

28 February 2022

N1H increases first half yearly Revenue by 74% and Net Profit by 114%

N1 Holdings Limited (ASX:N1H or **Company**) is pleased to announce its first half results for the financial year ending 30 June 2022. The Company's results for the half year ended 31 December 2021 (**HY22**) achieved multiple record highs for Revenue, EBITDA and Net Profit.

Highlights for the Company's HY22 results are as follows:

- EBITA of \$779,000, a 21% increase from the result for the half year ending 31 December 2020 (**HY21**);
- Revenue of \$4.62 million, a 74% increase from HY21;
- Net Profit of \$338,000, a 114% increase from HY21;
- Committed SME lending capital of over \$90 million; and
- Separately, the One Lending Fund achieved Revenue of \$1.44 million which has not been consolidated into the Company's results.

N1H's Executive Chairman and CEO Ren Hor Wong says: "These strong results are a testament to our growth strategy and the successful execution of pivoting our business model to be an SME lender, despite the impacts of COVID restrictions during the reporting period. Now with over \$90 million of committed capital, in relation to just \$35 million last financial year, we are in greater shape to continue our growth trajectory into the future. Furthermore, with strong positive operating cashflow as at 31 December 2021, we are well positioned to capitalise on future growth opportunities and to strengthen the Company's balance sheet. Finally, our management continues to improve our product offerings with the expansion of funding sources as well as attaining cost and scale efficiency."

Ends

Authorised for release by the Chairman.

For more information, please contact:

Ren Hor Wong

Chairman & Chief Executive Officer

renwong@n1holdings.com.au

About N1 Holdings Limited (ASX: N1H)

N1 Holdings provides strategic advice to businesses, project developers and property investors seeking new capital/debt or refinancing existing debt. We assist borrowers through the complex application processes of Australian major banks, private funds, and offshore debt capital providers. With the growth in lending from non-traditional sources, such as alternative banks and non-bank funders and lenders, N1H's domestic and foreign strategic relationships perfectly places it to advise its clients through this changing lending environment and debt market. N1H's core services include business lending, cross-border corporate financing, project funding, fund trustee services and vendor finance solutions.

1. Company details

Name of entity:	N1 Holdings Limited
ABN:	44 609 268 279
Reporting period:	For the half-year ended 31 December 2021
Previous period:	For the half-year ended 31 December 2020

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	73.5% to	4,615,503
Profit from ordinary activities after tax	up	113.8% to	388,212
Profit for the half-year	up	113.8% to	388,212

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The profit for the the Group after providing for income tax amounted to \$388,212 (31 December 2020: \$181,594).

	Consolidated Group	
	31	31
	December	December
	2021	2020
	\$	\$
Profit/Loss before income tax	388,212	181,594
Add: Interest expense – Corporate*	158,144	159,014
Add: Depreciation and amortisation	232,592	300,919
EBITDA	<u>778,948</u>	<u>641,527</u>

* Interest expense and interest income from commercial loan receivable are still included in the EBITDA. The EBITDA only excludes the interest expenses relating to the corporate loans, bank loans for realty rent roll as well as interest expenses in relation to AASB 16 Leases.

Other information requiring disclosure to comply with Listing Rule 4.2A is contained in this Appendix 4D, and should be read in conjunction with, the Interim Report for the half-year ended 31 December 2021.

The information in this Appendix 4D should be read in conjunction with the Annual Report of N1 Holdings Limited for the year ended 30 June 2021.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>(2.87)</u>	<u>(3.37)</u>

The previous period's net tangible assets ("NTA") has been restated to conform with the reporting period's NTA calculation in relation to right of use asset and the corresponding lease liabilities.

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Name of associate / joint venture	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)	
	Reporting period %	Previous period %	Reporting period \$	Previous period \$
Loan 77 Pty Ltd	50.00%	50.00%	-	-
1573 Pty Ltd	-	33.33%	-	-
Aura N1 Lending Pty Ltd	50.00%	50.00%	-	-
<i>Group's aggregate share of associates and joint venture entities' profit/(loss) (where material)</i>				
Profit/(loss) from ordinary activities before income tax			-	-

Loan 77 Pty Ltd had no trading activity during the period. \$50 in share capital was invested in Loan 77 Pty Ltd by N1 Loans Pty Ltd on 12 July 2019.

1573 Pty Ltd had no trading activity during the period. \$10 in share capital was invested in 1573 Pty Ltd by N1 Holdings Pty Ltd. 1573 Pty Ltd was sold to Ren Hor Wong on the 22 June 2021.

Aura N1 Lending Pty Ltd was incorporated on 23 July 2020, it was a joint venture of the Group since its incorporation. Aura N1 Lending Pty Ltd had no trading activity during the period. \$1 in share capital was invested in Aura N1 Lending Pty Ltd by N1 Loans Pty Ltd.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

11. Attachments

Details of attachments (if any):

The Interim Report of N1 Holdings Limited for the half-year ended 31 December 2021 is attached.

12. Signed

Signed



Date: 28 February 2022

N1 HOLDINGS LIMITED

ACN 609 268 279

N1 Holdings

**HALF-YEAR
FINANCIAL REPORT
31 DECEMBER 2021**



For personal use

Directors

Ren Hor Wong Executive Chairman, CEO
Jia Penny He Executive Director, CFO
Frank Ganis Non-Executive Director
David Holmes Non-Executive Director

Company secretary

Anand Sundaraj

Registered office

Suite 502, 77 King Street Sydney NSW 2000

Share register

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

Auditor

Crowe Sydney
Level 15, 1 O'Connell Street
Sydney NSW 2000

Solicitors

Sundaraj & Ker
Level 31, 264 George Street
Sydney NSW 2000

Stock exchange listing

N1 Holdings Limited shares are listed on the Australian Securities Exchange (ASX code: N1H)

