

ASX HALF-YEAR REPORT

Computershare Limited

ABN 71 005 485 825

31 December 2021

Lodged with the ASX under Listing Rule 4.2A

This information should be read in conjunction with the 30 June 2021 Annual Report.

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This half-year report covers the consolidated entity consisting of Computershare Limited and its controlled entities. The interim financial report is presented in United States dollars (unless otherwise stated).

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES
HALF-YEAR ENDED 31 DECEMBER 2021
(Previous corresponding period half-year ended 31 December 2020)

RESULTS FOR ANNOUNCEMENT TO THE MARKET

				\$000
Revenue from ordinary activities	up	5.9%	to	1,157,187
<i>(Appendix 4D item 2.1)</i>				
Profit/(loss) after tax attributable to members	up	26.9%	to	92,056
<i>(Appendix 4D item 2.2)</i>				
Net profit/(loss) for the period attributable to members	up	26.9%	to	92,056
<i>(Appendix 4D item 2.3)</i>				

Dividends	Amount per security	Franked amount per security
<i>(Appendix 4D item 2.4)</i>		
Interim dividend	AU 24 cents	AU 9.6 cents
Final dividend (prior year)	AU 23 cents	AU 13.8 cents

Record date for determining entitlements to the interim dividend *(Appendix 4D item 2.5)* **16 February 2022**

Explanation of Revenue *(Appendix 4D item 2.6)*

Total revenue for the half-year increased to \$1,157.2 million (2020: \$1,092.4 million). The Computershare Corporate Trust (CCT) acquisition which completed on 1 November contributed \$76.7 million. Excluding the impact of the acquisition, underlying operating revenues reduced by \$12 million. Margin Income excluding the impact of the CCT acquisition was slightly down by \$0.8 million.

Key business unit movements are as follows:

- Issuer Services sales revenue was marginally down compared to the prior reporting period. Revenue growth in Registry Maintenance and Governance Services was largely offset by lower event based revenues. Hong Kong IPO and Corporate Actions activity was impacted by the current market and regulatory environment in China, whilst a large mutual funds proxy solicitation event in US stakeholder relationship management in 1H21 did not repeat in 1H22.
- Employee Share Plans revenues increased reflecting higher transactional volumes (mainly in the EMEA region) and higher core client fees as a result of new business wins.
- Business Services experienced significantly lower levels of bankruptcy activity in 1H22 relative to 1H21. Class Actions was also down, impacted by the number and size of case wins versus the prior periods. The legacy Corporate Trust business was slightly favourable year on year.
- Mortgage Services & Property Rental Services revenues were slightly lower. In the UK, lower client project activity and finalisation of the UKAR fixed fee in 1H21 was largely offset by higher margin income in the UK Deposit Protection Service business. In the US, lower servicing fees resulted from a smaller portfolio containing a higher proportion of sub-servicing clients. This was partially offset by volume growth in fulfillment, stronger recovery collection activity and gains resulting from capital recycling mortgage servicing rights (MSR) transactions.

A stronger British pound, Canadian dollar and Australian dollar relative to the prior period increased the equivalent USD revenue contribution from those regions.

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES
HALF-YEAR ENDED 31 DECEMBER 2021
(Previous corresponding period half-year ended 31 December 2020)

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Explanation of Profit/(loss) from ordinary activities after tax *(Appendix 4D item 2.6)*

Net statutory profit after tax attributable to members was \$92.1 million, an increase of 26.9% over the corresponding period. Revenue was higher than the prior period due to growth in Employee Share Plans and additional revenue attributable to the Computershare Corporate Trust acquisition, offset largely by lower earnings from corporate actions, class actions, bankruptcy and stakeholder relationship management. The Group benefited in the current half from the disposal of the Group's investment in Milestone Group Pty Ltd, recorded as other income.

Total expenses were up \$47.7 million, principally due to the two-month impact of the Computershare Corporate Trust acquisition which increased the overall cost base by \$94 million in the half (this includes integration and acquisition related expenses). The underlying reduction in expenses is driven by a lower cost of sales due to the mix of sales between periods and benefits from the cost out programme, principally UK Mortgage Services. There was also a decrease in costs associated with major restructuring programmes. 1H21 costs were materially impacted by a significant doubtful receivable in class actions.

The Group's effective tax rate was slightly favourable to the prior period due to the positive impact of changes in tax rates and laws and due to profit mix with proportionately more profits arising in countries with lower tax rates.

Explanation of Net Profit/(loss) *(Appendix 4D item 2.6)*

Please refer above.

Explanation of Dividends *(Appendix 4D item 2.6)*

The Company has announced an interim dividend for the current financial year of AU 24 cents per share. This dividend is franked to 40%.

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES

INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 December 2021

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This interim financial report does not include all the notes of the type normally included in the annual financial statements. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by Computershare Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001 and the Australian Securities Exchange Listing Rules.

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES DIRECTORS' REPORT

The Board of Directors of Computershare Limited (the Company) present their report in respect of the financial half-year ended 31 December 2021.

DIRECTORS

The names of the directors of the Company in office during the whole of the half-year and up to the date of this report, unless otherwise indicated, are:

Non-executive

Simon David Jones (Chairman)
Abigail Pip Cleland
Tiffany Lee Fuller
Lisa Mary Gay
Christopher John Morris (resigned effective 11 November 2021)
John Nendick (appointed effective 21 September 2021)
Paul Joseph Reynolds
Joseph Mark Velli

Executive

Stuart James Irving (President and Chief Executive Officer)

PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the course of the half-year were the operation of Issuer Services, Employee Share Plans & Voucher Services, Communication Services, Mortgage Services & Property Rental Services, Business Services, Computershare Corporate Trust and Technology Services.

- The Issuer Services operations comprise register maintenance, corporate actions, stakeholder relationship management and corporate governance and related services.
- The Employee Share Plans & Voucher Services operations comprise the provision of administration and related services for employee share and option plans, together with Childcare Voucher administration in the UK.
- The Mortgage Services & Property Rental Services operations comprise mortgage servicing and related activities, together with tenancy deposit protection services in the UK.
- The Communication Services and Utilities operations comprise document composition and printing, intelligent mailing, inbound process automation, scanning and electronic delivery.
- The Business Services operations comprise the provision of bankruptcy and class actions administration services and the legacy corporate trust operations in Canada and the US.
- The Computershare Corporate Trust operations comprises trust and agency services in connection with the administration of debt securities in the US.
- Technology Services includes the provision of software specialising in share registry and financial services.

