

# Invex Therapeutics Ltd

(ACN 632 145 334)

## APPENDIX 4D – HALF-YEAR FINANCIAL REPORT

### Reporting period

Current period: Half year ended 31 December 2019

Previous corresponding period: N/A

### Results for announcement to market

	% increase/ (decrease)	31 December 2019
Other income	N/A	91,870
Loss from ordinary activities after tax attributable to members	(N/A)	1,110,630
Net loss for the period attributable to members	(N/A)	1,110,630

### Dividends

No dividends have been declared or paid during the period ended 31 December 2019. The Directors do not recommend the payment of a dividend in respect of the period ended 31 December 2019.

The Company does not have any dividend reinvestment plan in operation.

### Explanation of results

Please refer to Results and Review of Operations within the Directors' Report for an explanation of the results.

### Net tangible assets per security

Net tangible asset per share	31 December 2019 cents per share	30 June 2019 cents per share
Net tangible asset per share	18.80	20.58

### Other

The Company incorporated Invex Therapeutics Ltd UK on 12 December 2019. The Company has not gained or lost control of any other entities during the period.

There are no associates or joint ventures held by the Company.

### Review Conclusion

This Report is based on the Half-Year financial report for the period ended 31 December 2019. The financial report has been subject to a review by an independent auditor and the review is not subject to a qualification.



## HALF YEAR FINANCIAL REPORT

for the half year ended 31 December 2019

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**CORPORATE INFORMATION**

**Directors**

Prof Alexandra Sinclair	Executive Director
Dr Jason Loveridge	Non-Executive Chairman
David McAuliffe	Non-Executive Director
Narelle Warren	Non-Executive Director

**Company Secretary**

Narelle Warren

**Registered and principal administrative office**

Level 1, 38 Rowland Street  
Subiaco WA 6008  
Telephone: +61 8 9382 0137

**Principal place of business**

Unit 28, Birmingham Research Park  
97 Vincent Drive  
Edgbaston, Birmingham B15 2SQ  
United Kingdom

**Share Registry**

Automic Registry Services  
Level 5  
126 Phillip Street  
Sydney NSW 2000

**Solicitors**

Steinepreis Paganin  
Level 1  
Milligan Street  
Perth WA 6000

**Bankers**

Westpac Banking Corporation  
Level 14  
109 St Georges Terrace  
Perth WA 6000

**Auditors**

BDO Audit (WA) Pty Ltd  
38 Station St  
Subiaco WA 6008

**Securities Exchange Listing**

Invex Therapeutics Ltd is listed on the Australian Securities Exchange (ASX Code: IXC)

## DIRECTORS' REPORT

Your Directors have pleasure in submitting their report together with the condensed consolidated financial statements of Invex Therapeutics Ltd (**Invex** or **Group**) and its controlled entity (**Invex UK**) for the half year ended 31 December 2019. In order to comply with the provisions of the Corporations Act 2001, the Directors' report as follows:

### DIRECTORS

The Directors in office at any time during the period and until the date of this report are as follows:

Professor Alexandra Sinclair	Executive Director
Dr Jason Loveridge	Non-Executive Chairman
Mr David McAuliffe	Non-Executive Director
Ms Narelle Warren	Non-Executive Independent Director

The Directors have been in office since the start of the period to the date of this report unless otherwise stated.

### PRINCIPAL ACTIVITIES

Invex is a biopharmaceutical Group focused on the repurposing of an already approved drug, Exenatide, for efficacious treatment of neurological conditions derived from or involving raised intracranial pressure, such as Idiopathic Intracranial Hypertension (IIH), acute stroke and traumatic brain injury. The Group's first program is the development of Presendin™ for IIH, a severe condition which can lead to disabling headaches and permanent vision loss predominately in females. Presendin™ is the Group's filed (and granted) trademark name for reformulated Exenatide currently in development.

The principal activity of the Group during the period has been the reformulation of Exenatide to optimise the delivery of the drug for patients with IIH, the prosecution of the Group's patent portfolio and the exploration of other indications involving raised intracranial pressure with the goal of expanding the Group's proprietary drug candidates beyond Presendin™. A Phase II clinical trial of Exenatide in IIH is near completion and results are anticipated at the end of the first quarter to early second quarter 2020.

