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**KINGFISH LIMITED**  
**INTERIM FINANCIAL STATEMENTS CONTENTS**  
**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021**

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**KINGFISH LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021**

	Notes	6 months ended 30/09/21 unaudited \$000	6 months ended 30/09/20 unaudited \$000
Interest income		34	28
Dividend income		4,585	2,949
Net changes in fair value of investments	<b>2</b>	57,144	92,593
Other income	<b>7(a)</b>	1,413	3
<b>Total net income</b>		<b>63,176</b>	<b>95,573</b>
Operating expenses	<b>3</b>	6,237	8,602
<b>Operating profit before tax</b>		<b>56,939</b>	<b>86,971</b>
Tax expense		9	12
<b>Net operating profit after tax attributable to shareholders</b>		<b>56,930</b>	<b>86,959</b>
<b>Total comprehensive income after tax attributable to shareholders</b>		<b>56,930</b>	<b>86,959</b>
<b>Basic earnings per share</b>	<b>5</b>	<b>18.17c</b>	<b>34.84c</b>
<b>Diluted earnings per share</b>	<b>5</b>	<b>18.17c</b>	<b>34.49c</b>

The accompanying notes form an integral part of these financial statements.

**KINGFISH LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021**

	Notes	<i>Attributable to shareholders of the Company</i>		
		Share Capital \$000	Retained Earnings \$000	Total Equity \$000
<b>Balance at 1 April 2020 (audited)</b>		<b>278,854</b>	<b>66,550</b>	<b>345,404</b>
<b>Comprehensive income</b>				
Net operating profit after tax		0	86,959	86,959
Other comprehensive income		0	0	0
<b>Total comprehensive income for the period ended 30 September 2020</b>		<b>0</b>	<b>86,959</b>	<b>86,959</b>
<b>Transactions with shareholders</b>				
Dividends paid	4	0	(15,746)	(15,746)
New shares issued under dividend reinvestment plan	4	5,940	0	5,940
Warrant issue costs		(2)	0	(2)
<b>Total transactions with shareholders for the period ended 30 September 2020</b>		<b>5,938</b>	<b>(15,746)</b>	<b>(9,808)</b>
<b>Balance at 30 September 2020 (unaudited)</b>		<b>284,792</b>	<b>137,763</b>	<b>422,555</b>
<b>Balance at 1 April 2021 (audited)</b>		<b>376,079</b>	<b>175,368</b>	<b>551,447</b>
<b>Comprehensive income</b>				
Net operating profit after tax		0	56,930	56,930
Other comprehensive income		0	0	0
<b>Total comprehensive income for the period ended 30 September 2021</b>		<b>0</b>	<b>56,930</b>	<b>56,930</b>
<b>Transactions with shareholders</b>				
Dividends paid	4	0	(22,293)	(22,293)
New shares issued under dividend reinvestment plan	4	8,347	0	8,347
<b>Total transactions with shareholders for the period ended 30 September 2021</b>		<b>8,347</b>	<b>(22,293)</b>	<b>(13,946)</b>
<b>Balance at 30 September 2021 (unaudited)</b>		<b>384,426</b>	<b>210,005</b>	<b>594,431</b>

The accompanying notes form an integral part of these financial statements.

**KINGFISH LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2021**

	Notes	30/09/21 unaudited \$000	31/03/21 audited \$000
<b>SHAREHOLDERS' EQUITY</b>		<b>594,431</b>	<b>551,447</b>
Represented by:			
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		20,660	33,528
Trade and other receivables		1,617	369
Investments at fair value through profit or loss	2	574,850	526,523
<b>Total Current Assets</b>		<b>597,127</b>	<b>560,420</b>
<b>TOTAL ASSETS</b>		<b>597,127</b>	<b>560,420</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		2,696	8,973
<b>Total Current Liabilities</b>		<b>2,696</b>	<b>8,973</b>
<b>TOTAL LIABILITIES</b>		<b>2,696</b>	<b>8,973</b>
<b>NET ASSETS</b>		<b>594,431</b>	<b>551,447</b>

These interim financial statements have been authorised for issue for and on behalf of the Board by:



A B Ryan  
Chairman  
22 November 2021



C A Campbell  
Chair of the Audit and Risk Committee  
22 November 2021

The accompanying notes form an integral part of these financial statements.

