Atomos Limited

Appendix 4D & Interim Financial Statements for the half-year ended 31 December 2021

ACN: 139 730 500
ASX Code: AMS

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Appendix 4D – Half-yearly report

Reporting period

Reporting period: Half-year ended 31 December 2021
Previous corresponding period (PCP): Half-year ended 31 December 2020

Results for announcement to the market

Revenue and loss after tax for the half-year ended 31 December 2021	$'000	Increase / (Decrease) On PCP	VAR%
Revenue from ordinary activities	40,923	8,173	25%
Profit from ordinary activities after tax attributable to members	321	(1,423)	(82%)
Profit for the period attributable to members	321	(1,423)	(82%)

Dividends

No dividends have been paid or declared since the start of the financial year (2020:nil). No recommendation for payment has been made.

Overview of operating results

Atomos reported a strong first half result, with key highlights as follows:

- Record Revenue of $40.9m despite the impact of COVID and global supply chain challenges
- Gross Profit of $19.4m, higher than the first-half of last year by $4.7m
- Fixed operating expenses up by $4m reflecting investment for growth and scalability
- Pro-forma earnings before interest, tax, depreciation and amortisation of $3.2m which exclude founder transition costs ($0.7m), costs associated with Cinemacraft ($0.2m) and income from government subsidies ($0.1m)

For a further explanation of the results above please refer to the accompanying Directors' Report.

Appendix 4D – Half-yearly report (continued)

Net tangible assets per security

	31-Dec-21	31-Dec-20
Net tangible assets per security	$0.18	$0.16
Total number of shares on issue at period end	222,351,285	218,467,435

(*) For the purposes of calculating net tangible assets per security, the carrying values of the Right-of-use assets and the related lease liabilities have been excluded from the calculations.

Entities over which control has been gained or lost during the period

There are no entities over which control has been gained or lost during the period

Associates and joint venture entities

There are no associates or joint venture entities.

Dividend reinvestment plans

The Company currently does not have a dividend reinvestment plan.

Independent audit review

This report is based on the condensed consolidated interim financial statements which have been subject to independent audit review by Deloitte. The independent audit review report is included within the Company's Interim Report which accompanies this Appendix 4D.

Accounting standards

This report has been compiled using Australian Accounting Standards and International Financial Reporting Standards.

Other information required by Listing Rule 4.3A

Other information requiring disclosure to comply with Listing Rule 4.3A is contained in the 31 December 2021 Interim Report (which includes the Directors' Report) which accompanies this Appendix 4D.

Directors' Report

The Directors of Atomos Limited ('Atomos' or 'the Company') present their Report together with the interim financial statements of the consolidated entity, being Atomos and its Controlled Entities ('the Group') for the half-year ended 31 December 2021.

Directors

The names of the Directors in office at any time during or since the end of the half-year are:

Mr Jeromy Michael Young (retired 23rd November 2021)
Sir Hossein Yassaie
Mr Christopher John Tait
Mr Stephen John Stanley
Ms Megan Brownlow (appointed 1st July 2021)
Ms Lauren Williams (appointed 1st July 2021)

The abovenamed Directors held office during and since the end of the financial period unless otherwise stated.

Dividends

No dividends have been paid or declared since the start of the financial year (2020: nil). No recommendation for payment has been made.

Company Overview

Atomos is a global video technology company founded in 2009 and which listed on the ASX on 28 December 2018 (ASX:AMS).

Atomos enhances video content creation by producing products that connect the imaging and computer worlds, from the point of capture (camera) through to displaying (monitor), processing and recording of the latest high-quality video onto affordable computer media for creative enhancement and distribution of content.

The Company designs, develops and commercialises, award winning, simple to use and affordable monitor recorder products. They enhance video content creation, ensuring content creators have access to advanced video monitoring, processing and recording technologies, regardless of the camera or production technology they use.

By using the processing and recording capability of Atomos products, video creators can achieve enhanced recording quality, on sharp deep colour displays for greater flexibility and control onto lower-cost media creating a more streamlined workflow than the camera's standard functionality is capable of.

Review of operations

During the first half of FY22 the Company enjoyed strong sales growth driven by its core products, Ninja V and Ninja V+. Despite global supply chain challenges, the Company has navigated through the first half with minimal disruption. Products launched in late FY21, such as the Ninja V+, Shinobi 7 and AtomX CAST, have provided continued strong momentum into the first half of FY22. This momentum will be supported by new products scheduled for release over the next 6 months.

