

1. Company details

Name of entity:	Symbio Holdings Limited
ABN:	37 118 699 853
Reporting period:	For the half-year ended 31 December 2022
Previous period:	For the half-year ended 31 December 2021

2. Results for announcement to the market

				\$'000
Revenue from ordinary activities - continuing operations	up	3.7%	to	102,897
Profit after tax from ordinary activities attributable to members of Symbio Holdings Limited - continuing operations	down	98.2%	to	79
Profit after tax from ordinary activities attributable to members of Symbio Holdings Limited - discontinued operations	down	100.0%		-

Dividends

	Amount per security Cents	Franked amount per security Cents
Interim dividend declared for the year ending 30 June 2023	1.70	1.70
Final dividend for the year ended 30 June 2022 paid on 4 October 2022	1.70	1.70
Special dividend for the year ended 30 June 2022 paid on 18 October 2022	3.00	3.00

FY2023 Interim dividend eligibility:

Record date	28 February 2023
Payment date	30 March 2023

Comments

The profit for the Group after providing for income tax amounted to \$79,000 (31 December 2021: \$11,052,000 (including discontinued operations)).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	86.69	90.17

The calculation of net tangible assets excludes goodwill and intangibles held in assets classified as held for sale on the consolidated statement of financial position. Right-of-use assets, deferred tax asset and deferred tax liability have been included in the calculation of net tangible assets.

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividend reinvestment plans

A dividend reinvestment plan did not operate during the current and previous financial half-year.

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 Interim Report.

10. Attachments

Details of attachments (if any):

The Interim Report of Symbio Holdings Limited for the half-year ended 31 December 2022 is attached.

Symbio Holdings Limited

ABN 37 118 699 853

Interim Report - 31 December 2022

Symbio Holdings Limited

Contents

31 December 2022

Directors' report	2
Auditor's independence declaration	7
Consolidated statement of profit or loss and other comprehensive income	8
Consolidated statement of financial position	9
Consolidated statement of cash flows	10
Consolidated statement of changes in equity	11
Notes to the consolidated financial statements	12
Directors' declaration	27
Independent auditor's review report to the members of Symbio Holdings Limited	28

Directors' report

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group' or 'Symbio Group') consisting of Symbio Holdings Limited (referred to hereafter as 'Symbio' or the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2022.

Directors

The following persons were Directors of Symbio Holdings Limited during the financial half-year and up to the date of this report, unless otherwise stated:

Anne Ward	Non-Executive Director & Chairman
Michael Boorne	Non-Executive Director
Andy Fung	Non-Executive Director
Gail Pemberton	Non-Executive Director
Leanne Heywood	Non-Executive Director
Rene Sugo	Executive Director & CEO
David Stewart	Non-Executive Director (resigned 8 November 2022)

Principal activities

Symbio Holdings Limited (the 'Company' or 'parent entity') is a Software-as-a-Service (SaaS) company that enables innovative communications technologies through its proprietary software platforms. Symbio aims to disrupt the \$70 billion legacy global telecommunications industry by enabling a shift from traditional physical networks to cloud based software infrastructure.

The Company provides communication services to software companies, telecom providers and enterprise customers across Australia and Internationally.

The Company generates revenues consisting of monthly recurring charges for access to communications capabilities delivered in an as-a-service model, as well as usage charges for associated services. Revenue was also derived from sale of hardware, which helps support use of these services.

Dividends

Dividends paid during the financial half-year were as follows:

	Consolidated	
	31 Dec 2022	31 Dec 2021
	\$'000	\$'000
Final dividend for the year ended 30 June 2022 of 1.70 cents (2021: 4.30 cents) per ordinary share	1,435	3,641
Special dividend for the year ended 30 June 2022 of 3.00 cents per ordinary share	2,531	-
	<u>3,966</u>	<u>3,641</u>

Review of operations

In the prior financial year, the Company established three revenue generating divisions: CPaaS, UCaaS and TaaS. These divisions are supported by the Finance, People Experience, Legal & Compliance, and Technology corporate business units.

The three revenue generating divisions are:

● CPaaS – Communications Platform as a Service

The CPaaS division focuses on empowering software companies (in Australia, APAC and globally) and larger infrastructure-based service providers to enable calling and messaging via Symbio hosted phone numbers. CPaaS will directly contribute to our overall goal of acquiring 100 million phone numbers on network by 2030.

● UCaaS – Unified Communications as a Service

The UCaaS division focuses on enabling the roll-out and self-service management of enterprise collaboration services (in Australia and APAC) based on industry leading partnerships with Microsoft Teams, Cisco WebEx, Twilio and other enterprise software specialists. UCaaS will purchase infrastructure from CPaaS, thereby indirectly contributing to our overall goal of acquiring 100 million phone numbers on network by 2030.

● TaaS – Telecom as a Service

The TaaS division focuses on providing a digital platform for small service providers (initially in Australia only) to operate their telecom and managed services business. TaaS will purchase infrastructure from CPaaS as well as other industry leading vendors of complementary telecom services, thereby indirectly contributing to our overall goal of acquiring 100 million phone numbers on network by 2030. TaaS will predominantly operate under the Telcoinabox brand.

Accelerated Investment

The Group announced last year an accelerated investment program to build the foundations required for rapid execution of its strategy. The investment was spread across all divisions and the core business and focused on improving customer experience, simplification initiatives to accelerate growth, and strategic execution.

