

---

**MARLIN GLOBAL LIMITED**  
**INTERIM FINANCIAL STATEMENTS CONTENTS**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2019**

---

	<b>Page</b>
Statement of Comprehensive Income	1
Statement of Changes in Equity	2
Statement of Financial Position	3
Statement of Cash Flows	4
Notes to the Interim Financial Statements	5

**MARLIN GLOBAL LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2019**

	Notes	6 months ended 31/12/19 unaudited \$000	6 months ended 31/12/18 unaudited \$000
Interest income		10	19
Dividend income		357	321
Net changes in fair value of financial assets and liabilities	2	14,426	(13,386)
Other (losses)/income	3	(10)	133
<b>Total net income/(loss)</b>		<b>14,783</b>	<b>(12,913)</b>
Operating expenses	4	(1,864)	(883)
<b>Operating profit/(loss) before tax</b>		<b>12,919</b>	<b>(13,796)</b>
Total tax expense		(550)	(561)
<b>Net operating profit/(loss) after tax</b>		<b>12,369</b>	<b>(14,357)</b>
Other comprehensive income		0	0
<b>Total comprehensive income/(loss) after tax</b>		<b>12,369</b>	<b>(14,357)</b>
<b>Basic earnings per share</b>	6	<b>8.39c</b>	<b>-12.01c</b>
<b>Diluted earnings per share</b>	6	<b>8.36c</b>	<b>-12.01c</b>

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

**MARLIN GLOBAL LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2019**

Attributable to shareholders of the company				
	Notes	Share Capital \$000	Retained Earnings / (Accumulated Deficits) \$000	Total Equity \$000
Balance at 1 July 2018 (audited)		112,620	8,784	121,404
Comprehensive loss				
Net operating loss after tax		0	(14,357)	(14,357)
Other comprehensive income		0	0	0
Total comprehensive loss for the period ended 31 December 2018		0	(14,357)	(14,357)
Transactions with owners				
Warrant issue costs		(1)	0	(1)
Dividends paid 5		0	(4,916)	(4,916)
Shares issued from treasury stock under dividend reinvestment plan 5		571	0	571
New shares issued under dividend reinvestment plan 5		1,501	0	1,501
Share buybacks 5		(588)	0	(588)
Total transactions with owners for the period ended 31 December 2018		1,483	(4,916)	(3,433)
Balance at 31 December 2018 (unaudited)		114,103	(10,489)	103,614
Balance at 1 July 2019 (audited)		133,382	7,227	140,609
Comprehensive income				
Net operating profit after tax		0	12,369	12,369
Other comprehensive income		0	0	0
Total comprehensive income for the period ended 31 December 2019		0	12,369	12,369
Transactions with owners				
Dividends paid 5		0	(5,774)	(5,774)
Shares issued from treasury stock under dividend reinvestment plan 5		9	0	9
New shares issued under dividend reinvestment plan 5		2,345	0	2,345
Total transactions with owners for the period ended 31 December 2019		2,354	(5,774)	(3,420)
Balance at 31 December 2019 (unaudited)		135,736	13,822	149,558

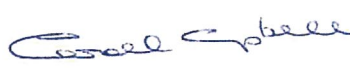
The accompanying notes form an integral part of these financial statements.

**MARLIN GLOBAL LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2019**

	Notes	31/12/19 unaudited \$000	30/06/19 audited \$000
<b>SHAREHOLDERS' EQUITY</b>		<b>149,558</b>	<b>140,609</b>
Represented by:			
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		1,665	2,941
Trade and other receivables		150	150
Financial assets at fair value through profit or loss	2	148,978	138,132
<b>Total Current Assets</b>		<b>150,793</b>	<b>141,223</b>
<b>TOTAL ASSETS</b>		<b>150,793</b>	<b>141,223</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		740	240
Financial liabilities at fair value through profit or loss	2	0	47
Current tax payable		495	327
<b>Total Current Liabilities</b>		<b>1,235</b>	<b>614</b>
<b>TOTAL LIABILITIES</b>		<b>1,235</b>	<b>614</b>
<b>NET ASSETS</b>		<b>149,558</b>	<b>140,609</b>

