

**Kordia Group Limited**

**Condensed Consolidated Interim Financial Statements (unaudited)**

**For the Six Months Ended 31 December 2020**

# Kordia Group Limited

## Condensed Consolidated Interim Financial Statements (unaudited)

### For the Six Months Ended 31 December 2020

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# Kordia Group Limited

## Chair's Report

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### Kordia Group

Kordia Group, a leading provider of telecommunications, networks, cyber security and broadcast solutions has reported a revenue of \$138m for the half year ended 31 December 2020. The Group's EBITDA was \$18m and the company posted a profit after tax of \$5m, up \$4m on the same period last year.

Despite the challenges posed by the Covid-19 pandemic, the Group performed well across the board during the first half of the year. While the Covid-19 pandemic did bring its challenges, as a technology company it also presented many opportunities. Our networks and cyber divisions experienced unprecedented demand during the first half of the year. Our Solutions businesses on both sides of the Tasman also worked tirelessly to ensure critical infrastructure projects were able to move ahead despite the lockdowns.

While we aren't out of the woods yet, the Board is pleased with the way Kordia and its people have responded to the pandemic, and that we were able to provide our customers with the support they needed to ensure their mission-critical technology remained up-and-running, and secure, when they needed it most.

### Cyber security

With cyber-attacks on the rise, Kordia's specialist cyber security division Aura Information Security experienced particularly strong growth, with annuity revenue up 33 percent on the same period last year.

Cyber security continues to be a strong performer for the Group, and the expertise of the team at Aura continues to be in high demand. Over the past six months we have seen several high-profile cyber-attacks on prominent New Zealand businesses, many of whom were severely impacted by ransomware or Distributed Denial of Service (DDoS) attacks. We expect this pattern will continue well into 2021 and that demand for cyber support and unified security solutions will grow.

### Cloud

The acquisition of cloud consultancy Emerging Technology Partners (ETP) in February 2020 has also proved to be a successful addition to Kordia's offering.

Covid-19 lockdowns and precautions accelerated working from home strategies. This has seen a number of businesses looking to move to the cloud or better improve existing cloud use, and Emerging Technology Partners have provided fantastic support.

ETP's expertise in cloud design, migration and management, combined with Aura's in-depth understanding of cloud security and Kordia Networks' range of public and private cloud connectivity solutions, means Kordia now offers the full trifecta when it comes to cloud. This is something we believe will appeal to many New Zealand organisations given the current climate.

### Media

In April 2020, the New Zealand Government announced a financial support package for the New Zealand media industry to help organisations weather the initial impacts of Covid-19. As a result, Kordia's broadcast transmission fees were covered for six months, starting in May and ending in November 2020. The unwind of the up-front receipt is reflected through operating cashflows in the current period.

### Solutions

The New Zealand Solutions business unit is performing well despite international borders remaining closed for our Pacific customers. Recent projects include the City Rail Link, the installation of a new satellite at Warkworth and an in-building coverage solution at Commercial Bay. With 5G rollout well underway the team is well placed to leverage its reputation as the 'go-to' for in-building coverage solutions in New Zealand.

After some market uncertainty in FY20, Kordia Solutions Australia's (KSA) performance continues to improve. This business has experienced 90 percent revenue growth year on year off the back of increased activity relating to the rollout of 5G and increased Telco investment. Contract work in progress has increased over the reporting period as a result.

During the first half of the year, KSA was involved in the successful delivery of 5G to the Federal Parliament of Australia. The project required the installation of more than 60,000m of cable, over 1,000 antennas and 26 remote units, and a large base-station facility for three carriers. Work for Optus mobile works is in progress and the KSA team also successfully secured significant contracts for Telstra mobile works in Tasmania and Victoria.