In response to the global economic slow-down that was felt particularly by the technology sector in which Symbio Group and a lot of its customers operate, the Company has paused recruitment, limited discretionary spending where possible, and reduced forecast capital expenditure from December 2022. The Company continues to look for opportunities to simplify and reduce its cost base in the short to medium term while continuing to execute its strategy.

Financial Performance

Gross margin from continuing operations has increased by 2% to \$47,481,000. (31 December 2021: \$46,556,000).

The Directors consider Underlying Earnings Before Interest, Tax, Depreciation and Amortisation ('EBITDA') to reflect the core earnings of the Group. Underlying EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for non-cash and significant items.

Underlying EBITDA has declined from prior year to \$11,614,000. (31 December 2021 continuing EBITDA: 17,258,000).

The flat revenue and declining underlying EBITDA was due to several factors. These include the global economic slow-down that was felt particularly by the technology sector in which the Group and a lot of its customers operate; and the impact of Symbio Group's accelerated investment.

The profit for the Group after providing for income tax (net profit after tax or NPAT) amounted to \$79,000 (31 December 2021: \$11,052,000), resulting in an earnings per share ('EPS') for the Group of 0.09 cents (31 December 2021: 13.05 cents^).

The Directors have resolved to pay a fully franked interim dividend of 1.70 cents per share (31 December 2021: 3.30 cents per share) for the period ending 31 December 2022.

The record date for the interim dividend is 28 February 2023, with payment to be made on 30 March 2023.

	31 Dec 2022 \$'000	31 Dec 2021 \$'000	Change \$'000	Change %
Revenue from continuing operations	102,897	99,248	3,649	4%
Revenue from discontinued operations	-	2,369	(2,369)	(100%)
Group consolidated Revenue	102,897	101,617	1,280	1%
Gross margin from continuing operations ⁽ⁱ⁾	47,481	46,556	925	2%
Gross margin from discontinued operations ⁽ⁱ⁾	-	2,002	(2,002)	(100%)
Group Consolidated Gross margin⁽ⁱ⁾	47,481	48,558	(1,077)	(2%)
NPAT from continuing operations	79	4,471	(4,392)	(98%)
NPAT from discontinued operations	-	6,581	(6,581)	(100%)
Group Consolidated NPAT	79	11,052	(10,973)	(99%)

(i) Gross margin calculated using Revenue less Network and communication expenses

	31 Dec 2022 Cents	31 Dec 2021 Cents	Change %
EPS [^]	0.09	13.05	(99.0%)
Dividends	1.70	3.30	(48.4%)

[^] In prior year comparatives are total from both continuing and discontinued operations

Reconciliation of NPAT to underlying EBITDA⁽²⁾ and continuing EBITDA⁽⁴⁾:

	Consolidated	
	31 Dec 2022 \$'000	31 Dec 2021 \$'000
NPAT from continuing operations	79	4,471
NPAT from discontinued operations	-	6,581
Group Consolidated NPAT	79	11,052
<i>Add:</i>		
Depreciation and amortisation ⁽¹⁾	9,388	9,161
Income tax expense ⁽¹⁾	(187)	3,744
Net interest ⁽¹⁾	438	771
Costs related to acquisition	70	92
Gain on sale of business ⁽¹⁾	-	(14,122)
Restructuring costs	-	125
Impairment of assets ⁽¹⁾	-	4,937
Share scheme and earn-out expenses	1,826	2,093
	11,535	6,801
Underlying EBITDA⁽²⁾	11,614	17,853
<i>Less:</i>		
Discontinued EBITDA ⁽³⁾	-	(595)
Continuing EBITDA⁽⁴⁾	11,614	17,258

(1) Total from both continuing and discontinued operations

(2) Underlying EBITDA: excludes restructure and impairment costs, gain or loss on sale of businesses, net interest, share scheme costs and earn-out expenses, acquisition costs, tax, depreciation and amortisation

(3) Discontinued EBITDA: calculated using discontinued operations profit before tax and adding back discontinued operations depreciation and amortisation, finance costs, impairment of assets expenses (see note 3 for discontinued operations expenses breakup)

(4) Continuing EBITDA: underlying EBITDA less discontinued EBITDA

Summary of net cash position of the Group:

	Consolidated	
	31 Dec 2022 \$'000	30 Jun 2022 \$'000
Cash	38,121	42,586
Debt	-	-
Net cash	38,121	42,586
Debt facility limit	60,000	60,000

The Group's balance sheet is well positioned to support future acquisitions with \$38,121,000 of cash and undrawn revolving credit facilities totalling \$60,000,000 at 31 December 2022.

Acquisitions

Subsequent to this performance period, on 31 January 2023 the Company completed the acquisition of Intrado Australia's Cisco-focused end-to-end Cloud Calling, Contact Centre and Collaboration business, providing services to key partners and Enterprise & Government customers in Australia. The \$5,000,000 acquisition was funded as an all-cash consideration.

The acquisition adds approximately 60,000 seats to Symbio Group's UCaaS division, via existing partners and direct customers effectively doubling the existing enterprise seats and helping to consolidate the market position of this fast-growing business unit. The Group anticipates the acquisition will add approximately \$14,000,000 of annual recurring revenue, contribute over \$6,500,000 in annual recurring gross margin, and generate post-synergy annualised EBITDA of \$2,000,000.

Business outlook

The Company remains confident that the global megatrends of enterprise cloud adoption and new ways of working, including hybrid working, will prevail through the current period of uncertainty. Our expansion into the new high-tech Asian markets of Singapore, Malaysia and Taiwan will increase our addressable market further fueling long term growth.

