

Butn Limited

ABN 42 644 182 883

Half-year report - 31 December 2021

Butn Limited
Directors' report
31 December 2021

The directors present their report, together with the financial statements, on the consolidated entity consisting of Butn 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 2021.

Directors

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

Rael Ross – Executive Director
Walter Rapoport – Executive Director
Suzanne Ewart – Non-Executive Director
Michael John Hirst – Non-Executive Director
Georg Johann Chmiel – Non-Executive Director
Helen Lea - Non-Executive Director (appointed 1 September 2021)

Review of operations

The loss for the half-year after providing for income tax amounted to \$3,567,009 (31 December 2020: \$1,179,055).

The half-year saw continued growth in transactional funding to small and medium enterprises. Several agreements have been reached with platform partners during the period, which has seen growing adoption and support of Butn's fintech solution, which was launched in December 2020. The Group continues to explore further opportunities to expand its offering and is in discussions with a growing pipeline of platform partners.

On 6 July 2021, the Group listed on the Australian Securities Exchange via an initial public offer (IPO). A total of \$20 million was raised with the IPO oversubscribed and well supported by professional and sophisticated high net worth investors and institutional funds.

On 29 October 2021, the Group commenced the first step in a planned debt restructuring process. The 2018-1 bond Noteholders approved changes to redeem Class B Notes (\$1.5 million) and reduce the interest rate in respect of Class A Notes to 6.20% (previously 8%). The maturity was extended by an additional year to 29 October 2023, with early call dates on 29 October 2022 and 29 April 2023. On 29 December 2021, Butn secured a further \$8.5 million of debt from Noteholders under the amended 2018-1 bond terms.

During the period, Butn continued to build and develop its team to support growth and enable operating leverage as the business scales.

Matters subsequent to the end of the financial half-year

Other than those disclosed in the financial statements, no matter or circumstance has arisen since 31 December 2021 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.

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 dollar.

Butn Limited
Directors' report
31 December 2021

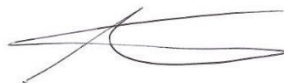
This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Walter Rapoport
Director

28 February 2022



Rael Ross
Director

DECLARATION OF INDEPENDENCE BY JAMES DIXON TO THE DIRECTORS OF BUTN LIMITED

As lead auditor for the review of Butn Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Butn Limited and the entities it controlled during the period.



James Dixon
Director

BDO Audit Pty Ltd

Melbourne, 28 February 2022

Butn Limited
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General information

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

Butn Limited is a company limited by shares, incorporated and domiciled in Australia.

Butn Limited's registered office and principal place of business are:

Registered office

Level 25
525 Collins Street
MELBOURNE
VIC 3000

Principal place of business

Suite 10
229 Balaclava Road
CAULFIELD NORTH
VIC 3161

Butn Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2021

		Consolidated	
	Note	31 Dec 2021	31 Dec 2020
		\$	\$
Revenue	3	2,541,163	2,279,808
Operating expenses			
Employee expenses		(2,488,447)	(675,109)
Other expenses	5	(2,393,171)	(1,125,404)
Occupancy		(42,491)	(35,543)
		<u>(2,382,946)</u>	<u>443,752</u>
Interest revenue		9,197	3,869
Other income	4	495,249	133,000
Depreciation and amortisation expense	5	(704,386)	(258,256)
Share based payments		(179,460)	-
Transaction costs associated with the IPO		(802,153)	-
Finance costs	5	<u>(1,619,777)</u>	<u>(1,861,155)</u>
(Loss) before income tax benefit		(5,184,276)	(1,538,790)
Income tax benefit		<u>1,617,267</u>	<u>359,735</u>
(Loss) after income tax benefit for the half-year attributable to the owners of Butn Limited		(3,567,009)	(1,179,055)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of Butn Limited		<u><u>(3,567,009)</u></u>	<u><u>(1,179,055)</u></u>
Basic (loss) per share	14	(0.02)	(98,255)
Diluted (loss) per share	14	(0.02)	(98,255)

