Navigator Global Investments Limited (ASX:NGI)

ASX Appendix 4D

For the six months ended 31 December 2022

Results for announcement to the market

Amounts in USD'000

Results in brief (all comparisons to the six months ended 31 December 2021)				31 December 2022
Revenue from ordinary activities	Up	12%	to	**68,784**
Earnings before interest, tax, depreciation and amortisation	Up	68%	to	**24,214**
Adjusted Earnings before interest, tax, depreciation and amortisation[1]	Down	1%	to	**21,195**
Profit from ordinary activities after tax attributable to members	Up	76%	to	**14,732**
Net profit for the period attributable to members	Up	76%	to	**14,732**
	31 December 2022			**cents**
Basic earnings per share (cents) – statutory basis (based on the weighted average number of shares on issue over the period)	Up	51%	to	**6.25**

[1] Adjusted earnings before interest, tax, depreciation and amortisation (EBITDA) is non-IFRS financial information and is not subject to audit procedures, and does not represent profit in accordance with Australian Accounting Standards. This measure is intended to show the Group's performance before the impact of non-operating items such as unrealised changes in fair value of financial assets and liabilities, employee compensation settled in equity and non-recurring items. Refer to table on page 2 for reconciliation of EBITDA to adjusted EBITDA results.

Dividends	**Amount per ordinary share**	**Franked %**	**Conduit foreign income %**
Interim 2022 dividend per share (paid 11 March 2022)	US 5.5 cents	0%	100%
Final 2022 dividend per share (paid 16 September 2022)	US 3.0 cents	0%	100%

Dividend Policy

In the prior reporting period, the Company announced that from the 2023 financial year the Company will pay a final dividend of US 3 - 4 cents per share. This policy allows the NGI Group to direct a significant portion of cash generated from operating activities towards supporting the continued growth of the business which is outlined in the Directors' Report in the 30 June 2022 Annual Report. Dividends will be unfranked and will have conduit foreign income credits attached.

The payment of dividends will be subject to corporate, legal and regulatory considerations.

A dividend reinvestment plan does not operate in respect to dividends of the Company.

Net tangible assets	**31 December 2022**	31 December 2021
Per ordinary share	US 119.67 cents	US 113.95 cents

Net tangible assets include the Group's right-of-use assets recognised under AASB 16 Leases.

Results for announcement to the market (continued)

Details of joint ventures and associates	31 December 2022	31 December 2021
Longreach Alternatives Ltd	34.06%	34.06%
GROW Investment Group	5.84%	6.67%

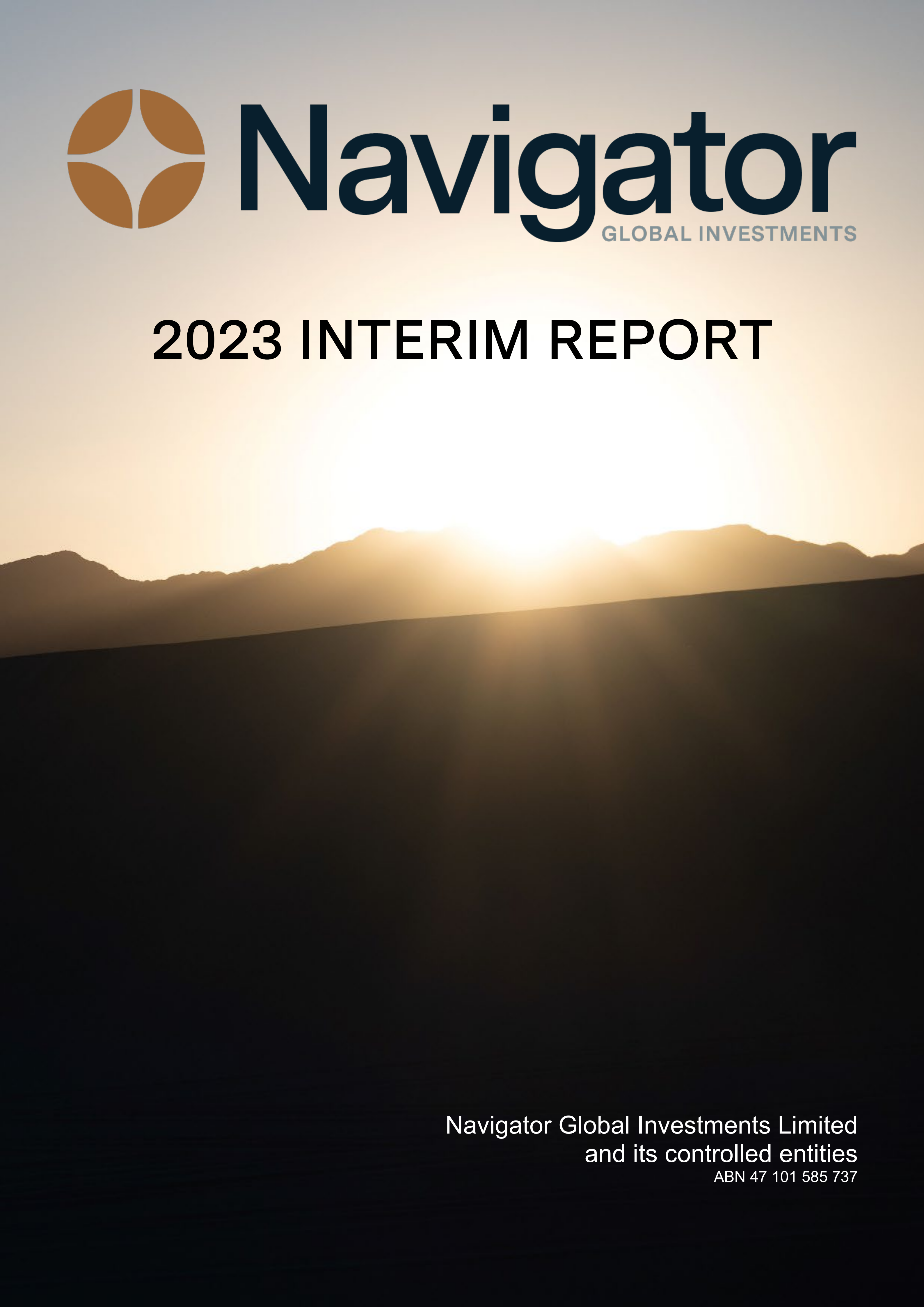
Reconciliation to Adjusted EBITDA [1]	31 December 2022	31 December 2021
	Amounts in USD'000	
Earnings before interest, tax, depreciation and amortisation	**24,214**	**14,450**
Additional cash payments made for office leases (net)	(1,485)	(1,632)
Net fair value impact of the NGI Strategic portfolio and liability (Net unrealised fair value gains/losses)	(2,108)	8,583[2]
Equity settled share based payments	574	-
		-
Adjusted Earnings before interest, tax, depreciation and amortisation[1]	**21,195**	**21,401**

[1] Adjusted earnings before interest, tax, depreciation and amortisation (EBITDA) is non-IFRS financial information and is not subject to audit procedures, and does not represent profit in accordance with Australian Accounting Standards. This measure is intended to show the Group's performance before the impact of non-operating items such as unrealised changes in fair value of financial assets and liabilities, employee compensation settled in equity and non-recurring items.

[2] In 2021 this adjustment referred only to the Strategic Portfolio. Going forward this adjustment will include unrealised changes in fair value of all financial assets and liabilities across the group. 2021 comparative figure has been restated accordingly from ($7.2 million).

Additional Appendix 4D requirements can be found in the Directors' Report and the 31 December 2022 interim financial report and accompanying notes.

This report is based on the 31 December 2022 interim financial report (which includes consolidated financial statements reviewed by Ernst & Young).



Navigator
GLOBAL INVESTMENTS

2023 INTERIM REPORT

Navigator Global Investments Limited
and its controlled entities
ABN 47 101 585 737

Securities Exchange Listing

Navigator Global Investments Limited
shares are listed on the Australian Securities Exchange
(ASX Code: NGI)

Website

www.navigatorglobal.com.au

Directors

Michael Shepherd

Nicola Meaden Grenham

Suvan de Soysa

Cathy Hales

Sean McGould

Andy Bluhm (resigned 17 November 2022)

Company Secretary

Amber Stoney

Registered Office

Level 21, 10 Eagle Street

Brisbane QLD 4000

Principal Office

Level 3, 9 Sherwood Road

Toowong QLD 4066

+61 7 3218 6200

Share Registrar

Link Market Services Limited

Level 12, 680 George Street

Sydney NSW 2000

Locked Bag A14

Sydney South NSW 1235

1300 554 474

+61 2 8280 7111

www.linkmarketservices.com.au

Auditor

Ernst & Young

Level 51, 111 Eagle Street

Brisbane QLD 4000

CONTENTS

Unless otherwise indicated, the numbers in this
annual report have been presented in US Dollars (USD)

2023 INTERIM SNAPSHOT

Adjusted EBITDA[1]	Group AUM
USD 21.2 million	USD 24.2 billion
▼ 1% pcp	▲ 6% pcp

Operating Revenue[2]	Earnings per share (basic)
USD 79.8 million	USD 6.3 c/share
▲ 16% pcp	▲ 51% pcp

[1] This is a non-IFRS measure and is intended to show the Group's core operating performance. Refer to page 7 for further details.