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

  
A B Ryan  
Chair  
24 February 2020

  
C A Campbell  
Chair of the Audit and Risk Committee  
24 February 2020

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

**MARLIN GLOBAL LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2019**

		<b>6 months ended 31/12/19 unaudited \$000</b>	<b>6 months ended 31/12/18 unaudited \$000</b>
	<b>Notes</b>		
<b>Operating Activities</b>			
Sale of listed equity investments		15,482	25,118
Interest received		11	19
Dividends received		366	320
Other (losses incurred)/income received		(14)	195
Purchase of listed equity investments		(11,970)	(19,350)
Operating expenses		(1,377)	(3,940)
Taxes paid		(382)	(233)
Net settlement of forward foreign exchange contracts		20	(1,008)
<b>Net cash inflows from operating activities</b>	<b>7</b>	<b>2,136</b>	<b>1,121</b>
<b>Financing Activities</b>			
Warrant issue costs		0	(1)
Share buybacks		0	(588)
Dividends paid (net of dividends reinvested)		(3,420)	(2,844)
<b>Net cash outflows from financing activities</b>		<b>(3,420)</b>	<b>(3,433)</b>
<b>Net decrease in cash and cash equivalents held</b>		<b>(1,284)</b>	<b>(2,312)</b>
Cash and cash equivalents at beginning of the period		2,941	4,287
Effects of foreign currency translation on cash balance		8	(60)
<b>Cash and cash equivalents at end of the period</b>		<b>1,665</b>	<b>1,915</b>

In the current period, cash flow from operating activities in relation to realisation and settlement of forward foreign exchange contracts are disclosed separately. Accordingly, comparatives have been reclassified to conform with current period presentation.

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

**MARLIN GLOBAL LIMITED**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2019**

**Note 1 Basis of Accounting**

**Reporting Entity**

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

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


**Basis of Preparation**

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


The interim financial statements do not include all of the information required for full year financial statements and should be read in conjunction with the Company's annual financial report for the year ended 30 June 2019.

These interim financial statements cover the unaudited results from operations for the six months ended 31 December 2019.

**Accounting Policies**

The Company has applied consistent accounting policies in the preparation of these interim financial statements as for the 2019 full year financial statements. Accounting policies that are relevant to an understanding of the interim financial statements are designated by a  symbol.

**Critical Judgements, Estimates and Assumptions**


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

**Authorisation of Interim Financial Statements**

The Marlin Board of Directors authorised these interim financial statements for issue on 24 February 2020.

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

**Note 2 Financial assets and liabilities at fair value through profit or loss**


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

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

The fair value of forward foreign exchange contracts is determined by using valuation techniques based on spot exchange rates and forward points supplied by The World Markets Company PLC via Refinitiv.

	31/12/19 unaudited \$000	30/06/19 audited \$000
<b>Financial assets and liabilities at fair value through profit or loss</b>		
<b>Financial Assets:</b>		
International listed equity investments	147,446	136,890
Forward foreign exchange contracts	1,532	1,242
<b>Total financial assets at fair value through profit or loss</b>	<b>148,978</b>	<b>138,132</b>
<b>Financial Liabilities:</b>		
Forward foreign exchange contracts	0	47
<b>Total financial liabilities at fair value through profit or loss</b>	<b>0</b>	<b>47</b>

The notional value of forward foreign exchange contracts held at 31 December 2019 was \$67,911,968 (30 June 2019: \$61,370,217).

 All equity investments held by Marlin are categorised as Level 1 and all forward foreign exchange contracts are classified as Level 2 in the fair value hierarchy. There have been no transfers between levels of the fair value hierarchy during the period (31 December 2018: none).

