

EAST 72 HOLDINGS LIMITED

ACN 099 912 044



INTERIM FINANCIAL STATEMENTS

**for the half year ended
31 December 2022**

CONTENTS

Directors' Report	2
Auditor's Independence Declaration	4

Financial Statements	
Statement of Profit or Loss and Other Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to Financial Statements	9
Directors' Declaration	17
Independent Auditor's Report	18

In these Interim Financial Statements Report a reference to "Group", "we", "us" "E72" or "our" is a reference to East 72 Holdings Limited ABN 85 099 912 044 and the entities that it controls (East 72 Investments Pty. Limited and Stiletto Investments Pty. Limited) unless otherwise stated.

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity for the half-year ended 31 December 2022.

Directors

The names of directors who held office during or since the end of the half-year:

Andrew John Brown
Peter Matthew Johns
Timothy John Brown

Principal Activities

During the financial half-year, the principal activities of the consolidated entity consisted of investment in listed corporations, contracts for difference, other derivatives and other financial assets.

Review of Operations

East 72 Holdings Limited (**E72**) posted a loss after provision for income tax of \$8,151 for the period compared to a profit of \$128,292 in the comparative period. As a result of the loss, net tangible asset backing per share decreased from 4.82c per share at 30 June 2022 to 4.78c per share at 31 December 2022.

A full review of the Company's activities during the September 2022 quarter was lodged via Quarterly Report #25 with National Stock Exchange of Australia (NSXA) on 6 October 2022 and the December 2022 quarter via Quarterly Report #26 on 6 January 2023.

Significant Changes in the State of Affairs

The consolidated entity incorporated a new subsidiary, East 72 Management Pty. Limited during the financial half-year, and established a new wholesale unit trust, East 72 Dynasty Trust which commenced investing in January 2023.

Events subsequent to reporting date

nil.

No other matters or circumstances occurring subsequent to the end of the period that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Auditor's Declaration

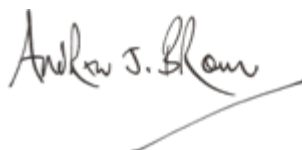
The auditor's independence declaration is set out on page 4 for the half year ended 31 December 2022.

The report is made in accordance with a resolution of the Board of Directors pursuant to section 306(3)(a) of the Corporations Act 2001.

Signed on behalf of the Directors:



Tim Brown
Director



Andrew Brown
Director

Dated: 13 February 2023

EAST 72 HOLDINGS LIMITED
ACN: 099 912 044

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2022, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.



PKF



PAUL PEARMAN
PARTNER

13 FEBRUARY 2023
SYDNEY, NSW

PKF (NS) Audit & Assurance Limited Partnership
ABN 91 850 861 839

Liability limited by a scheme approved
under Professional Standards Legislation

Sydney
Level 8, 1 O'Connell Street
Sydney NSW 2000 Australia
GPO Box 5446 Sydney NSW 2001
p +61 2 8346 6000
f +61 2 8346 6099

Newcastle
755 Hunter Street
Newcastle West NSW 2302 Australia
PO Box 2368 Dangar NSW 2309
p +61 2 4962 2688
f +61 2 4962 3245

PKF (NS) Audit & Assurance Limited Partnership is a member firm of the PKF International Limited family of separately owned firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms.

For our office locations visit www.pkf.com.au

Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2022

Continuing Operations	Note	31 Dec 2022 \$	31 Dec 2021 \$
Investment Profits	2	68,726	211,790
Other expenses	3	(74,623)	(70,609)
Finance costs	4	(2,254)	(12,889)
Profit before income tax		(8,151)	128,292
Income tax benefit/(expense)		-	-
Profit after income tax for the half-year		(8,151)	128,292
Other comprehensive income for the half year, net of tax		-	-
Total comprehensive income attributable to members of East 72 Holdings Limited		(8,151)	128,292

Basic earnings per share (cents per share) (0.04c) 0.6c

Diluted earnings per share (cents per share) (0.04c) 0.6c

Dividends per share (cents per share) - -

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the attached notes.

