Australian Agricultural Projects Limited

ABN: 19 104 555 455

Interim Financial Report

for the half-year ended 31 December 2022

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The Board of Directors present their report on the consolidated entity consisting of Australian Agricultural Projects Limited ("ASX:AAP") (Company) and its controlled entities (Group) for the six months ended 31 December 2022 and the independent auditor's review report thereon:

1. Directors

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

Name	Period of directorship
Mr Paul Challis *Managing Director*	Director since 12 September 2007
Mr Daniel Stefanetti *Non-Executive Director*	Director since 26 September 2019
Mr Anthony Ho *Non-Executive Director*	Director since 30 April 2003

2. Results and review of operations

The Company presents its financial report for the six months period to 31 December 2022. The financial result for this period was a net profit after tax of $213,393 (2021: loss of $57,500). The principal drivers in the change to this result are:

- The estimated 2023 harvest being larger than the prior year estimate largely as a consequence of this being an "on" year in the biennial cycle of the orchard. This has the impact of increasing the level of management fees that are expected to be received;
- Reduced orchard costs as many orchard activities were deferred due to the heavy rains and flood conditions that limited trafficability at the orchard over the six month reporting period;
- Reduced borrowing costs which resulted from the refinance of the bank borrowings in April 2022; and
- An increased tax benefit recouped as a consequence of a larger upward revaluation of the bearer plants.

Expected yield

Flowering at the orchard occurred in November 2022 over an extended period raising fears of low pollination. Despite this, the final fruit set appears reasonably consistent with management's expectations. The principal factors that have impacted the assessment of the likely 2023 oil production are:

- The level of flowering in November was largely in line with orchard management's expectations. A cooler and wetter Spring in Victoria resulted in an extended flowering period with the full bloom being around two weeks later than usual. The recent assessment of fruit set confirms that the number of fruit is in line with expectations however, largely as a consequence of the late flowering, it is anticipated that oil accumulation over the season will be lower than our historical average;
- it is an "on" year in the biennial cycle of orchard production; and
- the improving harvests from the large second tranche of the replanting programme (completed March 2019).

In summary, we estimate that total oil production from the 2023 harvest will be in the region of 750,000 to 800,000 litres, a likely increase over the 2022 harvest of 564,500 litres. A result in this region would likely see the two-year rolling average production continue to increase. As always, final volumes of oil produced is dependent upon many factors including climatic conditions between now and the harvest in May 2023.

The Company remains confident that the two-year rolling average production will continue to grow over the medium term as the recently replanted portion of the orchard continues to mature. This portion represents approximately 40% of the total area of the orchard and the small (28 hectare) initial plantings in 2018 are now nearing full production. It is expected the last plantings completed in 2022 will approach maturity in 2028 or 2029.

2. Results and review of operations (continued)

A view of the 2019 planting ready for harvest

Recent rains and water

The heavy spring rains resulted in flooding at the orchard. Management reported that the amount of water that flowed onto the orchard appeared to be similar to that experienced during the 2011 floods however, as a consequence of the additional drainage works that were completed during the replanting programme, the water, generally speaking, flowed across the orchard quicker than before and the amount of pooling was reduced.

The three main impacts the flooding had on orchard operations were:

- Orchard access was restricted during this period and as a result some activities such as pruning, weed control and fertiliser application were not able to be completed in line with normal timeframes. These functions have largely been brought up to date as the orchard has dried and become trafficable;
- A small number of mature trees have, in the areas where water was pooled for a period of time, been severely stressed and based on our past experience, we expect these trees to recover over the next few years.
- In the region of 5,000 of the trees planted in March of last year did not survive the extreme conditions and management plan to replant these in the near future. The replanting cost is not significant and will be completed as part of normal operations; and
- A significantly reduced need for irrigation.

Management has amended its plans to acquire water taking advantage of the current low price of water. At present the market price for water is in the region of $20 per ML compared to $80 last year and $720 during the past drought. The current long term plan to acquire water for the orchard remains the same, that is, utilising a combination of strategies including carry-over rights from the previous year, short and medium-term water leases and acquisition on the spot market. In summary, the supply and availability of water (other than the current flooding) is not seen as a business risk for the next 12 to 24 months after which it is expected this business risk will return to more normal levels.

