



ABN: 89 064 755 237

**SECOS GROUP LIMITED
AND ITS CONTROLLED ENTITIES
(ASX: SES)**

**Half-Yearly Report and Appendix 4D
31 December 2022**

Lodged with the ASX under Listing Rule 4.2A.
This information should be read in conjunction with the 30 June 2022 Annual Report and
public announcements made for the period ended 31 December 2022

CONTENTS

APPENDIX 4D.....	3
CORPORATE DIRECTORY	5
DIRECTORS' REPORT	6
AUDITOR'S INDEPENDENCE DECLARATION	8
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	9
STATEMENT OF FINANCIAL POSITION.....	10
STATEMENT OF CHANGES IN EQUITY	11
STATEMENT OF CASH FLOW	12
NOTES TO THE FINANCIAL STATEMENTS	13
DIRECTORS' DECLARATION	16
INDEPENDENT AUDITOR'S REVIEW REPORT	17

SECOS GROUP LIMITED

ABN 89 064 755 237

APPENDIX 4D**HALF-YEAR PERIOD**

Half-year ended ("current reporting period")	31 December 2022
Half-year ended ("previous corresponding period")	31 December 2021

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Revenue from ordinary activities (\$'000)	Down	23.1%	to	11,759
Loss from ordinary activities after tax attributable to members (\$'000)	Down	>100%	to	(2,481)

DIVIDENDS

Current reporting period	Nil
Previous corresponding period	Nil

NTA BACKING

	Current reporting period	Previous corresponding period ("PCP")
Net tangible assets per ordinary share	3.9 cents	4.8 cents

BRIEF EXPLANATION OF THE ABOVE FIGURES

This Half-year report should be read in conjunction with the Annual Financial Report for the year ended 30 June 2022 and any public announcements made by SECOS Group Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

REVENUE

Sales revenue for the current reporting period were down 23.1% to \$11.8m compared to the Previous Corresponding Period (PCP), impacted by excess resin inventory being held by customers and the Company's decision to reduce low margin traditional plastic sales. Biopolymer sales decreased by 25.6% vs PCP and decreased as a percentage of total sales from 67.6% to 65.4% of Group's revenue in H1 FY23 vs PCP. Traditional plastic sales decreased by 17.9% vs PCP. The Company's strategy continues to be to replace single use plastics with compostable and environmentally sustainable alternatives.

OPERATING RESULT

Key financial highlights	H1 FY23 Actual (\$'000)	H1 FY22 Actual (\$'000)	YoY Change
Revenue	11,759	15,286	-23.1%
Gross profit	1,530	2,550	-40.5%
<i>Gross profit margin (%)</i>	13.0%	16.7%	-367bps
Net loss after tax	(2,481)	(789)	>(100%)
<i>Other comprehensive income/(expense)</i>	(137)	512	>(100%)
Total comprehensive loss for the period	(2,618)	(277)	>(100%)

A \$2.5 million net loss after tax was reported for the current reporting period compared with a net loss after tax of \$0.8 million in the PCP. The period resulted in over \$0.4 million in material cost increases that were not recovered in the period. However, prices have since returned to pre-COVID-19 levels and margins are normalising, with freight costs decreasing from 8.0% of sales in the previous half-year to 6.6% of sales during the period. Gross margin is expected to continue an upward trend as material and freight costs continue to normalise and scale benefits are realised from the increased capacity recently added in Malaysia. Overheads were higher in the period compared to PCP, predominantly driven by increases in marketing and people investment to support retailer growth and Research and Development (R&D) competency. Depreciation and amortisation increased vs PCP as a result additional capital expenditure incurred in current and previous periods.

CASH FLOWS

Closing cash was \$4.5 million as at 31 December 2022 and with zero debt. The operating cash-flow for H1 FY23 was positive \$1.1 million through effective working capital and cash-flow management.

