



Interim Consolidated Financial Statements

Half-year Ended 31 December 2022

Pelorus Private Equity Limited

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CONTENTS

Financial Statements

Directors' Report	Page 3
Consolidated Statement of Financial Position	Page 5
Consolidated Statement of Profit or Loss and Other Comprehensive Income	Page 6
Consolidated Statement of Cash Flows	Page 7
Consolidated Statement of Changes in Equity	Page 8
Notes to the Consolidated Financial Statements	Page 9
Directors' Report – Continued	Page 16
Directors' Declaration	Page 17
Auditor's Independence Declaration	Page 18
Independent Auditor's Review Report	Page 19

Directors' Report

Pelorus Private Equity Limited (**Pelorus, Group or Company**) is an unlisted public investment company. Following the completion of the acquisition of some related entities in November 2022 its net assets have almost doubled to just under \$80 million. It is now an investment vehicle of some scale and is a significant investor in the ASX listed WOTSO Property (ASX:WOT) (**WOT**) and BlackWall Limited (ASX:BWF) (**BWF**). In addition it holds positions in other direct property funds (\$23 million) and also periodically takes positions in start-up businesses and other opportunistic investments. At 31 December 2022, Pelorus had Net Tangible Assets (**NTA**) of \$0.186 per share (June 2022: \$0.187 per share).

Acquisitions

During the period the Group completed the acquisitions of SAO Investments Pty Ltd (**SAO**), Tidy Harold Pty Ltd (**Tidy Harold**) and Harold Investors Pty Ltd (**Harold Investors**). The transactions provide for a simpler underlying investment structure. The transactions further increase the Group's holdings in WOT to 19% of WOT's issued capital and provides direct ownership into the property owning entities for real estate assets in Pyrmont, Mosman and North Strathfield.

The Current Investment Portfolio

The snapshot below shows the current position of the new consolidated Group while carving out the noise required by accounting standards. The Group's WOT holdings have increased primarily due to the acquisition of SAO, but also following an increase in WOT's NTA to \$1.64 per security, which continues trading at a 12% discount to the ASX trading price of \$1.44 per security. The acquisition of SAO has also increased the Group's holding of long-term investments that are not held for trading. Accounting standards require recognition of deferred tax on revaluation gains with these long-term investments, which we have adjusted below to arrive at a more realistic and commercial view of the Group's net asset position.

	Dec 2022 \$'000	Jun 2022 \$'000
Cash and other receivables	241	111
Investment in WOT	52,011	29,471
Investment in BWF	2,672	1,518
Investments in property trusts	22,775	3,167
Other investments	3,091	2,511
Loans receivable	1,302	1,129
Other assets	68	68
Total Assets	82,160	37,975
Borrowings	3,543	4,011
Other liabilities	218	347
Total Liabilities	3,761	4,358
Adjusted Net Assets	78,399	33,617
Adjusted NTA per Share	\$0.252	\$0.252
Statutory Adjustments:		
- Adjustment for WOT valuation at ASX closing price	(6,639)	(4,390)
- Deferred tax liability on unrealised investment gains	(13,808)	(4,263)
Statutory Net Assets	57,952	24,964
Statutory NTA per share	\$0.186	\$0.187

Investment Portfolio

A summary of the major investments of the Group are as follows:

WOTSO Property

At 31 December 2022, the Group's investment in WOT has increased to \$52 million reflecting a 19% holding of all WOT securities.

WOT is Australia's first listed flexible property security and continued to diversify and expand throughout the period, both geographically and in the services offered. As flexible office solutions evolve, WOT has expanded its offering to include dedicated space for medical/health practitioners with WOTSO HealthSpace, and dark kitchens with WOTSO CookSpace. The opening of a WOTSO in Lendlease's Macarthur Square shopping centre represented the new WOTSO Express offering for smaller dedicated spaces in retail environments.

The settlement of WOT's first property in New Zealand on the north shore of Auckland in Takapuna was completed, with WOTSO set to open in the property towards the end of the financial year. The acquisition, in combination with a further round of revaluations, has increased WOT's property holdings to over \$400 million.

WOT's owned property occupancy has increased to 96% with WOTSO flexspace occupancy rising to 79%, resulting in a 7% increase in WOT's annualised group turnover to \$47 million.