[2] This is a non-IFRS measure and comprises of total revenue and other income. Refer to page 7 for further details.

DIRECTORS' REPORT

The Directors present their report together with the financial statements of the Group comprising Navigator Global Investments Limited ('Navigator' or 'the Company') and its subsidiaries for the six months ended 31 December 2022 and the auditor's review report thereon.

Navigator Global Investments Limited has executed a strategy to invest in a range of diversified alternative asset management companies, through partnering with leading management teams who operate institutional quality businesses globally.

Navigator has selected partners who are well-established, scaled alternative asset managers, and that are diversified across investment style, product type and client base. Each represents a highly specialised business in their respective strategies. These partnerships are structured with various provisions focused on alignment of interests and minority protections.

Our diversified portfolio has delivered resilient earnings in the first half of the 2023 financial year, despite difficult global market conditions that have negatively impacted the results of many traditional asset managers. This validates our approach of leveraging our investing and operating expertise to invest in leading alternative investment managers who meet our key criteria:

Established

Scaled operations which have been tested over market cycles

Diversified

Uncorrelated strategies and multi-product businesses

Global

Investing and operating presence across the globe

Aligned

Shared philosophy and operating autonomy

Navigator operates a business which is broader and more diversified than ever before. Our performance is driven by high quality earnings diversified across product, client type, geography and positioned with the financial resources and capabilities to drive strong long-term growth. Our focus is on sectors of the asset management industry experiencing strong growth and high barriers to entry.

We look for opportunities which provide exposure to asset management businesses for our shareholders and look to achieve this with flexible ownership and operating structures. After two very active years of making minority stake investments in alternative asset managers, Navigator provides access to the earnings of a range of high quality managers:

Bardin Hill is a leading investment firm with core competencies in public and private credit, collateralised loan obligations, and event-driven equities.

Capstone is a global, alternative investment management firm operating across a broad range of derivatives-based strategies with a deep understanding of volatility

CFM is a global quantitative and systematic asset management firm applying a scientific approach to finance.

Grow is a China based multi-strategy multi-asset management company whose goal is to capitalise on opportunities in the Chinese asset management industry and the continued evolution of China's markets

Invictus Capital Partners, through its affiliates, acquires and manages investment portfolios primarily comprised of real estate debt securities, loans and related instruments.

This investment was acquired in August 2022.

Navigator's only wholly-owned operating business, Lighthouse is a global diversified alternative asset management firm with more than two decades delivering competitive risk-adjusted returns and innovative solutions to investors

Longreach Alternatives is an Australian based investment management firm, which provides investors with access to considered and differentiated alternative investment opportunities across market segments including alternative income, private credit, quantitative equity and real assets.

Marble Capital is a fully discretionary fund manager providing capital solutions throughout all parts of the capital stack for multifamily developers and operators nationwide.

MKP is a discretionary global macro strategy that uses a top-down fundamental approach to identify and exploit economic and financial imbalances in asset markets to produce strong risk adjusted returns

Pinnacle is a global commodities specialist platform with exposure to energy, metals, and agriculture sectors.

Waterfall is a specialist credit manager with a relative value approach focused on high-yield asset backed securities and loan investments

Navigator Group results

HY 2023 Adjusted EBITDA of $21.2m

	Statutory USD millions	Adjustments (unaudited) USD millions: Netting of off-setting revenue & expenses (1)	Cash lease payments not in operating expenses (2)	Unrealised changes in fair value of financial assets and liabilities (3)	Equity settled share based payments (4)	Adjusted (unaudited, non-IFRS measure) USD millions
Management fees	37.0					37.0
Performance fees	6.1					6.1
Reimbursement of fund operating expenses	23.7	(23.7)				-
Revenue from provision of serviced office space	2.0	(2.0)				-
Net distributions from NGI Strategic Investments	10.5					10.5
Share of profits from joint ventures and associate entities	0.5					0.5
Total revenue & other income	**79.8**	**(25.7)**	**-**	**-**		**54.1**
Less: Operating expenses	(57.6)	25.7	(1.5)		0.6	(32.8)
Result from operating activities	**22.2**	**-**	**(1.5)**	**-**	**0.6**	**21.3**
Net finance income/(costs) excl. interest	2.0			(2.1)		(0.1)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**24.2**	**-**	**(1.5)**	**(2.1)**	**0.6**	**21.2**

1. These revenues are a direct reimbursement of expenses incurred and on-charged to other parties at no mark-up.
2. Following the adoption of AASB 16 *Leases,* the office lease component of occupancy expense is recognised below the EBITDA line as a financing activity. The net cash lease payments made during the year are adjusted against EBITDA so that it represents a closer measure of the annual cash operating cost associated with the Group's various office premises leases.
3. Gains and losses associated with financial assets and liabilities measured at fair value through profit and loss primarily relate to NGI Strategic Portfolio investments and the associated redemption liability. These fair value movements are added back as they are unrealised.
4. Non-cash remuneration to select executive management in the form of equity settled long-term incentive plans.

The presentation of the Group's results is a non-IFRS measure and is intended to show the Group's core operating performance. That is before the impact of items such as depreciation and amortisation, non-operating items such as net interest income/costs and non-recurring items. Net profit before and after income tax reconciles to the income statement on page 14.

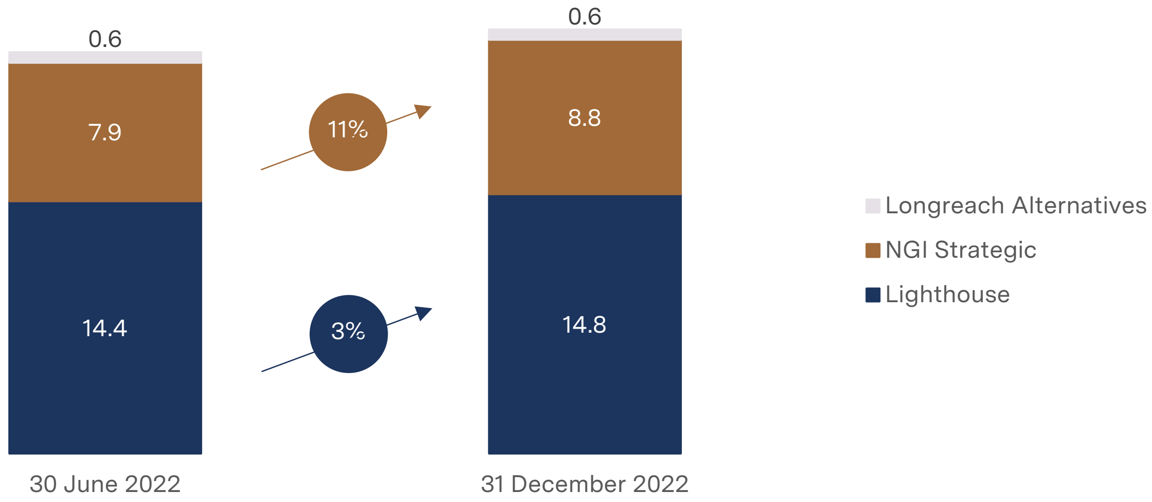
	Consolidated USD millions		
	31 December 2022	**31 December 2021**	Increase / (decrease)
Management fee revenue	37.0	37.2	(1%)
Performance fee revenue	6.1	8.8	(31%)
Revenue from reimbursement of fund operating expenses	23.7	14.4	65%
Revenue from provision of office space and services	2.0	1.0	100%
Net distributions from strategic investments	10.5	7.2	46%
Share of profits from joint ventures and associate entities	0.5	0.2	150%
Total revenue & income	**79.8**	**68.8**	**16%**
Employee expense	(26.2)	(24.9)	5%
Reimbursable fund operating expenses	(23.7)	(14.4)	65%
Professional and consulting expenses	(1.9)	(1.7)	12%
Information and technology expense	(1.6)	(1.1)	45%
Distribution expense	(1.0)	(0.9)	11%
Other operating expenses[1]	(3.2)	(2.5)	28%
Total operating expenses[1]	**(57.6)**	**(45.5)**	27%
Result from operating activities[1]	22.2	23.3	(5%)
Net finance income/(costs) excluding interest	2.0	(8.8)	(123%)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**24.2**	**14.5**	**67%**
EBITDA per share	10.3 cents	7.1 cents	45%
Net interest expense	(2.2)	(0.3)	633%
Depreciation and amortisation	(2.5)	(2.3)	9%
Profit before income tax	19.5	11.9	64%
Income tax expense	(4.7)	(3.4)	38%
Net profit after income tax	**14.8**	**8.5**	**74%**
Adjustments (unaudited)			
Earnings before interest, tax, depreciation and amortisation (EBITDA)	24.2	14.5	67%
Additional cash payments made for office leases (net)	(1.5)	(1.6)	(6%)
Unrealised changes in fair value of assets and liabilities[2]	(2.1)	8.5[2]	(125%)
Equity settled share based payments	0.6	-	100%
Adjusted EBITDA (unaudited, non-IFRS measure)	**21.2**	**21.4[2]**	**(1%)**
Adjusted EBITDA per share	9.0 cents	10.6 cents	(15%)

1 Excludes net finance income / (costs) including interest, depreciation of fixed assets and amortisation. These items have been excluded so as to present the expenses and result arising from the Group's core operating activities.

