# Half Year Report
## 30 June 2021

ABN 48 126 266 831

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# Appendix 4D and 2021 Half Year Report
## Release Date: 20 August 2021

20 August 2021

ASX Market Announcements Office
ASX Limited
20 Bridge Street
Sydney, NSW, Australia, 2000

**Smartgroup Corporation Ltd - Results for announcement to the market**

In accordance with the ASX Listing Rules, Smartgroup Corporation Ltd **(ASX: SIQ)** encloses for release to the market:

1. Appendix 4D,
2. Review of operations, and
3. Smartgroup Corporation Ltd Half Year Report for the period ending 30 June 2021.

Smartgroup Corporation Ltd will conduct a briefing on the results at 9:00 am (Sydney time) on 20 August 2021.

**Anthony Dijanosic**
Chief Financial Officer
1300 665 855

**Jonathan Swain**
Joint Company Secretary
02 8280 7355

This announcement was authorised for release to the ASX by the Board of Directors of Smartgroup.

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# Appendix 4D
## Statutory results for announcement to the market

| | | $'000's | | $'000's |
|---|---|---|---|---|
| Revenue from ordinary activities | down | (2,022) | 2% to | **109,419** |
| Profit from ordinary activities after tax attributable to the owners of Smartgroup Corporation Ltd | up | 9,175 | 53% to | **26,551** |
| Net profit for the period attributable to the owners of Smartgroup Corporation Ltd | up | 9,175 | 53% to | **26,551** |

| Dividend information | Amount per share (cents) | Franked amount per share (cents) | Tax rate for franking credit |
|---|---|---|---|
| Final 2020 dividend per share (paid 23 March 2021) | 17.5 | 17.5 | 30% |
| Special 2020 dividend per share (paid 23 March 2021) | 9.0 | 9.0 | 30% |
| Special 2021 dividend per share (paid 23 March 2021) | 5.5 | 5.5 | 30% |
| Interim 2021 dividend per share (payable 16 September 2021) | 17.5 | 17.5 | 30% |

The record date for determining entitlement to the interim dividend is 2 September 2021. There is no dividend reinvestment plan in place.

| Net tangible assets | 30 June 2021 | 31 Dec 2020 |
|---|---|---|
| Net tangible assets per ordinary security, cents per share | (34.11) | (30.76) |

### Independent auditor's review

The financial report for the half year ended 30 June 2021 has been reviewed by PricewaterhouseCoopers and there is no review, dispute, or qualification.

# Review of Operations
## 30 June 2021

| | 30 June 2021 $'000 | 30 June 2020 $'000 | Movement |
|---|---|---|---|
| Revenue | **109,419** | **111,441** | (2%) |
| Share of profit/(loss) from joint venture accounted for using the equity method | **149** | **(155)** | (196%) |
| **Expenses** | | | |
| Product costs | **(2,666)** | **(3,229)** | (17%) |
| Employee benefits expense | **(40,295)** | **(42,839)** | (6%) |
| Administration and corporate expenses | **(14,854)** | **(13,602)** | 9% |
| Occupancy expenses | **(525)** | **(742)** | (29%) |
| Advertising and marketing expenses | **(760)** | **(1,190)** | (36%) |
| Other expenses | **(1,038)** | **(1,839)** | (44%) |
| Acquisition transaction costs | **41** | **(11)** | (473%) |
| **Earnings before interest, tax, depreciation, and amortisation (EBITDA)** | **49,471** | **47,834** | **3%** |
| Finance costs | **(1,068)** | **(2,658)** | (60%) |
| Depreciation expense | **(1,673)** | **(1,555)** | 8% |
| Amortisation of acquired intangible assets | **(5,956)** | **(10,475)** | (43%) |
| Amortisation of contract rights | **(517)** | **(507)** | 2% |
| Impairment of joint venture investment | **-** | **(5,118)** | (100%) |
| Loss on revaluation of an asset held for sale | **(1,434)** | **-** | N/A |
| **Profit before income tax for the half year** | **38,823** | **27,521** | **41%** |
| Income tax expense | **(12,272)** | **(10,145)** | 21% |
| **Net profit after income tax for the half year** | **26,551** | **17,376** | **53%** |
| Add: Amortisation, tax effected | **4,169** | **7,432** | (44%) |
| Add: Acquisition transaction and onerous lease costs, tax effected | **(29)** | **7** | (514%) |
| Add: Accelerated vesting of LFSP [1] | **-** | **375** | (100%) |
| Add: Cash tax benefit on deductible amortisation | **1,411** | **1,769** | (20%) |
| Add: Impairment of joint venture investment | **-** | **5,118** | (100%) |
| Add: Loss on revaluation of an asset held for sale | **1,434** | **-** | N/A |
| **NPATA [2]** | **33,536** | **32,077** | **5%** |
| EBITDA margin | **45%** | **43%** | 2% pts |
| NPATA margin | **31%** | **29%** | 2% pts |
| Net operating cash inflow [3] | **35,979** | **35,786** | 1% |
| Net operating cash inflow as a percentage of NPATA [3] | **107%** | **112%** | (5%) |

| | Cents | Cents | Movement |
|---|---|---|---|
| NPATA per share [4] | **25.1** | 24.1 | 4% |
| Dividends declared per share [4] | **17.5** | 17.0 | 3% |

1 Resulting from the modification of LTIP vesting conditions for the former CEO. Refer to the 2019 Annual Report for further details.
2 NPATA is the net profit after tax, adjusted to exclude the non-cash tax-effected amortisation of intangibles and significant non-operating items.
3 Net cash inflow from operating activities has been adjusted to exclude transaction costs relating to business acquisitions, and receipts and payments related to customer salary packaging bank accounts.
4 NPATA per share and dividends declared per share at 30 June 2021 are based on 133,541,979 shares (30 June 2020: 132,880,310 shares), which includes the 4,024,444 shares held by the Company under the Loan Funded Share Plan (LFSP) (30 June 2020: 3,362,775 shares).

