PRESCIENT THERAPEUTICS LIMITED

ABN 56 006 569 106

APPENDIX 4D HALF YEAR REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2019

PROVIDED TO THE ASX UNDER LISTING RULE 4.2A.3

Prescient Therapeutics Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	Prescient Therapeutics Limited
ABN:	56 006 569 106
Reporting period:	For the half-year ended 31 December 2019
Previous period:	For the half-year ended 31 December 2018

2. Results for announcement to the market

				$
Revenues from ordinary activities	down	3.6%	to	42,016
Loss from ordinary activities after tax attributable to the owners of Prescient Therapeutics Limited	up	6.4%	to	(1,697,193)
Loss for the half-year attributable to the owners of Prescient Therapeutics Limited	up	6.4%	to	(1,697,193)

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

Comments
The loss for the consolidated entity after providing for income tax amounted to $1,697,193 (31 December 2018: $1,594,455).

Financial performance
The consolidated entity has accounted for an estimated research and development incentive rebate for the half year amounting to $599,120 (31 December 2018: $694,176). Overall operating expenses remained consistent with the prior year at $2,334,980 (31 December 2018: $2,348,635).

Financial position
Net assets of $12,730,902 has decreased by $1,590,032 (30 June 2019: $14,320,934). This was mainly driven by a reduction of cash reserves from normal operating expenditure during the period. The research and development incentive rebate receivable for the 2019 financial year was received in November 2019, and amounted to $1,629,821.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	2.38	2.18

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

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

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

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7. Dividend reinvestment plans

Not applicable.

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8. Details of associates and joint venture entities

Not applicable.

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9. Foreign entities

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

Not applicable.

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10. 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.

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11. Attachments

Details of attachments (if any):

The Interim Report of Prescient Therapeutics Limited for the half-year ended 31 December 2019 is attached.

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12. Signed

Signed ______________________ Date: 28 February 2020

Mr Steven Engle
Non-Executive Chairman

Prescient Therapeutics Limited

ABN 56 006 569 106

Interim Report - 31 December 2019

Directors	Mr Steven Engle (Non-Executive Chairman) Mr Steven Yatomi-Clarke (Managing Director and CEO) Dr James Campbell (Non-Executive Director)
Company secretary	Ms Melanie Leydin
Registered office	Level 4, 100 Albert Road South Melbourne, VIC 3205 Phone: 03 9692 7222
Principal place of business	Level 4, 100 Albert Road South Melbourne VIC 3205
Share register	Automic Registry Services Level 5 126 Phillip Street Sydney NSW 2000 Phone: 02 9698 5414
Auditor	Ernst & Young 8 Exhibition Street Melbourne VIC 3000
Stock exchange listing	Prescient Therapeutics Limited securities are listed on the Australian Securities Exchange (ASX code: PTX and PTXOC)
Website	https://ptxtherapeutics.com

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Prescient Therapeutics Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2019.

Directors

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

Mr Steven Engle (Non-Executive Chairman)
Mr Steven Yatomi-Clarke (Managing Director and CEO)
Mr Paul Hopper (Non-Executive Director) - stepped down 2 January 2020
Dr James Campbell (Non-Executive Director)

Principal activities

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

- the preparation for and conduct of clinical trials relating to the Company's products;
- business development associated with the promotion of Prescient's proprietary technologies and products; and
- business development associated with developing collaborative, partnership relationships and corporate transactions.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to $1,697,193 (31 December 2018: $1,594,455).

Financial performance

The consolidated entity has accounted for an estimated research and development incentive rebate for the half year amounting to $599,120 (31 December 2018: $694,176). Overall operating expenses remained consistent with the prior year at $2,334,980 (31 December 2018: $2,348,635).

Financial position

Net assets of $12,730,902 has decreased by $1,590,032 (30 June 2019: $14,320,934). This was mainly driven by a reduction of cash reserves from normal operating expenditure during the period. The research and development incentive rebate receivable for the 2019 financial year was received in November 2019, and amounted to $1,629,821.

Below is a summary of the Company’s operations during the period.

<u>Clinical Progress</u>

<u>PTX-100</u>

During the period, Prescient achieved a milestone for the Company, opening its first clinical trial of its novel targeted therapy, PTX-100. PTX-100 is an inhibitor of the Ras pathway, which has been the subject of growing industry focus. PTX-100 is the only Ras pathway inhibitor in an ASX-listed company and, to the Company’s knowledge, the only RhoA inhibitor in clinical development globally.

