Quantify Technology Holdings Ltd
ABN 25 113 326 524

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Appendix 4D for the period ended 31 December 2019

1. The reporting period is from 1 July 2019 to 31 December 2019. The previous corresponding period is 1 July 2018 to 31 December 2018.

   Both of these periods were prepared in accordance with AASB 134 Interim Financing Reporting. The information contained in this document should be read in conjunction with the Quantify Technology Holdings Ltd FY2019 Annual Report.

2. Results for announcement to the market.

			$
2.1	Revenue from ordinary activities	up 876.1% to	364,138
2.2	Profit (loss) from ordinary activities after tax attributable to members	up 1.1% to	(3,725,828)
2.3	Net profit (loss) for the period attributable to members	up 1.1% to	(3,725,828)
2.4	Dividend distributions No dividends have been paid or declared since the start of the financial year.		
2.5	Record date for determining entitlement to the deividends		N/A
2.6	Explanation of figures in 2.1 to 2.4 that may be required Refer to Review of Operations within the Annual Report		

3. Net tangible assets per ordinary security

3.1	Current period ($ / share)	$	(0.0006)
3.2	Previous corresponding period ($ / share)	$	0.0015

4. Accounting standards used by foreign entities

   The financial statements of subsidiaries are prepared using consistent accounting policies for the same reporting period as the parent company.

   The foreign subsidiaries prepare their accounts under accounting standards that are equivalent to International Financial Reporting Standards.

5. Qualifications of audit/review — No qualifications

QUANTIFY

Half-year report 2020

CONTENTS

CORPORATE DIRECTORY

Directors

Executive Directors

Brett Savill

Non-Executive Director

Peter Rossdeutscher
Gary Castledine
Mark Lapins

Company Secretary

Neville Bassett

Auditor

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Telephone: +61 8 9324 2099

ASX Ticker Code

QFY.ASX

ABN

23 113 326 524

DIRECTORS' REPORT

Your Directors submit the Interim Report of Quantify Technology Holdings Limited and its subsidiaries ("Quantify", the "Company" or the "Group") for the half-year ended 31 December 2019. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

DIRECTORS

The names of the Company's Directors in office during the half-year and until the date of this report are detailed below. Directors were in office for the entire period unless otherwise stated.

Peter Rossdeutscher – Non-Executive Chairman
Mark Lapins – Non-Executive Director
Brett Savill – Chief Executive Officer (CEO)
Gary Castledine – Non-Executive Director

PRINCIPAL ACTIVITIES

The principal activities of the Group during the half-year were the continued and accelerated development of the Q Device within the Internet of Things ("IoT") market, the assessment of new investment opportunities and a focused transition towards product commercialisation.

OPERATING RESULTS FOR THE HALF-YEAR

The net loss after tax of the Group for the period was $3,725,828 (2018: $3,685,968).

REVIEW OF OPERATIONS

During H1 FY2020, Quantify made significant progress in the development, commercialisation and sales of its revolutionary Q Device product.

Quantify signs Spokesperson and Media Agreement

As announced on 5 July 2019, Quantify entered into an Agreement with award-winning West Australian interior designer Natalee Bowen and her Company, Indah Island Pty Ltd.

Under the 12-month agreement, Natalee will represent and promote the Company through both her own channels and media, as well as at industry events. The partnership will assist in building awareness for Quantify and its products within the industry, thus accelerating the Company's growth.

Indah Island has been commissioned both in Australia and internationally, and has been featured in magazines globally, across social media, newspapers and television programs, such as Ready Set Reno, Open Homes Australia and Through the Front Gate, which was viewed by over 40 million people in the United States alone.

With an Instagram following of over 170K, Natalee has worked alongside top New York architects and is best known for her unique and timeless designs, that couples the classic style of the Hamptons, with lush tropical aesthetics.

Quantify and Indah Island are currently collaborating on a home renovation project in the regional town of Toodyay, about 100km north east of Perth. Indah Island is managing the renovation and Quantify is providing home automation technology.

First projects delivered for FY2020

On 16 July 2019, Quantify announced that it was completing the installation of its smart home solution in two southern Sydney luxury homes, in Kyle Bay and Oatley. The installation was undertaken by Quantify's Sydney-based electrical contractor partner, Cambridge Electrical Services ("CES").

The two projects represent the first sales that have been delivered since Quantify signed the exclusive agreement with Harvey Norman Commercial Division, and represents a further extension of the existing partnership with CES.

Quantify's devices enable these homeowners to gain the benefits of home automation at a fraction of the cost of competing products.

First FY2020 projects flowing through West Australian distributor

As announced on 30 July 2019, Quantify's first two Western Australian installation projects for FY2020 were to be completed by mid-August 2019.

They were the first projects delivered through Powerhouse Home Automation, and were both conversions of existing homes, rather than new builds.

This represents a significant and important milestone for the Company, as the market for the nearly 10 million existing homes in Australia is significantly greater than the market for new builds.

Quantify selected for Austrade Program in San Francisco as part of US market entry

As announced in August 2019, the Company was selected for a three-month Austrade Landing Pad Program in San Francisco, along with a small number of Australian scale-ups.

Quantify will benefit from Austrade's extensive global network of contacts and tailored business development assistance, with Austrade assisting in introducing Quantify to an extensive range of businesses and partners to accelerate its expansion.

Being close to Silicon Valley and Seattle, the Landing Pad provides easy access to major technology companies, as well as potential partners in the building automation space.

Intelligent Home sign on as third WA distributor

On 16 August 2019, the Company announced that it had signed an Agreement with Intelligent Home for the distribution of the Company's products in Western Australia.