Oil sales

The Company sells the extra virgin olive oil produced through an Olive Oil Supply Agreement with Cobram Estate entered into in December 2012. The basis of this offtake arrangement is that the Company will supply all of the oil produced to Cobram Estate in support of their Australian retail packaged products. The pricing mechanism of this offtake arrangement is such that our Company benefits from Cobram Estate's ability to more effectively negotiate pricing improvements in the retail market. We note that the retail price of some of the key products sold within the Cobram Estate and Redisland range have recently been increased in the major Australian supermarkets.

As we reported earlier, the 2022 harvest resulted in a portion of virgin olive oil (the second highest grade of olive oil) being produced principally due to unfavourable climatic conditions during the 2022 harvest. This virgin olive oil produced was marketed directly by the Company rather than through Cobram Estate.. This strategy has benefited from a general industry shortage of olive oil resulting from a below average Australian harvest and bulk customer demand being higher than expected. As a consequence, management expect that total sales proceeds will be materially similar to initial expectations.

2. Results and review of operations (continued)

Oil sales (continued)

As a general comment, the Company's recent review of the Australian Extra Virgin Olive Oil market is that demand remains very strong for both retail and bulk product which has been compounded over the past few years with lower than expected industry production. This has resulted in very little extra virgin olive oil being carried over from one season to the next by the major producers in Australia. This local result is against a background of strong international bulk oil prices and lower than average world production.

Operating costs

The Company noticed that costs of inputs including casual labour, fertiliser and other chemical inputs all increased significantly during 2022. These have largely stabilised and in some instances, such as the cost of fertiliser, appear to be trending back to more historical levels.

Asset revaluation

During the reporting period, the principal assets of the Company were revalued, specifically:

Asset	Six months to 31 December 2022 Revaluation	31 December 2022 Valuation
Investment property (land)	30,171	2,042,321
Bearer plants (trees)	760,044	12,899,122
Total	790,215	14,941,443

Recognition

It is important to recognise the tremendous effort put in by the entire orchard team over the recent years which have been characterised by difficult operating conditions brought on by the COVID-19 pandemic and more recently, the autumn floods. This effort is highly appreciated.

3. Auditor's independence declaration

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 6.

Dated at Melbourne, Victoria, this 28th day of February 2023.

Signed in accordance with a resolution of the Directors:

Paul Challis
Managing Director

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DECLARATION OF INDEPENDENCE BY JAMES DIXON TO THE DIRECTORS OF AUSTRALIAN AGRICULTURAL PROJECTS LIMITED

As lead auditor for the review of Australian Agricultural Projects Limited for the half-year ended 31 December 2022, 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 Australian Agricultural Projects Limited and the entities it controlled during the period.

James Dixon
Director

BDO Audit Pty Ltd

Melbourne, 28 February 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the half-year ended 31 December 2022

	Note	31 December 2022 $	31 December 2021 $
Revenue	3	1,102,154	696,068
Cost of sales		(402,333)	(476,634)
		699,821	219,434
Other income		1,776	142,551
Corporate and administrative expenses		(182,411)	(184,549)
Depreciation and amortisation		(315,600)	(280,294)
Borrowing costs		(210,375)	(296,281)
Revaluation of investment property	5	30,171	251,425
Net profit / (loss) before income tax		23,382	(147,714)
Income tax benefit	9	190,011	90,214
Net profit / (loss) for the period		213,393	(57,500)
Other comprehensive Income			
Revaluation of bearer plants	4	570,033	270,643
Total comprehensive income for the period		783,426	213,143
Earnings per share			
Basic earnings / (loss) per share (cents)		0.07	(0.019)
Diluted earnings / (loss) per share (cents)		0.06	(0.019)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2022

	Note	31 December 2022 $	30 June 2022 $
CURRENT ASSETS			
Cash and cash equivalents		517,548	68,040
Trade and other receivables		2,235,875	2,380,655
Inventories		55,179	374,453
Other		370,630	38,043
Total Current Assets		3,179,232	2,861,190
NON CURRENT ASSETS			
Property, plant and equipment		828,338	925,115
Right of use asset		55,038	61,152
Bearer plants	4	12,899,122	12,351,787
Investment property	5	2,042,321	2,012,150
Total Non Current Assets		15,824,819	15,350,204
TOTAL ASSETS		**19,004,051**	**18,211,395**
CURRENT LIABILITIES			
Trade and other payables		2,767,308	2,925,593
Lease liability	6	13,954	13,365
Provisions		321,472	311,770
Loans and borrowings	7	521,210	17,859
Total Current Liabilities		3,623,944	3,268,587
NON CURRENT LIABILITIES			
Lease liability	6	40,628	47,755
Loans and borrowings	7	6,319,500	6,658,500
Total Non Current Liabilities		6,360,128	6,706,255
TOTAL LIABILITIES		**9,984,072**	**9,974,842**
NET ASSETS		**9,019,979**	**8,236,553**
EQUITY			
Issued Capital / Contributed equity		24,338,804	24,338,804
Reserves		3,920,369	3,350,336
Accumulated losses		(19,239,194)	(19,452,587)
TOTAL EQUITY		**9,019,979**	**8,236,553**

