

# **THORNEY TECHNOLOGIES LTD**

**ABN: 66 096 782 188**

## **Appendix 4D**

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## **2019 Half-year financial report**

# Thorney Technologies Ltd

ABN 66 096 782 188

## Appendix 4D

For the half-year ended 31 December 2018

*(All comparisons to: half-year ended 31 December 2017)*

### Results for announcement to the market:

	31 Dec 2018 \$A'000	31 Dec 2017 \$A'000	Up/ Down	Movement \$A'000
Revenue from ordinary activities	891	14,125	Down	13,234
Net profit for the period attributable to members	85	10,733	Down	10,648

No dividends have been declared for the half-year ended 31 December 2018.

	31 Dec 2018 cents	31 Dec 2017 cents
<u>Additional information</u>		
Net tangible asset backing per ordinary share	25.0	27.0

This information should be read in conjunction with the *2018 Annual Report* of **Thorney Technologies Ltd** and any public announcements made in the period by **Thorney Technologies Ltd** in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and Listing Rules.

Additional information supporting the Appendix 4D disclosure requirements can be found in the Directors' Report and the consolidated financial statements for the half-year ended 31 December 2018.

This report is based on the consolidated financial statements for the half-year ended 31 December 2018 which have been reviewed by **Ernst & Young**.

# Thorney Technologies Ltd

ABN 66 096 782 188

## Corporate information

### *Company secretary*

Craig Smith  
Level 39, 55 Collins Street  
Melbourne VIC 3000

### *Principal registered office and postal address*

Level 39, 55 Collins Street  
Melbourne VIC 3000

### *ASX code*

TEK

### *Share registry*

Computershare Investor Services Pty Limited  
Yarra Falls  
452 Johnston Street  
Abbotsford VIC 3067

### *Solicitors*

Arnold Bloch Leibler  
Level 21, 333 Collins Street  
Melbourne VIC 3000

### *Bankers*

Australia and New Zealand Banking Group Limited  
55 Collins Street  
Melbourne VIC 3000

### *Auditors*

Ernst & Young  
8 Exhibition Street  
Melbourne VIC 3000

### *Website*

[www.thorneytechnologies.com.au](http://www.thorneytechnologies.com.au)

# Contents

	Page
Chairman's letter .....	4
Directors' report .....	6
Auditor's Independence Declaration .....	8
Consolidated statement of comprehensive income .....	9
Consolidated statement of financial position .....	10
Consolidated statement of changes in equity .....	11
Consolidated statement of cash flows .....	12
Notes to the consolidated financial statements .....	13
1. Summary of accounting policies .....	13
2. Total investment income .....	13
3. Income tax .....	14
4. Deferred tax .....	14
5. Fair value measurements .....	15
6. Issued capital .....	16
7. Related party transactions .....	17
8. Earnings per share .....	17
9. Contingent liabilities .....	17
10. Subsequent events .....	17
Directors' declaration .....	18
Independent auditor's review report .....	19

## Chairman's letter

Dear fellow shareholders

As at 31 December 2018, TEK's net tangible asset backing per share (NTA) was 25.0 cents. Since the beginning of the 2019 calendar year to 31 January 2019, TEK's NTA has increased to 25.9 cents following some improvement in equity markets.

Declining equity market conditions in the last quarter of calendar year 2018, as evidenced by substantial falls in global tech leaders such as Amazon, Facebook, Google and Apple translated into some negative moves in valuations of TEK's core portfolio investments.

However, overall TEK's NTA held up well and to date in calendar 2019 we have seen a significant recovery in prices in certain TEK holdings, most notably in our largest position Afterpay Touch Group (APT which, as at the time of writing, has seen a share price gain since 1 January 2019 of around 50%. Another, strong new year performer has been Zip Co Limited which has experienced an appreciation in its share price of around 40%.

I remain enthusiastic about the medium to long term outlook for the TEK portfolio of companies which are a dynamic mix of both listed and unlisted companies that leverage off our extensive global technology network and which provide exposure to a wide range of technology related sectors at various stages of the investment life cycle.

