

1. Company details

Name of entity:	New Zealand Coastal Seafoods Limited
ABN:	16 124 251 396
Reporting period:	For the half-year ended 31 December 2022
Previous period:	For the half-year ended 31 December 2021

2. Results for announcement to the market

			\$'000
Revenues from ordinary activities	up	34.9% to	2,106
Loss from ordinary activities after tax attributable to the owners of New Zealand Coastal Seafoods Limited	down	29.1% to	(1,097)

Dividends

No dividends have been declared or paid during the period ended 31 December 2022.

Comments

The loss for the consolidated entity after providing for income tax amounted to \$1,097,510 (31 December 2021: \$1,527,656).

3. Net tangible assets

	Reporting period	Previous period
Net tangible assets	\$104,328	\$2,768,704
Number of shares on issue	1,127,005,031	827,005,031
Net tangible assets per ordinary security	<u>0.0093 cents</u>	<u>0.33 cents</u>

4. Audit review

The financial statements were subject to a review by the auditors and the review report is attached as part of the interim financial report.

5. Signed

Signed  _____

Date: 28 February 2023

Winton Willesee
Director
Perth, Western Australia



NEW ZEALAND COASTAL SEAFOODS LIMITED

ABN 16 124 251 396

INTERIM FINANCIAL REPORT – 31 DECEMBER 2022

CONTENTS

	PAGE
CORPORATE DIRECTORY	3
DIRECTORS' REPORT	4
AUDITOR'S INDEPENDENCE DECLARATION	6
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	7
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	8
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	9
CONSOLIDATED STATEMENT OF CASH FLOWS	10
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	11
DIRECTORS' DECLARATION	16
INDEPENDENT REVIEW REPORT	17

CORPORATE DIRECTORY

DIRECTORS

Winton Willesee
Aldo Miccio
Erlyn Dawson (resigned 28 November 2022)
Evan Hayes
Nathan Maxwell-McGinn

COMPANY SECRETARY

Erlyn Dawson

REGISTERED AND PRINCIPAL OFFICE

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PRINCIPAL PLACE OF BUSINESS

7 Bolt Place
Christchurch, 8053
NEW ZEALAND

AUDITORS

Crowe Perth
Level 24, 77 St Georges Terrace
PERTH WA 6000

SHARE REGISTRY

Automatic Registry Services
Level 5
191 St Georges Terrace
PERTH WA 6000
Telephone: 1300 992 916
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HOME EXCHANGE

Australian Securities Exchange Ltd
Level 40, Central Park
152-158 St. Georges Terrace
PERTH WA 6000
ASX Code: NZS and NZSOA

SOLICITORS

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan street
PERTH WA 6000

DIRECTORS' REPORT

The Directors present their report together with the financial report of New Zealand Coastal Seafoods Limited and its controlled entity (**Group**) for the half-year ended 31 December 2022 and the Auditor's Report thereon.

BOARD OF DIRECTORS

The names and details of the Directors in office during the financial period and until the date of this report are set out below.

- Winton Willesee
- Aldo Miccio
- Erlyn Dawson (resigned 28 November 2022)
- Evan Hayes
- Nathan Maxwell-McGinn

PRINCIPAL ACTIVITIES

The Group is a secondary producer of nutraceutical, seafood products and premium marine ingredients. Harnessing the country's reputation for pure, pristine waters and fisheries provenance, the Group utilises raw ingredients sourced from New Zealand's finest deep-sea fishing companies, employing a nose-to-tail philosophy to create a range of high-value products.

The Group's mission is to share the sought-after flavours of sustainably sourced, nutritious, healthy and organic goodness of New Zealand's seafood with Asian and other consumers worldwide, through expanding distributor, wholesale and consumer channels.

The Group's growth strategy is focused on the development of its nutraceutical product range to complement increasing production and sales of its flagship, collagen-rich, dried ling maw range for export into new and existing markets.

