

## Appendix 4D RESULTS FOR ANNOUNCEMENT TO THE MARKET

The following information is provided to the ASX under listing rule 4.2A.3 for Capitol Health Limited (Capitol Health)

**Reporting period**  
 Half-Year Ended 31 December 2023

**Comparative period**  
 Half-Year Ended 31 December 2022

	Dec 2023	Dec 2022	Increase/ (Decrease)
	\$000	\$000	%
<b>Results from Continuing Operations</b>			
Revenue from ordinary activities	117,761	98,068	20.1%
Profit from ordinary activities after tax attributable to equity holders of Capitol Health	2,409	(15,121)	(115.9%)
Profit for the half-year attributable to equity holders of Capitol Health	2,362	(15,175)	(115.6%)

Dividends and Distributions	Record Date	Payment Date	Amount per Security	Franked amount per Security
Interim dividend 2024	7 March 2024	2 April 2024	0.5 cents	100%
Final dividend 2023	22 September 2023	20 October 2023	0.5 cents	100%

No foreign conduit is attributable to the dividends.

### Dividend Reinvestment Plan

Capitol Health's dividend reinvestment plan is currently suspended and will not be offered to ordinary shareholders with the Interim dividend 2023.

Net Tangible Asset Backing	Dec 2023	Dec 2022
Net tangible Assets per ordinary security (cents) (Calculated excluding intangibles and right-of-use assets and liabilities)	(3.49)	(3.25)

### Change in Control Over Entities

There were no changes in control over entities during the period.

### Other Information Regarding the Accounts

This report is based on the Condensed Consolidated Financial Statements for the Half-Year Ended 31 December 2023 which have been reviewed by Deloitte Touche Tohmatsu.

Additional information supporting the ASX Appendix 4D disclosure requirements can be found in the Consolidated Interim Financial Report for the Half-Year Ended 31 December 2023.

This Appendix 4D should be read in conjunction with the audited Annual Report for the year ended 30 June 2023 and public announcements made by Capitol Health in accordance with the continuous disclosure requirements of the Corporations Act 2001 and ASX Listing Rules.



# CAPITOLHEALTH LIMITED

ABN 84 117 391 812

## **Condensed Consolidated Interim Financial Report For the half-year ended 31 December 2023**

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This condensed consolidated interim 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 30 June 2023 and any public announcements made by Capitol Health Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and ASX Listing Rules.

## Directors' Report

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The Directors of Capitol Health Limited (“Capitol Health” or “Company”) present their report, together with the financial statements, of the consolidated entity consisting of Capitol Health Limited and its controlled entities (the “Group”), for the half-year ended 31 December 2023, and the auditor’s review report thereon.

### Directors

The Directors of the Company at any time during the half-year and up to the date of this report are:

Mr. Andrew Demetriou	–	Chairman and Non-Executive Director
Mr. Justin Walter	–	Managing Director and Chief Executive Officer
Mr. Richard Loveridge	–	Non-Executive Director
Ms. Laura McBain	–	Non-Executive Director
Dr. Kevin Shaw	–	Non-Executive Director

### Operating and Financial Review

#### Principal Activities

The Group is principally engaged in the provision of diagnostic imaging services.

#### Performance

The Operating results for the half-year reflect the continuation in the delivery of the Group’s strategic pillars.

The business was successful in growing revenue 20.1% on the prior comparative period to \$117.8 million through the acquisition of Future Medical Imaging Group (FMIG), indexation of Medicare benefits for most imaging services, the opening of our new MRI-comprehensive clinic at Sunshine Private Hospital and the investment in additional and replaced MRI services. The revenue was also impacted during the half-year by the closure of small unprofitable sites with activities being permanently consolidated into larger nearby clinics, and the cessation of low margin services as contracts reach end date.

The focus on strategy delivered the acquisition of Future Medical Imaging Group (FMIG) from early November 2022 which is now fully integrated in the Capitol Health network. The Group is continuing to deliver upon its initiatives with additional service modalities at existing sites, ongoing alignment of labour resources to patient demand, inhouse training program for sonographers, standard operating model across all clinics and the commencement of the unified clinic operating system nationally.

The Group continues to invest in new equipment and the planned replacement of clinical assets with three existing MRI scanners replaced at our Dandenong (VIC), St Albans (VIC) and Fowler Simmons Radiology clinics. This assists the business to improve its service offering, capabilities and attractiveness for referrers, patients and our people.

The company’s focus on matching staffing levels to patient demand for services and operating cost control assisted in the delivery of an Operating EBITDA of \$23.9 million with an Operating EBITDA margin of 20.3%. Operating EBITDA is Profit before Depreciation and Amortisation, Net Finance Costs, Income Tax and prior to non-operating items including Investments movement in fair value, Impairment of non-current assets, transaction and restructure costs, unrealised foreign exchange gain/(loss), and Financial liabilities movement in fair value. The higher operating costs were largely a result of the full six month inclusion of FMIG for this half year as opposed to the 2 month inclusion in the comparative period.

Continuing the focus on achieving the Group’s strategic plans, the growth of domestic operations and ongoing strong fiscal stewardship, the group sold its shareholding in Enlitic realising a cash receipt of \$1.3m and recognition of a fair value decreasing adjustment of the investment of \$0.6m. In addition, the group realised \$0.5m cash from the sale of Escrow shares. The Escrow shares related to deferred consideration in connection

## Directors' Report

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with the acquisition of Direct Radiology which were not released to the vendors due to the non-fulfillment of the conditions.

The Group acquired the remaining 30% minority interest in a controlled entity, Lime Avenue Radiology Pty Ltd, during the period for a payment of \$0.9m.

### Financial Highlights

Capitol Health achieved a statutory net profit after tax for the half-year ended 31 December 2023 of \$2.4 million (2022: Loss \$15.1 million).

