

Control Bionics Limited

(formerly Control Bionics Holdings Pty Limited)

ACN 115 465 462

Appendix 4D and Half Year Report

FOR THE HALF YEAR ENDED 31 DECEMBER 2020

Results for announcement to the market

Current reporting period is 1 July 2020 to 31 December 2020

Previous corresponding period is 1 July 2019 to 31 December 2019

		% Change from previous corresponding period		Current reporting period
2.1 Revenues from ordinary activities	up	22%	to	\$2,005,390
2.2 Loss from ordinary activities after tax attributable to members	up	96%	to	(\$1,067,352)
2.3 Loss for the period attributable to members	up	96%	to	(\$1,067,352)
2.4 Dividends				
Interim dividend		\$Nil		\$Nil
Final dividend		\$Nil		\$Nil
NTA per share		31 December 2020		30 June 2020
3. Net tangible asset backing per ordinary share (cents)		18.7 cents		14.3 cents

Commentary by directors

Please refer to the directors' report for a detailed explanation and analysis of the Group's performance for the six months ended 31 December 2020.

Review opinion

This report is based on accounts which have been independently reviewed by the Company's external auditors. A copy of the directors' report and financial statements, together with the auditors' review report, is attached.



Roger Hawke, Director

Sydney, 24 February 2021

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Directors' Report

The directors of Control Bionics Limited submit herewith the financial report of Control Bionics Limited (the Company) and its subsidiaries (the Group) for the half year ended 31 December 2020. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

The names of the directors of the company during or since the end of the half year are:

Roger Hawke
Robert Wong
Peter Ford
Damian Lismore - appointed 30 September 2020
Lindsay Phillips
William B. McMurray - resigned 29 September 2020

The above-named directors held office during and since the end of the half year except as noted above.

Principal activities

During the half year, the principal activities of the Group continued to be the development, commercialisation and sale of assistive communications technology systems within the disability sector. The Group's core systems include NeuroNode Trilogy and NeuroNode3. These systems allow people with speech and movement difficulties to control a computer for speech generation, electronic communications (e.g. email, social media), entertainment and external control of other devices.

No significant change in the nature of these activities occurred during the half year.

On 14 September 2020, the parent Company changed its name from Control Bionics Holdings Pty Limited to Control Bionics Limited, in keeping with the change of type to a Public Limited Company in preparation for its Initial Public Offering (IPO) and listing on Australian Securities Exchange (ASX).

In December 2020, the Company undertook an IPO on the ASX, resulting in gross cash proceeds of \$15,000,000 from the issue of 25,000,000 Ordinary shares at \$0.60 per share.

The funds will be used for ongoing sales expansion in Australia and the USA, as well as opening in new markets such as Japan, in the near future and for the Group's Research and Development plan.