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
for the half-year ended 31 December 2022

	31 December 2022 $	31 December 2021 $
Cash flows from operating activities		
Cash receipts in the course of operations	1,946,930	2,745,982
Cash payments in the course of operations	(1,503,593)	(1,502,811)
Interest received	1,776	58
Interest paid	(153,418)	(304,303)
Net cash provided by operating activities	**291,695**	**938,926**
Cash flows from investing activities		
Payment for bearer plants	-	(83,425)
Net cash used in investing activities	**-**	**(83,425)**
Cash flows from financing activities		
Issue of capital (net of costs)		(382)
Proceeds of borrowings	175,000	50,000
Repayment of borrowings	(10,649)	(310,257)
Repayment of lease liability	(6,538)	-
Net cash provided by/(used in) financing activities	**157,813**	**(260,639)**
Net increase in cash and cash equivalents held	449,508	594,862
Cash and cash equivalents at the beginning of the period	68,040	134,941
Cash and cash equivalents at the end of the period	**517,548**	**729,803**

The consolidated statement of cash flows 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 $	Reserves $	Accumulated Losses $	Total Equity $
Balance as at 1 July 2022	24,338,804	3,350,336	(19,452,587)	8,236,553
Profit net of tax for the half year	-	-	213,393	213,393
Other comprehensive income	-	570,033	-	570,033
Total comprehensive income for the period	-	570,033	213,393	783,426
Balance as at 31 December 2022	**24,338,804**	**3,920,369**	**(19,239,194)**	**9,019,979**

	Contributed Equity $	Reserves $	Accumulated Losses $	Total Equity $
Balance as at 1 July 2021	24,339,186	2,387,370	(19,205,995)	7,520,561
Loss net of tax for the half year	-	-	(57,500)	(57,500)
Other comprehensive income	-	270,643	-	270,643
Total comprehensive income for the period	-	270,643	(57,500)	213,143
Contribution to equity (net of costs)	(382)	-	-	(382)
Balance as at 31 December 2021	**24,338,804**	**2,658,013**	**(19,263,495)**	**7,733,322**

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

1. CORPORATE INFORMATION

Australian Agricultural Projects Limited ("Company") is a public company limited by shares, incorporated in Australia whose shares are quoted on the Australian Securities Exchange.

The consolidated interim financial report as at and for the six months ended 31 December 2022 comprises the Company and its subsidiaries (together referred to as the "consolidated entity" or "Group").

The annual financial report of the consolidated entity as at and for the year ended 30 June 2022 is available upon request from the Company's registered office or may be viewed on the Company's website, www.voopl.com.au.

This consolidated interim financial report was approved by the Board of Directors on 28th of February 2023.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The consolidated interim financial report is a general-purpose financial report which has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reports* and the *Corporations Act 2001*. The interim financial report has been prepared on the historical cost basis with the exception of financial assets and liabilities and the investment property and bearer plants which are recorded at fair value.

The consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the consolidated entity as at and for the year ended 30 June 2022. It is also recommended that the interim financial report be considered together with any public announcements made by the consolidated entity during the six months ended 31 December 2022 in accordance with continuous disclosure obligations under the *ASX Listing Rules*.

(b) Accounting policies

The accounting policies applied by the Group in this consolidated interim financial report are the same as those applied by the Group in its consolidated annual financial report as at and for the year ended 30 June 2022.

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial report as at and for the year ended 30 June 2022.

3. REVENUE

	31 December 2022	31 December 2021
Management fees	716,296	314,396
Lease fees from the investment property	385,858	363,672
Other Revenue	-	18,000
	1,102,154	696,068

4. BEARER PLANTS

	31 December 2022	30 June 2022
Bearer plants	12,783,493	12,351,787
Movement consists of:		
Bearer plants opening balance	12,351,787	10,721,278
Depreciation of bearer plants	(212,709)	(373,729)
Capital improvements	-	720,284
Net fair value gain on bearer plants	760,044	1,283,954
	12,899,122	12,351,787

4. BEARER PLANTS (continued)

Note: The comparative numbers headed 30 June 2022 are as at 30 June 2022. The detail for the comparative six month period ended 31 December 2021 are opening balance $10,721,278, depreciation of bearer plants ($184,703), capital improvements $83,425 and net fair value gain on bearer plants $360,857 resulting in a total value of bearer plants at 31 December 2021 of $10,980,857.