2 In 2021 this adjustment referred only to the Strategic Portfolio. Going forward this adjustment will include unrealised changes in fair value of all financial assets and liabilities across the group. 2021 comparative figure has been restated accordingly from ($7.2 million).

Navigator Group assets under management

As at 31 December 2022, the Navigator Group had **$24.2 billion** of AUM on an ownership adjusted basis, an increase of $1.3 billion or 6% since 30 June 2022.



LIGHTHOUSE

The Lighthouse business had AUM growth of 3% over the six months to 31 December 2022, with growth largely attributable to net flows into Hedge Funds products, as well as overall positive investment performance over the half-year increasing AUM.

On a 2022 calendar year basis, investment performance was generally positive across all investment products, and was strong relative to market benchmark returns.

Average management fees have remained steady since 30 June 2022, at 0.51%pa for the six month period, and management fee revenue is in line with the prior comparative period at $37.0 million. Performance fee revenue for the period was $6.1 million (31 December 2021: $8.8 million), with the reduction compared to the prior comparative period reflecting that performance fees are generally earned on the investment performance above the previous high performance point, and not for outperformance of a particular benchmark or hurdle rate.

Whilst the employment environment in the United States alternative asset management space remains competitive, total employee compensation for the staff has remained relatively consistent with the prior comparative period with only a 2% increase.

NGI Strategic Investments

The NGI Strategic business is on track to deliver another strong year in FY23. In the six months to 31 December 2022, the original six managers Navigator acquired an interest in February 2021 paid distributions of $7.5 million (31 December 2021: $7.2 million), and the new Marble Capital and Invictus Capital investments delivered an additional $3.0 million of distributions this half.

The strong distributions have been supported by 11% growth in ownership-adjusted AUM across the NGI Strategic Investment division, a combination of continuing good performance across the various managers, net inflows and the acquisition of the interest in Invictus Capital during the half.

Navigator carries its investments in these entities at fair value, with an aggregate carrying value of these investments as at 31 December 2022 of $465.8 million, up $92.1 million since 30 June 2022. This movement reflects both the fair value of the $93.3 million investment in Invictus Capital made in August 2022, offset by unrealised fair value fluctuations upon assessing the performance of the various management entities over the period as well as changes in broader market conditions.

Board of directors

The Directors of the Company at any time during the interim period and up to the date of this report are set out below:

Director Name	Position	Term
Michael Shepherd	Chairman and Non-Executive Director	Appointed 16 December 2009
Andy Bluhm	Non-Executive Director	Appointed 17 October 2012, Retired 17 November 2022
Nicola Grenham	Non-Executive Director	Appointed 8 October 2020
Suvan de Soysa	Non-Executive Director	Appointed 22 September 2021
Cathy Hales	Non-Executive Director	Appointed 22 March 2022
Sean McGould	Group Chief Executive Officer (CEO), Chief Executive Officer, Lighthouse Investment Partners, LLC, and Chief Investment Officer, Lighthouse Investment Partners, LLC	Appointed 3 January 2008

Principal activities

The principal activities of the Group during the period were:

- the provision of investment management products and services to investors globally through wholly-owned subsidiary Lighthouse Investment Partners, LLC; and
- investment in a range of minority interests in alternative asset management companies.

Significant changes in state of affairs

In the opinion of the directors there were no significant changes in the state of affairs of the Group that occurred during the financial period not otherwise disclosed in this financial report.

Outlook

The Group's Adjusted EBITDA for the half-year was $21.2 million only a 1% reduction on the prior comparative period. Whilst Lighthouse performance fees were lower than prior year, distribution income from the Group's newest investments in Marble Capital and Invictus Capital off-set the impact of this reduction.

Coming off a very strong performance year for calendar year 2021, the NGI Strategic Investments have continued to perform well over the 2022 calendar year, despite challenging global conditions. This has been an excellent start to our long-term strategic holding of this Portfolio and gives us confidence that it will add enormous value to our shareholders over the long-term. We believe the deep market experience of our managers across NGI Strategic Investments to result in strong performance through continued developing market conditions.

In terms of our Lighthouse business, we are pleased with the current level of interest in our North Rock and Mission Crest hedge fund products, and see these as the key growth drivers for the Lighthouse business.

We see the short term as a period of consolidating the investments we have made in the past two years and are confident that across the Navigator Group our various managers will deliver diversified earnings which will support long-term growth.

Dividends

The Board has determined that from the 2023 financial year the Company will pay a final dividend of US 3 - 4 cents per share. Dividends will be unfranked, however may have conduit foreign income credits attached. The payment of dividends will be subject to corporate, legal and regulatory considerations. This policy allows the NGI Group to direct a significant portion of cash generated from operating activities towards supporting the continued growth of the business.

The Board will continue to review the dividend policy in respect of the Group's future cash flow commitments and requirements.

Events subsequent to end of financial period

There has not arisen in the interval between the end of the reporting period and the date of this report, any item, transaction or event of a material nature, likely to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

Covid-19 impact

The Group is in a fortunate position in that while our business and operations have certainly been impacted by the pandemic, we have not experienced some of the acute issues that have arisen in relation to revenue reduction and cash flows in industries that have been more directly affected.

The Group's response and management plans for the pandemic as reported in the Annual Report for 30 June 2021 remain in place and are expected to continue to apply for the foreseeable future.

Environmental regulation

The Group is not subject to any particular or significant environmental regulation under any Australian Commonwealth, State or Territory legislation.

Indemnification and insurance

The Company has a Deed of Indemnity, Insurance and Access in place with each of the Directors ('the Deeds'). Pursuant to the Deeds, the Company indemnifies each Director to the extent permitted by law for losses and liabilities incurred by the Director as an officer of the Company or of a subsidiary. This indemnity remains in force for a period of 7 years from the date the Director ceases to hold office as a director of the Company.

In addition, the Company will advance reasonable costs incurred or expected to be incurred by the Director in defending relevant proceedings on terms determined by the Board. No such advances were made during the financial period.

During the period, the Group paid insurance premiums to insure the Directors and Officers of the Company. The terms of the contract prohibit the disclosure of the premiums paid.

Rounding of amounts

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Auditor

Ernst & Young is the auditor of the Group in accordance with section 327 of the *Corporations Act 2001*.

Indemnification

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount).

No payment has been made to indemnify Ernst & Young Australia during or since the end of the financial year.

Auditor's independence declaration

The lead auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 11 and forms part of the directors' report for the six months ended 31 December 2022.

This report is made in accordance with a resolution of directors:

Michael Shepherd, AO

Chairman and Non-Executive Director

Suvan de Soysa

Non-Executive Director

Sydney, 23 February 2023

Ernst & Young
111 Eagle Street
Brisbane QLD 4000 Australia
GPO Box 7878 Brisbane QLD 4001

Tel: +61 7 3011 3333
Fax: +61 7 3011 3100
ey.com/au

Auditor's Independence Declaration to the Directors of Navigator Global Investments Limited

As lead auditor for the review of the half-year financial report of Navigator Global Investments Limited for the half-year ended 31 December 2022, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;

b. No contraventions of any applicable code of professional conduct in relation to the review; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Navigator Global Investments Limited and the entities it controlled during the financial period.

Ernst & Young

Ernst & Young

N. Young

Nathan Young
Partner
23 February 2023

A member firm of Ernst & Young Global Limited
Liability limited by a scheme approved under Professional Standards Legislation

INTERIM FINANCIAL STATEMENTS

CONTENTS

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the Group's annual report for the year ended 30 June 2022 and any public announcements made by Navigator Global Investments Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

INCOME STATEMENT

For the six months ended 31 December 2022

	Note	Consolidated USD'000 31 December 2022	Consolidated USD'000 31 December 2021
Management fee revenue	2(a)	36,951	37,230
Performance fee revenue	2(a)	6,135	8,783
Revenue from reimbursement of fund operating expenses	2(a)	23,669	14,410
Revenue from provision of office space and services	2(a)	2,029	957
Total revenue		**68,784**	**61,380**
Other income	2(b)	10,482	7,167
Expenses	3	(60,105)	(47,796)
Share of profits / (loss) from joint ventures and associates		525	169
Results from operating activities		**19,686**	**20,920**
Finance income	4	11,432	27,575
Finance costs	4	(11,686)	(36,686)
Profit before income tax		**19,432**	**11,809**
Income tax expense	5(a)	(4,700)	(3,422)
Profit for the period		**14,732**	**8,387**
Attributable to equity holders of the parent		**14,732**	**8,387**

Earnings per share

	Note	Consolidated US cents 31 December 2022	Consolidated US cents 31 December 2021
Basic earnings per share	7	6.25	4.14
Diluted earnings per share	7	4.82	3.10

The accompanying notes form part of these consolidated financial statements

STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2022

	Note	Consolidated USD'000	
		31 December 2022	31 December 2021
Profit attributable to equity holders of the parent		**14,732**	**8,387**
Other comprehensive income			
Other comprehensive income that may be reclassified to profit and loss in subsequent periods:			
Exchange differences on translation of foreign operations		(128)	27
Other comprehensive income not to be reclassified to profit and loss in subsequent periods:			
Change in fair value of financial assets at fair value through other comprehensive income		(11,567)	-
Income tax on financial assets at fair value through other comprehensive income		(163)	12
Other comprehensive income for the year		**(11,858)**	**39**
Total comprehensive income for the year, net of tax		**2,874**	**8,426**
Attributable to equity holders of the parent		**2,874**	**8,426**