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

Butn Limited
Statement of financial position
As at 31 December 2021

		Consolidated	
	Note	31 Dec 2021	30 Jun 2021
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	6	23,754,118	15,517,647
Trade and other receivables	7	37,527,836	29,699,108
Other		241,505	971,256
Total current assets		<u>61,523,459</u>	<u>46,188,011</u>
Non-current assets			
Intangibles	8	5,956,696	5,655,316
Deferred tax		3,044,210	1,453,227
Total non-current assets		<u>9,000,906</u>	<u>7,108,543</u>
Total assets		<u>70,524,365</u>	<u>53,296,554</u>
Liabilities			
Current liabilities			
Trade and other payables		303,263	1,319,061
Borrowings	9	274,219	7,940,659
Income tax		44,735	150,513
Employee benefits		620,756	391,431
Provisions		-	22,177
Deferred revenue		459,230	371,489
Accruals		955,261	614,000
Total current liabilities		<u>2,657,464</u>	<u>10,809,330</u>
Non-current liabilities			
Borrowings	10	45,036,239	38,820,897
Employee benefits		4,611	70,248
Total non-current liabilities		<u>45,040,850</u>	<u>38,891,145</u>
Total liabilities		<u>47,698,314</u>	<u>49,700,475</u>
Net assets		<u>22,826,051</u>	<u>3,596,079</u>
Equity			
Issued capital	11	31,371,283	8,753,762
Reserves		638,538	459,078
Accumulated losses		<u>(9,183,770)</u>	<u>(5,616,761)</u>
Total equity		<u>22,826,051</u>	<u>3,596,079</u>

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

Butn Limited
Statement of changes in equity
For the half-year ended 31 December 2021

Consolidated	Issued capital \$	Convertible notes \$	Capital restructure reserve \$	Share-based payments reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2020	12	-	(548,149)	-	(358,905)	(907,042)
(Loss) after income tax benefit for the half-year	-	-	-	-	(1,179,055)	(1,179,055)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-	-
Total comprehensive income for the half-year	-	-	-	-	(1,179,055)	(1,179,055)
Convertible notes issued	-	5,625,000	-	-	-	5,625,000
Transaction costs associated with convertible notes	-	(371,250)	-	-	-	(371,250)
Balance at 31 December 2020	<u>12</u>	<u>5,253,750</u>	<u>(548,149)</u>	<u>-</u>	<u>(1,537,960)</u>	<u>3,167,653</u>

Consolidated	Issued capital \$	Convertible notes \$	Capital restructure reserve \$	Share-based payments reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2021	12	8,753,750	(548,149)	1,007,227	(5,616,761)	3,596,079
(Loss) after income tax benefit for the half-year	-	-	-	-	(3,567,009)	(3,567,009)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-	-
Total comprehensive income for the half-year	-	-	-	-	(3,567,009)	(3,567,009)
Issue of shares - Convertible notes conversion	8,753,750	(8,753,750)	-	-	-	-
Embedded derivative conversion	4,166,667	-	-	-	-	4,166,667
Issue of shares - IPO	20,000,000	-	-	-	-	20,000,000
Transaction costs associated with the IPO	(1,549,146)	-	-	-	-	(1,549,146)
Share based payment	-	-	-	179,460	-	179,460
Balance at 31 December 2021	<u>31,371,283</u>	<u>-</u>	<u>(548,149)</u>	<u>1,186,687</u>	<u>(9,183,770)</u>	<u>22,826,051</u>