Computershare has a range of regulated businesses around the world, including transfer agencies, licensed dealers, corporate trusts and mortgage servicers.

REVIEW OF OPERATIONS

The Group recorded a profit before tax of \$131.4 million for the half-year ended 31 December 2021 (2020: \$104.3 million). Total revenue increased to \$1,157.2 million (2020: \$1,092.4 million) and expenses were up by \$47.7 million. The group benefited favourably from the Computershare Corporate Trust (CCT) acquisition, which generated Management EBIT of \$9.1 million.

Margin income was up \$6.6m, of which \$7.4m related to CCT. Underlying margin income was \$0.8m unfavorable, largely in line with prior period.

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES DIRECTORS' REPORT

Issuer Services revenues were down on the prior period, due to lower Hong Kong Corporate Actions activity and a large mutual funds proxy solicitation event in US stakeholder relationship management in 1H21. This was offset by higher revenues in Registry Maintenance and Governance Services. EBIT margin was also impacted due to wage increases and higher technology costs to support the business.

Plan managers was impacted positively by higher transactional volumes, mainly in the EMEA region. The segment also benefited from lower controllable costs due to Equatex related synergies.

Business Services was impacted by lower Bankruptcy revenues, with the cyclical high in 1H21 not repeated, as well as a reduction in class actions case wins. However, the result was impacted favourably to the prior period as 1H21 contained a significant doubtful receivable.

US mortgage services revenues were slightly unfavourable, with lower servicing fees resulting from a smaller servicing portfolio containing a greater proportion of sub-servicing. This was offset by favourable fulfillment volumes, collections growth in recovery and gains associated with capital recycling MSR transactions. Costs were also unfavourable due to additional recruitment made to support the growth of the Fulfilment and Recovery businesses, as well as the impact of higher amortisation expense. In UK mortgage services, revenue reduced due to the finalisation of the UKAR fixed fee in 1H21, as well as lower client project activity. However, the business improved profitability this half due to progress in our wider cost-out programme. The UK Deposit Protection Services business benefited from higher margin income.

More generally, the Group benefited in the half from some non-recurring items, including an insurance claim and from timing related movement in employee-related provisions.

Operating cash flows increased by \$164.6 million to \$219.3 million (2020: \$54.7 million). Excluding loan servicing advances, operating cash flows increased by \$79.1 million (2020: decreased \$126.2 million), largely due to lower tax payments and contribution from CCT.

CONSOLIDATED PROFIT

The profit of the consolidated entity for the half-year was \$92.1 million (2020: \$72.6 million) after deducting income tax and non-controlling interests.

DIVIDENDS

The following dividends of the consolidated entity have been paid, declared or recommended since the end of the preceding financial year:

Ordinary shares

- A final dividend in respect of the year ended 30 June 2021 was declared on 10 August 2021 and paid on 13 September 2021. This was an ordinary dividend of AU 23 cents per share, franked to 60%, amounting to AUD 138,832,935 (\$101,917,425).
- An interim dividend declared by the directors of the Company in respect of the current financial year, to be paid on 17 March 2022. This is an ordinary dividend of AU 24 cents per share, franked to 40%, amounting to AUD 144,895,041 based on shares on issue as at 8 February 2022. The dividend was not declared until 8 February 2022 and accordingly no provision has been recognised at 31 December 2021.

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES DIRECTORS' REPORT

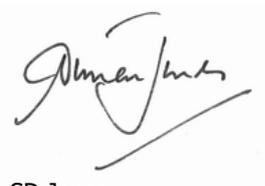
ROUNDING OF AMOUNTS

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission. In accordance with that legislative instrument, amounts in the interim financial report and the Directors' Report have been rounded to the nearest thousand dollars unless specifically stated to be otherwise.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's signed independence declaration as required under section 307C of the *Corporations Act 2001* is provided immediately after this report.

Signed in accordance with a resolution of the Directors.



SD Jones
Chairman



SJ Irving
Chief Executive Officer

8 February 2022



AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of Computershare Limited for the half-year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Computershare Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'M. Laithwaite', is written in a cursive style.

Marcus Laithwaite
Partner
PricewaterhouseCoopers

Melbourne
8 February 2022

**COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

For the half-year ended 31 December 2021

	Note	Half-year	
		2021	2020
		\$000	\$000
Revenue from continuing operations			
Sales revenue		1,156,501	1,091,646
Interest received		686	342
Dividends received		-	365
Total revenue from continuing operations		1,157,187	1,092,353
Other income		31,427	21,298
Expenses			
Direct services		859,083	818,051
Technology costs		151,509	145,103
Corporate services		19,606	18,897
Finance costs		27,199	27,630
Total expenses		1,057,397	1,009,681
Share of net profit/(loss) of associates and joint ventures accounted for using the equity method		222	364
Profit before related income tax expense		131,439	104,334
Income tax expense/(credit)	4	39,294	31,844
Profit for the half-year		92,145	72,490
Other comprehensive income that may be reclassified to profit or loss			
Cash flow hedges and cost of hedging		(16,834)	(3,546)
Exchange differences on translation of foreign operations		(34,301)	53,875
Income tax relating to components of other comprehensive income		9,297	5,920
Total other comprehensive income for the half-year, net of tax		(41,838)	56,249
Total comprehensive income for the half-year		50,307	128,739
Profit for the half-year attributable to:			
Members of Computershare Limited		92,056	72,552
Non-controlling interests		89	(62)
		92,145	72,490
Total comprehensive income for the half-year attributable to:			
Members of Computershare Limited		50,535	128,294
Non-controlling interests		(228)	445
		50,307	128,739
Basic earnings per share (cents per share)	2	15.25 cents	13.28 cents
Diluted earnings per share (cents per share)	2	15.22 cents	13.28 cents

