

Networkwealth Group Limited and Controlled Entities Half Year Report 1H 2022

ACN: 620 145 404

Contents

Appendix 4D	3
Corporate highlights	5
Directors' Report	6
Operating and Financial Review	7
Auditor's Independence Declaration	15
Consolidated Statement of Profit or Loss and Other Comprehensive Income	16
Consolidated Statement of Financial Position	17
Consolidated Statement of Changes in Equity	18
Consolidated Statement of Cash Flows	19
Notes to the Financial Statements	20
1 Significant Accounting Policies	20
2 Segment Information	22
3 Revenue	22
4 Income Taxes	23
5 Dividends	25
6 Other Current Assets	25
7 Leases	26
8 Intangible Assets	28
9 Investment in Associates	29
10 Issued Capital	30
11 Share Based Payments	31
12 Controlled Entities	34
13 Financial Instruments	35
14 Cash Flow Note	38
15 Events Occurring after Reporting Date	38
Directors' Declaration	39
Independent Auditor's Review Report	40

Appendix 4D

Report for the half year ended 31 December 2021 (1H 2022).

Netwealth Group Limited
ABN: 84 620 145 404

Details of the reporting period

Report for the half year ended 31 December 2021 (1H 2022).

Previous corresponding period half year ended 31 December 2020 (1H 2021).

Results for announcement to the market

	1H 2022 \$'000	1H 2021 \$'000	Increase/ (Decrease)	Var %
Revenue from ordinary activities	84,729	72,373	12,356	17.1%
Profit from ordinary activities before tax attributable to members	39,827	39,262	565	1.4%
Net profit for the period attributable to members	27,130	27,615	(485)	(1.8%)

Refer to the attached half year report (Directors' report – Review of operations section), for further commentary on the half year results.

Net tangible assets per ordinary security

	1H 2022	1H 2021
Net tangible assets as per ordinary security	39.7 cents	35.9 cents

Dividend information

	Amount per Share (cents)	Franked Amount per Share (cents)	% Franked	Tax rate for Franking Credit
Final 2021 dividend per share (paid 24 Sep 2021)	9.50	4.07	100%	30%
Interim 2022 dividend per share (to be paid 24 Mar 2022)	10.00	4.28	100%	30%

Interim dividend dates

Ex-dividend date	23 February 2022
Record date	24 February 2022
Payment date	24 March 2022

There is no dividend reinvestment plan.

Control gained/loss over entities

Not applicable.

Details of associates and joint venture entities

Netwealth owns 25% of the equity of Xeppo Pty Ltd (Xeppo), a specialist fintech data solution provider.

Xeppo specialises in connecting, matching and reconciling data from a wide range of sources to support the wealth management, accounting and mortgage industries.

Compliance statement

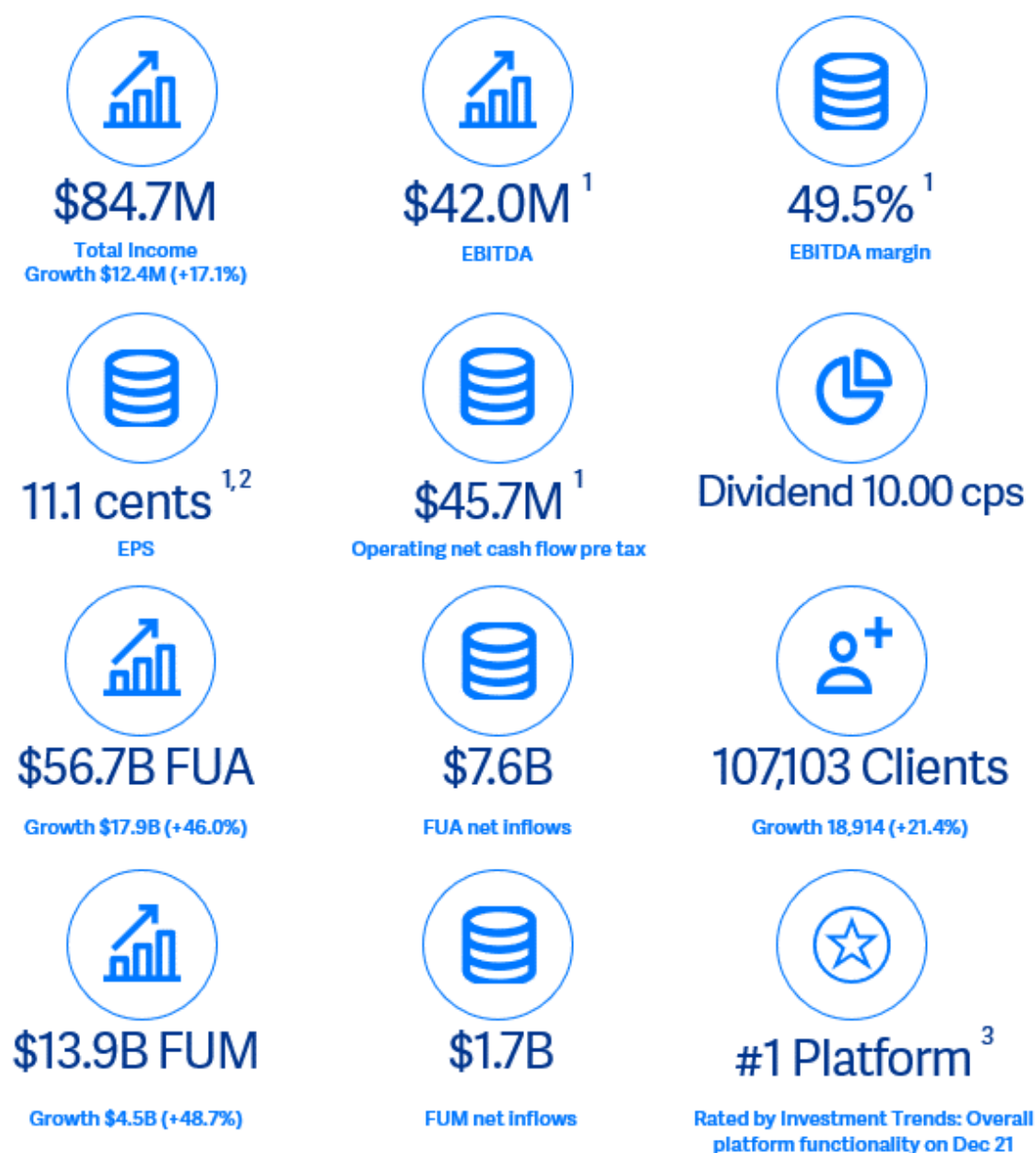
This report is based on the consolidated financial statements for the half year ended 31 December 2021 which were subject to a review by Netwealth Group Limited's auditors, Deloitte Touche Tohmatsu, with the review report attached.