BlackWall Limited

BWF is a listed property fund manager with capabilities across investment, asset development and property management. The largest fund that BWF manages is WOT, which has driven a 30% increase in management fee income in BWF for the period. Assets under management have increased by 2% to \$510 million.

Property Asset Vehicles

The acquisition of SAO in the period has increased the Group's direct ownership in three commercial properties in NSW at 55 Pyrmont Bridge Road, 11-13 George Street, North Strathfield and 743 Military Road, Mosman. The holdings in these properties now sit at \$7.6 million for the Pyrmont property, \$6.5 million for the North Strathfield property and \$4.2 million for the Mosman property. In addition, the Group now holds interests in two classes of debt extended to the Pyrmont property, with \$2.3 million in the Pyrmont Bridge Road Mortgage Fund which returns 6% p.a. and \$1.7 million in convertible notes which provide a return of 3% p.a. above the cash rate.

Private Equity Investments

From time to time, the Group looks at opportunities to invest in private equity ventures, often in start-up ventures. More details on the performance of these investments can be found in Note 2 of the financial statements.

Dividends

There were no dividends paid or declared for the period ended 31 December 2022 (Dec 2021: \$nil).

However with the growth in the asset base of Pelorus it is expected that dividends will start to be paid in FY24.

Financial Statements

Consolidated Statement of Financial Position

As at 31 December 2022

	Note	Dec 2022 \$'000	Jun 2022 \$'000 (Restated – Note 6)
ASSETS			
Current Assets			
Cash and cash equivalents		20	12
Trade and other receivables		221	572
Financial assets	2	293	554
Loans receivable	3	1,302	240
Total Current Assets		1,836	1,378
Non-current Assets			
Financial assets	2	74,367	32,755
Property, plant and equipment		68	68
Total Non-current Assets		74,435	32,823
TOTAL ASSETS		76,271	34,201
LIABILITIES			
Current Liabilities			
Trade and other payables		906	1,515
Borrowings	4	3,543	3,397
Current tax payable		62	62
Total Current Liabilities		4,511	4,974
Non-current Liabilities			
Deferred tax liabilities	5	13,808	4,263
Total Non-current Liabilities		13,808	4,263
TOTAL LIABILITIES		18,319	9,237
NET ASSETS		57,952	24,964
EQUITY			
Share capital		35,807	5,543
Retained earnings		22,145	19,421
TOTAL EQUITY		57,952	24,964
Number of shares on issue		311,657,895	133,472,726
NTA per share		\$0.186	\$0.187

The accompanying notes form part of these consolidated financial statements.

Financial Statements

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half-Year Ended 31 December 2022

	Note	Dec 2022 \$'000	Dec 2021 \$'000 (Restated – Note 6)
REVENUE			
Unrealised gain on revaluation of financial assets		3,085	2,068
Gain on disposal of assets		92	542
Investment income		71	62
Total Revenue		3,248	2,672
EXPENSES			
Business operating expenses		(249)	(221)
Loss on acquisition of subsidiary	1	(194)	-
Finance costs		(67)	(31)
Other expenses		(10)	(9)
Total Expenses		(520)	(261)
Profit Before Tax		2,728	2,411
Income tax expense		(4)	(103)
Profit for the Period		2,724	2,308
Other comprehensive income for the period		-	-
Total comprehensive income for the period		2,724	2,308

The accompanying notes form part of these consolidated financial statements.

Financial Statements

Consolidated Statement of Cash Flows For the Half-Year Ended 31 December 2022

		Dec 2022 \$'000	Dec 2021 \$'000
Note			
Cash Flows from Operating Activities			
	Dividends and distributions received	128	59
	Interest received	22	3
	Interest paid	(67)	(31)
	Payments to suppliers	(368)	(193)
	Net Cash Flows used in Operating Activities	(285)	(162)
Cash Flows from Investing Activities			
	Returns of capital received	479	454
	Proceeds from disposal of financial assets	179	558
1	Cash acquired on acquisition of subsidiaries	7	-
	Payments for purchase of financial assets	(211)	(873)
	Net Cash Flows from Investing Activities	454	139
Cash Flows from Financing Activities			
	Net (advances to) / proceeds from related party loans and borrowings	(161)	1
	Net Cash Flows (used in) / from Financing Activities	(161)	1
Net Increase / (Decrease) in Cash and Cash Equivalents			
	Cash and cash equivalents at the beginning of the period	12	40
	Cash and Cash Equivalents at End of the Period	20	18

The accompanying notes form part of these consolidated financial statements.