Intelligent Home have completed over 50K installations in Perth, making them one of the largest smart wiring, home and building technology providers in Australia. They currently work with eight of the 10 largest builders in WA.

The agreement with Intelligent Home, coupled with the agreements with Powerhouse Home Automation Group and Limitless Automation Pty Ltd, result in the Company now having three distributors actively selling Quantify's products in WA.

Quantify expand distribution into Queensland

On 23 August 2019, Quantify announced it had entered into an Agreement with 8Digital, for the distribution of the Company's products in Queensland.

8Digital has a strong sales pipeline in Queensland, while maintaining a focus on integrating technology into high-end residential properties. The Agreement is part of Quantify's strategy to create a national footprint of leading distributors, focused on the new build and retrofit market.

US Patent granted

On 10 September 2019, Quantify was granted Patent protection for the Company's technology in the United States of America. The approval coincided with the Company's launch into the U.S. market, with staff already based in San Francisco furthering the Company's preparations for entry into this market.

The patent protects Quantify's unique selling proposition, which enables the Company's products to evolve over time, without complete product replacement – dramatically reducing the lifetime cost of technology adoption. An advantage in mature technology markets, such as the U.S., is that this 'future-proofing' enables the Company's products to stand out from the competition. Combined with the ability to be retrofitted onto existing wiring, Quantify's products are well positioned for the U.S.

The U.S. market is the largest smart home market in the world, with revenue of over US$27B in 2019, and expected to grow to around US$45B by 2023.

Quantify sign up one of Victoria's leading electrical contractors

As announced on 23 September 2019, Quantify signed up ASI Electrics as a distributor in Victoria.

ASI Electrics is one of Victoria's leading electrical contracting businesses, with over 200 direct employees, who have expertise in electrical design and installation, engineering and value enhanced solutions.

The Agreement furthers Quantify's growth strategy, with the Company focused on signing up leading distributors and installers across Australia to capture a significant proportion of the $1.8B pa market that is expanding at 30% pa.

The addition of ASI Electrics to Quantify's list of distributors means Quantify now cover the four most populated states in Australia – New South Wales, Victoria, Western Australia and Queensland.

MOU signed MOU with Energy Trade

On 3 October 2019, Quantify announced that it had signed a Memorandum of Understanding with Energy Trade Pty Ltd, for the inclusion of the Company's products into Energy Trade's sales.

Both companies will also explore opportunities for a deeper integration of Quantify's technology with Energy Trade's platform.

Energy Trade is an Australian owned and operated energy provider, specialising in delivering cost-effective embedded energy solutions, allowing residents and property owners to aggregate buying power in order to significantly reduce energy rates. Based in New South Wales, they have thousands of customers and are one of the fastest growing embedded energy providers in Australia.

The inclusion of Quantify's automated light control and power outlet devices will enable Energy Trade to deliver a differentiated offering to customers, while allowing Quantify to reach Energy Trade's new and existing clientele, which will help to increase the Company's market share and maximise sales nationally.

Quantify integrates with Google

As announced on 28 October 2019, Quantify has integrated the Google Assistant into its patented smart home products.

The integration with Google means homeowners will be able to use voice commands with Assistant-enabled devices, including the Google Nest smart speaker range, to control their Quantify smart home solution. The Google Assistant is also compatible with over 200 smart home devices from more than 50 brands in Australia and is available on one billion devices, including compatible Android smartphones.

Google holds 72 percent of Australia's smart speaker market, with Amazon in second place, holding 15 percent, meaning Quantify's devices now work with almost 90 percent of the rapidly growing smart speaker market in Australia.

The integration with Google is strongly aligned with Quantify's three strategic priorities; Quantify will be able to leverage Google's robust platform to maximise sales nationally, secure distribution internationally and strengthen its platform, in order to offer a more complete solution.

Quantify sign West Australian stockist

On 4 November 2019, Quantify announced it had entered an Agreement with Fokused Pty Ltd, which will see Fokused become the Company's exclusive stocking distributor for Western Australia.

Fokused has committed to an initial $250K stocking order for the first year, as part of a four-year purchasing agreement, and will initially market directly to 30+ home automation companies in WA, as well as to electrical contractors, end-users, developers, architects and builders.

Fokused was established by Mark Peterson, solely to be a promoter and exclusive stockist of the Company's technology in WA. It represents a further step in the company's strategy to maximise the sales opportunities in Australia.

MOU signs MOU with multinational company, Honeywell

As announced on 18 November 2019, Quantify signed a Memorandum of Understanding with Honeywell, to participate in their PropTech Hub Program, in collaboration with YBF Ventures.

As part of Quantify's strategic priorities to maximise sales domestically and expand its international platform, the Company has been selected for the Program which supports technology and digital innovation that drives solutions for the real estate, building and property industry. The Program also identifies potential opportunities for collaboration between Honeywell and participants.

Honeywell is a United States-based, Fortune 100 technology company that solves its customers' challenges through innovation, including the development of sustainable and reliable technologies for buildings. It has operated in Australia for nearly 60 years and has more than 1.5K employees in 28 offices across Australia and New Zealand.

As part of the Program, Quantify will explore expanding its technology platform, work with potential product and channel collaborators, and benefit from Honeywell's global competences in the building automation space.

Major order signed with Blaq Projects

On 28 November 2019, Quantify announced it had signed an Agreement with Blaq Projects, which will see Quantify's products exclusively installed in at least three major developments in Wollongong, New South Wales.

Blaq Projects in an innovative Sydney-based property development, construction and investment company renowned for its excellence in architecture and cost-effective building and design solutions.

