

Appendix 4D - Half-year report for period ended 31 December 2022
(previous corresponding period: 31 December 2021)

INVESTSMART GROUP LIMITED AND ITS CONTROLLED ENTITIES ABN: 62 111 772 359

RESULTS FOR ANNOUNCEMENT TO THE MARKET

This information should be read in conjunction with the attached Interim Financial Report, the Annual Report for the year ended 30 June 2022 and quarterly business update for the period ended 31 December 2022.

	31-Dec-22	31-Dec-21	Increase/decrease over previous corresponding period
Revenues from ordinary activities (\$'000)	5,002	4,640	8%
Profit/(loss) from ordinary activities (\$'000)	(484)	(709)	32%
Net profit/(loss) attributable to members (\$'000)	(484)	(709)	32%
Net tangible assets (cents per ordinary share)^	4.14	4.08	

^Net tangible assets includes lease right-of-use assets and lease liabilities

Commentary on results for the period

Operating profit for the half-year ended 31 December 2022 and 31 December 2021 is reconciled to loss after tax as follows:

	2022	2021
	\$	\$
Income		
Funds management fees	1,547,773	1,245,195
Subscription income	2,709,875	2,625,863
Commissions income - insurance	691,785	746,505
Other income	7,072	21,743
Total operating income	4,956,505	4,639,306
Total operating expenses	5,176,809	4,654,647
Net profit/(loss) from operating activities	(220,304)	(15,341)
Interest income	44,887	498
Unrealised loss on call option^	-	(96,000)
Employee benefit expense^^	(83,751)	(202,591)
Contingent payments^^^	(51,799)	(236,529)
Amortisation of intangibles	(285,344)	(285,344)
Loss before income tax	(596,311)	(835,307)
Income tax benefit	111,982	126,788
Loss for the period	(484,329)	(708,519)

^ Loss on call option over The Term Deposit Shop purchased in June 2018. The option had an expiry date of 12 June 2022.

^^ Accounts for the issue of employee share options in December 2020, September 2021 and September 2022.

^^^ Contingent payments consists of payments and amortisation of payments for the acquisition of Kohler & Co in December 2018. The final payment of \$270k was made in December 2021.

Funds management fees increased by 24% compared to the prior period. The average funds under management during the half-year ended 31 December 2022 is \$509 million compared to \$438 million for the half-year ended 31 December 2021.

Subscription income increased by 3% compared to the prior period due to price increases. Total paying subscribers have decreased by 6% from 31 December 2021 to 31 December 2022

Commissions income – insurance has decreased due to attrition of insurance policies.

Total operating expenses increased due to an increase in employment expenses. Total employees increased from 34 at 31 December 2021 to 40 at 31 December 2022.

Dividend

It is not proposed to pay a dividend.

Details of associate entities

	Ownership interest as at	
	31/12/2022	31/12/2021
Professionally Managed Accounts	0.04%	0.04%

Other

Additional Appendix 4D disclosure requirements and further information including commentary on operating performance factors affecting the results for the current period are contained in the attached Interim Financial Report and the quarterly business update (released separately).

The consolidated financial statements contained within the Interim Financial Report for the half-year ended 31 December 2022, of which this report is based upon, have been reviewed by BDO Audit Pty Ltd.

InvestSMART Group Limited
ABN 62 111 772 359

Interim Financial Report
Half-year ended 31 December 2022

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Directors' Report

The Directors present their report on InvestSMART Group Limited (the Company) and its subsidiaries (collectively the Group) for the half-year ended 31 December 2022.