- Revenue from the provision of diagnostic imaging services increased 20.1% on the prior comparative period to \$117.8 million driven by a full six-month contribution from the acquisition of Future Medical Imaging Group (FMIG), the indexation increase in Medicare rebates for certain services and the Group's investment in additional MRI services.
- Excluding revenue from the FMIG acquisition, revenue increased by 9.5% on the prior comparative period despite the closure of small unprofitable clinics and the cessation of certain low margin services at contract end dates.
- Profit Before Finance Costs, Income Tax, Depreciation and Amortisation ("EBITDA") increased to \$21 million compared to \$0.1 million in the prior comparative period. This increase in EBITDA was a result of the recognition of a prior period non-cash pre-tax fair value adjustment of the Group's investment in Enlitic, transaction and restructure costs associated with the acquisition of Future Medical Imaging and a non-cash pre-tax impairment of non-current assets within our Western Australia business.
- Operating EBITDA (EBITDA prior to non-operating items including Investments movement in fair value, Impairment of non-current assets, transaction and restructure costs, unrealised foreign exchange loss, and financial liabilities movement in fair value) increased 21.4%, from \$19.7 million in the prior comparative period, to \$23.9 million.
- Operating EBITDA Margin (Operating EBITDA as a percentage of Revenue from services provided) was 20.3% which is an increase from the prior comparable period of 20.1%.
- Impairment of non-current assets of \$1.8 million relates to certain clinics in our Western Australia operations.
- Transaction costs of \$0.2 million that were incurred are largely related to the Brimbank lease break costs.
- An unrealised foreign exchange loss of \$0.1 million was recognised in respect of the foreign currency exchange movement (AUD: USD) for the investment in Enlitic. This was in comparison to an unrealised foreign exchange gain of \$0.3 million in the prior comparable period.
- Cash at Bank was \$19.9 million, and Borrowings were \$82.8 million as at 31 December 2023.

### Capital Management Initiatives

During the half-year to 31 December 2023 the Group did not undertake any new capital management initiatives and the share buy-back facility was not utilised over this period.

## Directors' Report

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### Events Occurring after the Reporting Period

Subsequent to 31 December 2023:

#### *Dividend*

On 29 February 2024 the Company declared an interim fully franked dividend for the half-year ended 31 December 2023 of 0.5 cents per share (31 December 2022: 0.5 cents per share).

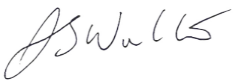
### Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5 of the consolidated interim financial report and forms part of the Directors report for the half-year ended 31 December 2023.

### Rounding of Amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Signed in accordance with a resolution of the Directors made pursuant to section 306(3) of the *Corporations Act 2001*:



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Justin Walter  
Managing Director and Chief Executive Officer

Melbourne, Victoria  
29 February 2024

29 February 2024

Board of Directors  
Capitol Health Limited  
288 Victoria Parade  
Melbourne Victoria 3002

Dear Board Members,

### **Auditor's Independence Declaration to Capitol Health 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 Capitol Health Limited.

As lead audit partner for the review of the financial statements of Capitol Health Limited for the half-year ended 31 December 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



Jane Fisher  
Partner  
Chartered Accountants

**Condensed Consolidated Statement of Comprehensive Income**  
for the Half-Year Ended 31 December 2023

	Notes	31 Dec 2023 \$000	31 Dec 2022 \$000
Revenue from contracts with customers	1	<b>117,761</b>	<b>98,068</b>
Wages, contractor costs and salaries		(74,547)	(62,242)
Occupancy costs		(3,183)	(3,004)
Medical equipment and consumable supplies		(7,441)	(5,373)
Service costs		(8,640)	(7,722)
Transaction and restructure costs		(236)	(1,291)
Investments' movement in fair value	5	(571)	(18,236)
Impairment of other non-current assets	7	(1,830)	(789)
Unrealised foreign exchange gain/(loss)	5	(60)	323
Financial liabilities' movement in fair value	9	(217)	348
Depreciation and amortisation		(13,599)	(11,662)
Net finance costs	2	(3,557)	(2,016)
<b>Profit/(Loss) before Income Tax</b>		<b>3,880</b>	<b>(13,596)</b>
Income tax expense		(1,471)	(1,525)
<b>Profit/(Loss) for the Half-Year</b>		<b>2,409</b>	<b>(15,121)</b>
<b>Other Comprehensive Income</b>			
Other comprehensive income		-	-
<b>Other Comprehensive Income/(Loss), net of Income Tax</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income/(Loss) for the Half-Year</b>		<b>2,409</b>	<b>(15,121)</b>
Attributable to:			
Equity holders of Capitol Health Limited		2,362	(15,175)
Non-controlling interests		47	54
<b>Total Comprehensive Income/(Loss) for the Half-Year</b>		<b>2,409</b>	<b>(15,121)</b>
<b>Basic Earnings/(Loss) per share (cents)</b>	3	<b>0.22</b>	(1.45)
<b>Diluted Earnings/(Loss) per share (cents)</b>	3	<b>0.22</b>	(1.45)

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.