Statement of Financial Position

As at 31 December 2022

	Note	31 Dec 2022 \$	30 June 2022 \$
CURRENT ASSETS			
Cash and cash equivalents	6	16,533	9,349
Due from brokers	6	869	2,882
Trade and other receivables		8,392	240
Prepayments		12,322	3,237
Financial assets	7	1,368,761	1,506,432
Right of use lease asset		29,525	11,275
TOTAL CURRENT ASSETS		1,436,402	1,533,415
TOTAL ASSETS		1,436,402	1,533,415
CURRENT LIABILITIES			
Financial liabilities – derivatives at fair value		359,331	265,578
Financial liabilities – broker loans	6	-	195,476
Dividend provision		6,770	6,770
Trade creditors		2,957	-
Accruals		15,308	23,610
Office lease liability		29,597	11,391
TOTAL CURRENT LIABILITIES		413,963	502,825
TOTAL LIABILITIES		413,963	502,825
NET ASSETS		1,022,439	1,030,590
EQUITY			
Issued capital	8	6,788,290	6,788,290
Reserves – share based payments		43,280	43,280
Accumulated losses		(5,809,131)	(5,800,980)
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF EAST 72 HOLDINGS LIMITED		1,022,439	1,030,590

The Statement of Financial Position is to be read in conjunction with the attached notes.

Statement of Changes in Equity

For the half year ended 31 December 2022

	Issued Capital \$	Share based payments \$	Accumulated Losses \$	Total Equity \$
At 30 June 2021	6,788,290	43,280	(4,550,969)	2,280,601
Total comprehensive income for the period	-	-	128,292	128,292
At 31 December 2021	6,788,290	43,280	(4,422,677)	2,408,893
Total comprehensive loss for the period	-	-	(1,378,303)	(1,378,303)
At 30 June 2022	6,788,290	43,280	(5,800,980)	1,030,590
Total comprehensive loss for the period	-	-	(8,151)	(8,151)
At 31 December 2022	6,788,290	43,280	(5,809,131)	1,022,439

The Statement of Changes in Equity is to be read in conjunction with the attached notes.

Statement of Cash Flows

For the half year ended 31 December 2022

	Note	31 Dec 2022 \$	31 Dec 2021 \$
Cash flows from operating activities			
Payments to suppliers and employees		(86,049)	(83,823)
Purchases of equity investments		(905,199)	(1,675,093)
Proceeds from sale of equity investments		531,912	1,465,361
Investment in trust		(25,270)	-
Net investment in derivatives account [†]		699,497	(452,056)
Dividends received from equity investments		246	44,290
Interest received		5	5
Finance costs paid		(2,052)	(12,889)
Foreign exchange movement		(766)	3,554
Withholding tax paid		(8,120)	-
Net cash provided by/(used in) operating activities		203,474	(710,651)
Net increase/(decrease) in cash		(203,474)	(710,651)
Cash at beginning of period		(183,246)	(369,022)
Cash at end of period	6	20,229	(1,079,673)

[†] Dividends earned, dividends paid away, interest costs, fees, charges and commissions related to investments in derivatives are capitalised to the derivatives account.

The Statement of Cash Flows is to be read in conjunction with the attached notes.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The interim consolidated financial report was approved by the Board of Directors on 13 February 2023.

This interim consolidated financial report has been prepared in accordance with Accounting Standard AASB 134 and is to be read in conjunction with the annual financial report for the financial year ended 30 June 2022 ("**2022 Annual Report**"). The 2021 Annual Report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations and the Corporations Act 2001, as appropriate for for-profit oriented entities.

The half yearly report does not include full disclosures of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the economic entity as the full financial report. Accordingly, it is recommended that this financial report be read in conjunction with the 2022 Annual Report and any public announcements made by East 72 Holdings Limited ("**E72**") during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The same accounting policies have been followed as those applied and discussed in the 2022 Annual Report, other than new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. Other than as disclosed below, no new Accounting Standards and Interpretations became effective during the current reporting period.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

	31 Dec 2022 \$	31 Dec 2021 \$
NOTE 2: INVESTMENT RETURNS		
Profit/(loss) on investments held at fair value through Profit and loss account (a)	69,484	160,482
Interest revenue	-	5
Dividend income	8	47,749
Foreign exchange translation (losses)/profits	(766)	3,554
Total	68,726	211,790

(a) Profit/loss on investments held at fair value through profit and loss account is composed of:

Proceeds of sale and short sales of equity investments	531,912	1,497,128
Cost of sales and short sales of equity investments	(514,121)	(1,432,813)
Net gain from sale of equity investments	17,791	64,315
Change in fair value of equity investments retained	35,341	28,827
Profit/(loss) from sale of derivative instruments	2,998	(139,680)
Change in fair value of derivative instruments retained	13,354	207,020
TOTAL	69,484	160,482

