businesses.

Review of operations

The profit for the Group after providing for income tax amounted to $270,000 (31 December 2021: $3,023,000).

The Group has been impacted by the Coronavirus (COVID-19) construction shutdown in Sydney during July-September. The restrictions led to a reduction in revenue for those months and coincided with inflation of cost prices delivered under fixed contracts, both impacting the Gross Margin on the companies exposed to the construction industry. A subsidiary benefited from the stimulus measures enacted by the NSW state government in relation to COVID-19. The Coronavirus (COVID-19) construction shutdown has significantly impacted the Group's results and overshadows some strong performances by other companies.

Refer to the 'CEO letter' for further details of operations and commentary on the results.

Significant changes in the state of affairs

On 12 November 2021, the Group acquired 70% of the shares in Diversified Growth Management Pty Ltd for nil consideration. The acquisition intends to leverage the Company's FY20 investment in TIP Trustees Limited in line with our strategy to develop a financial services division. Refer to note 11 to the financial statements for further information.

On 12 November 2021, the Group acquired 50% of the shares in Wood & Lee Pty Ltd for $200,000 consideration. This acquisition was a strategic decision to enable the growth of our services division, through an innovative founder who is a leading voice in the legal profession, with a strong international client base.

There were no other significant changes in the state of affairs of the Group during the financial half-year.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

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 immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

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Andrew Coleman
Managing Director and Chief Executive Officer

16 February 2022
Sydney

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

To the Directors of Teaminvest Private Group Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Teaminvest Private Group Limited 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

Tony Nimac

Partner

Sydney

16 February 2022

	Note	Consolidated 31 Dec 2021 $'000	Consolidated 31 Dec 2020 $'000
Revenue	4	44,292	47,709
Share of profits of associates accounted for using the equity method		1,542	1,025
Other income	5	680	2,473
Interest revenue calculated using the effective interest method		4	28
Expenses			
Raw materials and consumables used		(17,808)	(21,810)
Employee benefits expense		(22,429)	(20,742)
Depreciation and amortisation expense	6	(2,097)	(1,321)
Impairment of receivables		(141)	(177)
Occupancy costs		(338)	(277)
Other expenses		(3,835)	(3,507)
Finance costs		(126)	(186)
Profit/(Loss) before income tax		(256)	3,215
Income tax benefit/(expense)		526	(192)
Profit/(Loss) after income tax for the half-year		270	3,023
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year		270	3,023
Attributable to			
Equity holders of the parent		218	3,023
Non-controlling interests		52	-

		Cents	Cents
Basic earnings per share	12	0.17	2.63
Diluted earnings per share	12	0.17	2.63

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

Teaminvest Private Group Limited
Statement of financial position
For the half-year ended 31 December 2021

	Note	Consolidated 31 Dec 2021 $'000	Consolidated 30 Jun 2021 $'000
Assets			
Current assets			
Cash and cash equivalents		9,873	12,346
Trade and other receivables		4,965	8,959
Contract assets		8,039	8,049
Inventories		9,403	8,379
Prepayments and other deposits		1,260	938
Total current assets		33,540	38,671
Non-current assets			
Investments accounted for using the equity method		22,129	21,412
Other financial assets		411	111
Property, plant and equipment		6,223	5,618
Right-of-use assets		3,366	3,606
Intangibles	7	62,701	63,044
Total non-current assets		94,830	93,791
Total assets		128,370	132,462
Liabilities			
Current liabilities			
Trade and other payables		11,236	13,780
Contract liabilities		3,466	4,877
Borrowings		552	1,323
Lease liabilities		1,870	1,997
Income tax		55	191
Employee benefits		2,576	2,168
Provisions		311	193
Contingent consideration		-	258
Total current liabilities		20,066	24,787
Non-current liabilities			
Lease liabilities		2,465	2,694
Deferred tax		5,500	5,996
Employee benefits		500	377
Total non-current liabilities		8,465	9,067
Total liabilities		28,531	33,854
Net assets		99,839	98,608
Equity			
Issued capital	8	88,301	87,597
Retained profits		11,229	11,011
Capital contribution		229	-
Total equity attributable to the equity holders of the Parent		99,759	98,608
Non-controlling interests		80	-
Total equity		99,839	98,608

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

Teaminvest Private Group Limited
Statement of changes in equity
For the half-year ended 31 December 2021