### Conclusion and Outlook

Following the passing of former CEO, Scott Bartlett, in December 2020, Kordia Group CFO Shaun Rendell was appointed Group CEO in January 2021. Shaun did an exceptional job of stepping into the CEO role and guiding the business while Scott took extended leave to fight cancer – a battle he sadly did not win. While we have lost an incredible leader and friend in Scott, we know that under Shaun's leadership the Group is well placed to continue its growth trajectory and will be well placed to maximise opportunities presented to us.

As the situation with Covid-19 remains fluid, the Group will take a cautious approach and monitor market changes closely. As a result, a half year dividend will not be declared.

Kordia has a unique ability to adapt and evolve and we have every confidence that despite uncertainty in the market, the team will continue to deliver the high level of service and support our customers have come to expect from us.

For the Board,

John Quirk  
Chair - Kordia Group

26 February 2021



# Kordia Group Limited

## Condensed Consolidated Income Statement

### For the Six Months Ended 31 December 2020

| Audited<br>30/6/20 | In thousands of New Zealand dollars                                   | Unaudited |          |
|--------------------|-----------------------------------------------------------------------|-----------|----------|
|                    |                                                                       | 31/12/20  | 31/12/19 |
| 111,513            | Revenue - New Zealand                                                 | 57,226    | 56,915   |
| 111,473            | Revenue - Australia                                                   | 80,562    | 44,275   |
| 272                | Revenue - Insurance proceeds                                          | -         | 272      |
| 223,258            | Total revenue                                                         | 137,788   | 101,462  |
| 100,199            | Direct costs and overheads                                            | 66,314    | 43,930   |
| 92,587             | Employee and contractor expenses                                      | 53,168    | 43,901   |
| 30,472             | Earnings before interest, tax, depreciation and amortisation (EBITDA) | 18,306    | 13,631   |
| 12,262             | Depreciation of property, plant and equipment                         | 6,307     | 7,240    |
| 6,800              | Depreciation of right of use assets                                   | 3,608     | 3,673    |
| 962                | Amortisation of intangibles                                           | 446       | 516      |
| 2,070              | Finance costs                                                         | 985       | 1,212    |
| 633                | Finance income                                                        | 74        | 365      |
| 9,011              | Profit/(loss) before income tax                                       | 7,034     | 1,355    |
| (612)              | Income tax expense/(benefit)                                          | 2,006     | 335      |
| 9,623              | Profit/(loss) for the period attributable to the equity holder        | 5,028     | 1,020    |

The notes set out on pages 11 to 12, form part of, and should be read in conjunction with, the Interim Financial Statements.

# Kordia Group Limited

## Condensed Consolidated Statement of Comprehensive Income

### For the Six Months Ended 31 December 2020

| Audited<br>30/6/20 | In thousands of New Zealand dollars                                                 | Unaudited    |          |
|--------------------|-------------------------------------------------------------------------------------|--------------|----------|
|                    |                                                                                     | 31/12/20     | 31/12/19 |
| 9,623              | <b>Profit/(loss) for the period attributable to the equity holder</b>               | <b>5,028</b> | 1,020    |
| 258                | Foreign currency translation differences                                            | (390)        | (191)    |
| (3)                | Effective portion of changes in the fair value of cashflow hedges                   | (28)         | (1)      |
| 1                  | Tax effect of the effective portion of changes in the fair value of cashflow hedges | 8            | -        |
| 256                | <b>Other comprehensive income/(loss) for the period</b>                             | <b>(410)</b> | (192)    |
| 9,879              | <b>Total comprehensive income/(loss) for the period</b>                             | <b>4,618</b> | 828      |

*The notes set out on pages 11 to 12, form part of, and should be read in conjunction with, the Interim Financial Statements.*