Directors' Report (continued)

Review of operations (continued)

The Company uses Earnings before interest, tax, depreciation and amortisation (EBITDA) which is a non-IFRS term to measure performance. Additionally, the reported result includes a number of items that were significant and/or not considered to be in the ordinary course of business. The tables below detail the calculation of EBITDA and quantify the impact of these items to provide a view of the underlying trading result for the half-year ended 31 Dec 21 and PCP.

	Half-year ended 31-Dec-21 Reported $'000	Items that were significant and/or not in the ordinary course of business [1] $'000	Underlying Result $'000
Revenue	40,923	-	40,923
Cost of sales	(21,558)	-	(21,558)
Gross profit	**19,365**	**-**	**19,365**
Gross Margin %	**47%**	**-**	**47%**
Operating Expenses	(17,071)	928	(16,143)
Other Income	71	(67)	4
EBITDA	**2,365**	**861**	**3,226**
Depreciation and amortisation	(1,771)	-	(1,771)
Finance costs	(85)	-	(85)
Profit before income tax	509	861	1,370
Income tax expense	(188)	-	(188)
Profit for the year	**321**	**861**	**1,182**

[1] **Items that were significant and/or not in the ordinary course of business (Half-year ended 31-Dec-21)**	**$'000**
Operating Expenses	
Founder transition costs	757
Costs associated with Cinemacraft	171
Operating Expenses	928
Other Income	
Government subsidies	(67)
Total Items that were significant and/or not in the ordinary course of business	**861**

	Half-year ended 31-Dec-20 Reported $'000	Items that were significant and/or not in the ordinary course of business [1] $'000	Underlying Result $'000
Revenue	32,750	-	32,750
Cost of sales	(18,035)	-	(18,035)
Gross profit	**14,715**	**-**	**14,715**
Gross Margin %	**45%**	**-**	**45%**
Operating Expenses	(12,395)	-	(12,395)
Other Income	1,191	(1,088)	103
EBITDA	**3,511**	**(1,088)**	**2,423**
Depreciation and amortisation	(1,471)	-	(1,471)
Finance costs	(173)	-	(173)
Profit before income tax	1,867	(1,088)	779
Income tax expense	(123)	-	(123)
Profit for the year	**1,744**	**(1,088)**	**656**

[1] **Items that were significant and/or not in the ordinary course of business (Half-year ended 31-Dec-20)**	**$'000**
Other Income	
Government subsidies	(618)
Gain on modification of lease	(470)
Other Income	(1,088)
Total Items that were significant and/or not in the ordinary course of business	**(1,088)**

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under s307C of the *Corporations Act 2001* is included on page 7 of this interim financial report and forms part of this Directors' Report.

Rounding of amounts

Atomos is a type of Company referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest $1,000 (where rounding is applicable), or in certain cases, to the nearest dollar under the option permitted in the Instrument.

Signed in accordance with a resolution of the Directors, pursuant to section 306(3) of the *Corporations Act 2001*:

On behalf of the Directors



Chris Tait
Director
Melbourne
14th day of February 2022

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14 February 2022

The Board of Directors
Atomos Limited
33-41 Balmain Street
CREMORNE VIC 3121

Dear Board Members

Atomos Limited

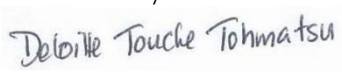
In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Atomos Limited.

As lead audit partner for the review of the financial report of Atomos Limited for the half-year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

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

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Craig Bryan
Partner
Chartered Accountants

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2021

	Notes	Consolidated Half-year ended 31-Dec-21 $'000	31-Dec-20 $'000
Revenue	4	40,923	32,750
Cost of sales		(21,558)	(18,035)
Gross profit		**19,365**	**14,715**
Other income	4	71	1,191
Net foreign exchange gain/(loss)		104	(155)
Employee benefits expense		(6,121)	(5,195)
Research and development expense		(2,556)	(2,084)
Advertising and marketing expense		(2,345)	(948)
Finance costs		(85)	(173)
Administration and other expense		(1,269)	(820)
Distribution expense		(2,136)	(1,148)
Warranty and royalty expense		(1,613)	(1,204)
Occupancy expense		(110)	(103)
Legal and professional services		(1,025)	(738)
Depreciation and amortisation		(1,771)	(1,471)
Profit before income tax		**509**	**1,867**
Income tax expense		(188)	(123)
Profit for the period		**321**	**1,744**
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss:		-	-
Items that may be reclassified subsequently to profit or loss:			
- Exchange differences on translating foreign operations		(90)	(98)
Other comprehensive loss for the period		**(90)**	**(98)**
Total comprehensive profit for the period		**231**	**1,646**
Earnings per share			
Basic profit per share	7	0.15 cents	0.80 cents
Diluted profit per share	7	0.14 cents	0.79 cents

Note: This statement should be read in conjunction with the notes to the interim financial statements.