The Company is overall profitable, cash generative and maintains a strong balance sheet with no drawn debt and available debt facilities.

Domestic market

The Company continues to generate the bulk of its revenue and margins from the Australia and New Zealand domestic business. Despite the set-back in the first half due to inventory returns and customer delays, there were positive organic growth indicators in the business. The CPaaS business continued number porting generating an overall 6% growth in numbers; the TaaS business achieved 15% growth in services; and UCaaS achieved 34% growth in seats. The Company expects organic growth rates to continue in the second half.

Asian market expansion

Customer uptake in Singapore continues to increase with a further 7 new customers contracted and 3 onboarded within the last 6 months. There are a further 24 new customers in pricing and contract negotiations. Phone numbers on network are growing quickly as customers establish their operations in this new market. Additionally, the UCaaS business is building a solid pipeline of enterprise customers through our strategic partners Cisco and Microsoft.

Symbio Group was granted Malaysia Digital Economy Corporation (MDEC) status and a tier-two license during the half, allowing it to commence trading and complete its network build for an organic market entry into Malaysia. The tier-one license is progressing well and will allow Symbio to improve future operating margins once granted.

The Taiwan market continues to show promise. Discussions are progressing with regulators, potential M&A targets, and tier-one carriers in Taiwan.

Acquisition Opportunities

As part of the sharper focus on strategy, the Company also has a clearer framework for identifying target acquisitions. Symbio has a \$60,000,000 undrawn facility as well as \$38,121,000 cash at bank. The Executive Team and the Board will continue to review opportunities to support the Company to achieve its strategic goals.

Significant changes in the state of affairs

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

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

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.

Symbio Holdings Limited
Directors' report
31 December 2022

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



Anne Ward
Chairman

20 February 2023
Sydney



Rene Sugo
Managing Director and Group CEO

20 February 2023

Board of Directors
Symbio Holdings Limited
Level 4, 580 George Street
Sydney NSW 2000

Dear Board Members

Auditor's Independence Declaration to Symbio Holdings Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Symbio Holdings Limited.

As lead audit partner for the review of half year financial report of Symbio Holdings Limited for the half year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Pooja Patel

Pooja Patel
Partner
Chartered Accountant

Symbio Holdings Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2022

		Consolidated	
	Note	31 Dec 2022	31 Dec 2021
		\$'000	\$'000
Continuing operations			
Revenue	4	102,897	99,248
Other income		648	255
Expenses			
Network and communication		(55,416)	(52,692)
Employee benefits	5	(27,111)	(23,169)
Depreciation and amortisation	5	(9,388)	(8,665)
Acquisition costs		(70)	(92)
Restructure costs		-	(125)
Other expenses	5	(11,067)	(8,477)
Financing costs	5	(601)	(771)
(Loss)/profit before income tax benefit/(expense) from continuing operations		(108)	5,512
Income tax benefit/(expense)		187	(1,041)
Profit after income tax benefit/(expense) from continuing operations		79	4,471
Profit after income tax expense from discontinued operations	6	-	6,581
Profit after income tax benefit/(expense) for the half-year		79	11,052
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Net change in the fair value of cash flow hedges taken to equity, net of tax		-	-
Foreign currency translation		505	657
Other comprehensive income for the half-year, net of tax		505	657
Total comprehensive income for the half-year		584	11,709
Total comprehensive income for the half-year is attributable to:			
Continuing operations		584	11,709
Discontinued operations		-	-
		584	11,709
		Cents	Cents
Earnings per share from continuing operations			
Basic earnings per share	7	0.09	5.28
Diluted earnings per share	7	0.09	5.24
Earnings per share from discontinued operations			
Basic earnings per share	7	-	7.77
Diluted earnings per share	7	-	7.71
Earnings per share			
Basic earnings per share	7	0.09	13.05
Diluted earnings per share	7	0.09	12.96

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

Symbio Holdings Limited
Consolidated statement of financial position
As at 31 December 2022

		Consolidated	
	Note	31 Dec 2022 \$'000	30 Jun 2022 \$'000
Assets			
Current assets			
Cash and cash equivalents		38,121	42,586
Trade and other receivables		39,604	42,104
Inventories		1,213	1,280
Income tax refund due		5,577	2,311
Total current assets		84,515	88,281
Non-current assets			
Trade and other receivables		415	441
Other financial assets		7,200	7,200
Property, plant and equipment	8	25,344	25,684
Right-of-use assets	9	13,786	11,875
Intangibles	10	86,115	82,857
Deferred tax asset		715	727
Total non-current assets		133,575	128,784
Total assets		218,090	217,065
Liabilities			
Current liabilities			
Trade and other payables		31,587	30,080
Lease liabilities	9	3,494	2,865
Employee benefits	11	4,839	4,389
Provisions		526	420
Customer deposits		893	1,174
Total current liabilities		41,339	38,928
Non-current liabilities			
Lease liabilities	9	13,275	11,970
Deferred tax liability		2,365	2,810
Employee benefits	11	725	554
Provisions		723	764
Total non-current liabilities		17,088	16,098
Total liabilities		58,427	55,026
Net assets		159,663	162,039
Equity			
Issued capital	12	100,911	102,064
Reserves		10,633	7,969
Retained profits		48,119	52,006
Total equity		159,663	162,039

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

Symbio Holdings Limited
Consolidated statement of cash flows
For the half-year ended 31 December 2022