### RESULTS

The net loss attributable to members of the Group for the half year ended 31 December 2019 was \$1,110,630. This loss included; share based payments of \$132,570, costs associated with the Phase II clinical trial and the compliance and administration costs of an ASX listed company.

The Group's cash at bank was \$10,843,292 as at 31 December 2019.

### REVIEW OF OPERATIONS

#### Operational Highlights

Since year end the Group is pleased to report the following achievements:

- The repurposing of Exenatide for IIH progressed as planned and a number of potential formulations were identified which were evaluated in-vivo in the fourth quarter of calendar year 2019. The Group has chosen a small number of potential final formulations and is currently evaluating manufacture options for Presendin™ for future clinical studies, including a potential registration study in IIH.
- The Phase II randomised, double blinded study of Exenatide in IIH progressed ahead of schedule due to better than anticipated patient recruitment.
- The Group announced its application for a patent in Japan had been granted. The Group is actively pursuing patent applications at both the European and the US patent offices.

## DIRECTORS' REPORT (Cont'd)

### REVIEW OF OPERATIONS (CONT'D)

#### Operational Highlights (Cont'd)

- In December 2019 the Company incorporated a UK subsidiary, Invex Therapeutics Ltd (**Invex UK**) and entered into a lease agreement subsequent to period end to secure a principal place of business at the Birmingham Research Park in Edgbaston. Invex UK will employ personnel to work alongside Professor Alexandra Sinclair to manage and support the Company's clinical trial programmes.
- In January 2020 Invex announced the sixteenth and final patient enrolled had completed the 12-week dosing regimen in the Company's randomised Phase II, double-blind, placebo-controlled clinical trial examining the treatment of IIH with Exenatide.
- In February 2020 the Trade Mark Application No UK00003462892 Presendin™ was granted in the UK.

#### Outlook

The Phase II clinical trial has been designed to demonstrate that Exenatide can significantly reduce intracranial pressure in IIH patients, and to gather data which will be necessary to design a subsequent Phase III registration clinical trial to gain regulatory clearance for Presendin™ in IIH in the United States (US), Europe and Australia. This process is facilitated by Invex having been granted orphan drug designation in the US (FDA) and Europe (EMA) for the use of Exenatide in IIH.

The completion of the Phase II clinical trial for Exenatide represents an important milestone for Invex, its shareholders and patients living with the burden of IIH. Invex eagerly awaits analysis of the study findings and the reporting of the clinical results to the market towards the end of the first quarter to early second quarter 2020.

#### SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Group during the financial period not otherwise disclosed in this report or the financial statements.

#### AFTER BALANCE DATE EVENTS

On 21 January 2020 the Company granted 1,250,000 unlisted options subject to certain vesting conditions and exercisable at \$1.00 each or before 21 January 2023.

Apart from the events discussed above, no other matters or circumstances have arisen since the end of the period which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Company in subsequent financial years.

#### LIKELY DEVELOPMENTS

Other than as disclosed elsewhere in this report, there are no likely developments in the operations of the Group that were not finalised at the date of this report.

#### ENVIRONMENTAL REGULATION

The Group is not subject to any significant environmental Commonwealth or State regulations or laws.

## **DIRECTORS' REPORT (Cont'd)**

### **DIVIDENDS**

There were no dividends paid or declared or recommended since the start of the period.

Signed in accordance with a resolution of the Directors.

A handwritten signature in black ink that reads "David McAuliffe". The signature is written in a cursive style with a large initial 'D'.

**David McAuliffe**  
*Non-Executive Director*  
26 February 2020

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF INVEX THERAPEUTICS LTD

As lead auditor for the review of Invex Therapeutics Ltd for the half-year ended 31 December 2019, 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 Invex Therapeutics Ltd and the entity it controlled during the period.



Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 26 February 2020

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
For the half year ended 31 December 2019

	Note	31 December 2019 \$
Other income	3	91,870
Research and development expenses		(755,402)
Administration and corporate costs		(314,528)
Share based payments	4	(132,570)
<b>Loss before income tax</b>		<b>(1,110,630)</b>
Income tax benefit/(expense)		-
<b>Loss after tax for the period attributable to the members of Invex Therapeutics Ltd</b>		<b>(1,110,630)</b>
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Exchange differences on translation of foreign operations, net of tax		26
<b>Total comprehensive loss for the period attributable to the members of Invex Therapeutics Ltd</b>		<b>(1,110,604)</b>
Basic and diluted loss per share (cents per share) for the period attributed to the members of		(2.02)

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
As at 31 December 2019

	Note	31 December 2019 \$	30 June 2019 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		10,843,292	12,170,247
Other receivables		34,417	85,620
<b>Total Current Assets</b>		<b>10,877,709</b>	<b>12,255,867</b>
<b>Non-Current Assets</b>			
Intangibles Asset		117,946	117,946
<b>Total Non-current Assets</b>		<b>117,946</b>	<b>117,946</b>
<b>TOTAL ASSETS</b>		<b>10,995,655</b>	<b>12,373,813</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	5	535,419	935,491
<b>Total Current Liabilities</b>		<b>535,419</b>	<b>935,491</b>
<b>TOTAL LIABILITIES</b>		<b>535,419</b>	<b>935,491</b>
<b>NET ASSETS</b>		<b>10,460,236</b>	<b>11,438,322</b>
<b>EQUITY</b>			
Issued capital	6	11,670,444	11,670,444
Reserves	7	132,544	-
Accumulated losses		(1,342,752)	(232,122)
<b>TOTAL EQUITY</b>		<b>10,460,236</b>	<b>11,438,322</b>

The above Condensed 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 2019

	Issued Capital	Reserves	Accumulated Losses	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2019</b>	<b>11,670,444</b>	-	<b>(232,122)</b>	<b>11,438,322</b>
Loss for the period	-	-	(1,110,630)	(1,110,630)
Fx adjustments on consolidation		(26)		(26)
<b>Total comprehensive loss for the period</b>	-	<b>(26)</b>	<b>(1,110,630)</b>	<b>(1,110,604)</b>
Transaction with owners, directly recorded in equity:				
Issue of Options	-	132,570		132,570
<b>Balance at 31 December 2019</b>	<b>11,670,444</b>	<b>132,544</b>	<b>(1,342,752)</b>	<b>10,460,236</b>

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the half year ended 31 December 2019

	<b>31 December 2019 \$</b>
<b>Cash flows from operating activities</b>	
Payments to suppliers and employees	(570,944)
Interest received	91,870
<b>Net cash flows used in operating activities</b>	<b>(479,074)</b>
<b>Cash flows from financing activities</b>	
Payments for capital raising costs	(847,881)
<b>Net cash flows used in financing activities</b>	<b>(847,881)</b>
Net decrease in cash and cash equivalents	(1,326,955)
Cash and cash equivalents at beginning period	12,170,247
<b>Cash and cash equivalents at end period</b>	<b>10,843,292</b>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
For the period ended 31 December 2019

**NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT**

Invex Therapeutics Ltd (**Invex** or **Company**) is a listed public company incorporated and domiciled in Australia and is the parent Company. The consolidated interim financial report of the Company as at and for the six months ended 31 December 2019 comprises the Company and its subsidiaries (together referred to as the “Group”).

A description of the nature of the Group’s operations and its principal activities is included in the Directors’ Report which does not form part of this financial report.

The financial statements were authorised by the Board of Directors on the date of signing the Directors’ Declaration.

**a) Basis of Preparation**

The half-year financial statements are general purpose financial statements prepared in accordance with Australian Accounting Standards 134 ‘Interim Financial Reporting’ and the Corporations Act 2001.

The half-year report does not include full disclosures of the type normally included in an annual financial report. For the purposes of preparing the half-year condensed financial statements, the half-year has been treated as a discrete reporting period.

It is recommended that this financial report be read in conjunction with the annual financial report for the period ended 30 June 2019 and any public announcements made by Invex Therapeutics Ltd during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

Invex Therapeutics Ltd is a company Ltd by shares. The financial report is presented in Australian currency and all amounts noted are in Australian dollars unless otherwise noted. Invex Therapeutics is a for-profit entity.

The Company was incorporated on 8 March 2019 and this represents the first half-year reporting period for the Group. The financial report therefore does not include comparative information for the corresponding half-year.