Review of operations and financial position

Highlights

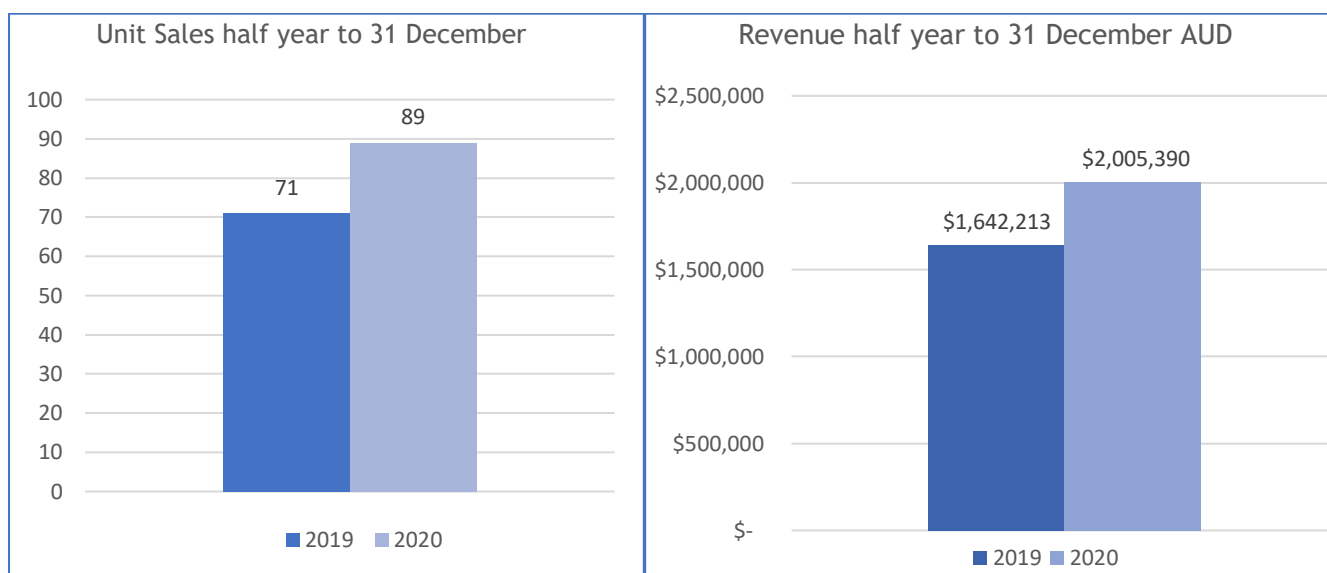
- Revenue for the half year to 31 December 2020 of \$2,005,390 representing 22% growth over the same period in (2019: \$1,642,213).
- Net loss of \$1,067,352. Excluding IPO related costs expensed (of \$774,961) the Group reported a modest loss for the half year of \$292,391 (2019: \$544,268), an average \$48,732 per month.
- In December 2020, the Company undertook an IPO on the ASX, resulting in gross cash proceeds of \$15,000,000 from the issue of 25,000,000 ordinary shares at \$0.60 per share.
- Cash as at 31 December 2020 was \$14,566,899 (30 June 2020: \$1,428,405).
- We believe that there is strong demand for our core products globally and with new funds we plan to invest in growing our market position for the long-term while being mindful of COVID-19 continuing impacts.

Directors' Report (continued)

- In December 2020, Management commenced investment in key sales, marketing and operational infrastructure consistent with the Prospectus issued as part of the IPO process.
- Entry in the Japanese market progressed with the assistance of Austrade and JETRO (Japanese Economic Trade Relations Organisation) in Japan. We also commenced product conversion for the Japanese market.
- Initiated key research and development projects to improve our technology offering through miniaturisation and adding NeuroNode wheelchair drive capability.

Revenue & Unit Sales

Control Bionics Limited recorded Group revenue of \$2,005,390 in the first half of the year, representing 22% growth over the same period last year (2019: \$1,642,213), despite the substantial impact COVID-19 has had on the business during this period. Unit sales for the half-year increased by 25% over the comparative period.



Profit/Loss

During the half year the business not only saw an impact on revenue due to the COVID-19 pandemic but also a reduction in expenses in areas such as trade show marketing and travel. Overall the Group recorded a loss for the period of \$1,067,352 but excluding IPO related costs expensed of \$774,961, the Group reported a modest loss for the half-year of \$292,391 (2019: \$544,268).

Operations

USA

In the USA, we saw the first quarter impacted by COVID-19 lockdowns, with some recovery in sales in the second quarter helped by insurance funding seasonality and growing awareness of our NeuroNode Trilogy system capabilities. Access to clinicians and clients improved in the second quarter, with some easing of COVID-19 restrictions, but we remain exposed to snap restrictions.

Post IPO in early December 2020, Management focussed on implementing key operational staffing, sales recruitment, marketing and operational investment plans in line with our Prospectus.

Directors' Report (continued)

In February 2021, Control Bionics Inc. signed a sales/reseller agreement with United Seating & Mobility LLC (whose brand is NuMotion) giving additional sales reach in the Upper East region of the USA. NuMotion is a leading provider of Complex Rehabilitation Technology (CRT) in the USA.

The agreement, which covers the territories of New Hampshire, Vermont, and New York (excluding the five boroughs of NY and Long Island), will increase market awareness and strengthen sales reach for our Control Bionics Assistive Technology. This agreement is aligned with our strategy to access the larger rehabilitation market and reinforces our commitment to provide industry best solutions with access to all.