**Condensed Consolidated Statement of Financial Position**  
as at 31 December 2023

		31 Dec 2023	30 Jun 2023
	Notes	\$000	Restated*
		\$000	\$000
<b>Assets</b>			
Cash and cash equivalents	4	19,865	19,118
Trade and other receivables		4,684	5,985
Investments		90	103
Other assets		3,457	2,261
<b>Total Current Assets</b>		<b>28,096</b>	<b>27,467</b>
Plant and equipment		63,263	58,333
Right-of-use asset	8	56,713	62,338
Intangible assets	6	172,502	173,996
Investments	5	5	1,950
Other receivables		177	216
<b>Total Non-Current Assets</b>		<b>292,660</b>	<b>296,833</b>
<b>Total Assets</b>		<b>320,756</b>	<b>324,300</b>
<b>Liabilities</b>			
Trade and other payables		20,179	24,365
Lease liabilities	8	10,295	11,774
Other financial liabilities		-	697
Employee benefit liabilities		11,738	12,423
Income tax liability		1,787	1,183
<b>Total Current Liabilities</b>		<b>43,999</b>	<b>50,442</b>
Borrowings	10	82,800	72,800
Lease liabilities	8	52,562	56,800
Other financial liability	9	2,825	2,782
Provisions		3,138	3,331
Employee benefit liabilities		715	401
Deferred tax liability <sup>1)</sup>		1,276	1,810
<b>Total Non-Current Liabilities</b>		<b>143,316</b>	<b>137,924</b>
<b>Total Liabilities</b>		<b>187,315</b>	<b>188,366</b>
<b>Net Assets</b>		<b>133,441</b>	<b>135,934</b>
<b>Equity</b>			
Issued capital	11	161,088	160,165
Reserves	12	4,139	2,706
Accumulated (losses)/profits		(31,447)	(27,926)
<b>Equity Attributable to Owners of Capitol Health Limited</b>		<b>133,780</b>	<b>134,945</b>
Non-controlling Interests		(339)	989
<b>Total Equity</b>		<b>133,441</b>	<b>135,934</b>

1)Deferred tax assets and liabilities are presented net for the current and prior period.

\* Prior period comparative information has been re-stated.

The Condensed Consolidated Statement of Financial Position is to be read in conjunction with the accompanying notes.

**Condensed Consolidated Statement of Cash Flows**  
for the Half-Year Ended 31 December 2023

	Notes	31 Dec 2023 \$000	31 Dec 2022 \$000
<b>Operating Activities</b>			
Receipts from customers		119,296	97,802
Payments to suppliers and employees		(100,223)	(79,277)
Interest received		252	94
Interest and other finance charges on borrowings		(2,248)	(1,266)
Interest on lease liabilities	8	(1,137)	(844)
Income tax paid		(1,401)	(796)
<b>Net cash from operating activities</b>		<b>14,539</b>	<b>15,713</b>
<b>Investing Activities</b>			
Purchase of plant and equipment		(12,635)	(4,770)
Payments for business acquisitions, investments including transaction costs	9	(870)	(48,624)
Proceeds on sale of Investment	5	1,314	-
<b>Net cash used in investing activities</b>		<b>(12,191)</b>	<b>(53,394)</b>
<b>Financing Activities</b>			
Proceeds from borrowings		10,000	49,800
Proceeds on issue of shares		518	-
Payment of dividends		(5,329)	(5,223)
Payment of dividends to non-controlling interests		(207)	(60)
Cash payment of lease liabilities	8	(6,583)	(5,374)
<b>Net cash (used in)/ generated from financing activities</b>		<b>(1,601)</b>	<b>39,143</b>
<b>Net increase in cash and cash equivalents</b>		<b>747</b>	<b>1,462</b>
<b>Cash and cash equivalents at beginning of the period</b>		<b>19,118</b>	<b>13,384</b>
<b>Cash and cash equivalents at end of the period</b>	4	<b>19,865</b>	<b>14,846</b>

The Condensed Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying notes.

**Condensed Consolidated Statement of Changes in Equity**  
for the Half-Year Ended 31 December 2023

	Issued Capital \$000	Reserves \$000	Accumulated Profits/ (Losses) \$000	Total \$000	Non- Controlling Interests \$000	Total Equity \$000
<b>1 July 2023 (previously reported)</b>	<b>160,165</b>	<b>2,706</b>	<b>(25,778)</b>	<b>137,093</b>	<b>989</b>	<b>138,082</b>
<b>Correction of prior period error</b>	-	-	<b>(320)</b>	<b>(320)</b>	-	<b>(320)</b>
<b>Balance at 1 July 2023 (restated)</b>	<b>160,165</b>	<b>2,706</b>	<b>(27,926)</b>	<b>134,945</b>	<b>989</b>	<b>135,934</b>
Profit/(Loss) for the half-year	-	-	2,362	2,362	47	<b>2,409</b>
Other Comprehensive Income for the half-year	-	-	-	-	-	-
<b>Total Comprehensive (Loss)/Income</b>	-	-	<b>2,362</b>	<b>2,362</b>	<b>47</b>	<b>2,409</b>
<i>Transactions with Equity Holders</i>						
Conversion of performance rights	423	(423)	-	-	-	-
Options not exercised	-	(179)	73	(106)	-	(106)
Exercise of options	-	1,186	(2)	1,184	(1,168)	16
Conversion of treasury shares	506	-	-	506	-	506
Share issue costs (net of tax)	(6)	-	-	(6)	-	(6)
Share-based payments	-	849	(625)	224	-	224
Dividend paid	-	-	(5,329)	(5,329)	(207)	(5,536)
<b>Total Transactions with Equity Holders</b>	<b>923</b>	<b>1,433</b>	<b>(5,883)</b>	<b>(3,527)</b>	<b>(1,375)</b>	<b>(4,902)</b>
<b>Balance at 31 December 2023</b>	<b>161,088</b>	<b>4,139</b>	<b>(31,447)</b>	<b>133,780</b>	<b>(339)</b>	<b>133,441</b>
<b>1 July 2022 (previously reported)</b>	<b>153,749</b>	<b>1,048</b>	<b>(1,793)</b>	<b>153,004</b>	<b>1,039</b>	<b>154,043</b>
<b>Correction of prior period error</b>	-	-	<b>(1,828)</b>	<b>(1,828)</b>	-	<b>(1,828)</b>
<b>Balance at 1 July 2022 (restated)</b>	<b>153,749</b>	<b>1,048</b>	<b>(3,621)</b>	<b>151,176</b>	<b>1,039</b>	<b>152,215</b>
Profit for the half-year	-	-	(15,175)	(15,175)	54	<b>(15,121)</b>
Other Comprehensive Income for the half-year	-	-	-	-	-	-
<b>Total Comprehensive Income</b>	-	-	<b>(15,175)</b>	<b>(15,175)</b>	<b>54</b>	<b>(15,121)</b>
<i>Transactions with Equity Holders</i>						
Conversion of performance rights	421	(421)	-	-	-	-
Shares issue	6,000	-	-	6,000	-	6,000
Share issue costs (net of tax)	(18)	-	-	(18)	-	(18)
Share-based payments	-	1,543	(1,750)	(207)	-	(207)
Dividend paid	-	-	(5,223)	(5,223)	(60)	(5,283)
<b>Total Transactions with Equity Holders</b>	<b>6,403</b>	<b>1,122</b>	<b>(6,973)</b>	<b>552</b>	<b>(60)</b>	<b>492</b>
<b>Balance at 31 December 2022 (restated)</b>	<b>160,152</b>	<b>2,170</b>	<b>(25,769)</b>	<b>136,553</b>	<b>1,033</b>	<b>137,586</b>

