

Appendix 4D - Half-year report for period ended 31 December 2023
(previous corresponding period: 31 December 2022)

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 2023 and quarterly business update for the period ended 31 December 2023.

	31-Dec-23	31-Dec-22	Increase/decrease over previous corresponding period
Revenues from ordinary activities (\$'000)	4,880	5,002	-2%
Profit/(loss) from ordinary activities (\$'000)	(609)	(484)	-26%
Net profit/(loss) attributable to members (\$'000)	(609)	(484)	-26%
Net tangible assets (cents per ordinary share)^	3.64	4.14	

^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 2023 and 31 December 2022 is reconciled to loss after tax as follows:

	2023	2022
	\$	\$
Income		
Funds management fees	1,633,395	1,547,773
Subscription income	2,437,248	2,709,875
Commissions income - insurance	665,589	691,785
Other income	10,805	7,072
Total operating income	4,747,037	4,956,505
Total operating expenses	5,152,570	5,176,809
Net profit/(loss) from operating activities	(405,533)	(220,304)
Interest income	133,342	44,887
Employee benefit expense^	(81,493)	(83,751)
Contingent payments^^	-	(51,799)
Amortisation of intangibles	(281,202)	(285,344)
Restructure costs	(34,285)	-
Loss before income tax	(669,171)	(596,311)
Income tax benefit	60,606	111,982
Loss for the period	(608,565)	(484,329)

^ Accounts for the issue of employee share options in December 2020, September 2022, March 2023 and September 2023.

^^ 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 6% compared to the prior period. Funds under management at 31 December 2023 is \$567 million compared to \$513 million at 31 December 2022.

Subscription income decreased by 10% compared to the prior period. Total paying subscribers at 31 December 2023 is 8,826 compared to 10,195 at 31 December 2022.

Dividend

It is not proposed to pay a dividend.

Details of associate entities

	Ownership interest as at	
	31/12/2023	31/12/2022
Professionally Managed Accounts	0.08%	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 2023, 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 2023

Contents	Page
Directors' Report	3
Auditor's Independence Declaration	5
Consolidated Statement of Comprehensive Income	6
Consolidated Statement of Financial Position	7
Consolidated Statement of Changes in Equity	8
Consolidated Statement of Cash Flows	9
Notes to the Consolidated Financial Statements	10
Directors' Declaration	15
Independent Auditor's Review Report	16

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 2023.

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, unless otherwise stated:

Paul Clitheroe AM	Chairman and Non-executive Director
Michael Shepherd AO	Non-executive Director
Ron Hodge	Managing Director
Effie Zahos	Non-executive Director (resigned: 13 December 2023)

Review and Results of Operations

Operating profit for the half-years ended 31 December 2023 and 31 December 2022 is shown below:

	2023	2022
	\$	\$
Income		
Funds management fees	1,633,395	1,547,773
Subscription income	2,437,248	2,709,875
Commissions income - insurance	665,589	691,785
Other income	10,805	7,072
Total operating income	4,747,037	4,956,505
Commissions rebates	204,535	211,845
Employment expenses	2,933,993	2,875,506
Marketing costs	343,919	507,195
Other operating expenses	1,670,123	1,582,263
Total operating expenses	5,152,570	5,176,809
Net profit/(loss) from operating activities	(405,533)	(220,304)
Interest income	133,342	44,887
Employee benefit expense [^]	(81,493)	(83,751)
Contingent payments ^{^^}	-	(51,799)
Amortisation of intangibles	(281,202)	(285,344)
Restructure costs	(34,285)	-
Loss before income tax	(669,171)	(596,311)
Income tax benefit	60,606	111,982
Loss for the period	(608,565)	(484,329)

[^] Accounts for the issue of employee share options in December 2020, September 2022, March 2023 and September 2023.

^{^^} 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.

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

Funds management fees increased by 6% compared to the prior period. Funds under management at 31 December 2023 is \$567 million compared to \$513 million at 31 December 2022.

Subscription income decreased by 10% compared to the prior period. Total paying subscribers at 31 December 2023 is 8,826 compared to 10,195 at 31 December 2022.

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

Total operating expenses decreased by 0.5% compared to the prior period. Marketing expenses decreased by 32% as we reduced above the line advertising. Other operating expenses increased by 6% due to inflationary increases and an increase in funds management expenses due to the launch of a new listed fund, Intelligent Investor Select Value Share Fund, in March 2023.

The Net Tangible Assets of the company decreased to \$4,039,499 at 31 December 2023 (30 June 2023: \$4,345,975). Cash at bank decreased to \$6,856,225 at 31 December 2023 (30 June 2023: \$7,812,215). We allowed a large cohort of subscribers to renew in advance in June 2023 prior to their regular renewal dates.