The accompanying notes form part of these consolidated financial statements

STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Note	Consolidated USD'000 31 December 2022	30 June 2022
Assets			
Cash		48,401	94,041
Trade receivables and other assets		23,687	18,704
Current tax assets		-	183
Total current assets		**72,088**	**112,928**
Investments at fair value	9	479,415	386,946
Investment in joint ventures and associates		13,982	13,498
Plant and equipment		9,189	6,721
Right-of-use assets		19,489	18,101
Deferred tax assets	5(b)	31,630	34,157
Intangible assets		94,276	94,323
Other non-current assets		7,044	6,704
Total non-current assets		**655,025**	**560,450**
Total assets		**727,113**	**673,378**
Liabilities			
Trade and other payables	10	4,611	45,865
Lease liabilities		3,162	2,466
Employee benefits		16,003	3,745
Current tax liabilities		1,098	576
Other financial liabilities	11	96,377	48,344
Total current liabilities		**121,251**	**100,996**
Trade and other payables	10	254	302
Lease liabilities		22,739	22,080
Employee benefits		6	4
Deferred tax liabilities	5(b)	-	107
Other financial liabilities	11	174,902	136,372
Total non-current liabilities		**197,901**	**158,865**
Total liabilities		**319,152**	**259,861**
Net assets		**407,961**	**413,517**
Equity			
Share capital		356,186	356,186
Non-share capital		99,818	99,818
Reserves		36,290	41,879
Accumulated losses		(84,333)	(84,366)
Total equity attributable to equity holders of the parent		**407,961**	**413,517**

The accompanying notes form part of these consolidated financial statements

STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2022

	Note	Share Capital	Non-share Capital	Share Based Payments Reserve	Fair Value Reserve	Translation Reserve	Parent Entity Profits Reserve	Accumulated Losses	Total Equity
		Consolidated USD'000							
		Amounts attributable to equity holders of the parent							
Balance at 1 July 2022		**356,186**	**99,818**	**13,326**	**(1,758)**	**414**	**29,897**	**(84,366)**	**413,517**
Net profit for the period		-	-	-	-	-		14,732	**14,732**
Transfer to parent entity profits reserve[1]		-	-	-	-	-	13,861	(13,861)	**-**
Other comprehensive income									
Foreign Currency translation differences, net of tax		-	-	-	-	(128)	-	-	**(128)**
Net change in fair value of financial assets at fair value through other comprehensive income		-	-	-	(10,711)	-	-	(856)	**(11,567)**
Income tax on other comprehensive income		-	-	-	(181)	-	-	18	**(163)**
Total other comprehensive loss, net of tax		-	-	-	(10,892)	(128)	-	(838)	**(11,858)**
Total comprehensive income for the year, net of tax		**-**	**-**	**-**	**(10,892)**	**(128)**	**13,861**	**33**	**2,874**
Share-based payments		-	-	574	-	-	-	-	574
Dividends to equity holders	6	-	-	-	-	-	(9,004)	-	**(9,004)**
Total transactions with owners		**-**	**-**	**574**	**-**	**-**	**(9,004)**	**-**	**(8,430)**
Balance at 31 December 2022		**356,186**	**99,818**	**13,900**	**(12,650)**	**286**	**34,754**	**(84,333)**	**407,961**

[1] Relates to the net profit of the parent entity (Navigator Global Investments Limited).

The accompanying notes form part of these consolidated financial statements

STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended 31 December 2022

		Consolidated USD'000							
		Amounts attributable to equity holders of the parent							
	Note	Share Capital	Non-share Capital	Share Based Payments Reserve	Fair Value Reserve	Translation Reserve	Parent Entity Profits Reserve	Accumulated Losses	Total Equity
Balance at 1 July 2021		**320,146**	**99,818**	**13,326**	**(1,783)**	**850**	**20,613**	**(82,369)**	**370,601**
Net profit for the period		-	-	-	-	-	-	8,387	**8,387**
Transfer to parent entity profits reserve[1]		-	-	-	-	-	21,913	(21,913)	**-**
Other comprehensive income									
Foreign Currency translation differences, net of tax		-	-	-	-	27	-	-	**27**
Income tax on other comprehensive income		-	-	-	9	-	-	3	**12**
Total other comprehensive loss, net of tax		-	-	-	9	27	-	3	**39**
Total comprehensive income for the year, net of tax		**-**	**-**	**-**	**9**	**27**	**21,913**	**(13,523)**	**8,426**
Dividends to equity holders	6	-	-	-	-	-	(16,416)	-	**(16,416)**
Total transactions with owners		**-**	**-**	**-**	**-**	**-**	**(16,416)**	**-**	**(16,416)**
Balance at 31 December 2021		**320,146**	**99,818**	**13,326**	**(1,774)**	**877**	**26,110**	**(95,892)**	**362,611**

[1] Relates to the net profit of the parent entity (Navigator Global Investments Limited).

The accompanying notes form part of these consolidated financial statements

STATEMENT OF CASH FLOWS

For the six months ended 31 December 2022

	Note	Consolidated USD'000 31 December 2022	Consolidated USD'000 31 December 2021
Cash flows from operating activities			
Cash receipts from operating activities		63,464	57,626
Cash paid to suppliers and employees		(43,721)	(31,493)
Cash generated from operations		**19,743**	**26,133**
Distributions received from investments		10,482	7,167
Distributions made to non-controlling interests		(42,483)	(9,444)
Bank interest received		100	-
Lease interest received		120	113
Lease interest paid		(516)	(423)
Income taxes paid		(1,741)	(145)
Net cash (used in)/from operating activities		**(14,295)**	**23,401**
Cash flows from investing activities			
Acquisition of plant and equipment		(3,600)	(892)
(Purchase to acquire product investments)/ Net proceeds from disposing investments		(50)	8
Dividends received from/ (investments in) joint ventures and associates		127	(13,312)
Acquisition of strategic investments	8	(15,000)	-
Transaction cost associated with acquisitions	8	(1,970)	(759)
Payment of consideration for previously acquired strategic investments		(29,750)	-
(Payment for)/ proceeds from security deposit returns		(276)	370
Net cash (used in)/from investing activities		**(50,519)**	**(14,585)**
Cash flows from financing activities			
Proceeds from borrowings		30,000	-
Transaction costs associated with borrowings		(597)	
Lease payments received from finance leases		268	220
Payment of principal portion of lease liabilities		(1,358)	(1,542)
Dividends paid to equity holders	6	(9,004)	(16,416)
Net cash from/(used in) financing activities		**19,309**	**(17,738)**
Net increase/(decrease) in cash		**(45,505)**	**(8,922)**
Cash balance at 1 July		94,041	52,097
Effect of exchange rate fluctuations on cash balances held in foreign currencies		(135)	(315)
Cash balance as at 31 December		**48,401**	**42,860**

The accompanying notes form part of these consolidated financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 31 December 2022

1. Operating segments

The Group has two reportable segments and are unchanged from the prior reporting period:

- Lighthouse Group, which operates as a global absolute return funds manager for investment vehicles; and
- NGI Strategic Group, holds several strategic investments on a minority basis. Including the strategic portfolio, Marble and Invictus investments.

No operating segments have been aggregated to form the above reportable operating segments.

The 'All other segments' category includes the parent entity, investments in joint ventures & associates and adjustments to eliminate on consolidation. Individually these are not considered a reporting segment.

The CEO is responsible for day-to-day operations and the implementation of the Group's business strategy. Internal management reports are provided to the CEO on a monthly basis including separate analysis for the Lighthouse, NGI Strategic & NGI Parent divisions to monitor the operating results of its business for the purpose of making decisions about resource allocation and performance assessment. Divisional performance is evaluated based on the financial information as set out below, as well as other key metrics such as Assets under Management and the average management fee rate.

USD'000	Reportable Segments						All other segments		Consolidated	
	Lighthouse		NGI Strategic		Total reportable segments					
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Total revenue from contracts with customers	68,648	61,120	-	-	**68,648**	**61,120**	136	260	**68,784**	61,380
Other income	-	-	10,482	7,167	**10,482**	**7,167**	-	-	**10,482**	**7,167**
Earnings before interest, tax, depreciation and amortisation	**14,351**	**16,522**	**9,563**	**(978)**	**23,914**	**15,544**	**300**	**(1,094)**	**24,214**	**14,450**
Reportable segment profit / (loss) before income tax	**11,448**	**13,927**	**7,681**	**(978)**	**19,129**	**12,949**	**303**	**(1,140)**	**19,432**	**11,809**
	31 Dec 2022	**30 Jun 2022**	**31 Dec 2022**	**30 Jun 2022**	**31 Dec 2022**	**30 Jun 2022**	**31 Dec 2022**	**30 Jun 2022**	**31 Dec 2022**	**30 Jun 2022**
Segment assets	228,247	210,149	472,769	428,385	**701,016**	638,534	26,097	34,844	**727,113**	673,378
Segment liabilities	(46,133)	(31,524)	(271,940)	(227,190)	**(318,073)**	(258,714)	(1,079)	(1,147)	**(319,152)**	(259,861)
Net assets	**182,114**	**178,625**	**200,829**	**201,195**	**382,943**	**379,820**	**25,018**	**33,697**	**407,961**	**413,517**

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 31 December 2022

2. Revenue

a) Revenue from contracts with customers

	Consolidated USD'000	
	31 December 2022	31 December 2021
Operating revenue		
Management fees from commingled funds	10,761	12,364
Management fees from customised solutions clients	9,626	10,205
Management fees from managed account services clients	4,339	4,968
Management fees from hedge fund clients	12,225	9,693
Performance fees	6,135	8,783
Total operating revenue	**43,086**	**46,013**
Other revenue		
Revenue from reimbursement of fund operating expenses	23,669	14,410
Revenue from provision of office space and services	2,029	957
Total other revenue	**25,698**	**15,367**
Total revenue from contracts with customers	**68,784**	**61,380**

b) Other income

Net investment income of $10.5 million (2021: $7.2 million) for the six month period reflects distributions received from investments the Group holds in unquoted securities in externally managed entities.