Prior period comparative information has been re-stated.

The Condensed Consolidated Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

## About this Report

### Reporting Entity

Capitol Health Limited (the “Company” or “Capitol Health”) is a company limited by shares which are publicly traded on the Australian Securities Exchange. The consolidated interim financial report of the Company for the half-year ended 31 December 2023 comprises the Company and its subsidiaries (together referred to as the “Group”).

The consolidated annual financial report of the Group for the year ended 30 June 2023 may be viewed on the Company’s website: [www.capitolhealth.com.au/investors/reports-and-presentations](http://www.capitolhealth.com.au/investors/reports-and-presentations)

### Going Concern

The financial statements have been prepared on a going concern basis. For the half-year ended 31 December 2023, the consolidated entity made a profit of \$2.4 million (31 December 2022: Loss \$15.1 million) and had net current liabilities of \$15.9 million (31 December 2022: net current liability \$14.3 million).

The directors have considered the following factors in determining the appropriateness of the going concern basis of preparation in the financial statements:

- (a) the consolidated entity has sufficient working capital to enable it to meet its objectives and financial obligations. Net available funding through its secured banking facilities totals \$18.9 million.
- (b) the consolidated entity generated net operating cash inflow for the half-year ended 31 December 2023 of \$14.5 million (31 December 2022: \$15.7 million).

Accordingly, the consolidated interim financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

### Significant Accounting Policies

#### Basis of Preparation

This consolidated interim financial report is a general-purpose financial report which has been prepared in accordance with the Australian Accounting Standard AASB 134 *Interim Financial Reporting* issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*, as appropriate for-profit oriented entities. This report also complies with International Financial reporting Standards IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board (IASB).

The consolidated interim financial report does not include all of the information required for a full financial report and should be read in conjunction with the Annual Report of the Group for the year ended 30 June 2023. It is also recommended that the consolidated interim report be considered together with any public announcements made by the Group in accordance with continuous disclosure obligations under the *Corporations Act 2001* and ASX listing rules.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Annual Report for the year ended 30 June 2023.

The consolidated interim financial report was approved by the Directors on 29 February 2024.

### Comparative Figures

Where applicable comparative amounts have been adjusted to conform to changes in presentation in the current half-year.

## Notes to the Condensed Consolidated Financial Statements for the Half-Year Ended 31 December 2023

### Restatement of prior period

The financial statements have been restated for the following matters:

- During the reporting period the group finalised the execution of a lease for a new clinic, which the group obtained access to in January 2023. In finalising the lease agreement, the Group identified that it should have recognised the right-of-use asset and lease liability in the prior reporting period based on the agreements that existed between the Group and the lessor at the time of accessing the property. As a result, as at 30 June 2023, the right-of-use asset has been understated by \$6.288m, the lease liability understated by \$6.326m, trade and other payables by \$0.260m and provisions by \$0.022m. As a result, the loss for the year ended 30 June 2023 was understated by \$0.320m.
- The group has also restated accumulated losses and trade payables resulting from an error identified in the consolidation process arising in the year ended 30 June 2022. Trade payables had been understated by \$1.828m and accumulated losses understated by \$1.828m as at 30 June 2022 and at 30 June 2023.

Consequently, the group has restated the comparative period, and opening accumulated losses, as set out below.

<i>Impact on Statement of Financial Position</i>	<i>As at 30 June 2023 figure* (\$'000)</i>	<i>Corrections (\$'000)</i>	<i>Restated 30 June 2023 figure (\$'000)</i>
Right of Use Assets	56,050	6,288	62,338
<b>Total non-current assets</b>	290,728	6,288	297,016
<b>Total assets</b>	318,195	6,288	324,483
Trade and other payables	22,460	2,088	24,548
Lease Liabilities - current	11,624	150	11,774
<b>Total current liabilities</b>	48,387	2,238	50,625
Lease Liabilities - non current	50,624	6,176	56,800
Provisions - non current	3,309	22	3,331
<b>Total non-current liabilities</b>	131,726	6,198	137,924
<b>Total liabilities</b>	180,113	8,436	188,549
<b>Net assets</b>	138,082	(2,148)	135,934
Accumulated (losses)/profits	(25,778)	(2,148)	(27,926)
<b>Equity attributable to owners of CAJ</b>	137,093	(2,148)	134,945
<b>Total equity</b>	138,082	(2,148)	135,934

