# Appendix 4D
# Half Year Financial Report

| | |
|---|---|
| **Name of entity:** | Sigma Healthcare Limited |
| **ABN:** | 15 088 417 403 |
| **Reporting period:** | Half Year ended 31 July 2023 |
| **Previous period:** | Half Year ended 31 July 2022 |

The information contained in this report should be read in conjunction with the most recent annual financial report.

## RESULTS FOR ANNOUNCEMENT TO THE MARKET

| | **Half year ended 31 July 2023 $'000** | **Half year ended 31 July 2022 $'000** | **Change Increase/ (Decrease) $'000** | **Change %** |
|---|---|---|---|---|
| Sales revenue from ordinary activities | 1,681,771 | 1,836,102 | (154,331) | Down 8.4% |
| Net profit / (loss) after tax | 11,697 | (804) | 12,501 | > 100% |
| Net profit / (loss) after tax attributable to owners of the Company | 11,229 | (1,490) | 12,719 | > 100% |

## NET TANGIBLE ASSET PER SECURITY

| | **31 July 2023 $'000** | **31 July 2022 $'000** | **Change %** |
|---|---|---|---|
| Net tangible assets backing per ordinary share (cents per share) | 34.8 | 33.9 | Up 2.7% |

## DIVIDENDS

Since the end of the half year financial period, the Directors have resolved to pay an interim dividend of 0.50 cents per share fully franked, accordingly this dividend is not provided for in the balance sheet at 31 July 2023. The ex-dividend date is 25 September 2023, the record date is 26 September 2023 and it is expected to be paid on 11 October 2023.

| | **Amount per security** | **Franking percentage** |
|---|---|---|
| Interim dividend - year ended 31 January 2024 | 0.50c | 100% |
| Final dividend - year ended 31 January 2023 | 0.50c | 100% |
| Interim dividend - year ended 31 January 2023 | 0.50c | 100% |

## DIVIDEND REINVESTMENT PLAN

Not applicable

## DETAILS OF CONTROLLED ENTITIES

No control over any material entities was gained or lost during the half year ended 31 July 2023.

## ASSOCIATES / JOINT VENTURE ENTITIES

The Group has a 51% ownership interest in NostraData Pty Ltd (31 January 2023: 51%).

## OTHER INFORMATION

This report is based on the condensed consolidated financial statements which have been subject to a review by an Independent auditor. The half year financial report is not subject to a modified conclusion, emphasis of matter or other matter paragraph.

Other information requiring disclosure to comply with Listing Rule 4.2A is contained in the 31 July 2023 Financial Report.

Additional information supporting the Appendix 4D disclosure requirements, including a brief explanation of the figures above, can be found in the Directors' report, notes to the condensed consolidated financial statements in this report, the Sigma 2023/24 Half Year Results Presentation and the Sigma 2023/24 Half Year ASX Release lodged with the ASX. This report is to be read in conjunction with the annual report for the year ended 31 January 2023 and any public announcements made by Sigma Healthcare Limited during the half year.

## SHAREHOLDER INFORMATION

Sigma will host a presentation to analysts and media on Wednesday, 20 September 2023 at 10.00am with all presentation material posted to Sigma's website (www.sigmahealthcare.com.au)

Further information can be obtained from Gary Woodford (Interim Chief Financial Officer and Head of Corporate Affairs):

+61 3 9215 9215
investor.relations@sigmahealthcare.com.au

# Sigma Healthcare Limited
# Half year financial report
# For the half year ended 31 July 2023

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This half year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 January 2023 and any public announcements made by Sigma Healthcare Limited during the half year in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The Directors present their report on Sigma Healthcare Limited (the Company) and its controlled entities (the Group) for the half year ended 31 July 2023.

**Directors**

The names of the Directors of the Company during the half year reporting period and until the date of this report were (unless otherwise stated):

Mr M Sammells
Mr V Ramsunder
Ms K Spargo
Ms C Bartlett
Mr N Mitchell (appointed 2 February 2023)
Ms A Carey (appointed 1 April 2023)
Mr D Manuel (resigned 17 May 2023)

**Review of operations**

A review of the operations of the Group for the half year is set out in the Sigma 2023/24 Half Year Results Presentation and the Sigma 2023/24 Half Year ASX Release lodged with the ASX and below.

**Operating review**

Sigma Healthcare Limited has reported statutory net profit after tax (NPAT) attributable to the owners of the company of $11.2 million for the half-year ended 31 July 2023, up from a $1.5 million loss in the prior corresponding period (pcp).

The company continued to make significant progress during the first six months of the year in driving operational improvements, simplifying our business, enhancing financial performance, and executing our strategy to enhance shareholder returns.

The half year ended 31 July 2023 has seen a focus on disciplined execution at Sigma, reflected in improved customer service, efficiencies across our distribution centres (DC) and improved cost management despite inflationary pressures. Importantly, this discipline and improved service capability has contributed to Sigma securing the new Chemist Warehouse contract commencing in July 2024. This interim reporting period includes a much stronger focus on simplifying the operating model, divesting non-core assets, progressing brand consolidation and a reduction in processes that are not aligned with supporting customers or business outcomes.

The improvement in our customer service levels was demonstrated through our operations. The performance across our Logistics network has delivered exceptionally high standards, while also reducing operating costs. Improved labour management and freight optimisation initiatives continue to deliver improved customer service and lower operating costs, offsetting higher energy costs and other inflationary factors, with positive results achieved across operational KPIs. Delivery in Full (DIF) to customers has consistently exceeded 99% for the year to date and Despatch on Time (DOT) is now at 99.9%. With over 113 million units delivered in the first half of the financial year, we have continued to improve stock availability for our customers.