Condensed Consolidated Statement of Financial Position

As at 31 December 2021

	Notes	Consolidated as at 31-Dec-21 $'000	30-Jun-21 $'000
Assets			
Current assets			
Cash and cash equivalents		16,769	25,984
Trade and other receivables		14,952	12,757
Inventories		23,964	16,654
Other current assets		7,377	5,233
Total current assets		**63,062**	**60,628**
Non-current assets			
Property, plant and equipment		2,622	2,421
Right-of-use assets	8	6,709	2,998
Intangible assets	9	26,593	25,152
Investment		28	-
Total non-current assets		**35,952**	**30,571**
Total assets		**99,014**	**91,199**
Liabilities			
Current liabilities			
Trade and other payables		24,339	21,893
Provisions		1,999	1,423
Lease liabilities	10	975	579
Total current liabilities		**27,313**	**23,895**
Non-current Liabilities			
Provisions		364	106
Lease liabilities	10	5,903	2,614
Deferred tax liability		815	870
Non-current Liabilities		**7,082**	**3,590**
Total liabilities		**34,395**	**27,485**
Net assets		**64,619**	**63,714**
Equity			
Issued capital	12	102,492	101,749
Foreign currency translation reserve		(195)	(105)
Share based payments reserve		3,148	3,217
Accumulated losses		(40,826)	(41,147)
Total equity		**64,619**	**63,714**

Note: This statement should be read in conjunction with the notes to the interim financial statements.

Condensed Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2021

	Issued capital (Ordinary shares)	Accumulated losses	Foreign currency translation reserve	Share based payments reserve	Total equity
	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2020	101,538	(45,123)	50	944	57,409
Transactions with owners					
Share-based payments	-	-	-	364	364
Issue of new share capital	221	-	-	-	221
Transaction costs relating to issue of share capital	(10)	-	-	-	(10)
Total transactions with owners	**211**	-	-	**364**	**575**
Comprehensive income					
Profit for the period	-	1,744	-	-	1,744
Other comprehensive income	-	-	(98)	-	(98)
Total comprehensive income	-	**1,744**	**(98)**	-	**1,646**
Balance at 31 December 2020	**101,749**	**(43,379)**	**(48)**	**1,308**	**59,630**
Balance at 1 July 2021	101,749	(41,147)	(105)	3,217	63,714
Transactions with owners					
Share-based payments	-	-	-	(69)	(69)
Issue of new share capital	759	-	-	-	759
Transaction costs relating to issue of share capital	(16)	-	-	-	(16)
Total transactions with owners	**743**	-	-	**(69)**	**674**
Comprehensive income					
Profit for the period	-	321	-	-	321
Other comprehensive income	-	-	(90)	-	(90)
Total comprehensive income	-	**321**	**(90)**	-	**231**
Balance at 31 December 2021	**102,492**	**(40,826)**	**(195)**	**3,148**	**64,619**

Note: This statement should be read in conjunction with the notes to the interim financial statements.

Condensed Consolidated Statement of Cash Flows

For the half-year ended 31 December 2021

	Consolidated Half-year ended 31-Dec-21 $'000	31-Dec-20 $'000
Operating activities		
Receipts from customers	40,414	32,445
Payments to suppliers and employees	(46,179)	(26,407)
Interest received	-	28
Income taxes paid	(81)	(123)
Net cash (used in) / generated by operating activities	**(5,846)**	**5,943**
Investing activities		
Payments for property, plant and equipment	(937)	(342)
Payments for right-of-use assets	(33)	(33)
Payments for intangible assets	(2,050)	(733)
Payments for investments	(28)	-
Payments for reimburseable leasehold improvements	(558)	-
Net cash used in investing activities	**(3,606)**	**(1,108)**
Financing activities		
Proceeds from issue of equity instruments in the company	759	221
Payment for equity raise costs	(16)	(10)
Interest paid	(85)	(173)
Repayment of lease liabilities	(421)	(347)
Net cash inflow / (outflow) from financing activities	**237**	**(309)**
Net change in cash and cash equivalents	(9,215)	4,526
Cash and cash equivalents, beginning of period	25,984	18,768
Cash and cash equivalents, end of period	**16,769**	**23,294**

Note: This statement should be read in conjunction with the notes to the interim financial statements.

Notes to the Condensed Consolidated Financial Statements

1. General information

Atomos Limited (Atomos) is a public company limited by shares, incorporated and domiciled in Australia. Atomos is the Group's ultimate holding Company. The Group listed on the ASX on 28 December 2018 (ASX:AMS).