The Phase 1b PTX-100 ‘basket’ study is designed to determine safety, optimal dosage and treatment schedule of the drug to treat several cancers where the Ras and RhoA mutations are prevalent, myeloma, T-cell lymphomas, gastric and pancreatic cancers.

Clinical investigators at Epworth Health in Melbourne led by globally-renowned oncologist, Professor H. Miles Prince AM, have commenced screening for eligible patients.

A key development was the start of treatment for the first patient in the Phase 1b trial of our First-in Class anticancer drug and Ras pathway inhibitor, PTX-100. The study, led by world-leading oncologist Professor Miles H. Prince AM, seeks to determine safety, optimal dosage and treatment schedule of the drug to treat several cancers where the Ras and RhoA mutations are prevalent.

PTX-200

During the period the Company reported on each of its three clinical studies of PTX-200.

In November 2019 the Company announced an expansion of its Phase 1b trial of PTX-200 in patients with relapsed and refractory acute myeloid leukemia (AML) after an encouraging third complete response (total eradication of the disease) in this difficult to treat patient population. The expansion of the study will seek to identify the optimal dosing schedule of PTX-200 with chemotherapy to minimise side effects.

In December 2019 the Company announced positive interim data from the Phase 1b safety study of PTX-200 in women with recurrent or persistent platinum resistant ovarian cancer. Analysis of the interim data revealed that 12 of 15 patients (80%) exhibited disease control, with 11 women exhibiting stable disease and one patient having a partial response. Escalation has not yet been completed and Prescient believes that it has not yet escalated to the optimal dose of PTX-200.

Also in December 2019 the Company also data from the Phase 2a trial of PTX-200 in 11 women with HER-2 negative breast cancer, showing an overall response rate of 91 per cent. Two patients exhibited a complete eradication of disease. One patient, who passed away prior to surgery, also achieved a complete response after treatment with PTX-200 and paclitaxel. To date, nine of 10 patients being monitored remain cancer-free, with encouraging ongoing durability of response.

Together, these solid clinical developments underline the early clinical proof of concept of PTX-200 and its potential as a novel Akt inhibitor.

Positive Industry Developments Continue

It is timely that Prescient has initiated its trial with PTX-100, a novel Ras pathway (and RhoA) inhibitor given the continued global interest generated by other Ras inhibitors in development. Whilst these drugs draw considerable attention to the Ras inhibition space, PTX-100 is well differentiated from these competitors.

During the period, a new cancer drug from Amgen targeting cancers with certain KRAS mutations gained significant attention at the annual European Society for Medical Oncology (ESMO) meeting in Barcelona, Spain. The new data released at the conference, while not as promising as earlier data revealed at the American Society of Clinical Oncology in June, provided more encouragement to clinicians and researchers worldwide. Amgen’s progress is helping show proof of concept and pave the way for smaller companies like Prescient taking different approaches to this family of problematic oncogenic mutations. With more studies and data due to be released in coming months, there is strong interest among medical professionals who are encouraged by these positive incremental advances. Our clinical programs are part of the important advances being made in precision oncology which continue to transform the treatment of multiple cancers worldwide. The Board and management remain focused on delivering our clinical milestones and business development activities in order to create significant long-term value for shareholders.

Expanding commitment to new personalised cancer therapies

In November 2019 the Company announced a collaboration with Carina Biotech, a private Australian cancer research company with a strong reputation in advancing new targeted cancer therapies. The collaboration will combine Prescient’s expertise in development of targeted therapies with Carina’s promising CAR-T technology to develop new CAR-T approaches. The work will be within Prescient’s current budget and does not require additional capital. Both companies will share any resulting intellectual property. Adelaide-based Carina is an acknowledged leader in the development of CAR-T (Chimeric Antigen Receptor T cell) treatments for solid tumours. CAR-T uses a cancer patient’s own immune system to target and attack cancer. The technique has been used to outstanding effect against some blood cancers and Carina is pioneering the technique for use in solid cancers. The collaboration is an exciting new frontier for Prescient. It expands the Company’s commitment to personalised cancer treatment into new cellular therapies while also enhancing the potential and risk profile of Prescient’s clinical pipeline. Interest among the medical community and pharmaceutical industry in targeted cancer treatments remains very strong. Prescient and its pipeline of clinical programs is part of the important advances being made globally in precision oncology which promise to transform the treatment of cancer. The Board and management remain focused on delivering our clinical milestones and creating significant long-term value for shareholders.

