

TABLE OF CONTENTS

Item No	Description	Page
A.	Condensed interim consolidated statement of profit or loss and other comprehensive income	2
B.	Condensed interim statements of financial position	3
C.	Condensed interim statements of changes in equity	4
D.	Condensed interim consolidated statement of cash flows	5
E.	Notes to the condensed interim consolidated financial statements	7
F.	Other information required by Listing Rule Appendix 7.2	18

A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Amounts expressed in thousands of Australian Dollar (“AU\$”) currency)

These statements for third quarter ended 31 March 2022 have not been audited.

	Notes	GROUP		+ / (-) %	GROUP		+ / (-) %
		3Q 2022 AU\$'000	3Q 2021 AU\$'000		9M 2022 AU\$'000	9M 2021 AU\$'000	
Revenue	4	56,823	50,721	12.0	175,843	138,970	26.5
Cost of sales		(51,464)	(45,645)	12.7	(158,484)	(125,359)	26.4
Gross profit		5,359	5,076	5.6	17,359	13,611	27.5
Gross margin		9.4%	10.0%		9.9%	9.8%	
Other operating income	5	111	234	(52.6)	320	170	88.2
Other operating costs		(2,226)	(1,997)	11.5	(7,156)	(5,892)	21.5
Administrative expenses	5	(1,351)	(1,017)	32.8	(4,584)	(2,793)	64.1
Impairment of receivables		-	(3)	N.M.	-	(207)	N.M.
Marketing and distribution expenses		(457)	(538)	(15.1)	(1,278)	(738)	73.2
Profit from operations		1,436	1,755	(18.2)	4,661	4,151	12.3
Finance costs	5	(1,252)	(1,560)	(19.7)	(4,058)	(2,788)	45.6
Profit before income tax	5	184	195	(5.6)	603	1,363	(55.8)
Income tax expense	6	(86)	(93)	(7.5)	(253)	(278)	(9.0)
Net profit for the period		98	102	(3.9)	350	1,085	(67.7)
Net profit %		0.2%	0.2%		0.2%	0.8%	
Profit for the period		98	102	(3.9)	350	1,085	N.M.
Items that are or may be reclassified subsequently to profit or loss:							
Currency translation differences		2,231	676	N.M.	632	4,236	N.M.
Other comprehensive income for the period		2,231	676	N.M.	632	4,236	N.M.
Total comprehensive income for the period		2,329	778	N.M.	982	5,321	N.M.
Earnings per ordinary share attributable to equity holders of the Company (AU\$ cents per share)							
- basic	7	0.00	0.00	N.M.	0.01	0.04	(67.8)
- diluted	7	0.00	0.00	N.M.	0.01	0.04	(67.8)

N.M. not meaningful

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Notes	Group As at 31/03/2022 AU\$'000	Group As at 30/06/2021 AU\$'000	Company As at 31/03/2022 AU\$'000	Company As at 30/06/2021 AU\$'000
CURRENT ASSETS					
Cash and cash equivalents		7,471	8,669	57	52
Trade receivables and contract assets		55,892	55,084	-	-
Other receivables and prepayments		4,847	5,276	884	928
Inventories		1,837	2,576	-	-
Total current assets		70,047	71,605	941	980
NON-CURRENT ASSETS					
Property, plant and equipment		55,914	60,148	-	-
Goodwill		10,994	10,994	-	-
Other intangible assets		13,244	14,067	-	-
Due from subsidiaries		-	-	160	155
Investments in subsidiaries		-	-	89,807	90,604
Total non-current assets		80,152	85,209	89,967	90,759
Total assets		150,199	156,814	90,908	91,739
CURRENT LIABILITIES					
Trade payables		8,651	7,578	-	-
Other payables		15,893	23,841	779	756
Due to subsidiaries		-	-	7,060	19,034
Borrowings	9	39,142	2,071	39,109	-
Lease liabilities		2,531	2,771	-	-
Accruals for other liabilities and charges		5,621	4,188	-	-
Total current liabilities		71,838	40,449	46,948	19,790
NON-CURRENT LIABILITIES					
Deferred income tax liabilities		491	496	-	-
Borrowings	9	25,066	63,978	25,066	63,951
Lease liabilities		10,096	11,426	-	-
Accruals for other liabilities and charges		532	532	-	-
Total non-current liabilities		36,185	76,432	25,066	63,951
Total liabilities		108,023	116,881	72,014	83,741
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	10	217,005	216,759	217,005	216,759
Capital reserve		(163)	(163)	(163)	(163)
Share-based payment reserve		6,678	5,663	6,678	5,663
Foreign currency translation reserve		19,224	18,592	26,277	26,531
Accumulated losses		(200,568)	(200,918)	(230,903)	(240,792)
Total equity		42,176	39,933	18,894	7,998
Total liabilities and equity		150,199	156,814	90,908	91,739