### Afterpay Touch Group (APT)

As mentioned above APT remains TEK's largest holding and we remain highly supportive of, and enthusiastic about, the company's long term future. APT's share price has been volatile over the past 12 months but has strengthened in recent times after it appeared to have avoided the imposition of additional regulatory burdens and on the back of continued operational success in Australia and the USA with the UK soon to come. APT yesterday announced that it does not expect any material impact on its business or business model based on the recommendations contained in the Senate Economics References Committee Report.

While we remain very optimistic about the outlook for APT we have taken advantage of its recent volatility, adding to our holdings at lower price levels and taking some profits as prices recovered.

### Updater Inc (unlisted)

After delisting from the ASX last year following shareholder approval, New York-based Updater is TEK's largest unlisted holding.

Updater continues to expand rapidly in the US relocation market and now claims a significant market share, servicing the millions of Americans who move house each year by helping them to seamlessly book a moving company, update their accounts and records, connect to mail, internet and utilities services and much more.

# Thorney Technologies Ltd

ABN 66 096 782 188

In a recent newsletter to shareholders Updater reported that its revenues are growing strongly and in 2018 revenue was up by more than 8 times 2017 levels.

The company is in the process of a fund raising to further accelerate its growth in the US. It expects to be able to announce details by the end of March. At TEK we are expecting the raising to be completed at a valuation which is significantly above the level at which Updater was trading when it delisted from the ASX.

## Outlook

At TEK we maintain a fundamental belief in the ongoing ability of the technology sector to disrupt existing industries, change people's lives and create value in ways which our economies are still only just beginning to experience.

Of course like all revolutions there will be casualties and setbacks, but we believe TEK's due diligence abilities combined with our extensive networks and exposure to deal flow in both the listed and unlisted tech sectors in Australia, the USA and Israel will ensure our shareholders benefit through their TEK investment in this exciting and dynamic sector.

Following the statutory half-year reporting of all TEK's listed portfolio companies, I intend to send you in March a Chairman's Update with some additional detail and insight on the reported results and any other significant developments among our unlisted holdings.

These are challenging times for all investors and the risks from the well-articulated range of macro and geopolitical risks should not be underestimated.

In this difficult climate, the need for deeply researched, individual stock picking ability is even more pronounced.

Fortunately, this is the exact skill set which sets the TEK investment team apart and which we are confident will help us deliver sustained out-performance for our shareholders over time.

I look forward to communicating with you again shortly.

Kind regards,

A handwritten signature in blue ink, appearing to read 'Alex Waislitz', with a long horizontal flourish extending to the right.

**Alex Waislitz**  
Chairman

26 February 2019

## Directors' report

The Directors of Thorney Technologies Ltd (TEK, or Company) present the financial report of the Company for the half-year ended 31 December 2018.

The Directors in office during the half-year and at the date of this report (unless otherwise stated) were as follows:

Current Directors	Appointed	Position
Alex Waislitz	9 December 2016	Chairman
Alan Fisher	29 August 2015	Non-executive director
Jeremy Leibler	9 December 2016	Non-executive director
Martin Casey	22 June 2016	Non-executive director

## Principal activities

Thorney Technologies Ltd is an investment company listed on the Australian Securities Exchange [ASX:TEK]. Its principal activity is investing in global, listed and unlisted, technology investments at all phases of the investment lifecycle.

## Review of operations

The profit after tax for the half-year under review was \$85,481, a decrease on the previous corresponding half-year profit of \$10,732,847. TEK's half year result principally reflects the unrealised mark to market reductions in the market value of the Company's portfolio compared with a gain in the corresponding period.

The Net Tangible Asset Backing per share at 31 December 2018 was 25.0 cents per share (2017: 27.0 cents).

