

Appendix 4D

Korvest Ltd
ABN 20 007 698 106

Half-Year Financial Report 31 December 2022

Results for announcement to the market:

\$A'000

Revenues from ordinary activities	Up	2.7%	to	52,952
Net profit after tax for the period attributable to members	Down	35.8%	to	4,515
Dividends	Amount per security		Franked amount per security	
Proposed interim dividend (#)				
- current reporting period	25.0¢		25.0¢	
- previous corresponding period	25.0¢		25.0¢	
Paid final dividend (##)				
- current reporting period	35.0¢		35.0¢	
- previous corresponding period	20.0¢		20.0¢	
<p># Interim dividend proposed in respect of the current reporting period. The financial effect of this dividend will be recognised in the next reporting period.</p> <p>## Final dividend is paid during the first-half reporting period and relates to the second half of the prior financial year</p>				
Record date for determining entitlements to the dividend	17 February 2023			
<p>Brief explanation of any of the figures reported above and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:</p> <p style="text-align: center;">Refer Directors' report on pages 2 to 4 of this financial report.</p>				

This financial report is all the half-year information provided to the Australian Stock Exchange under listing rule 4.2A. The report also satisfies the half-year reporting requirements of the Corporations Act 2001.

This half-year financial report should be read in conjunction with the 2022 annual financial report.

Korvest Ltd Directors' Report

The Directors present their report together with the half-year financial report of Korvest Ltd ("the Company") for the half-year ended 31 December 2022 and the auditor's review report thereon.

Directors

The Directors of the Company at any time during or since the end of the half-year are:

Andrew Stobart B. Eng (Hons), Grad Dip Bus Admin, GAICD
Chairman – appointed 31 August 2021
Independent Non-Executive Director
A Director since August 2016
Former Executive Chairman Nexans Olex Australia & New Zealand

Chris Hartwig BA(Acc), MAICD
Managing Director
Appointed 28 February 2018
Director Galvanising Association of Australia

Gary Francis BSc. (Hons) (Civil), MAICD
Independent Non-Executive Director
Chairman of Remuneration Committee
A Director since February 2014

Gerard Hutchinson MBA, MBL, MSc(IS), BEc, MA (research), FCA, FAICD, FAIM
Independent Non-Executive Director
Chairman of Audit Committee
Chief Financial Officer for Al-Futtaim Contracting
A Director since November 2014

Therese Ryan LLB, GAICD
Independent Non-Executive Director
Director Sustainable Timber Tasmania
Chair Gippsland Water
Deputy Chair VicForests
Chair Hancock Victorian Plantations
A Director since September 2021

Steven McGregor BA (Acc), FCA, AGIA, ACG
Finance Director
A Director since January 2009
Company Secretary since April 2008

Result

The profit for the half-year attributable to the members of the Company was:

	31 Dec 22	31 Dec 21
<i>In thousands of AUD</i>		
Profit after income tax expense	4,515	7,036
Net profit attributable to owners of the Company	4,515	7,036

Korvest Ltd Directors' Report

Other Ratios

	31 Dec 22	31 Dec 21
Net tangible asset (NTA) backing		
Net tangible assets per ordinary share	\$3.44	\$3.08
Profit before tax / revenue	12.4%	18.8%
Profit after tax / equity interests	10.1%	17.2%

Review of Operations

Revenue from trading operations increased by 2.7% to \$53.0 million however the composition of revenue did change compared to the prior comparative period (PCP) and these changes are discussed below. In the PCP, the Power Step and Titan Technologies businesses were sold realising a pre-tax profit on sale of \$0.74 million net of selling costs.

Industrial Products

The EzyStrut business continued to trade strongly with similar revenue compared to the PCP albeit that the revenue mix in the two periods was quite different. Major project activity continued at similar levels to 2H FY22 albeit considerably lower than the abnormally high levels experienced in the PCP. As a result of the rising input costs, price rises were applied in the general market to recover these increased costs. This resulted in higher revenue from the day-to-day market which more than offset the reduced major project revenue.