Except as disclosed in note 1(c), the accounting policies have been consistently applied by the consolidated entity and are consistent with those applied in the previous financial period.

**b) Adoption of new and revised accounting standards**

These consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the period ended 30 June 2019, except for the impact of the new and amended standards and interpretations issued by the AASB.

**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.

**AASB 16 – Leases**

The consolidated entity has adopted AASB 16 from 1 July 2019 using the retrospective modified approach and as such the comparatives have not been restated. The impact of adoption is not material to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2019

### NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT (CONT'D)

#### c) Changes to critical accounting estimates and judgements

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liabilities affected in future periods.

The critical accounting estimates and judgements adopted in the half-year financial report are consistent with those applied in the preparation of the Group's annual report for the period ended 30 June 2019, except for:

#### *Share-based payment transactions*

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes model.

### NOTE 2: SEGMENT REPORTING

The chief operating decision maker has been identified as the Board of Directors.

The Company has one operating segment being clinical drug development that is consistent with internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of Directors.

In the half year ended 31 December 2019 the Company operated in one segment only.

### NOTE 3: OTHER INCOME

	<b>31 December 2019</b>
	\$
<b>Interest and other income</b>	
Interest revenue	91,870
	<u>91,870</u>

### NOTE 4: SHARE BASED PAYMENTS

Share based payments made during the period ended 31 December 2019 are summarised below.

#### (a) Recognised Share Based Payment Expense

	<b>31 December 2019</b>
	\$
Options granted to Directors as incentive	132,570
	<u>132,570</u>

**NOTES TO THE FINANCIAL STATEMENTS**

For the period ended 31 December 2019

**NOTE 4: SHARE BASED PAYMENTS (CONT'D)**

**(b) Options granted to Directors for services**

The Company's current Employee Share Option Plan (**ESOP**) was approved by the board of directors on 20 May 2019. The ESOP is designed to provide medium and long term incentives for all employees (including non-executive and executive directors) and to attract and retain experienced employees, board members and executive officers and provide motivation to make the Company more successful.

Under the ESOP, participants have been granted options which only vest if certain milestones are met. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefit.

Any option may only be exercised after the option has vested and other conditions imposed by the board have been satisfied. Options are granted under the ESOP for no consideration. Options granted under the ESOP carry no dividend or voting rights. When exercisable, shares allotted pursuant to the exercise of options will be allotted following receipt of relevant documentation and payments will rank equally with all other shares.

As options granted to employees are considered to represent the value of the services received over the vesting period of the options, the assessed value of the options are recognised and expensed over the vesting period. Options vesting during the period of issue are fully expensed under the accounting standards. The total Employee Options expense for the period is outlined below.

Tranche	Valuation Date	Expiry Date	Exercise Price	Granted during the period	Vested during the Period	Total Share-Based Payment Expense for the Period
1	22 November 2019	22 November 2023	\$0.60	2,200,000	-	132,570
<b>Total</b>				<b>2,200,000</b>	-	<b>132,570</b>

Appropriate values for these employee options using the Black Scholes Model applying the following inputs.

Share price	\$0.71
Exercise price	\$0.60
Expected volatility	75%
Expiry date (years)	4.00
Expected dividends	Nil
Risk free rate	0.77%
Value per option	\$0.42

The vesting conditions attached to the Employee Options are as follows

- 50% of the Options will vest and become exercisable upon completion of 12 months continuous service from date of issue.
- 50% of the Options vest and become exercisable upon completion of 24 months continuous service from date of issue.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the period ended 31 December 2019

**NOTE 5: TRADE AND OTHER PAYABLES**

	<b>31 December 2019</b>	<b>30 June 2019</b>
	\$	\$
<b>Current:</b>		
Trade payables <sup>(1)</sup>	13,818	920,491
Accruals & other payables <sup>(2)</sup>	521,601	15,000
	<b>535,419</b>	<b>935,491</b>

(1) Current trade payables are non-interest bearing and are normally settled on 30-day terms.

(2) \$510,601 of the balance relates to accrual for services provided by University of Birmingham.