The Group invested \$0.4 million in plant and equipment for the period, as growth programs continue, expanding the newly established Malaysian biopolymer film and bag plant and for the new equipment for the Research and Development Centre.

DETAILS OF ENTITIES OVER WHICH CONTROL HAD BEEN GAINED OR LOST DURING THE PERIOD

No change of entities during the period.

FOREIGN ENTITIES

There has been no change in foreign entities controlled by SECOS Group Limited during the period.

AUDIT DISPUTE OR QUALIFICATION

The accompanying half-year financial statements are not subject to any audit dispute or qualification.

CORPORATE DIRECTORY

DIRECTORS:	Mr. Jim Walsh (Non-Executive Chairman) Mr. Richard Tegoni (CEO and Executive Director) Mr. Stephen Walters (Executive Director) Mr. Donald Haller Jr. (Non-Executive Director)
COMPANY SECRETARY:	Mr. Colin Lai
REGISTERED OFFICE:	Level 1, 247 Ferntree Gully Road Mount Waverley, VIC 3149 Telephone: +61 3 8566 6800 Email: info@secosgroup.com.au
SHARE REGISTRY:	Advanced Share Registry Limited 110 Stirling Highway NEDLANDS WA 6009 Telephone: +61 8 9389 8033 Facsimile: +61 8 9262 3723
BANKERS:	Bank of Melbourne Level 8, 530 Collins Street MELBOURNE, VIC 3000
AUDITORS:	William Buck Level 20, 181 William Street MELBOURNE, VIC 3000 Telephone: +61 3 9824 8555
LAWYERS:	CBW Partners Level 1, 159 Dorcas Street South Melbourne, VIC 3205
SECURITIES EXCHANGE:	Australian Securities Exchange Level 45 South Tower, Rialto 525 Collins Street MELBOURNE, VIC 3000 ASX Code: SES
WEBSITE:	Corporate: www.secosgroup.com.au www.cardiabioproducts.com www.cardiabioplastics.com E-commerce: www.myecopet.com.au www.myecobag.com.au www.myecoworld.com www.myecopet.com
CORPORATE GOVERNANCE STATEMENT:	The Corporate Governance statement can be found on Investors page at www.secosgroup.com.au

DIRECTORS' REPORT

The Directors present their report on SECOS Group Limited ("SECOS" or the "Company") and the entities it controlled (the "Group") at the end of, or during, the half-year ended 31 December 2022.

DIRECTORS

The following persons were Directors of SECOS during the period and up to the date of this report:

Mr. Jim Walsh (Non-Executive Chairman)
 Mr. Richard Tegoni (CEO and Executive Director)
 Mr. Stephen Walters (Executive Director)
 Mr. Donald Haller Jr. (Non-Executive Director)