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

Butn Limited
Statement of cash flows
For the half-year ended 31 December 2021

		Consolidated	
	Note	31 Dec 2021	31 Dec 2020
		\$	\$
Cash flows from operating activities			
Receipts from clients		2,637,507	2,261,721
Payment to suppliers and employees		(3,987,407)	(1,720,843)
Interest received		6,609	3,869
Interest paid		(1,546,389)	(1,606,094)
Taxes refunded		57,101	-
Net cash used in operating activities		(2,832,579)	(1,061,347)
Cash flows from investing activities			
Proceeds from receivables		117,992,147	101,293,657
Payments for receivables		(126,242,352)	(97,510,854)
Payments for intangibles		(2,182,804)	(970,801)
Net cash (used in) / from investing activities		(10,433,009)	2,812,002
Cash flows from financing activities			
Proceeds from issue of shares	11	20,000,000	7,500,000
Proceeds from borrowings		8,500,000	-
Repayment of borrowings		(5,261,601)	(206,786)
Transaction costs related to the IPO		(1,508,687)	-
Transaction costs related to borrowings		(217,780)	-
Transaction costs on convertible notes		-	(495,000)
Net cash from financing activities		21,511,932	6,798,214
Net increase in cash and cash equivalents		8,246,344	8,548,869
Cash and cash equivalents at the beginning of the financial half-year		15,507,774	9,923,219
Cash and cash equivalents at the end of the financial half-year	6	<u>23,754,118</u>	<u>18,472,088</u>

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

Note 1. Significant accounting policies

These general purpose financial statements for the half-year reporting period ended 31 December 2021 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 Butn Limited annual report for the year ended 30 June 2021 and considered with any public announcements made by Butn Ltd during the half-year ended 31 December 2021 in accordance with the continuous disclosure obligations of the ASX Listing Rules.

The principal accounting policies adopted are consistent with those of the 2021 annual financial statements, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

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

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

Note 2. Critical accounting judgements, estimates and assumptions

The critical estimates and judgements are consistent with those applied and disclosed in the 30 June 2021 annual report.

Note 3. Revenue

	Consolidated	
	31 Dec 2021	31 Dec 2020
	\$	\$
Revenue from customers	<u>2,541,163</u>	<u>2,279,808</u>

Note 4. Other Income

	Consolidated	
	31 Dec 2021	31 Dec 2020
	\$	\$
Modification gain - note 10	491,841	-
Government grants	-	133,000
Other income	<u>3,408</u>	<u>-</u>
	<u><u>495,249</u></u>	<u><u>133,000</u></u>

Note 5. Expenses

	Consolidated	
	31 Dec 2021	31 Dec 2020
	\$	\$
(Loss) before income tax includes the following specific expenses:		
<i>Amortisation</i>		
Intellectual property	318,677	-
Right of use assets	-	6,770
Customer list	114,558	82,844
Borrowing costs	271,151	168,642
	<hr/>	<hr/>
Total amortisation	704,386	258,256
<i>Finance costs</i>		
Interest and finance charges paid/payable	1,619,777	1,612,405
Transaction costs on embedded derivative	-	123,750
Fair value adjustments on embedded derivative	-	125,000
	<hr/>	<hr/>
Finance costs expensed	1,619,777	1,861,155
<i>Other expenses</i>		
Computer expenses	866,927	249,292
Allowances for expected credit losses	-	65,000
Consulting fees	486,825	-
Insurance	183,751	168,445
Legal fees	312,566	149,342
Sundry expenses	543,102	493,325
	<hr/>	<hr/>
	2,393,171	1,125,404

Note 6. Current assets - cash and cash equivalents

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$	\$
Cash on hand	1,200	1,211
Cash at bank and restricted cash	23,752,918	15,516,436
	<hr/>	<hr/>
	23,754,118	15,517,647
	<hr/>	<hr/>

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earns interest at the respective short-term deposit rates.

Restricted cash, represents cash held by the entity that has a specific usage purpose as required by the funding arrangements described in note 10. Restricted cash is combined for the purpose of presentation in the statement of balance sheet and the statement of cash flows. As at 31 December 2021, \$7,192,164 of the cash and cash equivalents disclosed above is classified as restricted and can only be used to fund trade receivables.

