

1. Company details

Name of entity:	Alchemia Limited
ABN:	43 071 666 334
Reporting period:	For the half-year ended 31 December 2018
Previous period:	For the half-year ended 31 December 2017

2. Results for announcement to the market

			\$
Revenues from ordinary activities	down	17.6% to	3,618
Loss from ordinary activities after tax attributable to the owners of Alchemia Limited	down	9.6% to	(167,852)
Loss for the half-year attributable to the owners of Alchemia Limited	down	9.6% to	(167,852)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the consolidated entity after providing for income tax amounted to \$167,852 (31 December 2017: \$185,693).

Operating results for the half year

The half year saw a \$18,614 decrease in operating expenses from the comparative period to \$171,470 (31 December 2017: \$190,084).

State of Financial Position

The net assets of the consolidated entity decreased from \$1,823,737 to \$1,655,885. This was mainly driven by a decrease in cash reserves from standard corporate and administrative expenditure.

Corporate Update

The Directors have reviewed a number of diverse investment opportunities during the half year, that included but were not limited to the life sciences sector. Given the opportunities currently under review the Board is confident that a transaction is likely to occur in the near term.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>0.51</u>	<u>0.56</u>

4. Control gained or lost over entities

Not applicable.

5. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

6. Dividend reinvestment plans

Not applicable.

7. Details of associates and joint venture entities

Not applicable.

8. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

9. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Half Year Report for the six months ended.

10. Attachments

Details of attachments (if any):

The Half Year Report for the six months ended 31 December 2018 is attached.

11. Signed

Signed  _____

Date: 27 February 2019

Simon Gennari
Non-Executive Chairman

Alchemia Limited

ABN 43 071 666 334

Half Year Report for the six months ended - 31 December 2018

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Directors	Mr. Simon Gennari (Non-Executive Chairman) Mr. Darren Book (Non-Executive Director) Mr. Cameron Petricevic (Non-Executive Director)
Company secretary	Ms. Melanie Leydin
Registered office	Level 4, 100 Albert Road South Melbourne, VIC 3205 Ph: 03 9692 7222
Principal place of business	Level 4, 100 Albert Road South Melbourne, VIC 3205 Ph: 03 9692 7222
Share register	Link Market Services Level 13, Tower 4, 727 Collins Street, Docklands, VIC 3000 Telephone: 03 9067 2005 Email: registrars@linkmarketservices.com.au
Auditor	Grant Thornton Audit Pty Ltd Collins Square, Tower 5 727 Collins Street Melbourne VIC 3008
Stock exchange listing	Alchemia Limited securities are listed on the Australian Securities Exchange (ASX code: ACL)
Website	www.alchemia.net.au

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Alchemia Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2018.

Directors

The following persons were directors of Alchemia Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mr. Simon Gennari (Non-Executive Chairman)
Mr. Darren Book (Non-Executive Director)
Mr. Cameron Petricevic (Non-Executive Director)

Principal activities

During the financial half-year the principal activities of the consolidated entity consisted of:

- Review of new opportunities with the aim of providing overall increase to shareholder value.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$167,852 (31 December 2017: \$185,693).

Operating results for the half year

The half year saw a \$18,614 decrease in operating expenses from the comparative period to \$171,470 (31 December 2017: \$190,084).

State of Financial Position

The net assets of the consolidated entity decreased from \$1,823,737 to \$1,655,885. This was mainly driven by a decrease in cash reserves from standard corporate and administrative expenditure.

Corporate Update

The Directors have reviewed a number of diverse investment opportunities during the half year, that included but were not limited to the life sciences sector. Given the opportunities currently under review the Board is confident that a transaction is likely to occur in the near term.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Auditor's independence declaration

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

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Mr Simon Gennari
Non-Executive Chairman

27 February 2019
Melbourne

Auditor's Independence Declaration

To the Directors of Alchemia Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Alchemia Limited for the half-year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been:

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



Grant Thornton Audit Pty Ltd
Chartered Accountants



M A Cunningham
Partner - Audit & Assurance

Melbourne, 27 February 2019

Alchemia Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2018



	Consolidated	31 December	31 December
Note	2018	2017	
	\$	\$	
Revenue			
Interest	3,618	4,391	
Expenses			
Employment expense	(53,719)	(57,531)	
Rent and occupancy expense	(3,225)	(1,764)	
Research and development costs	-	(6,378)	
Other expenses	(470)	(1,244)	
Administration and corporate expense	(114,056)	(123,167)	
Total expenses	<u>(171,470)</u>	<u>(190,084)</u>	
Loss before income tax expense	(167,852)	(185,693)	
Income tax expense	-	-	
Loss after income tax expense for the half-year attributable to the owners of Alchemia Limited	(167,852)	(185,693)	
Other comprehensive income for the half-year, net of tax	-	-	
Total comprehensive income for the half-year attributable to the owners of Alchemia Limited	<u>(167,852)</u>	<u>(185,693)</u>	
	Cents	Cents	
Basic earnings per share	6 (0.1)	(0.1)	
Diluted earnings per share	6 (0.1)	(0.1)	