Consolidated	Issued capital $'000	Retained profits $'000	Capital Contribution $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 July 2020	75,386	5,810	-	81,196	-	81,196
Profit after income tax for the half-year	-	3,023	-	3,023	-	3,023
Other comprehensive income for the half-year, net of tax	-	-	-	-	-	-
Total comprehensive income for the half-year	-	3,023	-	3,023	-	3,023
Transactions with owners in their capacity as owners:						
Equity settled share-based payments	1,100	-	-	1,100	-	1,100
Issue of ordinary shares related to business combination	2,660	-	-	2,660	-	2,660
Issue of ordinary shares for directors' fees and bonuses	341	-	-	341	-	341
Balance at 31 December 2020	79,487	8,833	-	88,320	-	88,320

Consolidated	Issued capital $'000	Retained profits $'000	Capital Contribution $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 July 2021	87,597	11,011	-	98,608	-	98,608
Profit after income tax for the half-year	-	218	-	218	52	270
Other comprehensive income for the half-year, net of tax	-	-	-	-	-	-
Total comprehensive income for the half-year	-	218	-	218	52	270
Change in ownership interest:						
Acquisition of a subsidiary with NCI	-	-	229	229	28	257
Total change in ownership interest	-	-	229	229	28	257
Transactions with owners in their capacity as owners:						
Issue of ordinary shares for directors' fees and bonuses	380	-	-	380	-	380
Issue of ordinary shares related to contingent consideration	324	-	-	324	-	324
Balance at 31 December 2021	88,301	11,229	229	99,759	80	99,839

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

Teaminvest Private Group Limited
Statement of cash flows
For the half-year ended 31 December 2021

	Note	Consolidated 31 Dec 2021 $'000	Consolidated 31 Dec 2020 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		51,416	46,745
Payments to suppliers and employees (inclusive of GST)		(51,932)	(46,236)
Dividends received		1,024	275
Interest received		4	28
Other revenue		345	2,608
Interest paid		(126)	(186)
Income taxes refunded/(paid)		(136)	(14)
Net cash from operating activities		595	3,220
Cash flows from investing activities			
Cash acquired on business combination	11	127	39
Payments for other financial assets		(300)	-
Payments for property, plant and equipment		(1,496)	(897)
Payments for intangibles		(212)	(180)
Loans to related and other parties		-	(737)
Proceeds from disposal of property, plant and equipment		625	20
Contractual obligation related to acquisition		-	(250)
Net cash used in investing activities		(1,256)	(2,005)
Cash flows from financing activities			
(Payment)/Proceeds from borrowings		(771)	88
Payment of lease liabilities		(971)	(784)
Payment of invoice discounting		(70)	(18)
Net cash used in financing activities		(1,812)	(714)
Net increase/(decrease) in cash and cash equivalents		(2,473)	501
Cash and cash equivalents at the beginning of the financial half-year		12,346	10,777
Cash and cash equivalents at the end of the financial half-year		9,873	11,278
Represented by:			
Cash and cash equivalents		9,873	11,278
		9,873	11,278

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

Note 1. General information

The financial statements cover Teaminvest Private Group Limited as a Group consisting of Teaminvest Private Group Limited ('Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year (referred to in these financial statements as the 'Group'). The financial statements are presented in Australian dollars, which is Teaminvest Private Group Limited's functional and presentation currency.

Teaminvest Private Group Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 302, 80 Mount Street
North Sydney NSW 2060

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

For the purposes of the consolidated financial statements, Teaminvest Private Pty Ltd has been identified as the accounting parent and the Teaminvest Private Group Limited as the legal parent.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 16 February 2022. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements arising under Australian Securities Exchange Listing Rules and the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group 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.

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

Note 3. Operating segments

Identification of reportable operating segments
The Group is organised into two operating segments based on the whether the business manufactures ('Engineering') or provide services ('Services'). These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM') in assessing performance and in determining the allocation of resources. Further details are as follows:

Segment name	Description
Engineering segment	The Engineering segment includes three wholly-owned subsidiaries of the Group: Lusty TIP Trailers Pty Ltd; Icon Metal Pty Ltd; and Coastal Energy Pty Ltd.
Services segment	The Services segment includes five wholly-owned subsidiaries; East Coast Traffic Controllers Pty Ltd, Teaminvest Private Residential Group Pty Ltd, TIP Trustees Limited, Teaminvest Pty Ltd, Automation Group Investments Pty Ltd, one 70% owned subsidiary; Diversified Growth Management Pty Ltd and four associate entities: Colour Capital Pty Ltd, Multimedia Technology Pty Ltd, Teaminvest Private Insurance Services Pty Ltd and Wood & Lee Pty Ltd.

There is no aggregation of operating segments.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

Intersegment transactions
There were no intersegment transactions.

Intersegment receivables, payables and loans
There were no intersegment receivables, payables or loans.