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

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Note	31 December 2021 \$000	30 June 2021 \$000
CURRENT ASSETS			
Cash and cash equivalents		936,392	816,810
Other financial assets		72,211	76,187
Receivables		436,731	419,890
Loan servicing advances		336,264	335,697
Financial assets at fair value through profit or loss		4,618	8,540
Inventories		4,581	5,452
Current tax assets		7,306	10,588
Prepayments		49,510	37,625
Assets classified as held for sale	8	96,383	2,888
Other current assets		2,700	5,033
Total current assets		1,946,696	1,718,710
NON-CURRENT ASSETS			
Receivables		2,042	194
Investments accounted for using the equity method		9,071	9,097
Financial assets at fair value through profit or loss		41,754	34,210
Property, plant and equipment		120,166	102,671
Right-of-use assets		191,844	206,601
Deferred tax assets		145,695	149,129
Intangibles		3,638,493	3,029,051
Other non-current assets		470	2,222
Total non-current assets		4,149,535	3,533,175
Total assets		6,096,231	5,251,885
CURRENT LIABILITIES			
Payables		527,825	491,760
Borrowings	9	420,003	322,376
Lease liabilities		40,575	50,605
Current tax liabilities		22,997	28,153
Financial liabilities at fair value through profit or loss		17,197	218
Provisions		46,327	58,645
Deferred consideration		9,229	9,452
Mortgage servicing related liabilities		34,631	34,459
Liabilities classified as held for sale	8	37,407	-
Total current liabilities		1,156,191	995,668
NON-CURRENT LIABILITIES			
Payables		36,966	3,061
Borrowings	9	2,091,605	1,387,610
Lease liabilities		181,020	193,488
Financial liabilities at fair value through profit or loss		42,545	1,314
Deferred tax liabilities		228,937	234,219
Provisions		24,034	24,529
Deferred consideration		1,199	1,264
Mortgage servicing related liabilities		114,978	131,135
Total non-current liabilities		2,721,284	1,976,620
Total liabilities		3,877,475	2,972,288
Net assets		2,218,756	2,279,597
EQUITY			
Contributed equity	11	519,299	519,299
Reserves		(57,804)	(7,052)
Retained earnings		1,755,551	1,765,412
Total parent entity interest		2,217,046	2,277,659
Non-controlling interests		1,710	1,938
Total equity		2,218,756	2,279,597

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

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2021

Attributable to members of Computershare Limited						
Note	Contributed Equity \$000	Reserves \$000	Retained Earnings \$000	Total \$000	Non- controlling Interests \$000	Total Equity \$000
Total equity at 1 July 2021	519,299	(7,052)	1,765,412	2,277,659	1,938	2,279,597
Profit for the half-year	-	-	92,056	92,056	89	92,145
Cash flow hedges and cost of hedging	-	(16,834)	-	(16,834)	-	(16,834)
Exchange differences on translation of foreign operations	-	(33,984)	-	(33,984)	(317)	(34,301)
Income tax (expense)/credits	-	9,297	-	9,297	-	9,297
Total comprehensive income for the half-year	-	(41,521)	92,056	50,535	(228)	50,307
Transactions with owners in their capacity as owners:						
Dividends provided for or paid	5	-	(101,917)	(101,917)	-	(101,917)
Cash purchase of shares on market	-	(22,627)	-	(22,627)	-	(22,627)
Share based remuneration	-	13,396	-	13,396	-	13,396
Balance at 31 December 2021	519,299	(57,804)	1,755,551	2,217,046	1,710	2,218,756

Attributable to members of Computershare Limited						
	Contributed Equity \$000	Reserves \$000	Retained Earnings \$000	Total \$000	Non- controlling Interests \$000	Total Equity \$000
Total equity at 1 July 2020	-	(172,496)	1,761,188	1,588,692	1,627	1,590,319
Profit for the half-year	-	-	72,552	72,552	(62)	72,490
Cash flow hedges	-	(3,546)	-	(3,546)	-	(3,546)
Exchange differences on translation of foreign operations	-	53,368	-	53,368	507	53,875
Income tax (expense)/credits	-	5,920	-	5,920	-	5,920
Total comprehensive income for the half-year	-	55,742	72,552	128,294	445	128,739
Transactions with owners in their capacity as owners:						
Dividends provided for or paid	5	-	(89,024)	(89,024)	(4)	(89,028)
Cash purchase of shares on market	-	(14,022)	-	(14,022)	-	(14,022)
Share based remuneration	-	11,669	-	11,669	-	11,669
Balance at 31 December 2020	-	(119,107)	1,744,716	1,625,609	2,068	1,627,677

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

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED CASH FLOW STATEMENT

For the half-year ended 31 December 2021

	Note	Half-year	
		2021	2020
		\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		1,181,051	1,160,636
Payments to suppliers and employees		(903,475)	(921,715)
Loan servicing advances (net)		16,001	(69,410)
Dividends received from associates, joint ventures and equity securities		-	508
Interest paid and other finance costs		(39,452)	(39,053)
Interest received		686	342
Income taxes paid		(35,556)	(76,612)
Net operating cash flows	6	219,255	54,696
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of controlled entities and businesses (net of cash acquired)	7	(729,658)	(7,549)
Proceeds from/(payments for) intangible assets including MSRs		(4,489)	(66,777)
Proceeds from sale of associate		16,696	-
Proceeds from/(payments for) investments		(4,838)	13,629
Payments for property, plant and equipment		(12,281)	(8,018)
Net investing cash flows		(734,570)	(68,715)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for purchase of ordinary shares - share based awards		(22,627)	(14,022)
Proceeds from borrowings		1,139,218	131,260
Repayment of borrowings		(284,173)	(94,990)
Loan servicing borrowings (net)		(19,463)	66,729
Dividends paid - ordinary shares (net of dividend reinvestment plan)		(86,587)	(87,666)
Purchase of ordinary shares - dividend reinvestment plan		(15,330)	(1,358)
Dividends paid to non-controlling interests in controlled entities		-	(4)
Lease principal payments		(28,896)	(24,397)
Net financing cash flows		682,142	(24,448)
Net increase/(decrease) in cash and cash equivalents held		166,827	(38,467)
Cash and cash equivalents at the beginning of the financial year		816,810	597,313
Exchange rate variations on foreign cash balances		(14,202)	33,565
Cash and cash equivalents at the end of the half-year ¹		969,435	592,411

¹ Cash and cash equivalents at 31 December 2021 includes \$33.0 million cash presented in the assets classified as held for sale line item in the consolidated statement of financial position.