C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

Group	SHARE	CAPITAL	SHARE-	FOREIGN	ACCUMULATED	TOTAL
	CAPITAL	RESERVE	PAYMENT	CURRENCY		
	AU\$'000	AU\$'000	RESERVE	TRANSLATION	LOSSES	EQUITY
	AU\$'000	AU\$'000	AU\$'000	RESERVE	AU\$'000	AU\$'000
9M 2022						
Balance as at 1 July 2021	216,759	(163)	5,663	18,592	(200,918)	39,933
Profit for the period	-	-	-	-	252	252
Other comprehensive loss	-	-	-	(1,599)	-	(1,599)
Shares issued through employee share schemes	246	-	(246)	-	-	-
Employee share and option scheme expense	-	-	582	-	-	582
Balance as at 31 December 2021	217,005	(163)	5,999	16,993	(200,666)	39,168
Profit for the period	-	-	-	-	98	98
Other comprehensive income	-	-	-	2,231	-	2,231
Employee share and option scheme expense	-	-	679	-	-	679
Balance as at 31 March 2022	217,005	(163)	6,678	19,224	(200,568)	42,176
9M 2021						
Balance as at 1 July 2020	216,349	(163)	5,848	15,106	(202,120)	35,020
Profit for the period	-	-	-	-	983	983
Other comprehensive income	-	-	-	3,560	-	3,560
Balance as at 31 December 2020	216,349	(163)	5,848	18,666	(201,137)	39,563
Profit for the period	-	-	-	-	102	102
Other comprehensive income	-	-	-	676	-	676
Shares issued through employee share schemes	410	-	(410)	-	-	-
Balance as at 31 March 2021	216,759	(163)	5,438	19,342	(201,035)	40,341
Company						
9M 2022						
Balance as at 1 July 2021	216,759	(163)	5,663	26,531	(240,792)	7,998
Loss for the period	-	-	-	-	(3,208)	(3,208)
Other comprehensive income	-	-	-	218	-	218
Shares issued through employee share schemes	246	-	(246)	-	-	-
Employee share and option scheme expense	-	-	582	-	-	582
Balance as at 31 December 2021	217,005	(163)	5,999	26,749	(244,000)	5,590
Profit for the period	-	-	-	-	13,097	13,097
Other comprehensive loss	-	-	-	(472)	-	(472)
Employee share and option scheme expense	-	-	679	-	-	679
Balance as at 31 March 2022	217,005	(163)	6,678	26,277	(230,903)	18,894
9M 2021						
Balance as at 1 July 2020	216,349	(163)	5,848	27,564	(229,525)	20,073
Loss for the period	-	-	-	-	(8,875)	(8,875)
Other comprehensive loss	-	-	-	(259)	-	(259)
Balance as at 31 December 2020	216,349	(163)	5,848	27,305	(238,400)	10,939
Loss for the period	-	-	-	-	(1,368)	(1,368)
Other comprehensive loss	-	-	-	(895)	-	(895)
Shares issued through employee share schemes	410	-	(410)	-	-	-
Balance as at 31 March 2021	216,759	(163)	5,438	26,410	(239,768)	8,676

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	GROUP 3Q 2022 AU\$'000	GROUP 3Q 2021 AU\$'000	GROUP 9M 2022 AU\$'000	GROUP 9M 2021 AU\$'000
Cash flows from operating activities				
Profit after taxation	98	102	350	1,085
Add / (less) adjustments for:				
Depreciation of property, plant and equipment	890	991	2,770	3,073
Amortisation of intangible assets	310	220	863	640
Depreciation of right-of-use assets	735	692	2,154	1,883
Employee share and share option scheme expense	679	-	1,261	-
Impairment loss on trade receivables	-	3	-	207
Net foreign exchange differences	(71)	(192)	467	(284)
(Profit)/loss on sale of property, plant and equipment	(57)	(196)	(176)	27
Interest income	(6)	(8)	(11)	(62)
Finance costs	1,252	1,560	4,058	2,788
Income tax expense	86	93	253	278
Operating cash flows before working capital changes	3,916	3,265	11,989	9,635
Changes in operating assets and liabilities				
Trade receivables and contract assets	(4,790)	(6,985)	(807)	(11,525)
Other receivables and prepayments	786	1,156	428	867
Inventories	247	350	740	859
Trade payables	1,085	1,107	1,073	524
Accruals and other payables	(3,568)	(2,896)	(6,520)	433
Cash (used in)/generated from operations	(2,324)	(4,003)	6,903	793
Interest paid	(753)	(813)	(2,607)	(2,257)
Interest received	6	8	11	62
Income tax paid	(82)	(93)	(251)	(278)
Net cash (used in)/generated from operating activities	(3,153)	(4,901)	4,056	(1,680)
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment	27	86	455	457
Purchase of property, plant and equipment	(289)	(396)	(788)	(1,040)
Purchase of other intangible assets	-	(41)	-	(99)
Net cash used in investing activities	(262)	(351)	(333)	(682)

D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	GROUP 3Q 2022 AU\$'000	GROUP 3Q 2021 AU\$'000	GROUP 9M 2022 AU\$'000	GROUP 9M 2021 AU\$'000
Cash flows from financing activities				
Repayment of insurance / software funding	(6)	(605)	(2,525)	(3,695)
Proceeds from insurance / software funding	-	-	367	1,966
Repayment of borrowings	-	-	-	(5,000)
Payment of lease liabilities	(928)	(879)	(2,759)	(2,435)
Withhold of restricted cash	-	-	(2,444)	-
Net cash used in financing activities	(934)	(1,484)	(7,361)	(9,164)
Net decrease in cash and cash equivalents	(4,349)	(6,736)	(3,638)	(11,526)
Effect of exchange rate fluctuations on cash held	(8)	(20)	(4)	(3)
Net decrease in cash held	(4,357)	(6,756)	(3,642)	(11,529)
Cash and cash equivalents at beginning of period	8,521	16,315	7,806	21,088
Cash and cash equivalents at end of period	4,164	9,559	4,164	9,559
Cash and cash equivalents represented by				
Cash and bank balances	7,471	11,272	7,471	11,272
*Restricted cash	(3,307)	(1,713)	(3,307)	(1,713)
Total cash and cash equivalents at end of period	4,164	9,559	4,164	9,559

*The amount represents cash securities held for bank guarantees issued.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

AusGroup Limited (the “Company”) is a limited liability company domiciled and incorporated in Singapore and its shares are publicly traded on the Singapore Exchange. The condensed interim consolidated financial statements as at and for the nine months ended 31 March 2022 comprise the Company and its subsidiaries (collectively, the Group). The principal activity of the Company is that of an investment holding company.

The principal activities of the Group are to:

- provide preventative and breakdown maintenance services;
- provide construction services;
- provide access services;
- provide fabrication and manufacturing services; and
- provide port and marine services.