NOTE 3: EXPENSES

Expenses excluding finance costs are comprised as follows:

Directors fees and costs	32,099	30,000
Other expenses	42,524	40,609
Total expenses excluding finance costs	74,623	70,609

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

	31 Dec 2022 \$	31 Dec 2021 \$
NOTE 4: FINANCE COSTS		
Cost of finance attributable to loans from other entities	2,254	12,889

At 31 December 2022 and 31 December 2021, the two controlled entities of E72 had combined margin lending facilities with a subsidiary of an Australian banking institution of up to \$2,500,000 (2020: \$2,500,000). These facilities grant the bank a mortgage charge against the Australian equity investments held by the Company, and are guaranteed by Andrew Brown, the sole Director of the two controlled entities and a Director of the Company.

NOTE 5: DIVIDENDS PAID OR PROPOSED**Declared and paid during the period**

Total dividends paid	-	-
----------------------	---	---

Proposed and recognised as a liability (fully franked at 30%)

Interim franked dividend for period to 31 December 2022: nil (30 June 2022: nil)	-	-
---	---	---

The current balance of the franking account, prior to accounting for any taxation paid in relation to the result for the latest period but after payment of the proposed interim dividend is \$324,470.

	31 Dec 2022 \$	30 June 2022 \$
NOTE 6: CASH AND CASH EQUIVALENTS		
Cash on hand and at bank	16,533	9,349
Cash in broking accounts	869	2,882
Net cash & cash equivalents as per statement of financial position	17,402	12,231
Broking account loans	-	(194,477)
Margin lending account balance	2,827	-
Net cash and cash equivalents as per statement of cash flows	20,229	(183,246)

NOTE 7: FINANCIAL ASSETS**Fair value through profit and loss:**

Listed investments at fair value		
– shares in listed corporations (note 12)	776,076	348,720
Derivative securities held at fair value (note 14)	168,382	61,910
Derivative account funds	399,303	1,095,802
Investment in trust	25,000	-
TOTAL	1,368,761	1,506,432

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

	31 Dec 2022 \$	30 June 2022 \$
NOTE 8. EQUITY – ISSUED CAPITAL		
21,426,066 fully paid authorised ordinary shares (30 June 2022: 21,426,066)	6,788,290	6,788,290

MOVEMENT IN ISSUED SHARES OF THE PARENT ENTITY FOR THE PERIOD

Date	Details	Number of shares	\$
30 June 2022	Opening balance	21,426,066	6,788,290
31 December 2022	Closing balance	21,426,066	6,788,290

NOTE 9. CONTROLLED ENTITIES

	Country of Incorporation	Percentage Owned	
		31 Dec 2022	30 June 2022
Parent Entity:			
East 72 Holdings Limited	Australia	-	-
Controlled Entities of East 72 Holdings Limited:			
East 72 Investments Pty. Limited	Australia	100%	100%
Stiletto Investments Pty. Limited	Australia	100%	100%
East 72 Management Pty Limited	Australia	100%	-

NOTE 10: SEGMENT INFORMATION

The Economic Entity operated in only one segment being investment (listed securities and derivative and derivative financial assets).

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11. FAIR VALUE MEASUREMENT

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the fair value measurement being:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

31 December 2022	Level 1	Level 2	Level 3	TOTAL
	\$	\$	\$	\$
Financial assets at fair value through profit or loss:				
Shares in other corporations	776,076	-	-	776,076
Units in trusts	-	25,000	-	25,000
Derivative assets	-	168,382	-	168,382
Derivative liabilities	-	(359,331)	-	(359,331)
TOTAL	776,076	(165,949)	-	610,127
30 June 2022	Level 1	Level 2	Level 3	TOTAL
	\$	\$	\$	\$
Financial assets at fair value through profit or loss:				
Shares in other corporations	348,720	-	-	348,720
Shares in other corporations sold short	-	-	-	-
Derivative assets and put options	-	61,910	-	61,910
Derivative liabilities	-	(265,578)	-	(265,578)
TOTAL	348,720	(203,668)	-	145,042

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS31 Dec 2022
\$30 June 2022
\$**NOTE 12. FINANCIAL ASSETS – SHARES IN LISTED CORPORATIONS**

The Economic Entity's shares in listed corporations comprise the following interests:

Company	Industry	Value	Value
E-L Financial Corp	Financial services	-	92,203
EXOR NV	Conglomerate	-	92,077
Gazprom (common)	Oil & Gas	23,569	42,960
HAL Trust	Conglomerate	-	95,049
Sberbank (common)	Russian financial services	22,457	26,431
Yellow Brick Road	Mortgage services	730,050	-
TOTAL		776,076	348,720