**KINGFISH LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021**

	Notes	6 months ended 30/09/21 unaudited \$000	6 months ended 30/09/20 unaudited \$000
<b>Operating Activities</b>			
Sale of listed equity investments		37,622	46,978
Interest received		33	27
Dividends received		4,071	3,073
Other income received		1,413	3
Purchase of listed equity investments		(31,005)	(46,993)
Operating expenses		(11,047)	(3,242)
Taxes paid		(9)	(12)
<b>Net cash inflows/(outflows) from operating activities</b>	<b>6</b>	<b>1,078</b>	<b>(166)</b>
<b>Financing Activities</b>			
Issue costs		0	(2)
Dividends paid (net of dividends reinvested)		(13,946)	(9,806)
<b>Net cash outflows from financing activities</b>		<b>(13,946)</b>	<b>(9,808)</b>
<b>Net decrease in cash and cash equivalents held</b>		<b>(12,868)</b>	<b>(9,974)</b>
Cash and cash equivalents at beginning of the period		33,528	18,493
<b>Cash and cash equivalents at the end of the period</b>		<b>20,660</b>	<b>8,519</b>

The accompanying notes form an integral part of these financial statements.

**Note 1 Basis of Accounting**

**Reporting Entity**

Kingfish Limited ("Kingfish" or "the Company") is listed on the NZX Main Board, is registered in New Zealand under the Companies Act 1993 and is a FMC Reporting Entity under the Financial Markets Conduct Act 2013.

The Company's registered office is Level 1, 67-73 Hurstmere Road, Takapuna, Auckland.

**Basis of Preparation**


The interim financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with the International Accounting Standard 34 *Interim Financial Reporting* and New Zealand Equivalent to International Accounting Standard 34 *Interim Financial Reporting*.

The interim financial statements do not include all of the information required for full year financial statements and should be read in conjunction with the Company's annual financial report for the year ended 31 March 2021.


The impact of COVID-19 on the Company's financial statements was considered and, other than the impact of COVID-19 on fair value gains and losses, there have been no other impacts on the Company's financial reporting.

These interim financial statements cover the unaudited results from operations for the six months ended 30 September 2021.

**Accounting Policies**

The Company has applied consistent accounting policies in the preparation of these interim financial statements as for the 2021 full year financial statements. Accounting policies that are relevant to an understanding of the financial statements are designated by a  symbol.

**Critical Judgements, Estimates and Assumptions**

The preparation of interim financial statements requires the directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Judgements are designated by a  symbol in the notes to the interim financial statements. There were no material estimates or assumptions required in the preparation of these interim financial statements.

**Authorisation of Interim Financial Statements**

The Kingfish Board of Directors authorised these interim financial statements for issue on 22 November 2021.

No party may change these interim financial statements after their issue.

**Note 2 Investments**



Given that the investment portfolio is managed, and performance is evaluated on a fair value basis in accordance with a documented investment strategy, Kingfish has classified all of its investments at fair value through profit or loss.

The fair value of investments traded in active markets are based on last sale prices at balance date, except where the last sale price falls outside the bid-ask spread for a particular investment, in which case the bid price will be used to value the investment.

**KINGFISH LIMITED**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021**

**Note 2 Investments (continued)**

	<b>30/09/21</b>	<b>31/03/21</b>
<b>Investments at Fair Value through Profit or Loss</b>	<b>unaudited</b>	<b>audited</b>
	<b>\$000</b>	<b>\$000</b>
New Zealand listed equity investments	574,850	526,523
<b>Total investments at fair value through profit or loss</b>	<b>574,850</b>	<b>526,523</b>

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All investments held by Kingfish are categorised as Level 1 in the fair value hierarchy. There have been no transfers between levels of the fair value hierarchy during the period (30 September 2020: none).