Corporate Governance Statement

N1 Holdings Limited and the board are committed to achieving and demonstrating the standards of corporate governance which are appropriate for an entity of its size and stage of development. N1 Holdings Limited has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4th edition) and, in response, intends to update its corporate governance policies prior to the end of the current financial year. A description of the Group's current corporate governance practices is set out in the Group's corporate governance statement for the period ended 30 June 2021 which can be viewed at: <http://www.n1holdings.com.au/>

HY22 RESULTS HIGHLIGHTS

REVENUE



**74%
GROWTH**

**114%
GROWTH**

NET PROFIT \$388K

EBITDA

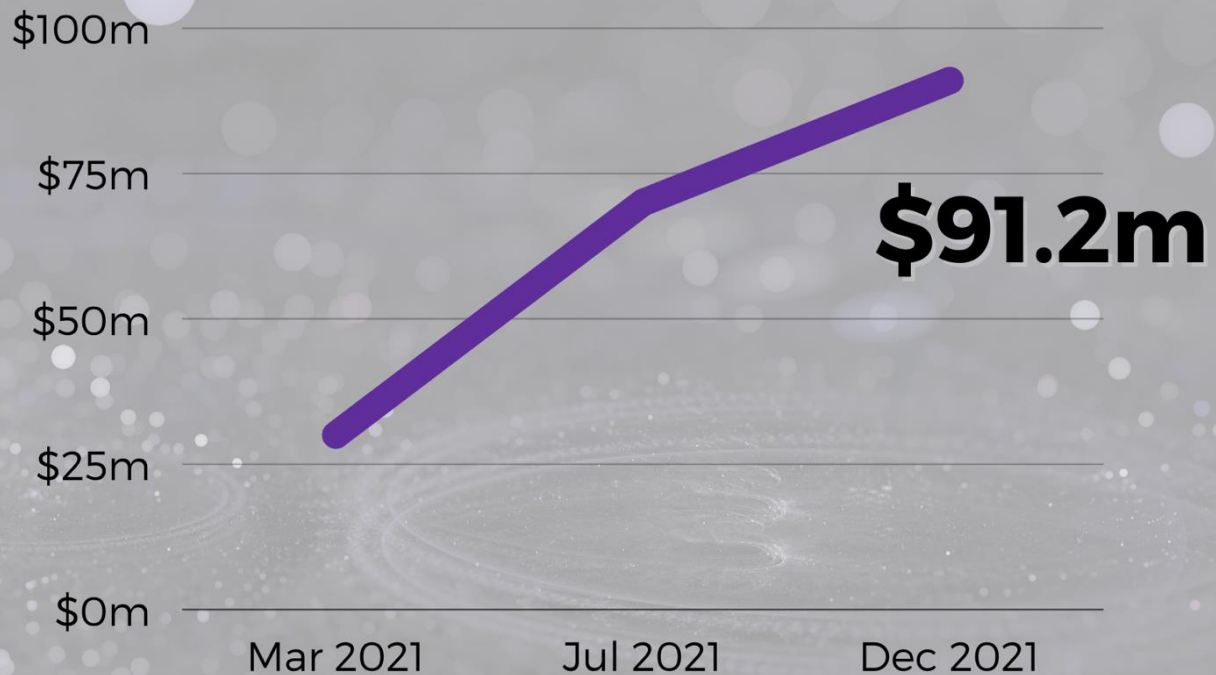
\$779K

**21%
GROWTH**

All percentage comparisons are comparisons to the same period in the prior corresponding year.

HY22 RESULTS HIGHLIGHTS

SME LENDING COMMITTED CAPITAL



Mar 2021 amount comprises of \$10.8m committed balance sheet capital and \$19.2m from One Lending Fund. Jul 2021 amount comprises of \$11.5m committed balance sheet capital, \$35m from a warehouse facility and \$23.5m from One Lending Fund. Dec 2021 amount comprises of \$14.7m committed balance sheet capital, \$55m from a warehouse facility and \$21.5m from One Lending Fund.

ONE LENDING FUND REVENUE

\$1.44m

One Lending Fund is issued and managed by N1 Venture Pty Ltd, a fully owned subsidiary of N1H. Its revenue is not consolidated into the Company's financials as the fund is a separate SME lending fund. N1 Venture Pty Ltd receives a management fee from the fund.

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The directors present their report, together with the financial statements, on the consolidated entity (hereafter, **the Group**) consisting of N1 Holdings Limited (hereafter, **the company** or **N1**) and the entities it controlled at the end of, or during, the half-year ended 31 December 2021. (**HY22**).

Directors

The following persons were directors of N1 Holdings Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mr Ren Hor Wong (Executive Chairman, CEO, appointed on 24 November 2015);
 Ms Jia Penny He (Executive Director, CFO, appointed on 24 November 2015);
 Mr David Holmes (Non-Executive Director, appointed on 7 January 2019); and
 Mr Frank Ganis (Non-executive Director, appointed on 1 September 2020).

Company Secretary

Mr Anand Sundaraj (Company Secretary)

Review of operations

During HY22, the Group generated revenue of \$4,615,503 (HY21: \$2,660,119) and delivered a profit of \$388,212 (HY21: profit of \$181,594). The Group has achieved EBITDA improvement of \$137,421 in HY22 compared to the same period last year.

	HY2022 \$	HY2021 \$
Profit before income tax	388,212	181,594
Add: Interest expense – Corporate*	158,144	159,014
Add: Depreciation and amortisation	232,592	300,919
EBITDA	778,948	641,527

* Interest expense and interest income from commercial loan receivable are still included in the EBITDA. The EBITDA only excludes the interest expenses relating to the corporate loans, bank loans for realty rent roll as well as interest expenses in relation to AASB 16 Leases.

During HY22, the Group's financial services business continued to be the major revenue generator, accounting for 94.00% of the Group's total revenue. A complete breakdown of the Group's revenue for the period is as the follows:

- Commercial lending (including the management fee income from the One Lending Fund) revenue was \$3,587,920, which equals to 77.74% of the Group's revenue. This is an increase of 100.83% over the prior period (HY21: \$1,786,484).
- Mortgage brokering revenue (including trail commissions) was \$751,024, which equals to 16.27% of the Group's revenue;
- Advisory service revenue was \$39,250, which equals to 0.85% of the Group's revenue;
- Real estate business revenue was \$181,527, which equals to 3.93% of the Group's revenue; and
- Migration services revenue was \$55,782, which equals to 1.21% of the Group's revenue.