# Kordia Group Limited

## Condensed Consolidated Statement of Changes in Equity

For the Six Months Ended 31 December 2020 (unaudited)

| In thousands of New Zealand dollars                                       | Share Capital | Retained Earnings | Foreign Currency Translation Reserve | Cashflow Hedge Reserve | Total          |
|---------------------------------------------------------------------------|---------------|-------------------|--------------------------------------|------------------------|----------------|
| <b>Balance 1 July 2020</b>                                                | <b>87,696</b> | <b>13,320</b>     | <b>(2,986)</b>                       | <b>-</b>               | <b>98,030</b>  |
| Net profit for the period                                                 | -             | 5,028             | -                                    | -                      | 5,028          |
| <b>Other comprehensive income</b>                                         |               |                   |                                      |                        |                |
| Foreign currency translation differences                                  | -             | -                 | (390)                                | -                      | (390)          |
| Fair value of cashflow hedges transferred to income statement, net of tax | -             | -                 | -                                    | (20)                   | (20)           |
| Total other comprehensive income                                          | -             | -                 | (390)                                | (20)                   | (410)          |
| <b>Total comprehensive income/(loss) for the period</b>                   | <b>-</b>      | <b>5,028</b>      | <b>(390)</b>                         | <b>(20)</b>            | <b>4,618</b>   |
| <b>Balance 31 December 2020</b>                                           | <b>87,696</b> | <b>18,348</b>     | <b>(3,376)</b>                       | <b>(20)</b>            | <b>102,648</b> |

The notes set out on pages 11 to 12, form part of, and should be read in conjunction with, the Interim Financial Statements.

**Kordia Group Limited**

**Condensed Consolidated Statement of Changes in Equity (continued)**

**For the Six Months Ended 31 December 2019 (unaudited)**

| In thousands of New Zealand dollars                                          | Share<br>Capital | Retained<br>Earnings | Foreign<br>Currency<br>Translation<br>Reserve | Cashflow<br>Hedge<br>Reserve | Total         |
|------------------------------------------------------------------------------|------------------|----------------------|-----------------------------------------------|------------------------------|---------------|
| <b>Balance 1 July 2019</b>                                                   | <b>87,696</b>    | <b>5,134</b>         | <b>(3,244)</b>                                | <b>2</b>                     | <b>89,588</b> |
| Adjustment on initial application of IFRS 16,<br>net of tax                  | -                | (1,437)              | -                                             | -                            | (1,437)       |
| <b>Adjusted balance 1 July 2019</b>                                          | <b>87,696</b>    | <b>3,697</b>         | <b>(3,244)</b>                                | <b>2</b>                     | <b>88,151</b> |
| Net profit for the period                                                    | -                | 1,020                | -                                             | -                            | 1,020         |
| <b>Other comprehensive income</b>                                            |                  |                      |                                               |                              |               |
| Foreign currency translation differences                                     | -                | -                    | (191)                                         | -                            | (191)         |
| Fair value of cashflow hedges transferred to<br>income statement, net of tax | -                | -                    | -                                             | (1)                          | (1)           |
| <b>Total other comprehensive income</b>                                      | <b>-</b>         | <b>-</b>             | <b>(191)</b>                                  | <b>(1)</b>                   | <b>(192)</b>  |
| <b>Total comprehensive income/(loss) for the<br/>period</b>                  | <b>-</b>         | <b>1,020</b>         | <b>(191)</b>                                  | <b>(1)</b>                   | <b>828</b>    |
| <b>Balance 31 December 2019</b>                                              | <b>87,696</b>    | <b>4,717</b>         | <b>(3,435)</b>                                | <b>1</b>                     | <b>88,979</b> |

*The notes set out on pages 11 to 12, form part of, and should be read in conjunction with, the Interim Financial Statements.*