# Review of Operations (continued)
## 30 June 2021

### Financial performance

The 2021 Half Year Report reflects ongoing improvement in the financial performance of Smartgroup Corporation Ltd and its controlled entities (the Group). Smartgroup has delivered earnings growth with a strong EBITDA margin of 45%, despite on-going business disruptions from the COVID-19 pandemic, including lockdowns and motor vehicle supply shortages.

Revenue at $109,419,000 is 2% lower than the half year to 30 June 2020, though reflects a 4% increase compared to the half year to 31 December 2020. Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) at $49,471,000 is 3% higher than the half year to 30 June 2020 and 5% higher than the half year to 31 December 2020.

Interim 2021 Net Profit After Tax and Amortisation (NPATA) of $33,536,000 represents an increase of 5% over the half year to 30 June 2020 and a 1% increase over the half year to 31 December 2020.

Salary packages at 373,500 have increased by 5% from June 2020 and 4% from December 2020, following the successful onboarding of several new clients, as well as organic growth. Smartgroup has also renewed or extended all major contracts that fall due in 2021, including the Department of Defence, which has been renewed for a further 5 years, inclusive of extensions.

Despite ongoing new motor vehicle supply shortages, novated leasing volumes continue to grow from their Q2 2020 low, with settlement numbers for the half year to 30 June 2021 being 2% higher than the half year to 30 June 2020 and 4% above the half year to 31 December 2020. The proportion of customers refinancing their existing lease, rather than starting a lease on a new vehicle, remains elevated with new novated leases for the half year to 30 June 2021 at a stable 74%.

Pleasingly, new novated lease orders reached pre-COVID levels in Q2 this year and the Smartgroup team are executing on these orders more efficiently than ever. With motor vehicle supply shortages pushing novated lease settlement timeframes out further this half year, this has resulted in significant growth in the vehicle order pipeline. Smartgroup books revenue only when a settlement occurs, so this deferred settlement pipeline has essentially deferred revenue that, in a pre-COVID environment, would normally have been booked in this period. While there is little doubt that the various lockdowns in July and August will have an impact on vehicle order levels, Smartgroup has shown that the business is in good shape operationally and is well positioned for when lockdowns ease.

As a result of the vehicle supply shortages and delayed new lease settlements, the number of novated leases under management has reduced by 3% from June 2020 and 2% from December 2020. Fleet vehicles under management increased by 2% from June 2020 and 1% from December 2020.

The transition of the Advantage business commenced late last year and continued throughout the first half of 2021. This will continue to be a work in progress into 2022. To date, Smartgroup has successfully transitioned and integrated 7 salary packaging, novated leasing and fleet businesses acquired since 2015.

The first half of 2021 has seen Smartgroup launch the Smart Future program. The program will build new capabilities to improve customer experience, enhance digital assets and drive simplification. Work has commenced with the roll-out of a customer training program to frontline team members and improvements to the novated leasing customer journey. Early benefits from the program can be seen with changes resulting in stronger customer engagement and more vehicles ordered.

The full implementation of the program is estimated to result in a $15-20 million annual EBITDA uplift by 2024 (in addition to the normal organic growth expectations of the business), with two-thirds of this coming from revenue expansion and one third from sales and service efficiencies. The program is estimated to cost $5-6 million per annum from 2021 to 2023, of which c.$4 million per annum is currently expected to be capitalised, noting that no expenditure relating to this program has been capitalised in the half year to 30 June 2021.

# Review of Operations (continued)
## 30 June 2021

### Regulatory Matters

As disclosed in the 2020 Annual Report, the legislation regarding the Deferred Sales Model for the sale of Add On Insurance Products passed through Parliament in December 2020. Full compliance with this model is required by 5 October 2021 and Smartgroup is currently well progressed in making the necessary changes to processes and systems to ensure compliance.

Smartgroup estimates that it generated approximately $4.8 million in commissions, funding revenue and other revenue related to the sale of add-on insurance products, for the half year to 30 June 2021. Smartgroup is not yet able to provide specific detail on the likely impact of the introduction of the Deferred Sales Model.

### Cashflow and net corporate debt

The Group net corporate debt position at 30 June 2021 is $4,473,000 (Net cash $2,468,000 as at 31 December 2020). Leverage, as measured by net debt / last twelve months EBITDA, is 0.05x (31 December 2020: n/a).

During the period, Smartgroup extended its debt facilities for another 2 years to 1 July 2024.

Gross debt drawn at 30 June 2021 is $25,900,000.

# Directors' Report
## 30 June 2021

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the Group) consisting of Smartgroup Corporation Ltd (referred to hereafter as the Company or parent entity) and the entities it controlled at the end of, or during, the half year ended 30 June 2021.

### Directors

The following people were Directors of the Company during the whole of the reporting period and up to the date of this report, unless otherwise stated:

Michael Carapiet
Timothy Looi
Gavin Bell
Andrew Bolam
Carolyn Colley
Deborah Homewood
John Prendiville
Ian Watt

### Principal activities

During the reporting period the principal continuing activities of the Group consisted of outsourced administration, fleet management, and software, distribution, and group services. Outsourced administration comprises salary packaging, novated leasing, and payroll administration.

### Dividends

Dividends paid during the half year ended 30 June 2021 were as follows:

| | 30 June 2021 $'000 |
|---|---|
| Final dividend for the year ended 31 December 2020 or 17.5 cents per ordinary share | **23,100** |
| Final special dividend for the year ended 31 December 2020 of 9.0 cents per ordinary share | **11,880** |
| Interim special dividend for the year ended 31 December 2021 of 5.5 cents per ordinary share | **7,260** |

On 19 August 2021, the Directors declared a fully-franked dividend of 17.5 cents per ordinary share. The record date is 2 September 2021, and the dividend will be paid on 16 September 2021. This dividend has not been included as a liability in these financial statements. The total estimated dividend to be paid is $23,400,000.