The bearer plants are a level 3 asset for the purposes of determining fair value. The bearer plants comprise the trees on a 403 hectare olive orchard. They are leased in conjunction with the investment property to two managed investment schemes for an initial period to 2025 plus an option of another 25 years.

The value of the bearer plants was determined by the directors at 31 December 2022 by discounting the cash flows of expected future net income streams over the remaining useful life of the bearer plants based on the following key assumptions:

- Future cash inflows were estimated as the budgeted rental to be received from the investment property increased annually by CPI indexation commencing at a rate of 6.0% decreasing to a long-term average of 3% from 2027. Where the rental forms a percentage of the proceeds from the sale of the produce from the property, the long-term average value of the production was assumed to increase by 3% per annum.
- Where a lease is required to be renewed at a market rental at the end of the first term in 2025, the market rental at that time is assumed to be $4,000 per hectare.
- Pre-tax discount rate of 11.0% was applied to future cash flows, which is based on Group cost of funding plus risk premium.
- The orchard has a short-term yield averaging 8.0 tonnes of fruit per hectare per annum increasing to a long term average of 10.5 tonnes per hectare per annum from 2027.
- The average annual price of water available to the orchard increases from $30 per ML in the current year to a long term average of $170 per ML from 2027.

The sensitivity of these long-term assumptions are as follows:

Assumption	Assumed Value	Sensitivity	Change in Valuation $
CPI	3.0%	if increased to 3.5%	902,307
		if reduced to 2.5 %	(799,285)
Discount rate	11.0%	if increased to 11.5%	(960,982)
		if reduced to 10.5 %	1,091,086
Harvest yield	10.5 t per ha	if increased to 11.5 tonne per ha	298,780
		if reduced to 9.5 tonne per ha	(298,780)
Average price of water	$170 per ML	if increased to $190 per ML	(219,136)
		if reduced to $150 per ML	219,136

The investment property including the bearer plant assets have been pledged as security in support of the consolidated entity's finance facilities provided by the National Australia Bank.

The lease agreements require the consolidated entity to provide sufficient water to the property to allow for the commercial growing of olives and meet all outgoings associated with the property.

5. INVESTMENT PROPERTY

	31 December 2022 $	30 June 2022 $
Investment property	2,042,321	2,012,150
Movement consists of:		
Investment property opening balance	2,012,150	1,760,725
Net fair value gain investment property	30,171	251,425
	2,042,321	2,012,150

Note: The comparative numbers headed 30 June 2022 are as at 30 June 2022. The detail for the comparative six month period ended 31 December 2021 are the same as there was no change to the valuation of the property between 1 January 2022 and 30 June 2022.

The investment property is a level 3 asset for the purposes of determining fair value. The investment property comprises land located at 1453 Wychitella Quambatook Road, Terrappee in Victoria totalling 517.85 hectares. The land has been planted with the olive trees (bearer plants) included in Note 4 Bearer Plants. The investment property, in conjunction with the olive trees, are leased to two managed investment schemes for an initial period to 2025 plus an option of another 25 years. The majority of the expenses of the Group are incurred to maintain the investment property and the bearer plants as a combined asset, and as such a reasonable split of the expenses between the investment property and the bearer plants cannot be made.

The value of the investment property was determined by the Directors at 31 December 2022 with reference to a valuation dated 4 April 2022 prepared by a recognised and relevantly qualified, independent professional who has relevant experience in the region and the industry and percentage movements in property valuations based upon local shire site valuations. The key assumptions in management's valuation were:

- A fair value for the land was $4,060 per hectare of usable land; and
- A fair value for the land of $50 per hectare of unusable land with remnant vegetation.

The sensitivity of these assumptions are as follows:

Assumption	Assumed Value	Sensitivity	Change in Valuation $
Fair value per hectare of usable land	$4,060	if increased 5% to $4,263 per hectare	102,079
		if reduced 5% to $3,857 per hectare	(102,079)
Fair value per hectare of land with remnant vegetation	$50	if increased 10% to $55 per hectare	75
		if reduced 10% to $45 per hectare	(75)

The investment property including the bearer plant assets have been pledged as security in support of the consolidated entity's finance facilities provided by the National Australia Bank.