OPERATING RESULTS

The Group's net loss after providing for income tax for the half-year ended 31 December 2022 amounted to \$1,097,510 (31 December 2021: \$1,527,656).

At 31 December 2022, total Group assets were \$1,744,768 (30 June 2022: \$2,120,708) and net assets were \$104,328 (30 June 2022: \$693,675). Cash at bank was \$577,582 (30 June 2022: \$686,346).

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the financial half-year.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* for the half-year ended 31 December 2022 has been received and can be found on page 6.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

DIRECTORS' REPORT

Signed on behalf of the Board of Directors.



Winton Willesee

Director

28 February 2023

Perth, Western Australia

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO DIRECTORS OF NEW ZEALAND COASTAL SEAFOODS LTD**

As lead auditor for the review of the half year financial report of New Zealand Coastal Seafoods Ltd for the half year ended 31 December 2022, I declare that to the best of my knowledge and belief, that there have been:

- (i) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.



Crowe Perth



Sean McGurk
Partner

Signed at Perth, 28 February 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Notes	CONSOLIDATED	
		31 December 2022 (\$)	31 December 2021 (\$)
Revenue	3	2,106,309	1,560,953
Other income	10	445,600	4,592
Cost of sales		(1,797,254)	(1,148,972)
Corporate and administration expenses		(264,038)	(234,998)
Depreciation and amortisation expenses		-	(157,547)
Finance expenses		(36,125)	(40,783)
Employee benefits expense		(755,830)	(895,847)
Promotion and communication expense		(22,500)	(30,000)
Write-down of inventories	11	(100,224)	-
Share based payments expense	4	(123,563)	(152,886)
Consulting fees		(185,056)	-
Other operating expenses		(366,177)	(432,168)
(LOSS) BEFORE INCOME TAX		(1,098,858)	(1,527,656)
Income tax benefit		1,348	-
(LOSS) AFTER INCOME TAX		(1,097,510)	(1,527,656)
Other comprehensive income/(loss)		-	-
Items that may be reclassified subsequently to profit or loss:			
Exchange difference on translation of foreign operations		2,483	(21,724)
Total comprehensive (loss) for the period		(1,095,027)	(1,549,380)
Basic and diluted loss per share (cents per share)		(0.10)	(0.18)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

		CONSOLIDATED	
	Notes	31 December 2022 (\$)	30 June 2022 (\$)
CURRENT ASSETS			
Cash and cash equivalents		577,852	686,346
Term deposit		88,577	-
Trade and other receivables		337,492	257,794
Inventories	11	740,847	1,091,002
TOTAL CURRENT ASSETS		1,744,768	2,035,142
NON-CURRENT ASSETS			
Term deposit		-	85,566
Right of use asset	5	-	-
TOTAL NON-CURRENT ASSETS		-	85,566
TOTAL ASSETS		1,744,768	2,120,708
CURRENT LIABILITIES			
Trade and other payables		525,608	292,436
Lease liability		106,173	112,150
TOTAL CURRENT LIABILITIES		631,781	404,586
Lease liability		1,008,659	1,022,447
TOTAL NON-CURRENT LIABILITIES		1,008,659	1,022,447
TOTAL LIABILITIES		1,640,440	1,427,033
NET ASSETS		104,328	693,675
EQUITY			
Contributed Equity	6	14,628,590	14,246,473
Reserves	7	1,558,405	1,432,359
Accumulated Losses		(16,082,667)	(14,985,157)
TOTAL EQUITY		104,328	693,675

