Torrens Group Holdings Pty Ltd

ABN 23 629 193 764

Half-year financial report for the half-year ended 31 December 2020

Torrens Group Holdings Pty Ltd
ACN 629 193 764
Table of Contents
For the half-year ended 31 December 2020

Contents

Directors' Report

Corporate Information

Torrens Group Holdings Pty Ltd (formerly LMC BIDCO PTY LTD) was incorporated on 4 October 2018. The consolidated financial statements of Torrens Group Holdings Pty Ltd and its subsidiaries (collectively, the Group) for the half-year ended 31 December 2020, were authorised for issue in accordance with a resolution of the directors on 21 May 2021.

Torrens Group Holdings Pty Ltd (the parent company) is a proprietary company limited by shares, incorporated and domiciled in Australia. The registered office is located at Tower 4, Level 16 727 Collins Street Melbourne 3008.

A description of the Group's operations and of its principal activities is included in the review of operations and activities in the Directors' report. The Directors' report is not part of the financial report.

Director

The Directors, who held office during or since the end of the year held office for the full year unless otherwise stated, are as follows:

Alan Cameron AO (Chairman) (Resigned 3 May 2021)

Mark Joiner (Chairman) (Appointed 3 May 2021)

Glenn King (Chief Executive Officer)

Janine Rolfe

John Hawkins

Mark McLean

Tim Cooper

Daniel O'Neill (Resigned 18 January 2021)

David Rajendra Singh (Director) (Appointed 18 January 2021)

Marc Vant Noordende (Alternate Director)

Andrew MacLachlan (Alternate Director) (Resigned 20 April 2021)

Binh Quang Tran (Alternate Director) (Appointed 8 February 2021)

Company Secretary
Ian Gilmour

Registered office
Level 16, Tower 4
727 Collins Street
Melbourne Vic 3008

Auditors
Ernst & Young
8 Exhibition Street
Melbourne Victoria 3000

Principal activities

The Group owns an Electronic Lodgement Network (ELN) and financial settlement platform (together the PEXA Exchange) and operates in the conveyancing market. The PEXA Exchange facilitates the collaboration between subscribers ("Members") across the property ecosystem to enable the transfer and settlement of transactions in real property.

Target customers are Members who execute PEXA Lodgement and Settlement Services Transactions. These include financial institutions lending funds for property purchases and refinances, practitioners representing individual buyers and sellers and property developers. Members pay fees for each PEXA Exchange Transaction lodged via the PEXA Exchange. The price charged by the Group for these services is regulated and price increases are capped.

To date, PEXA has invested significantly in PEXA Exchange and the ecosystem around it. PEXA continues to invest in the development of the platform through new integrations, functionality and features while attracting new users by developing customer tools to enhance the PEXA Exchange and support customer experience and engagement.

While there remain clear growth opportunities as the nationwide adoption of digital property settlement continues, PEXA's vision is to be an international leader in digital property settlements and to leverage its experience, expertise, and proprietary technology to provide innovative services to a range of participants across the property industry and other stakeholders in Australia and internationally.

The Group has identified three key strategic initiatives that will support PEXA's growth:

- **PEXA International:** which seeks to replicate the success of the PEXA Exchange in Australia to develop digital property settlement solutions for offshore markets;
- **PEXA Insights:** which seeks to harness PEXA Exchange's near real time, accurate and near comprehensive property data and other data sources to generate valuable data-driven insights for property market participants and other stakeholders to enable them to make better property and property-related decisions; and
- **PX Ventures:** which seeks to build on PEXA's digital and industry experience, innovative and entrepreneurial culture, and established relationships to identify, incubate and accelerate new business ventures with consumers, businesses, and governments across the property sector.

Operating Results

During the half-year ended 31 December 2020, the Group grew revenues by 27% from the previous half-year and generated $99,683,592 (2019: $78,705,398) predominately from transactions through the PEXA Exchange.

This growth was driven by a significant increase in transactions from 1,196,198 in the half-year to 31 December 2019 to 1,525,262 in 2020 and a significant increase in the number of subscribers on the PEXA network which at 31 December 2020 comprised 220 Financial Institutions (2019: 208) and 9,896 Practitioner's (2019: 8,896).

The Group incurred expenses totalling $101,968,318 (2019: $83,801,095) and recorded interest income of $434,484 (2019: $1,342,834) and recorded net finance costs of $16,515,806 (2019: net finance income of $926,310). The increase in net finance costs was primarily due to interest expense incurred on the $949.5 million interest bearing loan entered into with the Group's shareholders following a return of capital.

The operating (loss) after tax of the Group amounted to ($1,592,675) (2019: ($2,755,817)).

Impact of COVID-19 Pandemic

The Group has been able to successfully operate and serve its members through COVID-19 pandemic and has been a critical platform for allowing property transactions to continue to be settled. The impact of COVID-19 on the Group's revenue during the period 1 July 2020 to 31 December 2020 was not material, due to strong uptake of e-conveyancing in some states compensating for slower growth in others.

The Group's Management have been actively managing the risks and impact associated with COVID-19 restrictions. This has included the development of forecast information with the assistance of external experts, the development of lead indicator reporting focusing on trends in property listings, private sales and clearance rates to improve short-term forecasting accuracy and provide greater understanding of the potential COVID-19 impact.

Dividends

No dividends were paid or declared during the half-year.

Rounding of amounts

Amounts within the directors report have been rounded to the nearest $100,000 (where rounding is applicable).