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2021

1. BASIS OF PREPARATION

The interim financial report for the half-year reporting period ended 31 December 2021 includes the condensed financial statements for the consolidated entity consisting of Computershare Limited and its controlled entities, referred to collectively as the “consolidated entity”, “the Group” or “Computershare”.

The interim financial report is a general purpose financial report prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The interim financial report also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), including IAS 34 *Interim Financial Reporting*.

The interim financial report does not include all the notes of the type normally included in annual financial statements. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by Computershare Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the Australian Securities Exchange listing rules.

Where necessary, comparative figures have been adjusted to comply with the changes in presentation in the current period.

The accounting policies adopted are consistent with those of the previous financial year and the corresponding interim reporting period.

Covid-19 impact

The Covid-19 pandemic has continued to significantly disrupt the global economy during the six months ended 31 December 2021 and there remains uncertainty over the extent and duration of the pandemic as well as the corresponding economic impacts. These uncertainties have been incorporated into the judgements and estimates used in the preparation of this report, including the carrying values of the assets and liabilities.

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2021

2. EARNINGS PER SHARE

Half-year ended 31 December 2021	Basic EPS	Diluted EPS	Management Basic EPS	Management Diluted EPS
Earnings per share (cents per share)	15.25 cents	15.22 cents	23.10 cents	23.06 cents
Reconciliation of earnings	\$000	\$000	\$000	\$000
Profit for the year	92,145	92,145	92,145	92,145
Non-controlling interest (profit)/loss	(89)	(89)	(89)	(89)
Add back management adjustment items (see below)	-	-	47,420	47,420
Net profit attributable to the members of Computershare Limited	92,056	92,056	139,476	139,476
Weighted average number of ordinary shares used as denominator in calculating earnings per share	603,729,336	604,729,014	603,729,336	604,729,014
Half-year ended 31 December 2020	Basic EPS	Diluted EPS	Management Basic EPS	Management Diluted EPS
Earnings per share (cents per share) ¹	13.28 cents	13.28 cents	21.58 cents	21.58 cents
Reconciliation of earnings	\$000	\$000	\$000	\$000
Profit for the half-year	72,490	72,490	72,490	72,490
Non-controlling interest (profit)/loss	62	62	62	62
Add back management adjustment items (see below)	-	-	45,309	45,309
Net profit attributable to the members of Computershare Limited	72,552	72,552	117,861	117,861
Weighted average number of ordinary shares used as denominator in calculating earnings per share	546,234,027	546,264,239	546,234,027	546,264,239

¹ Earnings per share for the half-year ended 31 December 2020 is restated by adjusting the weighted average number of ordinary shares in order to incorporate the bonus element in the 2021 rights issue, as per AASB 133.

Reconciliation of weighted average number of shares used as the denominator:

	2021 Number	2020 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	603,729,336	546,234,027
Adjustments for calculation of diluted earnings per share:		
Share appreciation rights	361,611	994
Performance rights	638,067	29,218
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	604,729,014	546,264,239

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2021

For the half-year ended 31 December 2021 management adjustment items include the following:

	Gross	Tax effect	Net of tax
	\$000	\$000	\$000
Amortisation			
Amortisation of intangible assets	(27,225)	6,857	(20,368)
Acquisitions and disposals			
Acquisition related integration expenses	(29,370)	6,931	(22,439)
Acquisition and disposal related expenses	(14,964)	4,050	(10,914)
Gain on disposal	17,078	(4,158)	12,920
Other			
Major restructuring costs	(4,699)	1,035	(3,664)
Marked to market adjustments - derivatives	(2,534)	673	(1,861)
Voucher Services impairment	(1,094)	-	(1,094)
Total management adjustment items	(62,808)	15,388	(47,420)

Management Adjustment Items

Management adjustment items net of tax for the half-year ended 31 December 2021 were as follows:

Amortisation

- Customer relationships and most of other intangible assets that are recognised on business combinations or major asset acquisitions are amortised over their useful life in the statutory results but excluded from management earnings. The amortisation of these intangibles in the half-year ended 31 December 2021 was \$20.4 million. Amortisation of mortgage servicing rights, certain acquired software as well as intangibles purchased outside of business combinations is included as a charge against management earnings.

Acquisitions and disposals

- Acquisition-related integration expenses are associated mainly with the integration of the newly acquired corporate trust business (\$11.2 million) and the ongoing integration of Equatex including the rollout of the acquired software (\$10.8 million).
- Acquisition-related expenses of \$9.5 million were incurred for the acquisition of the corporate trust business from Wells Fargo and \$0.1 million was spent on the acquisition of Worldwide Incorporators Ltd (note 7). Disposal costs related to the planned sale of UK mortgage services amounted to \$1.3 million during the reporting period.
- Disposal of the Group's investment in Milestone Group Pty Ltd resulted in an after-tax gain of \$12.5 million. The consolidated entity also recorded a gain of \$0.4 million on the sale of Private Capital Solutions client accounts in Canada.

Other

- Costs of \$3.7 million were incurred in respect of major restructuring programmes spanning several years including UK mortgage services and continued property rationalisation.
- Revaluation of derivatives that have not received hedge designation or the ineffective portion of derivatives in hedge relationships is taken to profit or loss in the statutory results. The impact in the current reporting period was a loss of \$1.9 million.
- As the remaining forecast cash flows of Computershare's Voucher Services continue being realised, an impairment charge of \$1.1 million was booked against goodwill related to this business. As the Voucher Services portfolio continues to run-off it is expected that the remaining goodwill of \$11.1 million will be written off in the coming years.