Financial Statements

Consolidated Statement of Changes in Equity

For the Half-Year Ended 31 December 2022

	Note	Ordinary Shares \$'000	Retained Earnings \$'000 (Restated – Note 6)	Treasury Shares Reserve \$'000	Total \$'000
Balance at 1 July 2022		5,543	19,421	-	24,964
Profit / (loss) for the period		-	2,724	-	2,724
Issue of new shares	1	30,347	-	-	30,347
Cancellation of issued shares		(83)	-	-	(83)
Balance at 31 December 2022		35,807	22,145	-	57,952
Balance at 1 July 2021		11,658	18,184	(6,115)	23,727
Profit for the period (Restated)	6	-	2,308	-	2,308
Cancellation of issued shares		(6,115)	-	6,115	-
Balance at 31 December 2021		5,543	20,492	-	26,035

The accompanying notes form part of these consolidated financial statements.

**Notes to the Financial Statements
For the Half-Year Ended 31 December 2022**

1. Business Combinations

On 14 November 2022, the Group acquired 100% of the issued and outstanding share capital of Harold Investors Pty Ltd, Tidy Harold Pty Ltd and SAO Investments Pty Ltd (**Acquired Entities**) thereby obtaining control of each of these entities. The Acquired Entities are separate investment vehicles with interests in three commercial properties, as well as significant holdings in BlackWall Limited (ASX:BWF) and WOTSO Property (ASX:WOT), and as such, each of the Acquired Entities qualify as a business as defined in *AASB 3 Business Combinations*. At the acquisition date each of the combining entities were not under common control.

The amounts recognized in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

	Harold Investors Pty Ltd \$'000	Tidy Harold Pty Ltd \$'000	SAO Investments Pty Ltd \$'000	Eliminations on Acquisition \$'000	Total Acquisition \$'000
Cash and cash equivalents	-	1	6	-	7
Accounts receivable	-	-	96	-	96
Financial assets	-	83	45,453	-	45,536
Investment in Tidy Harold	14,592	-	-	(14,592)	-
Investment in SAO Investments	-	14,585	-	(14,585)	-
Loans receivable	1,281	-	3,010	-	4,291
Borrowings	(127)	(77)	(3,332)	-	(3,536)
Deferred tax liability	-	-	(9,541)	-	(9,541)
Total identifiable assets acquired and liabilities assumed	15,746	14,592	35,692	(29,177)	36,853
Excess of net assets acquired	(595)	-	(748)	-	(1,343)
Non-controlling interest	(5,163)	(14,592)	(14,585)	29,177	(5,163)
Total consideration	9,988	-	20,359	-	30,347
Satisfied by:					
Issue of new shares	9,988	-	20,359	-	30,347
Total consideration issued	9,988	-	20,359	-	30,347
Net cash flow arising on acquisitions					
Cash acquired on acquisitions	-	1	6	-	7
	-	1	6	-	7

As consideration for the acquisition of the Acquired Entities, the Group issued 119,886,501 shares in the Group to previous shareholders of SAO Investments and 58,785,775 shares in the Group to previous shareholders of Harold Investors. The fair value of the shares issued as part of the consideration paid were determined by reference to the net tangible assets unit price (NTA) of the Group at the date of acquisition.

As part of the acquisition of SAO Investments, the Group assumed a deferred tax liability of \$9.5 million on the accrued revaluation gains associated with the financial assets held by SAO Investments. Refer to Note 5 for further information.

A loss on acquisition of \$194,000 has been recognised in profit or loss being the revaluation loss on Harold Investors at date of acquisition of \$1.5 million net of the excess of net assets acquired over consideration issued of \$1.3 million.