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Contributed Equity (\$)	Accumulated Losses (\$)	Share Based Payments Reserve (\$)	Foreign Currency Translation Reserve (\$)	Total (\$)
Balance at 1 July 2022	14,246,473	(14,985,157)	1,565,866	(133,507)	693,675
(Loss) for the year	-	(1,097,510)	-	-	(1,097,510)
Exchange Difference	-	-	-	2,483	2,483
Total comprehensive (loss)	-	(1,097,510)	-	2,483	(1,095,027)
Transactions with equity holders in their capacity as equity holders					
Issue of shares	500,000	-	-	-	500,000
Share issue costs	(117,883)	-	-	-	(117,883)
Expense for Options issued to Employees	-	-	2,970	-	2,970
Performance rights expense	-	-	120,593	-	120,593
Balance at 31 December 2022	14,628,590	(16,082,667)	1,689,429	(131,024)	104,328

	Contributed Equity (\$)	Accumulated Losses (\$)	Share Based Payments Reserve (\$)	Foreign Currency Translation Reserve (\$)	Total (\$)
Balance at 1 July 2021	13,307,868	(10,539,875)	1,329,653	(31,568)	4,066,078
(Loss) for the year	-	(1,527,656)	-	-	(1,527,656)
Exchange Difference	-	-	-	(21,724)	(21,724)
Total comprehensive (loss)	-	(1,527,656)	-	(21,724)	(1,549,380)
Transactions with equity holders in their capacity as equity holders					
Expense for Options issued to Directors	-	-	49,789	-	49,789
Expense for Options issued to Employees	-	-	34,287	-	34,287
Performance rights expense	-	-	68,810	-	68,810
Balance at 31 December 2021	13,307,868	(12,067,531)	1,482,539	(53,292)	2,669,584

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	CONSOLIDATED	
	Notes	
	31 December 2022	31 December 2021
	(\$)	(\$)
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	2,262,195	1,879,439
Payments to suppliers and employees	(3,201,219)	(3,177,682)
Other revenue	443,854	-
Interest paid	(2,046)	(1,819)
Interest received	1,746	2,343
NET CASH USED IN OPERATING ACTIVITIES	(495,470)	(1,297,719)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	(1,482)
NET CASH USED IN INVESTING ACTIVITIES	-	(1,482)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	500,000	-
Capital raising costs	(57,050)	-
Lease principal repayments	(90,257)	(89,292)
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES	352,693	(89,292)
Net decrease in cash held	(142,777)	(1,388,493)
Cash and cash equivalents at beginning of financial year	686,346	2,660,542
Foreign exchange translation on cash balances	34,283	(46,663)
Cash and cash equivalents at end of financial year	577,852	1,225,386

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

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2022

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These general purpose financial statements for the half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

New or amended Accounting Standards and Interpretations adopted

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

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(a) Going Concern

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

The consolidated entity incurred an operating cash outflow of \$495,470 during the six-month period ended 31 December 2022 (2021: \$1,297,719). The total comprehensive loss for the six-month period ended 31 December 2022 was \$1,095,027 (2021: \$1,549,380) and the cash on hand was \$577,852.

The core business of NZCS has been significantly impacted by Covid 19 pandemic, the interruption of daigou sales channels into Asia, and a corresponding reduction in Asian demand for the Group's products. Further, the NZCS Operations Limited business continues to be subject to all the risks inherent in the establishment of a developing enterprise and the uncertainties arising from the absence of a significant operating history.

Until such time as the Group can successfully re-establish previous markets impacted by the Covid 19 pandemic and associated closures and/or develop new markets for existing and new products, and/or achieve scale through strategic acquisitions, the Group expects to continue to incur operating losses and negative cash flows with annual operating costs similar to levels incurred during the half year ended 31 December 2022 in respect to NZCS Operations Limited.

Recognising the challenges of reliably estimating and forecasting the timing of expected market demand in unprecedented times, the Group has developed a current forecast which have been considered by the Directors.

This base case forecast reflects a best estimate of future trading and assumes an increase in demand for the Company's existing ling maw and nutraceutical products, as well as the successful implementation of product diversification strategies to reduce reliance on Asian markets. The base case forecast also includes an acquisition of a seafood wholesale business which is currently under negotiation.