With our goal to simplify the way we do business with our customers and grow our core operations, we turned our attention to consolidate our brands. Pleasingly, we achieved like-for-like growth in pharmacy wholesale sales despite the current period of self-disruption as we consolidate and re-ignite our Amcal and Discount Drug Store value proposition, with our focus firmly shifted to driving our retail strategy. This is underpinned by providing our brands with high standards of retail management and specialist pharmacy services support, with our current objective to achieve brand membership of 300 Amcal pharmacies and 150 Discount Drug Stores over the medium term.

Consistent with our strategy of divesting non-core assets, we announced to the market on the 10 March 2023, the signing of an agreement for the disposal of certain hospital operations and assets of our Central Healthcare Services ("CHS") subsidiary. The disposal of the assets was completed during the half year and importantly, marks Sigma's exit from very low margin sectors, releases working capital and allows us to focus on building scale in our core pharmacy wholesale and third-party logistics operations.

Sigma's third-party logistics (3PL) operations has continued to achieve good growth. We have expanded our 3PL operations to provide services from six States across Australia, enabling improved flexibility and speed to market for customers. We currently have over 33,000 pallets under management and have moved over 60 million units during the half. 3PL is an important contributor to margin, and we will continue to seek new opportunities to foster growth.

In line with our long-term plan to build a more diversified business across health, beauty and wellness categories that will deliver improved earnings, we have made significant progress in executing our private and exclusive label strategy to take advantage of the growing consumer demand in health. This pillar is an important strategic driver, delivering differentiation and enhanced margin. We have recently recruited a strong and focused team who have already developed a pipeline of over 300 products, with more than 250 of these expected to launch during FY25.

Pleasingly, we have continued to make progress in several key focus areas in 1H24, including:

- Improving gender diversity across the Group, with 50% of women in leadership positions;
- 67% / 33% Female to Male gender ratio across the Group;
- Ongoing improvement to our safety performance with best-in-class safety standards achieved within our DCs, with a Lost-Time Injury Frequency Rate (LTIFR) of 1.2, down from 2.5 in the prior year;
- A significant decrease in packaging material usage with the recycling of totes.

**Financial performance**

Highlights:

- Sales revenues $1.7 billion (-8.4%)
- Statutory EBITDA $36.7 million (+77.6%)
- Statutory NPAT attributable to owners of the Company $11.2 million
- Interim dividend of 0.5 cent per share fully franked

**Group summary financial performance**

| | Group | | |
|---|---|---|---|
| **$'000** | **1H24** | **1H23** | **Change %** |
| **Sales revenue** | **1,681,771** | **1,836,102** | **(8.4%)** |
| EBITDA | 36,719 | 20,673 | 77.6% |
| Depreciation and amortisation | (14,325) | (15,276) | (6.2%) |
| **EBIT** | **22,394** | **5,397** | **314.9%** |
| Net finance costs | (8,334) | (6,337) | 31.5% |
| Tax | (2,363) | 136 | (1,837.5%) |
| **Statutory net profit / (loss)** | **11,697** | **(804)** | **(1,554.9%)** |
| **NPAT attributable to the owners of the company** | **11,229** | **(1,490)** | **(853.6%)** |
| **Earnings / (loss) per share (cents) attributable to owners of the company** | | | |
| Basic earnings / (loss) per share | 1.1 | (0.2) | |

The Group achieved sales revenue for the half year of $1.7 billion, down 8.4% on the pcp as we cycled the elevated sales of Rapid Antigen Tests (RATs), price inflation and COVID-19 related products in the first half of the pcp as demand for COVID-19 and cold and flu related products peaked. Sales to Hospital customers also declined on the pcp following our announcement to the market earlier in the year on the disposal of certain Hospital operations assets. On a like-for-like basis, after adjusting for sales of RATs and the disposal of Hospital operations assets, total wholesale sales lifted 7.5% to $1.5 billion on the pcp driven by improved stock availability and strong growth in Front of Shop volume across all States.

Reported NPAT of $11.2 million was recorded for the half year, up from a loss of $1.5 million in 1H23. The return to profitability was impacted by a number of structural and transitional changes including the net gain from the disposal of CHS Hospitals assets.

Profit for 1H24 has materially improved on the prior period. Reported EBIT of $22.4 million is up 315%. This includes $8.8 million net profit on disposal of our hospital distribution business.

Gross Profit was down 16.2% for 1H24, which reflects the benefit of higher margin sales of RATs in the 1H23 that has not repeated and ongoing price reform in Pharmaceutical Benefits Scheme (PBS) medicines.

Operating costs for 1H24 of $127.0 million are down $34.4 million or 21% on 1H23. This was achieved through a combination of factors, including improved overall work rate in our logistics operations, the benefits of streamlined processes across our network, reduced IT and labour costs, and the elimination of elevated non-repeating costs in 1H23 associated with discontinued operations, and dual operating costs as we transitioned from the Rowville DC to the Truganina DC.

Depreciation and amortisation is down $1.0 million to $14.3 million for 1H24 reflecting the completion of our investment cycle in the prior year as we extended our Victorian distribution centre, adding an additional 18,000 sqm of capacity, equal to an extra 20,000 pallet spaces, in addition to a reduction in the property, plant and equipment cost base attributed to the discontinuation of old sites.

Net finance costs for the half is up $2.0 million to $8.3 million, largely reflecting increased interest rates.

**Financial position**

Net debt at the half year ended 31 July 2023 was $82.2 million, down slightly on the comparable period last year, but up from $67.0 million at the end of FY23 mainly due to the timing of supplier payments. The net debt is comprised of $11.3 million in cash and cash equivalents, offset by $(13.6 million) drawdown in the overdraft facility (Tranche A) and $(80.0 million) of short-term cash advance borrowings (Tranche B). The Group retains significant headroom in our debt facilities, with available headroom in Tranche A of $121.4 million and $35.0 million in Tranche B.