The three-year commitment targets an initial 267 apartments and two demonstration suites. Quantify devices will be installed initially into 174 apartments across three locations; a minimum of a further 93 apartments across two locations will be added subject to performance. It is anticipated that further orders will follow in due course.

The order is in excess of $500K and will be distributed via the Company's stocking distributor, Harvey Norman Commercial Division, representing HNCD's first major supply order for Quantify devices.

Major ACT projects secured

As announced on 13 December 2019, Quantify, together with Harvey Norman Commercial Division, has signed an exclusive, three-year agreement with Canberra-based property development company, 3 Property Group, which will see all future 3PG projects feature Quantify's products.

The Agreement targets an initial 53 townhouses across three separate developments, representing Quantify's first installation in the ACT. The first installations are planned to take place in April 2020, with more projects expected to follow.

3PG builds 200 to 300 town homes per year and has a proven track record of providing innovative technology options to their purchasers, in the thriving ACT market. The Agreement represents a prime opportunity for Quantify to step foot into the growing property market, which comes thanks to an expanding ACT population that is growing by 8K pa. To cater for new housing demand, the ACT residential land release program is targeting the release of 15.6K homes over four years.

New order with The Stable Group

On 17 December 2019, Quantify announced an Agreement with Sydney's The Stable Group, which will see Quantify's products specified into 18 luxury townhouses in Sydney's northern beaches suburb of Newport.

Stable is an innovative, award-winning Australian development and property services company with a vision to challenge convention and create smart, vibrant, and environmentally sustainable developments.

Quantify's inclusion in this project comes after a successful installation at The Burcham in Rosebery, NSW, which is Stable's most recent award-winning development. Harvey Norman Commercial Division have a permanent display apartment in The Burcham featuring Quantify's devices.

This Agreement is the third major order to be distributed by HNCD, since it announced its initial stocking order of $500K in May 2019.

Corporate restructure

During the half-year, the Company undertook significant cost-saving activities, part of which included a reduction in the headcount of its engineering workforce. The Company replaced the roles with outsourced companies and engineering specialists, allowing Quantify to scale and respond accordingly as required by product demand and development requirements.

Outlook

The new year will see Quantify continue its relationship with interior designer, Natalee Bowen. The farmhouse renovation project in Toodyay will appear on 9Life's Ready Set Reno TV show in March, with Quantify showcased as a special feature of the home. Separately, Natalee will also attend a series of events around Australia as a guest speaker and ambassador for Quantify. These events are in the pipeline for March and April 2020.

Following the airing of the show, Natalee will drive social media and media coverage for Quantify. The Company will use this opportunity to drive sales opportunities and increase future pipeline development.

The new year sees Quantify continuing to explore its existing partnership with Honeywell, as established in November 2019.

Quantify will also be targeting a new stocking order with Harvey Norman Commercial Division, with the sales pipeline so far demonstrating a strong growth trend in 2020.

DIVIDENDS

No dividends have been paid or declared since the start of the financial year and the Directors do not recommend the payment of a dividend in respect of the half-year.

SIGNIFICANT EVENTS AFTER BALANCE DATE

Subsequent to 31 December 2019, the Company commenced a $1.5 million fully underwritten rights entitlement issue, resulting in the issuance of 373 million shares, and 373 million listed options with an exercise price of $0.008 per option, with an expiry date of 2 years from issue date. The entitilement issue was completed on 26 February 2020.

The Company also raised an additional $0.25 million, as a result of the overwhelming interest for sub-underwriting of the $1.5 million entitlement issue, resulting in the issuance of 62.5 million shares and 62.5 million listed options, on the same terms as the entitlement issue options.

Aside from the above, there has not been any other matter or circumstance that has arisen after balance date 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 future financial periods.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year report. This Independence Declaration is set out on page 9 and forms part of this Directors' report for the half-year ended 31 December 2019.

Signed in accordance with a resolution of the Directors.

Peter Rossdeutscher
Chairman
28 February 2020

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Quantify Technology Holdings Limited for the half-year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

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

Perth, Western Australia	**L Di Giallonardo**
28 February 2020	**Partner**

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FINANCIAL REPORT

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Notes	Consolidated Dec-19	Consolidated Dec-18
Revenue			
Revenue		$ 364,138	$ -
Cost of Sales		(279,902)	-
Gross profit		$ 84,236	$ -
Income			
Other income		$ 4,006	$ 37,307
Expenses			
Administration and corporate		$ (486,112)	$ (656,015)
Marketing expenses		(123,896)	(53,066)
Occupancy costs		(64,500)	(150,123)
Travel		(66,794)	(88,187)
Depreciation and amortisation		(1,030,975)	(76,068)
Employee benefits		(1,976,251)	(2,521,634)
Financing costs		(65,542)	(178,182)
(Loss) before income tax		$ (3,725,828)	$ (3,685,968)
Income tax expense		$ -	$ -
(Loss) after tax		$ (3,725,828)	$ (3,685,968)
Other comprehensive income (OCI)			
Other comprehensive income		$ -	$ -
Other comprehensive income net of tax for the period		$ -	$ -
Total comprehensive loss for the period		$ (3,725,828)	$ (3,685,968)
Loss per share (cents per share)			
- basic loss per share	4	(0.32)	(0.38)
- diluted loss per share	4	(0.32)	(0.38)

The Condensed statement of comprehensive income should be read in conjunction with the accompanying notes.

CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Notes	Consolidated Dec-19	Jun-19
Assets			
Current Assets			
Cash and cash equivalents		$ 250,013	$ 795,190
Trade and other receivables		253,543	1,881,776
Prepayments		30,500	5,321
Total		$ 534,056	$ 2,682,287
Non - Current Assets			
Property, plant and equipment		$ 137,261	$ 165,473
Intangible assets	5	7,653,715	7,946,865
Right-of-use asset	6	84,552	-
Total		$ 7,875,528	$ 8,112,338
Total Assets		$ 8,409,584	$ 10,794,625
Liabilities			
Current Liabilities			
Trade and other payables		$ (962,915)	$ (942,483)
Interest-bearing loans and borrowings		(385,383)	(1,057,919)
Provisions		(211,082)	(170,187)
Lease liability	7	(99,342)	-
Total		$ (1,658,722)	$ (2,170,589)
Total Liabilities		$ (1,658,722)	$ (2,170,589)
Net Assets		$ 6,750,862	$ 8,624,036
Equity			
Issued capital	8	$ 33,940,025	$ 31,696,873
Unissued capital		60,000	750,000
Reserves	9	1,950,608	2,622,371
Accumulated losses		(29,199,771)	(26,445,208)
Equity attributable to owners of the parent		$ 6,750,862	$ 8,624,036

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

CONDENSED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Issued Capital	Unissued Capital	Consolidated Share-Based Payment Reserve	Accumulated Losses	Total
Balance at 1 July 2018	$ 27,889,850	$ -	$ 2,429,291	$ (21,621,785)	$ 8,697,356
Comprehensive Income					
(Loss) for the period	$ -	$ -	$ -	$ (3,685,968)	$ (3,685,968)
Total Comprehensive (loss) for the period	$ -	$ -	$ -	$ (3,685,968)	$ (3,685,968)
Other equity transactions					
Shares issued as part of capital raising	$ 4,243,635	$ -	$ -	$ -	$ 4,243,635
Transaction costs relating to issue of shares	(493,612)	-	-	-	(493,612)
Share-based payment - Employee Option Plan	-	-	96,938	-	96,938
Share-based payment - settlement of advisor costs	15,000	-	-	-	15,000
Share-based payment - Director performance rights	-	-	169,546	-	169,546
Share based payment - Performance rights	-	-	125,301	-	125,301
Total	$ 3,765,023	$ -	$ 391,785	$ -	$ 4,156,808
Equity at 31 December 2018	$ 31,654,873	$ -	$ 2,821,076	$ (25,307,753)	$ 9,168,196
Balance at 1 July 2019	$ 31,696,873	$ 750,000	$ 2,622,371	$ (26,445,208)	$ 8,624,036
Comprehensive Income					
(Loss) for the period	$ -	$ -	$ -	$ (3,725,828)	$ (3,725,828)
Total Comprehensive (loss) for the period	$ -	$ -	$ -	$ (3,725,828)	$ (3,725,828)
Other equity transactions					
Shares issued as part of capital raising	$ 1,726,238	$ -	$ -	$ -	$ 1,726,238
Transfer to Issued Capital for issued shares	750,000	(750,000)	-	-	-
Transaction costs relating to issue of shares	(312,086)	-	141,074	-	(171,012)
Share-based payment - settlement of advisor costs	64,000	-	-	-	64,000
Share-based payment - Employee Option Plan	-	-	32,371	-	32,371
Share-based payment - Employee Share Scheme	15,000	-	2,057	-	17,057
Share-based payment - Unissued Director shares[1]	-	60,000	-	-	60,000
Share-based payment - Advisor options	-	-	-	-	-
Share-based payment - Director Performance rights	-	-	56,659	-	56,659
Share-based payment - Performance rights	-	-	88,620	-	88,620
Adjustment from adoption of AASB 16[2]	-	-	-	(21,279)	(21,279)
Transfer to Accumulated losses[3]	-	-	(992,544)	992,544	-
Total	$ 2,243,152	$ (690,000)	$ (671,763)	$ 971,265	$ 1,852,654
Equity at 31 December 2019	$ 33,940,025	$ 60,000	$ 1,950,608	$ (29,199,771)	$ 6,750,862

1. Shares which were unissued but due to the CEO as part of executive agreement bonus provision.
2. As a result of the adoption of AASB 16 Leases during the current year, the opening retained earnings balance has been restated in line with the requirements of the new accounting standard.
3. During the financial year, 33,158,169 options expired. As such, the amount of $0.993 million which was previously recognised in Share-Based Payment Reserve has been transferred to Accumulated Losses.

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

CONDENSED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Notes	Consolidated Dec-19	Consolidated Dec-18
Cash flows from operating activities			
Receipts from customers		$ 200,564	$ 32,407
Payments to suppliers and employees		(2,589,548)	(3,018,266)
Interest received		768	1,926
Interest paid		(92,306)	(85,982)
Other tax receipts / (payments)		1,742,692	1,707,531
Net cash used in operating activities		$ (737,830)	$ (1,362,384)
Cash flows from investing activities			
Purchase of property, plant and equipment		$ (4,742)	$ (9,638)
Development costs of intangible assets	5	(632,398)	(147,767)
Net cash used in investing activities		$ (637,140)	$ (157,405)
Cash flows from financing activities			
Proceeds from issue of shares		$ 1,726,238	$ 3,993,635
Transaction costs related to issues of securities		(171,012)	(228,612)
Proceeds from borrowings		382,232	1,400,000
Repayment of borrowings		(1,028,004)	(1,733,333)
Payment of debt issue costs		(699)	(92,200)
Repayment of lease liabilities		(78,962)	(109,281)
Net cash from financing activities		$ 829,793	$ 3,230,209
Net increase / (decrease) in cash and cash equivalents		$ (545,177)	$ 1,710,420
Cash and cash equivalents at beginning of period		$ 795,190	$ 450,711
Cash and cash equivalents at the end of period		$ 250,013	$ 2,161,131

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

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

NOTE 1. BASIS OF PREPARATION

The condensed interim consolidated financial statements (the interim financial statements) are general purpose interim financial statements and have been have prepared in accordance with the requirements of the *Corporations Act 2001*, applicable accounting standards including AASB 134 *Interim Financial Reporting*, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

The interim financial statements comprise the condensed interim financial statements for the Group. For the purposes of preparing the interim financial statements, the Company is a for-profit entity.