This forecast assumes a significant expansion of the current operations with the addition of a seafood wholesale business and the Group's future operating results depend to a large extent on its ability to achieve and manage

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2022

this expansion and growth successfully. A failure to manage this growth effectively could materially and adversely affect the results of operations.

During the half year ended 31 December 2022 the Group depended on issues of equity securities to meet its cash requirements and the receipt of RDTI rebates. Under the current forecast the Group continues to have negative cash flows. As a result, the Directors have estimated that the Group may require as much as NZD\$550,000 over the course of the next twelve months to carry out its business plan. There is no assurance that actual cash requirements will not exceed these estimates. The Group will require additional finance to fund working capital and pay for operating expenses and capital requirements until the Group achieves a positive cash flow.

The Group's ability to carry out its business plan will be dependent upon the Group's ability to access the aforementioned additional capital. If the Group is unable to obtain such financing, it may be unable to implement its business plan and growth strategies, respond to changing business or economic conditions, withstand adverse operating results and compete effectively. If the Group is unable to access this additional capital when required, it may be forced to scale down its operations and its ability to generate revenues may be negatively affected.

As detailed above, the Group's ability to continue as a going concern is dependent on its ability to access additional capital through issues of equity or other means as may be necessary to pursue its business plans and sustain operations until such time as the Group can achieve profitability and positive operational cashflows. However, there can be no assurance that management will be successful in obtaining additional capital or in attaining profitable operations.

After due consideration of the current forecast, the Directors consider that the Group has or has a realistic prospect of being able to access sufficient liquidity to continue in operational existence for a period of at least twelve months from the date of this report and, with reference to the relevant test in paragraph 25 of AASB101 are therefore satisfied that it is appropriate to adopt the going concern basis of accounting in preparing the Financial Statements.

However, the matters detailed above indicate a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern, and therefore whether the Group will realise its assets and settle its liabilities in the ordinary course of business at the amounts recorded in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of assets carrying amount or the amount of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

2. SEGMENT INFORMATION

The Directors have considered the requirements of AASB 8 – Operating segments. Operating segments are identified, and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Group's chief operating decision maker, which is the Board of Directors. In this regard, such information is provided using similar measures to those used in preparing the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and consolidated statement of cash flows.

One segment is identified, being the processing, distribution and export of premium seafood products in New Zealand.

The operation of the parent company New Zealand Coastal Seafoods Limited is considered to be part of the segment as its sole purpose is to provide financial, operational and strategic support to subsidiary entities.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2022

3. REVENUE

	CONSOLIDATED	
	31 December 2022 (\$)	31 December 2021 (\$)
Sales of products		
Ling Maw	1,888,622	1,161,979
Nutraceuticals	196,858	291,341
Other	20,829	107,633
	2,106,309	1,560,953
Location of customers		
New Zealand	636,130	447,251
Rest of the world	1,470,179	1,113,702
	2,106,309	1,560,953

4. Expenses

	CONSOLIDATED	
	31 December 2022 (\$)	31 December 2021 (\$)
Share based payments (i)	(123,563)	(152,886)

(i) Share based payments comprise of the following:

	CONSOLIDATED	
	31 December 2022 (\$)	31 December 2021 (\$)
Employee performance rights expense	(120,593)	(68,810)
Employee share option plan expense	(2,970)	(84,076)
	(123,563)	(152,886)

5. RIGHT OF USE ASSETS

	CONSOLIDATED	
	31 December 2022 (\$)	30 June 2022 (\$)
Land and Buildings	-	1,311,092
Accumulated depreciation and impairment losses	-	(1,311,092)
	-	-
Motor vehicles	-	132,269
Accumulated depreciation	-	(132,269)
	-	-
	-	-

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2022

The Group signed a lease for a new factory commencing in September 2019 for a period of 6 years with a 6 year right of renewal. The lease had an initial rent-free period until January 2020. The Group also has two vehicle leases covering a period of 36 months.