Note 3. Operating segments (continued)

Operating segment information	Engineering	Services	Total
Consolidated - 31 Dec 2021	$'000	$'000	$'000
Revenue			
Sales to external customers	30,597	13,496	44,093
Other sales revenue	199	-	199
Total revenue	30,796	13,496	44,292
EBITDA	571	2,325	2,896
Depreciation and amortisation expense			(2,097)
Interest revenue			4
Government grants			297
Finance costs			(126)
Corporate overheads			(1,230)
Profit/(Loss) before income tax			**(256)**
Income tax expense/(benefit)			526
Profit/(Loss) after income tax			270
Assets			
Segment assets	53,600	70,396	123,996
Unallocated assets:			
Corporate assets			4,374
Total assets			128,370
Liabilities			
Segment liabilities	15,084	6,162	21,246
Unallocated liabilities:			
Provision for income tax			55
Deferred tax liability			5,500
Corporate liabilities			1,730
Total liabilities			28,531

Note 3. Operating segments (continued)

Operating segment information	Engineering	Services	Total
Consolidated - 31 Dec 2020	$'000	$'000	$'000
Revenue			
Sales to external customers	32,693	14,861	47,554
Other sales revenue	151	4	155
Total revenue	32,844	14,865	47,709
EBITDA	2,532	575	3,107
Depreciation and amortisation			(1,321)
Interest revenue			28
Government grants (COVID-19)			2,123
Finance costs			(186)
Corporate overheads			(536)
Profit before income tax			**3,215**
Income tax expense			(192)
Profit after income tax			3,023
Assets			
Segment assets	53,527	56,720	110,247
Unallocated assets:			
Corporate assets			4,236
Total assets			114,483
Liabilities			
Segment liabilities	15,836	8,328	24,164
Unallocated liabilities:			
Provision for income tax			114
Deferred tax liability			73
Contingent consideration			400
Corporate liabilities			1,412
Total liabilities			26,163

Note 4. Revenue

	Consolidated	
	31 Dec 2021	31 Dec 2020
Revenue from contracts with customers	$'000	$'000
Sale of goods	20,771	25,302
Rendering of services	23,322	22,252
	44,093	47,554
Other revenue		
Other sales revenue	199	155
Revenue	44,292	47,709

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	Engineering $'000	Services $'000	Total $'000
Consolidated - 31 Dec 2021			
Geographical regions			
Australia	30,597	13,496	44,093
Timing of revenue recognition			
Goods transferred at a point in time	19,381	1,390	20,771
Good transferred over time	116	-	116
Services transferred at a point in time	767	4,429	5,196
Services transferred over time	10,333	7,677	18,010
	30,597	13,496	44,093

	Engineering $'000	Services $'000	Total $'000
Consolidated - 31 Dec 2020			
Geographical region			
Australia	32,693	14,861	47,554
Timing of revenue recognition			
Goods transferred at a point in time	22,008	3,294	25,302
Services transferred at a point in time	100	5,217	5,317
Services transferred over time	10,585	6,350	16,935
	32,693	14,861	47,554

Note 5. Other income

	Consolidated	
	31 Dec 2021 $'000	31 Dec 2020 $'000
Net gain on disposal of property, plant and equipment	335	20
Government grants	297	2,123
Reimbursement of expenses	8	38
Others	40	1
Other income	680	2,473

Government grants (COVID-19)

During the COVID-19 pandemic, the Group received JobKeeper support payments which were passed on to eligible employees and received Cashflow Boost payments from the Australian Government. These have been recognised as government grants in the financial statements and recorded as other income over the periods in which the related employee benefits are recognised as an expense. Teaminvest Private Residential Group Pty Ltd received JobKeeper support from the government on the condition that employee benefits continued to be paid.

Note 6. Depreciation and amortisation

	Consolidated	
	31 Dec 2021 $'000	31 Dec 2020 $'000
Profit/(Loss) before income tax includes the following specific expenses:		
Depreciation		
Leasehold improvements	39	36
Plant and equipment	269	180
Motor vehicles	215	200
Buildings right-of-use assets	905	694
Plant and equipment right-of-use assets	11	19
Motor vehicles right-of-use assets	15	7
Total depreciation	1,454	1,136
Amortisation		
Patents and trademarks	24	24
Customer contracts	130	122
Software	28	29
Formation cost	42	10
Other intangible assets	419	-
Total amortisation	643	185
Total depreciation and amortisation	2,097	1,321