During this period the rising cost of inputs including steel, transport and staffing combined with the fixed price nature of some contracts have contributed to reduced margin compared to the PCP. These increased costs have led to an increase in the value of inventory on hand.

In recent times inventory holdings were increased to mitigate COVID related supply chain risk for key items. These risks appear to be reducing which may allow for some of the increased holdings to be reduced over time.

Production

The Galvanising business had reduced volumes overall compared to the near record volumes of the PCP. External tonnes increased compared to the PCP however the reduction in EzyStrut major project work resulted in a lower level of internal work. The average sell price for external work increased compared to the PCP however despite this the increased cost of zinc resulted in lower margins this year. The average cost of zinc per tonne consumed this year was 28% higher than the cost of zinc consumed during the PCP.

Dividends

On 23rd January 2023 the Directors announced a fully franked interim dividend of 25.0 cents per share.

The Dividend Reinvestment Plan (DRP) will not operate for the interim dividend. The dividend will be paid on 3 March 2023 and the record date is 17 February 2023.

Korvest Ltd
Directors' Report

Events Subsequent to Reporting Date

No matter or circumstance has occurred subsequent to 31 December 2022 that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent years.

Outlook

Korvest's order book of major infrastructure work remains strong at the beginning of the second half. In addition the small project and day-to-day markets are expected to continue at recent activity levels. As a result, it is expected that 2H FY23 will be similar to 1H FY23.

Korvest continues to see a strong pipeline of infrastructure opportunities over the next 3-5 years.

Lead Auditor's Independence Declaration under Section 307C of the *Corporations Act 2001*

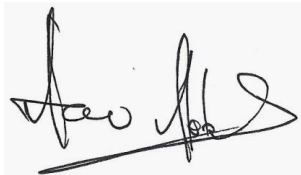
The lead auditor's independence declaration is set out on page 5 and forms part of the Directors' report for the half-year ended 31 December 2022.

Rounding Off

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that Instrument, amounts in the financial report and Directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Dated at Kilburn this 23rd day of January 2023.

Signed in accordance with a resolution of the Directors:

A handwritten signature in black ink, appearing to read 'A Stobart', is written over a light grey rectangular background.

A Stobart
Chairman



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Korvest Ltd

I declare that, to the best of my knowledge and belief, in relation to the review of Korvest Ltd for the half-year ended 31 December 2022 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

A stylized signature in black ink, appearing to be 'KPMG' written in a cursive, overlapping style.

KPMG

A handwritten signature in black ink, appearing to be 'Darren Ball' written in a cursive style.

Darren Ball
Partner

Adelaide
23 January 2023

Korvest Ltd**Condensed statement of profit or loss and other comprehensive income for the half-year ended 31 December 2022**

<i>In thousands of AUD</i>	Note	31 Dec 22	31 Dec 21
Revenue	6(a)	52,952	51,580
Other income		11	10
Profit on sale of subsidiaries	11	-	815
Expenses excluding net financing costs	6(b)	(46,422)	(42,670)
Results from operating activities excluding net financing income		6,541	9,735
Finance income		27	6
Finance costs – lease liability interest		(70)	(83)
Net finance income / (expense)		(43)	(77)
Profit before income tax		6,498	9,658
Income tax expense		(1,983)	(2,622)
Net profit for the period		4,515	7,036
Other comprehensive income		-	-
Total comprehensive income for the period		4,515	7,036
Attributable to:			
Owners of the Company		4,515	7,036
Earnings per share			
Basic earnings per share		39.1¢	61.5¢
Diluted earnings per share		38.8¢	61.0¢

The Condensed statement of profit or loss and other comprehensive income is to be read in conjunction with the notes set out on pages 10 to 15.