2. Basis of preparation

The condensed interim financial statements as at and for the nine months ended 31 March 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual audited financial statements for the year ended 30 June 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

Whilst the Company’s functional currency is the Singaporean Dollar, the condensed interim financial statements are presented in Australian Dollars (“AU\$”) which, in the opinion of management, is the most appropriate presentation currency as the Group’s principal assets and operations are in Australia and the majority of its operations are conducted in AU\$.

2.1. New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Impairment of trade receivables

The Group has elected to measure loss allowances for trade and other receivables including contract assets at an amount equal to lifetime ECLs ("Expected Credit Losses"). The Group considers a financial asset to be in default when the financial asset is more than 120 days past its due date. ECLs are a probability weighted estimate (based on the Group's historical experience) measured as the present value of all cash shortfalls on default financial assets taking into account both quantitative and qualitative information and analysis. Factors considered in individual assessment are payment history, past due status and term.

Construction contracts

For services and construction contracts the standard provides a higher threshold for recognition of variations, claims and incentives which only allows revenue from variations and claims to be recognised to the extent they are approved or enforceable under the contract. The amount of revenue is then recognised to the extent it is highly probable that a significant reversal of revenue will not occur. In making this assessment, judgement is required to be exercised based on a number of factors including nature of the claim, formal or informal acceptance by the customer of the validity of the claim, stage of negotiations, or the historical outcome of similar claims to determine whether the enforceable and "highly probable" threshold has been met.

Impairment of amounts due from subsidiaries and investments in subsidiaries

The Company assesses the recoverability of loans due from subsidiary undertakings as at the reporting date based on an assessment of the ability of each entity to repay the balance owing and also assesses the carrying value of investments in subsidiaries where indicators of impairment are identified. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss (if any).

2.2. Use of judgements and estimates (Continued)

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

Impairment of cash generating units (“CGUs”)

SFRS (I) 1-36 Impairment of Assets requires the Group to test goodwill for impairment at least annually and to test other assets for impairment when evaluation of indicators specific to the Group indicates that there is a potential impairment to property, plant and equipment and other intangible assets. These indicators include significant changes in asset usage, significant decline in assets’ market value, obsolescence or physical damage of an asset, significant underperformance relative to the expected historical or future operating results and significant negative industry or economic trends.

The Group estimates the recoverable amount as the higher of the fair value less costs of disposal and the value-in-use. In performing these valuations, the Group is required to make estimates and assumptions that may affect the resultant valuation of each of these categories of asset. If the CGUs are considered to be impaired, the impairment loss is recognised to an amount equal to the excess of the carrying value of the asset over its recoverable amount.

Construction contracts

The Group recognises revenue using the measure of progress that best reflects the Group’s performance in satisfying the performance obligation within the contracts over time. The different methods of measuring progress include an input method (e.g. costs incurred) or an output method (e.g. milestones reached). The same method of measuring progress will be consistently applied to similar performance obligations.

Amounts due from contract customers in the balance sheet include uncertified revenue that has been recognised through the statement of comprehensive income in current and prior periods in respect of claims and variation orders on projects. In estimating the amount of uncertified revenue recognised, the Group has relied on past experience and the work of specialists namely project managers and, as required, external consultants. If the uncertified revenue increases/decreases by 5% from management’s estimates as at 31 March 2022, the Group’s profit before income tax will increase/decrease by approximately AU\$1.2 million (30 June 2021: AU\$1.3 million).

Revenue from variations in the contract work and claims is recognised in accordance with the Group’s accounting policy on construction contracts.

Due to the level of uncertainty associated with the calculation of estimated total contract costs, and therefore, percentage of contract completion, it is reasonably possible that material adjustments could be required to revenue and contract margins if the eventual outcomes differ from management’s assumptions which cannot be recovered from contract claims under the terms of the contract.

Where it is probable that a loss will arise on a long-term contract, the excess of total expected contract costs over total contract revenue is recognised as an expense immediately.

3. Seasonal operations

The Group’s businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

The Group is organised into the following main business segments:

- Maintenance Services.
- Projects.
- Access Services.
- Fabrication & Manufacturing.
- Port & Marine Services.

4.1 Reportable segments

9M 2022	Maintenance Services AU\$'000	Projects AU\$'000	Access Services AU\$'000	Fabrication & Manufacturing AU\$'000	Port & Marine Services AU\$'000	Corporate / Unallocated AU\$'000	Total AU\$'000
REVENUE							
Revenue from external customers	110,146	23,523	21,574	18,577	2,023	-	175,843
RESULTS							
Adjusted EBITDA and impairment	7,366	574	2,659	1,804	(1,328)	(638)	10,437
Depreciation and amortisation	-	(4)	(1,792)	(968)	(2,000)	(1,023)	(5,787)
Interest income	-	-	-	-	-	11	11
Finance cost	-	-	(44)	(74)	(3,589)	(351)	(4,058)
Profit/(loss) before tax	7,366	570	823	762	(6,917)	(2,001)	603
31 March 2022							
ASSETS							
Reportable segment assets	30,169	12,319	34,148	12,370	48,130	13,063	150,199
Additions to non-current assets (other than financial assets and deferred tax)	-	-	312	90	295	91	788
LIABILITIES							
Reportable segment liabilities	12,030	1,043	3,917	6,472	13,605	70,956	108,023
9M 2021							
REVENUE							
Revenue from external customers	80,167	20,873	13,623	21,698	2,609	-	138,970
RESULTS							
Adjusted EBITDA and impairment	5,078	2,601	1,150	979	(544)	628	9,892
Depreciation and amortisation	-	(4)	(1,724)	(813)	(1,978)	(1,077)	(5,596)
Interest income	-	-	1	-	-	61	62
Finance cost	-	-	(34)	(70)	(2,361)	(323)	(2,788)
Impairment losses	(6)	-	(201)	-	-	-	(207)
Profit/(loss) before tax	5,072	2,597	(808)	96	(4,883)	(711)	1,363
30 June 2021							
ASSETS							
Reportable segment assets	32,990	2,966	37,271	17,074	50,134	16,379	156,814
Additions to non-current assets (other than financial assets and deferred tax)	-	-	2,702	136	385	2,051	5,274
LIABILITIES							
Reportable segment liabilities	9,262	650	4,605	3,703	17,014	81,647	116,881