6. LEASE LIABILITY

	31 December 2022 $	30 June 2022 $
Current lease liability	13,954	13,365
Non-current lease liability	40,628	47,755
Total lease liability	54,582	61,120

The lease liability relates to a lease of office premises which at 31 December 2022 was on a month to month basis and assumed to continue until 30 June 2026.

7. LOANS AND BORROWINGS

Current loans and borrowings		
Hire purchase	7,210	17,859
Shareholder loans	514,000	-
	521,210	17,859
Non current loans and borrowings		
Secured loan	5,192,500	5,192,500
Shareholder loans	1,127,000	1,466,000
	6,319,500	6,658,500
Total loans and borrowings	6,840,710	6,676,359

8 RELATED PARTY DISCLOSURES

A member of the consolidated entity, Victorian Olive Oil Project Limited, acts as the responsible entity for two managed investment schemes. The consolidated entity transacts with these schemes in accordance with contracts which are fundamental to the operation of the schemes. Paul Challis is a director of Victorian Olive Oil Project Limited.

			Transactions value six months ended 31 December		Balance outstanding as at	
	Transaction	Note	2022 $	2021 $	31 Dec 2022 $	30 June 2022 $
Scheme						
Victorian Olive Oil Project	Lease fees	(i)	385,858	363,676	672,042	756,172
	Management fees	(ii)	710,296	314,396	1,047,355	1,009,927
Victorian Olive Oil Project II	Costs of operating the project that have been capitalised until harvest	(iii)	304,581	393,732	-	-
	Lease and management fees receivable	(ii)	-	-	204,917	417,941
	Oil purchased	(iv)	-	-	(1,000,998)	(1,022,171)

Notes in relation to the table of key transactions with associated entities

(i) The consolidated entity receives lease fees in respect to the land, trees and orchard assets which are leased to the schemes. These lease fees are as set out in the scheme constitution and original product disclosure statement.

(ii) The consolidated entity receives management fees for the management of the orchard and the processing of the annual harvest from the investors in the managed investment schemes as well as for acting as responsible entity. These fees are as set out in the scheme constitution and the original disclosure statement.

(iii) Where the management fees set out in (ii) above are subject to a production sharing arrangement, the direct costs incurred in farming this portion of the orchard are capitalised until harvest.

(iv) The consolidated entity sells the oil produced by the investors in the managed investment schemes on their behalf. At reporting date, the balance outstanding is the amount of proceeds received by the consolidated entity that has still to be paid to investors.

	31 December 2022	31 December 2021
9. INCOME TAX		
Income tax benefit	190,011	90,214

The Directors have not recognised a deferred tax asset to the extent of losses available to the Company. In preparing this interim financial report, the Directors have considered the current circumstances of the Company and are satisfied that, given there is still insufficient certainty about the period over which the tax losses will be recovered, it is appropriate to continue to not recognise the deferred tax asset.

An income tax benefit is recognised to the extent that the increase in the valuation of bearer plants will recoup a portion of the deferred tax losses not previously recognised.

10 SEGMENT INFORMATION

Business segments

The Company operates in just one segment, that being the management and lease of olive orchard assets. This includes the cultivation of olive trees, the harvesting and processing of fruit to oil, the marketing of oil produced as well as related services.

Seasonality

A portion of the orchard fees the Company earns is subject to seasonal influences and those fees are not recognised until the orchard is harvested and the resulting oil produced during April to June 2023. The recognition of the orchard expenses related to this portion of fee income are also deferred until the time of harvest.

11 COMMITMENTS AND CONTINGENT LIABILITIES

The Company does not have any capital commitments or contingent liabilities at balance and reporting dates.

12 EVENTS SUBSEQUENT TO REPORTING DATE

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

DIRECTORS' DECLARATION

The Board of Directors of Australian Agricultural Projects Limited ("Company") declare that:

1. the financial statements and notes, as set out on pages 7 to 15, of the consolidated entity are in accordance with the *Corporations Act 2001*, including:

   (a) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2022 and of its performance for the six month period ended on that date; and

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

2. in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Melbourne, Victoria, this 28th day of February 2023.

Signed in accordance with a resolution of the Directors:

Paul Challis
Managing Director

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Australian Agricultural Projects Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Australian Agricultural Projects Limited (the Company) and its subsidiaries (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, 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 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 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 2022 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.

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 2022 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

BDO

James Dixon
Director

Melbourne, 28 February 2023