Events after reporting period

COVID-19

Since the balance sheet date of these accounts through to the date of signing (21 May 2021), Australia and the rest of the world have been dealing with COVID-19. Through that period there were several restrictions implemented to varying degrees on the general public with the potential being a negative impact on property transactions that the PEXA platform facilitates.

At the date of signing this report the Group has not seen material impacts on its revenues or business. Any future restrictions may unfavourably impact the number of property transactions and financial performance in the current financial year.

Management Equity Plan

On 23 April 2021, the Group approved an additional Grant of 897,041 performance shares under a Management Equity Plan (MEP) to link reward more directly to the value drivers of the business.

The Group’s shareholders to explore viability of an Initial Public Offering (IPO)

On 25 February 2021, one of the Group's major shareholders, the Link Group, announced to the Australian Stock Exchange that all three of the Group’s shareholders (Link Group, Morgan Stanley Infrastructure Partners and Commonwealth Bank of Australia) have agreed to explore the viability of an IPO of the business.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect:
- The consolidated entity’s operations in future financial years;
- The results of those operations in future financial years; or
- The consolidated entity’s state of affairs in future financial years.

Indemnification of auditors

To the extent permitted by law, the Group has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). The indemnity does not apply to any loss arising out of any negligent, wrongful or wilful acts or omissions by the auditors. No payment has been made to indemnify Ernst & Young during or since the financial year.

Proceedings on Behalf of Group

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

The Group was not a party to any such proceedings during the year.

Auditors' Independence Declaration

The auditors' independence declaration for the half-year ended 31 December 2020 has been received and can be found on page 5.

Signed in accordance with a resolution of the directors.

....
Mark Joiner
Chairman
21 May 2021

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

Building a better working world

Auditor's independence declaration to the directors of Torrens Group Holdings Pty Ltd

In relation to our review of the financial report of Torrens Group Holdings Pty Ltd and the entities it controlled for the half-year ended 31 December 2020, I declare to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of any applicable code of professional conduct.

ERNST & YOUNG

Ernst & Young

Christopher Reid
Partner
Melbourne
21 May 2021

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

Independent auditor's review report to the members of Torrens Group Holdings Pty Ltd

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Torrens Group Holdings Pty Ltd (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group does not give a true and fair view of the Group's consolidated financial position as at 31 December 2020 and its consolidated financial performance and its consolidated cash flows for the half-year ended on that date, in accordance with Accounting Standard AASB 134 *Interim Financial Reporting*.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report does not give a true and fair view of the Group's consolidated financial position as at 31 December 2020 and its consolidated financial performance and its consolidated cash flows for the half-year ended on that date, in accordance with Accounting Standard AASB 134 *Interim Financial Reporting*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

Building a better working world

Independence

In conducting our review, we have complied with the independence requirements of the Australian professional accounting bodies.

Ernst & Young

Ernst & Young

Christopher Reid
Partner
Melbourne
21 May 2021

Torrens Group Holdings Pty Ltd
ACN 629 193 764
Consolidated Statement of Comprehensive Income
For the half-year ended 31 December 2020

Consolidated Statement of Comprehensive Income	Note	31 December 2020 $	31 December 2019 $
Sales	4	99,683,592	78,705,398
Cost of sales	4	(13,949,445)	(11,756,914)
Gross profit		**85,734,147**	**66,948,484**
Product development	4	(10,413,220)	(10,656,732)
Sales and marketing	4	(9,576,899)	(12,074,831)
General and administrative	4	(18,391,253)	(18,352,014)
Depreciation and amortisation	4	(31,780,322)	(29,971,839)
Depreciation of right of use assets	4	(906,889)	(572,241)
Profit/(loss) before interest and tax		**14,665,564**	**(4,679,173)**
Interest income	4	434,484	1,342,834
Interest expense on loans and borrowings	10	(16,688,861)	-
Interest expense other		(1,809)	-
Finance costs associated with leases		(259,620)	(416,524)
(Loss) before income tax		**(1,850,242)**	**(3,752,863)**
Income tax benefit	6a	257,567	997,046
(Loss) for the period		**(1,592,675)**	**(2,755,817)**
Other comprehensive income/(loss)		-	-
Total comprehensive (Loss) for the period		**(1,592,675)**	**(2,755,817)**
Basic earnings per share (cents)	12	(1.15)	(2.00)
Diluted earnings per share (cents)	12	(1.15)	(2.00)

The accompanying Notes to the Financial Statements should be read in conjunction with this statement.

Torrens Group Holdings Pty Ltd
ACN 629 193 764
Consolidated Statement of Financial Position
For the half-year ended 31 December 2020

Consolidated Statement of Financial Position	Note	31 December 2020 $	30 June 2020 $
Assets			
Current assets			
Cash and cash equivalents		104,125,637	70,417,022
Trade and other receivables		472,158	893,582
Prepayments and other assets		8,270,198	7,954,814
Other financial assets		3,620,301	14,167,861
Total Current Assets		116,488,294	93,433,279
Non-current assets			
Property, plant and equipment		696,006	874,959
Intangible assets	7	1,536,773,914	1,558,284,948
Right of use assets		9,155,832	10,062,721
Total Non-Current Assets		1,546,625,752	1,569,222,628
Total assets		**1,663,114,046**	**1,662,655,907**
Liabilities and equity			
Current liabilities			
Trade and other payables		17,184,636	30,227,769
Provisions		4,031,669	3,502,480
Lease liabilities		1,419,338	1,502,169
Total Current Liabilities		22,635,643	35,232,418
Non-current liabilities			
Interest-bearing loans and borrowings	10	964,908,259	-
Provisions		498,874	588,389
Lease liabilities		9,225,330	9,930,761
Deferred tax liabilities	6c	20,222,637	20,480,205
Total Non-Current Liabilities		994,855,100	30,999,355
Total liabilities		**1,017,490,743**	**66,231,773**
Net Assets		**645,623,303**	**1,596,424,134**
Equity			
Contributed equity	11	669,142,996	1,618,632,401
Reserves	9	281,250	-
Accumulated losses		(23,800,943)	(22,208,267)
Total equity		**645,623,303**	**1,596,424,134**

The accompanying Notes to the Financial Statements should be read in conjunction with this statement.