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2021

For the half-year ended 31 December 2020 management adjustment items included the following:

	Gross \$000	Tax effect \$000	Net of tax \$000
Amortisation			
Amortisation of intangible assets	(28,659)	7,251	(21,408)
Acquisitions and disposals			
Acquisition related integration expenses	(17,130)	3,477	(13,653)
Gain on disposal	10,991	(2,088)	8,903
Other			
Major restructuring costs	(24,197)	4,919	(19,278)
Marked to market adjustments - derivatives	181	(54)	127
Total management adjustment items	(58,814)	13,505	(45,309)

3. SEGMENT INFORMATION

In accordance with AASB 8 *Operating Segments*, the Group has identified its operating segments to be the following global business lines:

- Issuer Services
- Mortgage Services & Property Rental Services
- Employee Share Plans & Voucher Services
- Business Services
- Communication Services & Utilities
- Computershare Corporate Trust
- Technology Services

Issuer Services comprise register maintenance, corporate actions, stakeholder relationship management and corporate governance and related services. Mortgage Services & Property Rental Services comprise mortgage servicing and related activities, together with tenancy deposit protection services in the UK. Employee Share Plans & Voucher Services comprise the provision of administration and related services for employee share and option plans, together with Childcare Voucher administration in the UK. Business Services comprises the provision of bankruptcy and class actions administration services and the legacy corporate trust operations in Canada and the US. Communication Services and Utilities operations comprise document composition and printing, intelligent mailing, inbound process automation, scanning and electronic delivery. Computershare Corporate Trust comprises trust and agency services in connection with the administration of debt securities in the US. Technology Services comprise the provision of software specialising in share registry and financial services.

There is a corporate function which includes entities whose main purpose is to hold intercompany investments and conduct financing activities. It is not considered an operating segment and includes activities that are not allocated to other operating segments.

The operating segments presented reflect the manner in which the Group is internally managed and the financial information reported to the chief operating decision maker (CEO). The Group has determined the operating segments based on the reports reviewed by the CEO that are used to make strategic decisions and assess performance. The key segment performance measure is based on management adjusted earnings before interest and tax (management adjusted EBIT).

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2021

OPERATING SEGMENTS

	Issuer Services	Employee Share Plans & Voucher Services	Communi- cation Services & Utilities	Mortgage Services & Property Rental Services	Business Services	Computer share Corporate Trust	Technolo- gy Services	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
31 December 2021								
Total segment revenue and other income	477,166	164,323	160,776	294,409	85,539	76,744	121,354	1,380,311
Intersegment revenue	(14,159)	(909)	(76,293)	-	(636)	-	(121,344)	(213,341)
External revenue and other income	463,007	163,414	84,483	294,409	84,903	76,744	10	1,166,970
Revenue by geography:								
Asia	40,343	20,807	-	-	-	-	-	61,150
Australia & New Zealand	67,507	8,101	40,918	-	-	-	10	116,536
Canada	41,189	10,620	5,267	-	33,444	-	-	90,520
Continental Europe	17,316	5,048	15,305	-	-	-	-	37,669
UK, Channel Islands, Ireland & Africa	49,824	92,957	4,069	80,402	6,482	-	-	233,734
United States	246,828	25,881	18,924	214,007	44,977	76,744	-	627,361
	463,007	163,414	84,483	294,409	84,903	76,744	10	1,166,970
Management adjusted EBIT	116,744	37,671	10,764	14,318	19,336	9,099	8,244	216,176
31 December 2020								
Total segment revenue and other income	477,220	144,232	157,734	297,760	115,074	-	111,560	1,303,580
Intersegment revenue	(12,252)	(1,245)	(76,334)	-	(647)	-	(111,526)	(202,004)
External revenue and other income	464,968	142,987	81,400	297,760	114,427	-	34	1,101,576
Revenue by geography:								
Asia	57,127	19,609	-	-	-	-	-	76,736
Australia & New Zealand	63,283	6,522	41,075	-	-	-	24	110,904
Canada	34,990	8,755	3,815	-	34,214	-	10	81,784
Continental Europe	21,878	6,026	14,407	-	-	-	-	42,311
UK, Channel Islands, Ireland & Africa	49,322	76,049	3,303	82,558	4,244	-	-	215,476
United States	238,368	26,026	18,800	215,202	75,969	-	-	574,365
	464,968	142,987	81,400	297,760	114,427	-	34	1,101,576
Management adjusted EBIT	126,191	21,167	8,605	5,303	28,631	-	5,601	195,498

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2021

Segment revenue

The revenue reported to the CEO is measured in a manner consistent with that of the statement of comprehensive income. Sales between segments are included in the total segment revenue, whereas sales within a segment have been eliminated from segment revenue. Sales between segments are at normal commercial rates and are eliminated on consolidation.

Segment revenue reconciles to total revenue from continuing operations as follows:

	Half-year	
	2021	2020
	\$000	\$000
Total operating segment revenue and other income	1,380,311	1,303,580
Intersegment eliminations	(213,341)	(202,004)
Other income	(14,349)	(10,491)
Corporate revenue	4,566	1,268
Total revenue from continuing operations	<u>1,157,187</u>	<u>1,092,353</u>

Management adjusted EBIT

Management adjusted results are used, along with other measures, to assess operating business performance. The Group believes that exclusion of certain items permits a better analysis of the Group's performance on a comparative basis and provides a better measure of underlying operating performance.

A reconciliation of management adjusted EBIT to operating profit before income tax is provided as follows:

	Half-year	
	2021	2020
	\$000	\$000
Management adjusted EBIT - operating segments	216,176	195,498
Management adjusted EBIT - corporate	5,270	(4,720)
Management adjusted EBIT	<u>221,446</u>	<u>190,778</u>
Management adjustment items (before related income tax effect):		
Amortisation of intangible assets	(27,225)	(28,659)
Acquisition related integration expenses	(29,370)	(17,130)
Acquisition and disposal related expenses	(14,964)	-
Gain on disposal	17,078	10,991
Major restructuring costs	(4,699)	(24,197)
Marked to market adjustments - derivatives	(2,534)	181
Voucher Services impairment	(1,094)	-
Total management adjustment items (note 2)	<u>(62,808)</u>	<u>(58,814)</u>
Finance costs	<u>(27,199)</u>	<u>(27,630)</u>
Profit before income tax from continuing operations	<u>131,439</u>	<u>104,334</u>

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2021

4. INCOME TAX EXPENSE

	Half-year	
	2021	2020
	\$000	\$000
Profit before income tax expense	131,439	104,334
The tax expense for the financial year differs from the amount calculated on the profit. The differences are reconciled as follows:		
Prima facie income tax expense thereon at 30%	39,432	31,300
Variation in tax rates of foreign controlled entities	(99)	(2,351)
Tax effect of permanent differences:		
Effect of changes in tax rates and laws	(1,117)	2,058
Disposal of investment in Milestone Group Pty Ltd	(907)	-
Prior year tax (over)/under provided	329	(1,219)
Voucher Services goodwill impairment	328	-
Net other	1,328	2,056
Income tax expense	39,294	31,844

5. DIVIDENDS

	2021	2020
	\$000	\$000
Ordinary shares		
Dividends provided for or paid during the half-year	101,917	89,024

Dividends not recognised at the end of the half-year

In addition to the above dividends, since the end of the half-year the directors have declared the payment of an interim dividend of AU 24 cents per fully paid ordinary share, franked to 40%. As the dividend was not declared until 8 February 2022, a provision has not been recognised as at 31 December 2021.