Michael Heine
Joint Managing Director
16 February 2022

Corporate highlights

Netwealth has continued to experience significant growth in the half year to December 2021. Some highlights for the year were (comparative period being half year 31 December 2020):



- 1 Underlying EBITDA, EBITDA margin, NPAT, Operating net cashflow and EPS are prepared to exclude non-recurring expenses for 1H 2022.
- 2 EPS has been calculated on the basis all options and rights currently on issue has vested and converted to ordinary shares as at the beginning of the period. Excludes non-recurring transactions.
- 3 Investment Trends, December 2021 Platform Competitive Analysis and Benchmarking Report
EPS – Earnings per share; CPS – Cents per share

Directors' Report

The Directors present their report on Netwealth Group Limited "the Company" and its controlled entities for the half year ended 31 December 2021 (1H FY2022). The consolidated entity is referred to as "the Group" or "Netwealth". To comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names of the Directors in office at any time during, or since the end of the period are:

- Timothy Antonie (Chairman)
- Michael Heine
- Matthew Heine
- Davyd Lewis
- Sally Freeman
- Kate Temby

Directors (unless stated otherwise) have been in office since the start of the financial year to the date of this report.

Company overview

Netwealth is a financial services business which listed on the ASX on 20 November 2017 (ASX: NWL).

Netwealth was founded in 1999 and established to provide investors and wealth professionals with a better way to invest, protect and manage their current and future wealth. Netwealth seeks to enable, educate and inspire Australians to see wealth differently and to discover a brighter future.

Netwealth offers a range of innovative portfolio administration, superannuation, retirement, investment and Managed Accounts solutions to investors and intermediaries including Financial Intermediaries, private client and high net worth firms.

We are rated No.1 by our clients for providing exceptional service¹ and recently we were also voted No.1 by Financial Intermediaries as Best Overall Platform².

¹ Investment Trends, May 2021 Planner Technology Report

² Investment Trends, December 2021 Platform Competitive Analysis and Benchmarking Report

Operating and Financial Review

Key platform statistics

Set out in the below table is a summary of key platform statistics for 1H 2022 and 1H 2021.

	Consolidated Group for Period Ended			
	31 Dec 2021	31 Dec 2020	Variance	Variance %
FUA (EOP*) (\$ million)	56,654	38,799	17,855	46.0%
FUM (EOP*) (\$ million)	13,817	9,315	4,502	48.3%
FUA net inflows (\$ million)	7,636	4,468	3,168	70.9%
FUM net inflows (\$ million)	1,729	1,530	199	13.0%
Annualised platform revenue/average FUA (bps)	31.7 bps	40.5 bps	(8.8 bps)	(21.7%)
Annualised platform revenue/average number of accounts (\$)	1,609	1,666	(57)	(3.4%)

* EOP=End of Period

Funds Under Administration (FUA) of \$56.7 billion as at 31 December 2021, increased by \$17.9 billion (46.0%) from 31 December 2020. FUA net inflows of \$7.6 billion for the period, increased by \$3.2 billion (70.9%) from 1H 2021.

Based on the latest data research by Strategic Insight, Netwealth remains the market leader in FUA net inflows and achieved a yearly record FUA net inflows of \$11.9 billion over the 12 months period to end September 2021. FUA market movement was positive \$6.0 billion resulting in total FUA growth of \$17.9 billion over this 12 month period³.

Funds Under Management (FUM) as at 31 December 2021 of \$13.8 billion, increased by \$4.5 billion (48.3%) from 31 December 2020. The increase comprised of \$3.4 billion FUM net inflows and positive \$1.1 billion FUM market movement.

Managed Account FUM as at 31 December 2021 of \$11.7 billion, increased by \$4.1 billion (53.9%) from 31 December 2020. The increase included \$3.1 billion Managed Account FUM net inflows and positive \$1.0 billion of Managed Account FUM market movement.

At 31 December 2021 the cash transaction account as a percentage of FUA was 6.1%, lower than the 1H 2022 average of 6.9%.

Platform Revenue over average FUA for 1H 2022 was 31.7 bps, down 8.8 bps from 1H 2021 as the impact of new pricing from 1 January 2021 flows through combined with an increasing average account size.

³ Strategic Insight: Master Trusts, Platforms & Wraps (12 months flows to Sep 2021)

Average account size increased to \$529,000 (Wrap \$1,168,000, Super \$258,000) in December 2021, up from \$481,000 in June 2021.

Platform Revenue per Account for 1H 2022 decreased slightly to \$1,609 (1H 2021: \$1,666) due to the transition of clients to new pricing and a lower average cash ratio.

Number of Accounts increased by 18,914 (21.5% increase) to 107,103. Financial Intermediaries using the platform at 31 December 2021 totalled 3,254, up 4.0% for 1H FY2022.

Financial Review

Set out in the table below is the consolidated statement of profit or loss and other comprehensive income for 1H 2022 presented in full to reflect other financial metrics.

	Consolidated Group for Period Ended			
	31 Dec 2021 \$'000	31 Dec 2020 \$'000	Variance \$'000/%	Variance %
Income				
Platform revenue	82,878	71,152	11,726	16.5%
Other income	1,851	1,221	630	51.6%
Total income	84,729	72,373	12,356	17.1%
Expenses				
Employee benefits expenses	(30,987)	(23,409)	7,578	32.4%
Share based payment expenses	(1,857)	(310)	1,547	499.0%
Other costs and expenses	(10,417)	(8,140)	2,277	28.0%
Total expenses	(43,261)	(31,859)	11,402	35.8%
EBITDA	41,468	40,514	954	2.4%
EBITDA margin	48.9%	56.0%	(7.1%)	-
Interest on leases	(254)	(50)	204	408.0%
Depreciation and amortisation	(1,387)	(1,202)	185	15.4%
NPBT	39,827	39,262	565	1.4%
Income tax expense	(12,696)	(11,647)	1049	9.0%
NPAT	27,131	27,615	(484)	(1.8%)
NPAT margin	32.0%	38.2%	(6.2%)	-
EPS (cents per share)#	11.1	11.3	(0.2)	(1.8%)

EPS has been calculated on the basis all options and rights currently on issue has vested and converted to ordinary shares as at the beginning of the period.