Torrens Group Holdings Pty Ltd
ACN 629 193 764
Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2020

Consolidated Statement of Changes in Equity		**Contributed equity** $	**Share based payments reserve** $	**Accumulated losses** $	**Total** $
As at 1 July 2019		**1,618,632,401**	**-**	**(22,177,965)**	**1,596,454,436**
(Loss) for the period as reported in the 2019 financial statements		-	-	(2,755,817)	(2,755,817)
At 31 December 2019		**1,618,632,401**	**-**	**(24,933,782)**	**1,593,698,619**
As at 1 July 2020		**1,618,632,401**	**-**	**(22,208,267)**	**1,596,424,134**
(Loss) for the period as reported in 2020		-	-	(1,592,675)	(1,592,675)
(Return) of share capital	10	(949,489,405)	-	-	(949,489,405)
Share based payment transactions	9	-	281,250	-	281,250
At 31 December 2020		**669,142,996**	**281,250**	**(23,800,942)**	**645,623,304**

The accompanying Notes to the Financial Statements should be read in conjunction with this statement.

Torrens Group Holdings Pty Ltd
ACN 629 193 764
Consolidated Statement of Cash Flows
For the half-year ended 31 December 2020

Consolidated Statement of Cash Flows	**Note**	**31 December 2020 $**	**31 December 2019 $**
Operating activities			
Receipts from customers (inclusive of GST)		110,104,008	87,519,643
Payments to suppliers and employees (inclusive of GST)		(64,419,845)	(72,389,921)
Interest received		434,485	1,342,833
Interest paid on lease liabilities		(259,620)	(416,524)
Interest paid on loans and borrowings	10	(1,270,007)	-
Interest paid other		(1,809)	-
Net cash flows from operating activities		**44,587,212**	**16,056,031**
Investing activities			
Purchase of intangible assets	7	(9,995,901)	(10,068,980)
Purchase of property, plant and equipment		(94,434)	(185,223)
Net cash flows used in investing activities		**(10,090,335)**	**(10,254,203)**
Financing activities			
Payment of the principal portion of lease liabilities		(788,262)	(951,494)
Net cash flows used in financing activities		**(788,262)**	**(951,494)**
Net increase in cash and cash equivalents		33,708,615	4,850,334
Cash and cash equivalents at beginning of financial year		70,417,022	42,571,145
Cash and cash equivalents at 31 December		**104,125,637**	**47,421,479**

The accompanying Notes to the Financial Statements should be read in conjunction with this statement.

1 CORPORATE INFORMATION

The interim condensed consolidated financial report of Torrens Group Holdings Pty Ltd and its subsidiaries (the Group) for the half-year ended 31 December 2020 was authorised for issue in accordance with a resolution of the directors on 21 May 2021.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2a Basis of preparation and statement of compliance

The interim condensed consolidated financial statements for the six months ended 31 December 2020 have been prepared in accordance with AASB 134 *Interim Financial Reporting*. This interim condensed consolidated financial report also complies with IAS 34 Interim Financial Reporting, as issued by the International Accounting Standards Board. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 30 June 2020.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2020, except for the adoption of new standards effective as of 1 July 2020. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments and interpretations applied for the first time from 1 July 2020, but do not have an impact on the interim condensed consolidated financial statements of the Group.

The consolidated financial statements comprise the financial statements of the parent Company Torrens Group Holdings Pty Ltd and its subsidiaries as at 31 December 2020.

The financial statements have been prepared on a historical cost basis. The financial statements are presented in Australian Dollars and all values are rounded to the nearest dollar, unless otherwise stated.

2b Going concern

The financial statements have been prepared on the basis that the Group is a going concern, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Group incurred a (loss) after tax of ($1,592,675) for the half-year ended 31 December 2020 and had a net current asset surplus of $93,852,651 (current assets greater than current liabilities) at that date. The cash inflow from operating activities was $44,587,212 for the half-year ended 31 December 2020.

On 31 July 2020, the Group converted a portion of its equity to shareholder loans. The Group's Shareholder loans of $964,908,259 (2019: $0) are provided by the three ordinary shareholders in the same percentage as their equity ownership. These loans have a six-year term and therefore have been classified as a Non-Current Liability.

The operations of the Group are subject to risks due to the product development activities of the Group and the risks inherent in the commercialisation of the PEXA platform.

Whilst the directors are aware of these risks, they are satisfied that the going concern basis remains appropriate. The Group has been well supported by shareholders providing capital when required and the Group does not carry any external debt. Furthermore, the Group has sufficient cash reserves to meet its current financial commitments for a period of greater than 12 months from the date of this report.

2c Share-based payments transactions

Certain employees (including senior executives) of the Company receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity settled transactions).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2c Share-based payments transactions (continued)

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model often with the assistance of external experts, further details of which are given in Note 9.