Korvest Ltd
Condensed statement of changes in equity for the half-year ended 31 December 2022

<i>In thousands of AUD</i>	Share capital	Equity compens- ation reserve	Asset revaluation reserve	Profits reserve	Retained earnings / (loss)	Total
Balance at 1 July 2022	14,334	1,068	5,733	22,690	-	43,825
Total comprehensive income for the period						
Profit for the period	-	-	-	-	4,515	4,515
Total comprehensive income for the period	-	-	-	-	4,515	4,515
Transactions with owners of the Company recognised directly in equity						
Shares issues under share plans	27	177	-	-	-	204
Dividends paid	-	-	-	(4,045)	-	(4,045)
Total transactions with owners of the Company	27	177	-	(4,045)	-	(3,841)
Transfer to the profits reserve	-	-	-	4,515	(4,515)	-
Balance at 31 December 2022	14,361	1,245	5,733	23,160	-	44,499
Balance at 1 July 2021	14,268	758	4,393	16,506	-	35,925
Total comprehensive income for the period						
Profit for the period	-	-	-	-	7,036	7,036
Total comprehensive income for the period	-	-	-	-	7,036	7,036
Transactions with owners of the Company recognised directly in equity						
Shares issues under share plans	32	155	-	-	-	187
Dividends paid	-	-	-	(2,288)	-	(2,288)
Total transactions with owners of the Company	32	155	-	(2,288)	-	(2,101)
Transfer to the profits reserve	-	-	-	7,036	(7,036)	-
Balance at 31 December 2021	14,300	913	4,393	21,254	-	40,860

The Condensed statement of changes in equity is to be read in conjunction with the notes set out on pages 10 to 15.

Korvest Ltd
Condensed statement of financial position as at 31 December 2022

<i>In thousands of AUD</i>	Note	31 Dec 22	30 Jun 22
Current Assets			
Cash and cash equivalents		2,982	3,556
Investments		275	275
Trade and other receivables	10	16,254	16,874
Prepayments		924	308
Inventories		19,758	20,457
Total current assets		40,193	41,470
Non-Current Assets			
Property, plant and equipment		19,037	19,232
Right-of-use asset		4,729	5,211
Total non-current assets		23,766	24,443
Total assets		63,959	65,913
Current Liabilities			
Trade and other payables		8,272	9,231
Employee benefits		3,148	3,138
Tax payable		155	1,580
Lease liabilities		703	790
Provisions		-	-
Total current liabilities		12,278	14,739
Non-Current Liabilities			
Deferred tax liabilities		2,057	1,844
Employee benefits		260	267
Lease liabilities		4,305	4,678
Provisions		560	560
Total non-current liabilities		7,182	7,349
Total liabilities		19,460	22,088
Net assets		44,499	43,825
Equity			
Issued capital	12	14,361	14,334
Retained earnings		-	-
Reserves		30,138	29,491
Total equity attributable to owners of the Company		44,499	43,825
Total equity		44,499	43,825

The Condensed statement of financial position is to be read in conjunction with the notes set out on pages 10 to 15.

Korvest Ltd**Condensed statement of cash flows for the half-year ended 31 December 2022***In thousands of AUD*

Note	31 Dec 22	31 Dec 21
Cash flows from operating activities		
Cash receipts from customers	61,499	55,397
Cash payments paid to suppliers and employees	(53,851)	(54,433)
Interest received	27	6
Interest paid lease liabilities	(70)	(83)
Income taxes paid	(3,195)	(2,268)
Net cash provided by / (used in) operating activities	4,410	(1,381)
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	20	20
Proceeds from sale of subsidiaries	-	880
Acquisition of property, plant and equipment	(551)	(956)
Net cash used in investing activities	(531)	(56)
Cash flows from financing activities		
Transaction costs related to the issue of share capital	(6)	(3)
Payment of lease liabilities	(402)	(387)
Dividends paid	(4,045)	(2,288)
Net cash used in financing activities	(4,453)	(2,678)
Net increase / (decrease) in cash and cash equivalents	(574)	(4,115)
Cash and cash equivalents at the beginning of the period	3,556	6,690
Cash and cash equivalents at 31 December	2,982	2,575

The condensed statement of cash flows is to be read in conjunction with the notes set out on pages 10 to 15.

Korvest Ltd – 31 December 2022 Half-Year Financial Report
Notes to the Condensed Half-Year Financial Report

1. Reporting entity

Korvest Ltd (the Company) is a company domiciled in Australia.

The annual financial report of the Company as at and for the year ended 30 June 2022 is available upon request from the Company's registered office at 580 Prospect Road Kilburn SA 5084 or at www.korvest.com.au.