Platform revenue increased by \$11.7 million (16.5%) to \$82.9 million from 1H 2021 to 1H 2022. Building on from the momentum in 2H FY21, strong FUA growth from both new and existing clients led to higher administration fee revenues.

Total expenses of \$43.3 million for 1H 2022, increased by \$11.4 million (35.8%) compared to 1H FY2021 with key drivers noted below.

Employee benefits expense increased by \$7.6 million (32.4%) to \$31.0 million for 1H 2022 compared to 1H 2021. This was driven by a headcount increase of 86 to 457 of which nearly half or 42 were in IT. This increased investment in IT supported Netwealth's sustainable growth strategy to drive innovation and develop new product features whilst supporting infrastructure upgrades and enhancing cyber security. Employee benefits expense represented 72% of total 1H 2022 expenses.

During 1H 2022, long-term incentives were issued to key employees with the intention to promote long-term retention and reward the achievement of long-term plans to generate sustainable growth. Share based payments expense increased by \$1.6 million (499.0%) to \$1.9 million in 1H 2022 compared 1H 2021 due to \$0.5 million reassessment of long term incentives from prior years and \$1.1 million from the FY2022 grant.

Other operating expenses increased by \$2.3 million to \$10.4 million for 1H 2022 compared to 1H 2021. The majority of this increase supports the growth in client numbers, increase in transaction volumes and an increase in insurance premiums. There was a \$0.5M of non-recurring legal and due diligence costs in relation to mergers and acquisitions that have been expensed as no longer actively being pursued.

Underlying profit or loss for 1H 2022

Set out in the table below is the reconciliation from EBITDA to underlying EBITDA and NPAT for 1H 2022 to reflect an adjustment on non-recurring costs.

	Consolidated Group for Period Ended			
	31 Dec 2021 \$'000	31 Dec 2020 \$'000	Variance \$'000/%	Variance %
EBITDA	41,468	40,514	954	2.4%
Add back: Non-recurring expense*	501	-	501	100.0%
Underlying EBITDA	41,969	40,514	1,455	3.6%
Underlying EBITDA margin	49.5%	56.0%	(6.5%)	-
Interest on leases	(254)	(50)	204	408.0%
Depreciation and amortisation	(1,387)	(1,202)	185	15.4%
Income tax expense	(12,696)	(11,647)	1049	9.0%
Addback: Tax impact from non-recurring expense*	(150)	-	(150)	(100.0%)
Underlying NPAT	27,482	27,615	(133)	(0.5%)
Underlying NPAT margin	32.4%	38.2%	(5.8%)	-
Underlying EPS (cents per share)*	11.1	11.3	(0.2)	(1.8%)

*Netwealth incurred \$0.5 million of legal and consulting costs which are not recurring in nature as they relate to acquisitions no longer pursued. It has a tax impact of (\$0.15 million).

EPS has been calculated on the basis all options and rights currently on issue has vested and converted to ordinary shares as at the beginning of the period

Overall, underlying EBITDA of \$42.0 million for 1H 2022 increased by \$1.5 million (3.6%) versus 1H 2021. The underlying EBITDA margin of 49.5% decreased by 6.5% versus 1H 2021 as a result of planned increase in expenditure in particular from the investment in IT and long-term incentives granted to our people.

Underlying NPAT of \$27.5 million for 1H 2022 decreased by \$0.1 million or (0.5%) versus 1H 2021 and underlying NPAT margin of 32.4% for 1H 2022 decreased by 5.8% versus 1H 2021.

The underlying effective tax rate has increased to 31.9% in 1H 2022 versus 1H 2021 of 29.7%. This was due to the permanent tax difference on non-cash share-based payment expense of \$1.9 million and \$0.5m legal and consulting expense. Excluding the non-cash share-share based payment and the blackhole expenditure, the effective tax rate would have been 30.0%

Underlying profit or loss excluding non-cash share-based payments in 1H 2022

Set out in the table below is the underlying EBITDA adjustment to reflect the add back of non-cash share-based payments.

	Consolidated Group for Period Ended			
	31 Dec 2021 \$'000	31 Dec 2020 \$'000	Variance \$'000/%	Variance %
Underlying EBITDA	41,969	40,514	1,455	3.6%
Add back: non-cash share-based payment	1,857	310	1,547	499.0%
Underlying EBITDA excluding non-cash share-based payment	43,826	40,824	3,002	7.4%
Underlying EBITDA margin excluding non-cash share-based payment	51.7%	56.4%	(4.7%)	-
Interest on leases	(254)	(50)	204	408.0%
Depreciation and amortisation	(1,387)	(1,202)	185	15.4%
Income tax expense	(12,696)	(11,647)	1,049	9.0%
Addback: Tax impact from non-recurring expense*	(150)	-	(150)	(100.0%)
Underlying NPAT excluding non-cash share-based payment	29,339	27,925	1,414	5.1%
Underlying NPAT margin excluding non-cash share-based payment	34.6%	38.6%	(4.0%)	-
Underlying EPS excluding non-cash share-based payment (cents per share)#	11.9	11.4	0.5	4.4%

Underlying EBITDA excluding non-cash share-based payments in 1H 2022 increased by 7.4% to \$43.8 million compared to 1H 2021

Underlying Cash Flow Statement 1H 2022

The table below sets out the summary of the underlying consolidated statement of cash flows for 1H 2022 and 1H 2021.