**Notes to the Condensed Consolidated Financial Statements**  
for the Half-Year Ended 31 December 2023

<b><i>Impact on Statement of Changes in Equity</i></b>	<b><i>As at 30 June 2023 figure (\$'000)</i></b>	<b><i>Corrections (\$'000)</i></b>	<b><i>Restated 30 June 2023 figure (\$'000)</i></b>
Accumulated profits/(losses) 1 July 2022	(1,793)	(1,828)	(3,621)
Accumulated profits/(losses) 31 Dec 2022	(23,941)	(1,828)	(25,769)
Total attributable to CAJ 1 July 2022	153,004	(1,828)	151,176
Total attributable to CAJ 31 Dec 2022	138,381	(1,828)	136,553
Total Equity 1 July 2022	154,043	(1,828)	152,215
Total Equity 31 Dec 2022	139,414	(1,828)	137,586
Accumulated profits/(losses) 1 July 2023	(25,778)	(2,148)	(27,926)
Total attributable to CAJ 1 July 2023	137,093	(2,148)	134,945
Total Equity 1 July 2023	138,082	(2,148)	135,934

\*During the period ended 31 December 2023 the group finalised the accounting for the acquisition of Future Medical Imaging Group, which was previously reported on a provisional basis in accordance with the groups accounting policies. The finalisation of the acquisition accounting gave rise to a decrease to deferred consideration of \$183,000.

Therefore, balances as at 30 June 2023 have been adjusted to reflect the finalised accounting from the date of acquisition. Refer to note 14.

**Notes to the Condensed Consolidated Financial Statements**  
for the Half-Year Ended 31 December 2023

## Our Performance

### 1. Revenue from Contracts with Customers

The Group solely operates within Australia and accordingly is only in one geographic market and only has one product and service category:

	<b>31 Dec 2023</b>	31 Dec 2022
	<b>\$000</b>	\$000
<b>Major Service Category</b>		
Diagnostic imaging services	116,326	97,775
Other operating revenue	1,435	293
	<b>117,761</b>	<b>98,068</b>

Revenue is recognised when the imaging service is rendered, and payment is either rebated via Medicare or payable on date of service.

### 2. Net Finance Costs

	<b>31 Dec 2023</b>	31 Dec 2022
	<b>\$000</b>	\$000
Interest income	253	94
Interest on borrowings	(2,673)	(1,266)
Lease interest	(1,137)	(844)
	<b>(3,557)</b>	<b>(2,016)</b>

### 3. Earnings per Share (EPS)

Basic EPS is calculated by dividing the profit for the half-year attributable to ordinary equity holders of Capitol Health Limited by the weighted average number of ordinary shares outstanding during the half-year. Diluted EPS is calculated by dividing the profit for the half-year attributable to ordinary equity holders of Capitol Health Limited (after adjusting for outstanding options) by the weighted average number of ordinary shares outstanding during the half-year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the profit and share data used in the basic and diluted EPS calculations:

	<b>31 Dec 2023</b>	31 Dec 2022
	<b>\$000</b>	\$000
Profit/(Loss) for the half-year:	2,409	(15,121)
Non-controlling interest	47	(54)
Profit/(Loss) for the half-year attributable to ordinary equity holders of Capitol Health Limited:	<b>2,362</b>	<b>(15,175)</b>
<i>Weighted average ordinary shares used as the denominator in calculating:</i>	<b>Number</b>	Number
Basic earnings	1,065,809,403	1,046,248,424
Effect of dilution from share options and performance rights	15,870,916	16,565,340
Diluted earnings	1,081,680,319	1,062,813,764
<i>Earnings per share – Continuing operations:</i>	<b>Cents</b>	Cents
Basic	<b>0.22</b>	<b>(1.45)</b>
Diluted	<b>0.22</b>	<b>(1.45)</b>

**Notes to the Condensed Consolidated Financial Statements**  
for the Half-Year Ended 31 December 2023

## Our Assets and Liabilities

### 4. Cash and Cash Equivalents

	<b>31 Dec 2023</b>	30 Jun 2023
	<b>\$000</b>	\$000
Cash at bank	19,847	19,100
Cash on hand	18	18
	<b>19,865</b>	<b>19,118</b>

### 5. Investments

The Group has an investment in Enlitic Inc, a USA based healthcare IT entity developing healthcare capacity, efficiency, and workflow solutions powered by artificial intelligence.

	<b>31 Dec 2023</b>	30 Jun 2023
	<b>\$000</b>	\$000
<i>Non-current</i>		
Investment in unlisted entity	5	1,950
Movement in Investment in unlisted entity		
Fair value – opening balance	1,950	19,181
Movement in fair value	(571)	(17,581)
Un-realised foreign exchange (loss)/gain	(60)	350
Disposal	(1,314)	-
Fair value – closing balance	5	1,950

The investment in the entity is a level 1 financial asset as defined in the 30 June 2023 Annual Report (Note 2.5).



**Notes to the Condensed Consolidated Financial Statements**  
for the Half-Year Ended 31 December 2023

**6. Intangible Assets**

	Goodwill \$000	Brands Names \$000	Referrer Relationships \$000	Software \$000	Total \$000
At 1 July 2023	157,112	4,029	12,217	638	173,996
Acquisition of entities and businesses (adjustment) <sup>1</sup>	-	-	-	-	-
Additions	-	-	-	-	-
Amortisation charge	-	-	(1,171)	(323)	(1,494)
<b>At 31 December 2023</b>	<b>157,112</b>	<b>4,029</b>	<b>11,046</b>	<b>315</b>	<b>172,502</b>
Cost value	157,112	4,029	17,352	2,099	180,592
Accumulated amortisation & impairment	-	-	(6,306)	(1,784)	(8,090)
<b>Total at 31 December 2023</b>	<b>157,112</b>	<b>4,029</b>	<b>11,046</b>	<b>315</b>	<b>172,502</b>

1) During the period ending 31 December 2023, the Group finalised the accounting for the acquisition of Future Medical Imaging group, which was previously reported on a provisional basis in accordance with the Groups accounting policies. Refer note 14 for details of finalisation adjustments.