		Consolidated	
	Note	31 Dec 2022	31 Dec 2021
		\$'000	\$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		111,736	114,921
Payments to suppliers and employees (inclusive of GST)		(97,035)	(93,164)
Interest received		163	33
Interest and other finance costs paid		(529)	(607)
Income taxes paid		(3,497)	(3,610)
		<u>10,838</u>	<u>17,573</u>
Net cash from operating activities			
Cash flows from investing activities			
Payments for property, plant and equipment	8	(2,717)	(3,201)
Software development costs	10	(7,696)	(4,893)
Proceeds received for sale of businesses		1,618	24,446
		<u>(8,795)</u>	<u>16,352</u>
Net cash (used in)/from investing activities			
Cash flows from financing activities			
Purchase of treasury shares	12	(1,153)	-
Dividends paid	13	(3,966)	(3,641)
Repayment of lease liabilities		(1,658)	(1,684)
		<u>(6,777)</u>	<u>(5,325)</u>
Net cash used in financing activities			
Net (decrease)/increase in cash and cash equivalents		(4,734)	28,600
Cash and cash equivalents at the beginning of the financial half-year		42,586	22,668
Effects of exchange rate changes on cash and cash equivalents		269	314
		<u>38,121</u>	<u>51,582</u>
Cash and cash equivalents at the end of the financial half-year			

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

Symbio Holdings Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2022

Consolidated	Issued capital \$'000	Treasury shares \$'000	Foreign currency reserve \$'000	Share-based payments reserve \$'000	Retained profits \$'000	Total equity \$'000
Balance at 1 July 2021	102,486	-	(1,153)	4,926	43,793	150,052
Profit after income tax expense for the half-year	-	-	-	-	11,052	11,052
Other comprehensive income for the half-year, net of tax	-	-	657	-	-	657
Total comprehensive income for the half-year	-	-	657	-	11,052	11,709
Transactions with members in their capacity as members:						
Share-based payments	-	-	-	1,760	-	1,760
Dividends paid (note 13)	-	-	-	-	(3,641)	(3,641)
Balance at 31 December 2021	<u>102,486</u>	<u>-</u>	<u>(496)</u>	<u>6,686</u>	<u>51,204</u>	<u>159,880</u>
Consolidated	Issued capital \$'000	Treasury shares \$'000	Foreign currency reserve \$'000	Share-based payment reserve \$'000	Retained profits \$'000	Total equity \$'000
Balance at 1 July 2022	103,313	(1,249)	201	7,768	52,006	162,039
Profit after income tax benefit for the half-year	-	-	-	-	79	79
Other comprehensive income for the half-year, net of tax	-	-	505	-	-	505
Total comprehensive income for the half-year	-	-	505	-	79	584
Transactions with members in their capacity as members:						
Share-based payments	-	-	-	2,159	-	2,159
Own shares acquired in the year	-	(1,153)	-	-	-	(1,153)
Dividends paid (note 13)	-	-	-	-	(3,966)	(3,966)
Balance at 31 December 2022	<u>103,313</u>	<u>(2,402)</u>	<u>706</u>	<u>9,927</u>	<u>48,119</u>	<u>159,663</u>

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

Note 1. General information

The financial statements cover Symbio Holdings Limited as a Group consisting of Symbio Holdings 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 Symbio Holdings Limited's functional and presentation currency.

Symbio Holdings 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, 580 George Street
Sydney NSW 2000

A description of the nature of the Group'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 20 February 2023.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 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 2022 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 Group 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 does not have any material impact for the Group.

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

Comparative figures

Comparatives have been realigned where necessary, to be consistent with current year presentation. There was no effect on profit, net assets, or equity.

Note 3. Operating segments

Identification of reportable operating segments

These segments are based on the internal reports that are reviewed and used by the Board including the CEO (who is identified as the Chief Operating Decision Maker 'CODM'), in assessing performance and in determining the allocation of resources.

● CPaaS – Communications Platform as a Service

The CPaaS division is focused on empowering software companies (in Australia, APAC and globally) and larger infrastructure-based service providers to enable calling and messaging via Symbio hosted phone numbers. The CPaaS division predominantly operates under the Symbio brand. The TNZI brand was rebranded to Symbio in the previous financial year which resulted in the brand's nil net book value as at 30 June 2022.

Note 3. Operating segments (continued)

• UCaaS – Unified Communications as a Service

The UCaaS segment is focused on enabling the roll-out and self-service management of enterprise collaboration services (in Australia and the entire APAC region) based on industry leading partnerships with Microsoft Teams and Cisco WebEx. This segment purchases infrastructure from the CPaaS division. The UCaaS segment predominantly operates under the Symbio Enterprise brand.

• TaaS – Telecom as a Service

The TaaS segment is focused on providing a digital platform for small service providers (in Australia only) to operate their telecom and managed services business. This division purchases infrastructure from the CPaaS division as well as other industry leading vendors of complementary telecom services. The TaaS segment predominantly operates under the Telcoinabox brand and incorporates the iBoss brand and customer base.

Discrete financial information for each of these segments is reported to the CODM regularly. The CODM reviews the revenues and the gross margin for their internal decision-making and to assess performance. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in these financial statements.

Intersegment transactions

Intersegment transactions were made at market rates. Intersegment transactions are eliminated on consolidation.