	Consolidated Group for Period Ended			
	31 Dec 2021 \$'000	31 Dec 2020 \$'000	Variance \$'000	Variance %
Receipts from customers	91,172	75,270	15,902	21.1%
Other operating cash flows	(41,951)	(34,150)	(7,801)	(22.8%)
Adjustment for once-off lease incentives received	(3,537)	-	(3,537)	(100.0%)
Operating net cash flows before taxation and interest	45,684	41,120	4,564	11.1%
Investing activities	(3,101)	(4,676)	1,575	33.7%
Adjustment for acquisitions	-	2,521	(2,521)	(100.0%)
Adjustment for seed funding for Managed Funds	1,000	1,500	(500)	(33.3%)
Free cash flows	43,583	40,465	3,118	7.7%

Underlying operating net cash flow before taxation and interest was \$49.2 million for 1H 2022. This includes \$3.5 million of leasehold cash incentives received from the landlord during the period. For further information about the movement in working capital, please refer to Note 14.

Coronavirus (COVID-19) Update

During the period, the Group's operations have largely been unaffected despite certain government restrictions remaining in place. The Group's priority remains the health and wellbeing of our people, clients and business partners. Our people continue to remain fully equipped to work from home. The new Melbourne office was officially opened in December 2021 and prior to the recent widespread of the Omicron variant, depending on team member's role, majority were offered flexible working arrangements of working from the office, home or a combination of both whilst adhering to government restrictions and recommendations.

Significant changes in the state of affairs

There were no other significant changes in the state of affairs during the half year.

Dividends

During the half year, the Company declared on 18 August 2021 and paid on 17 September 2021 a fully franked dividend of 9.50 cents per share, representing a total dividend of \$23,161,000. There is no Dividend Reinvestment Plan (DRP).

Options and shares

On 23 September 2021, eligible employees who had served 3 or more years were offered ordinary shares valued at \$1,000 as a gift for no consideration resulting in 10,143 new ordinary shares issued at \$15.74 per share.

During the period, a number of employees were granted ordinary share options and performance rights as part of the Group's long-term incentive plan. This resulted in the Group issuing 2,270,000 options at an exercise price of \$15.74 per share and 60,913 performance rights during the half year.

Corporate sustainability and governance (CSG)

Netwealth is committed to corporate sustainability and strong governance. We have in place a comprehensive corporate sustainability framework which reflects our core values of being genuine, agile, collaborative, curious, courageous and optimistic. This framework enables Netwealth to be clear in its vision and goals and be held accountable in each area of sustainability through the following four pillars.

1. Enhance our core business.
2. Be genuine and transparent.
3. Foster diversity, talent and well being.
4. Create a positive social and environmental impact.

We believe our CSG focus is essential for our long-term performance and supports the interests of our people, shareholders, clients and other stakeholders. Our inaugural corporate sustainability report, quarterly progress report and latest initiatives are available on the Company's website at

<https://www.netwealth.com.au/web/about-netwealth/corporate-sustainability/>

For our latest corporate governance statement and disclosure policies, please visit our website below.

<https://www.netwealth.com.au/web/about-netwealth/shareholders/>

Events subsequent to the end of the reporting period

On 16 February 2022, the Company declared a fully franked interim dividend for 1H 2022 of 10.00 cents per share (total dividend of \$24,381,280). The interim dividend is payable on 24 March 2022.

There are no other matters or circumstances that have arisen since the end of the period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group.

Proceedings on behalf of the 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 part 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 half year.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under s307C of the Corporations Act 2001 is set out on page 15.

Rounding of amounts

The Group is of a kind referred to in the Australian Securities and Investments Commissions Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in the financial statements have been rounded to the nearest thousand dollars, unless otherwise stated.

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

A handwritten signature in black ink, appearing to read 'T. Antonie', with a stylized flourish at the end.

Tim Antonie

Chairman

16 February 2022

Auditor's Independence Declaration



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16 February 2022

The Board of Directors
Netwealth Group Limited
Level 6, 180 Flinders Street
MELBOURNE VIC 3000

Dear Directors

Auditors independence declaration to Netwealth Group Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Netwealth Group Limited, regarding the half-year consolidated financial report for Netwealth Group Limited.

As lead audit partner for the review of the financial statements of Netwealth Group Limited for the half-year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

DELOITTE TOUCHE TOHMATSU

Lani Cockrem
Partner
Chartered Accountants

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Member of Deloitte Asia Pacific Limited and the Deloitte Network.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2021.

		Consolidated Group for Period Ended	
	Note	31 December 2021 \$'000	31 December 2020 \$'000
Income			
Revenue		82,878	71,152
Other income		1,851	1,221
Total income	3	84,729	72,373
Expenses			
Employee benefits expenses		(30,987)	(23,409)
Share-based payments expenses		(1,857)	(310)
Other operating expenses		(6,333)	(5,267)
Occupancy expenses		(440)	109
IT and communication expenses		(3,401)	(2,942)
Finance cost	7	(254)	(50)
Share of Associate's NPAT	9	(243)	(41)
Depreciation		(1,297)	(1,144)
Amortisation		(90)	(57)
Total expenses		(44,902)	(33,111)
Profit before income tax		39,827	39,262
Income tax expense	4	(12,696)	(11,647)
Profit for the period		27,131	27,615
Total comprehensive income for the period		27,131	27,615
Total comprehensive income attributable to:			
Members of the parent entity		27,131	27,615
Earnings per share			
Basic (cents per share)		11.1	11.6
Diluted (cents per share)		11.1	11.6

The accompanying notes form part of these financial statements

Consolidated Statement of Financial Position

As at 31 December 2021.

		Consolidated Group as at	
	Note	31 December 2021 \$'000	30 June 2021 \$'000
Assets			
Current assets			
Cash and cash equivalents		85,720	81,421
Trade and other receivables		14,837	14,303
Other current assets	6	8,804	11,197
Financial assets	13	1,260	535
Total current assets		110,621	107,456
Non-current assets			
Property, plant and equipment		1,708	1,238
Intangible assets	8	2,152	725
Right-of-use assets	7	15,549	16,382
Investment in associates	9	2,141	2,384
Deferred tax assets	4	3,303	2,932
Total non-current assets		24,853	23,661
Total assets		135,474	131,117
Current liabilities			
Trade and other payables		10,407	7,915
Provisions		6,332	5,386
Current tax liabilities		2,931	7,071
Lease liability	7	1,456	1,398
Total current liabilities		21,126	21,770
Non-current liabilities			
Lease liability	7	14,344	15,028
Provisions		997	1,138
Total non-current liabilities		15,341	16,166
Total liabilities		36,467	37,936
Net assets		99,007	93,181
Equity			
Issued capital	10	26,552	26,398
Reserves		3,390	1,688
Retained earnings		69,065	65,095
Total equity		99,007	93,181

The accompanying notes form part of these financial statements

Consolidated Statement of Changes in Equity

For the half year ended 31 December 2021.