2. Statement of compliance

The half-year condensed financial report is a general purpose financial report which has been prepared in accordance with AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the annual financial report of the Company as at and for the year ended 30 June 2022.

This half-year financial report was approved by the Board of Directors on 23 January 2023.

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that Instrument, amounts in the financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

3. Significant accounting policies

The accounting policies applied by the Company in this half-year financial report are the same as those applied by the Company in its financial report as at and for the year ended 30 June 2022.

4. Judgements and Estimates

The preparation of the half-year financial report requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this half-year financial report, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial report as at and for the year ended 30 June 2022.

5. Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial report as at and for the year ended 30 June 2022.

6. Revenues and Expenses

In thousands of AUD

(a) Revenue

Sales revenue

Sale of goods and services

	31 Dec 22	31 Dec 21
	52,952	51,580

Disaggregation of revenue is presented in Note 7 Segment Disclosures.

Korvest Ltd – 31 December 2022 Half-Year Financial Report
Notes to the Condensed Half-Year Financial Report

6. Revenues and Expenses (cont)	31 Dec 22	31 Dec 21
(b) Expenses		
Costs of goods and services sold	34,657	32,043
Sales, marketing and warehousing expenses	7,611	6,845
Distribution expenses	2,562	2,115
Administration expenses	1,592	1,660
Bad and doubtful debts expense net of reimbursement right	-	7
	46,422	42,670
(c) Depreciation	31 Dec 22	31 Dec 21
Buildings	55	37
Plant and equipment	680	592
Total depreciation of property, plant and equipment	735	629
Right-of-use assets	423	437

7. Segment disclosures

The Company has two reportable segments. The business is organised based on products and services. The following summary describes the operations in each of the Company's reportable segments.

- Industrial Products - includes the manufacture of electrical and cable support systems and steel fabrication. It includes the EzyStrut business trading.
- Production – represents the Korvest Galvanising business, which provides hot dip galvanising services.

Both reportable segments consist of the aggregation of a number of operating segments in accordance with AASB 8 *Operating Segments*.

Information regarding the operations of each reportable segment is included below in the manner reported to the chief operating decision maker as defined in AASB 8. Performance is measured based on segment earnings before interest and tax (EBIT). Inter-segment transactions are not recorded as revenue. Instead a cost allocation relating to the transactions is made based on negotiated rates.

Information about reportable segments

	Industrial Products		Production		Total	
	31 Dec 22	31 Dec 21	31 Dec 22	31 Dec 21	31 Dec 22	31 Dec 21
<i>In thousands of AUD</i>						
Sales Revenues	47,877	47,767	5,075	3,813	52,952	51,580
Reportable segment profit before tax	6,310	8,598	711	892	7,021	9,490
Reportable segment assets	38,715	37,941	6,079	5,463	44,794	43,404

Korvest Ltd – 31 December 2022 Half-Year Financial Report
Notes to the Condensed Half-Year Financial Report

7. Segment Disclosures (cont)

Reconciliation of reportable segment profit and assets

In thousands of AUD

	31 Dec 22	31 Dec 21
Profit		
Total profit or (loss) for reportable segments	7,021	9,490
Profit on sale of subsidiaries	-	815
Unallocated amounts – other corporate expenses	(523)	(647)
Profit / (loss) before income tax	<u>6,498</u>	<u>9,658</u>
Assets		
Total assets for reportable segments	44,794	43,404
Land and buildings	9,945	8,122
Right-of-use assets	4,729	5,627
Cash and investments	3,257	2,850
Unallocated amounts – other assets	1,234	1,010
Total assets	<u>63,959</u>	<u>61,013</u>

Geographical segments

The Company operates predominantly in Australia.

Customers

In the half-year to 31 December 2022 revenues from one customer in the Industrial Products segment represented approximately \$6,239,000 (11.8%) of the Company's total revenues, while in the six months to 31 December 2021 no single customer represented more than 10% of the Company's total revenue.