As previously disclosed, N1 has pivoted to become a small to medium-sized (SME) enterprise lender, with SME lending becoming the Group's most prominent revenue driver. The successful execution of the B2B strategy as outlined in previous annual and interim financial reports directly leads to the propulsion of the Group's revenue and profitability. The increase in SME lending revenue comes along, in part, due to expanded funding source. In essence, N1 adopted the strategy to expand vertically along the lending value chain, positioning itself as a balance sheet lender and fund lender. N1 increasingly plays a bigger part in the Australian SME lending market, improving market efficiency via property-backed SME lending to enable competitive pricing in comparison to cashflow fintech lenders in the market.

Mortgage broking and Mortgage Management remains the Group's defensive strategy and assists in customer stickiness by generating cross-sale opportunities to our existing client database. The board and management of N1 universally agree that the traditional mortgage broking business model is being challenged and disrupted by digital evolution in the industry, and we are closely monitoring the trend and consistently evaluating opportunities that may arise. The recurring trail commission income remains steady, and the company expects further growth driven by the better margin mortgage management business, N1 Plus. Management's strategy is to enhance N1 branded mortgage management business in coming months, to achieve improved client stickiness and efficient cost of client acquisition. The cumulative recurring trail income via mortgage management business is generally higher margin than traditional mortgage broking, and in the long term provides better branding power for client retention, extending the lifespan of loan book.

The One Lending Fund (the Fund) issued and managed by N1 Asset Management has driven the increase in commercial lending revenue for the Group. Total Funds under management in the Fund as at 31 December 2021 were \$21,490,000 (HY21: \$16,070,000). Whilst the Fund is not consolidated into this reporting Group, the management fee received from the Fund by the Group amounted to \$327,387 (HY21: \$539,788).

As per previous reports, the Group has expanded its financial services and product offerings to fund management and trustee services, a methodology adopted by management to maximize value from sunk costs. The new revenue streams via fund management and trustee services are recurring in nature, with high compatibility and strong synergy with the Group.

In conclusion, the Group's business model continues to be streamlined into a platform established on a core of SME lending, with several business units complimenting and enhancing the platform. N1 has already seen significant revenue and profitability growth, and this will only improve in efficiency upon expanded funding sources and economies of scale.

New capital raise and borrowings

During HY22, the Group borrowed an additional \$3,780,000 in aggregate from private lenders at interest rates of 5% to 9.95%. The purpose of these borrowings was to provide general working capital and to allow the company to expand its on balance sheet commercial lending. Please refer to Note 11 for further details of these loans.

Further, the Group has raised \$45 million in debt capital provided under a debt facility between the Company and the financial institution, GCI SME Mortgage Fund (Facility). This debt facility was provided to allow the company to further expand its on balance sheet commercial lending operations. Please refer to Note 11 for further details of this facility.

Review of Financial Position

The Group has a net liability position of \$1,089,415 as at 31 December 2021 (net liabilities: \$1,477,627 as at 30 June 2021).

At 31 December 2021, the Group's current assets were \$62,119,330 and its current liabilities were \$14,188,563.

Non-current assets decreased by \$193,535 to \$3,448,923 (\$3,642,458 as at 30 June 2021) and non-current liabilities increased by \$42,721,154 to \$52,469,105 (\$9,747,951 at 30 June 2021). The increase in non-current liabilities was largely attributable to increased borrowings from external parties used to fund balance sheet commercial lending and working capital requirements.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial half-year.

Matters subsequent to the end of the financial half-year

On 2 February 2022, N1 Holdings Limited has raised additional \$5.625 million in debt capital provided under a debt facility executed on 1 July 2021 between the Company and GCI SME Mortgage Fund (Facility). The Facility is for a term of 24 months. The Facility contains a number of customary conditions precedent for debt facilities of this type (including the registration of security interests and provision of legal options).

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the the Group's operations, the results of those operations, or the the Group's state of affairs in future financial years.

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 immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Ren Hor Wong
Executive Chairman and CEO

28 February 2022

28 February 2022

The Board of Directors
N1 Holdings Limited
77 King Street
Sydney NSW 2000

Dear Board Members

N1 Holdings 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 N1 Holdings Limited and its controlled entities.

As lead audit partner for the review of the financial report of N1 Holdings Limited and its controlled entities for the financial half-year ended 31 December 2021, I declare that to the best of my knowledge and belief, that 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,



Crowe Sydney



Suwarti Asmono
Partner

Liability limited by a scheme approved under Professional Standards Legislation.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Sydney, an affiliate of Findex (Aust) Pty Ltd. Liability limited by a scheme approved under Professional Standards Legislation.

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N1 Holdings Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2021

N1 Holdings

		Consolidated Group	
		31	31
		December	December
	Note	2021	2020
		\$	\$
Revenue	3	4,615,503	2,660,119
Other income	4	269,667	314,375
Expenses			
Consulting and referral fees		(857,912)	(422,217)
Interest expense on lease		(24,151)	(24,644)
Employee cost		(1,168,266)	(1,200,542)
IT and technology		(5,062)	(2,727)
Sales and marketing		(46,905)	(34,902)
Rent and utilities		(52,963)	(3,362)
Professional fee		(128,742)	(167,893)
Office and administrative expense		(79,581)	(83,657)
Finance cost		(1,890,085)	(540,937)
Travel cost		(9,225)	(7,937)
Depreciation and amortisation		(232,592)	(300,919)
Other expense		(2,785)	(3,163)
Gain/loss on disposal of assets		1,311	-
Profit before income tax expense		388,212	181,594
Income tax expense		-	-
Profit after income tax expense for the half-year		388,212	181,594
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year		388,212	181,594
		Cents	Cents
Basic earnings per share	18	0.48	0.22
Diluted earnings per share	18	0.48	0.22