**Notes to the Financial Statements
For the Half- Year Ended 31 December 2022**

2. Financial Assets

The Group has investments in various listed and unlisted investments. Investments which are held for trading from time to time are classified as current assets, whereas investments which are held as long-term investments are not intended for trading are classified as non-current assets. The details are as follows:

		Dec 2022 \$'000	Jun 2022 \$'000
Other listed investments		293	554
Total current financial assets		293	554
Listed – WOTSO Property	(i)	45,668	22,204
Unlisted – Pyrmont Bridge Property	(ii)	8,010	-
Unlisted – Alerik Unit Trust	(iii)	6,343	-
Unlisted – Mosman Branch Unit Trust *	(iii)	4,076	-
Listed – BlackWall Limited	(iv)	2,672	1,316
Unlisted – Pyrmont Bridge Road Mortgage Fund	(ii)	2,356	-
Unlisted – Pyrmont Bridge Convertible Notes	(ii)	1,694	-
Unlisted – Waratah Hotel Group	(v)	1,455	394
Unlisted Startup – Teletrack	(vi)	1,000	1,000
Unlisted Startup – Linqto	(vii)	860	1,000
Other unlisted investments		233	140
Unlisted – Harold Investors Pty Ltd (formally Kirela-C Unit Trust)		-	6,701
Total non-current financial assets		74,367	32,755
Total		74,660	33,309

* This entity is not equity accounted despite owning more than 20% of the issued capital as Pelorus does not exercise significant influence or control over this entity.

- (i) WOTSO Property (ASX:WOT) is a listed stapled security that owns and leases over 100,000 sqm of property. The closing ASX price of \$1.44 per share is at a 14% discount to NTA which is at \$1.58 per share. With the acquisition of SAO Investments, the Group now holds over 19% of WOTSO Property.
- (ii) Through the acquisition of SAO Investments, the Group now holds various interests in the property located at 55 Pyrmont Bridge Road, Pyrmont, NSW. In addition to a direct investment in the property owner, Pyrmont Bridge Property Pty Ltd, the Group holds interests in Pyrmont Bridge Road Mortgage Fund which provides a 6% p.a. distribution in return for a mortgage secured against the property, as well as interests in Pyrmont Bridge Convertible Notes, which provides a variable rate of return of 3% above the cash rate for convertible debt issued to the property owner.
- (iii) The acquisition of SAO Investments provides investments in Alerik Pty Ltd and Mosman Branch Pty Ltd, investment property owning vehicles which provide exposure to the properties located at 11-13 George Street North Strathfield, NSW and 743 Military Road, Mosman, NSW.
- (iv) BlackWall Limited is a listed property and fund management company (ASX:BWF) that manages over 124,000 sqm of space, including the WOT group. It generates annuity income through management fees, as well as transactional and performance fees. It aims to continue to grow its properties under management, which will in turn increase its revenue.

**Notes to the Financial Statements
For the Half- Year Ended 31 December 2022**

- (v) Subsequent to 31 December 2022, Waratah Hotel Group declared distributions of \$94,462 to Pelorus which were received in January 2023.
- (vi) Teletrack is a telematic solutions provider for the freight and heavy machinery industries. The investment is held along with separate option arrangements with various other investors, which grant the investors an option to acquire up to \$750,000 of Pelorus' Teletrack investment at cost. The option agreements expire on 1 August 2025.
- (vii) The Primary Markets investment that Pelorus took up for \$50,000 in 2015 has undergone restructuring over the last couple of years. It was initially taken over by Linqto, an investment company based in California, USA. It was later demerged from Linqto, and subsequently taken over by a listed company, Complii (ASX:CF1) in November 2021. Complii is a fintech compliance and technology driven business solutions provider.

3. Loan Receivable

		Dec 2022 \$'000	Jun 2022 \$'000
	Security		
Loans – BlackWall employees	WOT Securities	580	-
Loans – BlackWall employees	BWF Shares	720	-
Loans – Other	N/A	2	7
Loans – Kirela C	N/A	-	180
Loans – Tidy Harold	N/A	-	53
Total		1,302	240

4. Borrowings

	Dec 2022 \$'000	Jun 2022 \$'000
Borrowings – Alerik Unit Trust	2,193	-
Borrowings – BlackWall Property Trust	1,255	-
Borrowings – Mosman Unit Trust	95	-
Borrowings – SAO Investments	-	3,397
Total	3,543	3,397

The borrowings from Alerik Unit Trust, BlackWall Property Trust and Mosman Unit Trust, related parties of Pelorus, are subject to interest at a margin of 2.0% over the RBA cash rate. The loans are repayable on call and as such are classified as current liabilities.