8. Write-down of obsolete inventory

During the half-year ended 31 December 2022 the Company increased its obsolescence provision against inventory by \$90,000 (31 December 2021: \$645,000 reduction related to inventory held in the subsidiaries that were sold during that period).

9. Property, plant and equipment

Acquisitions and disposals

During the half-year ended 31 December 2022, the Company acquired assets with a cost of \$551,000 (half-year ended 31 December 2021: \$956,000). No assets were acquired through business combinations. Assets with a net book value of \$9,000 were disposed of during the half-year ended 31 December 2022 (half-year ended 31 December 2021: \$11,000), resulting in an \$11,000 profit on disposal (half-year ended 31 December 2021: \$10,000 profit).

Capital commitments

The Company has capital commitments of \$1,475,000 at 31 December 2022 (30 June 2022: \$1,034,000).

10. Trade receivables

In thousands of AUD

	31 Dec 22	30 June 22
Trade receivables	16,348	16,967
Less: Allowance for impairment	(388)	(118)
Add: Reimbursement right	294	25
Net trade receivables	<u>16,254</u>	<u>16,874</u>
Movement in net allowance for impairment		
Balance at 1 July 2022	(93)	
Impairment loss recognised	(1)	
Balance at 31 December 2022	<u>(94)</u>	

Korvest Ltd – 31 December 2022 Half-Year Financial Report
Notes to the Condensed Half-Year Financial Report

11. Share Capital

	31 Dec 22	30 June 22
<i>In thousands of AUD</i>		
Issued and paid-up capital		
11,567,111 ordinary shares fully paid (30 June 2022: 11,466,005)	14,361	14,334

91,796 shares were issued under the Korvest Performance Rights Plan and 9,310 shares were issued under the Korvest Employee Share Bonus Plan.

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of the winding up of the Company, ordinary shareholders rank after creditors and are fully entitled to any proceeds of liquidation.

Employee Share Bonus Plan

The Company issued ordinary shares under the Employee Share Bonus Plan during the period. All employees meeting the service criteria were eligible to participate in the issue. The shares are issued at market value for no consideration. Details of the issue are as follows:

Date of issue	Total number of shares issued	Market value of shares issued \$	Shares issued per participating employee	Number of participating executive directors
31 December 2022				
16 September 2022	9,310	65,729	133	-
31 December 2021				
24 September 2021	13,160	69,880	140	-

Shares issued to employees under the Employee Share Bonus Plan are recognised in equity at the fair value of the shares issued. For the issue made during the period this was \$33,000 (2021: \$35,000). The fair value has been measured consistently with the previous annual report and takes into account that the shares issued are unable to be sold by employees for a period of 7 years after issue.

Korvest Ltd – 31 December 2022 Half-Year Financial Report
Notes to the Condensed Half-Year Financial Report

11. Share Capital (cont)

Share-based payment

In August 2011 the Company established the Korvest Performance Rights Plan. The Plan is designed to provide long term incentives to eligible senior employees in the Company and entitles them to acquire shares in the Company, subject to the successful achievement of specified performance hurdles.

Under the plan, eligible employees are offered Performance Rights which enables the employee to acquire one fully paid ordinary share in the Company for no monetary consideration once the Performance Rights vest. The conditions attached to the Performance Rights are measured over the three year period commencing at the beginning of the financial year in which the Performance Rights are granted. If the performance conditions at the end of the three year period are met, in whole or in part, all or the relevant percentage of the Performance Rights will vest.

A total of 67,232 Performance Rights were issued in October 2022 (2021: 65,230).

Fair value of Performance Rights granted

For the Performance Rights issued during the period, half will be tested against an Earning Per Share (EPS) measure whilst the other half will be tested against a Return on Invested Capital (ROIC) measure.

The fair value at grant date was assessed in accordance with AASB 2 *Share Based Payments*. A Black Scholes valuation methodology was used to value both the EPS and ROIC performance rights and the fair value at grant date was \$5.56 per Performance Right. The inputs to the calculations have been set out below.