Matters subsequent to the end of the half-year

No matter or circumstance has arisen since 31 December 2023 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
28 February 2024

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 2023, 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, 28 February 2024

Consolidated Statement of Comprehensive Income for the half-year ended 31 December 2023

	Note	2023 \$	2022 \$
Funds management fees		1,633,395	1,547,773
Subscription income		2,437,248	2,709,875
Commissions income - insurance		665,589	691,785
Other income	2	142,069	52,103
Net gain/(loss) on financial instruments at fair value through profit and loss		2,078	(144)
Total income		4,880,379	5,001,392
Accounting and administrative costs		391,977	337,140
Audit fees		101,782	76,998
Business insurance		164,829	158,988
Commission rebates		204,535	211,845
Directors' fees		116,233	120,822
Employee costs		2,968,278	2,927,305
Legal and statutory expenses		46,885	43,636
Marketing and advertising		343,919	507,195
Other expenses		217,077	230,572
Software and website costs		515,054	498,529
Depreciation and amortisation		397,488	400,922
Employee benefit expense	6	81,493	83,751
Total expenses		5,549,550	5,597,703
Loss before income tax		(669,171)	(596,311)
Income tax benefit		60,606	111,982
Loss for the period		(608,565)	(484,329)
Other comprehensive income, net of income tax		-	-
Total comprehensive loss for the period		(608,565)	(484,329)
Basic earnings per share (cents per share)	5	(0.55)	(0.44)
Diluted earnings per share (cents per share)	5	(0.55)	(0.44)

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

Consolidated Statement of Financial Position at 31 December 2023

	Note	31-Dec-23 \$	30-Jun-23 \$
ASSETS			
Cash and cash equivalents		6,856,225	7,812,215
Trade and other receivables		445,114	827,546
Prepayments and deposits		425,556	215,664
Financial assets at fair value through profit and loss	3	41,333	39,255
Loans receivable	4	84,390	41,600
Fixed assets, including software		85,215	92,703
Right of use assets		494,805	595,633
Deferred tax asset		375,913	410,814
Intangible assets		520,979	802,181
Total assets		9,329,530	10,837,611
LIABILITIES			
Trade and other payables		761,794	806,504
Subscriptions received in advance		2,131,970	2,788,805
Trail commissions to rebate		223,229	241,988
Provisions		736,294	801,522
Lease liabilities		539,852	639,822
Deferred tax liability		253,946	349,453
Total liabilities		4,647,085	5,628,094
Net assets		4,682,445	5,209,517
Equity			
Issued capital		58,562,495	58,562,495
Employee Benefit reserve	6	2,412,667	2,331,174
Retained losses		(56,292,717)	(55,684,152)
Total equity		4,682,445	5,209,517

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 2023

	Note	Issued Capital \$	Retained losses \$	Employee Benefit Reserve \$	Total Equity \$
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>
Balance at 1 July 2023		58,562,495	(55,684,152)	2,331,174	5,209,517
Comprehensive loss for the period		-	(608,565)	-	(608,565)
Employee benefit share reserve	6	-	-	81,493	81,493
Balance at 31 December 2023		<u>58,562,495</u>	<u>(56,292,717)</u>	<u>2,412,667</u>	<u>4,682,445</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 2023

	2023	2022
	\$	\$
Cash flows from operating activities		
Receipts from customers	4,470,557	4,996,780
Payments to suppliers and employees	(5,409,159)	(5,213,452)
Interest received	133,342	44,887
Net cash used in operating activities	<u>(805,260)</u>	<u>(171,785)</u>
Cash flows from investing activities		
Purchase of fixed assets	(7,970)	(12,650)
Issue of Fundlater loans	(481,300)	(587,000)
Receipts from repayments of Fundlater loans	71,390	75,413
Sale of Fundlater loans	367,120	393,378
Net cash used in investing activities	<u>(50,760)</u>	<u>(130,859)</u>
Cash flows from financing activities		
Principal payments for leases	(99,970)	(93,056)
Proceeds from employee share plan loans	-	21,000
Net cash used in financing activities	<u>(99,970)</u>	<u>(72,056)</u>
Net decrease in cash and cash equivalents	(955,990)	(374,700)
Cash and cash equivalents at beginning of the period	7,812,215	8,080,119
Cash and cash equivalents at the end of the period	<u>6,856,225</u>	<u>7,705,419</u>

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 2023

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 2023.

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 2023.

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.

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 2023 is \$3,921,685.