That cost is recognised in employee benefits expense, together with a corresponding increase in equity (share based payments reserve), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of comprehensive income for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood and probability of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original terms of the award are met. An additional expense, measured as at the date of modification, is recognised for the increase in fair value over the original grant date fair value.

Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

Cash-settled transactions

If a share based payment transaction is expected to be settled by way of cash, a liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in share based payments expense. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The approach used to account for vesting conditions when measuring equity-settled transactions also applies to cash-settled transactions.

Transactions with cash and equity settlement alternatives

The Group's share based payment plans have both cash and equity settlement alternatives. Where the settlement method is contingent on the occurrence of certain events which are outside the control of the Group (for example a change in control of the Group), the relevant share based payment plan will be accounted for as either cash or equity settled based on the most probable vesting method at the grant date and reassessed at each reporting date, taking into account the facts and circumstances that exist at that time. Refer to Note 3b for discussion of considerations and judgements relevant to the settlement method accounting for the Management Equity Plan.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Where a share based payment is initially accounted for as equity settled at the grant date and in a subsequent period the expected settlement method changes to cash, the fair value of the liability to settle in cash at the date of the change in settlement expectations is recognised in equity to the extent the vesting period has expired. In subsequent periods the fair value of the liability is accounted for in accordance with the Group's policy on cash settled transactions.

2d Interest-bearing loans and borrowings

All loans and borrowings are initially measured at fair value plus or minus transaction costs that are directly attributable. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest method. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement.

Interest bearing loans and borrowings are classified as non-current liabilities when the Group has an unconditional right to defer settlement for at least twelve months from reporting date.

Borrowing costs

All borrowing costs are expensed in the period they occur apart from where they relate to qualifying assets. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

3a Significant accounting judgements

Taxation

The Group's accounting policy for taxation requires management's judgement to assess whether deferred tax assets are recognised on the Statement of Financial Position.

As detailed in Note 6, at 31 December 2020 the Group has recognised deferred tax assets of $135,662,686 primarily relating to carry forward tax losses.

Recognition of deferred tax amounts are subject to significant judgement, risk and uncertainty, particularly around the interpretation of relevant taxation law, in particular the satisfaction (or continued satisfaction) of either the continuity of ownership or same business tests.

Changes in circumstances or interpretations of taxation law could alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the Statement of Financial Position and the availability of amounts in future financial periods. Additionally, a deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future profits will be available against which the asset can be utilised.

Capitalisation of internally developed software and impairment assessments

Distinguishing the research and development phases of a new customised software project and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired. Refer to Note 2(l)(i) of the 30 June 2020 annual consolidated financial statements for further detail of the relevant recognition requirements.

3b Significant accounting estimates and assumptions

Estimation of useful lives of assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment. Adjustments to useful lives are made when considered necessary.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

3b Significant accounting estimates and assumptions (continued)

Settlement method and valuation of the Management Equity Plan

As detailed in Note 9, during the period the Group approved a limited recourse loan funded Share based incentive plan (MEP) to link remuneration rewards more directly to the value drivers of the business. As the MEP contains equity and cash settled alternatives in certain scenarios, the initial and ongoing assessment at each reporting date of the expected settlement method of the plan requires judgement. In making the judgement that the expected settlement method of the MEP at the grant date and at 31 December 2020 was via equity, the Group considered the most likely vesting outcomes under the plan that could apply based on the facts and circumstances that existed at those dates. These facts and circumstances may change in future periods which may result in change in the expected settlement method of the plan which may impact profit and loss.

Additionally, estimating the fair value for share-based payment transactions requires determination of the most appropriate valuation model which, for equity settled plans, depends on the terms and conditions of the grant at grant date. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. Different inputs and assumptions may lead to different determinations of fair value. The valuation method applied by the Group and key estimates and assumptions is detailed in Note 9.

Impairment testing of goodwill, intangible assets and property, plant and equipment

At each reporting date, the Group assess whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units (CGU's)). Non-financial assets, other than goodwill, that have recognised an impairment in the past are reviewed for possible reversal of the impairment at the end of each reporting period.

AASB 136 *Impairment of Assets* requires assets to be assessed for impairment indicators at the end of eachreporting period. If any such indicators exist, the recoverable amount of the asset is estimated. Despite the impacts of COVID-19 on the economy, the Group continues to grow revenue and operating cash flows, predominately from increased transactions through the PEXA Exchange. It has also experienced an increase in the number of subscribers on the PEXA Exchange comprising financial institutions and practitioners. The Group has not identified any indicators of impairment for the half-year ended 31 December 2020.

4 REVENUE AND EXPENSES

	31 December 2020 $	31 December 2019 $
Revenue from contracts with customers		
Transfers	79,776,231	61,092,541
Refinances	14,180,490	12,747,086
Other Exchange Transactions	4,897,284	4,033,600
Other Products	829,587	832,171
Total revenue from contracts with customers	**99,683,592**	**78,705,398**
Interest income	434,484	1,342,834

Torrens Group Holdings Pty Ltd
ACN 629 193 764
Notes to the Financial Report
For the half-year ended 31 December 2020