### Review of operations

The profit after tax for the Group is $26,551,000 (30 June 2020: $17,376,000). Refer to the Review of Operations for further commentary on the results.

### Environmental regulation

The Group is not affected by any significant environmental regulation under Australian Commonwealth or State law in respect of its operations.

### Auditor's independence declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 7.

# Directors' Report (continued)
## 30 June 2021

### Rounding of amounts

The Company is of a kind referred to in *ASIC Legislative Instrument 2016/191*, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in this report have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of Directors.

On behalf of the Directors,

Michael Carapiet

19 August 2021
Sydney

# *Auditor's Independence Declaration*

As lead auditor for the review of Smartgroup Corporation Ltd for the half-year ended 30 June 2021, I declare that 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; and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Smartgroup Corporation Ltd and the entities it controlled during the period.

Joe Sheeran
Partner
PricewaterhouseCoopers

Sydney
19 August 2021

***PricewaterhouseCoopers, ABN 52 780 433 757***
*One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001*
*T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au*

*Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124*
*T: +61 2 9659 2476, F: +61 2 8266 9999, www.pwc.com.au*

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

## For the half year ended 30 June 2021

| | Note | 30 June 2021 $'000 | 30 June 2020 $'000 |
|---|---|---|---|
| Revenue | | **109,419** | 111,441 |
| Share of profit/(loss) from joint venture accounted for using the equity method | | **149** | (155) |
| **Expenses** | | | |
| Product costs | | **(2,666)** | (3,229) |
| Employee benefits expense | | **(40,295)** | (42,839) |
| Administration and corporate expenses | | **(14,854)** | (13,602) |
| Occupancy expenses | | **(525)** | (742) |
| Advertising and marketing expenses | | **(760)** | (1,190) |
| Depreciation expense | | **(1,673)** | (1,555) |
| Amortisation expense | | **(6,473)** | (10,982) |
| Other expenses | | **(1,038)** | (1,839) |
| **Operating profit** | | **41,284** | **35,308** |
| Impairment of joint venture investment | | **-** | (5,118) |
| Loss on revaluation of an asset held for sale | 14 | **(1,434)** | - |
| Finance costs | | **(1,068)** | (2,658) |
| Acquisition transaction costs | | **41** | (11) |
| **Profit before income tax expense** | | **38,823** | **27,521** |
| Income tax expense | | **(12,272)** | (10,145) |
| **Profit after income tax expense** | | **26,551** | **17,376** |
| **Other comprehensive income** | | | |
| Net change in fair value of cash flow hedges taken to equity, net of tax | | **41** | (68) |
| **Total comprehensive income for the period** | | **26,592** | **17,308** |

| **Earnings per share** | Note | Cents | Cents |
|---|---|---|---|
| Basic earnings per share (cents) | 10 | **20.5** | 13.4 |
| Diluted earnings per share (cents) | 10 | **20.5** | 13.4 |

# Consolidated Statement of Financial Position
## As at 30 June 2021

| | Note | 30 June 2021 $'000 | 31 December 2020 $'000 |
|---|---|---|---|
| **ASSETS** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | | **21,427** | 27,368 |
| Restricted cash and cash equivalents | 12 | **57,144** | 48,111 |
| Trade and other receivables | 6 | **19,611** | 15,881 |
| Income tax receivable | | **-** | 851 |
| Other current assets | | **4,455** | 1,869 |
| Assets classified as held for sale | 14 | **871** | - |
| **Total current assets** | | **103,508** | **94,080** |
| **Non-current assets** | | | |
| Investments accounted for using the equity method | | **475** | 827 |
| Deferred tax assets | | **11,583** | 12,247 |
| Right-of-use assets | | **7,923** | 9,143 |
| Property and equipment | | **1,645** | 1,742 |
| Intangible assets | 5 | **282,200** | 290,402 |
| **Total non-current assets** | | **303,826** | **314,361** |
| **Total assets** | | **407,334** | **408,441** |
| **LIABILITIES** | | | |
| **Current liabilities** | | | |
| Trade and other payables | | **34,367** | 29,892 |
| Customer salary packaging liability | 12 | **57,144** | 48,111 |
| Income tax payable | | **680** | - |
| Provisions | | **14,387** | 13,989 |
| Lease liabilities | | **3,640** | 3,738 |
| Derivative financial instruments | 11 | **34** | - |
| Other current liabilities | | **5,020** | 5,782 |
| Liabilities directly associated with assets classified as held for sale | 14 | **330** | - |
| **Total current liabilities** | | **115,602** | **101,512** |
| **Non-current liabilities** | | | |
| Provisions | | **2,284** | 2,596 |
| Derivative financial instruments | 11 | **-** | 47 |
| Lease liabilities | | **7,318** | 8,678 |
| Borrowings | 7 | **25,685** | 24,673 |
| **Total non-current liabilities** | | **35,287** | **35,994** |
| **Total liabilities** | | **150,889** | **137,506** |
| **Net assets** | | **256,445** | **270,935** |
| **EQUITY** | | | |
| Share capital | 8 | **262,461** | 262,522 |
| Reserves | 9 | **10,036** | 8,776 |
| Accumulated losses | | **(16,052)** | (363) |
| **Equity attributable to the owners of Smartgroup Corporation Ltd** | | **256,445** | **270,935** |
| **Total equity** | | **256,445** | **270,935** |