	Goodwill \$000	Brands Names \$000	Referrer Relationships \$000	Software \$000	Total \$000
At 1 July 2022	116,918	1,258	6,241	694	125,111
Acquisition of entities and businesses	40,194	2,771	7,791	366	51,122
Amortisation charge	-	-	(1,815)	(422)	(2,237)
<b>At 30 June 2023</b>	<b>157,112</b>	<b>4,029</b>	<b>12,217</b>	<b>638</b>	<b>173,996</b>
Cost value	157,112	4,029	17,352	2,099	180,592
Accumulated amortisation & impairment	-	-	(5,135)	(1,461)	(6,596)
<b>Total at 30 June 2023</b>	<b>157,112</b>	<b>4,029</b>	<b>12,217</b>	<b>638</b>	<b>173,996</b>

The Group has performed an assessment of impairment indicators at the end of the reporting period, following the full impairment testing that was conducted at 30 June 2023. There were no indicators of impairment identified for goodwill, brand names and referrer relationships that required an impairment test to be conducted at the end of the reporting period.

**7. Impairment of other non-current assets**

	31 Dec 2023 \$000	30 Jun 2023 \$000
Impairment – plant and equipment	(849)	(757)
Impairment – right-of-use assets	(981)	(1,329)
	<b>(1,830)</b>	<b>(2,086)</b>

The impairment losses recognised in the current period exclusively relate to our operations in Western Australia. The Group is focused on continuing to improve the performance of our clinics in this region, however, their recent results and uncertainty arising from the current environment, has resulted in its right-of-use assets and plant and equipment being impaired.

**Notes to the Condensed Consolidated Financial Statements**  
for the Half-Year Ended 31 December 2023

**7. Impairment of other non-current assets (cont'd)**

In determining the impairment charge, the Group calculated the recoverable amount of each clinic in the Western Australia region based on a discounted cash flow model. The recoverable amount of each clinic was determined using assumptions that reflect market conditions, industry trends and the Group's approved budget. The decrease in recoverable amount of individual Western Australia clinics reflects availability of staff remaining an ongoing challenge and interest rate increases impacting trends.

The assessment of the recoverable amount represents management's best estimate, considering risks, uncertainties, and opportunities for improvement in each Western Australia clinic. Management will continue to monitor the region's operations against these estimates, and it is possible that future asset impairments may be required. For the clinics where plant and equipment and right-of-use assets were impaired, any change in assumptions may result in a maximum additional impairment charge of \$1.8 million, at which point these clinics would have plant and equipment and right-of-use assets with a carrying value of nil.

**8. Leases**

	<b>31 Dec 2023</b> <b>\$000</b>	30 Jun 2023 Restated* \$000
Lease liabilities		
<i>Current</i>	10,295	11,774
<i>Non-current</i>	52,562	56,800
	<b>62,857</b>	<b>68,574</b>

Reconciliation of movement in Right-of-use asset for the period

	<b>Property</b> <b>Leases</b> <b>\$000</b>	<b>Equipment</b> <b>Leases</b> <b>\$000</b>	<b>Total</b> <b>\$000</b>
At 1 July 2023 (restated)	60,045	2,293	62,338
Remeasured and modified leases	1,255	-	1,255
Amortisation charge	(5,258)	(641)	(5,899)
Impairment charge	(981)	-	(981)
<b>At 31 December 2023</b>	<b>55,061</b>	<b>1,652</b>	<b>56,713</b>
Cost value	95,537	4,843	100,380
Accumulated amortisation and impairment	(40,476)	(3,191)	(43,667)
<b>Total at 31 December 2023</b>	<b>55,061</b>	<b>1,652</b>	<b>56,713</b>

**Notes to the Condensed Consolidated Financial Statements**  
for the Half-Year Ended 31 December 2023

**8. Leases (cont'd)**

	Property Leases Restated* \$000	Equipment Leases \$000	Total Restated* \$000
At 1 July 2022	53,911	2,790	56,701
New leases entered during the period	16,603	1,152	17,755
Remeasured and modified leases	1,199	(430)	769
Amortisation charge	(10,339)	(1,219)	(11,558)
Impairment charge	(1,329)	-	(1,329)
<b>At 30 June 2023</b>	<b>60,045</b>	<b>2,293</b>	<b>62,338</b>
Cost value	94,220	4,843	99,063
Accumulated amortisation	(34,175)	(2,550)	(36,725)
<b>Total at 30 June 2023</b>	<b>60,045</b>	<b>2,293</b>	<b>62,338</b>

Reconciliation of movement in lease liability for the period

	Property Leases \$000	Equipment Leases \$000	Total \$000
At 1 July 2023 (restated)	(65,004)	(3,570)	(68,574)
Interest expense	(1,086)	(51)	(1,137)
Remeasured and modified leases	(888)	-	(888)
Terminated leases	21	-	21
Cash payments	6,048	1,673	7,721
<b>At 31 December 2023</b>	<b>(60,909)</b>	<b>(1,948)</b>	<b>(62,857)</b>
Current	(9,244)	(1,051)	(10,295)
Non-current	(51,665)	(897)	(52,562)
<b>Total at 31 December 2023</b>	<b>(60,909)</b>	<b>(1,948)</b>	<b>(62,857)</b>

	Property Leases Restated* \$000	Equipment Leases \$000	Total Restated* \$000
At 1 July 2022	(56,883)	(5,323)	(62,206)
Interest expense	(1,679)	(168)	(1,847)
New leases entered during the period	(16,580)	(1,152)	(17,732)
Remeasured and modified leases	(794)	(220)	(1,014)
Terminated leases	20	-	20
Cash payments	10,912	3,293	14,205
<b>At 30 June 2023</b>	<b>(65,004)</b>	<b>(3,570)</b>	<b>(68,574)</b>
Cost value	(9,567)	(2,207)	(11,774)
Accumulated amortisation	(55,437)	(1,363)	(56,800)
<b>Total at 30 June 2023</b>	<b>(65,004)</b>	<b>(3,570)</b>	<b>(68,574)</b>