Consolidated - 31 Dec 2022	Continuing operations			Continuing operations	Discontinued operations	Group Total
	UCaaS \$'000	TaaS \$'000	CPaaS \$'000	Total \$'000	Total \$'000	
Rendering of services	4,457	30,520	67,029	102,006	-	102,006
Sale of goods	126	756	9	891	-	891
External revenue	4,583	31,276	67,038	102,897	-	102,897
Inter-segment revenue	4	3,510	4,110	7,624	-	7,624
External and inter-segment revenue	4,587	34,786	71,148	110,521	-	110,521
Network and communication expense	(1,636)	(18,242)	(35,538)	(55,416)	-	(55,416)
Gross margin	2,947	13,034	31,500	47,481	-	47,481
Other income				648	-	648
Expenses				(48,237)	-	(48,237)
Profit before tax				(108)	-	(108)
Income tax expenses				187	-	187
Profit after tax excluding net gain on sale				79	-	79
Net gain on disposal of discontinued operations				-	-	-
Group profit after tax				79	-	79

Note 3. Operating segments (continued)

Consolidated - 31 Dec 2021	Continuing operations			Continuing operations	Discontinued operations	Group Total
	UCaaS \$'000	TaaS \$'000	CPaaS \$'000	Total \$'000	Total \$'000	
Rendering of services	4,725	28,417	65,222	98,364	2,329	100,693
Sale of goods	68	806	10	884	40	924
External revenue	4,793	29,223	65,232	99,248	2,369	101,617
Inter-segment revenue	5	4,277	3,794	8,076	56	8,132
External and inter-segment revenue	4,798	33,500	69,026	107,324	2,425	109,749
Network and communication expense	(1,816)	(16,907)	(33,969)	(52,692)	(367)	(53,059)
Gross margin	2,977	12,316	31,263	46,556	2,002	48,558
Other income				255	-	255
Expenses ¹				(41,299)	(6,840)	(48,139)
Profit before tax				5,512	(4,838)	674
Income tax expense				(1,041)	5,247	4,206
Profit after tax excluding net gain on sale				4,471	409	4,880
Net gain on disposal of discontinued operations				-	6,172	6,172
Group profit after tax				4,471	6,581	11,052

1. 31 December 2021 discontinued operations expenses are made up of employee benefits expense \$1,014,000; depreciation and amortisation \$496,000; other expenses \$393,000. impairment of assets \$4,937,000.

Geographical information

Australia and New Zealand are the only individual countries from which the Group derives material revenues. In the current half-year, the Group derived revenue of \$77,031,000 from Australia (31 December 2021: \$74,132,000) and \$13,067,000 from New Zealand (31 December 2021: \$11,872,000). Of the Group's non-current assets, \$111,765,000 (30 June 2022: \$112,552,000) are located in Australia and \$1,790,000 (30 June 2022: \$3,761,000) are located in New Zealand.

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax asset, post-employment benefits assets and rights under insurance contracts.

Note 3. Operating segments (continued)

Disaggregation of revenue

	Consolidated	
	31 Dec 2022	31 Dec 2021
	\$'000	\$'000
<i>Recurring</i>		
UCaaS	4,583	4,793
TaaS	29,107	26,017
CPaaS	23,518	23,569
Total	<u>57,208</u>	<u>54,379</u>
<i>Non-recurring</i>		
UCaaS	-	-
TaaS	2,169	3,206
CPaaS	43,520	41,663
Total	<u>45,689</u>	<u>44,869</u>
Total Continuing operations	<u><u>102,897</u></u>	<u><u>99,248</u></u>

Note 4. Revenue

	Consolidated	
	31 Dec 2022	31 Dec 2021
	\$'000	\$'000
Rendering of services	102,006	98,364
Sale of goods	<u>891</u>	<u>884</u>
	<u><u>102,897</u></u>	<u><u>99,248</u></u>

Refer to note 3 for information on disaggregation of revenue.

Revenue from services provided are recognised over time and revenue from sale of goods are recognised at a point in time.

Note 5. Expenses

	Consolidated	
	31 Dec 2022	31 Dec 2021
	\$'000	\$'000
(Loss)/profit before income tax from continuing operations includes the following specific expenses:		
Depreciation		
Leasehold improvements	306	425
Network infrastructure and equipment	2,712	2,900
Office furniture and equipment	182	276
Buildings right-of-use assets	1,626	1,655
Depreciation expense reclassified as discontinued operations	-	(320)
Total depreciation	4,826	4,936
Amortisation		
Customer contracts	902	699
Software and other assets	1,488	1,340
Software development	2,172	1,865
Amortisation reclassified as discontinued operations	-	(175)
Total amortisation	4,562	3,729
Total depreciation and amortisation	9,388	8,665
Employee benefits		
Salaries and wages	22,762	18,610
Superannuation	1,788	2,006
Share based payment expense	2,159	1,760
Earn-out expenses	(333)	333
Other employee benefits	735	460
Total employee benefits	27,111	23,169
Finance costs		
Interest and finance charges paid/payable on borrowings	322	455
Interest and finance charges paid/payable on lease liabilities	279	316
Total finance costs	601	771
Other expenses		
Technology and support	3,969	3,205
International partners	2,287	1,659
Legal and consulting	721	674
Insurance	560	524
Property	467	471
Accounting, tax and audit	542	395
Travel	628	22
Others	1,893	1,527
Total other expenses	11,067	8,477

Note 6. Discontinued operations

In the Group's 30 June 2021 annual report, it was noted on 9 August 2021, the Group confirmed Symbio had completed the sale of part of the direct business to Vonex Ltd.