4 REVENUE AND EXPENSES (continued)

	31 December 2020 $	31 December 2019 $
Cost of sales	(13,949,445)	(11,756,914)
Product development expenses[1]		
Employee benefit expenses[2]	(3,735,880)	(3,794,511)
IT and technology costs	(6,677,340)	(6,862,221)
	(10,413,220)	**(10,656,732)**
Sales and marketing expenses		
Employee benefit expenses[2]	(8,480,382)	(9,354,323)
Travel and entertainment	(262,950)	(1,345,199)
Sales and marketing	(833,567)	(1,375,309)
	(9,576,899)	**(12,074,831)**
General and administrative expenses		
Employee benefit expenses[2]	(10,803,202)	(11,447,069)
Share based payment expense	(281,250)	-
Professional fees	(4,172,207)	(2,829,770)
Occupancy expenses	(314,382)	(714,774)
Other costs[3]	(2,820,212)	(3,360,401)
	(18,391,253)	**(18,352,014)**
Depreciation and amortisation		
Depreciation of property, plant and equipment	(273,387)	(355,673)
Amortisation of Intangibles	(31,506,935)	(29,616,166)
	(31,780,322)	**(29,971,839)**
Depreciation of right of use assets	(906,889)	(572,241)

[1] Product development expenses relate to amounts incurred on development of the PEXA exchange software that did not meet the Group's criteria for capitalisation as an intangible asset.
[2] Total employee benefits expense for the period was $23,019,464 (2019: $24,595,903).
[3] Other costs include administration costs and board expenses.

5 SEGMENT INFORMATION

The Group has one operating segment, being the Australian Electronic Lodgement Network (ELN) and financial settlement platform (together the PEXA Exchange) which operates in the electronic conveyancing market. The PEXA Exchange facilitates the collaboration between subscribers ("Members") across the property ecosystem to enable the transfer and settlement of transactions in real property.

Target customers are Members who execute PEXA Lodgement and Settlement Services Transactions. These include financial institutions lending funds for property purchases and refinances, practitioners representing individual buyers and sellers and property developers. Members pay fees for each PEXA Exchange Transaction lodged via the PEXA Exchange. The price PEXA charges for these services is regulated and price increases are capped.

No other segments have been identified by the Group as costs incurred relating to other potential markets and projects are preliminary in nature. The Group does not currently generate revenues from transactions with a single external customer for amounts equal to or greater than 10% of total revenue.

A segment statement of comprehensive income is presented to the Chief Operating Decision Makers (CODMs) (being the Chief Executive Officer and Chief Financial Officer) on a monthly basis to aid decision making around resource allocation and performance assessment.

Segment performance is evaluated based on PEXA Exchange Earnings before Interest, Tax, Depreciation and Amortisation (PEXA Exchange EBITDA), which is a non-IFRS measure. PEXA Exchange EBITDA is calculated as statutory net profit adjusted for interest, tax, depreciation, amortisation and certain other costs not relating to the PEXA Exchange segment (such as project and business expansion related costs). The measure is reported to the CODMs so that the operational performance of the PEXA Exchange segment can be managed and monitored on a regular basis.

a) Segment results

The segment financial information provided to the Chief Operating Decision Makers is set out below.

PEXA Exchange segment	**31 December 2020 $**	**31 December 2019 $**
PEXA Exchange platform revenues	98,854,005	77,873,227
Other	829,587	832,171
Total segment revenue	**99,683,592**	**78,705,398**
Cost of sales	(13,949,445)	(11,756,914)
Gross Margin	**85,734,147**	**66,948,484**
Resource costs	(23,019,464)	(24,595,903)
Other operating expenses	(12,290,139)	(15,146,423)
PEXA Exchange EBITDA	**50,424,544**	**27,206,158**

5 SEGMENT INFORMATION (CONTINUED)

b) Reconciliation of PEXA Exchange EBITDA to net profit before tax

	31 December 2020 $	31 December 2019 $
PEXA Exchange EBITDA	**50,424,544**	**27,206,158**
Project and expansion related costs		
International expansion	(1,785,057)	(146,344)
Data	(519,756)	-
Non segment resource related costs		
Redundancy and Restructure	(269,079)	(1,194,907)
Share based payments expense	(281,250)	-
Other professional fees	(216,627)	-
EBITDA[1]	**47,352,775**	**25,864,907**
Depreciation and amortisation	(32,687,211)	(30,544,080)
Interest expense (net)	(16,515,806)	926,310
Statutory net (loss) before tax	**(1,850,242)**	**(3,752,863)**

[1]EBITDA represents statutory net profit before Interest, Tax, Depreciation and Amortisation and is a non-IFRS measure.

c) Segment assets and liabilities

Assets and liabilities of the Group are considered to relate wholly to the PEXA Exchange Segment.

6 INCOME TAX

a) Income tax expense

The major components of income tax expenses are:

	For the period ending 31 December 2020 $	For the period ending 31 December 2019 $
Consolidated Statement of Comprehensive Income		
Current income tax		
Current income tax charge	-	-
Deferred income expense		
Relating to deferred tax on temporary differences	(9,604,646)	(9,899,606)
Recognition of current period tax losses and tax credits carried forward	9,862,213	10,896,652
Income tax benefit reported in the Consolidated Statement of Comprehensive Income	**257,567**	**997,046**

b) Reconciliation between profit before tax and income tax expense recognised in the statement of comprehensive income

A reconciliation between tax expense and the product of accounting loss before income tax multiplied by the Group's applicable income tax rate is as follows:

	For the period ending 31 December 2020 $	For the period ending 31 December 2019 $
Accounting (loss) before tax	**(1,850,242)**	**(3,752,863)**
Benefit at the Group's statutory tax rate of 30%	555,073	1,125,859
Expenditure allowable/not allowable for income tax expenses	(477,894)	(179,660)
Relating to other adjustments	180,388	50,847
Income tax benefit	**257,567**	**997,046**