Directors

The following persons were directors of the company during or since the end of the half-year and up to the date of this report:

Paul Clitheroe AM	Chairman and Non-executive Director
Michael Shepherd AO	Non-executive Director
Ron Hodge	Managing Director
Effie Zahos	Non-executive Director

Review and Results of Operations

Operating profit for the half-years ended 31 December 2022 and 31 December 2021 is shown below:

	2022	2021
	\$	\$
Income		
Funds management fees	1,547,773	1,245,195
Subscription income	2,709,875	2,625,863
Commissions income - insurance	691,785	746,505
Other income	7,072	21,743
Total operating income	4,956,505	4,639,306
Commissions rebates	211,845	230,423
Employment expenses	2,875,506	2,488,343
Marketing costs	507,195	488,048
Other operating expenses	1,582,263	1,447,833
Total operating expenses	5,176,809	4,654,647
Net profit/(loss) from operating activities	(220,304)	(15,341)
Interest income	44,887	498
Unrealised loss on call option [^]	-	(96,000)
Employee benefit expense ^{^^}	(83,751)	(202,591)
Contingent payments ^{^^^}	(51,799)	(236,529)
Amortisation of intangibles	(285,344)	(285,344)
Loss before income tax	(596,311)	(835,307)
Income tax benefit	111,982	126,788
Loss for the period	(484,329)	(708,519)

[^] Loss on call option over The Term Deposit Shop purchased in June 2018. The option had a strike price of \$3.75m and expiry date of 12 June 2022.

^{^^} Accounts for the issue of employee share options in December 2020, September 2021 and September 2022.

^{^^^} Contingent payments consists of payments and amortisation of payments for the acquisition of Kohler & Co in December 2018. The final payment of \$270k was made in December 2021. 25% of all payments made are subject to clawback provisions.

The Group continues to provide financial services under general advice to retail clients and self-managed superfunds.

Funds management fees increased by 24% compared to the prior period. The average funds under management during the half-year ended 31 December 2022 is \$509 million compared to \$438 million for the half-year ended 31 December 2021.

Subscription income increased by 3% compared to the prior half-year due to price increases. Total paying subscribers have decreased by 6% from 31 December 2021 to 31 December 2022

Commissions income – insurance has decreased due to attrition of insurance policies.

Employment expenses have increased due to an increase in total employees of 34 at 31 December 2021 to 40 at 31 December 2022.

The Net Tangible Assets of the company decreased to \$4,594,377 at 31 December 2022 (30 June 2022: \$4,800,594). Cash at bank decreased to \$7,705,419 (30 June 2022: \$8,080,119).

Matters subsequent to the end of the half-year

No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect:

- (a) the Group's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the Group's state of affairs in future financial years.

Auditor's Independence Declaration

The auditor's independence declaration required under section 307C of the Corporations Act 2001 is included on page 5 of the half-year report. This report is made in accordance with a resolution of the Directors.



Paul Clitheroe AM
Chairman

Sydney
22 February 2023

DECLARATION OF INDEPENDENCE BY TIM AMAN TO THE DIRECTORS OF INVESTSMART GROUP LIMITED

As lead auditor for the review of InvestSMART Group Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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



Tim Aman
Director

BDO Audit Pty Ltd

Sydney, 22 February 2023

Consolidated Statement of Comprehensive Income for the half-year ended 31 December 2022

	Note	2022 \$	2021 \$
Funds management fees		1,547,773	1,245,195
Subscription income		2,709,875	2,625,863
Commissions income - insurance		691,785	746,505
Other income	2	52,103	21,937
Total income		5,001,536	4,639,500
Net loss on financial instruments at fair value through profit and loss		144	95,696
Accounting and administrative costs		337,140	267,877
Audit fees		76,998	69,828
Business insurance		158,988	136,979
Commission rebates		211,845	230,423
Directors' fees		120,822	120,411
Employee costs		2,927,305	2,724,872
Legal and statutory expenses		43,636	63,384
Marketing and advertising		507,195	488,048
Other expenses		230,572	209,243
Software and website costs		498,529	450,988
Depreciation and amortisation		400,922	414,467
Employee benefit expense	6	83,751	202,591
Total expenses		5,597,847	5,474,807
Loss before income tax		(596,311)	(835,307)
Income tax benefit		111,982	126,788
Loss for the period		(484,329)	(708,519)
Other comprehensive income, net of income tax		-	-
Total comprehensive loss for the period		(484,329)	(708,519)
Basic earnings per share (cents per share)	5	(0.44)	(0.64)
Diluted earnings per share (cents per share)	5	(0.44)	(0.64)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes

Consolidated Statement of Financial Position at 31 December 2022

	Note	31-Dec-22 \$	30-Jun-22 \$
ASSETS			
Cash and cash equivalents		7,705,419	8,080,119
Trade and other receivables		402,796	590,241
Prepayments and deposits		349,228	256,365
Financial assets at fair value through profit and loss	3	8,755	8,899
Loans receivable	4	124,420	6,210
Fixed assets, including software		88,153	90,253
Right of use assets		696,461	797,289
Deferred tax asset		451,018	435,579
Intangible assets		1,087,525	1,372,868
Total assets		10,913,775	11,637,823
LIABILITIES			
Trade and other payables		793,133	723,415
Subscriptions received in advance		2,322,805	2,470,118
Trail commissions to rebate		253,733	283,395
Provisions		675,518	723,132
Lease liabilities		735,666	828,722
Deferred tax liability		445,996	542,539
Total liabilities		5,226,851	5,571,321
Net assets		5,686,924	6,066,502
Equity			
Issued capital		58,562,495	58,541,495
Employee Benefit reserve	6	2,318,345	2,234,594
Retained losses		(55,193,916)	(54,709,587)
Total equity		5,686,924	6,066,502

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes

Consolidated Statement of Changes in Equity for the half-year ended 31 December 2022

	Note	Issued Capital \$	Retained losses \$	Employee Benefit Reserve \$	Total Equity \$
Balance at 1 July 2021		58,495,245	(53,969,411)	2,019,969	6,545,803
Comprehensive loss for the period		-	(708,519)	-	(708,519)
Employee benefit share reserve	6	-	-	202,591	202,591
Payment of Employee Share Plan Loans		21,750	-	-	21,750
Balance at 31 December 2021		<u>58,516,995</u>	<u>(54,677,930)</u>	<u>2,222,560</u>	<u>6,061,625</u>
Balance at 1 July 2022		58,541,495	(54,709,587)	2,234,594	6,066,502
Comprehensive loss for the period		-	(484,329)	-	(484,329)
Employee benefit share reserve	6	-	-	83,751	83,751
Payment of Employee Share Plan Loans		21,000	-	-	21,000
Balance at 31 December 2022		<u>58,562,495</u>	<u>(55,193,916)</u>	<u>2,318,345</u>	<u>5,686,924</u>

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes

Consolidated Statement of Cash Flows for the half-year ended 31 December 2022

	2022	2021
Cash flows from operating activities	\$	\$
Receipts from customers	4,996,780	3,658,767
Payments to suppliers and employees	(5,213,452)	(5,426,661)
Interest received	44,887	498
Net cash used in operating activities	(171,785)	(1,767,396)
Cash flows from investing activities		
Purchase of fixed assets	(12,650)	(9,692)
Issue of Fundlater loans	(587,000)	(929,100)
Receipts from repayments of Fundlater loans	75,413	164,310
Sale of Fundlater loans	393,378	-
Purchase of investment	-	(10,000)
Net cash used in investing activities	(130,859)	(784,482)
Cash flows from financing activities		
Principal payments for leases	(93,056)	(102,485)
Proceeds from employee share plan loans	21,000	21,750
Net cash used in financing activities	(72,056)	(80,735)
Net decrease in cash and cash equivalents	(374,700)	(2,632,613)
Cash and cash equivalents at beginning of the period	8,080,119	6,483,167
Cash and cash equivalents at the end of the period	7,705,419	3,850,554

This Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes

Notes to the Consolidated Financial Statements for the half-year ended 31 December 2022

1. Significant accounting policies

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the annual financial report of the Group for the year ended 30 June 2022.

Except as noted below, the accounting policies adopted in the preparation of the half-year financial report are consistent with those followed in the preparation of the annual financial report of the Group for the year ended 30 June 2022.

Where necessary, comparative information has been reclassified to be consistent with the current reporting period.

New and amended standards and interpretations adopted in the reporting period

There are no new accounting standards, amendments or interpretations issued that are not yet effective that are expected to have a material impact on the Group in current or future reporting periods. A number of amended standards became applicable for the current reporting period which did not have any material impact to the Group.

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

At the end of the period the Group assessed that there were no indications that separately identified intangible assets were impaired.