Note 7. Current assets - trade and other receivables

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$	\$
Trade receivables	37,807,836	29,568,768
Less: Allowance for expected credit losses	(280,000)	(280,000)
	<u>37,527,836</u>	<u>29,288,768</u>
Other receivables	-	410,340
	<u>37,527,836</u>	<u>29,699,108</u>

Trade receivables are generally settled on terms of between 30 and 90 days. Client credit risk is influenced by individual debtors with the majority retailers and insurance companies with established credit worthiness. The Group also has recourse and / or security to its underlying clients in certain circumstances. New clients are assessed in advance of trading and monitored on an ongoing basis to minimise bad debts. For trade and other receivables, the Group applies a simplified approach in calculating expected credit losses (ECLs). The Group recognises a loss allowance based on lifetime ECLs at each reporting date incorporating its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. A financial asset is considered by the Group to be in default and is written off when internal or external information indicates that there is no reasonable expectation of recovering the contractual cash flows.

Note 8. Non-current assets - intangibles

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$	\$
Customer list - at cost	2,485,328	2,485,328
Less: Accumulated amortisation	(1,009,591)	(895,033)
	<u>1,475,737</u>	<u>1,590,295</u>
Intellectual property - at cost	5,255,566	4,249,801
Less: Accumulated amortisation	(602,930)	(284,254)
Less: R&D Offset	(491,052)	(491,052)
	<u>4,161,584</u>	<u>3,474,495</u>
Borrowing costs	1,278,750	1,278,750
Less: Accumulated amortisation	(959,375)	(688,224)
	<u>319,375</u>	<u>590,526</u>
	<u>5,956,696</u>	<u>5,655,316</u>

Reconciliations

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

Consolidated	Borrowing costs	Intellectual property	Customer list	Total
	\$	\$	\$	\$
Balance at 1 July 2021	590,526	3,474,495	1,590,295	5,655,316
Additions	-	1,005,766	-	1,005,766
Amortisation expense	(271,151)	(318,677)	(114,558)	(704,386)
Balance at 31 December 2021	<u>319,375</u>	<u>4,161,584</u>	<u>1,475,737</u>	<u>5,956,696</u>

Note 9. Current liabilities - borrowings

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$	\$
Credit card	-	9,873
Insurance premium funding	274,219	-
Embedded derivative	-	4,166,667
Loan - Shareholders	-	3,764,119
	<u>274,219</u>	<u>7,940,659</u>

Note 10. Non-current liabilities - borrowings

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$	\$
Loan - AMAL Trustees Pty Ltd (AFC 2018-1 Trust)	20,465,342	14,250,000
Loan - AMAL Trustees Pty Ltd (AFC 2019-1 Trust)	23,750,000	23,750,000
Loan - Action Funding (Aust) Pty Ltd	820,897	820,897
	<u>45,036,239</u>	<u>38,820,897</u>

Loan - AMAL Trustees Pty Ltd (AFC 2018-1 Trust)

On 17 September 2021, the Group entered into an amended corporate bond agreement with AMAL Trustees Pty Ltd, which extended the maturity by an additional year to 29 October 2023, with early call dates on the 29 October 2022 and 29 April 2023. Under the amended agreement, Class B Noteholders (\$1.5 million) were redeemed on the effective date of 29 October 2021, with additional nil interest Class C sponsor equity notes issued to 15% of the bond amount. As of 29 October 2021, the interest rate for Class A Noteholders was reduced from 8.0% to 6.2% per annum.

The amended agreement was treated as a non-substantial debt modification, with the resulting gain of \$491,841 recognised immediately in the Statement of profit or loss and other comprehensive income described in note 4.

Transaction costs were deducted off the financial liability's carrying value and will be unwound through the Statement of profit or loss and other comprehensive income over the bond's remaining term.

On 29 December 2021, a further \$8.5m Class A Notes were issued under the same terms as the amended bond agreement.

The AFC 2018-1 Trust bond is secured against the funded trade receivables.