	<b>6 months</b>	<b>6 months</b>
	<b>ended</b>	<b>ended</b>
	<b>30/09/21</b>	<b>30/09/20</b>
	<b>unaudited</b>	<b>unaudited</b>
	<b>\$000</b>	<b>\$000</b>
<b>Net changes in fair value of investments</b>		
New Zealand listed equity investments	57,144	92,593
<b>Net changes in fair value of investments</b>	<b>57,144</b>	<b>92,593</b>

**Note 3 Operating Expenses**

Management fees (note 7)	3,575	2,625
Performance fees (note 7)	2,020	5,349
Administration services (note 7)	79	79
Directors' fees (note 7)	93	88
Brokerage	186	238
Investor relations and communications	110	90
Custody and accounting fees	44	46
NZX fees	35	30
Professional fees	31	11
Fees paid to the auditor:		
Statutory audit and review of financial statements <sup>1</sup>	26	19
Non-assurance services <sup>2</sup>	2	0
Regulatory expenses	13	9
Other operating expenses	23	18
<b>Total operating expenses</b>	<b>6,237</b>	<b>8,602</b>

<sup>1</sup> Statutory audit and review of financial statements include a fee of \$3,622 for additional work in respect of the financial statements for the year ended 31 March 2021.

<sup>2</sup> Non-assurance services relate to additional agreed upon procedures performed in respect of the performance fee calculation for the year ended 31 March 2021. No other fees were paid to the auditor.

**Note 4 Shareholders' Equity**

**Share Capital**

Kingfish has 316,293,071 fully paid ordinary shares on issue (31 March 2021: 312,037,141). All ordinary shares rank equally and have no par value. All shares carry an entitlement to dividends and one vote is attached to each fully paid ordinary share.

**Note 4 Shareholders' Equity (continued)**

**Dividends**

Kingfish has a distribution policy where 2% of average NAV is distributed each quarter. Dividends paid during the period comprised:

	<b>2021</b>	<b>Cents per</b>		<b>2020</b>	<b>Cents per</b>
	<b>\$000</b>	<b>share</b>		<b>\$000</b>	<b>share</b>
25 Jun 2021	11,233	3.60	26 Jun 2020	7,607	3.06
24 Sep 2021	11,060	3.52	25 Sep 2020	8,139	3.25
	<b>22,293</b>	<b>7.12</b>		<b>15,746</b>	<b>6.31</b>

**Dividend Reinvestment Plan**

Kingfish has a dividend reinvestment plan which provides ordinary shareholders with the option to reinvest all or part of any cash dividends in fully paid ordinary shares at a 3% discount to the five-day volume weighted average share price from the date the shares trade ex-entitlement. During the period ended 30 September 2021, 4,255,930 ordinary shares totalling \$8,347,770 (30 September 2020: 3,693,234 ordinary shares totalling \$5,939,852) were issued in relation to the plan for the quarterly dividends paid. To participate in the dividend reinvestment plan, a completed participation notice must be received by Kingfish before the next record date.

**Note 5 Earnings per Share**

	<b>6 months</b>	<b>6 months</b>
	<b>ended</b>	<b>ended</b>
	<b>30/09/21</b>	<b>30/09/20</b>
	<b>unaudited</b>	<b>unaudited</b>
	<b>\$000</b>	<b>\$000</b>
<b>Basic earnings per share</b>		
Profit attributable to shareholders of the Company (\$'000)	56,930	86,959
Weighted average number of ordinary shares on issue net of treasury stock ('000)	313,246	249,605
<b>Basic earnings per share</b>	<b>18.17c</b>	<b>34.84c</b>
<b>Diluted earnings per share</b>		
Profit attributable to shareholders of the Company (\$'000)	56,930	86,959
Weighted average number of ordinary shares on issue net of treasury stock ('000)	313,246	249,605
Diluted effect of warrants on issue ('000)	0	2,508
	313,246	252,113
<b>Diluted earnings per share</b>	<b>18.17c</b>	<b>34.49c</b>



**KINGFISH LIMITED**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021**

<b>Note 6 Reconciliation of Net Operating Profit after Tax to Net Cash Flows from Operating Activities</b>	<b>6 months ended 30/09/21 unaudited \$000</b>	<b>6 months ended 30/09/20 unaudited \$000</b>
<b>Net operating profit after tax</b>	<b>56,930</b>	<b>86,959</b>
<b>Items not involving cash flows</b>		
Unrealised gains on revaluation of listed equity investments	(41,877)	(73,698)
	<b>(41,877)</b>	<b>(73,698)</b>
<b>Impact of changes in working capital items</b>		
(Decrease)/increase in trade and other payables	(6,277)	5,432
(Increase)/decrease in trade and other receivables	(1,248)	1,467
	<b>(7,525)</b>	<b>6,899</b>
<b>Items relating to investments</b>		
Amount paid for purchases of listed equity investments	(31,005)	(46,993)
Amount received from sales of listed equity investments	37,622	46,978
Realised gains on listed equity investments	(15,267)	(18,895)
Decrease in unsettled purchases of listed equity investments	1,487	0
Increase/(decrease) in unsettled sales of listed equity investments	713	(1,416)
	<b>(6,450)</b>	<b>(20,326)</b>
<b>Net cash inflows/(outflows) from operating activities</b>	<b>1,078</b>	<b>(166)</b>

**Note 7 Related Party Information**



Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operational decisions.