As at 31 December 2021, the Group entered into a sale agreement with Boardroom Ventures Pty Ltd to sell the conference business operating under the Express Virtual Meetings brand. On 31 January 2022, the sale was completed for \$1.

	Direct business operations \$'000	Express Virtual Meetings business operations \$'000	Total \$'000
31 December 2022			
Profit after tax from discontinued operations	-	-	-
31 December 2021			
Profit after tax from discontinued operations	6,746	(165)	6,581
	Direct business operations \$'000	Express Virtual meetings business operations \$'000	Total \$'000
31 December 2021			
Revenue	1,594	775	2,369
Expenses	(775)	(1,495)	(2,270)
Profit before income tax	819	(720)	99
Attributable tax expense from operations	(245)	-	(245)
Profit/(loss) after tax from discontinued operations	574	(720)	(146)
Impairment loss on disposal of discontinued operations	-	(4,937)	(4,937)
Net gain on disposal of discontinued operations	14,122	-	14,122
Attributable tax expense on disposal	(7,950)	5,492	(2,458)
Net profit after income tax expense from discontinued operations	6,746	(165)	6,581
<i>Net cash flow from discontinued operations</i>			
	Direct business operations \$'000	Express Virtual Meetings business operations \$'000	Total \$'000
31 December 2021			
Net cash from operating activities	481	627	1,108
Net cash from/(used in) investing activities	24,167	(159)	24,008
Net cash used in financing activities	-	(59)	(59)
Net increase in cash and cash equivalents from discontinued operations	24,648	409	25,057

Note 7. Earnings per share

	Consolidated	
	31 Dec 2022	31 Dec 2021
	\$'000	\$'000
Earnings per share from continuing operations		
Profit after income tax	79	4,471
Profit after income tax	79	4,471
	Cents	Cents
Basic earnings per share	0.09	5.28
Diluted earnings per share	0.09	5.24
Earnings per share from discontinued operations		
Profit after income tax	-	6,581
Profit after income tax	-	6,581
	Cents	Cents
Basic earnings per share	-	7.77
Diluted earnings per share	-	7.71
Earnings per share for profit attributable to the members of the Company		
Profit after income tax	79	11,052
	Cents	Cents
Basic earnings per share	0.09	13.05
Diluted earnings per share	0.09	12.96
	Number	Number
Weighted average number of ordinary shares		
Weighted average number of ordinary shares used in calculating basic earnings per share	84,839,564	84,672,752
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	645,408	630,074
Weighted average number of ordinary shares used in calculating diluted earnings per share	85,484,972	85,302,826

Note 8. Property, plant and equipment

	Consolidated	
	31 Dec 2022	30 Jun 2022
	\$'000	\$'000
Non-current assets		
Leasehold improvements - at cost	5,583	5,629
Less: Accumulated depreciation	(3,559)	(3,316)
	<u>2,024</u>	<u>2,313</u>
Network infrastructure and equipment - at cost	60,091	57,864
Less: Accumulated depreciation	(40,442)	(37,348)
	<u>19,649</u>	<u>20,516</u>
Office furniture and equipment - at cost	5,026	4,985
Less: Accumulated depreciation	(4,708)	(4,529)
	<u>318</u>	<u>456</u>
Work in progress	<u>3,353</u>	<u>2,399</u>
	<u><u>25,344</u></u>	<u><u>25,684</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Leasehold improve- ments \$'000	Network infrastructure and equipment \$'000	Office furniture and equipment \$'000	Work in progress \$'000	Total \$'000
Balance at 1 July 2022	2,313	20,516	456	2,399	25,684
Additions	59	1,535	45	1,078	2,717
Disposals	(53)	-	(4)	-	(57)
Transfer to intangible asset	-	-	-	(124)	(124)
Exchange differences	11	310	3	-	324
Depreciation expense	(306)	(2,712)	(182)	-	(3,200)
Balance at 31 December 2022	<u><u>2,024</u></u>	<u><u>19,649</u></u>	<u><u>318</u></u>	<u><u>3,353</u></u>	<u><u>25,344</u></u>

Note 9. Right-of-use assets

	Consolidated	
	31 Dec 2022 \$'000	30 Jun 2022 \$'000
Non-current assets		
Land and buildings - right-of-use	22,940	21,532
Less: Accumulated depreciation	(9,154)	(9,657)
	<u>13,786</u>	<u>11,875</u>

Additions to the right-of-use assets during the half-year were \$3,561,000 (31 December 2021: \$313,000) and expired lease assets were \$2,153,000 (31 December 2021: \$285,000). Addition to the leased liabilities during the half-year were \$3,561,000 (31 December 2021: \$313,000), and expired lease liabilities were \$1,647,000 (31 December 2021: \$1,669,000).