Net debt / EBITDA reduced to 1.3x from the start of the financial year, primarily due to improved earnings growth, productivity gains and disciplined cost management.

We reduced our inventory down to $256.5 million as at 31 July 2023, a reduction of 21%. We now enter the 2H24 with inventory levels aligned to the current levels of demand.

### Outlook

The execution of our strategy has been strong and pleasing. Our ERP system is stable and functioning well. Our core wholesale operations are performing to a consistently high standard. We have improved our customer service levels, re-based our inventory and re-set our retail strategy. At the same time, we have commenced the process of extracting the efficiencies from our investments and set the business up to achieve strong growth by securing a large new supply contract in the new year.

The new supply agreement with Chemist Warehouse is expected to deliver $3.0 billion in revenue to Sigma in the first full year of the agreement, whilst still retaining capacity to pursue value-accretive opportunities that may arise, which align with our strategy. The new supply contract commences on 1 July 2024, and importantly, no further material growth in capital expenditure is required to service the new contract. Sigma will leverage the investments made to our technology and distribution centres in the past few years to service the increased volume.

Following two years of strong demand for COVID-19 related products, we expect demand for our products and services to normalise, despite the economic headwinds from higher interest rates, energy prices and other inflationary cost pressures contributing to a challenging retail environment.

As we head into the second half, we will continue to invest in our retail and private label strategy, divest non-core assets and prepare the business to absorb the increased Chemist Warehouse volume, but we remain confident in our ability to deliver our previously stated guidance of Reported EBIT of $26.0 million to $31.0 million.

### Material risks

There has not been a material change in the Group's risk profile since 31 January 2023. Details of the Group's risks are outlined in the operating and financial review in the 31 January 2023 annual financial report.

### Subsequent events

Subsequent to 31 July 2023, the following events and transactions have occurred:

Dividend

Since the end of the half year financial period, the Directors have resolved to pay an interim dividend of 0.50 cent per share fully franked, accordingly this dividend is not provided for in the balance sheet at 31 July 2023. The ex-dividend date is 25 September 2023, the record date is 26 September 2023 and it is expected to be paid on 11 October 2023. The total estimated amount payable is $5.3 million.

Chemist Warehouse supply agreement

On the 31 August 2023, Sigma announced that the long form supply agreement and placement agreement with Chemist Warehouse have been signed by the parties. The supply agreement reflects the binding term sheet for the supply of both Pharmaceutical Benefits Scheme medicines and Fast-Moving-Consumer-Goods (FMCG) products as announced to the market on 6 June 2023. The new supply contract will commence on 1 July 2024.

Other than the matters discussed above, there has not been any other matter or circumstances that has arisen since 31 July 2023 that have significantly affected, or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years not otherwise disclosed.

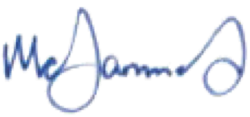
### Rounding of amounts

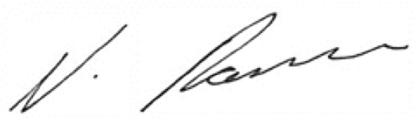
The Company is a Company of the kind referred to in the Australian Securities and Investments Commission (ASIC) Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016. In accordance with that Corporations Instrument, the amounts shown in the directors' report and the condensed consolidated financial statements have been rounded off to the nearest thousand dollars, unless otherwise indicated.

### 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 on page 7.

Signed in accordance with a resolution of the Directors made pursuant to section 306(3) of the *Corporations Act* 2001, dated 20 September 2023.





**Michael Sammells**
**Chairman**

**Vikesh Ramsunder**
**CEO and Managing Director**

Melbourne,
20 September 2023

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20 September 2023

The Board of Directors
Sigma Healthcare Limited
Level 6, 2125 Dandenong Road
Clayton, VIC, 3168

Dear Board Members

**Sigma Healthcare Limited**

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

As lead audit partner for the review of the half-year financial report of Sigma Healthcare Limited for the half-year ended 31 July 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU

Delaney
X Delaney
Partner
Chartered Accountants

# Condensed consolidated statement of comprehensive income

For the half year ended 31 July 2023

| | Note | **31 July 2023 $'000** | 31 July 2022 $'000 |
|---|---|---|---|
| Sales revenue | 4 | **1,681,771** | 1,836,102 |
| Cost of goods sold | | **(1,571,549)** | (1,704,549) |
| **Gross profit** | | **110,222** | 131,553 |
| | | | |
| Other revenue | 4 | **53,490** | 50,394 |
| Other expense | | **-** | (4,863) |
| Warehousing and delivery expenses | | **(70,426)** | (80,678) |
| Sales and marketing expenses | | **(18,570)** | (26,827) |
| Administration expenses | | **(37,997)** | (40,990) |
| Impairment expense | 3 | **-** | (7,916) |
| Depreciation and amortisation | 3 | **(14,325)** | (15,276) |
| **Profit before finance costs and income tax (EBIT)** | | **22,394** | 5,397 |
| | | | |
| Finance income | | **624** | 128 |
| Finance costs | 3 | **(8,958)** | (6,465) |
| **Net finance costs** | | **(8,334)** | (6,337) |
| | | | |
| **Profit / (loss) before income tax** | | **14,060** | (940) |
| Income tax (expense) / benefit | | **(2,363)** | 136 |
| **Profit / (loss) for the half year** | | **11,697** | (804) |
| | | | |
| **Other comprehensive income / (loss)** | | | |
| *Items that may be reclassified subsequently to profit or loss:* | | | |
| Exchange differences on translation of foreign operations | | **7** | (45) |
| Income tax relating to components of other comprehensive income | | **(2)** | 13 |
| | | | |
| *Items that will not be reclassified to profit or loss:* | | | |
| Net change in fair value of equity instruments | | **(1,116)** | (999) |
| Income tax relating to components of other comprehensive income | | **335** | 300 |
| **Other comprehensive loss for the half year (net of tax)** | | **(776)** | (731) |
| | | | |
| **Total comprehensive income / (loss) for the half year** | | **10,921** | (1,535) |
| | | | |
| *Profit / (loss) attributable to:* | | | |
| Owners of the Company | | **11,229** | (1,490) |
| Non-controlling interest | | **468** | 686 |
| **Profit / (loss) for the half year** | | **11,697** | (804) |
| | | | |
| *Total comprehensive income / (loss) attributable to:* | | | |
| Owners of the Company | | **10,453** | (2,221) |
| Non-controlling interest | | **468** | 686 |
| **Total comprehensive income / (loss) for the half year** | | **10,921** | (1,535) |
| | | | |
| | | **Cents** | Cents |
| **Earnings / (loss) per share (cents) attributable to owners of the Company** | | | |
| Basic earnings / (loss) per share | | **1.1** | (0.2) |
| Diluted earnings / (loss) per share | | **1.1** | (0.1) |