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

N1 Holdings Limited
Consolidated statement of financial position
As at 31 December 2021

N1 Holdings

		Consolidated Group	
		31	30 June
	Note	December	2021
		2021	2021
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		10,999,365	3,211,848
Trade and other receivables	5	2,004,125	1,321,889
Contract assets	6	267,999	235,139
Other financial assets		270,707	371,507
Commercial loans receivable	7	48,487,362	6,600,583
Other assets		89,772	152,455
Total current assets		<u>62,119,330</u>	<u>11,893,421</u>
Non-current assets			
Contract assets	6	350,699	341,207
Investments accounted for using the equity method		51	51
Other financial assets		157,927	167,047
Property, plant and equipment	8	1,212,949	1,404,294
Intangible assets	9	1,249,033	1,270,831
Deferred tax assets		227,450	213,225
Other assets		250,814	245,803
Total non-current assets		<u>3,448,923</u>	<u>3,642,458</u>
Total assets		<u>65,568,253</u>	<u>15,535,879</u>
Liabilities			
Current liabilities			
Trade and other payables	10	1,243,121	948,672
Contract liabilities		31,639	11,291
Loan and borrowings	11	11,034,780	5,704,780
Lease liabilities	12	318,112	326,117
Provisions	13	176,518	152,909
Deferred income		1,384,393	121,786
Total current liabilities		<u>14,188,563</u>	<u>7,265,555</u>
Non-current liabilities			
Contract liabilities		41,834	16,383
Loan and borrowings	11	51,256,970	8,441,073
Lease liabilities	12	800,184	962,459
Deferred tax liabilities		227,449	213,225
Provisions	13	142,668	114,811
Total non-current liabilities		<u>52,469,105</u>	<u>9,747,951</u>
Total liabilities		<u>66,657,668</u>	<u>17,013,506</u>
Net liabilities		<u>(1,089,415)</u>	<u>(1,477,627)</u>
Equity			
Issued capital		5,654,061	5,654,061
Reserves		206,524	206,524
Retained earnings		<u>(6,950,000)</u>	<u>(7,338,212)</u>
Total deficiency in equity		<u>(1,089,415)</u>	<u>(1,477,627)</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

N1 Holdings Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2021

N1 Holdings

Consolidated Group	Issued capital \$	Option Reserve \$	Retained earnings \$	Total deficiency in equity \$
Balance at 1 July 2020	5,654,061	206,524	(7,477,782)	(1,617,197)
Profit after income tax expense for the half-year	-	-	181,594	181,594
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	181,594	181,594
Balance at 31 December 2020	<u>5,654,061</u>	<u>206,524</u>	<u>(7,296,188)</u>	<u>(1,435,603)</u>

Consolidated Group	Issued capital \$	Option Reserve \$	Retained earnings \$	Total deficiency in equity \$
Balance at 1 July 2021	5,654,061	206,524	(7,338,212)	(1,477,627)
Profit after income tax expense for the half-year	-	-	388,212	388,212
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	388,212	388,212
Balance at 31 December 2021	<u>5,654,061</u>	<u>206,524</u>	<u>(6,950,000)</u>	<u>(1,089,415)</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

N1 Holdings Limited
Consolidated statement of cash flows
For the half-year ended 31 December 2021

N1 Holdings

	Consolidated Group	
	31	31
	December	December
Note	2021	2020
	\$	\$
Cash flows from operating activities		
Receipts from customers	5,198,548	2,495,234
Receipt of government incentive for COVID-19	258,166	286,338
Payments to suppliers and employees	(1,952,701)	(1,810,198)
Net fund received from/(lent to) customers in commercial lending	(41,886,779)	(1,825,300)
Net fund raised from investors in commercial lending	3,980,000	750,000
Other interest received from bank deposit	2,084	2,561
Interest and other finance costs paid	(1,530,786)	(375,430)
Net cash used in operating activities	(35,931,468)	(476,795)
Cash flows from investing activities		
Payments for new joint venture capital invested	-	(1)
Payments for property, plant and equipment	(8,172)	(4,142)
Payments for intangibles assets	(25,967)	(95,916)
Loans repaid by third party	100,800	-
Investment in subsidiaries	-	(12)
Proceeds from disposal of investments	19,312	-
Proceeds from disposal of property, plant and equipment	16,000	-
Net cash from/(used in) investing activities	101,973	(100,071)
Cash flows from financing activities		
Proceeds from borrowings and loans, net of transaction costs	44,222,253	-
Payment of borrowing cost	(158,144)	(184,628)
Repayment of loans	(252,665)	(7,694)
Repayment of lease liabilities and interest expense	(194,432)	(160,313)
Net cash from/(used in) financing activities	43,617,012	(352,635)
Net increase/(decrease) in cash and cash equivalents	7,787,517	(929,501)
Cash and cash equivalents at the beginning of the financial half-year	3,211,848	2,781,579
Cash and cash equivalents at the end of the financial half-year	10,999,365	1,852,078

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 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'.

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 2021 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 principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

Going concern

The financial statements have been prepared on a going concern basis. The consolidated group had a net profit of \$388,212 for the half year ended 31 December 2021 (31 December 2020: profit of \$181,594). As at 31 December 2021, the consolidated group had a net liability position of \$1,089,415 (30 June 2021: Net liabilities \$1,477,627).

The consolidated group has prepared a cash flow forecast which indicates that the group will be able to settle its liabilities in the foreseeable future. The following strategy will be implemented, with the objective to continue the transitioning of the Group's core operations into a predominantly financial services business.

- The Group will continue to pursue growth in its commercial lending business through balance sheet lending and fund management fees from One Lending Fund and the existing debt facility with GCI. The current GCI approved facility is \$55m.
- The Group will actively pursue new private funding opportunities to fund its expanded commercial lending.
- The Group will contact all existing lenders to extend the private loans that are approaching their expiry date. Most existing loans have opted to renew or extend as per track record.
- The Group will actively pursue the pipeline of advisory and mandate fees for commercial property loans.
- The Group will proactively manage operational expenditures.
- The Group has achieved a positive EBITDA in the first half year of FY2022. It is expected to continue this momentum in the future.