The Group leases land and buildings for its offices under agreements of between three to seven years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

The Group leases office equipment under agreements of less than 1 year. These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

Note 10. Intangibles

	Consolidated	
	31 Dec 2022 \$'000	30 Jun 2022 \$'000
Non-current assets		
Goodwill - at cost	36,800	36,800
Brands - at cost	672	2,495
Less: Accumulated amortisation	-	(1,823)
	<u>672</u>	<u>672</u>
Customer contracts - at cost	9,293	9,293
Less: Accumulated amortisation	(5,577)	(4,675)
	<u>3,716</u>	<u>4,618</u>
Software and other assets - at cost	26,729	26,729
Less: Accumulated amortisation	(15,749)	(14,261)
	<u>10,980</u>	<u>12,468</u>
Software development - at cost	44,382	36,563
Less: Accumulated amortisation	(10,435)	(8,264)
	<u>33,947</u>	<u>28,299</u>
	<u>86,115</u>	<u>82,857</u>

Note 10. Intangibles (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Goodwill \$'000	Brands \$'000	Customer contracts \$'000	Software and other assets \$'000	Software development \$'000	Total \$'000
Balance at 1 July 2022	36,800	672	4,618	12,468	28,299	82,857
Additions	-	-	-	-	7,696	7,696
Transfers in	-	-	-	-	124	124
Amortisation expense	-	-	(902)	(1,488)	(2,172)	(4,562)
Balance at 31 December 2022	<u>36,800</u>	<u>672</u>	<u>3,716</u>	<u>10,980</u>	<u>33,947</u>	<u>86,115</u>

For the period ended 31 December 2022, the following indicators of impairment were identified by the Group:

- the global economy slow-down is felt particularly by the technology sector in which Symbio and a lot of its customers operate;
- on 20 December 2022 the Group released a trading update revising its FY23 EBITDA guidance from \$36m-\$39m to \$26m-\$30m; and
- the Group's market capitalisation at period end is lower than the carrying value of its net assets.

As a result, impairment testing has been performed at the CGU level, consistent with the methodology used as at 30 June 2022.

As at 31 December 2022, the Group has three CGUs, being CPaaS, TaaS and UCaaS. The carrying amount of goodwill and brands are allocated to the CGUs as below:

	Goodwill 31 Dec 2022 \$'000	Brands 31 Dec 2022 \$'000	Goodwill 30 Jun 2022 \$'000	Brands 30 Jun 2022 \$'000
CPaaS	19,049	-	19,049	-
TaaS	13,468	672	13,468	672
UCaaS	<u>4,283</u>	<u>-</u>	<u>4,283</u>	<u>-</u>
Total intangible assets	<u>36,800</u>	<u>672</u>	<u>36,800</u>	<u>672</u>

The recoverable amount of the Group's indefinite useful life intangible assets has been determined based on value-in-use (VIU) calculations using cash flow projections based on five-year financial forecasts and assumptions that represent management's best estimate of the range of business and economic conditions at the time. Assets that do not have independent cashflows such as brands, are allocated to CGUs, and then the VIU of the CGU is determined.

VIU represents the present value of the future net cash flow arising from the assets' continued use and subsequent disposal. A reduction in the carrying value is recognised as an expense in the consolidated statement of profit or loss and other comprehensive income in the reporting period in which the impairment loss is incurred.

In determining value in use, management apply their best judgement in establishing forecasts of future operating performance, as well as a selection of growth rates, terminal rates and discount rates. These judgements are applied based on management's understanding of historical information and expectation of future performance.

Note 10. Intangibles (continued)

Key assumptions used

The following describes the key assumptions on which the Group has based its cash flow projections when determining VIU relating to the CGU:

	CPaaS 31 Dec 2022 %	TaaS 31 Dec 2022 %	UCaaS 31 Dec 2022 %	CPaaS 30 Jun 2022 %	TaaS 30 Jun 2022 %	UCaaS 30 Jun 2022 %
Discount rate (post tax)	9.0%	8.7%	11.4%	9.0%	8.4%	11.4%
Terminal value growth rate	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%

The discount rate is based on the Group's weighted average cost of capital adjusted to reflect an estimate of specific risks inherent in the cashflow projections.

The terminal value growth rate is based on the Group's expectation of long-term performance of the CGUs in line with industry expectations. This is used to extrapolate cashflows beyond the five-year period.

The base year of the cash flow projections is based on the board approved financial forecast with the subsequent years reflecting anticipated growth rates.

Judgement has been exercised in considering the Group's forecasts, and this consideration extends to the nature of the products and services offered, customers, the inherent uncertainty in the timing of new incremental revenue, the global workforce and the economic conditions of the geographic regions in which the Group operates.

The following describes each key assumption on which management had based its cash flow projections when determining the VIU of each CGU:

- the Group will not experience any substantial adverse movements in currency exchange rates;
- the Group's research and development program will ensure that the current suite of products remains competitive; and
- the Group can maintain its current gross margins by product line. The growth is projected at a rate reflective of historical trends, into the future, as detailed below:
 - o CPaaS forecasted gross margin growth for year 2 is 10%, year 3 is 9%, year 4 is 9% and year 5 is 10% (FY22: year 2 is 11%, year 3 is 12%, year 4 is 13% and year 5 is 14%).
 - o TaaS forecasted gross margin growth for year 2 is -3%, year 3 is 6%, year 4 is 7% and year 5 is 8% (FY22: year 2 is 4%, year 3 is 5%, year 4 is 7% and year 5 is 8%).
 - o UCaaS forecasted gross margin growth for year 2 is 7%, year 3 is 27%, year 4 is 27% and year 5 is 26% (FY22: year 2 is 23%, year 3 is 36%, year 4 is 36% and year 5 is 35%).

Other key assumptions used in the VIU calculation include:

- Management have used assumptions for sales growth rates based on historical trends, normalised for any anomalies, as these are once-off events not expected to be repeated in the future.
- Operating costs and overheads were forecast based on historical experience of operating margins and interaction with gross margin growth rates, adjusting for inflationary increases.
- Capital expenditure forecast is based on requirement to maintain and expand network infrastructure to support growth assumptions in profit projections.