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes to the condensed consolidated financial statements.

# Condensed consolidated balance sheet

As at 31 July 2023

| | Note | **31 July 2023 $'000** | 31 January 2023 $'000 |
|---|---|---|---|
| **Current assets** | | | |
| Cash and cash equivalents | | **11,347** | 16,650 |
| Trade and other receivables | | **331,567** | 332,476 |
| Inventories | | **256,511** | 324,851 |
| Income tax receivable | | **6,380** | 4,974 |
| Prepayments | | **8,825** | 6,897 |
| Non-current assets held for sale | 11 | **18,686** | - |
| **Total current assets** | | **633,316** | 685,848 |
| **Non-current assets** | | | |
| Trade and other receivables | | **4,297** | 1,306 |
| Property, plant and equipment | 6 | **191,889** | 200,231 |
| Goodwill and other intangible assets | 7 | **101,188** | 118,243 |
| Right-of-use assets | 8 | **88,000** | 90,692 |
| Other financial assets | | **14,961** | 16,077 |
| Net deferred tax assets | | **59,282** | 61,676 |
| **Total non-current assets** | | **459,617** | 488,225 |
| **Total assets** | | **1,092,933** | 1,174,073 |
| **Current liabilities** | | | |
| Bank overdraft | 9 | **13,554** | 3,681 |
| Trade and other payables | | **354,377** | 449,765 |
| Lease liabilities | 8 | **10,063** | 9,263 |
| Provisions | | **10,676** | 13,692 |
| Deferred income | | **2,166** | 956 |
| Non-current liability held for sale | 11 | **115** | - |
| **Total current liabilities** | | **390,951** | 477,357 |
| **Non-current liabilities** | | | |
| Borrowings | 9 | **80,000** | 80,000 |
| Lease liabilities | 8 | **130,963** | 134,041 |
| Provisions | | **5,613** | 4,909 |
| **Total non-current liabilities** | | **216,576** | 218,950 |
| **Total liabilities** | | **607,527** | 696,307 |
| **Net assets** | | **485,406** | 477,766 |
| **Equity** | | | |
| Contributed equity | 10 | **1,238,177** | 1,234,462 |
| Reserves | | **1,345** | 3,043 |
| Accumulated losses | | **(755,623)** | (761,587) |
| Non-controlling interest | | **1,507** | 1,848 |
| **Total equity** | | **485,406** | 477,766 |

The above condensed consolidated balance sheet should be read in conjunction with the accompanying notes to the condensed consolidated financial statements

## Condensed consolidated statement of changes in equity

For the half year ended 31 July 2023

| | Note | Contributed equity | | Reserves | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Issued capital | Treasury shares | Fair value reserve | Foreign currency translation reserve | Options / performance rights reserve | Employee share reserve | Accumulated losses | Non-controlling interest | Total equity |
| | | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| **Balance at 1 February 2022** | | **1,286,144** | **(60,689)** | **(624)** | **238** | **1,377** | **1,876** | **(741,134)** | **1,590** | **488,778** |
| Profit / (loss) for the half year | | - | - | - | - | - | - | (1,490) | 686 | (804) |
| Other comprehensive (loss) | | - | - | (699) | (32) | - | - | - | - | (731) |
| **Total comprehensive income / (loss) for the half year** | | - | - | (699) | (32) | - | - | (1,490) | 686 | (1,535) |
| **Transactions with owners in their capacity as owners:** | | | | | | | | | | |
| Employee shares exercised | | - | 512 | - | - | - | - | - | - | 512 |
| Share-based remuneration plans | | - | - | - | - | 1,534 | - | - | - | 1,534 |
| Dividends paid | 5 | - | - | - | - | - | 410 | (10,378) | (980) | (10,948) |
| Dividends applied to equity compensation plan | | - | - | - | - | - | (210) | - | - | (210) |
| Reclassification of settled and expired share-based transactions | | - | 4,415 | - | - | - | (485) | (3,930) | - | - |
| | | - | 4,927 | - | - | 1,534 | (285) | (14,308) | (980) | (9,112) |
| **Balance at 31 July 2022** | | **1,286,144** | **(55,762)** | **(1,323)** | **206** | **2,911** | **1,591** | **(756,932)** | **1,296** | **478,131** |
| **Balance at 1 February 2023** | | **1,286,144** | **(51,682)** | **(1,712)** | **223** | **3,152** | **1,380** | **(761,587)** | **1,848** | **477,766** |
| Profit for the half year | | **-** | **-** | **-** | **-** | **-** | **-** | **11,229** | **468** | **11,697** |
| Other comprehensive income / (loss) | | **-** | **-** | **(781)** | **5** | **-** | **-** | **-** | **-** | **(776)** |
| **Total comprehensive income / (loss) for the half year** | | **-** | **-** | **(781)** | **5** | **-** | **-** | **11,229** | **468** | **10,921** |
| **Transactions with owners in their capacity as owners:** | | | | | | | | | | |
| Employee shares exercised | 10(b) | **-** | **1,305** | **-** | **-** | **-** | **-** | **-** | **-** | **1,305** |
| Share-based remuneration plans | | **-** | **-** | **-** | **-** | **1,418** | **-** | **-** | **-** | **1,418** |
| Dividends paid | 5 | **-** | **-** | **-** | **-** | **-** | **116** | **(5,101)** | **(809)** | **(5,794)** |
| Dividends applied to equity compensation plan | | **-** | **-** | **-** | **-** | **-** | **(210)** | **-** | **-** | **(210)** |
| Reclassification of settled and expired share-based transactions | | **-** | **2,410** | **-** | **-** | **(2,030)** | **(216)** | **(164)** | **-** | **-** |
| | | **-** | **3,715** | **-** | **-** | **(612)** | **(310)** | **(5,265)** | **(809)** | **(3,281)** |
| **Balance at 31 July 2023** | | **1,286,144** | **(47,967)** | **(2,493)** | **228** | **2,540** | **1,070** | **(755,623)** | **1,507** | **485,406** |