\*Certain amounts do not correspond to the 2023 financial statement and reflect adjustments made – refer to notes

**Notes to the Condensed Consolidated Financial Statements**  
for the Half-Year Ended 31 December 2023

**9. Other Financial Liabilities**

	<b>31 Dec 2023</b>	30 Jun 2023
	<b>\$000</b>	\$000
<i>Current</i>		
Other financial liabilities	-	697
<i>Non- Current</i>		
Other financial liabilities	<b>2,825</b>	2,782
	<b>2,825</b>	3,479

Other financial liabilities in respect of the put and call options for the non-wholly owned entities is presented at its fair value in accordance with AASB 132 *Financial Instruments: Presentation*.

	<b>31 Dec 2023</b>	30 Jun 2023
	<b>\$000</b>	\$000
Balance at 1 July	3,479	3,771
Amounts paid	(871)	-
Fair value movement	217	(292)
Balance at end of period	<b>2,825</b>	<b>3,479</b>

**Notes to the Condensed Consolidated Financial Statements**  
for the Half-Year Ended 31 December 2023

## Our Capital Structure

### 10. Borrowings

	31 Dec 2023 \$000	30 Jun 2023 \$000
<i>Non-current</i>		
Borrowings	82,800	72,800
	<b>82,800</b>	<b>72,800</b>

The Group complied with all applicable financial covenant requirements for the half-year ended 31 December 2023.

### 11. Issued Capital

	31 Dec 2023 \$000	30 Jun 2023 \$000
Issued Capital	<b>161,088</b>	160,165

	31 Dec 2023		30 June 2023	
	Number of shares	\$000	Number of shares	\$000
Balance at 1 July	1,063,522,538	160,165	1,042,217,512	153,749
Conversion of options/performance rights	2,286,865	423	2,385,280	434
Shares issued on acquisition	-	-	18,919,746	6,000
Conversion of treasury shares <sup>1)</sup>	-	506	-	-
Share issue costs (after tax) <sup>1)</sup>	-	(6)	-	(18)
	<b>1,065,809,403</b>	<b>161,088</b>	<b>1,063,522,538</b>	<b>160,165</b>
Less: Treasury shares	-	-	(2,347,752) <sup>1)</sup>	-
Less: Treasury shares <sup>2)</sup>	(610,314)	-	(610,314)	-
<b>Balance at end of period</b>	<b>1,065,199,089</b>	<b>161,088</b>	<b>1,060,564,472</b>	<b>160,165</b>

- 1) In the fiscal year 2021, the Group allocated 2,347,752 shares as deferred consideration in connection with the acquisition of Direct Radiology. These shares were held in escrow until August 2023 at which point, they were not released due to the non-fulfillment of revenue targets and ongoing employment conditions. Subsequently, these shares were sold with net proceeds totaling \$500,000.
- 2) A total of 610,314 fully paid ordinary shares were issued in association with the acquisition of Future Medical Imaging Group which remain in escrow for up to 24 months. The fair value of these shares is treated as a post-employment cost and will be accumulated in the Share-Based Payment Reserve.

The Company operates an incentive plan referred to as the Capitol Health Limited Employee Incentive Plan. The tables below summarises the number of performance rights and options that were outstanding, their weighted average exercise price as well as the movements during the half-year:

**Notes to the Condensed Consolidated Financial Statements**  
for the Half-Year Ended 31 December 2023

**11. Issued Capital (cont'd)**

Performance Rights	31 Dec 2023		30 Jun 2023	
	Number	Weighted average exercise price (cents)	Number	Weighted average exercise price (cents)
Balance at 1 July	8,440,269	-	7,335,509	-
Granted	4,237,198	-	3,490,040	-
Exercised	(2,286,865)	-	(2,385,280)	-
Forfeited	(2,029,686)	-	-	-
<b>Balance at end of period</b>	<b>8,360,916</b>	<b>-</b>	<b>8,440,269</b>	<b>-</b>

Options	31 Dec 2023		30 Jun 2023	
	Number	Weighted average exercise price (cents)	Number	Weighted average exercise price (cents)
Balance at 1 July	10,315,000	33.18	10,315,000	33.18
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited	(2,805,000)	32.25	-	-
<b>Balance at end of period</b>	<b>7,510,000</b>	<b>33.53</b>	<b>10,315,000</b>	<b>33.18</b>

**12. Reserves**

	Share-based payment <sup>1</sup> \$000	Other reserves <sup>2</sup> \$000	Total \$000
Balance at 1 July 2023	4,185	(1,479)	2,706
Share based payment expense	353	496	849
Conversion of issued performance rights	(423)	-	(423)
Options not exercised	(179)	1,186	1,007
Movement for the period	(249)	1,682	1,433
<b>Balance at 31 December 2023</b>	<b>3,936</b>	<b>203</b>	<b>4,139</b>

**Notes to the Condensed Consolidated Financial Statements**  
for the Half-Year Ended 31 December 2023

**12. Reserves (cont'd)**

	Share-based payment <sup>1</sup> \$000	Other reserves <sup>2</sup> \$000	Total \$000
Balance at 1 July 2022	2,527	(1,479)	1,048
Share based payment expense	2,092	-	2,092
Conversion of performance rights	(434)	-	(434)
Movement for the financial year	1,658	-	1,658
<b>Balance at 30 June 2023</b>	<b>4,185</b>	<b>(1,479)</b>	<b>2,706</b>

1) The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

2) Other reserves represent put and call options in relation to non-controlling interest entities within the group.