# Consolidated Statement of Changes in Equity

## For the half year ended 30 June 2021

| | Note | Share capital $'000 | Reserves $'000 | Accumulated losses $'000 | Total equity $'000 |
|---|---|---|---|---|---|
| **Balance at 1 January 2020** | | **259,115** | **8,435** | **9,163** | **276,713** |
| Profit for the period | | - | - | 17,376 | 17,376 |
| Other comprehensive income | | - | (68) | - | (68) |
| **Total comprehensive income for the period** | | **-** | **(68)** | **17,376** | **17,308** |
| Transactions with owners in their capacity as owners: | | | | | |
| Contributions of equity, net of transaction costs and tax | 8 | 3,395 | - | - | 3,395 |
| Share-based payments | | - | 429 | - | 429 |
| Dividends paid | | - | - | (28,272) | (28,272) |
| **Balance at 30 June 2020** | | **262,510** | **8,796** | **(1,733)** | **269,573** |
| **Balance at 1 January 2021** | | **262,522** | **8,776** | **(363)** | **270,935** |
| Profit for the period | | - | - | 26,551 | 26,551 |
| Other comprehensive income | | - | 41 | - | 41 |
| **Total comprehensive income for the period** | | **-** | **41** | **26,551** | **26,592** |
| Transactions with owners in their capacity as owners: | | | | | |
| Contributions of equity, net of transaction costs and tax | 8 | (61) | - | - | (61) |
| Share-based payments | | - | 1,219 | - | 1,219 |
| Dividends provided for or paid | 3 | - | - | (42,240) | (42,240) |
| **Balance at 30 June 2021** | | **262,461** | **10,036** | **(16,052)** | **256,445** |

# Consolidated Statement of Cash Flows

## For the half year ended 30 June 2021

| | 30 June 2021 $'000 | 30 June 2020 $'000 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Receipts from customers | **123,166** | 136,804 |
| Payments to suppliers and employees | **(76,239)** | (86,889) |
| Transaction costs relating to business acquisitions and disposals | **(52)** | (11) |
| Interest received from cash held on behalf of customers | **14** | 556 |
| Interest and transaction costs paid on borrowings | **(405)** | (860) |
| Interest paid on lease liabilities | **(433)** | (526) |
| Income taxes paid | **(10,124)** | (13,299) |
| **Net cash from operating activities excluding salary packaging receipts and payments** | **35,927** | **35,775** |
| Receipts in restricted cash | **1,268,305** | 1,236,265 |
| Payments of customer salary packaging liability | **(1,259,272)** | (1,245,155) |
| **Net cash inflow from operating activities** | **44,960** | **26,885** |
| **Cash flows from investing activities** | | |
| Capitalised contract rights | **-** | (611) |
| Payments for property, plant, and equipment | **(350)** | (211) |
| Dividends received from joint venture | **500** | 500 |
| Interest received | **3** | 197 |
| **Net cash inflow/(outflow) from investing activities** | **153** | **(125)** |
| **Cash flows from financing activities** | | |
| Repayment of borrowings | **(10,000)** | - |
| Proceeds from long term incentive plan | **678** | 2,966 |
| Dividends paid | **(42,240)** | (28,272) |
| Proceeds from borrowings | **11,000** | 37,750 |
| Payment of lease liabilities | **(1,459)** | (1,263) |
| **Net cash (outflow)/inflow from financing activities** | **(42,021)** | **11,181** |
| **Net increase in cash and cash equivalents** | **3,092** | **37,941** |
| Cash and cash equivalents at the beginning of the year | **27,368** | 39,639 |
| Restricted cash and cash equivalents at the beginning of the year | **48,111** | 65,402 |
| Cash and cash equivalents at the end of the period | **21,427** | 86,470 |
| Restricted cash and cash equivalents at the end of the period | **57,144** | 56,512 |
| **Total** | **78,571** | **142,982** |

# Notes to the Consolidated Financial Statements

## 30 June 2021

### 1 Basis of preparation

Smartgroup Corporation Ltd (the Company) is a company limited by shares, incorporated and domiciled in Australia. The financial statements cover the consolidated entity (referred to hereafter as the Group) consisting of the Company and the entities it controlled for the half year ended 30 June 2021.

The consolidated half year financial report is a general purpose financial report prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Smartgroup Corporation Ltd is a for-profit entity for the purpose of preparing the financial report.

This half year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 31 December 2020 and any public announcements made by the Company during the interim reporting period, in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

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

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

#### Net current liability position

As at 30 June 2021, the Group had net current liabilities of $12,094,000 due to payment of special dividends of $19,140,000 in March 2021 and the repayment of non-current borrowings, specifically $10,000,000 of its revolving loan facility.

The debt facilities were repaid early as the Group held an excess cash balance immediately prior to repayment.

The Group has prepared projected cash flows for the twelve months from the date of the Directors' Declaration, taking into consideration the continued business impacts of the COVID-19 pandemic. These forecasts indicate that the Group is expected to generate sufficient levels of operating cash flows to enable it to pay its debts as and when they fall due. Further, the Group currently has undrawn debt facilities of $19,100,000 that may be drawn for operational liquidity purposes, with these facilities maturing on 1 July 2024. These factors support the Group's ability to continue as a going concern.

#### New or amended accounting standards and interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### 2 Critical accounting judgements, estimates and assumptions

The accounting policies for critical accounting judgements, estimates and assumptions are consistent with the 2020 Annual Report, however, given the evolving nature of the current pandemic and resulting economic disruption, the Group has considered the impact of the pandemic and market volatility on estimation uncertainty.

### 3 Dividends

On 19 August 2021, the Directors declared a fully-franked interim dividend of 17.5 cents per ordinary share. The record date is 2 September 2021, and the dividend will be paid on 16 September 2021. This dividend has not been included as a liability in these financial statements. The total estimated dividend to be paid is $23,400,000.