**MARLIN GLOBAL LIMITED**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2019**

**Note 2 Financial assets and liabilities at fair value through profit or loss (continued)**

	6 months ended 31/12/19 unaudited \$000	6 months ended 31/12/18 unaudited \$000
<b>Net changes in fair value of financial assets and liabilities</b>		
International equity investments	14,672	(13,479)
Foreign exchange (losses)/gains on equity investments	(603)	359
Gains/(losses) on forward foreign exchange contracts	357	(266)
<b>Net changes in fair value of financial assets and liabilities</b>	<b>14,426</b>	<b>(13,386)</b>

**Note 3 Other income**

Foreign exchange (losses)/gains on cash and cash equivalents	(10)	133
<b>Total other (losses)/income</b>	<b>(10)</b>	<b>133</b>

**Note 4 Operating Expenses**

Management fees (note 8)	944	488
Performance fees (note 8)	533	0
Administration services (note 8)	79	79
Directors' fees (note 8)	86	88
Brokerage	41	66
Investor relations and communications	64	64
Custody and accounting fees	13	14
NZX fees	28	28
Professional fees	26	9
Fees paid to the auditor:		
Statutory audit and review of financial statements	15	14
Non assurance services <sup>1</sup>	0	3
Regulatory expenses	7	4
Other operating expenses	28	26
<b>Total operating expenses</b>	<b>1,864</b>	<b>883</b>

<sup>1</sup> Non-assurance services in the prior period relate to annual shareholders meeting procedures. No other fees were paid to the auditor during the period (31 December 2018: nil).

**Note 5 Shareholders' equity**

**Share Capital**

Marlin has 149,149,456 fully paid ordinary shares on issue (30 June 2019: 146,635,412). All ordinary shares rank equally and have no par value. All shares carry an entitlement to dividends and one vote is attached to each fully paid ordinary share.

**Buybacks**

Marlin maintains an ongoing share buyback programme. In the six month period to 31 December 2019, Marlin did not acquire any (31 December 2018: 645,521) shares under the programme which allows up to 5% of the ordinary shares on issue (as at the date 12 months prior to the acquisition) to be acquired. Shares acquired under the buyback programme are held as treasury stock and subsequently reissued to shareholders under the dividend reinvestment plan. There were no shares held as treasury stock at balance date (30 June 2019: 10,000).

**MARLIN GLOBAL LIMITED**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2019**

**Note 5 Shareholders' equity (continued)**

**Warrants**

On 7 November 2019, 37,252,688 new Marlin warrants were allotted and quoted on the NZX Main Board. One new warrant was issued to all eligible shareholders for every four shares held on record date (6 November 2019). The warrants are exercisable at \$0.94 per warrant, adjusted down for dividends declared during the period up to the exercise date of 6 November 2020. Warrant holders can elect to exercise some or all of their warrants on the exercise date subject to a minimum exercise of 500 warrants.

**Dividends**

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

	2019 \$000	Cents per share		2018 \$000	Cents per share
26 Sep 2019	2,830	1.93	28 Sep 2018	2,436	2.05
19 Dec 2019	2,944	1.99	21 Dec 2018	2,480	2.07
	<b>5,774</b>	<b>3.92</b>		<b>4,916</b>	<b>4.12</b>

**Dividend reinvestment plan**

Marlin has a dividend reinvestment plan which provides ordinary shareholders with the option to reinvest all or part of any cash dividends in fully paid ordinary shares at a 3% discount to the five-day volume weighted average share price from the date the shares trade ex-entitlement. During the period ended 31 December 2019, 2,514,044 ordinary shares (31 December 2018: 2,402,213 ordinary shares) were issued in relation to the plan for the quarterly dividends paid. To participate in the dividend reinvestment plan, a completed participation notice must be received by Marlin before the next record date.