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2021

6. CASH FLOW INFORMATION

Reconciliation of net profit after tax to cash flows from operating activities

	2021	Half-year
	\$000	2020
Net profit after income tax	92,145	72,490
Adjustments for:		
Depreciation and amortisation	120,149	115,627
Net (gain)/loss on disposals and revaluation of assets	(26,092)	(17,766)
Net (gain)/loss on lease modifications and terminations	1,263	11,101
Amortisation of USD senior note fair value adjustment to interest expense	(10,603)	(10,566)
Share of net (profit)/loss of associates and joint ventures accounted for using equity method	(222)	(364)
Employee benefits – share based expense	12,550	11,858
Voucher Services impairment charge	1,094	-
Fair value adjustments	2,534	(181)
Changes in assets and liabilities:		
(Increase)/decrease in receivables	(6,965)	47,691
(Increase)/decrease in inventories	774	320
(Increase)/decrease in loan servicing advances	16,001	(69,410)
(Increase)/decrease in other current assets	(8,523)	(12,330)
Increase/(decrease) in payables and provisions	21,412	(49,007)
Increase/(decrease) in tax balances	3,738	(44,767)
Net cash and cash equivalents from operating activities	219,255	54,696

7. BUSINESS COMBINATIONS

a) On 1 November 2021, Computershare acquired the assets of Wells Fargo corporate trust services (CCT), a leading US based provider of trust and agency services to government and corporate clients. Total consideration was \$723.8 million. The acquisition is a highly strategic fit with Computershare's existing Canadian and US corporate trust operations and is expected to increase scale and market share in the US corporate trust market.

Acquisition related costs of \$13.1 million are included in direct services in profit or loss.

This business combination contributed \$76.7 million to the total revenue and \$10.1 million net profit of the Group for the period of 1 November to 31 December 2021. If the acquisition had occurred on 1 July 2021, the total revenue and profit contribution would have been \$220.4 million and \$19.8 million respectively.

Details of the acquisition are as follows:

Cash consideration	\$000
	723,784
Total purchase consideration	723,784
Add fair value of identifiable net liabilities acquired	10,757
Provisional goodwill on consolidation*	734,541

*Identification and valuation of net assets acquired, including intangible assets, will be completed within the 12-month measurement period in accordance with the Group's accounting policy.

The goodwill recognised is expected to be deductible for tax purposes.

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2021

Assets and liabilities arising from this acquisition are as follows:

	Fair value
	\$000
Trade and unbilled receivables ¹	30,869
Loan servicing advances	16,568
Right-of-use assets	9,283
Property, plant and equipment	15,680
Accruals	(8,871)
Contract liabilities ²	(60,806)
Lease liabilities	(9,118)
Provisions	(2,992)
Mortgage servicing related liabilities	(1,370)
Net liabilities	(10,757)
Purchase consideration:	
Inflow/(outflow) of cash to acquire the entities, net of cash acquired:	\$000
Cash consideration	(723,784)
Other cash adjustments	(5,060)
Net inflow/(outflow) of cash	(728,844)

¹ The fair value of acquired trade receivables is \$20.1 million. The gross contractual amount due is \$23.6 million, with a loss allowance of \$3.5 million recognised on acquisition.

² Deferred revenue.

b) On 8 October 2021, Computershare acquired 100% of Worldwide Incorporators Ltd., a registered agent business based in Delaware, US. Total consideration was \$0.9 million. This business combination is not material to the Group.

Details of the acquisition are as follows:

	\$000
Cash consideration	944
Total purchase consideration	944
Less fair value of identifiable assets acquired	(344)
Provisional goodwill on consolidation*	600

*Identification and valuation of net assets acquired will be completed within the 12-month measurement period in accordance with the Group's accounting policy.

The goodwill recognised is expected to be deductible for tax purposes.

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2021

8. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

Prior to 31 December 2021, Computershare entered into exclusive negotiations to sell its UK mortgage services business. As at the date of this report, negotiations related to the sale remain ongoing. Whilst the sale is not certain, the assets and liabilities related to this business met the 'held for sale' classification criteria at 31 December 2021. If negotiations are successful, the sale is expected to be completed within 12 months.

	31 December	30 June
	2021	2021
	\$000	\$000
Assets classified as held for sale		
Cash and cash equivalents	33,043	-
Receivables	27,948	-
Intangibles	13,216	-
Goodwill	6,604	-
Current tax assets	5,842	-
Other assets	5,226	-
Right-of-use assets	3,558	-
Property, plant and equipment	946	-
Investment in associate	-	2,888
Total assets held for sale	96,383	2,888
Liabilities directly associated with assets classified as held for sale		
Payables	21,663	-
Lease liabilities	9,644	-
Provisions	5,506	-
Deferred tax liabilities	594	-
Total liabilities held for sale	37,407	-

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2021

9. BORROWINGS

	31 December	30 June
	2021	2021
	\$000	\$000
Current		
Bank loans (SLS non-recourse advance facility)	198,814	99,465
Other bank loans	1,189	2,911
USD Senior Notes	220,000	220,000
	420,003	322,376
Non-current		
Bank loans (SLS non-recourse advance facility)	-	117,000
USD Senior Notes	833,709	848,962
Revolving syndicated bank facilities	479,482	421,648
Euro Medium Term Note (EMTN) (a)	559,196	-
Australian Medium Term Note (AMTN) (b)	219,218	-
	2,091,605	1,387,610

a) On 7 October 2021, Computershare US Inc issued Euro Medium Term Notes with a total value of EUR 500 million, to replace the Wells Fargo acquisition bridge facility and meet the upcoming US Private Placement maturity. These notes are for a tenor of 10 years. Fixed interest is paid on all the issued notes on an annual basis. The Group uses derivatives to manage the fixed interest and foreign exchange exposure.

b) On 30 November 2021, Computershare US Inc issued Australian Medium Term Notes with a total value of AUD 300 million. These notes are for a tenor of 6 years. Fixed interest is paid on all the issued notes on a semi-annual basis. The Group uses derivatives to manage the fixed interest and foreign exchange exposure.

c) The Australia and New Zealand Banking Group Limited bilateral facility of \$100.0 million was repaid and cancelled during the reporting period. The facility was undrawn at 30 June 2021.

d) The bridge facility executed on 31 March 2021 for the Wells Fargo acquisition of \$375.0 million was cancelled during the reporting period. The facility was undrawn at 30 June 2021.