4.2 Disaggregation of revenue

3Q 2022	Maintenance Services AU\$'000	Projects AU\$'000	Access Services AU\$'000	Fabrication AU\$'000	Port & Marine Services AU\$'000	Total AU\$'000
Types of goods or service:						
Contract revenue	35,632	6,886	4,801	7,087	-	54,406
Sale of goods	-	-	(120)	-	-	(120)
Hire revenues	-	-	2,124	-	-	2,124
Port & Marine services	-	-	-	-	413	413
Total revenue	35,632	6,886	6,805	7,087	413	56,823
Timing of revenue recognition:						
Over time	35,632	6,886	6,925	7,087	-	56,530
At a point in time	-	-	(120)	-	413	293
Total revenue	35,632	6,886	6,805	7,087	413	56,823
Geographical information:						
Australia	35,632	6,886	5,550	7,087	413	55,568
Singapore	-	-	383	-	-	383
Thailand	-	-	872	-	-	872
Total revenue	35,632	6,886	6,805	7,087	413	56,823
3Q 2021						
3Q 2021	Maintenance Services AU\$'000	Projects AU\$'000	Access Services AU\$'000	Fabrication AU\$'000	Port & Marine Services AU\$'000	Total AU\$'000
Types of goods or service:						
Contract revenue	29,697	7,522	3,906	6,784	-	47,909
Sale of goods	-	-	21	-	-	21
Hire revenues	-	-	1,869	-	-	1,869
Port & Marine services	-	-	-	-	922	922
Total revenue	29,697	7,522	5,796	6,784	922	50,721
Timing of revenue recognition:						
Over time	29,697	7,522	5,775	6,784	-	49,778
At a point in time	-	-	21	-	922	943
Total revenue	29,697	7,522	5,796	6,784	922	50,721
Geographical information:						
Australia	29,697	7,522	4,908	6,784	922	49,833
Singapore	-	-	246	-	-	246
Thailand	-	-	642	-	-	642
Total revenue	29,697	7,522	5,796	6,784	922	50,721

4.2 Disaggregation of revenue (continued)

	Maintenance Services	Projects	Access Services	Fabrication	Port & Marine Services	Total
9M 2022	AU\$'000	AU\$'000	AU\$'000	AU\$'000	AU\$'000	AU\$'000
Types of goods or service:						
Contract revenue	110,146	23,523	15,242	18,577	-	167,488
Sale of goods	-	-	11	-	-	11
Hire revenues	-	-	6,321	-	-	6,321
Port & Marine services	-	-	-	-	2,023	2,023
Total revenue	110,146	23,523	21,574	18,577	2,023	175,843
Timing of revenue recognition:						
Over time	110,146	23,523	21,563	18,577	269	174,078
At a point in time	-	-	11	-	1,754	1,765
Total revenue	110,146	23,523	21,574	18,577	2,023	175,843
Geographical information:						
Australia	110,146	23,523	18,313	18,577	2,023	172,582
Singapore	-	-	1,149	-	-	1,149
Thailand	-	-	2,112	-	-	2,112
Total revenue	110,146	23,523	21,574	18,577	2,023	175,843
9M 2021						
	Maintenance Services	Projects	Access Services	Fabrication	Port & Marine Services	Total
9M 2021	AU\$'000	AU\$'000	AU\$'000	AU\$'000	AU\$'000	AU\$'000
Types of goods or service:						
Contract revenue	80,167	20,873	9,205	21,698	-	131,943
Sale of goods	-	-	35	-	-	35
Hire revenues	-	-	4,383	-	-	4,383
Port & Marine services	-	-	-	-	2,609	2,609
Total revenue	80,167	20,873	13,623	21,698	2,609	138,970
Timing of revenue recognition:						
Over time	80,167	20,873	13,588	21,698	-	136,326
At a point in time	-	-	35	-	2,609	2,644
Total revenue	80,167	20,873	13,623	21,698	2,609	138,970
Geographical information:						
Australia	80,167	20,873	12,079	21,698	2,609	137,426
Singapore	-	-	603	-	-	603
Thailand	-	-	941	-	-	941
Total revenue	80,167	20,873	13,623	21,698	2,609	138,970

5. Profit before income tax
5.1 Significant items

	GROUP		+ / (-) %	GROUP		+ / (-) %
	3Q 2022	3Q 2021		9M 2022	9M 2021	
	AU\$'000	AU\$'000	AU\$'000	AU\$'000		
Other operating income						
Interest income	6	8	(25.0)	11	62	(82.3)
Profit/(loss) on sale of property, plant and equipment	57	196	N.M.	176	(27)	N.M.
Other income	52	32	62.5	153	141	8.5
Foreign exchange loss	(4)	(2)	N.M.	(20)	(6)	N.M.
Total other operating income	111	234	N.M.	320	170	N.M.
Amortisation and depreciation						
Depreciation of property, plant & equipment included in cost of sales	719	760	(5.4)	2,226	2,330	(4.5)
Depreciation of right-of-use assets included in cost of sales	330	286	15.4	938	673	39.4
Amortisation of intangible assets included in cost of sales	77	78	(1.3)	232	232	N.M.
Depreciation of property, plant & equipment included in administrative expenses	171	231	(26.0)	544	743	(26.8)
Depreciation of right-of-use assets included in administrative expenses	405	406	(0.2)	1,216	1,210	0.5
Amortisation of intangible assets included in administrative expenses	233	142	64.1	631	408	54.7
Total amortisation and depreciation	1,935	1,903	1.7	5,787	5,596	3.4
Employee share and share option scheme expense	679	-	N.M.	1,261	-	N.M.
Australia Federal Government subsidy for COVID-19 relief						
Subsidy included in cost of sales	-	989	N.M.	-	4,636	N.M.
Subsidy included in administrative expenses	-	408	N.M.	-	1,692	N.M.
Total Australia Federal Government subsidy for COVID-19 relief	-	1,397	N.M.	-	6,328	N.M.
Finance costs						
Note interest	768	763	0.7	2,306	2,112	9.2
Bank and other interest	10	86	(88.4)	222	258	(14.0)
Shareholder loan interest	128	117	9.4	385	371	3.8
Bank fees	16	12	33.3	38	24	58.3
Bank guarantee fees	41	7	N.M.	75	39	92.3
Lease-related interest expenses	312	262	19.1	795	764	4.1
Foreign exchange (gain)/loss on shareholder loan	(23)	313	N.M.	237	(780)	N.M.
Total finance costs	1,252	1,560	N.M.	4,058	2,788	45.6