# Kordia Group Limited

## Condensed Consolidated Statement of Changes in Equity (continued)

For the Year Ended 30 June 2020 (audited)

| In thousands of New Zealand dollars                                       | Share Capital | Retained Earnings | Foreign Currency Translation Reserve | Cashflow Hedge Reserve | Total         |
|---------------------------------------------------------------------------|---------------|-------------------|--------------------------------------|------------------------|---------------|
| <b>Balance 1 July 2019</b>                                                | <b>87,696</b> | <b>5,134</b>      | <b>(3,244)</b>                       | <b>2</b>               | <b>89,588</b> |
| Adjustment on initial application of IFRS 16, net of tax                  | -             | (1,437)           | -                                    | -                      | (1,437)       |
| <b>Adjusted balance 1 July 2019</b>                                       | <b>87,696</b> | <b>3,697</b>      | <b>(3,244)</b>                       | <b>2</b>               | <b>88,151</b> |
| Net profit for the period                                                 | -             | 9,623             | -                                    | -                      | 9,623         |
| <b>Other comprehensive income</b>                                         |               |                   |                                      |                        |               |
| Foreign currency translation differences                                  | -             | -                 | 258                                  | -                      | 258           |
| Fair value of cashflow hedges transferred to income statement, net of tax | -             | -                 | -                                    | (2)                    | (2)           |
| <b>Total other comprehensive income</b>                                   | <b>-</b>      | <b>-</b>          | <b>258</b>                           | <b>(2)</b>             | <b>256</b>    |
| <b>Total comprehensive income/(loss) for the period</b>                   | <b>-</b>      | <b>9,623</b>      | <b>258</b>                           | <b>(2)</b>             | <b>9,879</b>  |
| <b>Balance 30 June 2020</b>                                               | <b>87,696</b> | <b>13,320</b>     | <b>(2,986)</b>                       | <b>-</b>               | <b>98,030</b> |

The notes set out on pages 11 to 12, form part of, and should be read in conjunction with, the Interim Financial Statements.

# Kordia Group Limited

## Condensed Consolidated Statement of Financial Position

As at 31 December 2020

| Audited<br>30/6/20            | In thousands of New Zealand dollars                       | Note | Unaudited |          |
|-------------------------------|-----------------------------------------------------------|------|-----------|----------|
|                               |                                                           |      | 31/12/20  | 31/12/19 |
| <b>Assets</b>                 |                                                           |      |           |          |
| 58,020                        | Property, plant and equipment                             |      | 58,713    | 56,141   |
| 15,690                        | Right of use assets                                       |      | 13,694    | 14,814   |
| 27,030                        | Intangible assets and goodwill                            |      | 26,556    | 26,424   |
| 1,326                         | Finance lease receivable                                  |      | 1,178     | 1,469    |
| 18,032                        | Deferred tax asset                                        |      | 18,802    | 13,781   |
| 644                           | Trade and other receivables                               |      | 706       | 1,332    |
| 120,742                       | <b>Total non-current assets</b>                           |      | 119,649   | 113,961  |
| 17,386                        | Cash                                                      |      | 16,172    | 8,975    |
| 63,534                        | Trade and other receivables and contract work in progress |      | 73,082    | 52,225   |
| 281                           | Finance lease receivable                                  |      | 291       | 270      |
| 40                            | Derivative assets                                         |      | -         | 44       |
| 3,176                         | Inventories                                               |      | 2,957     | 1,881    |
| 84,417                        | <b>Total current assets</b>                               |      | 92,502    | 63,395   |
| 205,159                       | <b>Total assets</b>                                       |      | 212,151   | 177,356  |
| <b>Equity and Liabilities</b> |                                                           |      |           |          |
| 87,696                        | Share capital                                             |      | 87,696    | 87,696   |
| (2,986)                       | Foreign currency translation reserve                      |      | (3,376)   | (3,435)  |
| -                             | Cashflow hedge reserve                                    |      | (20)      | 1        |
| 13,320                        | Retained earnings                                         |      | 18,348    | 4,717    |
| 98,030                        | <b>Total equity attributable to the equity holder</b>     |      | 102,648   | 88,979   |
| 1,904                         | Trade and other payables and deferred income              |      | 1,879     | 2,170    |
| 13,025                        | Provisions                                                |      | 13,044    | 11,761   |
| 9                             | Derivative liabilities                                    |      | 13        | -        |
| 11,701                        | Lease liabilities                                         |      | 10,784    | 11,907   |
| 6,000                         | Loans and advances                                        | 3    | 17,765    | -        |
| 32,639                        | <b>Total non-current liabilities</b>                      |      | 43,485    | 25,838   |
| 65,095                        | Trade and other payables and deferred income              |      | 58,732    | 42,514   |
| 2,218                         | Taxation payable                                          |      | 1,483     | 471      |
| 30                            | Derivative liabilities                                    |      | 14        | 42       |
| 578                           | Provisions                                                |      | 660       | 648      |
| 6,569                         | Lease liabilities                                         |      | 5,129     | 6,163    |
| -                             | Loans and advances                                        | 3    | -         | 12,701   |
| 74,490                        | <b>Total current liabilities</b>                          |      | 66,018    | 62,539   |
| 107,129                       | <b>Total liabilities</b>                                  |      | 109,503   | 88,377   |
| 205,159                       | <b>Total equity and liabilities</b>                       |      | 212,151   | 177,356  |