All items in the condensed consolidated statement of changes in equity are net of tax.

The above condensed consolidated statement of changes in equity is to be read in conjunction with the accompanying notes to the condensed consolidated financial statements.

# Condensed consolidated statement of cash flows

For the half year ended 31 July 2023

| | Note | **31 July 2023 $'000** | 31 July 2022 $'000 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Receipts from customers | | **1,924,593** | 2,083,736 |
| Payments to suppliers and employees | | **(1,918,320)** | (1,976,205) |
| Interest received | | **624** | 128 |
| Interest paid | | **(6,566)** | (3,169) |
| Income taxes paid | | **(2,020)** | (6,532) |
| **Net cash (outflow) / inflow from operating activities** | | **(1,689)** | 97,958 |
| **Cash flows from investing activities** | | | |
| Payments for property, plant and equipment, software and intangibles | | **(1,152)** | (15,115) |
| Proceeds from disposal of property, plant and equipment, software and intangibles | | **560** | - |
| **Net cash outflow from investing activities** | | **(592)** | (15,115) |
| **Cash flows from financing activities** | | | |
| Net repayments of borrowings | | **-** | (70,000) |
| Payments of lease liabilities | | **(8,353)** | (8,628) |
| Proceeds from employee shares exercised | | **1,249** | 302 |
| Dividends paid – Sigma | 5 | **(4,985)** | (9,968) |
| Dividends paid – non-controlling interests | 5 | **(809)** | (980) |
| **Net cash outflow from financing activities** | | **(12,898)** | (89,274) |
| **Net decrease in cash and cash equivalents** | | **(15,179)** | (6,431) |
| Cash and cash equivalents held at the beginning of the financial period | | **12,969** | 15,770 |
| Effects of exchange rate changes on cash and cash equivalents | | **3** | (8) |
| **Net cash and cash equivalents at the end of the financial period** | | **(2,207)** | 9,331 |

Net cash and cash equivalents include cash and cash equivalents and bank overdraft as reported in the condensed consolidated balance sheet.

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes to the condensed consolidated financial statements.

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## 1. Basis of financial report preparation and significant accounting policies

### Statement of compliance

This general purpose financial report for the half year ended 31 July 2023 has been prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

This half year financial report does not include all the notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report, together with any public announcements made by Sigma Healthcare Limited during the half year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

### Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Management has made judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are evaluated on an ongoing basis and are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Revisions to accounting estimates are recognised in the period which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Company is a Company of the kind referred to in the Australian Securities and Investments Commission (ASIC) Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016. In accordance with that Corporations Instrument, the amounts shown in the directors' report and the financial statements have been rounded off to the nearest thousand dollars, unless otherwise indicated.

### New accounting standards and interpretations

The Group has adopted all new and revised standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the annual reporting periods beginning on or after 1 February 2023.

The Group does not early adopt Accounting Standards and Interpretations that have been issued or amended by are not yet effective. This interim financial report has applied the Group accounting policies consistently to all periods presented.

### Restatement of comparative information

Certain amounts in the comparative financial year ended have been reclassified to conform to the current financial year disclosure.

## 2. Segment information

### Information on segments

Management has determined the operating segments based on the reports reviewed and used by the Group's chief operating decision makers (CODM) to make strategic and operating decisions. The CODM have been identified as the Chief Executive Officer and Managing Director (CEO) and Chief Financial Officer (CFO). For the half year ended 31 July 2023, it was concluded that the Group continues to operate only in the Healthcare segment.

The aggregation criteria under AASB 8 *Operating Segments* has been applied to include the results of the operations of Sigma, Sigma Healthcare Logistics (formerly Central Healthcare Services), NostraData, and Medication Packaging Systems Australia (MPS) within the Healthcare segment. Sigma, NostraData and MPS are separate cash generating units for impairment testing purposes.

### Geographical segments

The Group operates predominantly within Australia.

### Information on major customers

Revenue from one customer group contributes 31.5% of the Group's revenues (2022: 24.4%). Sales revenue for the half year ended 31 July 2023 was $530 million (2022: $448 million).