The weighted average lessee's incremental borrowing rate applied to lease liabilities recognised in the statement of financial position at the date of initial application is 4.8%.

Insurance distribution contracts were acquired as intangible assets under a business combination on 1 January 2015. Whilst they have no expiry date, it is expected that customers on which the distribution fees are earned will leave over the following 6 - 10 years. At the end of the period the Group assessed that there were no indications that separately identified intangible assets were impaired.

2. Other income

For the half-year ended 31 December	2023	2022
	\$	\$
Education - Bootcamp	5,752	4,696
Fundlater fees	2,975	2,520
Interest	133,342	44,887
	<u>142,069</u>	<u>52,103</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 2023. 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 2023				
Financial assets at fair value through profit and loss:				
Investment in Professionally Managed Account	<u>41,333</u>	<u>-</u>	<u>-</u>	<u>41,333</u>
Financial assets at fair value through other comprehensive income:				
Loans receivable	<u>-</u>	<u>84,390</u>	<u>-</u>	<u>84,390</u>
At 30 June 2023				
Financial assets at fair value through profit and loss:				
Investment in Professionally Managed Account	<u>39,255</u>	<u>-</u>	<u>-</u>	<u>39,255</u>
Financial assets at fair value through other comprehensive income:				
Loans receivable	<u>-</u>	<u>41,600</u>	<u>-</u>	<u>41,600</u>

During the reporting period ended 31 December 2023 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-23 \$	30-Jun-23 \$
Loans receivable	<u>84,390</u>	<u>41,600</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.

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 value of loans sold to EABL during the half-year is disclosed under investing activities in the cash flow statement.

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 2023 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

Earnings per Share

For the half-year ended 31 December	2023	2022
Basic loss per share (cents per share)	(0.55)	(0.44)
Diluted loss per share (cents per share)	(0.55)	(0.44)
Earnings/(loss) as per Consolidated Statement of Comprehensive Income (\$)	(608,565)	(484,329)
Weighted average number of ordinary shares outstanding during the year used in calculating basic earnings per share	110,892,537	110,801,124
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	141,966,549	139,408,956

As the Group was in a loss position for the half-year ended 31 December 2023 and 31 December 2022, 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	2023		2022	
	Shares	\$	Shares	\$
Balance at the beginning of the half-year	30,326,664	2,331,174	28,391,664	2,234,594
EDSP shares granted	1,461,283	-	575,000	-
Payment of employee incentive scheme loans	-	-	(140,000)	-
Employee benefit expense for the period	-	81,493	-	83,751
Balance at the end of the half-year	31,787,947	2,412,667	28,826,664	2,318,345

794,616 EDSP shares were issued to employees on 19 September 2023 in lieu of a cash bonus. 166,667 shares were issued to Ron Hodge in lieu of a cash bonus on 8 December 2023 as approved at the company's AGM on 22 November 2023. The EDSP shares issued in lieu of a cash bonus vest immediately and mature on 19 September 2028. 500,000 EDSP shares were issued on 19 September 2023 to staff who have progressed subsequent to the issue of the first 3 tranches of EDSP in November 2020. The shares were issued in 3 equal tranches vesting 1, 2 and 3 years subsequent to issue respectively. Each tranche matures 5 years after vesting. The remaining EDSP loans have not been repaid and have not been included in fully paid ordinary share capital.

During the prior half-year 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 prior half-year vested immediately and mature on 21 September 2027. A non-recourse loan was provided to participants to acquire EDSP shares at the respective prices issued. 140,000 EDSP shares were converted to ordinary fully paid shares during the prior half-year as the associated loans were paid.

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 2023, InvestSMART Group has the following contingent liabilities:

	31-Dec-23	30-Jun-23
Guarantees for office rentals	97,106	97,106
Guarantee for intermediary facilities	401,000	401,000
	<u>498,106</u>	<u>498,106</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. Contingent assets

The Intelligent Investor Select Value Share Fund (Fund) has accrued a performance fee of \$205,038 at 31 December 2023. A performance fee is payable by the Fund to the Group at the end of a calculation period (ending 30 June each year) where the Fund outperforms cash rates and the ASX200 over that calculation period. A performance fee receivable of \$160,557 was recognised at 30 June 2023.

10. Related party transactions

Ron Hodge received a loan of \$6,000 as a Fundlater client during the year. The Fundlater loan was issued by InvestSMART Financial Services Pty Ltd. The loan was made on terms equivalent to those that prevail in arm's length transactions.

11. 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 2023 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 2023 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
28 February 2024

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 2023, 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 2023 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 2023 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, 28 February 2024