Dividends are paid out from the parent entity which has retained earnings as at 30 June 2021 of $25,126,000. As at 30 June 2021, the Group has retained losses of $16,052,000. The difference in retained earnings is due, in part, to the amortisation of intangible assets recognised in the Group financial statements arising from historic business combinations.

# Notes to the Consolidated Financial Statements (continued)
30 June 2021

## 4 Operating segments

*Identification of reportable operating segments*

The Group has identified its segments based on the internal reports that are reviewed and used by the Chief Executive Officer and Chief Financial Officer, who are identified as the Chief Operating Decision Makers (CODM), in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

*Types of products and services*

The principal products and services of each of these operating segments are as follows:

| | |
|---|---|
| **Outsourced administration (OA)** | This part of the business provides outsourced salary packaging services, novated leasing, and associated products, share plan administration and outsourced payroll services. |
| **Vehicle services (VS)** | This part of the business provides end-to-end fleet management services. |
| **Software, distribution, and groupservices (SDGS)** | This part of the business provides salary packaging software solutions, the marketing of salary packaging debit cards, distribution of vehicle insurances and workforce management software to the healthcare industry. |

*Intersegment transactions*

Intersegment transactions were made at market rates. Intersegment transactions are eliminated on consolidation.

*Intersegment receivables, payables, and loans*

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

# Notes to the Consolidated Financial Statements (continued)
30 June 2021

## 4 Operating segments (continued)

| Half year ended 30 June 2021 | OA | VS | SDGS | Intersegment eliminations / Corporate | Total |
|---|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 | $'000 |
| Revenue | | | | | |
| Products, services, and commissions | 59,862 | - | 155 | - | 60,017 |
| Management and administrative fees | 31,295 | 4,145 | 2,754 | - | 38,194 |
| Performance fees and rebates | 8,899 | 1,922 | 387 | - | 11,208 |
| Inter-segment sales | 115 | 1,961 | 13,562 | (15,638) | - |
| **Total revenue** | **100,171** | **8,028** | **16,858** | **(15,638)** | **109,419** |
| **Segment results (EBITDA)** | **52,057** | **6,019** | **3,313** | **(11,918)** | **49,471** |
| *EBITDA margin* | *52%* | *75%* | *20%* | | *45%* |
| Depreciation | | | | | (1,673) |
| Amortisation | | | | | (6,473) |
| Loss on revaluation of an asset held for sale | | | | | (1,434) |
| Finance costs | | | | | (1,068) |
| **Profit before income tax expense** | | | | | **38,823** |
| Income tax expense | | | | | (12,272) |
| **Profit after income tax expense** | | | | | **26,551** |
| *NPAT margin* | | | | | *24%* |
| **As at 30 June 2021** | | | | | |
| Assets | | | | | |
| Segment assets | 114,383 | 18,744 | 16,992 | 257,215 | 407,334 |
| **Total assets** | | | | | **407,334** |
| Liabilities | | | | | |
| Segment liabilities | 84,631 | 10,514 | 14,118 | 41,626 | 150,889 |
| **Total liabilities** | | | | | **150,889** |

# Notes to the Consolidated Financial Statements (continued)
30 June 2021

## 4 Operating segments (continued)

| Half year ended 30 June 2020 | OA | VS | SDGS | Intersegment eliminations / Corporate | Total |
|---|---|---|---|---|---|
| | $'000 | $'000 | $'000 | $'000 | $'000 |
| Revenue | | | | | |
| Products, services, and commissions | 58,562 | - | 6,853 | - | 65,415 |
| Management and administrative fees | 32,208 | 3,196 | 228 | - | 35,632 |
| Performance fees and rebates | 8,250 | 1,647 | 497 | - | 10,394 |
| Inter-segment sales | 123 | 1,932 | 12,794 | (14,849) | - |
| **Total revenue** | **99,143** | **6,775** | **20,372** | **(14,849)** | **111,441** |
| **Segment results (EBITDA)** | **45,213** | **3,506** | **10,058** | **(10,943)** | **47,834** |
| *EBITDA margin* | *46%* | *52%* | *49%* | | *43%* |
| Depreciation | | | | | (1,555) |
| Amortisation | | | | | (10,982) |
| Impairment of joint venture investment | | | | | (5,118) |
| Finance costs | | | | | (2,658) |
| **Profit before income tax expense** | | | | | **27,521** |
| Income tax expense | | | | | (10,145) |
| **Profit after income tax expense** | | | | | **17,376** |
| *NPAT margin* | | | | | *16%* |

| As at 31 December 2020 | OA | VS | SDGS | Intersegment eliminations / Corporate | Total |
|---|---|---|---|---|---|
| Assets | | | | | |
| Segment assets | 116,485 | 11,637 | 34,865 | 245,454 | 408,441 |
| **Total assets** | | | | | **408,441** |
| Liabilities | | | | | |
| Segment liabilities | 75,774 | 6,247 | 25,171 | 30,314 | 137,506 |
| **Total liabilities** | | | | | **137,506** |

# Notes to the Consolidated Financial Statements (continued)
30 June 2021

## 5 Intangible assets

| | 30 June 2021 $'000 | 31 December 2020 $'000 |
|---|---|---|
| **Goodwill** | | |
| At cost | **272,664** | 274,395 |
| **Total Goodwill** | **272,664** | **274,395** |
| **Customer contracts** | | |
| At cost | **63,609** | 65,109 |
| Accumulated amortisation | **(59,888)** | (58,725) |
| **Total customer contracts** | **3,721** | **6,384** |
| **Software** | | |
| At cost | **77,915** | 77,915 |
| Accumulated amortisation | **(76,573)** | (73,281) |
| **Total software** | **1,342** | **4,634** |
| **Contract rights** | | |
| At cost | **5,168** | 5,168 |
| Accumulated amortisation | **(1,999)** | (1,483) |
| **Total contract rights** | **3,169** | **3,685** |
| **Brand names and logo** | | |
| At cost | **1,304** | 1,304 |
| **Total brand names and logo** | **1,304** | **1,304** |
| **Total intangible assets** | **282,200** | **290,402** |