Consolidated Group	Note	Issued capital \$'000	Reserves \$'000	Retained earnings \$'000	Total \$'000
Balance at 1 July 2020		23,122	1,286	51,621	76,029
Shares fully paid during the period		368	-	-	368
Total comprehensive income for the period		-	-	27,615	27,615
Amounts recognised on issue of employee shares		-	220	-	220
Dividends paid or provided for		-	-	(18,540)	(18,540)
Balance at 31 December 2020		23,490	1,506	60,696	85,692
Balance at 1 July 2021		26,398	1,688	65,095	93,181
Shares issued and fully paid during the period		154	-	-	154
Total comprehensive income for the period		-	-	27,131	27,131
Amounts recognised on issue of employee shares		-	1,702	-	1,702
Dividends paid or provided for	5	-	-	(23,161)	(23,161)
Balance at 31 December 2021		26,552	3,390	69,065	99,007

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

For the half year ended 31 December 2021.

		Consolidated Group for Period Ended	
	Note	31 December 2021 \$'000	31 December 2020 \$'000
Cash flows from operating activities			
Receipts from customers		91,172	75,270
Payments to suppliers and employees		(42,600)	(34,428)
Dividends received		2	1
Interest received		147	276
Interest paid		(254)	(50)
Income tax paid		(17,207)	(23,145)
Net cash generated by operating activities	14	31,260	17,924
Cash flows from investing activities			
Purchase of property, plant and equipment		(870)	(331)
Proceeds from sale of Investments		335	1,157
Purchase of investments		(1,049)	(2,896)
Purchase of intangibles		(1,517)	(87)
Investment in Associate		-	(2,521)
Net cash generated/(used) used in investing activities		(3,101)	(4,678)
Cash flows from financing activities			
Proceeds from issue of shares		-	277
Payment of lease liabilities		(699)	(685)
Dividends paid		(23,161)	(18,540)
Net cash used in financing activities		(23,860)	(18,948)
Net increase in cash held		4,299	(5,702)
Cash and cash equivalents at beginning of period		81,421	85,516
Cash and cash equivalents at end of period		85,720	79,814

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

1 Significant Accounting Policies

Basis of preparation

This consolidated financial report for the half year ended 31 December 2021:

- is for the consolidated entity consisting of Netwealth Group Limited and its controlled entities (trading on the ASX under the symbol 'NWL');
- is presented in Australian dollars, with all values rounded to the nearest thousand dollars, or in certain cases, the nearest dollar, in accordance with the Australian Securities and Investment Commission Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191;
- has been prepared in accordance with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2011;
- does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by Netwealth Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2011;
- complies with International Financial Reporting Standards as issued by the International Accounting Standards Board; and
- has accounting policies and methods of computation which are consistent with the most recently published full year accounts, unless otherwise stated in this interim financial report.

Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

The financial statements of all the entities are prepared for the same reporting period as the parent entity with consistent accounting policies.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Critical accounting estimates and key sources of estimation uncertainty

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Group determined that customisation and configuration services provided by a third party to implement a new Software as a Service gave rise to a separate asset that met the definition and recognition criteria in both AASB 138 Intangible Assets and guidance from agenda decisions published by IFRS Interpretations Committee (IFRIC) in March 2019 and April 2021.

Coronavirus (COVID-19) Update

During the period, the Group's operations have largely been unaffected despite certain government restrictions remaining in place. The Group's priority remains the health and wellbeing of our people, clients and business partners. Our people continue to remain fully equipped to work from home. The new Melbourne office was officially opened in December 2021 and prior to the recent widespread of the Omicron variant, depending on each team member's role, majority were offered flexible working arrangements of working from office, home or a combination of both whilst adhering to government restrictions and recommendations.

2 Segment Information

Following the investment in Xeppo, the Group has been reorganised into two operating segments. The Group has organised its existing operations prior to its investment in Xeppo as the 'Platform segment' and its investment in Xeppo as the 'Data and Advice Tech Solutions segment'.

The Data and Advice Tech Solutions segment is not a reportable segment on its own as the operating segment does not yet meet any of the quantitative thresholds prescribed by the Accounting Standard AASB 8 Operating Segments. This results in the Group continuing to report in one reportable segment.

The operating segments have been determined based on the separate internal financial reports that are reviewed and used regularly by the Board of Directors and the executive management team, identified as the Chief Operating Decision Makers (CODM), to assess performance and in determining the allocation of resources to the operating segments. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The Group's operations are based solely in Australia.

3 Revenue

Revenue and other income

	Consolidated Group	
	31 December 2021 \$'000	31 December 2020 \$'000
Revenue		
Platform revenue	82,878	71,152
Total platform revenue	82,878	71,152
Other income		
Net loss on disposal of investments	(6)	(111)
Unrealised investment (loss)/gain	16	(104)
Dividends and distributions received	12	17
Interest received	147	277
Cost of capital recovery	1,620	1,136
Other Income	62	6
Total other income	1,851	1,221
Total income	84,729	72,373

4 Income Taxes

	Consolidated Group	
	31 December 2021 \$'000	31 December 2020 \$'000
a) The components of tax expense/(income) comprise:		
Current tax	12,369	11,442
Deferred tax	370	227
Under/(Over) provision from prior years	(43)	(22)
	12,696	11,647
b) The prima facie tax on profit before income tax is reconciled to income tax as follows:		
Prima facie tax before income tax at 30%	11,948	11,779
Other non-allowable/assessable items*	748	(132)
Income tax expense attributable to entity	12,696	11,647

*During 1H 2022, the Group recognised share-based payment expense of \$1.9 million that was not deductible. A further \$0.5m legal and consulting expense have been recognised as a Blackhole expense deductible over 5 years.