**Note 6 Earnings per Share**

	6 months ended 31/12/19 unaudited	6 months ended 31/12/18 unaudited
<b>Basic earnings per share</b>		
Profit/(loss) attributable to owners of the Company (\$'000)	12,369	(14,357)
Weighted average number of ordinary shares on issue net of treasury stock ('000)	147,383	119,493
<b>Basic earnings per share</b>	<b>8.39c</b>	<b>-12.01c</b>
<b>Diluted earnings per share</b>		
Profit/(loss) attributable to owners of the Company (\$'000)	12,369	(14,357)
Weighted average number of ordinary shares on issue net of treasury stock ('000)	147,383	119,493
Diluted effect of warrants on issue ('000)	656	0
	148,039	119,493
<b>Diluted earnings per share</b>	<b>8.36c</b>	<b>-12.01c</b>



**MARLIN GLOBAL LIMITED**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2019**

<b>Note 7</b>	<b>Reconciliation of Net Operating Profit/(Loss) after Tax to Net Cash Inflows from Operating Activities</b>	<b>6 months ended 31/12/19 unaudited \$000</b>	<b>6 months ended 31/12/18 unaudited \$000</b>
	<b>Net operating profit/(loss) after tax</b>	<b>12,369</b>	<b>(14,357)</b>
	<b>Items not involving cash flows</b>		
	Unrealised (gains)/losses on cash and cash equivalents	(8)	60
	Unrealised (gains)/losses on revaluation of investments	(9,975)	19,504
	Unrealised (gains)/losses on forward foreign exchange contracts	(337)	(742)
		<b>(10,320)</b>	<b>18,822</b>
	<b>Impact of changes in working capital items</b>		
	Increase/(decrease) in fees and other payables	500	(2,790)
	Decrease/(increase) in trade and other receivables	-	(266)
	Change in current and deferred tax	168	328
		<b>668</b>	<b>(2,728)</b>
	<b>Items relating to investments</b>		
	Amount paid for purchases of investments	(11,970)	(19,350)
	Amount received from sales of investments	15,482	25,118
	Net amount received/(paid) on settlement of forward foreign exchange contracts	20	(1,008)
	Realised gains on investments	(4,113)	(5,376)
		<b>(581)</b>	<b>(616)</b>
	<b>Net cash inflows from operating activities</b>	<b>2,136</b>	<b>1,121</b>

**Note 8 Related Party Information**



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

**Transactions with related parties**

The Manager of Marlin is Fisher Funds Management Limited ("Fisher Funds" or "the Manager"). Fisher Funds is a related party by virtue of the Management Agreement. In return for the performance of its duties as Manager, Fisher Funds is paid the following fees:

(i) **Management fee:** 1.25% (plus GST) per annum of the gross asset value, calculated weekly and payable monthly in arrears. The fee reduces if the Manager underperforms, thereby aligning the Manager's interests with those of the Marlin shareholders. For every 1% underperformance (relative to the change in the NZ 90 Day Bank Bill Index) the management fee percentage is reduced by 0.1%, subject to a minimum 0.75% per annum management fee. As at 31 December 2019, a management fee rebate has not been accrued (31 December 2018: management fee rebate of 0.5% totalling \$266,181 was accrued in accordance with the Management Agreement, and recognised in trade and other receivables in the Statement of Financial Position).

(ii) **Performance fee:** Fisher Funds may earn an annual performance fee of 10% plus GST (31 December 2018: 15% plus GST) of excess returns over and above the performance fee hurdle return (being the change in the NZ 90 Day Bank Bill Index plus 5%) subject to achieving the High Water Mark ("HWM"). From 1 July 2019 the total performance fee amount is subject to a cap of 1.25% of the net asset value and is paid 100% in cash.

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

For the period ended 31 December 2019, excess returns of \$5,247,562 were generated (31 December 2018: \$nil), and the net asset value per share before the deduction of a performance fee was \$1.01 (31 December 2018: \$0.86) which exceeded the HWM after adjustment for capital changes and distributions of \$0.92 (31 December 2018: \$0.97). Accordingly, the Company has expensed a performance fee of \$532,627 in the Statement of Comprehensive Income for the period ended 31 December 2019 (31 December 2018: nil).