The interim financial statements do not include full disclosures of the type normally included in the full financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report. It is recommended the interim financial statements be read in conjunction with the full financial report for the year ended 30 June 2019 and any public announcements made by Quantify Technology Holdings Limited and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001* and the ASX Listing Rules.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding half-year, with the exception of AASB 16 '*Leases*'. All accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The interim financial statements has been prepared on a historical cost basis, except for the revaluation of certain financial instruments to fair value. Cost is based on the fair value of the consideration given in exchange for assets.

The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim financial statements, the half-year has been treated as a discrete reporting period.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

I. Statement of compliance

The interim financial statements were authorised for issue on 28 February 2020.

The interim financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the interim financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

II. Adoption of new and revised standards

Standards and Interpretations applicable to 31 December 2019

For the period ended 31 December 2019, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting period. Those which have a material impact on the Group are set out below.

AASB 16 Leases

The Group has applied AASB 16 from 1 July 2019 using the modified retrospective approach, with no restatement of comparative information. The impact on the accounting policies, financial performance and financial position of the Group from the adoption of AASB 16 is detailed below.

Change in accounting policy

AASB 16 Leases supersedes AASB 117 Leases. The Group has adopted AASB 16 from 1 July 2019 which has resulted in changes in the classification, measurement and recognition of leases. The changes result in almost all leases where the Group is the lessee being recognised on the Statement of Financial Position and removes the former distinction between 'operating and 'finance' leases. The new standard requires recognition of a right-of-use asset (the leased item) and a financial liability (to pay rentals). The exceptions are short-term leases and leases of low value assets.

The Group has adopted AASB 16 using the modified retrospective approach under which the reclassifications and the adjustments arising from the new leasing rules are recognised in the opening Condensed Statement of Financial Position on 1 July 2019. Under this approach, the comparatives have not been restated.

The Group leases its head office premise. Prior to 1 July 2019, the lease was classified as an operating lease. Payments made towards the operating lease were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 July 2019, where the Company is a lessee, the Group recognises a right-of-use asset and a corresponding liability at the date which the lease asset is available for use by the Group (i.e. commencement date). Each lease payment is allocated between the liability and the finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a consistent period rate of interest on the remaining balance of the liability for each period.

The lease liability is initially measured at the present value of the lease payments that are not paid at commencement date, discounted using the rate implied in the lease. If this rate is not readily determinable, the Group uses its incremental borrowing rate.

Lease payments included in the initial measurement if the lease liability consist of:

- Fixed lease payments less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at commencement date;
- Any amounts expected to be payable by the Group under residual value guarantees;
- The exercise price of purchase options, if the Group is reasonably certain to exercise the options; and
- Termination penalties of the lease term reflects the exercise of an option to terminate the lease.

Extension options are included in a number of property leases across the Group. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if, at commencement date, it is reasonably certain that the options will be exercised.

Subsequent to initial recognition, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The lease liability is remeasured (with a corresponding adjustment to the right-of-use asset) whenever there us a change in the lease term (including assessments relating to extension and termination options), lease payments due to changes in an index or rate, or expected payments under guaranteed residual values.

Right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before commencement date, less any lease incentives received and any initial direct costs. These right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Where the terms of a lease require the Group to restore the underlying asset, or the Group has an obligation to dismantle and remove a leased asset, a provision is recognised and measured in accordance with AASB 137. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

Right-of-use assets are depreciated on a straight-line basis over the term of the lease (or the useful life of the leased asset if this is shorter). Depreciation starts on commencement date of the lease.

Where leases have a term of less than 12 months or relate to low value assets, the Group has applied the optional exemptions to not capitalise these leases and instead account for the lease expense on a straight-line basis over the lease term.

<u>Impact on adoption of AASB 16</u>

On adoption of AASB 16, the Group recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of AASB 117. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 July 2019. The weighted average lessee's incremental borrowing rate applied to lease liabilities on 1 July 2019 was 14%.

On initial application right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised In the Statement of Financial Position as at 30 June 2019.

In the Condensed Statement of Cash Flows, the Group has recognised cash payments for the principal portion of the lease liability within financing activities, cash payments for the interest portion of the lease liability as interest paid within operating activities and short-term lease payments and payments for lease of low-value assets within operating activities.

The adoption of AASB 16 resulted in the recognition of a right-of-use asset of $84,552 and lease liabilities of $99,342 in respect of all operating leases, other than short-term leases and leases of low-value assets.

The net impact on accumulated losses on 1 July 2019 was $21,279.

Reconciliation of operating lease commitments previously disclosed and lease liabilities on 1 July 2019:

		Dec-19
Operating lease commitments disclosed as at 30 June 2019	$	228,872
Less: lease payment reduction for remainder of lease term		(11,890)
Discounted using the lessee's incremental borrowing rate at the date of application		(38,678)
Lease liabilities as at 1 July 2019	$	178,304

Other than the above, there is no material impact of the new and revised Standards and Interpretations on the Group.