	Consolidated Group	
	31 December 2021 \$'000	31 December 2020 \$'000
c) The components of deferred tax assets comprise:		
Expenditure deductible over 5 years	576	1,449
Lease liability	4,740	369
Tax losses	-	272
Temporary differences	3,615	2,610
	8,931	4,700
d) The components of deferred tax liabilities comprise:		
Property, equipment and intangible assets	782	210
Right-of-use assets	4,665	298
Temporary differences	181	159
	5,628	667

	Opening Balance 31 Dec 2020	Charged to Income	Charged Directly to Equity	Transferred to Assets Held for Sale	Closing Balance 30 Jun 2021
	\$'000	\$'000	\$'000	\$'000	\$'000
Deferred tax assets/liabilities					
Expenditure deductible over 5 years	1,450	(605)	-	-	845
Provisions	1,732	226	-	-	1,958
Property, plant & equipment and intangible assets	(255)	(28)	-	-	(283)
Leases	70	(57)	-	-	13
Tax losses	272	-			272
Other temporary difference	764	(636)	-	-	128
	4,033	(1,100)	-	-	2,933

	Opening Balance 30 Jun 2021	Charged to Income	Charged Directly to Equity	Transferred to Assets Held for Sale	Closing Balance 31 Dec 2021
	\$'000	\$'000	\$'000	\$'000	\$'000
Deferred tax assets/liabilities					
Expenditure deductible over 5 years	845	(269)	-	-	576
Provisions	1,958	362	-	-	2,320
Property, plant & equipment and intangible assets	(283)	(526)	-	-	(809)
Leases	13	62	-	-	75
Tax losses	272	(272)	-	-	-
Other temporary differences	128	1,013	-	-	1,141
	2,933	370	-	-	3,303

Offsetting within tax consolidated group

Netwealth and its wholly owned subsidiaries have applied the tax consolidation legislation which result in these entities being taxed as a single entity. The deferred tax assets and deferred tax liabilities of these entities have been offset in the consolidated financial statements.

5 Dividends

Dividends paid or declared by the Company in the half year ended 31 December 2021 were:

	Cents Per Share	Total Amount \$'000	% Franked	Date of Payment
2021				
Final 2021 ordinary	9.50	23,161	100%	17 Sep 2021
Total dividend	9.50	23,161		

During the year, the Company declared on 18 August 2021 and paid on 17 September 2021 a fully franked dividend of 9.50 cents per share representing a total dividend of \$23,161,000. There is no dividend reinvestment plan.

Subsequent events

Since the end of the half year, the Company declared the following dividend on 16 February 2022. The dividend has not been provided for as at 31 December 2021 and there are no tax consequences.

	Cents Per Share	Total Amount \$'000	% Franked	Date of Payment
Interim 2022 ordinary	10.00	24,381	100%	24 Mar 2022
Total dividend	10.00	24,381		

6 Other Current Assets

	Consolidated Group	
	31 December 2021 \$'000	30 June 2021 \$'000
Accrued income	2,800	2,299
Prepayments	1,906	3,191
Deposit	4,000	4,000
Other receivables	98	1,707
Total other current assets	8,804	11,197

7 Leases

	Property \$'000	Office Equipment \$'000	Total \$'000
Right-of-use assets			
Balance as at 30 June 2021	16,382	-	16,382
Initial recognition of new lease	-	73	73
Depreciation	(899)	(7)	(906)
Total right-of-use assets as at 31 December 2021	15,483	66	15,549
	Property \$'000	Office Equipment \$'000	Total \$'000
Lease liability			
Balance as at 30 June 2021	16,426	-	16,426
Initial recognition of new lease	-	73	73
Payment of lease liabilities	(946)	(8)	(954)
Interest on leases	254	1	255
Total lease liability as at 31 December 2021	15,734	66	15,800
Current	1,442	14	1,456
Non-current	14,292	52	14,344
Total lease liability as at 31 December 2021	15,734	66	15,800

The weighted average incremental borrowing rate applied to lease liabilities recognised in the statement of financial position throughout 1H FY2022 was 3.140% (1H 2021: 3.136%).

Amounts recognised in Statement of Comprehensive Income

	31 December 2021	31 December 2020
	\$'000	\$'000
Depreciation charge of right-of-use assets	899	597
Interest expense on lease liabilities	254	50

Amounts recognised in Statement of Cash Flows

	31 December 2021	31 December 2020
	\$'000	\$'000
Total cash outflows for leases	(692)	(685)

	Property \$'000	Office Equipment \$'000
Undiscounted lease payments to be paid		
Year 1	1,916	15
Year 2	1,916	15
Year 3	1,767	14
Year 4	1,801	14
Year 5	1,850	7
> 5 years	9,020	-
Total	18,270	65

Impact of new lease

The Group has leased a new Melbourne office of approximately 2,702 square metres to replace its existing head office. The lease is for a period of 10 years commencing from 1 July 2021. Annual increases will start at 2.00% per annum and eventually increasing to 3.00% per annum from the 6th year of the lease.

Short-term leases

Payments associated with short-term leases are directly expensed within 'Occupancy expenses' in the consolidated income statement. Short-term leases are leases with a contractual term of 12 months or less. Netwealth has no low-value assets. For the period ended 31 December 2021, \$0.1 million of short-term lease payments has been recognised in the income statement.

8 Intangible Assets

		Consolidated Group		
		31 Dec 2021 \$'000	30 Jun 2021 \$'000	
Carrying amount of:				
Non-contractual customer relationships		90	120	
Software and website developments costs		1,776	147	
Software – Work in Progress (WIP)		286	458	
Total intangibles		2,152	725	
	Customer relationships \$'000	Software and website \$'000	Software - Work in Progress \$'000	Total \$'000
Cost				
Balance at 31 December 2020	300	413	-	713
Additions	-	-	458	458
Disposals	-	(30)	-	(30)
Balance at 30 June 2021	300	383	458	1,141
Additions	-	1,231	286	1,517
Disposals	-	-	-	-
Transfer from WIP	-	458	(458)	-
Balance at 31 December 2021	300	2,072	286	2,658

	Customer relationship \$'000	Software and website \$'000	Software- Work in progress \$'000	Total \$'000
Accumulated amortisation and impairment				
Balance at 31 December 2020	(150)	(206)	-	(356)
Amortisation	(30)	(30)	-	(60)
Disposal	-	-	-	-
Balance at 30 June 2021	(180)	(236)	-	(416)
Amortisation	(30)	(60)	-	(90)
Disposals	-	-	-	-
Balance at 31 December 2021	(210)	(296)	-	(506)

9 Investment in Associates

	Consolidated Group	
	31 December 2021 \$'000	30 June 2021 \$'000
Equity investments with no provisions for impairment	2,567	2,567
Share of Associate's NPAT	(426)	(183)
Total investment in associates	2,141	2,384

The Group's associates at the balance date are:

Associates	Ownership Interest	Nature of activities	Financial Reporting Date	Carrying Value 31 Dec 2021 \$'000
Xeppo Pty Limited	25%	Fintech Data Solutions Provider	31 December	2,141

Xeppo Pty Ltd

The Group has a 25% interest in an unlisted entity, Xeppo, an Australian specialist fintech data solutions provider from Adelaide.