5.2. Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

6. Income tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	GROUP			GROUP		
	3Q 2022	3Q 2021		9M 2022	9M 2021	
	AU\$'000	AU\$'000		AU\$'000	AU\$'000	
Current income tax expense	(56)	(63)	(11.1)	(163)	(188)	(13.3)
Current withholding tax expense	(30)	(30)	N.M.	(90)	(90)	N.M.
Total income tax expense	(86)	(93)	(7.5)	(253)	(278)	(9.0)

7. Earnings per ordinary share

	GROUP	GROUP	GROUP	GROUP
	3Q 2022	3Q 2021	9M 2022	9M 2021
	AU\$'000	AU\$'000	AU\$'000	AU\$'000
Profit attributable to owners of the Company	98	102	350	1,085
Weighted average number of ordinary shares in issue				
- Basic ('000)	3,066,299	3,062,614	3,066,299	3,062,614
- Diluted ('000)	3,066,299	3,063,230	3,066,299	3,063,230
Earnings per ordinary share (AU cents)				
- Basic	0.00	0.00	0.01	0.04
- Diluted	0.00	0.00	0.01	0.04

Basic earnings per share is calculated by dividing the consolidated profit after tax attributable to the equity holders of the Company by the weighted average of the number of shares outstanding during the period.

For the purposes of calculating diluted earnings per share, the weighted average number of shares on issue has been adjusted as if all dilutive share options and share awards were exercised. The number of shares that could have been issued upon the exercise of all dilutive shares is added to the denominator as the number of shares issued for no consideration. No adjustment is made to the profit after taxation.

8. Net Asset Value

	GROUP	GROUP	COMPANY	COMPANY
	31/03/2022	30/06/2021	31/03/2022	30/06/2021
	AU\$'000	AU\$'000	AU\$'000	AU\$'000
Net assets	42,176	39,933	18,894	7,998
Net asset value per ordinary share based on issued share capital at the end of the respective periods (AU cents)	1.4	1.3	0.6	0.3

Net asset value per ordinary share is calculated by dividing the net assets attributable to the entity holders of the Company by the number of issued shares as at 31 March 2022 of 3,073,230,431 ordinary shares (30 June 2021: 3,063,230,431).

9. Borrowings

	31/03/2022		30/06/2021	
	AU\$'000	AU\$'000	AU\$'000	AU\$'000
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	39,142	-	2,071	-
Amount repayable after one year	-	25,066	39,309	24,669

Borrowings Summary

	31/03/2022	30/06/2021
	AU\$'000	AU\$'000
Multi Currency Notes	39,109	39,282
Shareholder Loan	25,066	24,669
Insurance / software funding	33	2,098
Total borrowings	<u>64,208</u>	<u>66,049</u>

(a) Loan facilities

Multi Currency Notes ("Notes")

The Notes (AU\$39.1m) are classified as current liability and are secured. The decrease in the liability is due to exchange rate fluctuations as the debt is denominated in Singapore dollars.

The maturity date of the Notes is 3 December 2022 and interest is paid monthly at a rate of 7% per annum from 3 December 2020.

DBS Bank Ltd facilities

DBS also provides bank guarantee facilities to the Group to support performance bonds and financial guarantees provided to the Group's clients. As at 31 March 2022, AU\$0.8m was drawn under this facility.

Loan from related party (shareholder loan)

The repayment date of the loan from Ezion Holdings Limited ("Ezion") is not until after 31 October 2023 hence the loans are classified as a non-current liability. At 31 March 2022 the amount owing on the loan was AU\$25.1m (30 June 2021: AU\$24.7m) and is unsecured. The increase in liability is due to the adverse foreign exchange rate movement between the US dollar and the Australian dollar (as the loan is denominated in United States dollars) and the capitalisation of interest expenses during the period. The interest rate applicable to this loan is 2% per annum.

9. Borrowings (continued)

Surety bond facility from Vero

The Group holds a AU\$30.0m Surety bond facility with Vero to ensure the Group maintains its bonding capacity for bid bonds, performance bonds and financial guarantees. At 31 March 2022, AU\$9.4m was drawn under this facility.

(b) Security pledged and financial covenants

Multi Currency Notes ("Notes")

Notes are secured, on a shared first ranking basis, against all property and assets of NT Port and Marine Pty Ltd on a fixed and floating basis and 100% of the shares of Ezion Offshore Logistics Hub Pte. Ltd ("EOLH") pursuant to a share charge.

In accordance with the Noteholder vote in favour of the Consent Solicitation Exercise ("CSE") on 19 October 2018, the Group renegotiated the terms of the Notes and added two financial covenants being:

- (i) the ratio of its Consolidated Secured Debt to its Consolidated Total Assets shall not at any time exceed 0.75:1; and
- (ii) the ratio of its Consolidated earnings before interest, tax, depreciation, amortisation and impairment ("EBITDA") to its Consolidated Interest Expense in respect of any Test Period shall not be less than 1.75:1 for that Test Period (the Debt Service Ratio).

The financial covenants on the Multi Currency notes are tested half-yearly at the December and June periods. As at 31 March 2022, the Group has complied with the financial covenants on its Multi Currency notes.