Note 2. Operating segments

Identification of reportable operating segments

The Group is organised into four operating segments: financial services, real estate services, migration services and other. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (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.

Financial services

This segment refers to the operating activities in the area of financial service business mainly including:

- Mortgage broking
- Commercial loan lending
- Advisory service

The Group acts as a mortgage broker that provides its customer with advice and support and receives commission payments on loans originated through its network of customers.

The Group lends privately raised funds to commercial borrowers and earns loan facility set up related fees, interest income as well as management fees from mortgage funds issued and managed by N1 Venture Pty Ltd.

Real estate service

The Group conducts real estate services through N1 Realty Pty Ltd and Sydney Boutique Properties Pty Ltd. The services are currently focused on rental property management and property sales

Note 2. Operating segments (continued)

Migration service

The Group provides migration services to its customers through N1 Migration Pty Ltd which holds a migration agent licence.

Other segments represent the services provided by the Group other than the above three categories.

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.

Operating segment information

Consolidated Group - 31 December 2021	Financial services \$	Real estate service \$	Migration service \$	Other \$	Total \$
Revenue					
Revenue	4,378,194	181,527	55,782	-	4,615,503
Interest income	2,070	-	11	2	2,083
Other income	224,235	183	38,304	4,863	267,585
Total revenue	4,604,499	181,710	94,097	4,865	4,885,171
Segment profit/(loss) before D&A, Interest and income tax	2,612,209	53,388	36,893	(191,601)	2,510,889
Depreciation and amortisation	(133,230)	(40,006)	(1)	(59,355)	(232,592)
Interest expenses	(1,716,203)	(15,738)	-	(158,144)	(1,890,085)
Profit/(loss) before income tax expense	762,776	(2,356)	36,892	(409,100)	388,212
Income tax expense					-
Profit after income tax expense					388,212
Assets					
Total Segment assets	62,316,157	2,739,411	108,236	404,449	65,568,253
Total assets					65,568,253
Liabilities					
Total Segment liabilities	61,692,787	4,759,853	142,914	62,114	66,657,668
Total liabilities					66,657,668

Note 2. Operating segments (continued)

	Financial services \$	Real estate service \$	Migration service \$	Other \$	Total \$
Consolidated Group - 31 December 2020					
Revenue					
Revenue	2,462,527	186,715	10,877	-	2,660,119
Interest income	2,551	-	4	6	2,561
Other income	255,146	18,813	28,900	8,955	311,814
Total revenue	2,720,224	205,528	39,781	8,961	2,974,494
Segment profit/(loss) before D&A, Interest and income tax	1,600,258	80,091	(18,098)	(638,801)	1,023,450
Depreciation and amortisation	(166,866)	(70,257)	-	(63,796)	(300,919)
Interest expenses	(399,087)	(17,104)	(8)	(124,738)	(540,937)
Profit/(loss) before income tax expense	1,034,305	(7,270)	(18,106)	(827,335)	181,594
Income tax expense					-
Profit after income tax expense					181,594
Consolidated Group - 30 June 2021					
Assets					
Total Segment assets	11,287,074	2,511,603	39,881	898,178	14,736,736
Total assets					14,736,736
Liabilities					
Total Segment liabilities	12,653,661	4,548,097	126,288	(1,155,707)	16,172,339
Total liabilities					16,172,339

Note 3. Revenue

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated Group	
	31 December 2021 \$	31 December 2020 \$
Mortgage brokering origination commission	602,406	210,362
Mortgage brokering trail commission	148,618	270,681
Commercial lending interest	3,587,920	1,786,484
Real estate service	181,527	186,715
Migration service	55,782	10,877
Advisory service	39,250	195,000
	4,615,503	2,660,119
<i>Geographical regions</i>		
Australia	4,615,503	2,660,119

Timing of revenue recognition

Note 3. Revenue (continued)

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers. The analysis of the revenue recognition point is as below:

	Half year ended 31 Dec 2021 At point in time \$	Half year ended 31 Dec 2021 Over time \$	Half year ended 31 Dec 2020 At point in time \$	Half year ended 31 Dec 2020 Over time \$
Mortgage origination commission	602,406	-	210,362	-
Trail commission	148,618	-	270,681	-
Commercial lending fee and interest	1,873,790	1,714,130	954,379	832,105
Real Estate service	37,521	144,006	21,750	164,965
Migration service	55,782	-	10,877	-
Advisory service	39,250	-	195,000	-
	<u>2,757,367</u>	<u>1,858,136</u>	<u>1,663,049</u>	<u>997,070</u>

Note 4. Other income

	Consolidated Group 31 December 2021 \$	31 December 2020 \$
Government grants	258,165	286,338
Other income	9,418	25,475
Interest income	2,084	2,562
Other income	<u>269,667</u>	<u>314,375</u>

Government grants represent the COVID-19 stimulus incentive received by the Group, including Jobkeeper and cash flow boost payments.

Note 5. Trade and other receivables

	Consolidated Group 31 December 2021 \$	30 June 2021 \$
<i>Current assets</i>		
Trade receivables	991,113	635,341
Interest receivables	992,850	666,386
Agent commission clawback receivable	20,162	20,162
	<u>2,004,125</u>	<u>1,321,889</u>

Note 6. Contract assets

	Consolidated Group	
	31	30 June
	December	2021
	2021	2021
	\$	\$
<i>Current assets</i>		
Contract assets - current	<u>267,999</u>	<u>235,139</u>
<i>Non-current assets</i>		
Contract assets - non-current	<u>350,699</u>	<u>341,207</u>

Critical accounting estimates and judgements – expected value of trailing income contract assets

The group receives trailing commissions from lenders on settled loans over the life of the loan based on the loan book balance outstanding. The group is entitled to the future trailing commissions without having to perform further services and recognises this as a contract asset in accordance with AASB 15. The value of trailing commission is determined by using expected value approach, being the sum of probability-weighted amounts for various possible future trailing commission generated from existing loan portfolios as at reporting date in accordance with AASB 15. These calculations require the use of following assumptions which are determined by management with the assistance of external valuation specialist:

- Weighted average loan life (WAL) of 3.7 years
- Loan atrophy rate of 27% p.a.