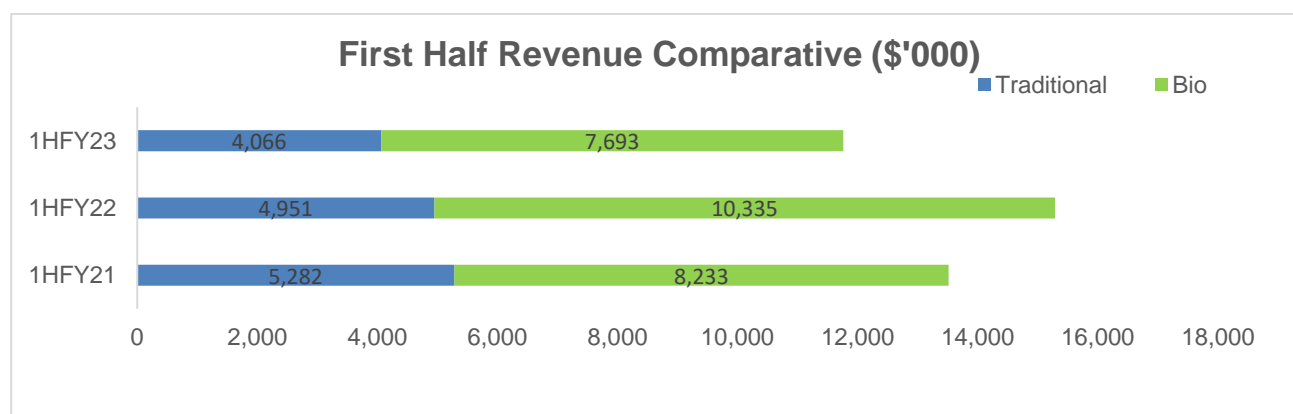
COMPANY SECRETARY

Mr. Colin Lai

REVIEW OF OPERATIONS:

Highlights:

- Sales revenue decreased by 23.1% on PCP and Biopolymer sales accounted for 65.4% of total sales.
- Positive operating cash flow of \$1.1 million, reflecting effective working capital management, which has also enabled working capital to reduce to \$9.5 million from \$12.4 million at 30 June 2022.
- Improved gross margin of 13.0% versus H2 FY22 as freight costs and lead times continue to normalise.
- Continued success in developing MyEco® branded range during H1 FY23 due to expansion of 970 Woolworths stores and the launch into 770 Coles stores in November 2022.
- Entered into exclusive sales agreement with Jewett Cameron Company (JCC) for supply of MyEcoWorld® products into the USA and Canadian markets with an annual sales target of US\$2.8 million to maintain exclusivity.
- Sales to white label partners continue to gain momentum through the relaunch of JCC's Lucky Dog® in the USA and launch of EzyDog's Login® dog waste bags into major Australian pet stores.
- The Research and Development (R&D) Centre has successfully completed testing of compostable stretch film to create higher-clarity biopolymer films, with initial orders expected in Q4 FY23.



During the period, the Group was impacted by excess resin inventory being held by customers and forgoing low margin traditional plastic sales. Forgoing low margin traditional plastic sales has led to higher overall group margins and improved working capital, although this has meant losing some non-strategic traditional plastic revenue during Q2 FY23. The gross margin is expected to continue to improve as freight costs normalise and selling price increases flow through to customers. Overheads were higher in H1 FY23 predominantly due to additional marketing and people investment versus PCP. These planned investments were made to enable development and enhancement of head office R&D competencies and support growth in new retailers in Australia and establishment of the USA market. SECOS is now distributing its MyEco® products to over 2,000 stores and is gaining market share in particular in both major retailers Woolworths and Coles. Strong working capital management has enabled SECOS to reduce working capital as of 31 December 2022, which decreased to \$9.5 million from \$12.4 million as at 30 June 2022.

DIRECTORS' REPORT (continued)**SIGNIFICANT CHANGES IN STATE OF AFFAIRS**

The following significant changes in the state of affairs of the Group occurred during the half-year.

On 14 Sep-2022, the Company announced it had issued 822,774 Performance Rights to key management of the Company.

On 11-Nov-2022, the Company announced launches of MyEcoBag into 770 stores in Coles Group.

On 19-Dec-2022, the Company announced it had signed an exclusive sales agreement with Jewett Cameron Company (JCC) for supply of MyEcoWorld products into the USA and Canadian markets with an annual sales target of US\$2.8 million to maintain exclusivity.

EVENTS AFTER THE REPORTING DATE

On 27 January 2023, the Group announced that Ian Stacey had resigned as CEO. Richard Tegoni, who was previously the Executive Chairman, was appointed as CEO and Executive Director effective 1 February 2023. At the same time, Non-Executive director, Mr. Jim Walsh, was appointed Non-Executive Chairman.

No other matters or circumstances have 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.

FUTURE DEVELOPMENTS

As jurisdictions around the world are shifting towards environmentally friendly packaging solution, SECOS is well positioned to respond to this market trend. Currently the Group's focus is on expansion to satisfy higher volume brought in by existing and new customers. Additionally, the research and development team are working closely with customers and industry partners on next generation formulation and applications of our proprietary compostable resin.