5. Deferred tax liabilities

	Dec 2022 \$'000	Jun 2022 \$'000
Balance at beginning of period	4,263	4,370
Acquired through acquisition of SAO	9,541	-
Charged / (credit) to profit or loss	4	(107)
Balance at end of period	13,808	4,263

**Notes to the Financial Statements
For the Half- Year Ended 31 December 2022**

As part of the business combination with SAO Investments as described in Note 1, the Group assumed the deferred tax liability on unrealised revaluation gains associated primarily with SAO's non-held-for-trading investment portfolio.

6. Prior period adjustment

During the period, the Group adopted the following material accounting policies with retrospective application:

AASB 9 Financial Instruments

AASB 101 Presentation of Financial Statements

AASB 112 Income Taxes

In prior periods, certain revaluation gains and losses on financial assets, and the associated movement on deferred tax liabilities had been recorded through Other Comprehensive Income. With the retrospectively application of the above material accounting policies, these revaluations gain and losses, and movements in deferred tax liabilities have been reclassified within Profit or Loss.

Accordingly, the comparative information for the period ended 31 December 2021 have been restated to reflect the effects of this change in policy.

	Dec 2021 As previously stated \$'000	Prior period adjustment \$'000	Dec 2021 Restated \$'000
Unrealised gain on revaluation of financial assets	-	2,068	2,068
Income tax expense	56	(159)	(103)
Profit for the period	399	1,909	2,308
Unrealised gain on revaluation of financial assets	2,068	(2,068)	-
Deferred tax	(159)	159	-
Other comprehensive income	1,909	(1,909)	-
Retained earnings	8,536	11,956	20,492
Asset revaluation reserve	11,956	(11,956)	-

7. Subsequent Events

Subsequent to 31 December 2022, WOT declared an interim distribution of 3.0 cents per security, with the Group set to receive \$951,000. Additionally, an interim dividend of 2.5 cents per share was declared by BWF with the Group expecting to receive \$104,000.

Additionally, at the date of this report the ASX listed price of WOT has decreased to \$1.33 per security. On this basis, NTA would be \$0.174 per share. There would be no change to the Group's adjusted NTA of \$0.252 per share.

To the best of the Directors' knowledge, since the end of the financial period there have been no other matters or circumstances that have materially affected the Group's operations or may materially affect its operations, state of affairs or the results of operations in future financial periods.

8. Fair Value Measurement of Financial Instruments

(a) Fair value hierarchy

**Notes to the Financial Statements
For the Half- Year Ended 31 December 2022**

AASB 13 Fair Value Measurement requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

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

The fair value of financial assets traded in active markets is subsequently based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. The quoted market price used for financial assets held by the Group is the current bid price and the quoted market price for financial liabilities is the current asking price.

The following table presents the Group's financial assets measured at fair value. Refer to the Critical Accounting Estimates and Judgments note for further details of assumptions used and how fair values are measured.

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
At 31 December 2022				
Financial assets	48,633	-	26,027	74,660
At 30 June 2022				
Financial assets	24,074	-	9,235	33,309

(b) Valuation techniques used to derive Level 3 fair values

The fair value of the unlisted securities is determined by reference to the published net tangible assets unit prices of each of the entities.

(c) Reconciliation of movements (Level 3)

- (i) The following table is a reconciliation of the movements in financial assets classified as Level 3:

	\$'000
At 31 December 2022	
Balance at the beginning of period	9,235
Purchases	50
Acquired through combination of SAO Investments	23,240
Fair value movement	203
Elimination through combination of Harold Investors	(6,701)
Balance at the end of period	<u>26,027</u>
At 30 June 2022	
Balance at the beginning of year	7,964
Purchases	1,100
Sales	(34)
Fair value movements	1,223
Conversion of Primary Market from Level 3 to Complii (Level 1)	(41)
Movement of Li-S Energy Limited from Level 3 to Level 1	(977)
Balance at the end of year	<u>9,235</u>

**Notes to the Financial Statements
For the Half- Year Ended 31 December 2022**

(ii) Investment in Unlisted Shares

The Level 3 asset sensitivity analysis is as follow:

	Sensitivity	Impact
Investment in Unlisted Shares	+/-10%	Increase / decrease in fair value by \$2,602,700

9. Group Details

The principal place of business of the Group is:
50 Yeo Street
Neutral Bay, NSW, 2089

10. Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key estimates – impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets.