The contract asset will only become a financial asset (i.e. a receivable) when the right to the consideration is unconditional. This is expected to be as each month's entitlement to the trailing commission is established when an invoice is raised to the aggregator.

Note 7. Commercial loans receivable

	Consolidated Group	
	31	30 June
	December	2021
	2021	2021
	\$	\$
<i>Current assets</i>		
Commercial loans receivable	<u>48,487,362</u>	<u>6,600,583</u>

The Group raises funds to lend money to commercial entities on a short-term basis and earns interest income. N1 Loans takes established real property or land as security according to its lending guidelines.

The commercial loan balance represents the outstanding amounts owed.

Loan receivables are initially recognised at fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the loan (as defined in para 5.1.1 in AASB 9) and subsequently measured at amortised cost (on the basis that the Group's business model is to hold and collect contractual cash flow that are solely for payments of principals and interest on principal amounts outstanding (as defined in para 4.1.2 in AASB 9)).

The impairment assessment required by AASB 9 for financial assets are based on a forward-looking expected credit loss ('ECL') model.

The general approach is adopted to assess the impairment of loan receivables.

Note 7. Commercial loans receivable (continued)

Under the general approach, 12 month's credit losses or life time credit losses are estimated based on whether the credit risk on that financial instrument (loan receivables) has increased significantly since initial recognition to determine the amount of impairment as at reporting date. Specifically, if the credit risk has not increased significantly since initial recognition, then a loss allowance equal to 12 month's credit losses should be measured and recognised. Otherwise life time expected credit losses should be measured and recognised. The group will apply credit loss factors determined from estimation of customer default probability and loss percentage.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are 'credit-impaired'. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. The Group takes into consideration the collateral in making its credit risk assessment.

The Group recognises loss allowances at an amount equal to lifetime (normally less than 12 months) ECL on loan receivables. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of the loan receivable and are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The Group analyses the age of outstanding receivable balances and applies historical default percentages adjusted for other current observable data as a means to estimate ECL. Other current observable data may include:

- forecasts of economic conditions such as unemployment, interest rates, gross domestic product and inflation;
- financial difficulties of a counterparty or probability that a counterparty will enter bankruptcy; and
- conditions specific to the asset to which the receivable relates.

Debts that are known to be uncollectable are written off when identified.

Note 8. Property, plant and equipment

	Consolidated Group	
	31	
	December	30 June
	2021	2021
	\$	\$
<i>Non-current assets</i>		
Office equipment	107,192	99,021
Less: Accumulated depreciation	(88,979)	(84,042)
	<u>18,213</u>	<u>14,979</u>
Motor vehicles	-	74,329
Less: Accumulated depreciation	-	(57,895)
	<u>-</u>	<u>16,434</u>
Furniture & Fittings	586,041	586,041
Less: Accumulated depreciation	(406,256)	(386,077)
	<u>179,785</u>	<u>199,964</u>
Office - right-of-use	1,520,596	1,520,596
Less: Accumulated depreciation	(505,645)	(347,679)
	<u>1,014,951</u>	<u>1,172,917</u>
	<u><u>1,212,949</u></u>	<u><u>1,404,294</u></u>

Note 8. Property, plant and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated Group	Office Equipment \$	Motor Vehicles \$	Furniture & Fittings \$	Office - Right-of-use \$	Total \$
Balance at 1 July 2021	14,979	16,434	199,964	1,172,917	1,404,294
Additions	8,171	-	-	-	8,171
Disposals	-	(14,689)	-	-	(14,689)
Depreciation expense	(4,937)	(1,745)	(20,179)	(157,966)	(184,827)
Balance at 31 December 2021	18,213	-	179,785	1,014,951	1,212,949

Note 9. Intangible assets

	Consolidated Group	
	31 December 2021 \$	30 June 2021 \$
<i>Non-current assets</i>		
Goodwill	536,216	536,216
Formation costs	21,742	-
Less: Accumulated amortisation	(1,453)	-
	20,289	-
Finance license	99,988	99,988
Rent roll	2,217,048	2,217,048
Less: Accumulated amortisation	(1,660,871)	(1,623,412)
	556,177	593,636
Website and IT system	349,010	344,785
Less: Accumulated amortisation	(312,647)	(303,794)
	36,363	40,991
	<u>1,249,033</u>	<u>1,270,831</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated Group	Goodwill \$	Finance license \$	Rent Roll \$	Website and IT System \$	Formation Cost \$	Total \$
Balance at 1 July 2021	536,216	99,988	593,636	40,991	-	1,270,831
Additions	-	-	-	4,225	21,742	25,967
Amortisation expense	-	-	(37,459)	(8,853)	(1,453)	(47,765)
Balance at 31 December 2021	536,216	99,988	556,177	36,363	20,289	1,249,033

Note 10. Trade and other payables

	Consolidated Group	
	31	30 June
	December	2021
	2021	2021
	\$	\$
<i>Current liabilities</i>		
Trade payables	535,244	216,756
Employee payables	484,615	479,287
Other creditors and accruals	223,262	252,629
	<u>1,243,121</u>	<u>948,672</u>

Note 11. Loan and borrowings

	Consolidated Group	Consolidated Group
	31 Dec 2021	30 Jun 2021
<i>Current</i>		
Bank loan (i)	104,780	104,780
Loans received for commercial lending (ii)	9,630,000	3,900,000
Convertible debt (iii)	1,000,000	1,000,000
Loans from other lenders (iv)	300,000	700,000
	<u>11,034,780</u>	<u>5,704,780</u>
<i>Non-current</i>		
Bank loan (i)	628,682	681,073
Loans received for commercial lending (ii)	5,060,000	6,810,000
Convertible debt (iii)	370,000	370,000
Loans from other lenders (iv)	780,000	580,000
Loans from financial institution (v)	44,418,288	-
	<u>51,256,970</u>	<u>8,441,073</u>

i) The bank loan borrowed from National Australia Bank was renewed in May 2020. The repayment term of the loan is 3 years expiring 31 March 2023. The interest rate is 3.8% per annum with principal and interest repayments in accordance with the amended loan agreement. The loan is secured by the Sydney Boutique Property rent roll. The outstanding loan balance as at 31 December 2021 is \$733,462 (30 June 2021:\$785,853).

ii) Loans received for commercial lending are the funds raised for commercial loan lending to customers. The loans are unsecured. Key information of these loans are detailed in the table below.