# Notes to the condensed consolidated financial statements

For the half year ended 31 July 2023

### 3. Expenses

| | Note | 31 July 2023 $'000 | 31 July 2022 $'000 |
|---|---|---|---|
| **Profit / (loss) before tax includes the following specific expenses:** | | | |
| Write down of inventories to net realisable value | | **4,339** | 29,115 |
| Net impairment (reversal) / loss on trade debtors | | **(2,365)** | 568 |
| Impairment loss - goodwill[1] | | **-** | 6,989 |
| Impairment loss – property, plant and equipment[2] | | **-** | 927 |
| | | | |
| **Finance costs:** | | | |
| Interest on borrowings | | **5,512** | 3,160 |
| Interest – right-of-use-assets | | **3,446** | 3,305 |
| **Total finance costs** | | **8,958** | 6,465 |
| | | | |
| **Depreciation and amortisation:** | | | |
| Amortisation – brand names | 7 | **241** | 241 |
| Amortisation – software | 7 | **1,715** | 1,606 |
| Depreciation – buildings | 6 | **879** | 278 |
| Depreciation – plant and equipment | 6 | **6,112** | 7,475 |
| Depreciation – right-of-use assets | 8 | **5,378** | 5,676 |
| **Total depreciation and amortisation** | | **14,325** | 15,276 |

1. This relates to the impairment of the MPS goodwill at 31 July 2022 for the discontinuation in the provision of contractual services to the Cura business services agreement. The agreement ceased in December 2022.
2. Relates to the impairment of Cura property, plant and equipment for the discontinuation in the provision of contractual services to the business services agreement. The agreement ceased in December 2022.

### 4. Sales and other revenue

| | **31 July 2023 $'000** | 31 July 2022 $'000 |
|---|---|---|
| **Sales revenue** | **1,681,771** | 1,836,102 |
| | | |
| **Other revenue** | | |
| Commissions and fees | **20,793** | 21,153 |
| Membership revenue | **6,252** | 8,205 |
| Marketing services and promotional revenue | **16,702** | 16,921 |
| Sundry revenue | **9,743** | 4,115 |
| **Total other revenue** | **53,490** | 50,394 |

**Recognition and measurement**

The Group derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time in the revenue streams summarised above and, in the tables, below.

The presentation of sales revenue and other revenue is consistent with segment reporting (refer to Note 2) as the Group has one reportable segment.

For each revenue stream, the Group has assessed the recognition of revenue, including the timing, in accordance with AASB 15 *Revenue from contracts with customers*. A summary of the nature, performance obligations under the relevant contracts and timing of revenue recognition by stream is summarised below.

**Sales Revenue**

| Revenue stream | Description | Performance obligation | Timing of recognition |
|---|---|---|---|
| Sale of goods | Sales of goods to customers, which include an agreed period over which the inventory can be returned.<br>Consideration recognised is net of settlement credits and a provision for returns. | Delivery of good to customer | Point in time |
| CSO income | Income earned from the Government to fulfil minimum delivery requirements for specified medicines to pharmacies in accordance with the Community Pharmacy Agreement ('CPA'). | Compliance with obligations of the CPA | Over time |

**Other Revenue**

| Revenue stream | Description | Performance obligation | Timing of recognition |
|---|---|---|---|
| Commissions and fees | Fees billed for services performed by the Group, including deliveries of dangerous goods and administration of discounts on products sold, and packaging fees. | Completion of services to be provided | Point in time |
| Membership revenue | Fees received to provide access to the use of the intellectual property associated with the Group's banners. | Over the term of the licence agreement | Over time |
| Marketing services and promotional revenue | Income received from suppliers for promotional and advertising services rendered. | Completion of services to be rendered | Point in time |
| Sundry revenue | (i) Revenue from other services provided, including provision of data and other licencing fees; (ii) Sale of assets. | (i) Completion of the service requirements; (ii) Transfer of assets to customer | (i) Over time; (ii) Point in time |

**Contract costs**

The Group provides upfront incentives to franchisees upon signing of the franchise agreement. These costs represent incremental costs of obtaining a contract and are deferred and amortised over the life of the agreements.

### 5. Dividends

| | 31 July 2023 $'000 | 31 July 2022 $'000 |
|---|---|---|
| **Dividends paid during the half year:** | | |
| Dividends recognised by the parent entity | **5,296** | 10,593 |
| Less: dividends paid on shares held by Sigma employee share plan | **(195)** | (215) |
| Less: dividends paid on shares issued under the Sigma employee share plan | **(116)** | (410) |
| Dividends recognised by non-controlling interests | **809** | 980 |
| **Dividends paid by the group** | **5,794** | 10,948 |

Since the end of the period, a fully franked interim dividend of 0.50 cent per share has been declared by the Directors (see Note 15).

### 6. Property plant and equipment

| | Note | Land and buildings $'000 | Plant and equipment $'000 | Total $'000 |
|---|---|---|---|---|
| **At 31 January 2023** | | | | |
| Cost | | 109,771 | 144,125 | 253,896 |
| Accumulated depreciation | | (4,942) | (48,723) | (53,665) |
| **Net book amount** | | **104,829** | **95,402** | **200,231** |
| **Half year ended 31 July 2023** | | | | |
| Opening net book amount | | **104,829** | **95,402** | **200,231** |
| Additions | | **195** | **335** | **530** |
| Disposals | | **(6)** | **-** | **(6)** |
| Depreciation | 3 | **(879)** | **(6,112)** | **(6,991)** |
| Transfer to non-current assets held for sale | | **-** | **(1,875)** | **(1,875)** |
| **Closing net book amount** | | **104,139** | **87,750** | **191,889** |
| **At 31 July 2023** | | | | |
| Cost | | **109,960** | **136,773** | **246,733** |
| Accumulated depreciation | | **(5,821)** | **(49,023)** | **(54,844)** |
| **Net book amount** | | **104,139** | **87,750** | **191,889** |

### 7. Goodwill and other intangible assets

**Impairment of goodwill, intangible assets and non-current assets**

Assets with finite useful lives are subject to amortisation and are reviewed for impairment at each reporting period and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Goodwill and intangible assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purpose of assessing impairment, assets are grouped into cash generating units (CGUs). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

The Group recognised the following non-cash impairment expense related to non-current assets:

| | **31 July 2023** | 31 July 2022 |
|---|---|---|
| | **$'000** | $'000 |
| Impairment of goodwill - MPS | **-** | 6,989 |
| Impairment of property, plant and equipment – Cura business | **-** | 927 |
| **Total impairment expense** | **-** | 7,916 |