Note 7. Non-current assets - intangibles

	Goodwill $'000	Patents and Trademarks $'000	Customer Relationships $'000	Software $'000	Formation Costs $'000	Confidential Information $'000	Technology based $'000	Content $'000	Regulatory Approval $'000	Network & Relationships $'000	Brand $'000	Total $'000
Cost												
Balance at 30 June 2021	42,279	575	3,420	638	302	5,926	6,702	150	300	2,166	1,756	64,214
Additions	164	-	-	65	147	-	-	-	-	-	-	376
Disposals	-	-	-	(20)	(57)	-	-	-	-	-	-	(77)
Total 31 December 2021	**42,443**	**575**	**3,420**	**683**	**392**	**5,926**	**6,702**	**150**	**300**	**2,166**	**1,756**	**64,513**
Accumulated depreciation												
Balance at 30 June 2021	-	(94)	(884)	(159)	(32)	-	-	-	-	-	-	(1,179)
Amortisation expense	-	(24)	(130)	(28)	(42)	-	(223)	(15)	-	(181)	-	(643)
Total at 31 December 2021	**-**	**(118)**	**(1,014)**	**(187)**	**(74)**	**-**	**(223)**	**(15)**	**-**	**(181)**	**-**	**(1,812)**
Net book value at 31 December 2021	**42,443**	**457**	**2,406**	**496**	**318**	**5,926**	**6,479**	**135**	**300**	**1,985**	**1,756**	**62,701**

Note 8. Equity - issued capital

	Consolidated			
	31 Dec 2021	30 Jun 2021	31 Dec 2021	30 Jun 2021
	Shares	Shares	$'000	$'000
Ordinary shares - fully paid	131,730,901	130,499,310	88,301	87,597

Movements in ordinary share capital

Details	Date	Shares	Issue price	$'000
Balance	1 Jul 2021	130,499,310		87,597
Issue of ordinary shares for bonuses	27 Oct 2021	74,691	$0.575	43
Issue of ordinary shares related to contingent consideration	28 Oct 2021	564,477	$0.575	324
Issue of ordinary shares for directors fees	28 Oct 2021	592,423	$0.569	337
Balance	31 December 2021	131,730,901		88,301

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

Note 9. Equity - dividends

There was no dividend paid, recommended or declared during the current financial period (31 December 2020: $Nil). Subsequent to the end of the financial period, a dividend of 0.25 cents per share was declared, for payment on 17 March 2022.

Note 10. Contingent liabilities

The Group has given bank guarantees as at 31 December 2021 of $Nil (30 June 2021: $1,368,643).

Note 11. Business combinations

Acquisition of Diversified Growth Management Pty Ltd
On 12 November 2021, the Group acquired a 70% interest in Diversified Growth Management Limited from a related party, Wealth Winning Investments Pty Ltd, for nil consideration. This company operates in the services segment of the Group. The acquired business contributed revenue of $263,825 and a profit after tax of $174,049 for the period 12 November 2021 – 31 December 2021. If the acquisition had occurred at the beginning of the period, the revenue contribution to the Group would have been $455,459 and income after tax of $293,379. Net assets of $92,129, including cash of $127,000, were acquired and Goodwill of $164,362 has been recognised. No intangible assets have been identified.

Note 12. Earnings per share

	Consolidated	
	31 Dec 2021 $'000	31 Dec 2020 $'000
Profit after income tax attributable to the owners of Teaminvest Private Group Limited	218	3,023
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	130,932,317	114,904,291
Adjustments for calculation of diluted earnings per share:		
Unissued ordinary shares to directors in lieu of directors fees	-	152,441
Weighted average number of ordinary shares used in calculating diluted earnings per share	130,932,317	115,056,732
	Cents	**Cents**
Basic earnings per share	0.17	2.63
Diluted earnings per share	0.17	2.63

Note 13. Events after the reporting period

The impact of the COVID-19 pandemic is ongoing where the individual subsidiaries have been impacted differently it is not practicable to estimate the potential impact, positive or negative, after the reporting date.

In January 2022, the Group entered an arrangement with the Australian and New Zealand Banking Group Limited (ANZ) granting the Group access to facilities and bank guarantees of $12,980,000.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors

Andrew Coleman
Managing Director and Chief Executive Officer

16 February 2022
Sydney

KPMG

Independent Auditor's Review Report

To the shareholders of Teaminvest Private Group Limited

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying ***Interim Financial Report*** of Teaminvest Private Group Limited (the 'Group').

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Teaminvest Private Group Limited does not comply with the *Corporations Act 2001*, including:

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

The ***Interim Financial Report*** comprises:

- Consolidated statement of financial position as at 31 December 2021.
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the Interim period ended on that date
- Notes comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

The ***Group*** comprises Teaminvest Private Group Limited (the Company) and the entities it controlled at the Interim period's end or from time to time during the Interim period.

The ***Interim Period*** is the six months ended on 31 December 2021.

Basis of 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 Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the Interim period ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim 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

KPMG

Tony Nimac

Partner

Sydney

16 February 2022