The notes set out on pages 11 to 12, form part of, and should be read in conjunction with, the Interim Financial Statements.

# Kordia Group Limited

## Condensed Consolidated Statement of Cash Flows

### For the Six Months Ended 31 December 2020

| Audited<br>30/6/20 | In thousands of New Zealand dollars                           | Unaudited |          |
|--------------------|---------------------------------------------------------------|-----------|----------|
|                    |                                                               | 31/12/20  | 31/12/19 |
|                    | <b>Cash flows from operating activities</b>                   |           |          |
| 201,759            | Receipts from customers                                       | 116,145   | 96,762   |
| 17,060             | Receipt from Manatū Taonga, Ministry for Culture and Heritage | -         | -        |
| (177,511)          | Payments to suppliers and employees                           | (113,711) | (83,132) |
| 41,308             |                                                               | 2,434     | 13,630   |
| 2                  | Dividends received                                            | -         | 2        |
| 327                | Interest received                                             | 47        | 190      |
| (1,795)            | Interest paid                                                 | (809)     | (1,006)  |
| (3,763)            | Taxes paid                                                    | (3,556)   | (2,562)  |
| 36,079             | Net cash from/(used in) operating activities                  | (1,884)   | 10,254   |
|                    | <b>Cash flows from investing activities</b>                   |           |          |
| 8                  | Proceeds from sale of property, plant and equipment           | -         | 2        |
| (9,694)            | Acquisition of property, plant and equipment                  | (7,167)   | (4,163)  |
| (530)              | Acquisition of intangibles and frequency licences             | (36)      | (8)      |
| (10,216)           | Net cash from/(used in) investing activities                  | (7,203)   | (4,169)  |
|                    | <b>Cash flows from financing activities</b>                   |           |          |
| (14,648)           | Proceeds from/(repayment of) loans and advances               | 11,765    | (6,799)  |
| (7,495)            | Repayment of lease liabilities                                | (3,962)   | (3,674)  |
| 260                | Proceeds from finance lease assets                            | 138       | 128      |
| (21,883)           | Net cash from/(used in) financing activities                  | 7,941     | (10,345) |
| 3,980              | Net increase/(decrease) in cash and cash equivalents          | (1,146)   | (4,260)  |
| 13,267             | Cash and cash equivalents at beginning of the period          | 17,386    | 13,267   |
| 139                | Effect of exchange rate fluctuations on cash                  | (68)      | (32)     |
| 17,386             | Cash and cash equivalents at end of the period                | 16,172    | 8,975    |

The notes set out on pages 11 to 12, form part of, and should be read in conjunction with, the Interim Financial Statements.