**Impairment testing of goodwill**

The Group considered the internal and external factors contributing to the financial performance of each CGU in determining whether any impairment indicators existed at 31 July 2023. In the Group's most recent annual report for the year ended 31 January 2023, management identified that a reasonably possible change in certain key assumptions (future revenue and gross margin growth rates, and discount rates) could have caused the carrying amount of the indefinite life intangible assets to be below the recoverable amount for the Sigma and MPS CGUs. As at 31 July 2023, the MPS CGU met forecast earnings for the half year and there has been no adverse change in the key assumptions that were identified to be sensitive to reasonably possible changes. Earnings for the Sigma CGU have been slightly impacted by self-disruption and brand consolidation but management does not see these conditions persisting in the following years and is therefore not assessed to be an adverse change in the key assumptions. Management has assessed that no impairment charge is required in relation to the tangible or intangible assets for the period ended 31 July 2023.

### 8. Leases

**Right-of-use (ROU) assets**

The recognised ROU assets relate to the following assets:

| | Land and Buildings $'000 | Plant and Equipment $'000 | Total $'000 |
|---|---|---|---|
| **At 31 January 2023** | | | |
| Cost | 103,930 | 6,066 | 109,996 |
| Accumulated depreciation | (15,822) | (3,482) | (19,304) |
| **Net book amount** | **88,108** | **2,584** | **90,692** |
| **Half year ended 31 July 2023** | | | |
| Opening net book amount | **88,108** | **2,584** | **90,692** |
| Additions | **2,546** | **474** | **3,020** |
| Disposals | **(97)** | **(258)** | **(355)** |
| Depreciation | **(4,553)** | **(825)** | **(5,378)** |
| Lease modification | **-** | **21** | **21** |
| **Closing net book amount** | **86,004** | **1,996** | **88,000** |
| **At 31 July 2023** | | | |
| Cost | **101,771** | **5,662** | **107,433** |
| Accumulated depreciation | **(15,767)** | **(3,666)** | **(19,433)** |
| **Net book amount** | **86,004** | **1,996** | **88,000** |

**Lease liabilities**

The movement in lease liabilities from 1 February 2023 to the half-year ended 31 July 2023 is presented below:

| | Total $'000 |
|---|---|
| **At 31 January 2023** | |
| Current lease liabilities | 9,263 |
| Non-current lease liabilities | 134,041 |
| **Lease liabilities at 31 January 2023** | **143,304** |
| **Half year ended 31 July 2023** | |
| Opening lease liabilities at 1 February 2023 | **143,304** |
| Additions | **2,611** |
| Disposals | **(245)** |
| Interest incurred | **3,446** |
| Payments on lease liabilities | **(8,111)** |
| Lease modification | **21** |
| **Closing lease liabilities at 31 July 2023** | **141,026** |
| **At 31 July 2023** | |
| Current lease liabilities | **10,063** |
| Non-current lease liabilities | **130,963** |
| **Lease liabilities at 31 July 2023** | **141,026** |

## 9. Borrowings

| | **31 July 2023 $'000** | 31 January 2023 $'000 |
|---|---|---|
| **Current** | | |
| Secured bank overdraft | **13,554** | 3,681 |
| **Total current borrowings** | **13,554** | 3,681 |
| **Non-current** | | |
| Secured cash advance facilities | **80,000** | 80,000 |
| **Total non-current borrowings** | **80,000** | 80,000 |

### Credit facilities

The Group maintained the following credit facilities:

| | **31 July 2023** | | **31 January 2023** | |
|---|---|---|---|---|
| | **Total facility $'000** | **Unused $'000** | Total facility $'000 | Unused $'000 |
| **Credit standby facilities** | | | | |
| Secured bank overdraft facility (Tranche A) | **135,000** | **121,446** | 135,000 | 131,319 |
| Secured cash advance facilities (Tranche B) | **115,000** | **35,000** | 115,000 | 35,000 |
| Corporate credit card | **1,500** | **1,187** | 1,500 | 1,308 |

### Westpac debt facility (Receivables Purchase Facility)

At 31 July 2023, the Company has a debt facility with the Westpac Banking Corporation, which includes:

- Tranche A – an overdraft facility of $135 million. This expires 19 November 2025. $13.6 million was drawn down at balance date and is classified as current borrowings in "Secured bank overdraft facility".
- Tranche B – a cash advance facility of $115 million. This expires 19 November 2025. $80.0 million was drawn down at balance date and is classified as non-current borrowings in "Secured cash advance facilities".

Tranche A and Tranche B are secured using eligible trade receivables of Sigma Healthcare Limited and Sigma Healthcare Logistics Pty Ltd. The facility imposes rights and obligations on the Group with respect to the quality and maintenance of the receivables, collection of receivables, settlement and reporting to the financier.

### Debtor securitisation programme (Sigma Rewards Facility)

The Group operates a debtor securitisation programme. This programme allows the Group to receive cash in advance due to the fact that substantially all the risks and rewards of ownership of debtors within the programme are transferred to a third party. Accordingly, the debtors are recorded off balance sheet. The costs associated with this programme are recorded in "sales and marketing expenses" in the condensed consolidated statement of comprehensive income. The facility expires 19 November 2025 and has a limit of $15 million, with $10.8 million utilised as at 31 July 2023.