Notwithstanding the recent equity market falls, TEK's largest portfolio holdings, Afterpay and Updater Inc, which represent circa 32% of the TEK portfolio have operationally continued to meet or exceed their stated benchmarks. Key personnel from Updater, ReadCloud, Zip Co and OneVue Holdings presented at the TEK AGM *Thorney Investment Forum* in late November 2018 and these presentations were recorded and are available on the TEK website.

On 8 November 2018 TEK completed a minimum holding share buy-back, with 1,115 shareholders having their shares bought back at a total cost of \$21,235.

## Dividends

No dividends have been paid or declared since the start of the financial year.


## Directors' report (continued)

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### Auditor's independence declaration

The Auditor's independence declaration, as required under section 307C of the *Corporations Act 2001*, is set out on the following page.

On behalf of the Directors,



**Alex Waislitz**  
Chairman

Melbourne, 26 February 2019



## Auditor's Independence Declaration to the Directors of Thorney Technologies Ltd

As lead auditor for the review of the half-year financial report of Thorney Technologies Ltd for the half-year ended 31 December 2018, I declare 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 review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Thorney Technologies Ltd and the entities it controlled during the financial period.



Ernst & Young



Kester Brown  
Partner

Melbourne  
26 February 2019

## Consolidated statement of comprehensive income

For the half-year ended 31 December 2018

	Note	December 2018 \$	December 2017 \$
<b>Income</b>			
Net changes in fair value of investments	2	628,546	13,814,315
Interest income	2	175,048	254,825
Dividend income	2	26,866	55,444
Other income	2	60,138	-
<b>Total investment income</b>	2	<b>890,598</b>	<b>14,124,584</b>
<b>Expenses</b>			
Management fees	7	(501,584)	(566,145)
Performance fees	7	-	(2,429,596)
Directors' fees		(84,862)	(141,188)
Finance costs		(30)	(238)
Fund administration and operational costs		(60,486)	(94,870)
Legal & professional fees		(131,564)	(130,825)
Other administrative expenses		(26,591)	(28,875)
<b>Total expenses</b>		<b>(805,117)</b>	<b>(3,391,737)</b>
<b>Profit before income tax expense</b>		<b>85,481</b>	<b>10,732,847</b>
Income tax expense	3	-	-
<b>Total comprehensive income for the half-year</b>		<b>85,481</b>	<b>10,732,847</b>
<b>Basic and diluted earnings per share (cents)</b>	8	<b>0.03</b>	<b>4.84</b>

The Consolidated statement of comprehensive income should be read in conjunction with the notes to the half-year consolidated financial statements.

## Consolidated statement of financial position

As at 31 December 2018

	Note	31 December 2018 \$	30 June 2018 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and short-term deposits		7,946,556	19,915,387
Financial assets	5	37,265,345	37,889,426
Receivables		3,627	2,642
Other assets		60,918	18,088
<b>Total current assets</b>		<b>45,276,446</b>	<b>57,825,543</b>
<b>Non-current assets</b>			
Receivables		27,705	-
Financial assets	5	19,942,504	7,647,877
<b>Total non-current assets</b>		<b>19,970,209</b>	<b>7,647,877</b>
<b>TOTAL ASSETS</b>		<b>65,246,655</b>	<b>65,473,420</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		934,914	1,225,925
<b>Total current liabilities</b>		<b>934,914</b>	<b>1,225,925</b>
<b>TOTAL LIABILITIES</b>		<b>934,914</b>	<b>1,225,925</b>
<b>NET ASSETS</b>		<b>64,311,741</b>	<b>64,247,495</b>
<b>EQUITY</b>			
Issued capital	6	55,973,076	55,994,311
Reserves		25,607,664	17,252,420
Accumulated losses		(17,268,999)	(8,999,236)
<b>TOTAL EQUITY</b>		<b>64,311,741</b>	<b>64,247,495</b>

The Consolidated statement of financial position should be read in conjunction with the notes to the half-year consolidated financial statements.