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial half-year
No matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

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

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

On behalf of the directors

Mr Steven Engle
Non-Executive Chairman

28 February 2020

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Auditor's Independence Declaration to the Directors of Prescient Therapeutics Limited

As lead auditor for the review of the half-year financial report of Prescient Therapeutics Limited for the half-year ended 31 December 2019, 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 Prescient Therapeutics Limited and the entities it controlled during the financial period.

Ernst + Young

Ernst & Young

Lonergan

Joanne Lonergan
Partner
28 February 2020

Prescient Therapeutics Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2019

	Note	Consolidated 31 December 2019 $	Consolidated 31 December 2018 $
Interest revenue		42,016	43,566
Other income	4	599,120	710,614
Expenses			
Research and development costs		(1,325,333)	(1,538,057)
Employment expenses		(267,673)	(199,817)
Corporate expenses		(460,762)	(314,533)
Administrative expenses		(173,035)	(178,866)
Share based payments		(107,161)	(128,705)
Interest expense		-	(3,301)
Foreign exchange movements		(4,365)	14,644
Loss before income tax expense		(1,697,193)	(1,594,455)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Prescient Therapeutics Limited		(1,697,193)	(1,594,455)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of Prescient Therapeutics Limited		(1,697,193)	(1,594,455)
		Cents	**Cents**
Basic earnings per share	11	(0.43)	(0.75)
Diluted earnings per share	11	(0.43)	(0.75)

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

Prescient Therapeutics Limited
Statement of financial position
As at 31 December 2019

	Note	Consolidated 31 December 2019 $	30 June 2019 $
Assets			
Current assets			
Cash and cash equivalents		5,715,920	9,639,637
Trade and other receivables		60,757	117,201
Short Term Investments	5	3,520,000	20,000
Prepayments		130,657	230,982
Other Current Assets	6	599,120	1,631,071
Total current assets		10,026,454	11,638,891
Non-current assets			
Property, plant and equipment		405	942
Intangibles		3,366,894	3,366,894
Total non-current assets		3,367,299	3,367,836
Total assets		13,393,753	15,006,727
Liabilities			
Current liabilities			
Trade and other payables		528,131	551,964
Employee benefits		112,828	116,066
Total current liabilities		640,959	668,030
Non-current liabilities			
Employee benefits		21,892	17,763
Total non-current liabilities		21,892	17,763
Total liabilities		662,851	685,793
Net assets		12,730,902	14,320,934
Equity			
Issued capital		63,930,411	63,930,411
Reserves	7	1,186,517	1,099,704
Accumulated losses		(52,386,026)	(50,709,181)
Total equity		12,730,902	14,320,934

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

Prescient Therapeutics Limited
Statement of changes in equity
For the half-year ended 31 December 2019

Consolidated	Issued capital $	Share Based Payments Reserve $	Share Loan Plan Reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2018	55,570,683	757,008	126,186	(47,014,614)	9,439,263
Loss after income tax expense for the half-year	-	-	-	(1,594,455)	(1,594,455)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half-year	-	-	-	(1,594,455)	(1,594,455)
Transactions with owners in their capacity as owners:					
Share-based payments	-	-	39,848	-	39,848
Contribution of equity	3,338	-	-	-	3,338
Lapsed ESOP Options	-	(86,890)	-	86,890	-
ESOP Options issued	-	88,857	-	-	88,857
Balance at 31 December 2018	55,574,021	758,975	166,034	(48,522,179)	7,976,851

Consolidated	Issued capital $	Share Based Payments Reserve $	Share Loan Plan Reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2019	63,930,411	893,821	205,883	(50,709,181)	14,320,934
Loss after income tax expense for the half-year	-	-	-	(1,697,193)	(1,697,193)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half-year	-	-	-	(1,697,193)	(1,697,193)
Transactions with owners in their capacity as owners:					
Share-based payments	-	67,313	39,848	-	107,161
Lapsed/expired options	-	(20,348)	-	20,348	-
Balance at 31 December 2019	63,930,411	940,786	245,731	(52,386,026)	12,730,902

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

Prescient Therapeutics Limited
Statement of cash flows
For the half-year ended 31 December 2019