Australia

Sales for the first half year in Australia were stronger than the corresponding period in 2019 due to better pipeline conversion, despite the COVID-19 impact.

In December 2020, Management increased the Group's marketing and sales presence across Australia.

Control Bionics received IPO-related media coverage in December 2020 with national TV (The Project) and ABC National Radio with Geraldine Doogue, which assisted with increased brand awareness.

International markets

In December 2020, the Group commenced recruitment of a Director of International Business Development to lead our international growth ambitions, and made the appointment on 22 February 2021.

Management has identified Japan as a priority market. During the half year, we commenced NeuroNode Trilogy product conversion for the Japanese market, allowing us to plan trials with a Japanese assistive technology distributor/reseller. We continue to work with Austrade and JETRO (Japanese Economic Trade Relations Organisation) on market entry planning.

In line with the Group's strategy to expand into Japan, a senior local market representative has been appointed. We have also confirmed through our relationship with JETRO (Japanese External Trade Organisation) that there are no significant regulatory barriers to exporting into Japan.

We signed a distribution agreement for Australia, USA and Japan with DESiN LLC (Dayton, OHIO), the maker of the Obi Feeding Robot. We expect this to aid in increasing appeal of NeuroNode system sales for customers.

Group research and development

We have commenced resourcing our Research and Development Group, working on two primary R&D projects initially.

The first is to decrease the physical size and reduce power consumption of our core NeuroNode technology. This work will provide the necessary platform to apply our technology to additional market applications outside of disability. The second is a NeuroNode controller that will allow for power wheelchair control, and extended control of game consoles, dining robots and other devices.

Directors' Report (continued)

COVID-19 Update

COVID-19 has affected the industry's ability to access specifiers of the product (e.g. speech language pathologists) and potential end users due to travel restrictions and lock downs globally. In Q2 (October-December 2020) we saw some easing of restrictions in the USA, but remain cautious as the threat of COVID-19 business interruption is still high.

Given the nature of our business, we already had in place a high degree of hygiene work practices. All employees are well trained in safety procedures to protect staff, clinicians and clients. In the half year, the USA remained challenging with COVID-19 case numbers still increasing and the hospital system compromised in some areas. In Australia, lockdowns did affect the ability of Australian staff to maximise assessments with clinicians in December 2020.

In April 2020, and in response to the potential adverse impact of the COVID-19 pandemic, the Group signed loan documents with Chase Business Banking and received funding of \$A235,738 (USD161,787) from the United States Government Small Business Administration (SBA) under the Payroll Protection Program (PPP) which is part of a program created by the Coronavirus Aid, Relief and Economic Security Act (CARES Act). This loan was forgiven under the provisions of the PPP Program in December 2020 and was recognised as income in the Consolidated Statement of Profit or Loss for the half year.

The directors continue to monitor the impact of COVID-19 on business operations and the financial performance of the Group.

Key Management Personnel Changes

John Bell was appointed on a part-time basis as CFO in October 2020 to assist Control Bionics through the IPO process given his strong ASX experience. Neale Java commenced as CFO-designate with the Company on 8 February 2021, assuming full CFO responsibilities from 1 March 2021. Brett Crowley was also appointed as Company Secretary in October 2020.

Outlook

We are cautiously optimistic about sales in the next two quarters, given the ongoing COVID-19 uncertainty.

We intend to invest in core sales, marketing and operational infrastructure to support our product suite in the markets of USA, Australia and developing international market entry, particularly Japan and to ensure we are well placed to take advantage of opportunities once COVID-19 impacts recede.

Significant changes in the state of affairs

On 14 September 2020, the Company changed its name from Control Bionics Holdings Pty Limited to Control Bionics Limited, in keeping with its change of type to a Public Limited Company in preparation for its IPO and listing on ASX.

In December 2020, the Company undertook an IPO on ASX, resulting in gross cash proceeds of \$15,000,000 from the issue of 25,000,000 ordinary shares at \$0.60 per share.

Events Subsequent to the end of the reporting period

No matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Consolidated Group's state of affairs in future financial years.

