

APPENDIX 4D

HALF-YEAR REPORT



1. REPORTING PERIOD

| | |
|-----------------------------------|-------------------------------------|
| Reporting period "Current period" | From 1 January 2022 to 30 June 2022 |
| Previous corresponding period | From 1 January 2021 to 30 June 2021 |

2. RESULTS FOR ANNOUNCEMENT TO MARKET

| | | | | \$'000 |
|---|------|-------|----|--------|
| Revenue from ordinary activities | Down | 59 % | to | 6,917 |
| Profit (loss) from ordinary activities after tax attributable to shareholders | Up | 112 % | to | 4,435 |
| Net profit (loss) for the period attributable to shareholders | Up | 112 % | to | 4,435 |

| | 30 Jun 2022 | 31 Dec 2021 |
|--|-------------|-------------|
| Net asset value per share | \$1.22 | \$1.22 |
| Net asset value per share at fair market value | \$1.90 | \$1.78 |

On 29 April 2022 the company paid a \$0.032 per share final dividend, franked to 100%.

| | Record date | Date payable | Amount per security | Franked amount per security |
|----------------|---------------|---------------|---------------------|-----------------------------|
| Final Dividend | 14 April 2022 | 29 April 2022 | \$0.032 | \$0.032 |

COMMENTARY ON RESULTS FOR THE PERIOD

During the period ended 30 June 2022, the Company:

- Delivered a net profit after tax of \$4.4 million
- Reduced cost of sales and leasing to focus on the core lease book
- Rebalanced the portfolio and realised \$1.8 million in gains on entitlement sales
- Paid a final 2021 fully franked dividend of 3.2 cents per share; and
- Provided Shareholders with targets for the next four dividend payments (and are pleased to provide the fifth dividend target within this report)

The Company's permanent water portfolio has seen increasing growth over the half-year ended 30 June 2022.

The NAV from a Fair Market Value perspective at 30 June 2022 was \$1.90 compared to \$1.63 in the comparison half year in June 2021.

At 30 June 2022, the Company is carrying \$117.1 million (or \$0.98 per share) of unrealised capital gain on the water portfolio. This is excluded from the statutory financial statements due to the application of Australian Accounting Standards.

The NAV of the Company in accordance with Australian Accounting Standards (which excludes unrealised gains) at 30 June 2022 is \$1.22 per share (31 December 2021: \$1.22 per share). Whilst the statutory NAV movement is minimal, it also incorporates paying \$0.032 per share in dividends for the period.

| Year end 30 June 2022 | Per Company Statement of Financial Position \$'000 | Per Fair Market Value (unreviewed) \$'000 | Variance \$'000 |
|--|--|--|-----------------|
| Permanent water entitlements | 263,363 | 380,436 | 117,073 |
| Temporary water entitlements | 4 | 73 | 69 |
| Net current and deferred tax liabilities | (1,253) | (36,340) | (35,087) |
| Other net (liabilities)/assets | (164) | (164) | - |
| Other non-current liabilities | (116,000) | (116,000) | - |
| Total net assets | 145,951 | 228,005 | 82,054 |
| Net asset value per share | \$ 1.22 | \$ 1.90 | \$ 0.69 |

3. NET TANGIBLE ASSETS PER SHARE

| | 30 June 2022 | 30 June 2021 |
|---|--------------|--------------|
| Net tangible assets per ordinary share (\$) | (0.98) | (0.76) |
| Net assets per ordinary share (\$) | 1.22 | 1.19 |

4. CONTROL GAINED OR LOST DURING THE PERIOD

Not applicable.

5. DIVIDENDS

| | Record date | Date payable | Amount per security | Franked amount per security |
|--------------------|---------------|---------------|---------------------|-----------------------------|
| Current half-year | 14 April 2022 | 29 April 2022 | \$0.032 | \$0.032 |
| Previous half-year | 16 April 2021 | 30 April 2021 | \$0.030 | \$0.030 |

6. DIVIDEND REINVESTMENT PLAN

The Company's DRP was in operation for the period relating to the 2021 final dividend (paid April 2022). Participants in the DRP were entitled to a 3% discount to the share price based on a 5-day VWAP prior to the record date, as determined in accordance with the DRP rules. The last day for elections for the dividend was 19 April 2022.

7. ASSOCIATES AND JOINT VENTURES

There are no associates or joint venture entities.

8. FOREIGN ENTITIES

Not Applicable.

9. OTHER INFORMATION

This report is based on the half-year financial statements which have been reviewed by KPMG.