Based on the results, the headroom of CPaaS is \$75,522,000, the headroom of TaaS is \$125,489,000 and the headroom of UCaaS is \$9,203,000, and therefore no impairment is recognised (30 June 2022: nil).

Note 10. Intangibles (continued)

Sensitivity analysis

The Group has conducted a sensitivity analysis of the impairment test to consider any reasonable change in the key assumptions such as the terminal value growth rate and discount rate on which the recoverable amount is based, so as determine the recoverable amount for each of the CGUs to which goodwill is allocated.

Any reasonable possible change in the terminal value growth rate and discount rate did not cause the CGU's carrying amount to exceed its recoverable amount.

The forecast and in particular the gross margin is a key judgement in management's impairment assessment. Sensitivities are applied assuming gross margin is moved in isolation from key assumptions above.

For the carrying amount to exceed its recoverable amount, the forecasted gross margin would need to decline year on year by 4.6% for CPaaS and 9% for UCaaS.

For the TaaS CGU, any reasonable change in the key assumptions on which the recoverable amount is based would not cause the CGU's carrying amount to exceed its recoverable amount.

Each of the above sensitivities assumes that a specific assumption moves in isolation, while all other assumptions are held constant. In reality, a change in one of the aforementioned assumptions could be accompanied by a change in another assumption, which may increase or decrease the above percentages.

Note 11. Employee benefits

	Consolidated	
	31 Dec 2022	30 Jun 2022
	\$'000	\$'000
Current liabilities		
Annual leave	3,064	2,921
Long service leave	1,775	1,468
	<u>4,839</u>	<u>4,389</u>
Non-current liabilities		
Long service leave	725	554
	<u>5,564</u>	<u>4,943</u>

Note 12. Issued capital

	Consolidated		
	31 Dec 2022	30 Jun 2022	31 Dec 2022
	Shares	Shares	\$'000
			\$'000
Ordinary shares - fully paid	84,839,564	84,839,564	100,911

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$'000
Balance	1 July 2022	84,839,564		102,064
Treasury shares purchased on market held in escrow		-	\$0.00	(1,153)
Balance	31 December 2022	84,839,564		100,911

Treasury Shares

During this half year ended 31 December 2022, 295,008 fully paid ordinary shares at an average price per security of \$3.9082 were purchased on-market under for the purpose of an employee incentive scheme or to satisfy the entitlements of the holders of options granted under an employee incentive scheme.

Ordinary shares

Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the Company be wound up in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Note 13. Dividends

Dividends

Dividends paid during the financial half-year were as follows:

	Consolidated	
	31 Dec 2022	31 Dec 2021
	\$'000	\$'000
Final dividend for the year ended 30 June 2022 of 1.70 cents (2021: 4.30 cents) per ordinary share	1,435	3,641
Special dividend for the year ended 30 June 2022 of 3.00 cents per ordinary share	2,531	-
	3,966	3,641

Note 13. Dividends (continued)

Franking credits

	Consolidated	
	31 Dec 2022	30 Jun 2022
	\$'000	\$'000
Franking credits available for subsequent financial years based on a tax rate of 30%	21,681	19,253

The above amounts represent the balance of the franking account as at the end of the financial half-year, adjusted for:

- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

Note 14. Fair value measurement

Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

Consolidated - 31 December 2022	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets				
Financial asset at fair value through other comprehensive income	-	-	7,200	7,200
Total assets	-	-	7,200	7,200
Consolidated - 30 June 2022	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets				
Financial asset at fair value through other comprehensive income	-	-	7,200	7,200
Total assets	-	-	7,200	7,200

Assets and liabilities held for sale are measured at fair value on a non-recurring basis.

There were no transfers between levels during the financial half-year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Valuation techniques for fair value measurements categorised within level 2 and level 3

Unquoted investments have been valued using a discounted cash flow model.

The other financial asset of \$7,200,000 was acquired at fair value and there are no current indicators that suggest changes to the fair value at 31 December 2022. Therefore, no movement to the financial asset has been recognised in other comprehensive income for the half-year ended 31 December 2022.

Note 15. Contingent liabilities

The Group had no material contingent liabilities as at 31 December 2022 and 30 June 2022.

Note 16. Commitments

The Group had no material capital commitments as at 31 December 2022 and 30 June 2022.

Note 17. Events after the reporting period

On 31 January 2023, Symbio Holdings Limited completed the acquisition of Intrado Australia, a subsidiary of West Technology Group, LLC. Intrado Australia is a Cisco-focused end-to-end Cloud Calling, Contact Centre and Collaboration business, providing services to key partners and Enterprise & Government customers in Australia with \$5,000,000 cash consideration paid on January 2023.

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Symbio Holdings Limited
Directors' declaration
31 December 2022

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 Group's financial position as at 31 December 2022 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



Anne Ward
Chairman

20 February 2023
Sydney



Rene Sugo
Managing Director and Group CEO

Independent Auditor's Review Report to the Members of Symbio Holdings Limited

We have reviewed the accompanying half-year financial report of Symbio Holdings Limited (the "Company") and its subsidiaries ("the Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2022, and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 8-27.

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 the Group is not in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) 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 Half-year Financial Report section of our report. We are independent of the Group in accordance with 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 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 in the same terms if given to the directors as at the time of this auditor's review report.

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.

Auditor's Responsibility

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 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.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Pooja Patel

Pooja Patel

Partner

Chartered Accountants

Sydney, 20 February 2023