DBS Bank Ltd facilities

The Group has complied with the financial covenants on its DBS Bank Ltd facilities.

10. Share capital

	31-Mar-22	30-Jun-21
	Number of shares	Number of shares
Number of issued shares		
Opening balance	3,063,230,431	3,048,230,431
Shares issued through employee share schemes	10,000,000	15,000,000
Closing balance	<u>3,073,230,431</u>	<u>3,063,230,431</u>
	31-Mar-22	30-Jun-21
	AU\$'000	AU\$'000
Ordinary shares issued and fully paid		
Opening balance	216,759	216,349
Shares issued through employee share schemes	246	410
Closing balance	<u>217,005</u>	<u>216,759</u>

As at 31 March 2022 there were no outstanding options (30 June 2021: Nil) for unissued ordinary shares under the employee share option scheme.

As at 31 March 2022 there were 95,500,000 outstanding rights (30 June 2021: 72,000,000) that may potentially be converted to shares under the employee share scheme.

As at 31 March 2022 and 30 June 2021 respectively there were no treasury shares held by the Company.

11. Other contingent liabilities

The Group has the normal contractor's liability related to project activity. Potential liability may arise from claims, dispute and/or litigation against Group companies and/or joint venture arrangements in which the Group has an interest.

12. Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2**1. Review**

The condensed consolidated statements of financial position of AusGroup Limited and its subsidiaries as at 31 March 2022 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statements of changes in equity and condensed consolidated statement of cash flows for the nine months period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group**A Review of Statement of Profit or Loss****3Q FY2022 v 3Q FY2021**

Revenue for the third quarter of FY2022 increased by 12.0% to AU\$56.8m (3Q FY2021: AU\$50.7m) and cost of sales for the third quarter increased by 12.7% to AU\$51.5m (3Q FY2021: AU\$45.6m), reflecting the recovery from the effects of the impact of COVID-19 to a more normal activity level.

Gross profit increased to AU\$5.4m for the third quarter (3Q FY2021: AU\$5.1m), with the gross profit margin of 9.4%, mainly resulting from increase of sales as the effect of COVID-19 was largely removed.

Other operating income has decreased to AU\$0.1m (3Q FY2021: AU\$0.2m) mainly due to less sales of property, plant and equipment during the quarter.

Other operating costs increased by 11.5% to AU\$2.2m (3Q FY2021: AU\$2.0m) and administrative expenses increased by AU\$0.3m to AU\$1.3m (3Q FY2021: AU\$1.0m) which was in line with the level of operating activity considering the impact of the COVID-19 subsidy in 3Q FY2021 of AU\$0.4m.

Marketing and distribution expenses decreased by 15.1% to AU\$0.5m (3Q FY2021: AU\$0.5m).

Finance costs have decreased by AU\$0.3m to AU\$1.3m (3Q FY2021: AU\$1.6m) mainly due to the favourable effect of foreign exchange rate movements between the US dollar and the Australian dollar in relation to the shareholder loan denominated in US dollar which resulted in a gain on exchange of AU\$0.02m (3Q FY2021: loss of AU\$0.3m).

For details of income tax, please refer to Section E, note 6.

Net profit for the quarter after tax from operations is AU\$0.1m (3Q FY2021: AU\$0.1m).

9M FY2022 v 9M FY2021

Revenue for the nine months of FY2022 increased by 26.5% to AU\$175.8m (9M FY2021: AU\$139.0m) and cost of sales for the nine months increased by 26.4% to AU\$158.5m (9M FY2021: AU\$125.4m), reflecting the recovery from the effects of the impact of COVID-19 to a more normal activity level.

Gross profit increased to AU\$17.4m for the nine months (9M FY2021: AU\$13.6m), with the gross profit margin of 9.9%, mainly resulting from increased operating efficiencies across all business sectors.

Other operating income has increased to AU\$0.3m (9M FY2021: AU\$0.2m) mainly due to gain on disposal of property, plant and equipment of AU\$0.2m.

Other operating costs increased by 21.5% to AU\$7.2m (9M FY2021: AU\$5.9m) and administrative expenses increased by AU\$1.8m to AU\$4.6m (9M FY2021: AU\$2.8m) which was in line with the level of operating activity considering the impact of the COVID-19 subsidy in 9M FY2021 of AU\$1.7m.

2. Review of performance of the Group (continued)

A Review of Statement of Profit or Loss (continued)

Marketing and distribution expenses have increased to AU\$1.3m (9M FY2021: AU\$0.7m) due to increased new work tender activity in the nine months.

Finance costs have increased by AU\$1.3m to AU\$4.1m (9M FY2021: AU\$2.8m) mainly due to the adverse effect of foreign exchange rate movement between the US dollar and the Australian dollar in relation to the shareholder loan denominated in US dollar which resulted in a loss on exchange of AU\$0.2m (9M FY2021: gain of AU\$0.8m) and the increase in Multi Currency Notes interest rate from 6% to 7% in December 2020.

For details of income tax, please refer to Section E, note 6.

Net profit for the nine months after tax from operations is AU\$0.4m (9M FY2021: AU\$1.1m).

B Review of Statement of Financial Position

GROUP

Assets

Cash and bank balances decreased by AU\$1.2m to AU\$7.5m at 31 March 2022 (30 June 2021: AU\$8.7m) mainly due to repayment of insurance/software funding and repayment of outstanding balance of A\$3.1m to a major creditor during the period.

Trade receivables balance increased by AU\$0.1m since 30 June 2021 to AU\$55.9m at 31 March 2022, reflecting increase amounts due from customers as work programmes increase after the impact of COVID-19 offset by cash received from work in progress positions on major contracts.

Inventories decreased by AU\$0.7m since 30 June 2021, with the majority of inventory now related to marine fuel for sale by the NT Port and Marine business. The decrease was due to the sale of fuel during the period.

Non-current assets have decreased AU\$5.1m since 30 June 2021 to AU\$80.2m mainly due to the depreciation and amortisation on property, plant and equipment.

