



27th August 2024

For Public Release

Kinetic Growth Fund Releases Half Year Financials

Kinetic Growth Fund Ltd (KGF) today released its half-year 2024 financial statements, which show an earnings per share for the six-month period of 28 cents. The earnings per share were calculated with the time-weighted average number of shares outstanding over the period, adjusting for the new shares issued at the closing of the previously announced transaction with the Kelton group to purchase Korobasaqa, Gunu and Naibati Houses.

As part of the 25th July announcement of NAV as at 30th June 2024 made through the South Pacific Stock Exchange, KGF mentioned that there were several noteworthy transactions that warranted further commentary once a pending administrative action was completed. That action has been completed during this week. Accordingly, KGF now provides more detail on these significant transactions, namely:

- i. The closing of the transaction with the Kelton group to purchase Korobasaqa, Gunu and Naibati Houses, discussed in more detail below.
- ii. Acquisition of additional ordinary shares in Island Quarries Ltd. This transaction marks progress toward moving the company to operations, resulting in an increase in the carrying value of KGF's shares in IQL.
- iii. Participation in the Calmer Co International Ltd's (CCO) Rights Issue. Shares that were purchased in this offer were at a substantial discount to CCO's recent share price on the ASX, as the company has reported large increases in online sales during recent months, resulting in an unrealized gain on these newly acquired shares.

The closing of the Korobasaqa, Gunu, and Naibati transaction has resulted in the issuance of 7,289,286 additional shares in KGF. When the initial agreement was signed in November 2023, the share component of the transaction was valued at the last traded price of \$1.12, which was above the net asset value per share at the time. Because the last traded price was above the announced NAV price, the transaction was projected to substantially increase the NAV per share at that time. In the subsequent period, KGF's net asset value per share and market price both increased. As at the closing date of the transaction, the market (last traded) price of KGF shares was modestly above the net asset value per share, meaning that instead of a large accretive effect, the transaction has a small, short-term dilutive effect on the net asset value per share. Combined with transaction and closing costs, these effects offset gains in the NAV per share from the Island Quarries and Calmer Co investments.

Notably, the NAV per share as at 30 June 2024, after accounting for all of the above, is more than 30% higher than the 94 cents per share NAV as at 30 November 2023, shortly after the initial announcement of the property transaction, and 29% higher than the 96 cents per share NAV based on the audited financial statements as at 31 December 2023.

The Board and Manager of KGF are confident about the long-term prospects of the investment in Korobasaqa, Gunu and Naibati Houses. KGF plans to have the properties valued in the last quarter of the current year and then every three years subsequently.

Yours sincerely,



Erik Larson
Board Chairman



Griffon Emose
Company Secretary



**KINETIC GROWTH
FUND**

27 August 2024

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Annexure D: Half Year Accounts

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30 JUNE 2024**

		Consolidated		
		FY2024 Half Year	% Change	FY2023 Half Year
1	OPERATING REVENUE			
	Sales Revenue	0	n/a	0
	Other Revenue	1,649,572	686%	209,898
	Total Operating Revenue	1,649,572	686%	209,898
2	Net Profit/Loss before Tax	1,389,268	6,534%	20,941
	Income Tax Expense	(138,927)	6,534%	(2,094)
	Net Profit/Loss after Tax	1,250,341	6,534%	18,847
3	Extraordinary Item After Tax	0	n/a	0
	Net Profit/Loss after Tax& Extraordinary Item	1,250,341	6,534%	18,847
4	OEI in net profit after tax	0	n/a	0
	Net Profit/Loss after Extraordinary Items and Income Tax Attributable to Members of the Company	1,250,341	6,534%	18,847
	Retained Profit at Beginning	(146,184)	(68%)	(457,687)
	Total available for Appropriation	1,243,079	161%	476,534
	Ordinary dividend Provided for		n/a	
	Preference Dividend Provided for		n/a	
	Transfer to general reserves		n/a	
	Total appropriations		n/a	
	Retained profit at Year End	1,096,895	n/a	18,847
5	EARNINGS PER SHARE			
	Shares issued	4,465,567	17%	3,821,210
	Basic earnings per share	0.28	5,241%	0.01
	Diluted earnings per share	0.28	5,241%	0.01