**13. Dividends**

Fully franked dividends were paid during the financial period as follows:

	<b>31 Dec 2023</b> \$000	30 Jun 2023 \$000
FY22 Final Dividend paid 0.5 cents per share on 20 October 2022	-	5,223
FY23 Interim Dividend paid 0.5 cents per share on 31 March 2023	-	5,318
FY23 Final Dividend paid 0.5 cents per share on 20 October 2023	5,329	-
	<b>5,329</b>	<b>10,541</b>

Since the end of the half-year to 31 December 2023, the Directors have declared an FY24 interim fully franked dividend of 0.5 cents per share which is not recognised as a liability at 31 December 2023.

The Dividend Reinvestment Plan (DRP) is currently suspended.

**Notes to the Condensed Consolidated Financial Statements**  
for the Half-Year Ended 31 December 2023

## Our Operational Footprint

### 14. Business acquisitions

The Group finalised the acquisition of Future Medical Imaging Group during the period. There were no other acquisitions during the period.

Date of acquisition	Business Name	State	Purchase consideration \$000	Net Assets Acquired \$000	Goodwill \$000
4 November 2022	Future Medical Imaging Group ("FMIG")	Victoria	55,617	15,423	40,194

#### Acquisitions in fiscal year 2023

##### *Future Medical Imaging Group*

On 4 November 2022, the Group acquired 100% of the shares in Future Medical Imaging Group Pty Ltd ('FMIG') which operates six dedicated diagnostic imaging clinics in Victoria. The acquisition is aligned to the Group's strategic plan for long-term organic growth and expanding its network of high-quality community imaging centres. The goodwill of \$40.3 million comprises the value of expected synergies arising from the acquisition and referrer relationships, which are not separately recognised.

The consideration for the acquisition amounted to \$55.6 million prior to transactions costs. This includes shares in Capitol Health Limited of \$6.0 million and \$49.6 million funded through Capitol Health's debt facilities. Transaction costs of the acquisition (included in cash flows from investing activities at 30 June 2023) amounted to \$1.6 million. The fair value of the consideration transferred at acquisition date was made up of the following components:

	Provisional accounting (\$'000)	Adjustment (\$'000)	Final (\$000)
Consideration:			
Cash	48,117		48,117
Shares issued	6,000		6,000
Deferred consideration payable	1,683		1,683
Completion adjustment <sup>1)</sup>		(183)	(183)
Assumed:			
Cash	2,341		2,341
Recognition of net debtors/creditors	(317)		(317)
Right-of-use assets	3,138		3,138
Fixed assets	7,696		7,696
Intangibles	10,562		10,562
Employee Entitlements	(1,755)		(1,755)
Lease liabilities	(3,138)		(3,138)
Recognition of Deferred Tax Asset	572		572
Recognition of Deferred Tax Liability	(3,676)		(3,676)
Goodwill	40,377	(183)	40,194
	55,800	(183)	55,617

<sup>1)</sup>The completion adjustment has been updated since 30 June 2023 to reflect the final acquisition accounting for FMIG.

In association with the FMIG acquisition, Capitol Health issued 610,314 ordinary shares which are held in escrow and subject to ongoing employment conditions. These are accounted for as a post-employment cost and not through goodwill.

#### *Revenue and profit contribution to 31 December 2023:*

FMIG contributed \$14.6 million of revenue for the Group for the period ended 31 December 2023.



## Other Notes

### Income Tax Expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The Group has a higher effective tax rate due to the movement in fair value of investments (Note 5) and amortisation of certain intangibles being non-deductible expenses for tax purposes.

### Contingent Liabilities

The Group has an obligation to provide rental property bank guarantees to certain landlords of rental premises. These are classified as a contingent liability unless supported by value for value specific deposits.

### Segment Information

The Group has one business segment which is the operation of diagnostic imaging facilities in Australia. Senior management and the directors of Capitol Health regularly review the Group's operating results to allocate resources and assess/review the Group's performance. As the Group operates in a single business and geographic segment no further disclosures are required.

### New Accounting Standards and Interpretations

The Group has adopted all new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period. Any new, revised or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The Directors of the Group do not anticipate that the adoption of any of the amendments not yet adopted will have a material impact on the financial statements of the Group in future periods.

### Significant Accounting Estimates, Assumptions and Judgements

The preparation of the consolidated interim financial report requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the accompanying disclosures and the disclosure of contingent liabilities. Estimates and underlying assumptions are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets and liabilities affected in future periods. Actual results may differ from those estimates. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In preparing the consolidated interim financial report, the significant judgements made by management in applying the Groups' accounting policies and the key source of estimation uncertainty were consistent with those made for the consolidated financial report as at and for the year ended 30 June 2023.

### Fair Value Measurement of Financial Instruments

The carrying amount of financial assets and financial liabilities, which are not measured at fair value in the statement of financial position, approximate their fair values.

## Notes to the Condensed Consolidated Financial Statements for the Half-Year Ended 31 December 2023

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### Events Occurring after the Reporting Period

Subsequent to 31 December 2023:

#### *Dividend*

On 29 February 2024 the Company declared an interim fully franked dividend for the half-year ended 31 December 2023 of 0.5 cents per share (31 December 2022: 0.5 cents per share).

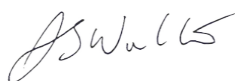
## Directors' Declaration

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In the opinion of the Directors of Capitol Health Limited:

- (a) the attached condensed consolidated financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



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Justin Walter  
Managing Director and Chief Executive Officer

Melbourne, Victoria  
29 February 2024

## Independent Auditor's Review Report to the members of Capitol Health Limited

### *Conclusion*

We have reviewed the half-year financial report of Capitol Health Limited (the "Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 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 to the financial statements, including material accounting policy information and other explanatory information, and the directors' declaration as set out on pages 6 to 25.

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 December 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 December 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



Jane Fisher  
Partner  
Chartered Accountants  
Melbourne, 29 February 2024