The principal activities of the Group were the manufacture and wholesaling of video equipment. There have been no significant changes in the nature of these activities during the year. The address of its registered office and principal place of business is 33-41 Balmain Street, Cremorne, Victoria 3121.

The Consolidated Interim Financial Statements for the half-year ended 31 December 2021 were approved and authorised for issue by the board of Directors on 14th February 2022.

2. Significant Accounting Policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half year report does not include the type of notes normally included in the annual report. This should be read in conjunction with the most recent financial report.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical costs. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The company is a company of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2021 annual report for the financial year ended 30 June 2021. Several amendments and interpretations apply for the first time, however they do not have an impact on the interim financial statements.

Where required by Accounting Standards, comparative amounts have been adjusted to conform to changes in presentation in the current financial year.

2. Significant Accounting Policies (cont'd)

Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3. Segment reporting

The Group operates in one segment being the manufacture and sale of video equipment. No operating segments have been aggregated in arriving at the reportable segment of the Group.

The Company reports revenues from external customers attributable to the following geographic regions:

- North America
- Europe, the Middle East and Africa (EMEA)
- Asia Pacific (APAC)
- Other

4. Revenue – at point in time

	Consolidated Half-year ended	
	31-Dec-21 $'000	31-Dec-20 $'000
Revenue		
Sale of goods	40,340	32,507
Sale of software upgrades	382	-
Other revenue	201	243
Total revenue	**40,923**	**32,750**
Other income		
Interest	-	28
Government subsidies	67	618
Gain on modification of lease	-	470
Other income	4	75
Total other income	**71**	**1,191**
Total revenue and other income	**40,994**	**33,941**

5. Change in accounting estimates

There were no significant changes in accounting estimates during the period.

6. Dividends

There were no dividends paid or declared to equity holders during or since the half-year ended 31 December 2021. There were no dividends paid during the comparative period.

7. Earnings per share

Both the basic and diluted earnings per share have been calculated using the profit attributable to shareholders of Atomos Limited as the numerator. The weighted average number of shares for the purposes of diluted earnings per share to the weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:

	Consolidated Half-year ended 31-Dec-21 $'000	31-Dec-20 $'000
Profit attributable to the owners of the Company	321	1,744
	No.	**No.**
Weighted average number of shares used in calculating basic EPS	**220,641,404**	**218,203,293**
Weighted average of potential dilutive ordinary shares		
Options	4,071,667	1,661,358
Weighted average number of shares used in calculating diluted EPS	**224,713,071**	**219,864,651**

8. Right-of-use assets

	Consolidated Half-year ended Buildings $'000	Vehicle $'000	Total $'000
Cost			
At 1 July 2021	4,324	68	4,392
Additions	4,153	-	4,153
Disposals / Modifications	-	-	-
At 31 December 2021	**8,477**	**68**	**8,545**
At 1 July 2020	10,195	26	10,221
Additions	383	-	383
Disposals	(6,765)	-	(6,765)
At 31 December 2020	**3,813**	**26**	**3,839**
Accumulated depreciation			
At 1 July 2021	1,366	28	1,394
Charge for the half-year	442	-	442
Disposals / Modifications	-	-	-
At 31 December 2021	**1,808**	**28**	**1,836**
At 1 July 2020	1,244	14	1,258
Charge for the half-year	619	7	626
Disposals	(925)	-	(925)
At 31 December 2020	**938**	**21**	**959**
Carrying amount			
At 31 December 2021			**6,709**
At 31 December 2020			2,880

9. Intangible assets

	Consolidated Half-year ended					
	Goodwill	Patents and Product IP	Trademarks and Brand Name	Customer Relationships	Capitalised development costs	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Cost						
At 1 July 2021	15,068	4,835	700	120	23,475	44,198
Additions	-	-	-	-	2,050	2,050
At 31 December 2021	**15,068**	**4,835**	**700**	**120**	**25,525**	**46,248**
At 1 July 2020	15,068	4,835	700	120	22,389	43,112
Additions	-	-	-	-	733	733
At 31 December 2020	**15,068**	**4,835**	**700**	**120**	**23,122**	**43,845**
Accumulated depreciation & impairment						
At 1 July 2021	-	(478)	(369)	(63)	(18,136)	(19,046)
Charge for the half-year	-	(151)	(117)	(20)	(321)	(609)
At 31 December 2021	-	**(629)**	**(486)**	**(83)**	**(18,457)**	**(19,655)**
At 1 July 2020	-	(176)	(136)	(23)	(17,682)	(18,017)
Charge for the half-year	-	(151)	(117)	(20)	(196)	(484)
At 31 December 2020	-	**(327)**	**(253)**	**(43)**	**(17,878)**	**(18,501)**
Carrying amount						
At 31 December 2021	**15,068**	**4,206**	**214**	**37**	**7,068**	**26,593**
At 31 December 2020	15,068	4,508	447	77	5,244	25,344