**a. Fisher Funds Management Limited**

Fisher Funds Management Limited ("Fisher Funds" or "the Manager") is an entity that provides key management personnel services to Kingfish by virtue of its management agreement.

In return for the performance of its duties as Manager, Fisher Funds is paid the following the fees:

(i) *Management fee*: 1.25% (plus GST) per annum of the gross asset value, calculated weekly and payable monthly in arrears. The fee reduces if the Manager underperforms, thereby aligning the Manager's interests with those of the Kingfish shareholders. For every 1% underperformance (relative to the change in the NZ 90 Day Bank Bill Index) the management fee percentage is reduced by 0.1%, subject to a minimum 0.75% per annum management fee.

(ii) *Performance fee*: Fisher Funds may earn an annual performance fee of 10% plus GST of excess returns over and above the performance fee hurdle return (being the change in the NZ 90 Day Bank Bill Index plus 7%) subject to achieving the High Water Mark ("HWM"). The total performance fee amount is subject to a cap of 1.25% of the adjusted net asset value and is settled fully in cash.

The HWM is the dollar amount by which the net asset value per share exceeds the highest net asset value per share (after adjustment for capital changes and distributions) at the end of any previous calculation period in which a performance fee was payable, multiplied by the number of shares at the end of the period.

In accordance with the terms of the Management Agreement, when a performance fee is earned, it is paid within 60 days of the balance date.

**Note 7 Related Party Information (continued)**

**a. Fisher Funds Management Limited (continued)**

*(ii) Performance fee (continued)*

For the six months ended 30 September 2021, excess returns of \$19,904,627 were generated (30 September 2020: \$68,551,515) and the net asset value per share before the deduction of a performance fee was \$1.89 (30 September 2020: \$1.70), which exceeded the HWM after adjustment for capital changes and distributions of \$1.69 (30 September 2020: \$1.30). Accordingly, the Company has expensed a performance fee of \$2,020,320 in the Statement of Comprehensive Income for the six months ended 30 September 2021 (30 September 2020: \$5,348,702).

*(iii) Administration fee:* Fisher Funds provides corporate administration services and a fee is payable monthly in arrears.

<b>Fees earned, accrued and payable</b>	<b>6 months ended 30/09/21 unaudited \$000</b>	<b>6 months ended 30/09/20 unaudited \$000</b>
<b>Fees earned by and accrued to the Manager for the period ended 30 September</b>		
Management fees	3,575	2,625
Performance fees	2,020	5,349
Administration services	79	79
<b>Total fees earned by and accrued to the Manager</b>	<b>5,674</b>	<b>8,053</b>
	<b>30/09/21 unaudited \$000</b>	<b>31/03/21 audited \$000</b>
<b>Fees payable to the Manager at 30 September</b>		
Management fees	609	1,028
Performance fees	2,020	6,291
Administration services	13	26
<b>Total amount payable to the Manager</b>	<b>2,642</b>	<b>7,345</b>

**GST refund**

On 30 April 2021, Fisher Funds received a GST refund plus use of money interest (UOMI) from the Inland Revenue. The refund relates to the period 1 April 2004 to 31 July 2009 when the Manager applied 15% GST on management fees, when a subsequent assessment confirmed the Manager was only required to charge 1.5% GST on management fees. The total GST refund was \$1,413,475, being overcharged GST refunded of \$1,385,125 and UOMI of \$28,350.

The GST refund was received by Kingfish in May 2021.

The GST refund and UOMI are excluded from any performance fee calculation, consistent with how they have been treated in the past given they are not performance related income for the year.