Note 10. Non-current liabilities - borrowings (continued)

Loan - AMAL Trustees Pty Ltd (AFC 2019-1 Trust)

In July 2019 the Group entered a corporate bond agreement with AMAL Trustees Pty Ltd to provide Australian dollar, fix rate debt funding to support further loan book growth as follows:

	Amount	Interest Rate per annum
Class A	\$21,250,000	8%
Class B	\$2,500,000	12%
Total	<u>\$23,750,000</u>	

After 3 years there is a call option at which time the Group can redeem the bonds. Alternatively, if the option is not taken, there is an interest increase with AFC 2019-1 Trust Class A bonds stepping up to 12% per annum and AFC 2019-1 Trust Class B bonds to 16% per annum. The AFC 2019-1 Trust bonds mature in July 2023.

The AFC 2019-1 Trust bond is secured against the funded trade receivables.

Loan - Action Funding (Aust) Pty Ltd

The loan advanced by Action Funding (Aust) Pty Ltd (an external company owned and controlled by the Executive Directors) does not accrue interest, is unsecured and is not repayable for 24 months after the date of the company's IPO.

Note 11. Equity - issued capital

	31 Dec 2021 Shares	30 Jun 2021 Shares	Consolidated 31 Dec 2021 \$	30 Jun 2021 \$
Ordinary shares - fully paid	72,383,144	72,383,144	12	12
Convertible notes issued	-	-	-	9,125,000
Transaction costs associated with convertible notes	-	-	-	(371,250)
Issue of shares - IPO	40,000,000	-	20,000,000	-
Issue of shares - Convertible notes conversion	47,616,856	-	12,920,417	-
Issue of shares - Employees	30,000	-	-	-
Transaction costs associated with IPO	-	-	(1,549,146)	-
	<u>160,030,000</u>	<u>72,383,144</u>	<u>31,371,283</u>	<u>8,753,762</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. 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.

On 6 July 2021 the Group listed on the Australian Securities Exchange via an initial public offer (IPO), resulting in the fully paid ordinary shares on issue rising to 160,030,000, with the following transactions occurring on or shortly after that date:

- 40,000,000 fully paid ordinary shares were issued raising \$20 million (before costs) at an issue price of \$0.50.
- 47,616,856 shares were issued to convertible note holders.
- 30,000 fully paid ordinary shares were granted to employees as an exempt share award.

Note 12. Fair value measurement

Unless otherwise stated, the carrying amounts of financial assets and liabilities reflect their fair value. The carrying amounts of trade receivables and trade payables are assumed to approximate their fair value 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 instruments.

Note 13. Operating segments

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the directors) in order to allocate resources to the segment and assess performance. The Group had one operating segment being transactional funding. Accordingly, the financial information presented in the Statement of profit or loss and other comprehensive income and Statement of financial position is the same as presented to the chief operating decision maker.

Note 14. Earnings per share

	Consolidated	
	31 Dec 2021	31 Dec 2020
	\$	\$
(Loss) after income tax attributable to the owners of Butn Limited	<u>(3,567,009)</u>	<u>(1,179,055)</u>
	Consolidated	
	31 Dec 2021	31 Dec 2020
Weighted average number of ordinary shares used in calculating basic (loss) per share	<u>157,648,292</u>	<u>12</u>
	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$	\$
Basic (loss) per share (dollars)	(0.02)	(98,255)
Diluted (loss) per share (dollars)	(0.02)	(98,255)

Any securities that may potentially dilute basic earnings per share have not been included because they are anti-dilutive for the period presented.

Note 15. Events after the reporting period

No matter or circumstance has arisen since 31 December 2021 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.

Butn Limited
Directors' declaration
31 December 2021

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting' and 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 2021 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the consolidated 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.



Walter Rapoport
Director



Rael Ross
Director

28 February 2022

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Butn Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Butn Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the half-year ended on that date; and
- (ii) 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 Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the 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 the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the 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 for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report 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 2021 and its 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*.

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.

BDO Audit Pty Ltd

BDO

A handwritten signature in black ink, appearing to read 'James Dixon', is written over a faint, larger 'BDO' watermark.

James Dixon
Director

Melbourne, 28 February 2022