The Group has not recognised deferred tax assets relating to carried forward realised capital losses on the basis that it does not expect to derive sufficient future gains to utilise the current losses within a 3 to 5 year time period. The potential deferred tax asset that could be realised at 31 December 2022 is \$3,916,208.

2. Other income

For the half-year ended 31 December	2022	2021
	\$	\$
Education - Bootcamp	4,696	10,013
Fundlater fees	2,520	11,426
Interest	44,887	498
	<u>52,103</u>	<u>21,937</u>

3. Financial assets and liabilities held at fair value

AASB 13 requires the Group to classify fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose,

the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Directors. The Directors consider observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The table below sets out the Group's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at 31 December 2022. Financial assets are separated between those classified as Fair Value through Profit and Loss (FVTPL) and those classified as Fair Value through Other Comprehensive Income according to AASB 9.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
At 31 December 2022				
Financial assets at fair value through profit and loss:				
Investment in Professionally Managed Account	<u>8,755</u>	<u>-</u>	<u>-</u>	<u>8,755</u>
Financial assets at fair value through other comprehensive income:				
Loans receivable	<u>-</u>	<u>124,420</u>	<u>-</u>	<u>124,420</u>
At 30 June 2022				
Financial assets at fair value through profit and loss:				
Investment in Professionally Managed Account	<u>8,899</u>	<u>-</u>	<u>-</u>	<u>8,899</u>
Financial assets at fair value through other comprehensive income:				
Loans receivable	<u>-</u>	<u>6,210</u>	<u>-</u>	<u>6,210</u>

During the reporting period ended 31 December 2022 there were no transfers between Level 1 and Level 2 fair value measurements.

Listed equities have inputs based on quoted market prices in active markets and are classified within level 1. Investments in listed equities consists of equities held through Professionally Managed Accounts, a scheme issued by InvestSMART Funds Management Ltd. InvestSMART Funds Management Ltd is a subsidiary of InvestSMART Group Ltd.

Investments classified within level 2 have inputs based on quoted and unquoted prices. Loans receivable are classified within level 2. The loans are valued using a discounted cash flow approach which reflects the terms of the instrument and the timing of cash flows. The rate used to discount future cash flow is derived from observable data for similar loans.

4. Loans receivable

	31-Dec-22 \$	30-Jun-22 \$
Loans receivable	<u>124,420</u>	<u>6,210</u>

Loans receivable consists of Fundlater loans. Subject to a minimum investment of \$4,000 a client will receive a non-recourse loan of up to \$6,000 to fund a new Professionally Managed Account (minimum investment is \$10,000). Professionally Managed Accounts is a scheme issued by InvestSMART Funds Management Ltd. A \$6,000 loan is repayable over 20 equal monthly instalments of \$325 each. The \$325 payments are split into \$300 for principal repayment and \$25 for the administration fee.

Loans receivable are measured at fair value through other comprehensive income (FVOCI) at 30 June 2022. The Eureka Asset-Backed Loan Fund (EABL) is issued by InvestSMART Funds Management Limited and purchases loans from the Group on a regular basis.

The Group may be required to repurchase Fundlater loans where they are delinquent within one month of sale to EABL.

The Group assesses at each reporting date an allowance for expected credit losses (ECLs). The allowance for ECLs at origination and at 31 December 2022 is assessed as zero. The equity within client's accounts (the \$4,000 deposit and subsequent principal repayments) is considered adequate to cover outstanding payments if a client closes their account. Based on a range of possible outcomes the probability that a clients account will be closed with insufficient equity to cover outstanding repayments is remote.

The \$25 administration fee is recognised in the Consolidated Statement of Profit and Loss under Other Income and within Other Income as Fundlater Fees (Refer Note 2). The \$25 administration fee is adjusted for the requirements of AASB 9 to be recognised under the effective interest method.