Liabilities

The trade payables balance increased by AU\$1.1m since 30 June 2021 to AU\$8.7m at 31 March 2022 in line with the increase in work activities since the comparable quarter.

Other payables decreased by AU\$7.9m since 30 June 2021 to AU\$15.9m as the Group has paid down the outstanding amount for payroll and GST related statutory obligations and repayment of outstanding balance of AU\$3.1m to a major creditor in the period.

Current accruals for other liabilities mainly consisted of accruals for annual leave, rostered day off, sick leave and current long service leave. The current accrual balance increased by AU\$1.4m from 30 June 2021 which aligns with the increase of operating activities level in the period. Non-current accruals comprised long-term long service leave balance.

Total borrowings decreased overall by AU\$1.8m since 30 June 2021 to AU\$64.2m due to repayment of insurance/software funding offset by the adverse foreign currency rate movement of the Australian dollar against US dollar and Singapore dollar which resulted in higher outstanding balances in both the shareholder loan.

2. Review of performance of the Group (continued)

As at 31 March 2022, the Group was in a net current liability position of AU\$1.8m and net assets were AU\$42.2m (refer to General on page 23). The Group has sufficient cash resources and banking facilities available to meet the financing needs of its operations.

COMPANY Liabilities

During the period, the Company has received a dividend of AU\$15.0m from its wholly owned subsidiary, AusGroup of Companies Pty Ltd. Amounts due to subsidiaries has decreased by AU\$12.0m since 30 June 2021 reflecting the receipt from the dividend offset by intercompany funding provided during the period.

C Review of Statement of Cash Flows

3Q FY2022 v 3Q FY2021

Operating activities of the Group has generated a net cash outflow of AU\$3.2m for 3Q FY2022, an decrease from the corresponding quarter in FY2021 (net cash outflow of AU\$4.9m). The decrease was mainly due to receipt of payments from customers and increase in operating activities offset by a repayment of outstanding balance of A\$2.5m to a major creditor during the quarter.

Net cash outflows of AU\$0.3m incurred from investing activities in 3Q FY2022 was due to purchases of property, plant and equipment of AU\$0.3m offset by proceeds from disposal of property, plant and equipment of AU\$0.03m.

Net cash used in financing activities was AU\$0.9m in 3Q FY2022, reflecting the net outflow for repayments of lease liabilities of AU\$0.9m.

As a result of the above activities, the Group recorded an decrease in cash and cash equivalents of AU\$4.3m to AU\$4.2m at 31 March 2022.

9M FY2022 v 9M FY2021

Operating activities of the Group generated a net cash inflow of AU\$4.1m for 9M FY2022, an increase from the corresponding nine months in FY2021 (net cash outflow of AU\$1.7m). The increase was mainly due to receipt of payments from customers and increase in operating activities.

Net cash outflow of AU\$0.3m incurred from investing activities in 9M FY2022 was due to purchase of property, plant and equipment of AU\$0.8m offset by proceeds from disposal of property, plant and equipment of AU\$0.5m.

Net cash used in financing activities was AU\$7.4m in 9M FY2022, reflecting the net outflow of insurance funding of AU\$2.5m, withholding of restricted cash of AU\$2.4m to support bank guarantees and repayments of lease liabilities of AU\$2.8m.

As a result of the above activities, the Group recorded a decrease in cash and cash equivalents of AU\$3.6m to AU\$4.2m at 31 March 2022.

3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

4. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion (pursuant to SGX rulebook - Appendix 7.2 Financial statements and dividend announcement (3A) :-

(a) Updates on the efforts taken to resolve each outstanding audit issue.

The Group's auditors qualified their audit opinion for the year ended 30 June 2021 as they were unable to determine whether any adjustments were necessary in respect of the Group's opening carrying amounts of property, plant and equipment and intangible asset related to the Port and Marine CGU as at 1 July 2020 together with the opening balance of accumulated losses as at 1 July 2020. For further details, refer to AusGroup Limited's Annual Report for FY2021, page 29 (announced on the SGX on 28 September 2021) and to the Announcement pursuant to Rule 704(5) of the Listing Manual - Qualified Opinion by Auditor of the Financial Statements for Year Ended 30 June 2021, where the Company's Auditor have disclosed their Report on the audit of the financial statements and have included their Qualified Opinion and the Basis for the Qualified Opinion.

The area of the business highlighted in the Qualified Opinion relates to the opening balances of the NT Port and Marine section of the Group at 1 July 2020, however the auditors have not qualified their opinion on the closing carrying value of property, plant and equipment and intangible asset related to the Port and Marine CGU at 30 June 2021 (refer to AusGroup Limited's Annual Report for FY2021, page 30). The Group cannot resolve the audit issue on 1 July 2020 but has resolved the issues on 30 June 2021. The Group engaged an external professional valuer to assess the recoverable amount of the Port and Marine CGU at 30 June 2021 based on the value in use method resulting in no additional impairment nor reversal of previously recognised impairment loss being necessary.

On 13 April 2022, the Group announced to SGX the entry into a non-binding term sheet in relation to the proposed disposal of 100% of the share capital of NT Port and Marine Pty Ltd, which if completed on the terms agreed, the Group would recognise a net gain on disposal of approximately AU\$6.7m.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed

The outstanding audit issue (refer to 4(a) above) was resolved.

5. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Background Information

AusGroup offers a range of integrated service solutions to the energy, mining and industrial sectors across Australia and South East Asia. Our diversified service offering supports clients at all stages of their asset development and operational schedule.

Through subsidiaries AGC, MAS and NT Port and Marine, we provide maintenance, construction, access services, commissioning & handover and port & marine services. With over 30 years of experience, we are committed to partnering with our clients to build, maintain and upgrade some of the region's most challenging projects.

Our Capabilities

Maintenance Services

Our maintenance services range from breakdown maintenance to shutdowns and sustaining capital works. Through our in-house capability, we can provide any combination of skills, trades or disciplines on a long or short term basis for shutdowns and campaign maintenance. Our maintenance services include: planning complex shutdowns; mechanical; electrical; industrial coatings; insulation and specialist welding.