# Notes to the Consolidated Financial Statements (continued)
30 June 2021

## 6 Trade and other receivables

| | 30 June 2021 $'000 | 31 December 2020 $'000 |
|---|---|---|
| Trade receivables | **8,580** | 7,601 |
| Less: Allowance for expected credit losses | **(236)** | (248) |
| | **8,344** | **7,353** |
| Contract assets | **6,717** | 7,346 |
| Other receivables | **4,550** | 1,182 |
| | **11,267** | **8,528** |
| **Total trade and other receivables** | **19,611** | **15,881** |

### Credit risk

*Expected credit loss assessment for customers*

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement between 14 and 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. Trade receivables have been grouped based on shared credit risk characteristics and the days past due. Contract assets represent unbilled receivables for commission-based revenue with a lower expected credit loss as funds have been collected and are held within the restricted cash accounts.

Expected credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors that may affect the ability of the customers to settle the receivables. They are also adjusted to reflect historical and current debtor-based information impacting the probability that certain debtors will enter bankruptcy or financial re-organisation, or default on payments (more than 60 days overdue). The amount of the allowance is the difference between the asset's carrying amount and the present value of management's estimate of future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

| 30 June 2021 | Gross carrying amount ($'000) | Expected credit loss allowance ($'000) | Specific loss allowance ($'000) | Total loss allowance ($'000) | Weighted-average loss rate |
|---|---|---|---|---|---|
| Grade 1 (Financiers and insurers) | 402 | - | (22) | (22) | 5.48% |
| Grade 2 (Employer/Corporate) | 6,545 | (16) | (87) | (103) | 1.26% |
| Grade 3 (Dealers) | 1,633 | (1) | (111) | (112) | 6.80% |

As at 30 June 2021, the Group has $693,000 provided in relation to counterparty arrangements with motor vehicle dealerships, given that the COVID-19 pandemic has seen both economic disruption and volatility in motor vehicle values. This provision is reflected in Current Liabilities - Provisions within the Consolidated Statement of Financial Position.

# Notes to the Consolidated Financial Statements (continued)
30 June 2021

## 7 Borrowings

As at 30 June 2021, the following bank facilities were available to the Group:

- A revolving facility of $45,000,000;
- A letter of credit facility of $5,000,000; and
- Ancillary facilities: credit card and electronic pay away facility of $12,500,000.

The banking facilities are guaranteed and secured by the Company and certain subsidiaries of the Company. The facilities are subject to a variable interest rate, which is based on the BBSY plus a margin. The banking facilities mature on 1 July 2024.

The Group is subject to certain financing covenants and meeting these is given priority in all capital risk management decisions. These covenants include leverage and interest cover ratios with reference to recurring earnings before interest, tax, depreciation, and amortisation, and with distribution restrictions on dividends. There have been no events of default on the financing arrangement during the half year ended 30 June 2021.

## 8 Equity - issued capital

| | **30 June 2021 Shares** | 31 December 2020 Shares | **30 June 2021 $'000** | 31 December 2020 $'000 |
|---|---|---|---|---|
| Ordinary Shares — fully paid | **133,541,979** | 132,820,695 | **287,383** | 283,516 |
| Less: Shares associated with the loan funded share plan (LFSP) | **(4,024,444)** | (3,303,160) | **(24,922)** | (20,994) |
| | **129,517,535** | **129,517,535** | **262,461** | **262,522** |

*(a) Movements in ordinary shares:*

| | **Date** | **Number of shares** | **Total $'000** |
|---|---|---|---|
| Opening balance | 1 January 2020 | 131,651,028 | 277,799 |
| Shares issued for LFSP | 6 March 2020 | 1,245,905 | 8,308 |
| | 15 June 2020 | 835,243 | 5,179 |
| Buy-back of forfeited LFSP shares | 27 February 2020 | (154,082) | (853) |
| | 19 March 2020 | (697,784) | (6,277) |
| | 10 July 2020 | (59,615) | (505) |
| Deferred tax directly recognised in equity | | | (135) |
| **Balance** | **31 December 2020** | **132,820,695** | **283,516** |
| | | | |
| Shares issued for LFSP | 12 March 2021 | **977,887** | **6,666** |
| | 19 May 2021 | **561,152** | **3,920** |
| Buy-back of forfeited LFSP shares | 10 March 2021 | **(817,755)** | **(6,658)** |
| Deferred tax directly recognised in equity | | | **(61)** |
| **Balance** | **30 June 2021** | **133,541,979** | **287,383** |

# Notes to the Consolidated Financial Statements (continued)
30 June 2021

## 8 Equity - issued capital (continued)

*(b) Movements in loan funded share plan*

| | Date | Number of shares | Total $'000 |
|---|---|---|---|
| Opening balance | 1 January 2020 | (2,682,932) | (18,684) |
| LFSP shares exercised | 11 February 2020 | 549,439 | 3,542 |
| Shares issued for LFSP | 6 March 2020 | (1,245,905) | (8,308) |
| | 15 June 2020 | (835,243) | (5,179) |
| Buy-back of forfeited LFSP shares | 27 February 2020 | 154,082 | 853 |
| | 19 March 2020 | 697,784 | 6,277 |
| | 10 July 2020 | 59,615 | 505 |
| **Balance** | **31 December 2020** | **(3,303,160)** | **(20,994)** |
| Shares issued for LFSP | 12 March 2021 | (977,887) | (6,666) |
| | 19 May 2021 | (561,152) | (3,920) |
| Buy-back of forfeited LFSP shares | 10 March 2021 | 817,755 | 6,658 |
| **Balance** | **30 June 2021** | **(4,024,444)** | **(24,922)** |

On 10 March 2021, loan funded shares were granted to the management team under the LFSP based on the closing share price on 1 March 2021 (ex-dividend). Subsequently, at the Annual General Meeting on 12 May 2021, the 2021 LFSP grant to the CEO was approved, with shares being granted to the CEO and CFO based on the 20-day volume weighted average price of shares traded on ASX up to, and including, the day of the AGM (Issue Price). The shares vest over a 3-year period subject to vesting conditions, otherwise known as the “EPS Performance Hurdle” and the “TSR Performance Hurdle”.