## Consolidated statement of changes in equity

For the half-year ended 31 December 2018

	Issued capital \$	Profit reserve \$	Accumulated profits / (losses) \$	Total \$
Balance at 1 July 2018	55,994,311	17,252,420	(8,999,236)	64,247,495
Profit for the half-year	-	-	85,481	85,481
Total comprehensive income for the half-year	-	-	85,481	85,481
Transfer to Profit reserve	-	8,355,244	(8,355,244)	-
Transactions with shareholders:				
Share Buyback	(21,235)	-	-	(21,235)
Total transactions with shareholders	(21,235)	-	-	(21,235)
Balance at 31 December 2018	55,973,076	25,607,664	(17,268,999)	64,311,741

For the half-year ended 31 December 2017

	Issued capital	Profit reserve	Accumulated profits / (losses)	Total
Balance at 1 July 2017	41,257,949	2,688,746	-	43,946,695
Profit for the period	-	-	10,732,847	10,732,847
Total comprehensive income for the half-year	-	-	10,732,847	10,732,847
Transfer to Profit reserve	-	10,732,847	(10,732,847)	-
Transactions with shareholders:				
Placement	15,000,000	-	-	15,000,000
Cost of shares issued net of tax	(263,637)	-	-	(263,637)
Total transactions with shareholders	14,736,362	-	-	14,736,362
Balance at 31 December 2017	55,994,312	13,421,593	-	69,415,905

The Consolidated statement of changes in equity should be read in conjunction with the notes to the half-year consolidated financial statements.

## Consolidated statement of cash flows

For the half-year ended 31 December 2018

	Note	December 2018 \$	December 2017 \$
<b>Cash flows from operating activities</b>			
Interest income		175,048	254,825
Finance costs		(30)	(238)
Dividends received		26,866	55,444
Proceeds from sale of trading investments		8,459,030	5,560,953
Payments for trading investments		(15,278,262)	(12,092,134)
Payment to suppliers		(1,730,824)	(2,239,607)
Other inflows from other operating activities		67,864	-
<b>Net cash used in operating activities</b>		<b>(8,280,308)</b>	<b>(8,460,757)</b>
<b>Cash flows from investing activities</b>			
Payment for financial assets		(3,668,762)	(3,376,531)
<b>Net cash used in investing activities</b>		<b>(3,668,762)</b>	<b>(3,376,531)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		-	15,000,000
Payment for equity raising transaction costs		-	(263,637)
Payment for share buyback	6	(21,235)	-
<b>Net cash (used in)/provided by financing activities</b>		<b>(21,235)</b>	<b>14,736,363</b>
Net (decrease)/increase in cash and cash equivalents		(11,970,305)	2,899,075
Net foreign exchange differences		1,474	-
Cash and cash equivalents at the beginning of the period		19,915,387	20,521,143
<b>Cash and cash equivalents at the end of the period</b>		<b>7,946,556</b>	<b>23,420,218</b>

The Consolidated statement of cash flows should be read in conjunction with the notes to the half-year consolidated financial statements.

## Notes to the consolidated financial statements

The half-year consolidated financial statements of Thorney Technologies Ltd for the half-year ended 31 December 2018 were authorised for issue in accordance with a resolution of the Board of Directors on 26 February 2019.

### 1. Summary of accounting policies

#### (a) Basis of preparation

The half-year consolidated financial statements are general purpose financial statements that have been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The half-year consolidated financial statements do not include all of the information required for full-year statements. Accordingly, these financial statements should be read in conjunction with the consolidated financial statements for the year ended 30 June 2018 and any public announcements made by Thorney Technologies Ltd during the half-year in accordance with the continuous disclosure requirements of the Corporations Act 2001 and the ASX Listing Rules.

#### Changes in Accounting Standards

The accounting policies adopted in the preparation of the consolidated financial statements half-year ended 31 December 2018 are consistent with those of the most recent annual financial report. The impact of adopting any amendments to standards was not material.