**Transactions with other funds managed by Fisher Funds**

Off-market transactions between Kingfish and other funds managed by Fisher Funds take place for the purposes of rebalancing portfolios without incurring brokerage costs. These transactions are conducted after the market has closed on an arm's length basis. Purchases for the period ended 30 September 2021 totalled \$nil and sales totalled \$1,458,243 (30 September 2020: there were no purchases and there were no sales).

**Note 7 Related Party Information (continued)**

**b. Directors**

Kingfish considers its Board of Directors ("Directors") key management personnel. Kingfish does not have any employees.

During the period the Directors earned fees for their services of \$93,416 (September 2020: \$88,123). The Directors' fee pool is \$157,500 (plus GST, if any) for the year ended 31 March 2022 (31 March 2021: \$157,500 + GST). There were no Director fees payable at the end of the period (30 September 2020: nil).

The Directors held shares in the Company as at 30 September 2021 which total 0.1% of total shares on issue (31 March 2021: 4.5%). The reduction in Director shareholding is a result of changes in Directors during the period. The Directors do not hold any warrants as at 30 September 2021 (31 March 2021: nil).

Dividends of \$511,857 (30 September 2020: \$708,079) were also received by the Directors as a result of their shareholding during the period.

**Note 8 Net Asset Value**

The unaudited net asset value per share of Kingfish as at 30 September 2021 was \$1.88 (31 March 2021: \$1.77) calculated as the net assets of \$594,430,617 divided by the number of shares on issue of 316,293,071 (31 March 2021: net assets of \$551,446,689 and shares on issue of 312,037,141).

**Note 9 Subsequent Events**

On 18 October 2021 the directors of Kingfish announced that the Company would undertake a new pro rata offer of warrants to shareholders. On the record date (12 November 2021) shareholders were issued one warrant for every four shares held. In total, 79.1 million warrants were issued. The exercise price is \$2.03 less any dividends declared by the Company with a record date during the period commencing on the date of allotment of the warrants (15 November 2021) and up to the announcement of the final exercise price. The exercise date for the warrants is 18 November 2022.

On 22 November 2021, the Board declared a dividend of 3.67 cents per share. The record date for this dividend is 3 December 2021 with a payment date of 17 December 2021.

There were no other events which require adjustment to or disclosure in these interim financial statements.



## Independent auditor's review report

To the shareholders of Kingfish Limited

### Report on the interim financial statements

#### Our conclusion

We have reviewed the interim financial statements of Kingfish Limited (the Company), which comprise the statement of financial position as at 30 September 2021, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the six months ended on that date, and significant accounting policies and other explanatory information.

Based on our review, nothing has come to our attention that causes us to believe that these accompanying interim financial statements of the Company do not present fairly, in all material respects, the financial position of the Company as at 30 September 2021, and its financial performance and cash flows for the six months then ended, in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34) and New Zealand Equivalent to International Accounting Standard 34 *Interim Financial Reporting* (NZ IAS 34).

#### Basis for conclusion

We conducted our review in accordance with the New Zealand Standard on Review Engagements 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity* (NZ SRE 2410 (Revised)). Our responsibility is further described in the *Auditor's responsibility for the review of the interim financial statements* section of our report.

We are independent of the Company in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements. In addition to our role as auditor, our firm carries out agreed-upon procedures for the Company over performance fee calculations. The provision of these other services has not impaired our independence.

#### Directors' responsibility for the interim financial statements

The Directors of the Company are responsible, on behalf of the Company, for the preparation and fair presentation of these interim financial statements in accordance with IAS 34 and NZ IAS 34 and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of interim financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility for the review of the interim financial statements

Our responsibility is to express a conclusion on the interim financial statements based on our review. NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements, taken as a whole, are not prepared in all material respects, in accordance with IAS 34 and NZ IAS 34. A review of interim financial statements in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and International Standards on Auditing and consequently does not enable us to obtain assurance that we might identify in an audit. Accordingly, we do not express an audit opinion on these interim financial statements.



**Who we report to**

This report is made solely to the Company's shareholders, as a body. Our review work has been undertaken so that we might state to the Company's shareholders those matters which we are required to state to them in our review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the shareholders, as a body, for our review procedures, for this report, or for the conclusion we have formed.

The engagement partner on the review resulting in this independent auditor's review report is Philip Taylor.

For and on behalf of:

*PricewaterhouseCoopers*

Chartered Accountants  
22 November 2021

Auckland