The shares granted as part of the LFSP are eligible for dividends and are held by the participant until they vest or are forfeited. Should the Company pay dividends or make capital distributions in the future, any dividends paid, or distributions made to the participant will be applied to repay the loan and to meet the tax liability on those dividends or distributions. The vesting of the shares is subject to two performance hurdles, being an earnings growth hurdle and a total shareholder return hurdle, and a continuous employment condition. The shares can only be exercised once the participant has repaid the loan.

For the half year ended 30 June 2021, the Group recorded $6,657,893 to buy back shares issued under the LFSP, because the vesting conditions on the shares had not been met and the shares were forfeited. 817,855 shares were bought back and cancelled, resulting in a reduction of the ordinary shares on issue.

The unvested shares issued under the LFSP at 30 June 2021 have been treated as contingently issuable, as the vesting conditions have not been satisfied at the balance date. Therefore, the shares issued under the LFSP are excluded from basic earnings per share and included in diluted earnings per share.

# Notes to the Consolidated Financial Statements (continued)
30 June 2021

## 9 Equity - reserves

| | 30 June 2021 $'000 | 31 December 2020 $'000 |
|---|---|---|
| Cash flow hedge reserve | **46** | 5 |
| Share-based payments reserve | **9,551** | 8,686 |
| Other reserves | **439** | 85 |
| | **10,036** | **8,776** |

*Hedging reserve - cash flow hedges*

The hedging reserve is used to record the effective portion of the gains or losses on derivatives which qualify as cash flow hedge instruments and are recognised in other comprehensive income. Amounts are reclassified to profit or loss when the associated hedged transaction is realised.

*Share-based payments reserve*

The reserve is used to recognise the value of equity benefits provided to executive Key Management Personnel and other senior management as part of their remuneration.

*Other reserves*

Other reserves are used to record increments and decrements to the valuation of non-current assets, and to set aside some or all of its undistributed profits to a separate reserve, to facilitate the payment of future franked dividends in future years.

## 10 Earnings per share

| | 30 June 2021 $'000 | 30 June 2020 $'000 |
|---|---|---|
| Consolidated profit after income tax expense for the period attributable to the owners of Smartgroup Corporation Ltd | **26,551** | 17,376 |

| | Number | Number |
|---|---|---|
| Weighted average ordinary shares used in calculating basic earnings per share | **129,517,535** | 129,393,076 |
| Adjustments for calculation of diluted earnings per share: | | |
| **Weighted average number of ordinary shares used in calculating diluted earnings per share** | **129,517,535** | **129,631,218** |

| | Cents | Cents |
|---|---|---|
| Basic earnings per share (cents) | **20.5** | 13.4 |
| Diluted earnings per share (cents) | **20.5** | 13.4 |

# Notes to the Consolidated Financial Statements (continued)
30 June 2021

## 11 Fair value of financial instruments

**Fair value of the Group's financial assets and financial liabilities measured at fair value on a recurring basis**

| At 30 June 2021 | Level 1 $'000 | Level 2 $'000 | Level 3 $'000 | Total $'000 |
|---|---|---|---|---|
| **Financial liabilities** | | | | |
| Interest rate swap contracts - cash flow hedges | - | (34) | - | (34) |
| **Total financial liabilities (current)** | **-** | **(34)** | **-** | **(34)** |

| At 31 December 2020 | Level 1 $'000 | Level 2 $'000 | Level 3 $'000 | Total $'000 |
|---|---|---|---|---|
| **Financial liabilities** | | | | |
| Interest rate swap contracts - cash flow hedges | - | (47) | - | (47) |
| **Total financial liabilities (non-current)** | **-** | **(47)** | **-** | **(47)** |

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values, due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

*Derivatives - interest rate swap contracts*

The derivative financial instruments have been valued using quoted market rates. This valuation technique maximises the use of observable market data where it is available and relies as little as possible on entity specific estimates.

## 12 Cash held on behalf of customers and associated liabilities

The Group administers funds on behalf of customers, and this can take one of two forms:
- Restricted cash and cash equivalents (pooled customer funds)
- Cash held on behalf of customers (segregated bank accounts in a customer's name)

**Restricted cash and cash equivalents**

| | 30 June 2021 $'000 | 31 December 2020 $'000 |
|---|---|---|
| Restricted cash and cash equivalents | 57,144 | 48,111 |
| Customer salary packaging liability | (57,144) | (48,111) |

The restricted cash and cash equivalents and in the Consolidated Statement of Cash Flows represents funds held by the Group on behalf of certain customers. The use of these funds is restricted to the making of salary packaging payments on behalf of those customers only and therefore not available for general use. The Group recognises a liability for all restricted cash balances to reflect the amounts owing to its customers.

The restricted cash accounts are held with Australia's major financial institutions. Depending on commercial arrangements, the Group may earn interest income from these accounts. For the half year ended 30 June 2021, the Group has recognised finance revenue of $7,000 (30 June 2020: $80,000) from restricted cash.