ENVIRONMENTAL REGULATIONS

The Group's operations are not subject to any significant environmental regulations under the law of the Commonwealth or the States.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration for the half-year ended 31 December 2022 has been received and can be found in the attached Auditor's Independence Declaration page.



Jim Walsh
Chairman
Melbourne
16 February 2023

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF SECOS GROUP LIMITED

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2022 there have been:

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

William Buck

William Buck Audit (Vic) Pty Ltd

ABN 59 116 151 136

A. A. Finnis

A. A. Finnis

Director

Melbourne, 16 February 2023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2022

	Notes	Consolidated	
		31-Dec-2022 \$'000	31-Dec-2021 \$'000
Sales	3	11,759	15,286
Cost of sales		(10,229)	(12,736)
Gross profit		1,530	2,550
Other income		199	59
Employment expense		(1,657)	(1,560)
Marketing and distribution expenses		(866)	(650)
Administration expense		(561)	(225)
Legal and compliance expenses		(227)	(261)
Depreciation and amortisation expense		(771)	(609)
Finance costs		(102)	(93)
Loss before income tax		(2,455)	(789)
Income tax expense		(26)	-
Loss for the period after tax		(2,481)	(789)
Other comprehensive loss			
Items that may be reclassified to the profit or loss in subsequent reporting periods (net of tax)			
Foreign currency translation gain / (loss) for foreign operations		(137)	512
Total comprehensive loss for the period		(2,618)	(277)
Loss per share			
Basic / diluted profit/(loss) per share		(0.046) cents	(0.015) cents

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Notes	Consolidated	
		31-Dec-2022 \$'000	30-Jun-2022 \$'000
Current Assets			
Cash and cash equivalents		4,500	4,122
Trade and other receivables		5,529	7,955
Inventories		6,229	7,841
Prepayments		808	745
Other Assets		34	34
Total Current Assets		17,100	20,697
Non-Current Assets			
Other assets		15	15
Deferred tax assets		1,887	1,918
Plant and equipment		4,769	4,703
Right-of-use asset		2,145	2,266
Intangible assets		3,591	3,622
Total Non-Current Assets		12,407	12,524
Total Assets		29,507	33,221
Current Liabilities			
Trade and other payables		1,890	3,244
Employee benefits		320	373
Accrued expenses		819	483
Lease liability		909	818
Total Current Liabilities		3,938	4,918
Non-Current Liabilities			
Employee benefits		76	62
Lease liability		1,413	1,572
Total Non-Current Liabilities		1,489	1,634
Total Liabilities		5,427	6,552
Net Assets		24,080	26,669
Equity			
Issued capital	2	44,730	44,730
Reserves		(356)	(248)
Accumulated losses		(20,294)	(17,813)
Total Equity		24,080	26,669

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2022

Consolidated	Issued Share Capital	Accumulated Losses	Share Based Payment Reserve	Foreign Currency Translation Reserve	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 01-Jul-2022	44,730	(17,813)	36	(284)	26,669
Loss for the period	-	(2,481)	-	-	(2,481)
Other Comprehensive income/(loss) for the period	-	-	-	(137)	(137)
Total comprehensive income/(loss) for the period	-	(2,481)	-	(137)	(2,618)
Vesting of share-based payments	-	-	29	-	29
Balance at 31-Dec-2022	44,730	(20,294)	65	(421)	24,080

Consolidated	Issued Share Capital	Accumulated Losses	Share Based Payment Reserve	Foreign Currency Translation Reserve	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 01-Jul-2021	44,730	(14,728)	-	(782)	29,220
Loss for the period	-	(789)	-	-	(789)
Other Comprehensive income/(loss) for the period	-	-	-	512	512
Total comprehensive income/(loss) for the period	-	(789)	-	512	(277)
Vesting of share-based payments	-	-	36	36	36
Balance at 31-Dec-2021	44,730	(15,517)	36	(234)	28,979