Note 11. Loan and borrowings (continued)

	Repayment term	Drawdown amount	Drawdown date	Balance at 31/12/2021	Interest rate (per annum) %
Private loan batch#1	6 months rolling **	2,000,000	01/10/2019	2,000,000	6.00%
Private loan batch#2	6 months rolling **	1,000,000	15/11/2019	1,000,000	6.00%
Private loan batch#3	2 years **	500,000	30/12/2020	500,000	8.00%
Private loan batch#4	1 year **	100,000	26/02/2021	100,000	7.00%
Private loan batch#5	2 years **	1,200,000	10/03/2021	1,200,000	7.00%
Private loan batch#6	2 years **	2,750,000	01/05/2021	2,750,000	8.00%
Private loan batch#7	1 year **	100,000	09/05/2021	100,000	7.00%
Private loan batch#8	2 years **	150,000	11/05/2021	150,000	8.00%
Private loan batch#9	2 years **	360,000	01/06/2021	360,000	8.00%
Private loan batch#10	1 year **	200,000	01/06/2021	200,000	7.00%
Private loan batch#11	2 years **	400,000	24/06/2021	400,000	7.00%
Private loan batch#12	2 years **	100,000	01/07/2021	100,000	7.00%
Private loan batch#13	2 years **	200,000	01/10/2021	200,000	7.00%
Private loan batch#14	6 months**	100,000	21/10/2021	100,000	5.00%
Private loan batch#15	4 months **	1,880,000	22/11/2021	1,880,000	6.95%
Private loan batch#16	1 year **	150,000	03/12/2021	150,000	6.00%
Private loan batch#17	6 months**	2,000,000	10/12/2021	2,000,000	9.95%
Private loan batch#18	3 months**	100,000	15/12/2021	100,000	7.95%
Private loan batch#19	3 months**	900,000	24/12/2021	900,000	7.95%
Private loan batch#20	1 year **	500,000	30/12/2021	500,000	5.00%
		<u>14,690,000</u>		<u>14,690,000</u>	

** Interest only

iii) Convertible debt

	Consolidated Group 31 Dec 2021 \$	Consolidated Group 30 Jun 2021 \$
As at the beginning of the period	1,370,000	1,370,000
As at end of the period	<u>1,370,000</u>	<u>1,370,000</u>

In FY17, the Company issued 1.85 million unlisted convertible notes in exchange for a cost fund of \$370,000. The holders of the convertible notes may choose to convert the notes to shares in the Company at \$0.20 per share at any time before the maturity date, which was extended to 11 May 2021, then further extended to 11 May 2023. In addition, the interest rate was amended from 10% to 8% pa which took effect on and from 12 May 2021.

On 27 September 2017, the Company issued 5 million unlisted unsecured convertible notes with a total value of \$1,000,000. The holders of the convertible notes may choose to convert the notes to shares in the Company at \$0.20 per share at any time before the maturity date, which was extended to 27 September 2021, then further extended to 26 September 2022. In addition, the interest rate was amended from 10% to 6% pa which took effect on and from 27 September 2021.

Note 11. Loan and borrowings (continued)

iv) Loan from other lenders

	Repayment term	Drawdown amount	Drawdown date	Balance at 31 December 2021	Interest rate (per annum) %
Private loan batch#1	2 years**	380,000	01/05/2021	380,000	8.00%
Private loan batch#2	1 year**	300,000	01/06/2021	300,000	6.00%
Private loan batch#3	2 years**	200,000	10/06/2021	200,000	7.00%
Private loan batch#4	2 years**	200,000	01/10/2021	200,000	7.00%
		<u>1,080,000</u>		<u>1,080,000</u>	

** Interest only

Assets pledged as security

v) Loan from financial institution

On 1 July 2021, N1 Holdings Limited raised \$35 million in debt capital provided under a debt facility between the Company and GCI SME Mortgage Fund (Facility). On 2 November 2021, the facility limit was increased by a further \$20 million to the company's previously announced \$35 million debt facility, bringing the total debt facility limit to \$55 million.

As of 31 December 2021, the Company has drawn down \$45 million of the \$55 million facility limit.

The Facility was initially recognised at the amounts received in cash from the lender, net of transaction costs. It has been subsequently measured at amortised costs using the effective interest method.

The Facility is interest only with a term of 24 months at the interest rate of 8% per annum. The Facility contains a number of customary conditions precedent for debt facilities of this type (including the registrations of security interests and provision of legal options).

Note 12. Lease liabilities

	Consolidated Group	
	31 December 2021	30 June 2021
	\$	\$
<i>Current liabilities</i>		
Lease liability - office	<u>318,112</u>	<u>326,117</u>
<i>Non-current liabilities</i>		
Lease liability - office	<u>800,184</u>	<u>962,459</u>

The weighted average lessee's incremental borrowing rates applied to lease liabilities recognised in the statement of financial position at the date of initial application is 4.765% for N1 Holdings lease and 3.937% for N1 Loans Lease. The rates are determined by referring to the interest rates of the group's existing loans and for similar terms.