Construction

AusGroup provides focused and specialised construction capabilities including structural, mechanical, piping and installation solutions. We are able to self-perform almost all construction trades, offering efficient interface management and productivity optimisation.

Our construction expertise combines multidisciplinary construction knowledge and a first class health and safety record, to enhance project execution.

Access Services (referred to as MAS)

Our access services include scaffolding, scaffold engineering and design, rope access, labour supply, scaffolding, stock control, logistics and transportation.

Fabrication

We provide manufacturing, fabrication and testing of specialist structural, piping and modularisation packages. Our fabrication facilities are strategically located within Perth's high wide load corridor in Kwinana. With an in-house capacity to fabricate up to 30,000 tonnes of steel products per annum, we have manufactured, tested and commissioned some of Western Australia's largest fabricated steel structures.

Port and Marine Services (referred to as NT Port and Marine)

We offer logistics and marine transportation support services to the oil and gas industry, general marine and defense sectors through our NT Port and Marine business. With locations at Port Melville and East Arm Supply Base located in the Northern Territory, we can provide marine and land fuel, areas for laydown and storage, berthage and accommodation facilities.

Significant Trends & Competitive Conditions

COVID-19 Pandemic

The effects of the pandemic have continued however, there are now more significant indications of a return to more normalised operations in FY2022. The impact of future infection rates in Australia combined with the pace of the vaccination programme is uncertain and may have an impact on operations over the coming months which we continually monitor. In response to the COVID-19 pandemic the Western Australia government closed its domestic and international borders which stopped migration into Western Australia and led to increasing wage inflation pressures in the labour market. Whilst the Western Australian border has now re-opened, there has not been a significant migration of workers into Western Australia which continues to put pressure on wages.

The major trends that are relevant to the industry and the Group:

- Major new LNG construction projects are now completed and these have moved into the production phase, where maintenance services will be required to maintain safe and reliable operations for the next 40+ years, providing long term and sustainable demand for the Group's service offering.
- Significant investment in the Resources sector, particularly in the Iron Ore and Gold industries, is continuing and the Group is well placed to provide the sector with fabrication services, modularised solutions, SMP, construction, commissioning and integrated asset maintenance services.
- Increasing activity in all sectors related to new energy sources which encompasses hydrogen, lithium and nickel etc. Significant investment projects being announced by major international companies to support de-carbonisation. Refer to SGX announcement dated 27 October 2021.
- Increased tender activity in 3Q FY2021 as Client work programmes that were suspended during the early days of the pandemic have now been re-initiated.
- The use of technology, productivity and innovative solutions across all aspects of the project(s) life cycle is key to adding value to customers and underpinning long term relationships and delivering predictable outcomes on plan.
- Increased demand for skilled labour is putting upward pressure on wage rates.
- Focus on core strengths, capabilities and efficiency improvements will underpin the profit generation from the Group's service offering.

- The re-opening of the WA State borders allows migration within and to Australia to commence however to date there has been no significant increase in the labour pool which continues to lead to tight labour market in WA putting upward pressure on wages.
- The recent improving oil price after the shock of COVID-19 is likely to support capital investment expansions in the LNG sector over the near term.
- Increasing investment by the Australian Federal Government (AU\$747.0m) in military bases in the Northern Territory of Australia may result in an increase in activity for the NT Port and Marine business.

General

The Group has work in hand to the value of AU\$941.3 million as at 31 March 2022.

The main priority for the Group in the short term is to focus on our core strengths of providing multi-disciplinary services of mechanical, scaffolding, insulation and fabrication services in addition to increasing the NT Port and Marine operations as this business migrates from a commercialisation phase to providing core services in the fuel sale and storage market and the woodchip market.

The Group is focused on options to reduce and/or restructure debt prior to the maturity dates in 2022 and 2023 and bolster working capital to support the expansion of services to its clients. The capital management options being pursued by the Group to efficiently manage its working capital requirements and debt obligations include: asset/business sales (refer to SGX Announcement on 13 April 2022); financing secured by core assets; equity injection (refer to SGX announcement on 7 March 2022) and debt facilities.

Whilst the impact of the COVID-19 pandemic led to delay in awards of new contracts, the forward pipeline is increasing and work activity across all sectors is increasing with more requests from clients to focus on the full range of both critical and non-critical core work programmes that were delayed due to the COVID-19 virus. This return to more normal activity levels is expected to underpin the business objectives in the short term and into FY2023, with core projects expected to grow in scale and complexity to provide further opportunities for organic growth in the energy and process sectors.

6. Dividend information

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None due to the working capital requirements of the Group.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

7. Interested person transactions

There were no IPT transactions for the period.

8. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

Confirmation by the Board

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the nine-month period ended 31 March 2022 to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD

Wu Yu Liang
Non-Executive Chairman

Shane Francis Kimpton
CEO and Managing Director

12 May 2022

This release contains certain statements that are not statements of historical fact, i.e. forward looking statements. Readers can identify some of these statements by forward looking terms such as “expect”, “believe”, “plan”, “intend”, “estimate”, “anticipate”, “may”, “will”, “would”, “could”, or similar words. However, you should note that these words are not the exclusive means of identifying forward looking statements. Forward looking statements are made based on current expectations, projections and assumptions about future events. Although AusGroup believes these expectations, projections and assumptions are reasonable at the time of making them, these forward looking statements are subject to risks (known and unknown), uncertainties and certain assumptions about AusGroup, its business operations, and the environment it operates in. Actual future performance, outcomes and results may therefore differ materially from those expressed in the forward looking statements. Representative examples of these risk factors include (without limitation) general industry and economic conditions, availability of suitably skilled workers, interest rate movements, cost of capital and capital availability, competition from other companies, shifts in customer demands, changes in operating expenses, including employee wages, benefits and training and government and public policy changes. Readers are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.