6 INCOME TAX (continued)

c) Deferred tax balances

Deferred tax balances are offset in the Consolidated Statement of Financial Position as the Group has a legally enforceable right to set off deferred tax assets and deferred tax liabilities as they relate to income taxes levied by the same tax authority. Refer to Note 3 for details in relation to judgements associated with taxation. The gross deferred tax balances are shown below:

	Consolidated statement of financial position		Consolidated statement of profit or loss	
	For the period ending 31 December 2020	**For the year ending 30 June 2020**	**For the period ending 31 December 2020**	**For the period ending 31 December 2019**
Deferred Tax Liabilities				
Intangible Assets	(155,885,323)	(149,485,445)	(6,399,879)	(10,738,562)
Deferred Tax Assets				
Transaction costs	10,767,638	12,938,426	(2,170,788)	(1,682,859)
Provisions and accruals	3,132,043	4,166,022	(1,033,979)	2,521,815
Carry forward tax losses and tax credits	121,763,005	111,900,792	9,862,213	10,896,652
Total Deferred Tax Assets	135,662,686	129,005,240	6,657,446	11,735,608
Net deferred tax (liabilities) / deferred tax benefit	**(20,222,637)**	**(20,480,205)**	**257,567**	**997,046**

Recognition of deferred tax amounts is subject to significant judgement, risk and uncertainty, particularly around the interpretation of relevant taxation law. Hence there is a possibility that changes in circumstances or interpretations of taxation law could alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the Statement of Financial Position and the availability of amounts in future financial periods.

d) Members of the tax consolidated group

Torrens Group Holdings Pty Ltd and its 100% owned Australian resident subsidiaries formed a tax consolidated group with effect from 18 December 2018. Torrens Group Holdings Pty Ltd is the head entity of the tax consolidated group.

Torrens Group Holdings Pty Ltd
ACN 629 193 764
Notes to the Financial Report
For the half-year ended 31 December 2020

7 NON CURRENT ASSETS - INTANGIBLE ASSETS

	Goodwill $	Intangible Software Assets $	Customer Assets $	Operational procedures $	Brand $	Licenses $	Total $
Cost							
At 1 July 2019	693,550,646	493,112,824	397,451,000	1,871,000	23,660,000	14,959,000	1,624,604,470
Additions	-	18,877,264	-	-	-	-	18,877,264
At 30 June 2020	**693,550,646**	**511,990,088**	**397,451,000**	**1,871,000**	**23,660,000**	**14,959,000**	**1,643,481,734**
At 1 July 2020	693,550,646	511,990,088	397,451,000	1,871,000	23,660,000	14,959,000	1,643,481,734
Additions	-	9,995,901	-	-	-	-	9,995,901
At 31 December 2020	**693,550,646**	**521,985,989**	**397,451,000**	**1,871,000**	**23,660,000**	**14,959,000**	**1,653,477,635**
Amortisation and impairment							
At 1 July 2019	-	(12,909,736)	(11,977,975)	(281,932)	-	-	(25,169,643)
Amortisation	-	(32,853,897)	(26,542,104)	(631,142)	-	-	(60,027,143)
At 30 June 2020	**-**	**(45,763,633)**	**(38,520,079)**	**(913,074)**	**-**	**-**	**(85,196,786)**
At 1 July 2020	-	(45,763,633)	(38,520,079)	(913,074)	-	-	(85,196,786)
Amortisation	-	(17,893,888)	(13,293,738)	(319,309)	-	-	(31,506,935)
At 31 December 2020	**-**	**(63,657,521)**	**(51,813,817)**	**(1,232,383)**	**-**	**-**	**(116,703,721)**
Net book value							
At 30 June 2020	693,550,646	466,226,455	358,930,921	957,926	23,660,000	14,959,000	1,558,284,948
At 31 December 2020	693,550,646	458,328,468	345,637,183	638,617	23,660,000	14,959,000	1,536,773,914

8 FINANCIAL INSTRUMENTS

The table below outlines the financial instruments held by the Group:

	31 December 2020 $	30 June 2020 $
Financial assets/(liabilities) measured at amortised cost		
Cash and cash equivalents	104,125,637	70,417,022
Trade and other receivables	472,158	893,582
Other financial assets[1]	3,620,301	14,167,861
(Trade and other payables)[1]	(17,184,636)	(30,227,769)
(Interest bearing loans and borrowings)	(964,908,259)	-
Total net financial assets / (liabilities)	(873,874,799)	55,250,696

[1]The Group holds funds as a collection agent of lodgement fees for Land Title Registries. These funds are held in other financial assets offset by a payable within trade and other payables. These funds are passed on the Land Title Registries within 3 business days of lodgement.The reduction in the balance held at 31 December 2020 was due to the Christmas and New Year period, which typically sees lower transaction completion volumes as compared to the period around 30 June 2020.

The fair values of these financial instruments, other than Interest bearing loans and borrowings are considered to approximate their carrying amounts due to the short-term maturities of these instruments. Refer to note 10 for further details on Interest bearing loans and borrowings.

9 SHARE-BASED PAYMENTS

Benefits are provided to employees (including the Chief Executive Officer (CEO) and Senior Executives) of the Group in the form of share-based payments, whereby employees render services in exchange for equity/rights over shares.