The Group classified this investment as an investment in associates as the Group has board representation, voting rights and retains significant influence on the financial and operating policy decisions but not control or joint control of those policies.

The carrying value of the investment in associates represents the cost of the shares of the associate at the date of investment, adjusted for the Group's share of the associate's profit or loss since the date of acquisition.

Netwealth retains an option to increase its investment in Xeppo to 50% of total available shares on issue.

10 Issued Capital

Issued capital comprised:

	Consolidated Group	
	31 December 2021 \$'000	30 June 2021 \$'000
243,812,800 Fully Paid Ordinary shares (June 2021: 243,802,657)	882,593	882,433
Total share capital	882,593	882,433
Reorganisation reserve	(856,041)	(856,035)
Issued capital	26,552	26,398

The Company recognised a reorganisation reserve of \$856 million to reflect the market value of \$3.70 per Fully Paid Ordinary share during the initial public offering.

	Consolidated group	
	31 December 2021 Number	30 June 2021 Number
Fully Paid Ordinary shares		
At the beginning of the reporting period	243,802,657	237,694,996
Performance shares converted to Fully Paid Ordinary shares	-	6,107,661
Shares issued during the period	10,143	-
At the end of the reporting period	243,812,800	243,802,657
Shares with value	243,812,800	243,802,657

On 10 February 2021, the Performance Shares vested in full and on 15 February 2021, 6,107,661 Performance Shares were converted to 6,107,661 Ordinary shares. The Ordinary Shares have been quoted on the ASX with full voting rights and are entitled to dividends.

	Consolidated group	
	31 December 2021 Number	30 June 2021 Number
Performance shares		
At the beginning of the reporting period	-	6,177,500
Performance shares converted to Fully Paid Ordinary shares	-	(6,107,661)
Shares cancelled during the year	-	(69,839)
At the end of the reporting period	-	-

The Company has issued share capital amounting to 243,812,800 Ordinary shares (June 2021: 237,694,996 shares) of no par value and nil Performance Shares (June 2021: Nil) of no par value.

At shareholders' meetings each Ordinary share is entitled to one vote when a poll is called, otherwise each Ordinary shareholder has one vote on a show of hands.

11 Share Based Payments

Netwealth Equity Incentive Plan (NEIP)

The Group operates an equity-settled share-based compensation plan for which the Board, under the NEIP may make offers of 'incentive securities' in the form of rights, options, restricted shares or a combination of these to selected employees in exchange for their services. The value of the employee services rendered for the grant of these incentive securities is recognised as an expense over the vesting period, with the amount determined by the fair value of these incentive securities granted. The NEIP does not apply to non-executive Directors.

As at 31 December 2021, the Group had the following share-based payment arrangements:

Options Granted

During the half year, the Company granted and issued 2,270,000 ordinary share options to 99 employees under the NEIP.

The following options remain outstanding at the end of the reporting period:

Series	Grant date	Number	Plan	Expiry Date	Exercise Price	Weighted Average Fair Value at Grant Date
Series 14	17 October 2019	914,004	Options - LTI	30 June 2022	\$7.5544	\$2.73
Series 15	12 November 2019	132,373	Options - LTI	30 June 2022	\$7.5544	\$3.00
Series 16	23 September 2021	1,615,000	Options - LTI	30 June 2024	\$15.7400	\$3.14
Series 17	23 September 2021	525,000	Options - LTI	30 June 2024	\$15.7400	\$2.78
Series 18	27 October 2021	75,000	Options - LTI	30 June 2024	\$15.7400	\$4.52

The following vesting conditions apply to all the LTI Scheme Options:

- The holder must be either continuously employed by or hold office continually until the end of the vesting period;
- In each of the three financial years ending from the year the options are issued, the holder must achieve performance ratings of 'achieving' and achieve all minimum KPIs as detailed in the performance plan applicable for the relevant year.

In relation to Series 14, 15, 17 and 18 options, there are additional vesting conditions which only applies to those participants in the LTI Scheme Options:

- 50% of Options are subject to achieving a Total Shareholder Return relative to the Group's ranking in the Comparator Group (being the ASX 300 Diversified Financial Index);
- 50% of Options are subject to the Group achieving the target EPS growth rate over the vesting period.

Performance Rights Granted

During the half year, the Company granted and issued 60,913 performance rights under the NEIP.

The following performance rights remain outstanding at the end of the reporting period:

Series	Grant date	Number	Plan	Expiry Date	Weighted Average Fair Value at Grant Date
Series 19	23 September 2021	32,402	Rights - LTI	30 June 2024	\$14.66
Series 20	27 October 2021	23,825	Rights - LTI	30 June 2024	\$17.40
Series 21	19 November 2021	4,686	Rights - LTI	30 June 2024	\$16.27

The following vesting conditions apply to the FY22 LTI Scheme Rights:

- The holder must be either continuously employed by or hold office continually until 30 June 2024;
- In each of the three financial years ending with the FY2024, the holder must achieve performance ratings of 'achieving' and achieve all minimum KPIs as detailed in the performance plan applicable for the relevant year;
- 25% of the Rights are based on the company values ratings over the vesting period;
- 25% of the Rights are based on the individual contribution to delivery of strategic initiatives over the vesting period; and
- 50% of Rights are subject to the Group achieving the target EPS growth rate over the vesting period.