# Kordia Group Limited

## Condensed Consolidated Statement of Cash Flows (continued)

For the Six Months Ended 31 December 2020

| Audited  |                                                                                               | Unaudited       |          |
|----------|-----------------------------------------------------------------------------------------------|-----------------|----------|
| 30/6/20  | In thousands of New Zealand dollars                                                           | 31/12/20        | 31/12/19 |
|          | <b>Reconciliation of net surplus for the period with cash flows from operating activities</b> |                 |          |
| 9,623    | <b>Net surplus as per income statement</b>                                                    | <b>5,028</b>    | 1,020    |
|          | <b>Add/(deduct) non-cash items:</b>                                                           |                 |          |
| 12,262   | Depreciation of property, plant and equipment                                                 | <b>6,307</b>    | 7,240    |
| 6,800    | Depreciation of right of use assets                                                           | <b>3,608</b>    | 3,673    |
| 962      | Amortisation of licences and intangibles                                                      | <b>446</b>      | 516      |
| 281      | Realised foreign currency losses/(gains)                                                      | <b>(80)</b>     | (400)    |
| (5,088)  | Change in deferred tax/(future income tax benefit)                                            | <b>(814)</b>    | (1,192)  |
| 255      | Movement in provision for doubtful debts                                                      | <b>171</b>      | (67)     |
| 270      | Unwind/change in make good                                                                    | <b>134</b>      | 151      |
| 215      | Movement in customer acquisition costs                                                        | <b>(76)</b>     | 87       |
| (156)    | Variable lease payments (rent concessions)                                                    | -               | -        |
| 24       | Movement in other provisions                                                                  | <b>(27)</b>     | (296)    |
| 25,448   |                                                                                               | <b>14,697</b>   | 10,732   |
|          | <b>Items classified as investing activities:</b>                                              |                 |          |
| 22       | Loss/(gain) on disposal of property, plant and equipment                                      | <b>27</b>       | (2)      |
| 22       |                                                                                               | <b>27</b>       | (2)      |
|          | <b>Movements in working capital:</b>                                                          |                 |          |
| (15,030) | Receivables, prepayments and contract work in progress                                        | <b>(9,706)</b>  | (3,345)  |
| (1,385)  | Inventories                                                                                   | <b>219</b>      | (91)     |
| 27,024   | Payables and deferred income                                                                  | <b>(7,121)</b>  | 2,960    |
| 10,609   |                                                                                               | <b>(16,608)</b> | (476)    |
| 36,079   | Net cash flows from operating activities                                                      | <b>(1,884)</b>  | 10,254   |

The notes set out on pages 11 to 12, form part of, and should be read in conjunction with, the Interim Financial Statements.

# Kordia Group Limited

## Notes to the Interim Financial Statements (continued)

### For the Six Months Ended 31 December 2020

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#### 1. Reporting Entity

Kordia Group Limited (the 'Company') is a limited liability company incorporated and domiciled in New Zealand under the Companies Act 1993 and is wholly owned by the Crown. The registered office of the Company is Level 3, 162 Victoria Street, Auckland Central, New Zealand.

The condensed consolidated financial statements presented here are for the reporting entity Kordia Group Limited comprising the Company and its subsidiaries.

The financial statements of the Group have been prepared in accordance with the requirements of the Companies Act 1993, the Financial Reporting Act 2013 and the State Owned Enterprises Act 1986.

#### Statement of Compliance

The Interim Financial Statements have been prepared in accordance with NZ IAS 34, Interim Financial Statements. The consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 30 June 2020.

The financial statements were authorised for issue by the directors on 26 February 2021.

The financial statements have been prepared on the basis of historical cost unless otherwise noted within the specific accounting policies.

These financial statements are presented in New Zealand dollars (\$), which is the Company's functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest thousand.

#### Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. 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 and in any future periods affected.

In the opinion of the Directors, all adjustments necessary for a fair presentation of the results of operations, financial position and cash flows have been reflected.

#### 2. Statement of Accounting Policies

The Interim Financial Statements presented here are the condensed consolidated financial statements of the Group comprising Kordia Group Limited and its subsidiaries, for the six months ended 31 December 2020 and 2019. Both periods are unaudited. The audited annual results for the year ended 30 June 2020 are also presented.