### 2. Total investment income

	2018 \$	2017 \$
Realised gains	4,352,878	1,952,934
Unrealised (losses) gains	(3,724,332)	11,861,381
Interest income	175,048	254,825
Dividend income	26,866	55,444
Other income	60,138	-
<b>Total investment income</b>	<b>890,598</b>	<b>14,124,584</b>

### 3. Income tax

The income tax expense attributable to the year differs from the prima facie amount payable on the profit before tax. The difference is reconciled as follows:

	December 2018	December 2017
Profit before income tax expense	85,481	10,732,847
Prima facie tax expense on profit from ordinary activities before income tax expense at 27.5% (2017:27.5%)	(23,507)	(2,951,533)
Deferred income tax expense		
– Imputation credits on dividends received	-	(6,535)
Recognition of loss to offset deferred tax liability	23,507	2,958,068
Income tax expense recognised in the consolidated statement of comprehensive income	-	-

### 4. Deferred tax

	December 2018	June 2018
<b>Deferred tax</b>		
Trading stock	(2,979,168)	(3,922,446)
Long term financial assets	(545,693)	202,118
Business establishment costs	404,256	500,018
Other	25,697	17,473
Unrecouped revenue losses	22,496,018	22,561,339
<b>Net deferred tax asset not recognised</b>	<b>19,401,110</b>	<b>19,358,502</b>

As at 31 December 2018, the Company has estimated unused gross revenue tax losses of \$81,803,701 (June 2018: \$82,041,233). These losses are available to offset against future taxable capital and revenue profits, subject to continuing to meet relevant statutory tests.

## 5 Fair value measurements

To reflect the source of valuation inputs used when determining the fair value of its financial assets and financial liabilities, the Company uses the fair value hierarchy prescribed in AASB 13:Fair Value Measurement.

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of these investments is based on the last sale price for the security as quoted on the relevant exchange;
- Level 2: valuation techniques using market observable inputs, either directly or indirectly. The fair value of assets and liabilities with short-term maturities are valued at the amount at which the asset or liability could be exchanged in a current transaction between willing parties; and
- Level 3: valuation techniques using non-market observable data with the fair value for investments based on inputs determined by Directors' valuation.

The fair value measurement hierarchy of the Company's financial assets and financial liabilities is as follows:

	December 2018	June 2018
<b>Assets measured at fair value</b>		
Level 1: Listed equities	36,640,345	36,529,879
Level 2: Receivables <sup>2</sup> and unlisted equities <sup>3</sup>	125,000	111,420
Level 3: Financial assets <sup>1</sup>	20,442,504	8,896,004
<b>Total financial assets</b>	<b>57,207,849</b>	<b>45,537,303</b>
Total current	37,265,345	37,889,426
Total non-current	19,942,504	7,647,877
<b>Liabilities measured at fair value</b>		
Level 1: -	-	-
Level 2: -	-	-
Level 3: -	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>

<sup>1</sup> Financial assets are valued using 'the *International Private Equity and Venture Capital Valuation Guidelines*'. The valuation techniques adopted include a Market Approach, an Income Approach and a Replacement Cost Approach.

<sup>2</sup> Given the short maturities, the fair value of the assets and liabilities are recognised at the face value on the invoice.

<sup>3</sup> The 30 June 2018 unlisted equities (level 2) relates to crypto-currencies held which are valued at the latest trading price in the crypto-currency trading platform. TEK sold its position in crypto-currency during the period ended 31 December 2018 leaving a zero balance.



## 5. Fair value measurements (continued)

For assets and liabilities that are recognised at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The reconciliation of recurring fair value measurements categorised within Level 3 is as follows:

Financial assets:	Loan notes	Unlisted equities	Total
Balance at 1 July 2018	2,012,050	6,883,954	8,896,004
Unrealised gain/(loss) recognised in Consolidated statement of comprehensive income	(336,375)	1,611,320	1,274,945
Conversion of loan notes to unlisted equities	(202,410)	202,410	-
Transfer from Level 1 – delisting from ASX (Updater Inc., <sup>1</sup> )	-	7,442,395	7,442,395
Transfers to Level 1 – ASX listing	-	(998,127)	(998,127)
Purchases of financial assets	-	3,827,287	3,827,287
<b>Balance at 31 December 2018</b>	<b>1,473,265</b>	<b>18,969,239</b>	<b>20,442,504</b>
<sup>1</sup> Updater Inc. voluntarily delisted from the ASX with shareholder approval effective 10 October 2018. The fair value of this investment included in unlisted equities at 31 December 2018 was \$8,804,039, which comprises transfer from level 1, purchases and unrealised gains.			
Balance at 1 July 2017	1,350,067	1,633,349	2,983,416
Unrealised loss recognised in Consolidated statement of comprehensive income	(487,527)	(230,743)	(718,270)
Conversion of loan notes to unlisted equities	(504,099)	504,099	-
Purchases of financial assets	1,653,609	4,977,249	6,630,858
<b>Balance at 30 June 2018</b>	<b>2,012,050</b>	<b>6,883,954</b>	<b>8,896,004</b>

## 6. Issued capital

	December 2018 Number of shares	June 2018 Number of shares	December 2018 \$	June 2018 \$
<b>Ordinary shares</b>				
Balance at 1 July	257,368,627	193,538,840	55,994,311	41,257,949
Share buyback	(83,403)	-	(21,235)	-
Ordinary shares issued	-	63,829,787	-	15,000,000
Share issue costs (net of tax)	-	-	-	(263,638)
<b>Total issued capital</b>	<b>257,285,224</b>	<b>257,368,627</b>	<b>55,973,076</b>	<b>55,994,311</b>

## 7. Related party transactions

The following table provides the total amount of transactions which have been entered into with related parties during the six months ended 31 December 2018 and 2017:

	Services from and transactions with related parties	
	December 2018 \$	December 2017 \$
All related party transaction amounts shown here are exclusive of GST:		
<i>Entities with significant influence over the Company:</i>		
Thorney Management Services Pty Ltd	489,350	2,922,674
TIGA Trading Pty Ltd	26,000	26,000
<i>Related parties of key management personnel of the Company:</i>		
Arnold Bloch Leibler <sup>1</sup>	28,862	49,111
Bridgewater Capital Pty Ltd <sup>2</sup>	500	-

<sup>1</sup> Arnold Bloch Leibler is a leading Australian law firm of which Jeremy Leibler is a partner

<sup>2</sup> Bridgewater Capital Pty Ltd is an advisory firm of which Martin Casey is a director

## 8. Earnings per share

	December 2018	December 2017
Basic and diluted earnings per share (cents)	0.03	4.84
Earnings used in calculating basic and diluted earnings per share (\$)	85,481	10,732,847
	2018 Number of Shares	2017 Number of shares
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	257,344,150	221,533,752

## 9. Contingent liabilities

The Company has no contingent liabilities as at 31 December 2018 (2017: nil).

## 10. Subsequent events

There are no reportable events subsequent to balance date.

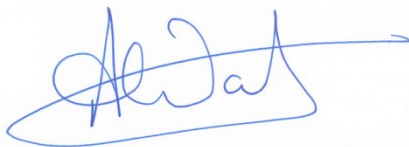
## Directors' declaration

In accordance with a resolution of directors of Thorney Technologies Ltd, I state that:

1. In the opinion of the Directors:

- (a) the financial statements and notes of Thorney Technologies Ltd for the half-year ended 31 December 2018 are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
  - (ii) complying with Accounting Standards and the *Corporations Regulations 2001*;
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board,



**Alex Waislitz**  
Chairman

Melbourne, 26 February 2019

## Independent Auditor's Review Report to the Members of Thorney Technologies Ltd

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the accompanying half-year financial report of Thorney Technologies Ltd and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, 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 the Group is not in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2018 and of its consolidated financial 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.

#### 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 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. 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, anything has come to our attention that causes us to 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 consolidated financial position as at 31 December 2018 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the Group, 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*.



Ernst & Young



Kester Brown  
Partner

Melbourne  
26 February 2019