10. FAIR VALUE MEASUREMENTS

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes. The measurement hierarchy used is as follows:

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period for identical assets and liabilities. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. This includes inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Such instruments include derivative financial instruments and the portion of borrowings included in the fair value hedge.

Specific valuation techniques used to value financial instruments are as follows:

- a) Quoted market prices or dealer quotes are used for similar instruments.
- b) The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2021

- c) The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
- d) The fair value of cross currency swaps is a combination of the fair value of forward foreign exchange contracts determined using forward exchange rates at the balance sheet date (for the final principal exchange) and the use of quoted market prices or dealer quotes for similar instruments (for the basis valuation).
- e) The fair value of interest rate swaptions is calculated using the Black-Scholes formula and quoted market prices.

Level 3: Valuation methodology of the asset or liability uses inputs that are not based on observable market data (unobservable inputs). This is the case of investments in unconsolidated structured entities, which are included in financial assets at fair value through profit or loss and deferred consideration arising from business combinations.

The amount of contingent consideration recognised on business combinations is typically referenced to revenue or EBITDA targets. The Group estimates the fair value of the expected future payments based on the terms of each earn-out agreement and management's knowledge of the business taking into account the likely impact of the current economic environment. Contingent consideration amounts are re-measured every reporting period based on most recent projections. Gains or losses arising from changes in fair value are recognised in profit or loss in the period in which they arise.

The fair value of the investment in structured entities is determined by reference to the interest in net assets of these entities, which approximate their fair values. As profits are realised and dividends are paid to investors, the net assets of these entities decrease and so does the fair value of the Group's investment.

The following tables present the Group's financial assets and liabilities measured and recognised at fair value at 31 December 2021. The comparative figures are also presented below.

	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
As at 31 December 2021				
Assets				
Financial assets at fair value through profit or loss	4,841	3,946	37,585	46,372
Total assets	4,841	3,946	37,585	46,372
Liabilities				
Financial liabilities at fair value through profit or loss	-	59,742	-	59,742
Deferred consideration	-	-	10,428	10,428
Total liabilities	-	59,742	10,428	70,170
As at 30 June 2021				
Assets				
Financial assets at fair value through profit or loss	9,162	832	32,756	42,750
Total assets	9,162	832	32,756	42,750
Liabilities				
Financial liabilities at fair value through profit or loss	-	1,532	-	1,532
Deferred consideration	-	-	10,716	10,716
Total liabilities	-	1,532	10,716	12,248

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2021

The following table presents the changes in level 3 items for the period ended 31 December 2021:

	Financial assets at fair value through profit or loss \$000	Deferred consideration liability \$000
Opening balance at 1 July 2021	32,756	10,716
Additions	4,829	-
Payments	-	(64)
Gains/ (losses) recognised in the profit or loss	-	-
Currency translation difference	-	(224)
Closing balance at 31 December 2021	37,585	10,428

Net fair value of financial assets and liabilities

The carrying amounts of cash and cash equivalents, receivables, loan servicing advances, payables, non-interest bearing liabilities, lease liabilities and loans approximate their fair values for the Group except for:

- the USD Senior Notes of \$1,053.7 million (30 June 2021: \$1,069.0 million), where the fair value based on level 2 valuation techniques was \$1,045.2 million as at 31 December 2021 (30 June 2021: \$1,065.8 million);
- the Euro Medium Term Notes of \$559.2 million, where the fair value based on level 2 valuation techniques was \$555.9 million as at 31 December 2021;
- the AUD Medium Term Notes of \$219.2 million, where the fair value based on level 2 valuation techniques was \$220.3 million as at 31 December 2021.

11. CONTRIBUTED EQUITY

There have been no share buy-backs or issue of ordinary shares during the half-year ended 31 December 2021.

Movement in contributed equity

	Number of shares	\$000
Balance at 1 July 2021	603,729,336	519,299
Balance at 31 December 2021	603,729,336	519,299

12. CONTINGENT LIABILITIES

Legal and regulatory matters

Due to the nature of operations, certain commercial and regulatory claims in the normal course of business have been made against the consolidated entity in various countries. An inherent difficulty in predicting the outcome of such matters exists. Based on current knowledge of the Group, an appropriate liability is recognised on the consolidated balance sheet if future cash outflows are considered probable with regard to a legal claim. The status of all claims is monitored on an ongoing basis, together with the adequacy of any provisions recorded in the Group's financial statements.

Guarantees, indemnities and other contingent liabilities

Guarantees and indemnities of EUR 500.0 million have been given to European Institutional Accredited Investors by Computershare Limited, ACN 081 035 752 Pty Ltd, Computershare Finance Company Pty Ltd, Computershare US Inc., Computershare Investments (UK) (No. 3) Ltd and Computershare Investor Services Inc under a Note and Guarantee Agreement dated 7 October 2021.

Guarantees and indemnities of AUD 300.0 million have been given to Australian Institutional Accredited Investors by Computershare Limited, ACN 081 035 752 Pty Ltd, Computershare Finance Company Pty Ltd, Computershare US Inc.,

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2021

Computershare Investments (UK) (No. 3) Ltd and Computershare Investor Services Inc under a Note and Guarantee Agreement dated 30 November 2021.

Computershare Limited, ACN 081 035 752 Pty Ltd, Computershare Investments (UK) (No. 3) Ltd, Computershare Finance Company Pty Ltd, Computershare US Inc. and Computershare Investor Services Inc are parties to a Guarantor Deed Poll dated 11 April 2018 in respect to the following Facility Agreements, which were cancelled during the reporting period:

- \$375.0 million USD Syndicated acquisition bridge facility executed on 31 March 2021; and
- \$100.0 million one-year multi-currency Bilateral Facility Agreement executed on 12 March 2020.