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

Alchemia Limited
Statement of financial position
As at 31 December 2018



	Consolidated	
	31 December	30 June 2018
	2018	2018
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	1,479,090	1,620,290
Trade and other receivables	7,133	8,724
Prepayments	68,585	75,927
Total current assets	<u>1,554,808</u>	<u>1,704,941</u>
Non-current assets		
Prepayments	154,244	178,300
Total non-current assets	<u>154,244</u>	<u>178,300</u>
Total assets	<u>1,709,052</u>	<u>1,883,241</u>
Liabilities		
Current liabilities		
Trade and other payables	53,167	59,504
Total current liabilities	<u>53,167</u>	<u>59,504</u>
Total liabilities	<u>53,167</u>	<u>59,504</u>
Net assets	<u>1,655,885</u>	<u>1,823,737</u>
Equity		
Issued capital	121,294,523	121,294,523
Accumulated losses	<u>(119,638,638)</u>	<u>(119,470,786)</u>
Total equity	<u>1,655,885</u>	<u>1,823,737</u>

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

Alchemia Limited
Statement of changes in equity
For the half-year ended 31 December 2018



Consolidated	Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2017	121,294,523	(119,098,139)	2,196,384
Loss after income tax expense for the half-year	-	(185,693)	(185,693)
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive income for the half-year	-	(185,693)	(185,693)
Balance at 31 December 2017	<u>121,294,523</u>	<u>(119,283,832)</u>	<u>2,010,691</u>
Consolidated	Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2018	121,294,523	(119,470,786)	1,823,737
Loss after income tax expense for the half-year	-	(167,852)	(167,852)
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive income for the half-year	-	(167,852)	(167,852)
Balance at 31 December 2018	<u>121,294,523</u>	<u>(119,638,638)</u>	<u>1,655,885</u>

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

Alchemia Limited
Statement of cash flows
For the half-year ended 31 December 2018



	Consolidated	
	31 December 2018	31 December 2017
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees (inclusive of GST)	(144,818)	(224,827)
Interest received	3,618	4,391
	<u>(141,200)</u>	<u>(220,436)</u>
Cash flows from investing activities		
Net cash from investing activities	<u>-</u>	<u>-</u>
Cash flows from financing activities		
Net cash from financing activities	<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents	(141,200)	(220,436)
Cash and cash equivalents at the beginning of the financial half-year	1,620,290	1,920,863
Effects of exchange rate changes on cash and cash equivalents	<u>-</u>	<u>(1,064)</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>1,479,090</u></u>	<u><u>1,699,363</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Alchemia Limited as a consolidated entity consisting of Alchemia Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Alchemia Limited's functional and presentation currency.

Alchemia Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 4, 100 Albert Road
South Melbourne, VIC, 3205

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 February 2019.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2018 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2018 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 2. Significant accounting policies (continued)

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 9 Financial Instruments

The consolidated entity has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

AASB 15 Revenue from Contracts with Customers

The consolidated entity has adopted AASB 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

Note 3. Contingent assets and liabilities

There are no contingent assets or liabilities as at 31 December 2018 (31 December 2017: Nil)

Note 4. Expenditure Commitments

There were no capital expenditure commitments as at 31 December 2018 (31 December 2017: Nil)

There were no operating lease commitments as at 31 December 2018 (31 December 2017: Nil)

Note 5. Events after the reporting period

No matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 6. Earnings per share

	Consolidated	
	31 December 2018	31 December 2017
	\$	\$
Loss after income tax attributable to the owners of Alchemia Limited	<u>(167,852)</u>	<u>(185,693)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>324,723,621</u>	<u>324,723,621</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>324,723,621</u>	<u>324,723,621</u>
	Cents	Cents
Basic earnings per share	(0.1)	(0.1)
Diluted earnings per share	(0.1)	(0.1)

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Mr Simon Gennari
Non-Executive Chairman

27 February 2019
Melbourne

Independent Auditor's Review Report

To the Members of Alchemia Limited

Report on the review of the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Alchemia Limited (the Company) and its subsidiaries (the Group), which comprises of the consolidated financial statements being the statement of financial position as at 31 December 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Alchemia Limited does not give a true and fair view of the financial position of the Company as at 31 December 2018, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

Directors' responsibility for the half year financial report

The Directors of the Company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the half-year financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, 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 Company's financial position as at 31 December 2018 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Alchemia Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



Grant Thornton Audit Pty Ltd
Chartered Accountants



M A Cunningham
Partner - Audit & Assurance

Melbourne, 27 February 2019