Non-controlling interest holders associated with the Strategic Portfolio are entitled to a share of profits above a minimum level of distributions received from the six investments within the strategic portfolio. As at 31 December 2022, this minimum distribution level was not yet reached (2021: nil).

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 31 December 2022

3. Expenses

	Consolidated USD'000	
	31 December 2022	31 December 2021
Operating expenses		
Employee expense	(26,186)	(24,855)
Professional and consulting expenses	(1,905)	(1,685)
Information and technology expense	(1,588)	(1,102)
Reimbursable fund operating expenses	(23,669)	(14,410)
Occupancy expense	(1,016)	(337)
Distribution expense	(1,044)	(920)
Insurance	(318)	(323)
Travel expense	(501)	(53)
Other expenses	(1,340)	(1,786)
Total operating expenses	**(57,567)**	**(45,471)**
Non-operating expenses		
Depreciation of plant and equipment	(1,132)	(1,154)
Lease depreciation	(1,358)	(1,123)
Amortisation of intangible assets	(48)	(48)
Total non-operating expenses	**(2,538)**	**(2,325)**
Total expenses	**(60,105)**	**(47,796)**

Employee expense

The largest operating expense is employee expense which includes salaries and wages, together with the cost of other benefits provided to employees such as contributions to superannuation and retirement plans, health care benefits, educational assistance and cash bonuses. It also includes associated payroll costs such as payroll tax and payroll processing fees.

Share based payment expense

The Group provides benefits to its employees in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity settled transactions').

The grant date fair value of share-based payment awards granted to employees is recognised as a share based payment expense in the profit or loss, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with market based vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The cumulative expense recognised for share based payments transactions at each reporting date until vesting date reflects:

(i) the grant date fair value of the award;
(ii) the extent to which the vesting period has expired; and
(iii) the current best estimate of the number of awards that will vest.

During the period 3,287,460 performance rights were issued to a select group of senior management. Half of these rights are subject to non-market vesting conditions to achieve target earnings hurdles and the remaining half of these rights are subject to market vesting conditions. Employee expense includes share based payment expenses of $0.6 million (2021: nil) for the proportion of the period services by employees rendered since grant date.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 31 December 2022

4. Finance income and costs

	Consolidated USD'000	
	31 December 2022	31 December 2021
Finance income		
Unrealised fair value changes in financial assets	10,999	27,433
Realised gain on financial assets	213	7
Finance income on net investment in finance lease	120	135
Interest income on bank deposits	100	-
Total finance income	**11,432**	**27,575**
Finance costs		
Unrealised fair value changes in financial liabilities	(8,891)	(35,936)
Lease interest expense	(516)	(423)
Net foreign exchange loss	(88)	(197)
Bank charges and borrowing costs	(567)	(101)
Other interest expense	(1,624)	(29)
Total finance costs	**(11,686)**	**(36,686)**
Net finance (loss) / income recognised in profit and loss	**(254)**	**(9,111)**

Fair value movements through profit and loss

Financial assets (Note 9) and financial liabilities (Note 11) at fair value through profit and loss are remeasured at each reporting date. Fair value movements (unrealised) are reported in the profit and loss as either finance income or finance costs depending on whether the fair value movements result in a net gain or net loss position for the reporting period.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or producing of an asset that takes a substantial amount of time to complete are capitalised as part of the cost of the asset. All other borrowing costs are recognised in the profit and loss over the period of borrowings using the effective interest method. This includes transaction costs such as fees paid on the establishment of loan facilities which for the period totalled $0.5 million.

Other borrowing costs are expensed in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 31 December 2022

5. Income tax

The Group operates in various tax jurisdictions around the world including Australia, United States of America, and to smaller extent United Kingdom, Hong Kong and Ireland. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on a tax consolidated group of entities.

a) Reconciliation of effective tax rate

	Consolidated USD'000	
	31 December 2022	31 December 2021
Profit before income tax	**19,432**	**11,809**
Income tax using the Company's domestic tax rate: 30% (Dec 2021: 30%)	(5,830)	(3,543)
Effect of tax rates in foreign jurisdictions	1,385	(650)
Non-deductible / non-assessable amounts included in accounting profit	1,500	907
Amounts not included in accounting profit	(244)	(374)
Tax losses / (generated) for which no deferred tax asset is initially recognised	113	95
Changes in estimates relating to prior years	(1,625)	143
Total income tax expense reported in profit and loss	**(4,700)**	**(3,422)**

b) Deferred tax

	Consolidated USD'000	
	31 December 2022	30 June 2022
Carried forward tax losses	34,055	37,259
Goodwill and intangible assets	(8,457)	(5,703)
Property, plant and equipment	660	492
Employee benefits	4,457	849
Financial assets at fair value through profit and loss	(1,421)	(1,632)
Investment in joint ventures and associates	(250)	(77)
Financial assets at fair value through other comprehensive income	385	597
Foreign tax credits	969	620
Other items	1,232	1,645
Net deferred tax assets	**31,630**	**34,050**
Reflected in the statement of financial position as follows:		
Deferred tax assets	31,630	34,157
Deferred tax liabilities	-	(107)
Net deferred tax	**31,630**	**34,050**

Recognised carried forward tax losses arose in the Lighthouse tax consolidated group. At balance date it is considered more likely than not that these losses and deductible temporary differences will be fully recovered based on the current profitability of the Lighthouse group, which is expected to continue into the future.

Carried forward tax losses relating to the US Group which existed prior to 1 January 2018 have a life of 20 years and will expire during the period from 2029 to 2038. Tax losses incurred after 1 January 2018 have an indefinite life.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 31 December 2022

5. Income tax (continued)

c) Deferred tax (continued)

Deferred tax assets - unrecognised

Deferred tax assets have not been recognised in respect of the following items:

	Consolidated USD'000	
	31 December 2022	**30 June 2022**
Deductible temporary differences	79,636	81,153
Unrealised capital losses	2,642	-
Tax losses	2,841	3,259
Total deferred tax assets - unrecognised	**85,119**	**84,412**

Unrecognised deferred tax assets relating to the Australian tax consolidated Group consist of carried forward operating tax losses and deductible temporary differences primarily relating to financial assets and impairment losses recognised in previous financial years. Tax losses relating to the Australian Group and deductible temporary differences do not expire under current tax legislation.

Unrealised capital losses for the US Strategic tax group are from investments in financial assets. As at 31 December 2022 It is not probable that the Australian tax Group or the US Strategic tax group will produce sufficient taxable profits and/or capital gains against which these deferred tax assets can be utilised and therefore the deferred tax assets are unrecognised.

6. Dividends

The following dividends were paid by the Company during the period:

	Consolidated USD'000	
	31 December 2022	**31 December 2021**
Final ordinary dividend for the year ended 30 June 2022 of USD 3.0 cents	9,004	-
Final ordinary dividend for the year ended 30 June 2021 of USD 6.0 cents	-	16,416
	9,004	**16,416**

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 31 December 2022

7. Earnings per share

	Consolidated USD	
	31 December 2022	31 December 2021
Basic earnings per share	6.25	4.14
Diluted earnings per share	4.82	3.10

Reconciliation of earnings used in calculating earnings per share

Basic and diluted earnings per share (EPS)

	Consolidated USD'000	
	31 December 2022	31 December 2021
Profit attributable to ordinary equity holders of the Company used in calculating basic and diluted EPS	14,732	8,387

Weighted average number of shares used in calculating basic and diluted EPS

		'000 shares	
		31 December 2022	31 December 2021
Weighted average number of ordinary shares used in calculating basic EPS		235,692	202,672
Adjustment for calculation of diluted EPS relating to Convertible notes	(i)	68,233	67,574
Adjustment for calculation of diluted EPS relating to equity settled share based payments	(ii)	1,885	-
Weighted average number of ordinary shares used in calculating diluted EPS		305,800	270,246

(i) Diluted earnings per share includes potential shares associated with the convertible notes issued as part consideration for a business combination in 2021. Convertible notes were subsequently adjusted as a consequence of the capital raising events during the year ended 30 June 2022. Shares are not weighted.