### 10. Contributed equity

| | 31 July 2023 $'000 | 31 January 2023 $'000 |
|---|---|---|
| **Issued Capital:** | | |
| Ordinary shares fully paid | **1,286,144** | 1,286,144 |
| **Issued capital held by equity compensation plan:** | | |
| Treasury shares | **(47,967)** | (51,682) |
| **Total contributed equity** | **1,238,177** | 1,234,462 |

**(a) Movements in ordinary share capital**

| | No. of shares | $'000 |
|---|---|---|
| Balance at 31 July 2022 | 1,059,276,416 | 1,286,144 |
| Shares bought on market | - | - |
| **Balance at 31 January 2023** | **1,059,276,416** | **1,286,144** |
| Shares bought on market | **-** | **-** |
| **Balance at 31 July 2023** | **1,059,276,416** | **1,286,144** |

**(b) Movements in treasury share capital**

| | No. of shares | $'000 |
|---|---|---|
| Balance at 31 July 2022 | (68,456,280) | (55,762) |
| Employee shares exercised | 1,666,275 | 840 |
| Reclassification of settled and expired share-based transactions | - | 3,240 |
| **Balance at 31 January 2023** | **(66,790,005)** | **(51,682)** |
| Employee shares exercised | 2,035,388 | 1,305 |
| Reclassification of settled and expired share-based transactions | - | 2,410 |
| **Balance at 31 July 2023** | **(64,754,617)** | **(47,967)** |

### 11. Non-current assets and liabilities of disposal groups held for sale

At 31 July 2023, the disposal group comprised the following non-current assets and liabilities

| | 31 July 2023 $'000 | 31 January 2023 $'000 |
|---|---|---|
| Property, plant and equipment | **1,875** | - |
| Goodwill and other intangible assets | **15,831** | - |
| Deferred tax assets | **980** | - |
| **Non-current assets held for sale** | **18,686** | - |
| Provisions | **115** | - |
| **Non-current liability held for sale** | **115** | - |

The Group is currently engaged in a sale process for its non-core assets. This qualifies certain assets and associated liabilities to be reclassified as held for sale in the condensed consolidated balance sheet. On 6 June 2023, the Company entered into an agreement for the right but not obligation for assets to be divested, conditional upon certain conditions being met. The sale is highly probable and is expected to complete within the next 12 months. Therefore, the value of the assets and liabilities directly associated with those assets (referred to as a disposal group), have been classified as held for sale. The table above aggregates financial information for the non-core assets, which are individually immaterial to the Group. The information disclosed reflects the amounts presented in the financial report of those relevant entities.

### 12. Expenditure commitments

Expenditure commitments existed at the end of the half year in respect of:

| | 31 July 2023 $'000 | 31 July 2022 $'000 |
|---|---|---|
| Capital expenditure contracted but not provided for in the financial report and payable | 2,244 | 18,368 |
| **Total expenditure commitments** | 2,244 | 18,368 |

### 13. Key management personnel

Remuneration arrangements of key management personnel are disclosed in the annual financial report. In addition, during the half year, 12.0 million of Rights to Company shares (and the corresponding share-based payment expense of $955,795) was issued to the CEO and Managing Director, Mr. V. Ramsunder and other executives.

The amount stated above excludes the 2.0 million of Rights to Company shares issued during the half year (and the corresponding share-based payment expense of $157,587) issued to Mr. N. Simonsz. As announced to the market on 16 June 2023, Mr. Simonsz resigned from his role as Chief Financial Officer with his tenure ending on 31 August 2023. The Rights did not vest and were forfeited. Any expenses previously recognised in relation to such Rights are reversed effective from the date of the forfeiture.

### 14. Contingent liability

A contingent liability is a liability that is not sufficiently certain to qualify for recognition as a provision where uncertainty may exist regarding the outcome of future events.

The Group is exposed to various claims and litigations in the normal course of business. The Group assesses each claim to determine any potential liability to the Group on a case-by-case basis.

### 15. Events subsequent to balance date

Dividend

Since the end of the half year financial period, the Directors have resolved to pay an interim dividend of 0.50 cent per share fully franked, accordingly this dividend is not provided for in the balance sheet at 31 July 2023. The ex-dividend date is 25 September 2023, the record date is 26 September 2023 and it is expected to be paid on 11 October 2023. The total estimated amount payable is $5.3 million.

Chemist Warehouse supply agreement

On the 31 August 2023, Sigma announced that the long form supply agreement and placement agreement with Chemist Warehouse have been signed by the parties. The supply agreement reflects the binding term sheet for the supply of both Pharmaceutical Benefits Scheme medicines and Fast-Moving-Consumer-Goods (FMCG) products as announced to the market on 6 June 2023. The new supply contract will commence on 1 July 2024.

Other than the matters discussed above, there has not been any other matter or circumstance that has arisen since 31 July 2023 that has significantly affected, or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years not otherwise disclosed.

# Directors' declaration

For the half year ended 31 July 2023

In the opinion of the Directors of Sigma Healthcare Limited:

a) the financial statements and notes set out on pages 8 to 20 are in accordance with the *Corporations Act 2001* including:
   - (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
   - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 July 2023 and of its performance, as represented by the results of its operations and its cash flows, for the half year ended on that date, and

b) there are reasonable grounds to believe that Sigma Healthcare Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors, pursuant to section 303(5) of the *Corporations Act 2001*.

On behalf of the Directors

**Michael Sammells**
**Chairman**

**Vikesh Ramsunder**
**CEO and Managing Director**

Melbourne
20 September 2023

Deloitte.

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# Independent Auditor's Review Report
# to the members of Sigma Healthcare Limited

## Conclusion

We have reviewed the half-year financial report of Sigma Healthcare Limited (the "Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated balance sheet as at 31 July 2023, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 8 to 21.

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:

- Giving a true and fair view of the Group's financial position as at 31 July 2023, and of 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.

## Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Half-year Financial Report section of our report. We are independent of the Group in accordance with the 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 our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

## Directors' Responsibilities for the Half-year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

## Auditor's Responsibilities for the Review of the Half-year 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 July 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Delaney

X Delaney
Partner
Chartered Accountants
Parramatta, 20 September 2023