This Report complies with section 304 of the Corporations Act 2001. No additional information was considered necessary to give a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half year to that date.

Directors' Report (continued)

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 the following page.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'R Hawke', is written over a horizontal line.

Roger Hawke, Director

Sydney, 24 February 2021

DECLARATION OF INDEPENDENCE BY JOHN BRESOLIN TO THE DIRECTORS OF CONTROL BIONICS LIMITED

As lead auditor for the review of Control Bionics Limited for the half year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Control Bionics Limited and the entities it controlled during the period.



John Bresolin
Director

BDO Audit Pty Ltd

Sydney, 24 February 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	31 December 2020 \$	31 December 2019 \$
Revenue	2,005,390	1,642,213
Government grants	329,519	-
Other income	2,056	14,113
Raw materials and consumables used	(689,845)	(425,532)
Employee benefits expense	(1,269,513)	(917,249)
General and administration expense	(346,074)	(402,610)
Depreciation and amortisation	(47,017)	(2,722)
Marketing and promotion costs	(83,503)	(134,075)
Research and development costs	(26,225)	(37,208)
Legal fees, patents and insurance	(80,486)	(52,178)
Travel costs	(81,999)	(225,853)
Finance costs	(4,694)	(3,167)
IPO costs	(774,961)	-
Loss before income tax expense	(1,067,352)	(544,268)
Income tax expense	-	-
Loss for after income tax expense for the period	(1,067,352)	(544,268)
Other comprehensive income, net of income tax:		
<i>Items which may be reclassified subsequently to profit or loss</i>		
Foreign currency translation	15,645	22,031
Other comprehensive income, net of income tax for period	(1,051,707)	(522,237)
Total comprehensive income for the period attributable to:		
Members of the parent entity	(1,051,707)	(522,237)
 Earnings per share attributable to the Ordinary shareholders of the Company:		
Basic earnings per share - cents	(2.5)	(5.6)
Diluted earnings per share - cents	(2.5)	(5.6)

The notes on pages 11 to 14 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	31 December 2020 \$	30 June 2020 \$
Current assets			
Cash and cash equivalents		14,566,899	1,428,405
Trade and other receivables		1,068,835	316,659
Inventories		294,917	179,331
TOTAL CURRENT ASSETS		15,930,651	1,924,395
Non-current assets			
Property, plant and equipment		280,762	241,748
Intangible assets		4,083,155	4,084,609
Right of use assets		90,476	45,529
Other non-current assets		35,362	49,150
TOTAL NON-CURRENT ASSETS		4,489,755	4,421,036
Total assets		20,420,406	6,345,431
Current liabilities			
Trade and other payables		485,709	191,422
Employee benefits		175,496	135,328
Lease liabilities		51,119	37,278
TOTAL CURRENT LIABILITIES		712,324	364,028
Non-current liabilities			
Trade and other payables		-	235,738
Employee benefits		19,833	13,269
Lease liabilities		50,616	9,373
TOTAL NON-CURRENT LIABILITIES		70,449	258,380
Total liabilities		782,773	622,408
Net assets		19,637,633	5,723,023
Equity			
Issued capital	6	27,959,769	13,059,966
Reserves		827,402	745,243
Accumulated losses		(9,149,538)	(8,082,186)
Total equity		19,637,633	5,723,023