	Consolidated	
	31 December 2019 **$**	**31 December 2018** **$**
Cash flows from operating activities		
Payments to suppliers (inclusive of GST)	(2,093,760)	(2,193,006)
Interest received	36,388	54,433
Other revenue	-	16,438
Interest paid	-	(3,301)
R&D tax incentive received	1,629,821	-
Net cash used in operating activities	(427,551)	(2,125,436)
Cash flows from investing activities		
Payments for investments in term deposits	(3,500,000)	-
Net cash used in investing activities	(3,500,000)	-
Cash flows from financing activities		
Proceeds from issue of shares	-	3,337
Repayment of borrowings	-	(56,046)
Net cash used in financing activities	-	(52,709)
Net decrease in cash and cash equivalents	(3,927,551)	(2,178,145)
Cash and cash equivalents at the beginning of the financial half-year	9,639,637	5,485,902
Effects of exchange rate changes on cash and cash equivalents	3,834	2,108
Cash and cash equivalents at the end of the financial half-year	5,715,920	3,309,865

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

Note 1. General information

The financial statements cover Prescient Therapeutics Limited as a consolidated entity consisting of Prescient Therapeutics 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 Prescient Therapeutics Limited's functional and presentation currency.

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

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

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 February 2020.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2019 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 2019 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

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

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

AASB 16 Leases
The consolidated entity has adopted AASB 16 from 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

In applying AASB 16, there were no right-of-use assets and corresponding lease liabilities recognised in the statement of financial position.

Note 3. Operating segments

Identification of reportable operating segments
The Company operated predominately in the clinical stage oncology industry within Australia. AASB 8 requires operating segments to be identified on the basis of internal reports about the components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The board reviews the Company as a whole in the business segment of clinical stage oncology within Australia.

Note 4. Other income

	Consolidated	
	31 December 2019 $	31 December 2018 $
R&D tax incentive receivable	599,120	694,176
Other government grants	-	16,438
Other income	599,120	710,614

The Research and Development Tax Incentive programme provides tax offsets for expenditure on eligible R&D activities. Under the programme, Prescient, having expected aggregated annual turnover of under $20 million, is entitled to a refundable R&D credit of 43.5% on the eligible R&D expenditure incurred on eligible R&D activities. One of the conditions the company must meet is ensuring more than 50% of total R&D activity costs will be incurred in Australia.

The refundable R&D tax offset is accounted for under AASB 120 Accounting for Government Grants and Disclosure of Government Assistance.

During the half year, the consolidated entity recognised R&D tax incentive revenue of $599,120 (31 December 2018: $694,176).

During the previous half year, the consolidated entity also claimed and received business growth grants of $16,438 from the Department of Industry, Innovation and Science.

Note 5. Current assets - Short Term Investments

	Consolidated	
	31 December 2019 $	30 June 2019 $
Cash on deposit	3,520,000	20,000

Cash on deposit relates to term deposits with a maturity of three months or more.

Note 6. Current assets - Other Current Assets

	Consolidated	
	31 December 2019 $	30 June 2019 $
R&D tax incentive receivable	599,120	1,631,071

During the half year, the consolidated entity recognised R&D tax incentive revenue of $599,120. On the 8 November 2019, the consolidated entity received $1,629,821 in relation to the 2019 financial year R&D tax incentive.

Note 7. Equity - reserves

	Consolidated 31 December 2019 $	30 June 2019 $
Share based payments reserve	940,786	893,821
Share loan plan reserve	245,731	205,883
	1,186,517	1,099,704

Note 8. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 9. Contingent Liabilities

There were no contingent liabilities at 31 December 2019 (31 December 2018: Nil).

Note 10. Events after the reporting period

No matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 11. Earnings per share

	Consolidated 31 December 2019 $	31 December 2018 $
Loss after income tax attributable to the owners of Prescient Therapeutics Limited	(1,697,193)	(1,594,455)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	394,260,627	211,882,155
Weighted average number of ordinary shares used in calculating diluted earnings per share	394,260,627	211,882,155
	Cents	**Cents**
Basic earnings per share	(0.43)	(0.75)
Diluted earnings per share	(0.43)	(0.75)

The rights to options held by option holders have not been included in the weighted average number of ordinary shares for the purposes of calculating diluted EPS as they do not meet the requirements for inclusion in AASB 133 ‘Earnings Per Share’. The rights to options are non-dilutive as the consolidated entity is loss generating.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the financial half-year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors

Mr Steven Engle
Non-Executive Chairman

28 February 2020

Building a better
working world

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Independent Auditor's Review Report to the Members of Prescient Therapeutics Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Prescient Therapeutics Limited (the Company) and its subsidiaries (collectively the Group), which comprises the statement of financial position as at 31 December 2019, the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement 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 2019 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 2019 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

Ernst & Young

Lonergan

Joanne Lonergan
Partner
Melbourne
28 February 2020