10. Lease liabilities

	Consolidated as at	
	31-Dec-21	30-Jun-21
	$'000	$'000
Lease liabilities		
Maturity analysis		
Year 1	975	579
Year 2	696	423
Year 3	729	306
Year 4	755	270
Year 5	807	279
Onwards	2,916	1,336
	6,878	**3,193**
Analysed as:		
Current	975	579
Non-current	5,903	2,614
Total	**6,878**	**3,193**

11. Financial Instruments

During the half-year ended 31 December 2021, Atomos entered into an option agreement with the shareholders of Cinemacraft to acquire the issued capital of Cinemacraft in two tranches over a twenty four month period subject to satisfactory completion of certain terms and conditions.

Cinemacraft is a technology company that has developed a video serving platform technology that incorporates some unique technologies, specific patents and capabilities across various platforms all of which occupy different parts of the global video ecosystem.

The Option represents a financial asset, being the right to acquire the share capital of Cinemacraft at a future date, and on this basis, is accounted for as a derivative financial asset, which is recognised at fair

11. Financial Instruments (cont'd)

value through profit or loss. On inception date and each subsequent reporting period, this instrument will be valued and any movement in the underlying value of the option will be recognised in the profit or loss in the period to which it relates.

For the half-year ended 31 December 2021 an independent valuation expert has confirmed that given the terms and conditions of the Option the movement in the underlying value at inception (21 November 2021) and at 31 December 2021 was unlikely to be material.

12. Issued capital

	31-Dec-21 $'000	30-Jun-21 $'000
Ordinary shares – fully paid	102,492	101,749

Movements in issued capital

	Half year ended 31-Dec-21		Half year ended 31-Dec-20	
	No.	$'000	No.	$'000
Balance at beginning of period	218,482,612	101,749	217,665,489	101,538
Shares issued to employees, consultants, directors	1,869,497	-	188,956	-
Shares issued on exercise of options	1,999,176	759	612,990	221
Equity, raising costs, net of income tax	-	(16)	-	(10)
Balance at end of period	**222,351,285**	**102,492**	**218,467,435**	**101,749**

All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at a shareholders' meeting of the Company.

13. Related party transactions

Transactions with director-related entities

Chris Tait is a shareholder and director of Henslow and the Advisory Board Chair of Bluerock Group.

Henslow

Henslow was engaged for corporate broking services and was paid $45,000 (exclusive of GST) during the half-year.

Bluerock

Atomos utilises Bluerock professional services. Bluerock professional services fees were $9,800 (exclusive of GST) during the half-year.

There have been no other significant transactions since the end of the last annual reporting where disclosure is necessary for an understanding of the interim period.

14. Contingent assets and liabilities

In the Directors' view, there are no contingent assets or liabilities that will have a material effect on the Group in the future.

15. Subsequent events

No matters or circumstances have arisen since the end of the period that have significantly affected or may significantly affect either:

- the entity's operations in future financial years;
- the results of those operations in future financial years; or
- the entity's state of affairs in future financial years.

Directors' declaration

The directors of Atomos Limited declare that:

a. in the directors' opinion, there are reasonable grounds to believe that Atomos Limited will be able to pay its debts as and when they become due and payable; and

b. in the directors' opinion, the attached interim financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s303(5) of the Corporations Act 2001.

On behalf of the Directors



Chris Tait
Director
Melbourne
14th day of February 2022

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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Melbourne VIC 3000
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Independent Auditor's Review Report to the members of Atomos Limited

Conclusion

We have reviewed the half-year financial report of Atomos Limited (the "Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2021, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 3 to 18.

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:

- Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001.*

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 Half-year Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' Responsibilities for the Half-year Financial Report

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

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Auditor's Responsibilities for the Review of the Half-year 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 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

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.



DELOITTE TOUCHE TOHMATSU



Craig Bryan
Partner
Chartered Accountants
Melbourne, 14 February 2022

Company directory

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ASX Code
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Directors
Mr Christopher Tait – Executive Chairman
Sir Hossein Yassaie – Independent Non-executive Director
Mr Stephen Stanley - Independent Non-executive Director
Ms Megan Brownlow - Independent Non-executive Director
Ms Lauren Williams - Independent Non-executive Director

Company Secretary
Nyla Bacon

Auditor
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