# Notes to the Consolidated Financial Statements (continued)
30 June 2021

## 12 Cash held on behalf of customers and associated liabilities (continued)

**Cash held on behalf of customers - not recognised in the Consolidated Statement of Financial Position**

| | 30 June 2021 $'000 | 31 December 2020 $'000 |
|---|---|---|
| Accounts established by the Group as cash held on behalf of customers | 145,307 | 131,817 |
| Accounts established by customers directly | 91,991 | 87,863 |
| | **237,298** | **219,680** |

Cash held on behalf of salary packaging and share plan administration customers is deposited by customers into segregated bank accounts, to be used only to settle their employees' salary packaging obligations to suppliers or for contributions into share plans. The Group cannot use these funds for any other purpose than as directed by its customers. Customers are liable to ensure adequate funds are kept in the segregated bank accounts for salary packaging and share plan payments. The Group has assessed that these assets are held in a fiduciary capacity rather than being assets of the Group and as such, have excluded them from the Consolidated Statement of Financial Position.

The segregated bank accounts used for cash held on behalf of customers are with Australia's major financial institutions. Depending on commercial arrangements, the Group may earn interest income from these accounts. For the half year ended 30 June 2021, the Group has recognised interest revenue of $3,000 (30 June 2020: $472,000) from those accounts established by the Group as cash held on behalf of customers, and $4,000 (30 June 2020: $4,000) from those accounts established by the customers directly. These amounts are recognised within management and administration revenue.

## 13 Events occurring after the reporting period

No matter or circumstance has occurred after period end that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group or economic entity in subsequent financial periods.

## 14 Assets and liabilities held for sale

### (a) Smartequity

A plan to sell Smartequity Pty Ltd and Smartequity EIS Pty Ltd (collectively, 'Smartequity'), wholly owned subsidiaries of Smartgroup Corporation Ltd, was considered in May 2021. The sale of Smartequity is expected to be completed in Q3 2021. Accordingly, as at 30 June 2021, Smartequity was a disposal group classified as assets classified as held for sale.

### (b) Loss on revaluation of an asset held for sale

A loss of $1,434,000 was recognised following recognition of Smartequity at the lower of its carrying amount and fair value less costs to sell. This has been disclosed as a 'loss on revaluation of a non-current asset held for sale' in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. The revaluation loss has been applied to reduce the carrying amount of goodwill within the disposal group.

# Notes to the Consolidated Financial Statements (continued)
30 June 2021

## 14 Assets and liabilities held for sale (continued)

### (c) Assets and liabilities classified as held for sale

The following assets and liabilities were reclassified as held for sale in relation to the disposal group as at 30 June 2021:

| | 30 June 2021 $'000 |
|---|---|
| *Assets classified as held for sale* | |
| Restricted cash and cash equivalents | 295 |
| Trade and other receivables | 279 |
| Goodwill | 297 |
| **Total assets classified as held for sale** | **871** |

| | 30 June 2021 $'000 |
|---|---|
| *Liabilities directly associated with assets classified as held for sale* | |
| Trade creditors | 3 |
| Customer salary packaging liability | 295 |
| Income tax payable | 32 |
| **Total liabilities directly associated with assets classified as held for sale** | **330** |

# Directors' Declaration
## 30 June 2021

**In the Directors' opinion:**

(a) the attached financial statements and notes set out on pages 8 to 23 are in accordance with the *Corporations Act 2001*, including:

  (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

  (ii) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the half year ended on that date, 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.

Signed in accordance with a resolution of directors.

On behalf of the directors,

Michael Carapiet
Chairman
Sydney
19 August 2021

# Independent auditor's review report to the members of Smartgroup Corporation Ltd

## *Report on the half-year financial report*

### *Conclusion*

We have reviewed the half-year financial report of Smartgroup Corporation Ltd (the Company) and the entities it controlled from time to time during the half-year (together the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of changes in equity, consolidated statement of cash flows and consolidated statement of profit or loss and other comprehensive income for the half-year ended on that date, significant accounting policies and explanatory notes 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 accompanying half-year financial report of Smartgroup Corporation Ltd does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the half-year ended on that date

2. 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 & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### *Responsibilities of the directors for the half-year financial report*

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 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.

***PricewaterhouseCoopers, ABN 52 780 433 757***
*One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001*
*T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au*

*Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124*
*T: +61 2 9659 2476, F: +61 2 8266 9999, www.pwc.com.au*

*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 30 June 2021 and of 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 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.

PricewaterhouseCoopers

PricewaterhouseCoopers

Joe Sheeran

Joe Sheeran
Partner

Sydney
19 August 2021

# Corporate directory

| | |
|---|---|
| **Directors** | Michael Carapiet<br>Timothy Looi<br>Gavin Bell<br>Andrew Bolam<br>Carolyn Colley<br>Deborah Homewood<br>John Prendiville<br>Ian Watt |
| **Company secretaries** | Sophie MacIntosh<br>Jonathan Swain |
| **Principal registered office in Australia** | Level 8, 133 Castlereagh Street<br>Sydney NSW 2000<br>Australia<br>1300 476 278 |
| **Share and debenture register** | LINK Market Services<br>Level 12, 680 George Street<br>Sydney NSW 2000<br>1300 554 474 |
| **Auditor** | PricewaterhouseCoopers<br>One International Towers<br>Watermans Quay Barangaroo<br>Sydney NSW 2000 |
| **Solicitors** | Minter Ellison Lawyers<br>Level 20, 447 Collins Street<br>Melbourne VIC 3000<br>02 9921 8888 |
| **Bankers** | Westpac Group<br>275 Kent Street<br>Sydney NSW 2000<br><br>Australia and New Zealand Banking Group Limited<br>242 Pitt Street<br>Sydney NSW 2000 |
| **Stock exchange listing** | Smartgroup Corporation Ltd shares are listed on the Australian Securities Exchange (ASX Code: SIQ) |
| **Website** | www.smartgroup.com.au |

**Smartgroup Corporation Ltd**

National Head Office
Level 8, 133 Castlereagh Street
Sydney NSW 2000

**smartgroup.com.au**