(ii) Diluted earnings per share includes contingently issuable shares associated with equity settled share based payments which are expected to vest had the contingent period ended at balance date.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 31 December 2022

8. Acquisitions

Current year transactions

Investment in Invictus Capital Partners

On 4th August 2022, the Group acquired passive investment interests in US based Invictus Capital Partners, LP and four affiliate entities (collectively 'Invictus Capital'). Invictus Capital operates is a real estate credit focused alternative asset manager of private funds and separately managed accounts. They seek attractive risk-adjusted returns by sourcing undervalued high-quality mortgage loans and financing them efficiently through credit facilities and the securitisation market. The acquisition expands the Group's investments in the attractive real estate sector. The Group acquired equity rights of 18.18% across various Invictus Capital entities and is entitled to 9.09% of carried interest proceeds for total consideration of $100 million. Up front consideration of $15 million has been paid during the period with the remaining $85 million expected to be payable in cash over a three year period. Deferred consideration comprises of primary and secondary elements, with primary expected to be paid on anniversary dates but can be accelerated upon certain terms being met, while the timing of the secondary consideration is dependent upon Invictus Capital's mortgage business to achieve a required earnings target or on the third anniversary date at the latest.

The Group has traditional protective rights over the investment held and has no representation on the board of directors, or ability to significantly influence operations, it has been determined the acquisition is of an investment in a financial asset which will be recorded at fair value through comprehensive income. Refer to Note 13 for further details on fair value measurement. The following table summarises consideration paid & payable for the investment:

	Total Consideration	Fair Value
	USD $'000	
At completion (cash):	15,000	15,000
Deferred (cash):	85,000	**76,324**
Total consideration	**100,000**	**91,324**
	Capitalised transaction costs	**1,970**
	Initial carrying amount	**$93,294**

Fair value of the investment in Invictus Capital at acquisition is $91.3 million. The differential to total consideration paid and payable of $8.7 million is a result of discounting deferred components not callable for 12 months, to present value. Deferred consideration is not contingent upon future events or earnings and as such is not treated as contingent consideration and remeasured at each balance date. The balance is however classified as current as it is not within the Group's control to defer payment beyond twelve months. Transaction costs of $2 million are capitalised to the investment when fair valued through other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 31 December 2022

8. Acquisitions (continued)

Prior year transactions

Investment in Marble Capital

The Group acquired passive investment interests from Marble Capital, LP (a Texas limited partnership), the investment manager for two entities; Marble Capital GP Holdings, L.P. and Marble Capital Manager Holdings, L.P (collectively 'Marble Capital'). Marble Capital operates in highly sought after segments of the US Real Estate sector, providing flexible capital solutions for multifamily developers and operators in the US. The acquisition further diversifies the Group's portfolio into Real Estate investments in entities with proven track records of attractive returns. On the effective acquisition date of 29 April 2022, the Group acquired 16.83% of both partnerships for a total consideration of $85 million all payable in cash with approximately 35% paid at completion and the remainder deferred for up to two years. Both the upfront and deferred consideration comprises of primary consideration used to invest in the funds Marble Capital operates, while the secondary consideration is paid to existing principals.

The Group has traditional protective rights over the investment held and has no representation on the board of directors, or ability to significantly influence operations, it has been determined the acquisition is of an investment in a financial asset which will be recorded at fair value through comprehensive income. Refer to Note 13 for further details on fair value measurement. The following table summarises consideration paid & payable for the investment:

	Total Consideration	Final Fair Value
	USD'000	
At completion (cash):	29,750	29,750
Deferred consideration (cash):	55,250	54,721
Total consideration	**85,000**	**84,471**
Net cash outflow on acquisition		29,750

Fair value of the investment in Marble Capital at acquisition is $84.5 million. The differential to total consideration paid and payable of $0.5 million a result of discounting deferred components not callable for 12 months, to present value. Deferred consideration is not contingent upon future events or earnings and as such is not treated as contingent consideration and remeasured at each balance date. The balance is however classified into current and non-current liabilities refer to Note 11.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 31 December 2022

8. Acquisitions (continued)

Prior year transactions (continued)

Acquisition of Joint Venture interest in Longreach Alternatives Ltd

On 30 September 2021, the Group acquired a 34.06% shareholding in Longreach Alternatives Ltd ('Longreach'). Longreach is an Australian based diversified asset management firm that identifies, builds and invests into growing world class alternative investment management teams. Investment opportunities are across market segments in Australian and the US including alternative income, private credit, quantitative equity and real assets. The joint venture relationship provides the Group with collaboration opportunities in the alternative asset industry in Australia.

The Group has joint control with another major shareholder and both are responsible for the overall direction and supervision of Longreach. Cash consideration of AUD $12.9 million (USD$9.3 million) was paid to acquire the following assets recorded within the joint venture interest on acquisition date:

	Final USD'000
Investment in joint venture interest comprises of:	
▪ Share of the consolidated net assets of Longreach	975
▪ Goodwill	7,958
▪ Intangibles – Management rights	380
Total consideration & investment value at acquisition date	**9,312**
Net cash flow on acquisition	9,312

Identified intangibles of goodwill and management rights are recorded within the investments carrying value. Transaction costs of USD $0.7 million were also capitalised to the investment. Purchase price accounting has been finalised in the current period with the fair value of management right intangibles reducing by $0.5 million and an increase to goodwill by $0.5 million inclusive of a minor reduction in share of Longreach's net assets.

Acquisition of Investment in associate in GROW Investment Group

On 20 September 2021, the Group acquired a 6.67% shareholding in GROW Investment Group ('GROW') a newly formed entity which will own both Hong Kong and Shanghai based subsidiaries and capitalise on opportunities in the Chinese asset management industry and the continued evolution of China's markets.

The Group paid cash consideration of $4 million to fund start up operations and includes negative contingent consideration for the Group's equity interest to increase to 10% for no further consideration if earnings targets are not met by an agreed timeframe. A contingent asset is recorded separate from the investment balance, within 'Other non-current assets' and has been assessed at a fair value of $0.2 million. The carrying value of the investment at acquisition date is $3.8 million, the residual cost of acquisition. Minimal transaction costs were also capitalised to the cost of the investment.

It has been determined that the Group has significant influence over GROW. The board of directors are ultimately responsible for the key operating and financial decisions of the company and the Group has a 25% representation on the Board. Purchase price accounting was finalised without change in the current period.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 31 December 2022

9. Investments at fair value

	Consolidated USD'000	
	31 December 2022	30 June 2022
Financial assets at fair value through other comprehensive income		
Investments in unquoted securities of externally managed entities	166,200	84,471
Financial assets at fair value through profit and loss		
Investments in unquoted securities of externally managed entities	299,634	289,246
Investments in unquoted securities of Group managed entities	13,581	13,229
	479,415	**386,946**

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income comprise non-controlling equity holdings in unquoted securities of US based real estate sector entities over which the Group does not have significant influence.

The Group has elected to account for these investments at fair value with changes to fair value recognised through other comprehensive income in the fair value reserve. Upon sale or derecognition of these investments, any gain or loss will be transferred to retained earnings.

Financial assets at fair value through profit and loss

These assets have been classified as fair value through profit and loss upon initial recognition with changes in fair value recognised in profit and loss. These investments comprise of:

- Investments in unquoted securities of Group managed entities; and
- Investments in unquoted securities of externally managed entities which comprise of the six investments in the NGI Strategic Portfolio. Fair value movements are recorded through the profit and loss to better align with the fair value movements expected in the corresponding redemption payment liability to acquire non-controlling interests in the acquired partnerships (see Note 11).

Note 13 provides details on the methods used to determine fair value for measurement and disclosure purposes.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 31 December 2022

10. Trade and other payables

	Consolidated USD'000	
	31 December 2022	**30 June 2022**
Current		
Trade creditors	145	539
Distribution costs payable	539	505
Accruals	2,477	1,868
Profit share payable to non-controlling interest	-	42,483
Other payables	1,450	470
	4,611	**45,865**
Non-current		
Other long-term liabilities	254	302
	254	**302**

Profit share to non-controlling interests

Profit share arrangements with non-controlling interests and related party Blue Owl (formerly Dyal Capital Partners), relate to the NGI Strategic Portfolio's FY22 earnings. The Group settles the prior year profit share arrangement in cash within one to two months of year end. Minimum distribution threshold not reached at 31 December 2022 and hence no profit share payable at period end.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 31 December 2022

11. Other financial liabilities

		Consolidated USD'000	
		31 December 2022	30 June 2022
Current			
Deferred consideration payable		96,377	48,344
		96,377	**48,344**
Non-current			
Deferred consideration payable		6,534	6,399
Borrowings		29,476	-
Financial liabilities at amortised cost – Convertible notes		1,628	1,600
Financial liabilities at fair value – Redemption payment liability	11(a)	137,264	128,373
		174,902	**136,372**

Deferred consideration

Consideration payable associated with business combinations and investment acquisitions that are not contingent upon future events is considered deferred consideration. This financial liability is recorded at fair value at acquisition date based on discounted cash flows. Interest accretion is recognised as a finance expense.

Investment acquisitions in Marble Capital and Invictus Capital, included contractual terms to defer a portion of consideration for up to three years. Amounts that can be called upon by sellers are subject to certain conditions which are outside the control of the Group resulting in the outstanding balance to be classified as a current liability. The Group expects however actual payments to be staggered over the next three years. The primary increase in deferred consideration of $76.3 million is associated with the Invictus Capital acquisition in the period, Refer Note 8 a) for further details.