Management Equity Plan (MEP)

The purpose of the MEP is to enable eligible employees (participants) to subscribe for MEP Performance shares in Torrens Group Holdings Pty Ltd using a non-recourse interest bearing loan and enabling them to share in the financial growth and performance of the Group. The invited participants are employees of Property Exchange Australia Limited (PEXA) (100% owned subsidiary of Torrens Group Holdings Pty Ltd).

When an offer is made to a Participant, a limited recourse interest bearing loan is entered into to assist the Participant to acquire the MEP Performance shares. As the recourse on the loan is limited to the underlying MEP Performance shares, the MEP Performance shares are treated as options for accounting purposes. Accordingly, no loan receivable, increase in contributed equity or the number of shares on issue was recorded when the MEP Performance shares were issued.

On 23 July 2020, the Group approved a Grant of 5,830,781 MEP Performance shares. Participants were issued MEP Performance shares in three classes (Class A, B and C) based on the investment ownership percentage of the three shareholders of Torrens Group Holdings Pty Ltd. Each shareholder is associated with a class of MEP Performance share. The MEP Performance shares do not carry any voting rights or entitle the holder to any dividends or any returns on a reduction of capital or upon winding up of the Company. The MEP rules detail that plan has a life of 10 years from 1 January 2020 and under the requirements of the MEP rules:

- All of the MEP Performance shares issued will be unvested on issue, and vest on a tenure basis in line with the MEP rules. Unvested MEP Performance shares will only vest, in tranches by reference to the period of service (time) and Internal Rate of Return (IRR) for each shareholder following that participant's MEP start date during which the participant remains continuously employed.
- Vesting service periods assuming continuous employment are detailed as < 2nd anniversary: (Nil), 2nd anniversary: (15% of MEP Shares will vest), 3rd anniversary: (30%), 4th anniversary: (45%), 5th anniversary: (60%), 6th anniversary: (75%), 7th anniversary: (90%); and 8th anniversary: (100%).
- The service periods are also subject to leaver provisions (good and bad) as detailed in the MEP rules.

The MEP rules also include details on exit events or MEP liquidity events. A MEP liquidity event means, in respect of a shareholder which is the first to occur of: (a) a Share Sale; (b) an Asset Sale; (c) a Listing; and (d) a Shareholder Exit.

If a shareholder exits, the class of a participants MEP Performance shares related to that shareholder would be put up for sale in line with the sale of the shareholder’s ordinary shares. Other MEP classes stay on foot. The Board assesses the tenure served from the MEP start date until the date of the exit event in order to determine which shares are “vested” and which shares are “unvested”.

The MEP details for those MEP Performance shares that are vested, the proceeds on this portion will be paid in full at exit event with those proceeds firstly applied towards repayment of the limited recourse loan. Those that are unvested can also be sold into an exit event but the proceeds relating to unvested shares will be split into three tranches with two of those tranches deferred i.e. 50% of proceeds on unvested shares will be paid at the exit event, 30% of the proceeds will be deferred for 1 year and the remaining 20% will be deferred for 2 years. However, the Board and Shareholders have the discretion to determine the method of settlement, whether it be cash payments or equity settlement.

9 SHARE-BASED PAYMENTS (continued)

Management Equity Plan (MEP) (continued)

If a listing or IPO event was to occur, unless otherwise determined under the Shareholders' Deed, each MEP Performance share in each relevant MEP class will put into the share offering in connection with the listing. The MEP plan would be collapsed and all vesting services periods waived. The Board and Shareholders have the discretion to determine the method of settlement, whether it be cash payments or equity settlement.

As the MEP contains equity and cash settled alternatives in certain scenarios, the initial and ongoing assessment at each reporting date of the expected settlement method of the plan requires judgement. In making the judgement that the expected settlement method of the MEP at the grant date and at 31 December 2020 was via equity, the Group has considered the most likely vesting outcomes under the plan that would apply based on the facts and circumstances that existed at those dates. These facts and circumstances may change in future periods which may result in change in the expected settlement method of the plan which may impact profit and loss at that time.

The expenses arising from share-based payments in the financial period is as follows:

	31 December 2020 $	31 December 2019 $
Expense arising from equity-settled share-based payment transactions	281,250	-

There were no cancellations or modifications to the awards during the period.

9 SHARE-BASED PAYMENTS (continued)

	Class A	Class A WAEP	Class B	Class B WAEP	Class C	Class C WAEP
Outstanding at 1 July 2020	-	-	-	-	-	-
Granted during the period	2,332,312	4.85	2,575,889	4.85	922,580	4.85
Forfeited during the period[1]	(276,013)	-	(304,839)	-	(109,181)	-
Expired during the period	-	-	-	-	-	-
Exercised during the period	-	-	-	-	-	-
Outstanding at 31 December 2020	2,056,299	4.85	2,271,050	4.85	813,399	4.85

[1]Following forfeiture, MEP Performance Shares were held as treasury shares by the Group. As they were issued and forfeited for nil consideration they do not change the value of issued capital.

The weighted average remaining contractual life for the share options outstanding as at 31 December 2020 was 9.6 years.

The weighted average fair value of options granted during the period was $0.77 per share. The range of exercise prices for options outstanding at the end of the period was $4.85 (the MEP Performance Shares were originally granted with an exercise price of $11.73 and subsequently reduced by $6.88 to $4.85 due to the return of capital to shareholders during the period).

	MEP
Weighted average fair values at the measurement date ($)	0.77
Dividend yield (%)	3.00
Expected volatility (%)	20.00
Risk-free interest rate (%)	0.89
Weighted average share price ($)	5.62
Model used	Probability weighted expected returns methodology

If a shareholder exits, the class of a Participants MEP Performance shares related to that shareholder class would be put up for sale in line with the sale of the shareholder's Ordinary Shares. Other MEP classes stay on foot.