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOW

For the half-year ended 31 December 2022

	Consolidated	
	31-Dec-2022 \$'000	31-Dec-2021 \$'000
Cash Flows from Operating Activities		
Receipts from customers	15,180	16,129
Payments to suppliers and employees	(13,941)	(18,565)
Finance costs	(102)	(93)
Net Cash Inflow/(Outflow) from Operating Activities	1,137	(2,529)
Cash Flows from Investing Activities		
Purchase of plant and equipment	(372)	(1,218)
Net Cash Outflow from Investing Activities	(372)	(1,218)
Cash Flows from Financing Activities		
Repayment of lease liabilities	(396)	(389)
Net Cash Outflow from Financing Activities	(396)	(389)
Net increase/(decrease) in cash and cash equivalents held	369	(4,136)
Increase/(Decrease) in cash due to changes in foreign exchange rate	9	(79)
Cash and cash equivalents at the beginning of the period	4,122	11,287
Cash and cash equivalents at the end of the period	4,500	7,072

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

These general-purpose financial statements have been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001. They do not include all the information required in annual financial statements in accordance with Australian Accounting Standards and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2022 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the Corporations Act 2001.

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of SECOS Group Limited ('Company' or 'parent entity') as at 31 December 2022 and the results of all subsidiaries for the half-year then ended. SECOS Group Limited and its subsidiaries together are referred to in these financial statements as the "Group".

SECOS Group Limited is a listed public Company, incorporated and domiciled in Australia. The Company is a for-profit entity for accounting purposes.

The Financial statements were authorised for issue by the Board of Directors on the date of signing the attached Directors' Declaration.

The financial statements are presented in Australian dollars, which is the Group's functional and presentational currency.

REPORTING BASIS AND CONVENTIONS

These financial statements have been prepared on an accruals basis and are based on historical costs. Except for new accounting standards as stated below, the interim financial statements have been prepared in accordance with the same accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2022.

a. New Accounting Standards and interpretations issued in the period.

The accounting policies adopted in the preparation of the interim half-yearly financial statements are consistent with those followed in the preparation of the consolidated entity's annual consolidated financial statements for the year ended 30 June 2022, except for the adoption of new standards effective as of 1 July 2022. The consolidated entity has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

b. Changes in accounting policies

There have been no changes in accounting policies during the half-year ended 31 December 2022.

c. 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.

NOTE 2 ISSUED CAPITAL**a) Share Capital**

Consolidated	31-Dec-2022	30-Jun-2022
\$'000	44,730	44,730
Ordinary fully paid shares	535,901,862	535,901,862

b) Movements in Ordinary Share Capital

No movement during the period.

NOTE 3 OPERATING SEGMENTS**Identification of reportable operating segment**

The management view the business as a single operating segment being the manufacture and distribution of polyethylene films, and the renewable resource-based resins and finished products.

Operationally, the Group shares common R&D resources and commercial team actively promoting the resins, films and bags business. There is one warehouse location in each region housing films, resins and biodegradable finished goods.

The management team prepares internal reports with multi-dimensional views with emphasis on group consolidated results that are viewed and used by the Board of Directors in assessing the performance and in determining the allocation of resources. The information is reported on a monthly basis. The Group has a number of customers to whom it provides products and has supplied a single external customer in the manufacturing segment who accounted for 12.9% (2021: 13.3%) of external revenue.

Sales Revenue by geographical region	31-Dec-2022 \$'000	31-Dec-2021 \$'000
Oceania	3,287	3,293
Asia	5,879	7,547
Americas	1,470	3,117
Europe	840	856
Africa	283	473
Total Consolidated Revenue	11,759	15,286

Plant & Equipment by geographical region	31-Dec-2022 \$'000	31-Dec-2021 \$'000
Oceania	856	258
Asia	3,913	3,207
Total Consolidated Assets	4,769	3,465

NOTE 4 FAIR VALUE MEASUREMENT

The carrying amounts of the Group's financial assets and financial liabilities are approximate to their fair values.