Borrowings

On 30 June 2022 the Group entered into a new credit agreement with its current lender, BMO Harris Bank N.A. ('BMO'), for a new senior, secured credit facility in the aggregate principal amount of an immediate $50 million of capacity. This line of credit was increased to $70 million in December 2022, with the funding sourced from an additional lender, Byline Bank, administered by BMO. The facility matures on 30 June 2025 and is secured by a charge over certain Group assets.

The increased borrowing capacity provides the Group with flexible financing to maximise shareholder returns and to fund deferred consideration related to the Marble Capital & Invictus Capital transactions (refer Note 8). As at 31 December 2022, the Group has undrawn funds of $40 million (30 June 2022: $50 million).

The applicable interest rate is benchmarked to the secured overnight financing rate ("SOFR") administered by the Federal Reserve Bank of New York and adjusted for an applicable term and margin rate. Accrued interest is included in other payables on the balance sheet.

Borrowings are subject to the following financial covenants tested quarterly:

- Debt to Adjusted EBITDA ratios;
- Fixed Charge Cover Ratio (first tested in June 2023);
- Minimum Group AUM levels; and
- Minimum Group investment in Lighthouse Funds.

Borrowings are initially measured at fair value net of directly attributable transaction costs. Following initial recognition borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit and loss when the liabilities are derecognised as well as through the effective interest amortisation process.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 31 December 2022

11. Other financial liabilities (continued)

a) Redemption payment liability

	Consolidated USD'000	
	31 December 2022	**30 June 2022**
Opening fair value / as at acquisition date	128,373	79,717
Unrealised fair value changes recognised in profit and loss	8,891	48,656
Closing fair value	**137,264**	**128,373**

The Group has a written put arrangement over the non-controlling interest in acquired partnerships; NGI Strategic Holdings (A) Limited Partnership and NGI Strategic Holdings (B) Limited Partnership. The deferred consideration payable represents the fair value of non-controlling interest held by the vendor which the Group has an obligation to acquire in 2025. Once this redemption payment is made, the two acquired partnerships will be wholly owned entities of the Group.

The fair value of estimated consideration is calculated over two discrete measurement periods; Calendar year 2021-2023 and calendar years 2024-2025, and payable in financial year ending 2026. The amount is determined as the average relevant gross earnings of the six portfolio investments (ownership adjusted) over a minimum distribution threshold with the average relevant gross earnings multiplied by 2.25x up to a maximum undiscounted amount of $200 million.

As the redemption payment is considered contingent consideration, fair value movements are recorded through profit and loss and discounted to determine its present value.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 31 December 2022

12. Capital & Reserves

a) Share capital

	Note	Shares '000		USD'000	
Ordinary shares		**31 December 2022**	**30 June 2022**	**31 December 2022**	**30 June 2022**
Opening balance 1 July		235,692	202,672	356,186	320,146
Issued 13 April 2022 through an institutional placement		-	30,400	-	35,024
Issued 18 May 2022 through a share purchase plan		-	2,620	-	2,728
Less: Transaction costs arising on share issue		-	-	-	(1,712)
Total share capital at 31 December and 30 June		**235,692**	**235,692**	**356,186**	**356,186**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

The Company does not have authorised capital or par value in respect of issued shares. All ordinary shares rank equally with regard to the Company's residual assets. Ordinary shares have the right to receive dividends as declared and are entitled to one vote per share at general meetings of the Company.

b) Non-share capital

Non-share capital of $99.8 million (June 2022: $99.8 million) represents the equity component of 102,283 convertible notes issued as part consideration for a business combination in 2021. As this is a compound instrument, the liability component is included in Other financial liabilities at Note 11.

c) Share based payment reserve

The Group provides benefits to its employees in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity settled transactions')(refer Note 3)

The share-based payments reserve is used to recognise:

- the grant date fair value of options and performance rights issued to employees but not exercised;
- the grant date fair value of shares issued to employees; and
- the grant date fair value of deferred shares granted to employees but not yet vested.

All share based payment instruments are unvested as at balance date.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 31 December 2022

13. Financial instruments

Fair value of financial instruments

Fair value hierarchy

The Group classifies fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The different levels of fair value hierarchy are:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data.

Fair value measurements

The following table shows the fair values of financial assets and liabilities and their levels in the fair value hierarchy.

		Consolidated USD'000			
	Note	**Level 1**	**Level 2**	**Level 3**	**Total**
		30 June 2022			
Financial assets at fair value through other comprehensive income					
Investments in unquoted securities of externally managed entities	9	-	-	84,471	**84,471**
Financial assets at fair value through profit and loss					
Contingent consideration asset		-	-	1,000	**1,000**
Investment in unquoted securities of externally managed entities	9	-	-	289,246	**289,246**
Investments in unquoted securities of Group managed entities	9	-	13,229	-	**13,229**
Financial liabilities					
Redemption payment liability	11(a)	-	-	128,373	**128,373**
		31 December 2022			
Financial assets at fair value through other comprehensive income					
Investments in unquoted securities of externally managed entities	9	-	-	166,200	**166,200**
Financial assets at fair value through profit and loss					
Contingent consideration asset		-	-	1,310	**1,310**
Investment in unquoted securities of externally managed entities	9	-	-	299,634	**299,634**
Investments in unquoted securities of Group managed entities	9	-	13,581	-	**13,581**
Financial liabilities					
Redemption payment liability	11(a)	-	-	137,264	**137,264**

There were no transfers between levels during the periods ended 31 December 2022 and 30 June 2022.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 31 December 2022

13. Financial instruments (continued)

Valuation techniques used to derive level 2 and level 3 fair values

The fair value of financial instruments that are not in an active market are determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available. If the significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3, as is the case for unlisted equity securities.

Specific valuation techniques used to value level 2 and level 3 financial assets are outlined below. Valuation techniques used to value level 3 financial liabilities as well as detailed movements in fair value is detailed in Note 9.

Unquoted securities of externally managed entities

Equity holdings in other externally managed entities are unquoted and are considered level 3 as the inputs to the fair value are not based on observable market prices.

Alternative asset managers

A portfolio of investments in alternative asset managers, each operating within their own niche market. The Group engaged external, independent and qualified valuers specialising in unquoted securities to determine the fair value of the Group's investment in each alternative asset manager.

A combination of market and income approaches were utilised by the external valuer based on forecasted cashflows prepared by management. This approach which differs from the prior period where only an Income approach was applied, is considered a more balanced and robust approach which is the primary reason for engaging external valuers. Certain assumptions on model inputs including growth rates on net fee related earnings, performance fee income and carried interest are made. The probabilities of various estimates within the range can be reasonably assessed and are used in management's estimate of fair value.

Other externally managed entities:

The Group has small investments in an operator of an online marketplace for alternative investments & a boutique asset manager.

Due to significant uncertainty as to the on-going viability of these investments, the carrying value continues to be $nil following write downs in prior periods. Any fair value movements are recorded in other comprehensive income through the fair value reserve. The Group's small ownership in a text analytic platform provider was extinguished during the period.

Share in unquoted securities of Group managed entities

The Group holds investments in Group managed entities. Each investment entity has an external administrator who is responsible for determining the fair value of the underlying investments of each entity and using this to calculate the net asset value per share at which any investor in the entity can redeem their investment holding ('the exit price'). The fair value of these investments as at 31 December 2022 and 30 June 2022 is the exit price as calculated and provided by the external administrator of the investment entities. All significant inputs required to fair value the investments are therefore observable. Fair value movements for these investments are recorded in profit and loss.

Contingent consideration asset

A contingent consideration asset is recognised in 'Other non-current assets' on the balance sheet relating to an investment in associate. The potential amount of the asset is based on an expectation of whether the associate entity will meet EBITDA targets by a specified timeframe. If targets are not reached the Group's shareholding increases for nil additional consideration. Company earnings are considered unobservable inputs and hence the asset is classified as Level 3 under the AASB 13 Fair value measurement hierarchy.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 31 December 2022

13. Financial instruments (continued)

Movement in Level 3 financial assets

		Consolidated USD'000			
		Contingent consideration asset	Investments in unquoted securities		
	Note	Through profit and loss	Through profit and loss	Through other comprehensive income	Total
Opening balance 1 July 2021		**-**	**238,068**	**-**	**238,068**
Acquisitions	8	200	-	84,471	**84,471**
Increase/(Decrease) in fair value		800	51,178	-	**51,178**
Closing balance 30 June 2022		**1,000**	**289,246**	**84,471**	**373,717**
Acquisitions	8	-	-	93,294	**93,294**
Increase/(Decrease) in fair value		310	10,388	(11,565)	**1,177**
Closing balance 31 December 2022		**1,310**	**299,634**	**166,200**	**465,834**

Significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair valuation measurements categorised within level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis are shown below:

Description	Valuation technique	USD'000 Fair value at 31 Dec 2022	USD'000 Fair value at 30 June 2022	Unobservable inputs	Sensitivity of the input to fair value
Alternative asset managers Investments in unlisted equity securities in externally managed entities	Income & Market approach	465,834	373,717	Expected earnings through the measurement period	A 1% (June 2022: 1% change in revenue growth) increase/(decrease) in earnings would result in a $15.8 million (June 2022: $25.1 million) increase / ($15.1 million) decrease in fair value
				WACC applied to management fee income stream ranged from 16 – 21% (June 2022: 16.9 – 19.5%[1])	A 0.5% (June 2022: 0.5%) increase/(decrease) in the WACC would result in a ($3.6 million) (June 2022: $8.5 million) decrease / $3.7 million increase in fair value
				Discount rate ranged from 27 – 42% (June 2022: of 32.4%[1]) applied to performance fee & carried interest earnings, a higher degree of variability in earnings	A 0.5% (June 2022: 0.5%) increase/(decrease) in the discount rate would result in a ($2.5 million) (June 2022: $2.3 million) decrease / $2.6 million increase in fair value
				Transaction prices associated with actual market transactions for similar investments ranged from 5.74x – 14x (June 2022: n/a)	A 0.5x increase/(decrease) in market multiples would result in a $8.9 million (June 2022: n/a) increase/(decrease) in fair value

[1] Grossed up for the impact of minority asset liquidity discount previously for comparison purposes. Previously this discount directly applied to cash flows.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 31 December 2022

13. Financial instruments (continued)

Significant unobservable inputs to valuation (continued):

Description	Valuation technique	USD'000 Fair value at 31 Dec 2022	30 June 2022	Unobservable inputs	Sensitivity of the input to fair value
Other					
Investments in unlisted equity securities in externally managed entities	Market approach	-	-	A share price from a historical capital raise was utilised as an indicative fair value price for equity held.	Any increase in the price per share would result in an increase in the fair value from nil.
Redemption payment liability recorded at fair value	DCF	(137,264)	(128,373)	Expected earnings through the measurement period.	A 1% (June 2022: 1%) increase/(decrease) in the growth rate would result in a nil change (June 2022: $0.1 million increase / $3.0 million decrease) in fair value
				A discount rate of 11.3% (June 2022: 11.6%) was applied. The rate declines each period as variability in earnings (3.5 of 5 year period) reduces over time & impact of payment being capped at $200 million.	A 0.5% (June 2022: 0.5%) increase/(decrease) in the discount rate would result in a $2.2 million (June 2022: $2.4 million (decrease)/ increase) in the fair value of the liability
Contingent consideration asset	Market approach	1,310	1,000	A share price from a recent capital raise was utilised as an indicative fair value for potential increment in equity held.	A 10% (June 2022: 10%) increase/(decrease) in the price per share would result in a $0.1 million (June 2022 $0.1 million) increase/(decrease) in fair value.
				A probability scenario is applied based on expected achievement of earnings target by a specific timeframe.	A 10% (June 2022: 10%) increase/(decrease) in the probability factor would result in a $0.3 million (June 2022 $0.2 million) increase/(decrease) in fair value.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 31 December 2022

14. Contingent liabilities

Investment fund related obligations

The Company's subsidiary Lighthouse Investment Partners, LLC acts as the Investment Manager for certain private investment funds under Delaware Law, Cayman Islands Law and Irish Law. Due to its role as Investment Manager the subsidiary may be subject to contingent liabilities as a result of its obligations to the funds. The directors of Lighthouse Investment Partners, LLC consider that all obligations have been met to 31 December 2022.

Guarantees

During the period, the Group provided a guarantee to one of the externally managed entities for its share in a banking facility. In the event of default this guarantee may be called upon which would be incurred jointly with other investors. At 31 December 2022 the facility for which the guarantee is provided is undrawn.

15. Commitments

At 31 December 2022 the Group had commitments of $150 thousand (30 June 2022: $592 thousand) relating to the completion of lease fit outs for a new leased premises in Chicago.

16. Subsequent events

There has not arisen in the interval between the end of the reporting period and the date of this report, any item, transaction or event of a material nature, likely to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

17. Corporate information

The financial report of Navigator Global Investments Limited (the 'Company') for the six months ended 31 December 2022 was approved by the board of directors on the 23rd day of February 2023.

The consolidated financial statements of the Company as at and for the six months ended 31 December 2022 comprise the Company and its subsidiaries (the 'Group').

The Company is a for profit company limited by shares incorporated in Australia and is listed on the Australian Securities Exchange. The registered office of the Company is Level 21, 10 Eagle Street, Brisbane QLD 4000.

18. Statement of compliance

These interim financial statements have been prepared in accordance with AASB 134 Interim Financial Reporting; the *Corporations Act 2001*; and IAS 34 Interim Financial Reporting. They do not include all of the information required for a full annual financial report and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 30 June 2022 and any public announcements made by the Group during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The consolidated financial statements of the Group as at and for the year ended 30 June 2022 are available on the Company's website at www.navigatorglobal.com.au, or a copy can be requested by contacting the Company.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the following:

- adoption of new and amended standards introduced by the accounting standard board as set out in Note 21;
- adoption of new accounting policy for borrowings as it applies for the first time in this reporting period (Refer Note 4 & 11).
- reapplication of accounting policies in relation to share based payments as new instruments have been issued in this reporting period (Refer Note 3 & 12).

19. Basis of measurement

The consolidated financial statements have been prepared on a going concern basis. The consolidated financial statements have been prepared on a historical cost basis except for the following items:

Items	Measurement basis
Financial assets and liabilities at fair value through profit and loss	Fair value
Contingent consideration asset	Fair value
Financial assets at fair value through other comprehensive	Fair value

The methods used to measure fair value are discussed further in Note 13.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 31 December 2022

20. Functional and presentation currency

The consolidated financial statements are presented in US dollars ('USD'), which is the Company's functional currency.

The amounts contained in this financial report have been rounded to the nearest thousand dollars in accordance with the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016, unless otherwise stated.

Translation of foreign currency

Transactions in foreign currencies are translated to the respective functional currency of Group entities at rates of exchange ruling on the date of those transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at the year-end exchange rate of monetary assets and liabilities denominated in foreign currencies, are recognised in profit and loss.

21. Other accounting policies

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year include:

- Recognition of deferred tax assets: availability of future taxable profit against which carried forward tax losses can be used (refer Note 5);
- Fair value measurement of investments (Note 9 & 13);
- Other liabilities which includes a redemption payment estimated on future forecasted earnings of underlying investments held and the timing of expected cash outflows for discounting deferred consideration to present value (Note 11 & 13);
- Contingent consideration asset; assessment of probable outcomes; and
- Classification of joint arrangements and assessment of significant influence in associates.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value. The methods used to determine fair values for measurement and / or disclosure purposes are included in the following notes:

- notes 13 – contingent consideration asset;
- notes 9 and 13 - investments in financial assets at fair value through profit and loss;
- notes 9 and 13 - investment in financial assets at fair value through other comprehensive income; and
- notes 9 and 13 – financial liabilities measured at fair value with changes recorded through profit and loss.

Changes in accounting policies

New and amended standards

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

- AASB 2020-3 Reference to the conceptual framework amending the following standards:
    - AASB 3 Business Combinations – referencing the conceptual framework
    - AASB 16 Property, Plant and Equipment relating to the proceeds before intended use
    - AASB 137 Provisions, Contingent liabilities and Contingent Assets relating to costs associated with onerous contracts
    - AASB 9 Financial Instruments relating to fees included in assessing a modified liability

The amendments listed above did not have any impact on the Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 31 December 2022

21. Other accounting policies (continued)

Accounting standards and interpretations issued but not yet effective

The following Australian accounting standards and interpretations that are relevant to the Group's operations have been issued but are not yet effective and have not been adopted by the Group for the year six months ended 31 December 2022. These standards are not expected to have a significant impact on the Group's consolidated financial statements:

- AASB 2014-10 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)
- AASB 2020-1 Amendments to AASB 101 regarding the classification of Liabilities as Current or Non-current
- AASB 2021-2 Amendments to Disclosure of Accounting Policies and definition of Accounting Estimates
- AASB 2021-5 Amendments to Deferred Tax related Assets and Liabilities arising from a single transaction
- AASB 2022-5 Amendments to Lease liability in a sale and leaseback.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Navigator Global Investments Limited (the 'Company') we state that:

1. In the opinion of directors:

   (a) the consolidated financial statements and notes that are set out on pages 12 to 41 are in accordance with the *Corporations Act 2001*, including:

      (i) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the financial year ended on that date; and
      (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

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

Michael Shepherd, AO
Chairman and Non-Executive Director

Suvan de Soysa
Non-Executive Director

Sydney, 23 February 2023

Ernst & Young
111 Eagle Street
Brisbane QLD 4000 Australia
GPO Box 7878 Brisbane QLD 4001

Tel: +61 7 3011 3333
Fax: +61 7 3011 3100
ey.com/au

Independent Auditor's Review Report to the Members of Navigator Global Investments Limited

Conclusion

We have reviewed the accompanying half-year financial report of Navigator Global Investments Limited (the Company) and its subsidiaries (collectively the Group), which comprises the statement of financial position as at 31 December 2022, the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting and other explanatory information, and the directors' declaration.

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

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and of its consolidated financial performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

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

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A member firm of Ernst & Young Global Limited
Liability limited by a scheme approved under Professional Standards Legislation

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

Ernst & Young

Ernst & Young

N. Young

Nathan Young
Partner
Brisbane
23 February 2023

A member firm of Ernst & Young Global Limited
Liability limited by a scheme approved under Professional Standards Legislation