The expected life of MEP Performance shares are assumed for valuation purposes and probability weighted based on the timing of potential assessed Exit Event outcomes for Consortium members. The probabilities assigned to exit events for each of the Group's three majority shareholders occurring in a particular financial period are detailed below.

Morgan Stanley Infrastructure	**2021**	**2022**	**2023**	**2024**	**2025**
	10%	30%	30%	15%	15%
	2026	**2027**	**2028**	**2029**	**2030**
	0%	0%	0%	0%	0%

Link Group & Commonwealth Bank Australia	**2021**	**2022**	**2023**	**2024**	**2025**
	3.5%	10.5%	10.5%	5.25%	5.25%
	2026	**2027**	**2028**	**2029**	**2030**
	5%	5%	5%	20%	30%

The expected life of the MEP is based on current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

10 INTEREST BEARING LOANS AND BORROWINGS

	31 December 2020 $	31 December 2019 $
Opening Shareholder Loans	-	-
Return of capital	949,489,405	-
Interest accrued	16,688,861	-
Interest paid	(1,270,007)	-
Total interest bearing loans and borrowings	**964,908,259**	**-**

On 31 July 2020, the Group made a return of capital of $949,489,405 to its shareholders which was funded through a loan. The loan was provided by the Group's shareholders in the same percentage as their equity ownership (Link Group 44.2%, Morgan Stanley Infrastructure Partners 40.0%, Commonwealth Bank of Australia 15.8%).

The loan facility runs for six years until 1 August 2026 and has a fixed interest rate of 4.15%. The level of the interest rate was determined through a benchmark valuation exercise and is therefore assessed to reflect a fair value rate. The loan's carrying value continues to approximate its carrying value. Financing costs incurred during the conversion of the equity to debt were considered immaterial and were expensed through the Consolidated Statement of Comprehensive Income rather than capitalised in line with the Group's accounting policies.

	31 December 2020 $	31 December 2019 $
Interest expense capitalised	15,418,853	-
Interest expense paid	1,270,007	-
Borrowing costs	315,340	-
Total finance costs	**17,004,200**	**-**

11 CONTRIBUTED EQUITY

As detailed in Note 10, during the period the Group made a return of capital to its shareholders of $949,489,405 which was funded through a loan from those shareholders.

	31 December 2020 $	31 December 2019 $
Issued and fully paid	669,142,996	1,618,632,401
	669,142,996	1,618,632,401

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Movement in ordinary shares on issue	**No. of shares**	**$**
As at 1 July 2019	138,007,181	1,618,632,401

11 CONTRIBUTED EQUITY (continued)

	No. of shares	$
At 1 July 2020	138,007,181	1,618,632,401
Return of capital during the period	-	(949,489,405)
At 31 December 2020	138,007,181	669,142,996

12 EARNINGS PER SHARE

Basic earnings per share is calculated as (loss) after income tax attributable to owners of the Group, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares. Diluted earnings per share adjusts the weighted average number of shares for potentially dilutive ordinary shares.

	31 December 2020 $	31 December 2019 $
(Loss) after income tax attributable to owners of TGH Pty Ltd	(1,592,675)	(2,755,817)
WANOS [(1)] used in calculation of basic and diluted [(2)] EPS	138,007,181	138,007,181
Basic EPS (cents per share)	(1.15)	(2.00)
Diluted EPS (cents per share)	(1.15)	(2.00)
Total finance costs		

[1] Weighted average number of ordinary shares.
[2] The WANOS used in the calculation of diluted EPS for the period to 31 December 2020 has not been adjusted for the potentially dilutive ordinary shares relating to the MEP as this would be anti-dilutive. There were no potentially dilutive ordinary shares in the comparative period.

13 EVENTS AFTER BALANCE SHEET DATE

COVID-19

Since the balance sheet date of these accounts through to the date of signing (21 May 2021), Australia and the rest of the world have been dealing with COVID-19. Through that period there were several restrictions implemented to varying degrees on the general public with the potential being a negative impact on property transactions that the PEXA platform facilitates.

At the date of signing this report the Group has not seen material impacts on its revenues or business. Any future restrictions may unfavourably impact the number of property transactions and financial performance in the current financial year.

Management Equity Plan

On 23 April 2021, the Group approved an additional Grant of 897,041 performance shares under a Management Equity Plan (MEP) to link reward more directly to the value drivers of the business.

The Group’s shareholders to explore viability of an Initial Public Offering (IPO)

On 25 February 2021, one of the Group's major shareholders, the Link Group, announced to the Australian Stock Exchange that all three of the Group’s shareholders (Link Group, Morgan Stanley Infrastructure Partners and Commonwealth Bank of Australia) have agreed to explore the viability of an IPO of the business.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect:
- The consolidated entity’s operations in future financial years;
- The results of those operations in future financial years; or
- The consolidated entity’s state of affairs in future financial years.

Directors' declaration

In accordance with a resolution of the directors of Torrens Group Holdings Pty Ltd, I state that:

In the opinion of the directors:

(a) the interim financial statements and notes of Torrens Group Holdings Pty Ltd for the financial half-year ended 31 December 2020:

  (i) give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year on that date; and

  (ii) comply with Accounting Standards AASB 134 *Interim Financial Reporting* and other mandatory professional reporting requirements.

(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.

On behalf of the board

Mark Joiner
Chairman
21 May 2021