There have been no other material changes to guarantees, indemnities and other contingent liabilities since the last reporting date.

13. COMMITMENTS

There have been no material changes to commitments since the last reporting date.

14. SIGNIFICANT EVENTS AFTER BALANCE SHEET DATE

No matter or circumstance has arisen since the reporting date which is not otherwise reflected in this report that has significantly affected or may significantly affect the operations of the consolidated entity.

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES DIRECTORS' DECLARATION

Directors' Declaration

In the directors' opinion:

(a) the financial statements and notes set out on pages 9 to 26 are in accordance with the *Corporations Act 2001*, including:

- (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Note 1 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the directors.



SD Jones
Chairman



SJ Irving
Director

Melbourne
8 February 2022

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES STATEMENTS OF THE CEO AND CFO

Statement to the Board of Directors of Computershare Limited

The Chief Executive Officer and Chief Financial Officer state that:

- (a) the financial records of the consolidated entity for the half-year ended 31 December 2021 have been properly maintained in accordance with section 286 of the *Corporations Act 2001*; and
- (b) the financial statements, and the notes to the financial statements, of the consolidated entity, for the half-year ended 31 December 2021:
 - (i) comply with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) give a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of their performance for the half-year ended on that date.



SJ Irving
Chief Executive Officer



NSR Oldfield
Chief Financial Officer

8 February 2022



INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF COMPUTERSHARE LIMITED

REPORT ON THE HALF-YEAR FINANCIAL REPORT

CONCLUSION

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

1. giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

BASIS FOR CONCLUSION

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

RESPONSIBILITIES OF THE DIRECTORS 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 Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error. In note 1, the directors also state that the consolidated financial statements comply with IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board.

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AUDITOR'S RESPONSIBILITIES FOR THE REVIEW OF THE HALF-YEAR FINANCIAL REPORT

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

A handwritten signature in black ink that reads 'R. K. Cooper'.

PricewaterhouseCoopers

A handwritten signature in black ink that reads 'M. Laithwaite'.

Marcus Laithwaite
Partner

Melbourne
8 February 2022

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES

SUPPLEMENTARY APPENDIX 4D INFORMATION

NTA Backing *(Appendix 4D item 3)*

31 December 2021 31 December 2020

Net tangible asset backing per ordinary share **(2.60)** (3.05)

Controlled entities acquired or disposed of *(Appendix 4D item 4)*

Acquired

Worldwide Incorporators Ltd.

Date control gained

8 October 2021

Additional dividend information *(Appendix 4D item 5)*

Details of dividends declared or paid during or subsequent to the half-year ended 31 December 2021 are as follows:

Record date	Payment date	Type	Amount per security	Total dividend (AUD)	Franked amount per security	Conduit foreign income amount per security
18 August 2021	13 September 2021	Final	AU 23 cents	138,832,935	AU 13.8 cents	AU 9.2 cents
16 February 2022	17 March 2022	Interim	AU 24 cents	144,895,041	AU 9.6 cents	AU 14.4 cents

Dividend reinvestment plans *(Appendix 4D item 6)*

Computershare operates a Dividend Reinvestment Plan (DRP) which provides eligible shareholders with the opportunity to elect to take all or part of dividends in the form of shares in accordance with the DRP plan rules. Shares are provided under the plan free of brokerage and other transaction costs and will rank equally with all other ordinary shares on issue.

The DRP will apply to the interim dividend declared in respect of the current financial year on 8 February 2022. Applications or notices received after 5.00pm (Melbourne time) on 17 February 2022 will not be effective for payment of this interim dividend but will be effective for future dividend payments.

The DRP price for the interim dividend will be equal to the arithmetic average of the daily volume weighted average market price (rounded to the nearest cent) of all shares sold through a normal trade on the ASX automated trading system during the DRP pricing period for this dividend, being 21 February 2022 to 4 March 2022 (inclusive). No discount will apply to the DRP price.

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES SUPPLEMENTARY APPENDIX 4D INFORMATION

Associates and joint venture entities *(Appendix 4D item 7)*

Name	Place of incorporation	Principal activity	Ownership interest		Consolidated carrying amount	
			Dec 2021 %	June 2021 %	Dec 2021 \$000	June 2021 \$000
Joint Ventures						
Computershare Pan Africa Holdings Ltd	Mauritius	Investor Services	60	60	-	-
Asset Checker Ltd	United Kingdom	Investor Services	50	50	-	-
Associates						
Expandi Ltd	United Kingdom	Investor Services	25	25	7,333	7,414
Milestone Group Pty Ltd ¹	Australia	Technology Services	-	20	-	-
Reach LawTech Pty Ltd ²	Australia	Investor Services	46.5	-	-	-
The Reach Agency Holdings Pty Ltd	Australia	Investor Services	46.5	46.5	1,738	1,683
Mergit s.r.l.	Italy	Technology Services	30	30	-	-
					9,071	9,097

¹ The investment in Milestone Group Pty Ltd was sold during the reporting period. A post-tax gain of \$12.5 million was recorded on the disposal. Additional contingent consideration may be receivable over a three-year period if certain revenue targets are achieved. No value was ascribed to contingent consideration in the disposal result recorded at 31 December 2021. At 30 June 2021, Milestone was classified as held for sale.

² On 16 December 2021, Computershare acquired 46.5% interest in Reach LawTech Pty Ltd.

The share of net profit of associates and joint ventures accounted for using the equity method for the half-year ended 31 December 2021 was \$0.2 million (31 December 2020: \$0.4 million).

Foreign Entities *(Appendix 4D item 8)*

For foreign entities, International Financial Reporting Standards are used in compiling the half-year consolidated report.

COMPUTERSHARE LIMITED AND ITS CONTROLLED ENTITIES SUPPLEMENTARY APPENDIX 4D INFORMATION

CORPORATE DIRECTORY

DIRECTORS

Simon David Jones
(Chairman)
Stuart James Irving
(President and
Chief Executive Officer)
Abigail Pip Cleland
Tiffany Lee Fuller
Lisa Mary Gay
John Nendick
Paul Joseph Reynolds
Joseph Mark Velli

SHARE REGISTRY

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COMPANY SECRETARY

Dominic Matthew Horsley

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