**MARLIN GLOBAL LIMITED**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2019**

**Note 8 Related Party Information (continued)**

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

	6 months ended 31/12/19 unaudited \$000	6 months ended 31/12/18 unaudited \$000
<b>Fees earned, accrued and payable:</b>		
<b>Fees earned by and accrued to the Manager</b>		
Management fees	944	754
Management fee rebate	0	(266)
Performance fees	533	0
Administration services	79	79
<b>Total fees earned by and accrued to the Manager</b>	<b>1,556</b>	<b>567</b>
	31/12/19 unaudited \$000	30/06/19 audited \$000
<b>Fees payable to the Manager</b>		
Management fees	162	146
Performance fees payable	533	0
Administration services	13	13
<b>Total amount payable to the Manager</b>	<b>708</b>	<b>159</b>

**Investments by the Manager**

The Manager held shares in the Company until August 2019 when its holding was sold (30 June 2019: 1.37%). Dividends were also paid to the Manager as a result of its shareholding.

**Investment transactions with related parties**

Off-market transactions between Marlin and other funds managed by Fisher Funds take place for the purposes of rebalancing portfolios without incurring brokerage costs. These transactions are conducted after the market has closed at last sale price (on an arm's length basis). Purchases for the period ended 31 December 2019 totalled \$nil and sales totalled \$nil (31 December 2018: nil for purchases and \$4,011,035 for sales).

**Directors**

The directors of Marlin are the only key management personnel and they are paid a fee for their services. The directors' fee pool is \$157,500 (plus GST, if any) per annum (30 June 2019: \$157,500). The amount paid to directors is disclosed in note 4.

The directors or their associates also held shares in the Company at 31 December 2019 which total 2.07% of total shares on issue (30 June 2019: 0.73%). The directors held warrants which total 2.07% of total warrants on issue at 31 December 2019 (30 June 2019: n/a). Dividends were also received by the directors as a result of their shareholding.

**Note 9 Net Asset Value**

The unaudited net asset value of Marlin as at 31 December 2019 was \$1.00 per share (30 June 2019: \$0.96) calculated as the net assets of \$149,558,000 divided by the number of shares on issue of 149,149,456 (30 June 2019: net assets of \$140,609,104 and shares on issue of 146,635,412).

**Note 10 Subsequent Events**

On 24 February 2020, the Board declared a dividend of 2.04 cents per share. The record date for this dividend is 13 March 2020 with a payment date of 27 March 2020.

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



## *Independent review report*

To the shareholders of Marlin Global Limited

### *Report on the interim financial statements*

We have reviewed the accompanying interim financial statements of Marlin Global Limited (the Company) on pages 1 to 9, which comprise the statement of financial position as at 31 December 2019, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the period ended on that date, and notes to the interim financial statements.

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

The Directors are responsible on behalf of the Company for the preparation and fair presentation of these interim financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34) and New Zealand Equivalent to International Accounting Standard 34 *Interim Financial Reporting* (NZ IAS 34) and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of interim financial statements that are free from material misstatement, whether due to fraud or error.

### *Our responsibility*

Our responsibility is to express a conclusion on the accompanying interim financial statements based on our review. We conducted our review in accordance with the New Zealand Standard on Review Engagements 2410 *Review of Financial Statements Performed by the Independent Auditor of the Entity* (NZ SRE 2410). NZ SRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements, taken as a whole, are not prepared in all material respects, in accordance with IAS 34 and NZ IAS 34. As the auditor of the Company, NZ SRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

A review of interim financial statements in accordance with NZ SRE 2410 is a limited assurance engagement. The auditor performs procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and International Standards on Auditing. Accordingly, we do not express an audit opinion on these interim financial statements.

We are independent of the Company. Other than in our capacity as auditors, we have no relationship with, or interests in, the Company.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that these interim financial statements of the Company do not present fairly, in all material respects, the financial position of the Company as at 31 December 2019 and its financial performance and cash flows for the period then ended, in accordance with IAS 34 and NZ IAS 34.

### *Who we report to*

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

For and on behalf of:

Chartered Accountants  
24 February 2020

Auckland