Standards and Interpretations in issue not yet adopted
The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the period ended 31 December 2019. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

III. Significant accounting estimates and judgements

The preparation of the interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2019.

Amortisation of intangible assets
During the period, the Company commenced amortisation of its capitalised intangible asets, as a result of commencement of sales during the period.

Intangible assets are amortised on a straight-line basis at rates based on their expected useful lives. The assets currently comprised within Intangible assets have an estimated useful life of 4 years

IV. Going concern

The interim financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business.

For the period ended 31 December 2019, the Group incurred a loss of $3,725,828 and had cash outflows from operating activities of $737,830 and investing activities of $637,140. The Group had available cash and cash equivalents of $250,013 as at 31 December 2019.

The Directors are of the opinion that the Company is a going concern for the following reasons:

- Subsequent to the end of the period, the Group completed a fully underwritten capital raising for $1.5 million and a further placement of $0.25 million;
- the Group has the ability to further pre-fund R&D expenditure in order to strengthen its cash position prior to year-end; and

- the Group has secured a further significant sale subsequent to year-end, and anticipates further large-scale sales in H2 FY2020 and FY2021, and is expecting to significantly increase its revenue streams in FY2021; and
- the Group can access additional sources of funding if necessary.

Should additional sources of fund raising not be accessable, there is a material uncertainty that may cast significant doubt as to whether the Company will continue as a going concern and whether it will be able to realise its assets and extinguish its liabilities in the normal course of business.

NOTE 3. SEGMENT ASSETS AND LIABILITIES

I. Identification of reportable segments

AASB 8 “Operating Segments” requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker in order to allocate resources to the segment and to assess its performance.

The Group’s operating segments have been determined with reference to the monthly management accounts used by the Chief Operating Decision maker to make decisions regarding the Group’s operations and allocation of working capital. Due to the size and nature of the Group, the Board as a whole has been determined as the Chief Operating Decision Maker.

II. Reportable segments

Based on the quantitative thresholds included in AASB 8, there is only one reportable segment, being development and manufacturing and one geographical segment, namely Australia.

III. Presentation of segment

The revenues and results of this segment are those of the Group as a whole and are set out in the consolidated statement of comprehensive income and the assets and liabilities of the Group as a whole are set out in the consolidated statement of financial position.

NOTE 4. LOSS PER SHARE

	Dec-19	Dec-18
Net loss for the year	$ (3,725,828)	$ (3,685,968)
Weighted average number of share on issue	1,146,728,668	974,990,718
Basic and diluted loss per share (cents per share)	(0.32)	(0.38)

Loss per share is calculated as net loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

As the Group is loss making, there is no dilutive effect of the issued securities.

NOTE 5. INTANGIBLE ASSETS

I. Net carrying amount

	Development	Patents & Trademarks	Total
BALANCE 30 JUNE 2019			
Gross carrying amount at cost	$ 6,819,585	$ 1,211,870	$ 8,031,455
Accumulated Amortisation & Impairment	-	(84,590)	(84,590)
Net Carrying Amount	$ 6,819,585	$ 1,127,280	$ 7,946,865
BALANCE 31 DECEMBER 2019			
Gross carrying amount at cost	$ 7,373,556	$ 1,290,297	$ 8,663,853
Accumulated Amortisation & Impairment	(897,687)	(112,451)	(1,010,138)
Net Carrying Amount	$ 6,475,869	$ 1,177,846	$ 7,653,715

II. Reconciliation of movement for the period

	Development	Patents & Trademarks	Total
BALANCE 1 JULY 2018	$ 6,591,830	$ 957,482	$ 7,549,312
Additions	$ 399,552	$ 191,137	$ 590,689
R&D grant offset	(171,797)	-	(171,797)
Amortisation	-	(21,339)	(21,339)
Total	$ 227,755	$ 169,798	$ 397,553
BALANCE 30 JUNE 2019	$ 6,819,585	$ 1,127,280	$ 7,946,865
Additions	$ 553,971	$ 78,427	$ 632,398
R&D grant offset	-	-	-
Amortisation	(897,687)	(27,861)	(925,548)
Total	$ (343,716)	$ 50,566	$ (293,150)
BALANCE 31 DECEMBER 2019	$ 6,475,869	$ 1,177,846	$ 7,653,715

NOTE 6. RIGHT-OF-USE ASSET

I. Net carrying amount

	Premises		Total	
BALANCE 31 DECEMBER 2019				
Cost	$	157,025	$	157,025
Accumulated Depreciation & Impairment		(72,473)		(72,473)
Net Carrying Amount	$	84,552	$	84,552

II. Reconciliation of movement for the period

	Premises		Total	
BALANCE 30 JUNE 2019	$	-	$	-
Recognised on 1 July 2019 on adoption of AASB 16	$	157,025	$	157,025
Depreciation and amortisation charge for the year		(72,473)		(72,473)
Total	$	84,552	$	84,552

AASB 16 has been adopted during the period, refer note 2 for details.

NOTE 7. LEASE LIABILITY

	Premises		Total	
Current liabilities	$	(99,342)	$	(99,342)
Non-current liabilities		-		-
Total	$	(99,342)	$	(99,342)
TOTAL	**$**	**(99,342)**	**$**	**(99,342)**

I. Reconciliation of movement for the period

	Premises		Total	
BALANCE 30 JUNE 2019	$	-	$	-
Recognised on 1 July 2019 on adoption of AASB 16	$	(178,304)	$	(178,304)
Principal repayments		89,171		89,171
Interest accretion		(10,209)		(10,209)
Closing balance	$	(99,342)	$	(99,342)
BALANCE 31 DECEMBER 2019	**$**	**(99,342)**	**$**	**(99,342)**

AASB 16 has been adopted during the period, refer note 2 for details.