12 Controlled Entities

	Country of Incorporation	Percentage Owned	
		31 December 2021 %	30 June 2021 %
Subsidiaries of Netwealth Group Limited			
Netwealth Holdings Limited	Australia	100	100
Wealthtech Pty Ltd	Australia	100	100
Subsidiaries of Netwealth Holdings Limited			
Netwealth Investments Limited	Australia	100	100
Netwealth Group Services Pty Ltd	Australia	100	100
Netwealth Fiduciary Services Pty Ltd	Australia	100	100
Netwealth Superannuation Services Pty Ltd	Australia	100	100

Wealthtech Pty Ltd is a subsidiary which was established in FY2020 and was not operating as at 31 December 2021.

Netwealth Superannuation Services Pty Ltd (NSS) began operations from 1 July 2021 as the new trustee of the Netwealth Superannuation Master Fund replacing the previous trustee, Netwealth Investments Limited. This change enables separation of trustee from the operator of the fund leading to a greater focus on members' best interests.

13 Financial Instruments

Fair value of financial instruments

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

	Net Carrying Value		Net Fair Value	
	31 Dec 2021	30 Jun 2021	31 Dec 2021	30 Jun 2021
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash & cash equivalent	85,720	81,421	85,720	81,421
Trade & other receivables	14,837	14,303	14,837	14,303
FVTPL financial assets	1,260	535	1,260	535
Total financial assets	101,817	96,259	101,817	96,259
Financial liabilities				
Trade & other payables	6,250	7,130	6,250	7,130
Total financial liabilities	6,250	7,130	6,250	7,130

The fair values disclosed in the above table have been determined based on the following methodologies:

- i. Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts relating to the provision of annual leave and deferred revenue which is outside the scope of AASB 9.
- ii. For listed FVTPL, closing quoted bid prices at the end of the reporting period are used.
- iii. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not traded in an active market and approximate their fair value.

Financial instruments measured at fair value

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- quoted prices in active markets for identical assets or liabilities (Level 1);
- 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) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
31 December 2021				
Financial assets				
FVTPL financial assets:				
Listed investments	1,062	-	-	1,062
Other	-	-	197	197
Total FVTPL financial assets	1,062	-	197	1,259
30 June 2021				
Financial assets				
FVTPL financial assets:				
Listed investments	357	-	-	357
Other	-	-	178	178
Total FVTPL financial assets	357	-	178	535

The listed investments are valued by reference to the quoted prices in active markets for identical securities and are deemed to be Level 1 securities in accordance with AASB 13 fair value hierarchy of measurement. In this regard, there is no subjectivity in relation to their value as listed investments.

In valuing investments that maybe included in Level 2 of the hierarchy, valuation techniques, such as comparison to similar investments for which market observable prices are available, are adopted to determine the fair value of these investments.

Level 3 inputs are unobservable inputs for the asset or liability. Majority relate to deferred payments receivable from the sale of its subsidiary operations in 2018 with the reconciliation shown in the table below:

Reconciliation of Level 3 fair value measurements

	Unlisted Investments	Total
	\$'000	\$'000
31 December 2021		
Opening balance	178	178
Total gains or losses	13	13
Purchases	6	6
Disposal	-	-
Closing balance	197	197
30 June 2021		
Opening balance	182	182
Total gains or losses	(9)	(9)
Purchases	14	14
Disposal	(9)	(9)
Closing balance	178	178

Capital Management

Under the Registrable Superannuation Entity (RSE) licence granted by APRA, the licensed entity is required to maintain sufficient level of capital known as Operational Risk Financial Requirements (ORFR) to cover operational risk. During this period, NSS as the licensed entity increased cash held by \$5.4 million from \$42.1 million as at 30 June 2021 to \$47.5 million as at 31 December 2021 to meet this requirement due to the increase in the size of the Netwealth Superannuation Master Fund.

14 Cash Flow Note

Reconciliation of cash flow from operations with profit after income tax

	Consolidated Group	
	31 Dec 2021 \$'000	31 Dec 2020 \$'000
Profit for the year	27,131	27,616
Income tax expense recognised in profit or loss	12,696	11,647
Depreciation & amortisation	1,387	1,202
Share based payment expense	1,857	310
Unrealised (gain)/loss on investments	(16)	104
Adjustments on make good provision	(13)	(153)
Loss/(gain) on disposal of assets	9	(12)
Gain on disposal of investments	6	111
Share of Associate's NPAT	243	41
	43,300	40,866
Movements in working capital		
(Increase)/decrease in trade & other receivables	(360)	(1,965)
(Increase)/decrease in other assets	2,393	(241)
Increase/(decrease) in trade & other payables	2,316	1,710
Increase/(decrease) in provisions	818	699
Cash generated from operations	48,467	41,069
Income tax paid	(17,207)	(23,145)
Net cash provided by operating activities	31,260	17,924

15 Events Occurring after Reporting Date

On the 16 February 2022, the Company declared a fully franked interim dividend for 1H FY2022 of 10.00 cents per share (total dividend of \$24,381,280). The interim dividend is payable on 24 March 2022.

In the opinion of the Board, there are no other matters or circumstances which have arisen between 31 December 2021 and the date of this report that have significantly affected or may significantly affect the operations of the Group, the results of those operations and the state of affairs for the Group in subsequent financial periods.

Directors' Declaration

The Directors declare that:

- a. the attached financial statements and notes are in accordance with the Corporations Act 2001, comply with Accounting Standards AASB 134 Interim Financial Reporting, Corporation Regulations 2001 and other mandatory professional reporting requirements;
- b. the attached financial statements and notes thereto give a true and fair view of the financial position and performance of the consolidated entity; and
- c. in the Directors' opinion, 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 the Directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors



Timothy Antonie

Chairman

16 February 2022

Independent Auditor's Review Report



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Independent Auditor's Review Report to the Members of Netwealth Group Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Netwealth Group Limited (the "Company") and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of comprehensive income, the consolidated statement of cash flows and the 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 matter that makes us believe that the half-year financial report of the Group 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 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. 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 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.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' Responsibilities for the Half-year Financial Report

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

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the

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Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A 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.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Lani Cockrem

Lani Cockrem
Partner
Chartered Accountants

Melbourne, 16 February 2022

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