NOTE 5 EVENTS AFTER THE REPORTING DATE

On 27 January 2023, the Group announced that Ian Stacey had resigned as CEO. Richard Tegoni, who was previously the Executive Chairman, was appointed as CEO and Executive Director effective 1 February 2023. At the same time, Non-Executive director, Mr. Jim Walsh, was appointed Non-Executive Chairman.

No other matters or circumstances have 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.

NOTE 6 CONTINGENT LIABILITIES

There are no outstanding contingent liabilities and assets reported by the Group as at 31 December 2022 (30 June 2022: Nil).

NOTE 7 SHARE-BASED PAYMENTS

The Company has an Employee Share Incentive Plan which have been established to encourage employees of the consolidated entity and its subsidiaries, including directors, to share in the ownership of the consolidated entity and its subsidiaries, in order to promote their long-term success. The Plans offer selected employees of the consolidated entity and its subsidiaries, including directors, an opportunity to share in the growth and profits of the consolidated entity and its subsidiaries alongside the consolidated entity's shareholders.

During the six-month period ending 31 December 2022, there were 822,774 Performance Rights ("rights") issued to the employees and a Director of the Company (December 2021: 786,425). The 87,189 rights issued to the Director were approved at the Annual General Meeting held on 30 November 2022. There were an additional 280,462 rights issued, but these fail to meet the definition of cash-settled share-based payment transaction outlined in AASB 2 *Share-based payments*.

There are multiple non-market performance vesting conditions allocated to each tranche of rights and are individualised to the employee who has the performance rights. The overarching performance hurdle is in line with internal management targets and goals for future years.

The probability of non-market performance conditions occurring has been assessed to be 75%.

For the rights granted during the current financial period, the fair value of the rights equates to the share price on the date that the rights were issued being 12 cents as there is no exercise price.

The following tables illustrate the movements in performance rights, during the current period ending 31 December 2022 and the prior period.

	Number of rights 31-Dec-2022	Number of rights 30-Jun-2022
Outstanding at the beginning of the financial half-year	661,856	-
Granted	822,774	786,425
Exercised / Forfeited	(220,619)	(124,569)
Outstanding at the end of the financial half-year	1,264,011	661,856

Grant date	Expiry date	Exercise price	Balance at the start of the period	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the period
09-Sep-2021	01-Nov-2022	-	220,619	-	-	(220,619)	-
09-Sep-2021	01-Nov-2023	-	220,618	-	-	-	220,618
09-Sep-2021	01-Nov-2024	-	220,619	-	-	-	220,619
08-Sep-2022	01-Nov-2025	-	-	822,774	-	-	822,774
			661,856	822,774	-	(220,619)	1,264,011

DIRECTORS' DECLARATION

The Directors declare that the financial statements and notes are in accordance with the Corporations Act 2001, including

- a) complying with Accounting Standard, AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*; and
- b) 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.

In the Directors' opinion there are reasonable grounds to believe that SECOS Group Ltd will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to s.303(5)(a) of the *Corporations Act 2001*.



Jim Walsh
Chairman
Melbourne
16 February 2023

Secos Group Limited **Independent auditor's review report**

REPORT ON THE REVIEW OF THE HALF-YEAR FINANCIAL REPORT

Conclusion

We have reviewed the accompanying half-year financial report of Secos Group Limited (the Company) and the entities it controlled at the half-year's end or from time to time during the half year (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and 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 half-year financial report 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 Australian Accounting Standard 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 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.

Responsibility of Management for the Financial Report

The directors of the Secos Group Limited 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 Responsibilities 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 Company'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.



William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136



A. A. Finnis
Director
Melbourne, 16 February 2023