The Group's only lease includes the premises of its head office. The average lease term is 3 years, and the lease is ending on 1 August 2020. The Company has the option to extend a further 3 years.

NOTE 7. LEASE LIABILITY (CONTINUED)

Underlying assets serve as security for the related lease liabilities. A maturity analysis of future minimum lease payments is presented below:

Balance 31 December 2019	Lease payments due 0 - 1	1 - 2	2 - 5	> 5	Cash Flows (ii)
Lease payments	$ 104,034	$ -	$ -	$ -	$ 104,034
Interest	(4,692)	-	-	-	(4,692)
Net present value	$ 99,342	$ -	$ -	$ -	$ 99,342

NOTE 8. CONTRIBUTED EQUITY

	Shares		$	
ORDINARY SHARES ON ISSUE	Dec-19	Jun-19	Dec-19	Jun-19
Ordinary shares issued and fully paid	1,492,038,393	980,990,717	$ 33,940,025	$ 31,696,873

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

I. Movements in ordinary share capital

	Shares		$	
	Dec-19	Jun-19	Dec-19	Jun-19
ORDINARY SHARES ON ISSUE				
At start of period	980,990,717	549,127,233	$ 31,696,873	$ 27,889,850
Shares issued during the year	495,247,679	424,363,484	$ 2,476,238	$ 4,243,635
Settlement of advisor costs	12,800,000	1,500,000	$ 64,000	$ 15,000
Issue of shares - employees	2,999,997	6,000,000	15,000	42,000
Transaction costs relating to issue of shares	-	-	(312,086)	(493,612)
At end of period	1,492,038,393	980,990,717	$ 33,940,025	$ 31,696,873

The movement in ordinary shares during the half-year ended 31 December 2019 is comprised of the following transactions:

- 210,000,000 fully paid ordinary shares were issued as part of the placement in August 2019;
- 285,247,679 fully paid ordinary shares were issued as part of the non-renounceable entitlement issue in November 2018;
- 12,800,000 shares were issued as part of the settlement of underwriter and supplier costs; and
- 2,999,997 shares were issued as part of the Company's Employee Share Scheme.

NOTE 9. RESERVES

	Dec-19	Jun-19
RESERVES		
Options reserve	$ 779,061	$ 1,382,984
Share rights reserve	516,317	514,260
Performance rights reserve	514,156	368,877
Contract options	-	356,250
Listed options reserve	141,074	-
	$ 1,950,608	$ 2,622,371
MOVEMENT IN RESERVES		
Opening balance	$ 2,622,371	$ 2,429,291
Movement for year - vesting of share based payments	320,781	576,413
Transfers to Accumulated Losses	(992,544)	(383,333)
Total	$ 1,950,608	$ 2,622,371

NOTE 10. SHARE-BASED PAYMENTS

OPTIONS

Grant	Balance at start of the year	Options issued during the year	Number Exercised	Forfeited / Lapsed	Balance at end of year	Tranche 1 Expiry date
FY2019						
WHL unlisted options	4,216,905	-	-	(4,216,905)	-	31 Jul 2018
Advisor options	8,747,626	-	-	-	8,747,626	30 Sep 2019
Bid options	61,325,622	-	-	-	61,325,622	30 Sep 2019
Broker options	5,000,000	-	-	-	5,000,000	30 Sep 2019
EOP - FY2017	6,910,543	-	-	-	6,910,543	30 Sep 2019
EOP - FY2018	13,531,800	-	-	-	13,531,800	31 Jul 2020
Consultant options	6,000,000	-	-	-	6,000,000	4 Apr 2020
Contract options	12,500,000	-	-	-	12,500,000	30 Sep 2019
Total	118,232,496	-	-	(4,216,905)	114,015,591	
FY2020 H1						
Advisor options	8,747,626	-	-	(8,747,626)	-	30 Sep 2019
Bid options	61,325,622	-	-	(61,325,622)	-	30 Sep 2019
Broker options	5,000,000	-	-	(5,000,000)	-	30 Sep 2019
EOP - FY2017	6,910,543	-	-	(6,910,543)	-	30 Sep 2019
EOP - FY2018	13,531,800	-	-	-	13,531,800	31 Jul 2020
Consultant options	6,000,000	-	-	-	6,000,000	4 Apr 2020
Contract options	12,500,000	-	-	(12,500,000)	-	30 Sep 2019
Listed options	-	545,247,679	-	-	545,247,679	31 Aug 2021
Total	114,015,591	545,247,679	-	(94,483,791)	564,779,479	

NOTE 10. SHARE-BASED PAYMENTS (CONTINUED)

SHARES & RIGHTS AWARDS

Grant	Balance at start of the year	Rights issued during the year [1]	Number Exercised	Forfeited / Lapsed	Balance at end of year	Vesting date
FY2019						
Performance rights	12,500,000	-	-	(8,333,334)	4,166,666	30 Nov 2016
Performance shares	120,000,000	-	-	(30,000,000)	90,000,000	30 Jun 2018
Director Performance rights	-	80,000,000	-	-	80,000,000	30 Nov 2023
Employee Performance rights	-	18,000,000	-	-	18,000,000	30 Nov 2023
Total	**132,500,000**	**98,000,000**	-	**(38,333,334)**	**192,166,666**	
FY2020 H1						
Performance rights	4,166,666	-	-	-	4,166,666	30 Nov 2016
Performance shares	90,000,000	-	-	(30,000,000)	60,000,000	30 Jun 2018
Director Performance rights	80,000,000	-	-	-	80,000,000	30 Nov 2023
Employee Performance rights	18,000,000	-	-	-	18,000,000	30 Nov 2023
Total	**192,166,666**	-	-	**(30,000,000)**	**162,166,666**	

1. All awards are issued at a zero exercise price.

NOTE 10. SHARES BASED PAYMENTS (CONTINUED)

I. LISTED OPTIONS

The Group issued 545,247,679 Listed options during the period ended 31 December 2019. The options were free attaching options to the entitlement issue and placement, which occurred in August 2019. Of the options issued, 68,449,866 were issued as part of the shares paid to advisors to reimburse corporate advisory amounts due relating to the capital raising.