5. Earnings per share

For the half-year ended 31 December	2022	2021
Basic loss per share (cents per share)	<u>(0.44)</u>	<u>(0.64)</u>
Diluted loss per share (cents per share)	<u>(0.44)</u>	<u>(0.64)</u>
Earnings/(loss) as per Consolidated Statement of Comprehensive Income (\$)	(484,329)	(708,519)
Weighted average number of ordinary shares outstanding during the year used in calculating basic earnings per share	110,801,124	110,538,705
Weighted average number of ordinary shares outstanding during the year used in calculating diluted earnings per share if all EDSP shares vest and non-recourse loans are repaid	139,408,956	138,881,774

As the Group was in a loss position for the half-year ended 31 December 2022 and 31 December 2021, share based incentive plans did not affect the diluted earnings per share calculation. Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

6. Employee benefit reserve

For the half-year ended 31 December	2022		2021	
	Shares	\$	Shares	\$
Balance at the beginning of the half-year	28,391,664	2,234,594	27,959,998	2,019,969
EDSP shares granted	575,000	-	910,000	-
EDSP shares cancelled	-	-	(130,000)	-
Payment of employee incentive scheme loans	(140,000)	-	(105,000)	-
Employee benefit expense for the period	-	83,751	-	202,591
Balance at the end of the half-year	<u>28,826,664</u>	<u>2,318,345</u>	<u>28,634,998</u>	<u>2,222,560</u>

455,000 EDSP shares were issued to employees on 21 September 2022 in lieu of a cash bonus. 120,000 shares were issued to Ron Hodge in lieu of a cash bonus on 8 December 2022 as approved at the company's AGM on 23 November 2022. The EDSP shares granted during the half-year vest immediately and mature on 21 September 2027. 140,000 EDSP shares were converted to ordinary fully paid shares as the associated loans were paid. The remaining EDSP loans have not been repaid and have not been included in fully paid ordinary share capital.

During the prior half-year 700,000 EDSP shares were issued to employees on 1 September 2021 in lieu of a cash bonus. 210,000 shares were issued to Ron Hodge in lieu of a cash bonus on 8 December 2021 as approved at the company's AGM on 17 November 2021. The EDSP shares granted during the prior half-year vested immediately and mature on 1 September 2026. A non-recourse loan was provided to participants to acquire EDSP shares at the respective prices issued.

7. Segment information

The Group has only one reportable segment. The Group is engaged solely in retail financial services conducted in Australia, deriving revenue from commissions, subscriptions and funds management fees. The entity's operations are merged across subsidiaries, management, location and presentation of reporting. The operating segment identification is based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and in determining the allocation of resources.

8. Contingent liabilities and commitments

At 31 December 2022, InvestSMART Group has the following contingent liabilities:

	31-Dec-22	30-Jun-22
Guarantees for office rentals	97,106	97,106
Guarantee for intermediary facilities	401,000	601,000
	<u>498,106</u>	<u>698,106</u>

InvestSMART Financial Services Pty Ltd, a subsidiary of InvestSMART Group Ltd, may be required to repurchase Fundlater loans where they are delinquent within one month of sale to Eureka Asset-Backed Loan Fund. Due to the formative nature of the loan programme and the Eureka Asset-Backed Loan Fund it is not practicable to determine an estimate of the financial effect or possibility of any reimbursement. It is noted that any reimbursement would result in a repurchase of the loan at fair value and closure of the loan account if repayment terms are not met. The provision for expected credit losses for Fundlater loans has been assessed as \$nil.

9. Events occurring after reporting date

No matter or circumstance has occurred after the period end that has significantly affected, or may affect, the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent periods.

Directors' Declaration

In the opinion of the Directors:

- (a) the Consolidated Financial Statements and notes of InvestSMART Group Limited for the half-year ended 31 December 2022 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with AASB 134 Interim Financial Reporting, 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 2022 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.

This declaration is made in accordance with a resolution of the Directors pursuant to s.303(5) of the *Corporations Act 2001*.



Paul Clitheroe AM
Chairman

Sydney
22 February 2023

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of InvestSMART Group Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of InvestSMART Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, 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 the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the half-year ended on that date; and
- (ii) 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*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and 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.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the 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.



Auditor's responsibility for the review of the 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 2022 and its financial 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.

BDO Audit Pty Ltd

BDO

A handwritten signature in black ink, appearing to read 'Tim Aman'.

Tim Aman
Director

Sydney, 22 February 2023