Key estimates – financial assets

Investments in listed and unlisted securities have been classified as financial assets and movements in fair value is recognised directly in profit or loss. The fair value of the unlisted securities is determined by reference to the net assets of the underlying entities. The fair value of the listed securities is based on the closing price from the ASX as at the reporting date.

Key estimates - fair values of investment properties

The Group carries its investment in investment property vehicles at fair value with changes in the fair values recognised in profit or loss. At the end of each reporting period, the Directors review and update their assessment of the fair value of each property, taking into account the most recent independent valuations.

11. Statement of Significant Accounting Policies

Pelorus Private Equity Ltd is a public company, incorporated and domiciled in Australia. The financial statements for the Group were authorised for issue in accordance with a resolution of the Directors on the date they were issued.

Basis of Preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.



**Notes to the Financial Statements
For the Half- Year Ended 31 December 2022**

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial period. Any change of presentation has been made in order to make the financial statements more relevant and useful to the user.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2022.

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

Going Concern

These financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial period. Any change of presentation has been made in order to make the financial statements more relevant and useful to the user.

Presentation Currency

Both the functional and presentation currency of the Group is Australian dollars.

New Accounting Standards and Interpretations

The consolidated entity 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.

Directors' Report - Continued

Information on Officeholders

The names of the Officeholders in office at any time during or since the end of the period are set out below. Unless otherwise stated, Officeholders have been in office since the beginning of the financial period to the date of these financial statements.

Joseph (Seph) Glew (Executive Chairman)
Paul Tresidder (Non-executive Director)
Richard Hill (Non-executive Director)
Jessica Glew (Executive Director)
Timothy Brown (Executive Director)
Alex Whitelum (Company Secretary until 10 March 2023)
Agata Ryan (Company Secretary from 10 March 2023)

Auditor

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is set out in these financial statements. ESV Business Advice and Accounting continues in office in accordance with section 327 of the Corporations Act 2001.

Rounding of Amounts

The Group is a group of the kind referred to in ASIC Legislative Instrument 2016/191, and in accordance with that legislative instrument amounts in the Directors' Report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of the Board of Directors.



Timothy Brown
Director
Sydney, 16 March 2023



Jessie Glew
Director
Sydney, 16 March 2023

Directors' Declaration

In the Directors' opinion:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards AASB 134 Interim Financial Reporting, 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 31 December 2022 and of its performance for the financial period ended on that date, and
- (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Timothy Brown
Director
Sydney, 16 March 2023



Jessie Glew
Director
Sydney, 16 March 2023

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As auditor for the review of Pelorus Private Equity Limited and Controlled Entities for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contravention of any applicable code of professional conduct in relation to the review.

Dated at Sydney on the 16th of March 2023

ESV

ESV Business Advice and Accounting

T. Burns

Travas Burns
Partner



INDEPENDENT REVIEW REPORT TO THE MEMBERS OF PELORUS PRIVATE EQUITY LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Pelorus Private Equity Limited and its Controlled Entities ("the Group") which comprises of the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of cashflows, consolidated statement of changes in equity 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, we have not become aware of any matters that makes us believe that the half-year financial report of Pelorus Private Equity Limited and its Controlled Entities is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *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*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' Responsibility for the Financial Report

The Directors of Pelorus Private Equity Limited 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 is free from material misstatement, whether due to fraud or error.

INDEPENDENT REVIEW REPORT TO THE MEMBERS OF PELORUS PRIVATE EQUITY LIMITED

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial report does not give a true and fair view of the financial position of the Group as at 31 December 2022 and of its financial performance and its cash flows for the half-year ended on that date, in accordance 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.

Dated at Sydney on the 16th of March 2023



ESV Business Advice and Accounting



Travas Burns
Partner