- a) Exercise price: \$0.00
- b) Vesting period: 2.7 years
- c) Grant date (for Accounting Standards): 21 October 2022
- d) Expiry date: 30 June 2025
- e) Share price at grant date: \$7.01
- f) Expected price volatility of the Company's shares: 35.4%
- g) Expected dividend yield: 8.56%
- h) Risk-free interest rate: 3.92%
- i) Restricted period: 2 years (post vesting)

Total expenses arising from share-based transactions recognised during the period as part of employee benefit expense were as follows:

<i>In thousands of AUD</i>	31 Dec 22	31 Dec 21
Performance rights issued under Korvest Performance Rights Plan	177	155
Shares issued under Employee Share Bonus Plan	33	35
	210	190

Korvest Ltd – 31 December 2022 Half-Year Financial Report
Notes to the Condensed Half-Year Financial Report

12. Dividends

Dividends paid or provided for by the Company in the current period and the previous corresponding period are:

	Cents per share	Total amount \$'000	Franked / unfranked	Date of payment
31 December 2022				
Final – ordinary	35.0	<u>4,045</u>	Franked	2 September 2022
31 December 2021				
Final – ordinary	20.0	<u>2,288</u>	Franked	3 September 2021
Subsequent events				
Since the end of the half-year, the Directors declared the following dividends:				
Interim – ordinary	25.0	<u>2,892</u>	Franked	3 March 2023

The financial effect of these dividends has not been brought to account in this financial report. It will be recognised in the next reporting period.

All dividends paid or declared are fully franked at the tax rate of 30%. The Directors expect that dividends will be fully franked for the foreseeable future.

13. Financial Instruments

Carrying amounts versus fair values

The fair values of all financial assets and liabilities approximate their carrying amounts.

14. Contingent Liabilities and Contingent Assets

There have been no material changes in contingent liabilities or contingent assets since 30 June 2022.

15. Events Subsequent to Reporting Date

No matter or circumstance has occurred subsequent to 31 December 2022 that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent years.

16. Related Parties

There have been no material changes to arrangements with related parties since 30 June 2022.

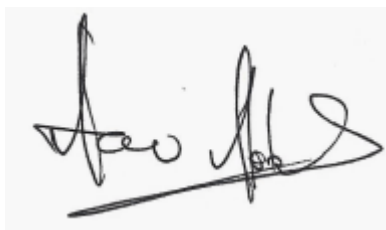
Korvest Ltd
Directors' Declaration

In the opinion of the Directors of Korvest Ltd ("the Company"):

- 1 the condensed financial statements and notes set out on pages 6 to 15, are in accordance with the *Corporations Act 2001*, including:
 - (a) giving a true and fair view of the financial position of the Company as at 31 December 2022 and of its performance, for the half-year ended on that date; and
 - (b) complying with Australian Accounting Standard AASB 134 "*Interim Financial Reporting*" and the *Corporations Regulations 2001*; and
- 2 there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Kilburn this 23rd day of January 2023.

Signed in accordance with a resolution of the Directors:

A handwritten signature in black ink, appearing to read 'A Stobart', written over a light grey rectangular background.

A Stobart
Chairman



Independent Auditor's Review Report

To the shareholders of Korvest Ltd

Conclusion

We have reviewed the accompanying **Half-Year Financial Report** of Korvest Ltd.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-Year Financial Report of Korvest Ltd does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Company's** financial position as at 31 December 2022 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Half-Year Financial Report** comprises:

- Condensed statement of financial position as at 31 December 2022;
- Condensed statement of profit or loss and other comprehensive income, Condensed statement of changes in equity and Condensed statement of cash flows for the Half-year ended on that date;
- Notes 1 to 16 comprising a summary of significant accounting policies and other explanatory information;
- The Directors' Declaration.

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 our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of the Directors 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
- 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 Responsibilities for the Review of the Half-Year 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 does not comply with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2022 and its performance for the Half-year ended on that date, and complying with *Australian 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.

A stylized signature logo for KPMG, consisting of the letters 'KPMG' in a bold, black, sans-serif font, with a stylized grid pattern behind the letters.

KPMG

A handwritten signature in black ink, appearing to be 'Darren Ball', written over a horizontal line.

Darren Ball
Partner

Adelaide

23 January 2023