The accounting policies used in the preparation of the Interim Financial Statements are consistent with those used for the year ended 30 June 2020 and the six months ended 31 December 2019.

The Group has not applied any standards, amendments to standards and interpretations that are not yet effective.

The Group is generally not subject to significant seasonal or cyclical variations.

# Kordia Group Limited

## Notes to the Interim Financial Statements (continued)

### For the Six Months Ended 31 December 2020

| Audited                      |                                                          | Unaudited |          |
|------------------------------|----------------------------------------------------------|-----------|----------|
| 30/6/20                      | In thousands of New Zealand dollars                      | 31/12/20  | 31/12/19 |
| <b>3. Loans and Advances</b> |                                                          |           |          |
| 6,000                        | Bank loans (unsecured)                                   | 17,765    | 12,701   |
|                              | Loan facilities are repayable as follows:                |           |          |
| -                            | Within one year                                          | -         | 12,701   |
| -                            | One to two years                                         | -         | -        |
| 6,000                        | Two to five years                                        | 17,765    | -        |
| 6,000                        |                                                          | 17,765    | 12,701   |
|                              | <i>Weighted average interest rates:</i>                  |           |          |
| 1.3%                         | Bank loans                                               | 2.08%     | 3.4%     |
| 1.9%                         | Bank loans amended for derivatives, line fees and margin | 2.62%     | 6.2%     |

The loan facilities comprise a syndicated revolving cash advance facility, dated 29 June 2017 amended and restated from time to time, committed to a maximum amount of NZD 40 million (2019: AUD 40 million). The loans drawn and facility available is analysed as follows:

|           | 31/12/20      |             |                    |             | 31/12/19      |             |                    |             |
|-----------|---------------|-------------|--------------------|-------------|---------------|-------------|--------------------|-------------|
|           | Balance Drawn |             | Available Facility |             | Balance Drawn |             | Available Facility |             |
|           | Current       | Non-current | Current            | Non-current | Current       | Non-current | Current            | Non-current |
| Tranche A | -             | 17,765      | -                  | 40,000      | -             | -           | -                  | -           |
| Tranche B | -             | -           | -                  | -           | 4,377         | -           | 31,216             | -           |
| Tranche C | -             | -           | -                  | -           | 8,324         | -           | 10,405             | -           |
|           | -             | 17,765      | -                  | 40,000      | 12,701        | -           | 41,621             | -           |

On 29 June 2017 a facility agreement was entered into between Kordia and the members of the banking syndicate. The facility is split into three tranches (A, B and C) with different fee and margin structures. The available facility can be allocated between the tranches as forecasts require. There is a right of set off between the tranches of the loan facility. The facility expires on 1 July 2023.

The facility is supported by a negative pledge by the Company and its guaranteeing subsidiaries over their assets and undertakings. The negative pledge restricts the disposal of assets other than in the ordinary course of business or within certain materiality thresholds. Under the negative pledge, each guaranteeing subsidiary may be liable for indebtedness incurred by the Company and other guaranteeing subsidiaries.

The facility is subject to various covenants such as limitations on gearing, interest cover, and coverage (the proportion of the consolidated group that forms the guaranteeing group under the negative pledge). The Group was in compliance with all covenants for the interim periods ended 31 December 2020 and 2019 and the year ended 30 June 2020.

#### 4. Commitments

At 31 December 2020 the Group had capital commitments of \$2,857 (2019: \$3,393).

#### 5. Contingencies

As part of its contractual obligations with clients, the Group has an undertaking to provide services at a certain level and should this not be achieved, the Group may be liable for contract penalties. It is not possible to quantify what these may be until an event has occurred. The Directors do not expect any liabilities to occur as a result of these contractual obligations.

#### 6. Events Subsequent to Balance Date

On 26 February 2021 the Board of Directors declared no interim dividend (2019: nil).

There are no other events subsequent to balance date which have a significant effect on the financial statements.