Although the options issued were free and carry nil value, the options issued to advisors to cover capital raising costs must be valued and recognised as a cost to equity, and are not treated as a share based payment.

VALUATION OF LISTED OPTIONS

Exercise price	$0.01
Expiry date	13-Aug-21
Risk-free rate	0.73%
Volatility	110%
Value per option	$0.0021
Number of options	68,449,866
Total value of options	$141,074
Amount recognised as capital raising cost in prior years	$ -
Amount recognised in current year	$141,074
Amount to be recognised in future years	$ -

MOVEMENTS IN LISTED OPTIONS

Option movements as held by Quantify Technology Holdings Ltd., are as follows:

	Dec-19	
	Number	WAEP
Outstanding at the beginning of the period	-	$ -
Issued during year	545,247,679	$ 0.0021
Outstanding at the end of the period	545,247,679	$ 0.0021
Exercisable at the end of the period		

LISTED OPTIONS EXERCISED DURING THE PERIOD

No Listed options were exercised during the period.

NOTE 10. SHARE-BASED PAYMENT EXPENSES

The expense recognised for share-based payments during the period is shown in the table below:

	Dec-19	Jun-19
Employee options	$ (32,371)	$ (146,027)
Director Performance rights	(56,659)	(225,281)
Performance rights	(88,620)	(197,332)
Share rights	(2,057)	-
Director bonus shares	(60,000)	-
Employee Share Scheme	-	(42,000)
Total	$ (239,707)	$ (610,640)

NOTE 11. COMMITMENTS

	Dec-19	Jun-19
OPERATING LEASE AGREEMENTS		
Within one year	$ -	$ 196,176
After one year but not more than five years	-	32,696
Total	$ -	$ 228,872

As a result of the adoption of AASB 16 under the modified retrospective approach, former operating leases have been accounted for in accordance with that standard. Refer to note 2 for the impact from the change in accounting policy.

NOTE 12. CONTINGENCIES

There has been no change in contingent liabilities since the last annual reporting date.

NOTE 13. FINANCIAL INSTRUMENTS

The methods and valuation techniques used for the purpose of measuring fair values are unchanged compared to the previous reprting period.
The carrying amounts of financial assets and liabilities are considered to be a reasonable approximation of their fair value.

NOTE 14. SUBSEQUENT EVENTS

Subsequent to 31 December 2019, the Company commenced a $1.5 million fully underwritten rights entitlement issue, resulting in the issuance of 373 million shares, and 373 million listed options with an exercise price of $0.008 per option, with an expiry date of 2 years from issue date. The entitilement issue was completed on 26 February 2020.

The Company also raised an additional $0.25 million, as a result of the overwhelming interest for sub-underwriting of the $1.5 million entitlement issue, resulting in the issuance of 62.5 million shares and 62.5 million listed options, on the same terms as the entitlement issue options.

Aside from the above, there has not been any other matter or circumstance that has arisen after balance date 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 future financial periods.

NOTE 15. RELATED PARTY DISCLOSURES

The following table provides the total amount of transactions that have been entered into with related parties, and repayments made, during the six months ended 31 December 2019 and 2018:

Key management personnel of the Group		Interest and facilitation fees expense	Amounts borrowed from related parties	Principal repaid to related parties
Cuda Developments	Dec-19	$ -	$ -	$ -
	Dec-18	$ (21,091)	$ -	$ 333,333
TWL Discretionary Trust	Dec-19	$ -	$ -	$ -
	Dec-18	$ (56,500)	$ (250,000)	$ 250,000

There were no loans outstanding to related parties as at 31 December 2019 (FY2019: Nil).

DIRECTORS' DECLARATION

In the opinion of the Directors of Quantify Technology Holdings Limited (the "Company"):

- The accompanying interim financial statements and notes of the Group are in accordance with the Corporations Act 2001, including:
    - Giving a true and fair view of the Group's financial position at 31 December 2019 and of its performance for the half-year ended then ended; and
    - Complying with Accounting Standards, the *Corporations Regulations 2001*, professional reporting requirements and other mandatory requirements.
- There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- The interim financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Bord.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with sections 303(5) of the *Corporations Act 2001* for the half-year ended 31 December 2019.

This declaration is signed in accordance with a resolution of the board of Directors.

Peter Rossdeutscher
Chairman
On behalf of the Board.
28 February 2020

INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of Quantify Technology Holdings Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Quantify Technology Holdings Limited ("the company") which comprises the condensed statement of financial position as at 31 December 2019, the condensed statement of comprehensive income, the condensed statement of changes in equity and the condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Quantify Technology Holdings Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material uncertainty related to going concern

We draw attention to Note 2(IV) in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, 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 2019 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*. As the auditor of the group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd

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HLB Mann Judd
Chartered Accountants

L Di Giallonardo
Partner

Perth, Western Australia
28 February 2020