The notes on pages 11 to 14 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Issued Capital	Accumulated Losses	Foreign Currency Translation Reserve	Share Option Reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2019	11,477,063	(7,076,686)	(44,102)	697,161	5,053,436
Comprehensive income					
Loss for the period	-	(544,268)	-	-	(544,268)
Other comprehensive income for the period	-	-	22,031	-	22,031
Total comprehensive income for the period attributable to members of the parent	-	(544,268)	22,031	-	(522,237)
Transactions with owners, in their capacity as owners, and other transfers					
Shares issued during the period, net of transaction costs	1,044,963	-	-	-	1,044,963
Total transactions with owners and other transfers	1,044,963	-	-	-	1,044,963
Balance at 31 December 2019	12,522,026	(7,620,954)	(22,071)	697,161	5,576,162
Balance at 1 July 2020	13,059,966	(8,082,186)	(357)	745,600	5,723,023
Comprehensive income					
Loss for the period	-	(1,067,352)	-	-	(1,067,352)
Other comprehensive income for the period	-	-	15,645	-	15,645
Total comprehensive income for the year attributable to members of the parent	-	(1,067,352)	15,645	-	(1,051,707)
Transactions with owners, in their capacity as owners, and other transfers					
Share based payments	-	-	-	66,514	66,514
Shares issued during the period, net of transaction costs	14,899,803	-	-	-	14,899,803
Total transactions with owners and other transfers	14,899,803	-	-	66,514	14,966,317
Balance at 31 December 2020	27,959,769	(9,149,538)	15,288	812,114	19,637,633

The notes on pages 11 to 14 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020

	Consolidated Group	
	31 December 2020 \$	31 December 2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	1,395,964	1,663,394
Receipts from government grants	329,519	-
Payments to suppliers and employees	(3,321,667)	(2,304,510)
Finance costs	(6,279)	(3,167)
Net cash used in operating activities	(1,602,463)	(644,283)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(130,952)	(40,737)
Purchase of intangible assets - patents	-	(3,634)
Net cash used in investing activities	(130,952)	(44,371)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease payments	(27,894)	-
Proceeds from issue of shares, net of transaction costs	14,899,803	1,044,963
Net cash generated from financing activities	14,871,909	1,044,963
 Net increase in cash and cash equivalents held	 13,138,494	 356,309
 Cash and cash equivalents at beginning of period	 1,428,405	 798,886
 Cash and cash equivalents at end of financial year	 14,566,899	 1,155,195

The notes on pages 11 to 14 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

The consolidated interim financial statements and notes represent those of Control Bionics Limited (Company) and its controlled entities (Group).

The financial statements were authorised for issue on 24 February 2021 by the directors of the Company.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial report is a general-purpose financial report for the interim half year reporting period ended 31 December 2020, which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134 'Interim Financial Reporting' as appropriate for for-profit entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

The financial report has been prepared on a historical cost basis and is presented in Australian dollars unless otherwise stated.

These financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 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.

New or amended Accounting Standards and Interpretations adopted

The Consolidated Group 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.

Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgments, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

COVID-19 has affected the industry's ability to access specifiers of the product (e.g. speech language pathologists) and potential end users due to travel restrictions and lock downs globally. In Q2 (October- December 2020) we saw some easing of restrictions in the USA but remain cautious as the threat of COVID-19 business interruption is still high.

Given the nature of our business, the Group already had in place a high degree of hygiene work practices, and all employees are now well trained in safety procedures to protect staff, clinicians and clients.

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The USA remains challenging with COVID-19 case numbers still increasing and the hospital system is compromised in some areas. In Australia, lockdowns did affect the ability of Australian staff to maximise assessments with clinicians.

In April 2020, and in response to the potential adverse impact of the COVID-19 pandemic, the Group signed loan documents with Chase Business Banking and received funding of \$A235,738 (USD161,787) from the United States Government Small Business Administration (SBA) under the Payroll Protection Program (PPP) which is part of a program created by the Coronavirus Aid, Relief and Economic Security Act (CARES Act). This loan was forgiven under the provisions of the PPP Program in December 2020 and was recognised as income in the Consolidated Statement of Profit or Loss for the half year.

The directors continue to monitor the impact of COVID-19 on business operations and the financial performance of the Group.

IPO Costs

Costs relating to the Company's IPO have been apportioned on the following basis:

Incremental costs that are directly attributable to issuing new shares were deducted from equity (net of any income tax benefit); and costs that related to the ASX listing or were otherwise not incremental and directly attributable to issuing new shares, were recorded as an expense in the statement of comprehensive income.

Costs that related to both share issuance and listing were allocated between those functions based on the proportion of new shares issued to the total number of (new and existing) shares listed.