During the year ended 30 June 2022, the Group recognised an impairment loss of \$1,032,706 in relation to its right of use assets.

6. CONTRIBUTED EQUITY

	CONSOLIDATED			
	31 December 2022 (Shares)	30 June 2022 (Shares)	31 December 2022 (\$)	30 June 2022 (\$)
Ordinary Shares	1,127,005,031	1,027,005,031	14,628,590	14,246,473
Total Share Capital	1,127,005,031	1,027,005,031	14,628,590	14,246,473

On 13 July 2022, 32,250,000 shares were issued at \$0.005 under the Company's Share Purchase Plan Offer. On 18 August 2022, the issue of shortfall Share Purchase Plan shares of 67,750,000 at \$0.005 was completed.

Ordinary Shares

The holder of Ordinary Shares is entitled to participate in dividends and the proceeds on winding up of the Group in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. Ordinary Shares have no par value and the Group does not have a limited amount of authorised capital.

7. RESERVES

	CONSOLIDATED		
	Share Based Payments Reserve (\$)	Foreign Currency Translation Reserve (\$)	Total (\$)
Balance at 30 June 2022	1,565,866	(133,507)	1,432,359
Share based payments	123,563	-	123,563
Foreign exchange movement	-	2,483	2,483
Balance at 31 December 2022	1,689,429	(131,024)	1,558,405

(a) Share-based payments Reserve

The share-based payments reserve movement represents the expense recognised for the period related to the Performance Rights previously granted to Directors and the CEO and the options issued to employees.

(b) Foreign Currency Reserve

The foreign currency reserve records foreign currency differences arising from the translation of financial information of the Group's New Zealand subsidiaries which have a functional currency of the New Zealand Dollar.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2022

8. CONTINGENT LIABILITIES

The Board is not aware of any circumstances or information, which leads them to believe there are any other material contingent liabilities outstanding at 31 December 2022.

9. MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

10. OTHER REVENUE

During the year, the Group received research and development tax credits in respect of claims lodged with the New Zealand Inland Revenue Department in respect of income years ended 30 June 2021 and 30 June 2022. The Group has opted to recognise the income received within other income in the Consolidated Statement of Profit or Loss and Other Comprehensive Income and is recognised when the right to receive the income has been established.

11. INVENTORIES

	CONSOLIDATED	
	31 December 2022 (\$)	30 June 2022 (\$)
Raw materials - cost	92,017	91,726
Work-progress – at cost	239,530	158,055
Finished goods – net realisable value	409,300	841,221
	740,847	1,091,002

Inventories have been reduced by \$100,224 (30 June 2022: \$181,302) as a result of the write-down to net realisable value. The amount of the write-off has been recognised as an expense in the consolidated statement of profit or loss and other comprehensive income.

DIRECTORS' DECLARATION

In the opinion of the Directors of New Zealand Coastal Seafoods Ltd (Group):

- (a) the Financial Statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, and Notes set out on pages 7 to 15, 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 2022 and of its performance, for the half-year period ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001; and other mandatory professional reporting requirements.
- (b) the Financial Report also complies with International Financial Reporting Standards as disclosed in Note 1; and
- (c) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by Section 303(5)(a) of the *Corporations Act 2001* by the Financial Officer for the half-year period ended 31 December 2022.

Signed in accordance with a resolution of the Directors.



Winton Willesee
Director

28 February 2023
Perth, Western Australia

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF NEW ZEALAND COASTAL SEAFOODS LTD AND ITS CONTROLLED
ENTITY**

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of New Zealand Coastal Seafoods Ltd and its controlled entity (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of New Zealand Coastal Seafoods Ltd and its controlled entity does not comply with the *Corporations Act 2001* including:

- a) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial report which indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

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

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date and complying with Australian 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.



Crowe Perth



Sean McGurk
Partner

Signed at Perth, 28 February 2023