NOTE 13. FINANCIAL LIABILITIES – DERIVATIVE SECURITIES SOLD SHORT FOR FUTURE PURCHASE

The Economic Entity's derivative securities sold short comprise the following notional short exposures held through contracts for difference:

Company	Industry	Value	Value
S&P500 index	US equity index	1,307,688	330,077
TOTAL NOTIONAL		1,307,688	330,077
TOTAL FAIR VALUE		60,752	41,911

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

		31 Dec 2022	30 June 2022
		\$	\$
NOTE 14. FINANCIAL ASSETS – DERIVATIVE SECURITIES HELD			
The Economic Entity's derivative securities held comprise the following <u>notional</u> long exposures held through contracts for difference:			
Company	Industry	Value	Value
Agency Group	Real estate agency	-	179,450
Alphabet class "A"	Search and related technology	38,822	47,341
Alphabet class "C"	Search and related technology	58,563	47,519
Ansell	Protective equipment	-	73,392
ASX 200	Australian equity index	-	39,586
Bank of America	Financial services	24,289	-
Brunswick Corporation	Marine equipment	63,432	47,343
Catapult Group	Sports technology	40,150	-
Citigroup	Financial Services	79,607	53,283
CK Hutchison	Conglomerate	105,681	117,495
Companie Financiere Richemont	Luxury goods	19,029	-
Deterra Royalties	Iron ore royalty	57,250	42,400
Dexus Property Group	Property & funds management	62,000	-
EXOR NV	Investment company	128,868	-
Financiere de L'Odet	Holding company	-	65,564
Gazprom	Oil & gas	-	840
Goldman Sachs	Financial services	110,800	73,126
HAL Trust	Conglomerate	94,340	-
Intercontinental Exchange	Financial exchanges, data	67,711	-
IWG plc	Serviced office and related	58,907	-
James Hardie Industries	Fibre cement	42,240	-
J P Morgan	Financial Services	98,343	-
Lend Lease Corp	Property & funds management	39,200	45,550
Liberty Broadband	Tracker stock (Charter Comms)	55,933	66,989
Madison Square Garden Entert't	Venues	26,383	-
Madison Square Garden Sports	Sports team ownership	26,889	-
Magellan Financial	Funds management	62,580	-
Manchester United plc	Sports team ownership	58,171	-
Meta Platforms	Social media	44,126	-
Namoi Cotton Limited	Cotton ginning & related	-	91,350
News Corporation	Media assets	53,388	-
Pershing Square Holdings	Investment company	50,748	-
Porsche Automobil Holding (pfd)	Holding company	80,566	47,898
Regeneron	Pharma	-	107,011
Spotify	Audio streaming	-	47,560
Swatch Group	Watches	20,870	-
Tassal	Aquaculture	-	71,850
UBS Group	Financial services	65,532	-
U-Haul Holding Co.	Self-storage and moving rentals	132,422	69,259
vanEck Gold Miners Trust	Gold Shares ETF	-	59,479
Virtu Financial	Liquidity provider	119,742	135,612
Volkswagen (pfd)	Automobiles	109,830	116,030
Yellow Brick Road	Mortgage services	-	665,644
TOTAL NOTIONAL		2,096,412	2,311,571
TOTAL FAIR VALUE		(251,711)	(246,778)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 15. EVENTS OCCURRING AFTER THE REPORTING PERIOD

Nil.

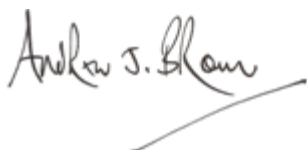
DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in dark ink, appearing to read 'Andrew J. Brown', with a long horizontal stroke extending to the right.

Andrew Brown
Executive Director

13 February 2023

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF EAST 72 HOLDINGS LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of East 72 Holdings Limited (the "company") and its controlled entities (collectively the "consolidated entity"), which comprises the statement of financial position as at 31 December 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of East 72 Holdings Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2022, and of its financial performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. In accordance with the Corporations Act 2001, we have given the directors' of the company a written Auditor's Independence Declaration.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the company's financial position as at 31 December 2022 and its performance for the half year ended on that date, and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of East 72 Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



PKF



PAUL PEARMAN
PARTNER

13 FEBRUARY 2023
SYDNEY, NSW