NOTE 2: SEGMENT INFORMATION

(a) Description of segments and principal activities

The Company has identified a sole operating segment as the sale of assistive communications technology systems within the disability sector. The segment reported a loss before income tax \$1,067,352 (2019: \$544,268). This is consistent with the internal reporting provided to the chief operating decision maker and is aligned to the one major revenue stream.

(b) Geographical Segment Revenues

	31 December 2020	31 December 2019
	\$	\$
USA	1,303,397	1,261,434
Australia	701,993	380,779
Total	<u>2,005,390</u>	<u>1,642,213</u>

(c) Segment assets and liabilities

The internal management reporting presented to key business decision makers report total assets and liabilities on the basis consistent with that of the consolidated interim financial statements. These reports do not allocate assets and liabilities based on the operations of each segment or by geographical location.

Under the current management reporting framework, total assets are not reviewed to a specific reporting segment or geographical location.

NOTES TO THE FINANCIAL STATEMENTS (continued)

(d) Segment products and locations

The principal geographical segments are Australia and the USA. The company's headquarters are located in Melbourne.

NOTE 3. FAIR VALUE MEASUREMENT

The carrying amounts of trade and other receivables, trade and other payables, and customer contract liabilities approximate their fair values at reporting date due to their short-term nature.

NOTE 4. RELATED PARTY TRANSACTIONS

Parent entities

(i) Ultimate parent

Control Bionics Limited is the ultimate Australian parent company. As at the date of this Report, no shareholder controls more than 50% of the issued capital of the Company.

NOTE 5. CONTINGENT LIABILITIES

There are no material contingent liabilities for the period ended 31 December 2020 or in the comparative previous period.

NOTE 6. SHARE CAPITAL

	2020	
Ordinary Shares	Number of shares	\$
As at 1 July 2020	10,232,254	13,059,966
Share issue 28 August 2020	166,839	417,098
Previously unpaid capital	-	197,999
Share split 15 September 2020	47,934,240	-
Total share capital pre-IPO	58,333,333	13,675,063
Issue of shares on IPO 1 December 2020	25,000,000	15,000,000
Capitalised IPO costs	-	(715,294)
As at 31 December 2020	83,333,333	27,959,769

NOTE 7. EARNINGS PER SHARE

	31 December 2020	31 December 2019
Basic earnings per share (cents)	(2.5)	(5.6)
Diluted earnings per share (cents)	(2.5)	(5.6)
Loss attributable to the Ordinary shareholders of the Company used in calculating basic/diluted earnings per share (\$)	(1,067,352)	(544,237)
Weighted average number of shares used as a denominator in calculating basic and diluted loss per share	42,296,485	9,667,243

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 8. EVENTS SUBSEQUENT TO THE REPORTING PERIOD

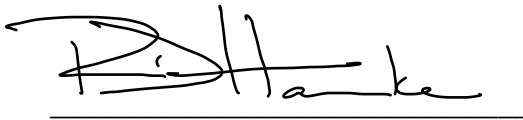
No matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Directors' Declaration

In the directors' opinion:

- (a) the financial statements and notes thereto are in accordance with the Corporations Act 2001, including:
 - (i) complying with AASB 134 Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half year on that date, and
- (b) that there are reasonable grounds to believe that the Control Bionics Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of directors.

A handwritten signature in black ink, appearing to read 'R. Hawke', is written over a horizontal line.

Roger Hawke, Director

Sydney, 24 February 2021

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Control Bionics Limited

Report on the Half Year Financial Report

Conclusion

We have reviewed the half year financial report of Control Bionics Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half year ended on that date, a summary of statement of 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 the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the half year ended on that date; and
- (ii) 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 Financial Report* section of our report. We are independent of the Company 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 the 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 the same terms if given to the directors as at the time of this auditor's review report.

Other matter

The half year financial report for 6 months ending 31 December 2019 was not reviewed. Accordingly, the corresponding figures within the Statement of Profit and Loss and Other Comprehensive Income have not been reviewed.



Responsibility of the directors for the 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 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 2020 and its financial 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.

BDO Audit Pty Ltd

A handwritten signature in black ink, appearing to read 'John Bresolin', is written over a faint, larger 'BDO' watermark.

John Bresolin
Director

Sydney, 24 February 2021