Chairman

Company Secretary

**STATEMENT OF FINANCIAL POSITION
FOR THE HALF YEAR ENDED 30 JUNE 2024**

6 CURRENT ASSETS

Cash Assets
Trade receivables
Receivables from related parties
Other assets
Total Current Assets

Consolidated		
FY2024 Half Year	FY2023 Annual Report	FY2023 Half Year
182,791	360,851	930,581
0	340,712	7,310
0		357,798
0		0
182,791	701,563	1,295,688

NON CURRENT ASSETS

Property, plant and equipment
Long-term investment
Deferred Tax Asset
Future Income Tax benefit
Other
Total Non-Current Assets

0		0
3,163,025	2,684,628	1,978,888
0	99,713	0
0		0
14,850,090	224,256	224,253
18,013,115	3,008,597	2,203,141

TOTAL ASSETS

18,195,906	3,710,160	3,498,830
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7 CURRENT LIABILITIES

Trade payables
Other payables and accruals
Current tax payable
Interest-bearing borrowings
Payables to related parties
Provisions
Other
Total Current Liabilities

3,750	32,137	28,467
77,429		0
16,949	16,946	0
4,400,000		0
0		5,521
0		125,761
0		0
4,498,129	49,083	159,749

NON CURRENT LIABILITIES

Term loan – secured
Payables to related parties
Deferred tax liabilities
Total Non-Current Liabilities

0		0
0		0
(99,712)		(31,440)
(99,712)	0	(31,440)

TOTAL LIABILITIES

4,398,417	49,083	128,309
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NET ASSETS

13,797,489	3,661,077	3,370,521
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8 EQUITY

Contributed equity
Current year earnings
Retained profits/accumulated losses
Equity Attributable to Members

12,554,410	3,807,261	3,807,261
1,389,268	(146,184)	20,941
(146,189)		(457,681)
13,797,489	3,661,077	3,370,521

OEI in Controlled Entities

Contributed equity
Retained profits/accumulated losses
Total Outside Equity Interest in Controlled Entities

0		0
		0
0		0

TOTAL EQUITY

13,797,489	3,661,077	3,370,521
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Chairman




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Company Secretary

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Annexure D: Half Year Accounts**STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 30 JUNE 2023**

	Consolidated	
	FY2024 Half Year	FY2023 Half Year
9 CASH FLOW FROM OPERATING ACTIVITIES		
(a) Cash received from Trading activities	0	0
(b) Cash payments	(189,830)	(40,626)
(c) Interest Received	39,707	0
(d) Dividend Received	22,978	96,983
(e) Interest Paid	0	0
(f) Income Tax paid	0	0
(g) Net Cash Inflow from Operating Activities	(127,145)	56,358
10 CASH FLOWS FROM INVESTING ACTIVITIES		
(a) Acquisition of Fixed Assets	(245,645)	0
(b) Proceeds from sale of Fixed Assets	0	0
(c) Acquisition of Investment	0	0
(d) Long Term Deposit	(375,000)	0
(e) Audio Visual Production	0	0
(f) Proceeds from Sale of Associate	0	0
(g) Proceed from Sale of Investment	0	0
(h) Net Cash (outflow) from Investing Activities	(620,645)	0
11 CASH FLOWS FROM FINANCING ACTIVITIES		
(a) Acquisition of Fixed Assets	0	0
(b) Repayment of Secured Loan	0	0
(c) Proceed from Issue of Shares	0	0
(d) Proceeds from Borrowings	0	0
(e) Repayment of Lease Principal	0	0
(f) Net Cash (Outflow)/Inflow from Financing Activities	0	0
12 NET INCREASE/(DECREASE) IN CASH HELD		
(a) Cash/ (Overdraft) at beginning of Year	930,581	874,223
(b) Movement in cash during the year	(747,790)	56,358
(c) Cash/ (Overdraft) at End of Year	182,791	930,581



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Chairman



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Company Secretary