Note 13. Provisions

	Consolidated Group	
	31	30 June
	December	2021
	2021	2021
	\$	\$
<i>Current liabilities</i>		
Employee provision	113,474	97,807
Refund liabilities	63,044	55,102
	<u>176,518</u>	<u>152,909</u>
<i>Non-current liabilities</i>		
Employee provision	<u>142,668</u>	<u>114,811</u>

Note 14. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 15. Contingent liabilities

There are no contingent liabilities or contingent assets as at 31 December 2021 (30 June 2021: nil).

Note 16. Related party transactions

Parent entity

N1 Holdings Limited is the parent entity.

Subsidiaries

The subsidiaries listed below have share capital consisting solely of ordinary shares or ordinary units which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by Group. Each subsidiary's principal place of business is also its country of incorporation.

Name of subsidiary	Principal place of business	Ownership interest held by the Group	Ownership interest held by the Group
		31 December 2021 (%)	30 June 2021 (%)
N1 Loans Pty Ltd (i)	Australia	100%	100%
N1 Migration Pty Ltd (ii)	Australia	100%	100%
N1 Realty Pty Ltd (iii)	Australia	100%	100%
N1 Project Pty Ltd (iv)	Australia	100%	100%
N1 Venture Pty Ltd (v)	Australia	100%	100%
Sydney Boutique Property Pty Ltd (vi)	Australia	100%	100%
N1 Franchise Pty Ltd (vii)	Australia	100%	100%
N1 Capital Singapore Pte. Ltd. (viii)	Singapore	100%	100%
Everone Consulting Pty Ltd (ix)	Australia	100%	100%
Yizhihao (Shanghai) Business Consulting Co., Ltd (x)	China	100%	100%
Zillion Finance Pty Ltd (xi)	Australia	100%	100%
N1 WH2 Pty Ltd (xii)	Australia	100%	100%
N1SY Pty Ltd (xiii)	Australia	100%	-

Note 16. Related party transactions (continued)

- (i) N1 Loans was incorporated on 25 February 2010 and was initially owned by Mr Ren Hor Wong. Upon the completion of the IPO on 18 March 2016, the company became fully owned by the Company.
- (ii) N1 Migration Pty Ltd was incorporated on 14 September 2015 and is fully owned by the Group since 11 April 2016.
- (iii) N1 Realty was incorporated on 3 May 2016 and, since then, it has been fully owned by the Group.
- (iv) N1 Project was incorporated on 9 December 2016 and, since then, it has been fully owned by the Group.
- (v) N1 Venture was incorporated on 19 November 2014 and was acquired on 1 September 2016. Since then it has been fully owned by the Group.
- (vi) Sydney Boutique Property Pty Ltd was acquired on 21 October 2016. It has been fully owned by the Group since acquisition.
- (vii) TACQ International Pty Ltd was incorporated on 21 July 2017 and renamed to N1 Franchise Pty Ltd on 5 March 2018. It has been fully owned by the group since incorporation.
- (viii) N1 Capital Singapore Pte. Ltd. was incorporated on 1 February 2019 and it has been fully owned by the group since incorporation.
- (ix) Everone Consulting Pty Ltd was incorporated on 22 May 2019 and it has been fully owned by the group since incorporation.
- (x) Yizhihao (Shanghai) Business Consulting Co.,Ltd was incorporated on 8 August 2019 and it has been fully owned by the group since incorporation.
- (xi) Zillion Finance Pty Ltd was acquired on 31 July 2020. It has been fully owned by the Group since acquisition.
- (xii) N1 WH2 Pty Ltd was incorporated on 6 June 2021, it has been fully owned by the Group since incorporation.
- (xiii) N1SY Pty Ltd was incorporated on 8 December 2021, it has been fully owned by the Group since incorporation.

Transactions with related parties

Transactions with other related parties:

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. The following transactions occurred with other related parties:

The following transactions occurred with related parties:

	Consolidated Group	
	31	31
	December	December
	2021	2020
	\$	\$
Sale of goods and services:		
Management and processing fee from One Lending Fund	376,787	-
Rental property management income from a key management personnel	645	-
Purchases of services/goods from other related parties		
Finosource Sdn Bhd (previously known as "N1 Consultants Group Sdn Bhd") - Malaysia	47,871	57,293

Note 16. Related party transactions (continued)

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated Group	
	31 December 2021	30 June 2021
	\$	\$
Current receivables:		
Trade receivables from One Lending Fund	369,900	9,775

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 17. Events after the reporting period

On 2 February 2022, N1 Holdings Limited has raised additional \$5.625 million in debt capital provided under a debt facility executed on 1 July 2021 between the Company and GCI SME Mortgage Fund (Facility). The Facility is for a term of 24 months. The Facility contains a number of customary conditions precedent for debt facilities of this type (including the registration of security interests and provision of legal options).

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the the Group's operations, the results of those operations, or the the Group's state of affairs in future financial years.

Note 18. Earnings per share

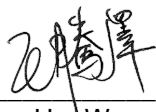
	Consolidated Group	
	31 December 2021	31 December 2020
	\$	\$
Profit after income tax	388,212	181,594
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	81,555,573	81,555,573
Weighted average number of ordinary shares used in calculating diluted earnings per share	81,555,573	81,555,573
	Cents	Cents
Basic earnings per share	0.48	0.22
Diluted earnings per share	0.48	0.22

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date; and
- 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 made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Ren Hor Wong
Executive Chairman and CEO

28 February 2022

Independent Auditor's Review Report to the Members of N1 Holdings Limited

Conclusion

We have reviewed the half-year financial report of N1 Holdings Limited (the Company and its controlled entities (the Group)), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, 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 accompanying half-year financial report of N1 Holdings Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of N1 Holdings Limited'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 of Conclusion

We conducted our review in accordance with ASRE 2410 *Review of 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 Company 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.

Liability limited by a scheme approved under Professional Standards Legislation.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is external audit, conducted via the Crowe Australasia external audit division and Unison SMSF Audit. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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Responsibility of the Directors for the Financial Report

The directors of N1 Holdings 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the 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 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.

Yours sincerely,
Crowe Sydney



Suwarti Asmono
Partner

28 February 2022

N1 Holdings

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