**NOTE 6: ISSUED CAPITAL**

	<b>Number of Shares</b>	<b>Value \$</b>
<b>Opening balance – 1 July 2019</b>	55,000,001	11,670,444
<b>Closing Balance – 31 December 2019</b>	<b>55,000,001</b>	<b>11,670,444</b>

Ordinary shares have the right to receive dividends as declared, and in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid upon shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

**Capital Management**

When managing capital, the Board's objective is to ensure the Company continues as a going concern as well as to maximise the returns to shareholders and benefits for other stakeholders. The Board also aims to maintain a capital structure that ensures the lowest cost of capital available to the Company.

The Board is constantly reviewing the capital structure to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, the Board may issue new shares, return capital to shareholders or sell assets to reduce debt.

The Company was not subject to any externally imposed capital requirements during the year.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the period ended 31 December 2019

**NOTE 7: RESERVES**

**Nature and Purpose of Reserve**

The share based payment reserve records the value of options, performance rights and performance shares issued to the Company's directors, employees, and third parties. The value of the amount disclosed during the period reflects the value of options, performance rights and performance shares issued by the Group.

The Foreign currency translation reserve records exchange differences arising on translation of foreign controlled entities.

	<b>31 December 2019</b>	<b>30 June 2019</b>
	<b>\$</b>	<b>\$</b>
Foreign currency translation reserve	(26)	-
Share based payment reserve	132,570	-
<b>Total Reserves</b>	<b>132,544</b>	<b>-</b>

**Options outstanding at 31 December 2019**

The following options over ordinary shares of the Company were granted at reporting date:

Grant Date	Expiry Date	Exercise Price	Balance at start of Period (number)	Granted During the Period (number)	Exercised during the Period (number)	Forfeited during the Period (number)	Balance at Period end (number)	Vested and exercisable at Period end (number)
22 Nov 2019	22 Nov 2023	\$0.60	-	2,200,000	-	-	2,200,000	-
<b>Total</b>			-	<b>2,200,000</b>	-	-	<b>2,200,000</b>	-

Reconciliation of movement in Share based payment reserve:

	<b>Number of Options</b>	<b>Value \$</b>
Opening Balance - 1 July 2019	-	-
Share based payment expense in respect to employee options on issue as at 31 December 2019 and granted during the period	2,200,000	132,570
Closing Balance – 31 December 2019	<b>2,200,000</b>	<b>132,570</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
For the period ended 31 December 2019

**NOTE 8: EVENTS OCCURRING AFTER THE REPORTING PERIOD**

On 21 January 2020 the Company granted 1,250,000 unlisted options subject to certain vesting conditions exercisable at \$1.00 each, or before 21 January 2023.

Apart from the events discussed above, no other matters or circumstances have arisen since the end of the period which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

**NOTE 9: COMMITMENTS< CONTINGENT LIABILITIES & CONTINGENT ASSETS**

The Directors are not aware of any contingent liabilities that may arise from the Company's operations as at 31 December 2019.

**NOTE 10: RELATED PARTY DISCLOSURES**

The Company issued 2,200,000 unlisted options to Directors on the 22 November 2019. Refer to Note 4.

## DIRECTORS' DECLARATION

The directors of Invex Therapeutics Ltd declare that:

- (a) the financial statements comprising the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of financial position, condensed consolidated statement of cash flows, condensed consolidated statement of changes in equity and accompanying notes, are in accordance with the *Corporations Act 2001* and:
  - i. comply with Accounting Standard AASB 134 Interim Financial Reporting, the Corporations Regulations 2001, and other mandatory professional reporting requirements; and
  - ii. give a true and fair view of the Group's financial position as at 31 December 2019
  - iii. and of its performance of the half year ended on that date
- (b) there are reasonable grounds to believe that the Group 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 the Board of Directors.

On behalf of the Directors



David McAuliffe  
26 February 2020

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Invex Therapeutics Ltd

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Invex Therapeutics Ltd (the Company) and its subsidiaries (the Group), which comprises the condensed consolidated statement of financial position as at 31 December 2019, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year then ended, and notes comprising a 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 half-year financial report of the Group is not 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 2019 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.

#### Directors' responsibility for the Half-Year Financial Report

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

#### Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December 2019 and its 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. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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



#### Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit (WA) Pty Ltd

BDO

A handwritten signature in black ink, appearing to read 'J Prue', is written below the printed name.

Jarrad Prue

Director

Perth, 26 February 2020