

18 February 2021

ASX Appendix 4D Half year financial report to 31 December 2020

1. Details of reporting period

Name of entity	EVZ Limited (ASX: EVZ)
ABN	87 010 550 357
Reporting period	31 December 2020
Previous corresponding reporting period	31 December 2019

2. Results for announcement to the market

Results Summary	FY2021 H1 \$	FY2020 H1 \$	Change \$	Change %
Revenue from ordinary activities	29,772,774	34,433,155	(4,660,381)	-14%
EBITDA	3,385,236	(1,642,108)	5,027,344	306%
Profit before finance costs and income tax	2,562,853	(2,355,039)	4,917,892	209%
Profit from ordinary activities before tax	2,281,825	(2,772,994)	5,054,819	182%
Profit from ordinary activities after tax	2,271,965	(2,845,428)	5,117,393	180%
Earnings per share (cents)	2.36	(2.96)		

3. Net tangible asset backing

	31-Dec-2020	31-Dec-2019
Net tangible asset backing. Cents per share *	11.7	9.5

* Net tangible assets per share includes right of use assets and associated lease liabilities recognised in the period under AASB16. Right of use assets have been classified as tangible assets to reflect the nature of the underlying asset.

4. Details of entities over which control has been gained or lost during the period

N/A

5. Details of dividends

No dividend has been paid or recommended to be paid for the period.

6. Details of dividend reinvestment plans

N/A

7. Details of associate and joint venture entities

N/A

8. Foreign entities

N/A

9. Audit review and emphasis of matter

The financial report has been independently reviewed by Grant Thornton, who have issued an unqualified opinion. The Independent Auditors Review Report contains an emphasis of matter related to the disclosures made in the financial report relating to going concern as detailed below:

"We draw attention to Note 1(d) in the financial report, which notes that the Group's funding matures on 31 October 2021. The Group's ability to continue as a going concern is dependent on their bank facilities being extended. These conditions, as set forth in note 1(d), indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. Our report has not been modified in relation to this matter."

10. Attachment

EVZ Limited Half Year Report for the half-year ended 31 December 2020

11. Additional Information

In addition to the attached consolidated half year financial statements, further information including financial analysis of the results is provided in the half year FY2021 investor presentation also released to the market today.

By order of the Board

P van der Wal
Company Secretary

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EVZ Limited Financial Report

For the half-year ended 31 December 2020

ACN 010 550 357



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Directors' report

Your Directors submit the financial report of EVZ Limited and its controlled entities (the consolidated entity or the Group) for the half-year ended 31 December 2020.

Directors

The names of Directors who held office during or since the end of the half-year are as follows:

- Graham Burns (Chairman)
- Robert Edgley
- Ian Luck

Review of operations

The operating profit before tax from continuing operations of the consolidated entity for the six months to 31 December 2020 was \$2,281,825 (31 December 2019 operating loss: \$2,772,994). The net profit after tax for the six months to 31 December 2020 was \$2,271,965 (31 December 2019 net loss: \$2,845,428).

Revenue was down 14% on the prior year half year comparative period as the combined size of projects under construction has reduced from the prior year. Any COVID-19 related impacts on project delivery timelines and restrictions in customer site access both in Australia and overseas, were successfully managed to ensure minimal financial impact for the half year period. The Group was able to access the JobKeeper payment for the six months to 31 December 2020.

Changes in state of affairs

There were no significant changes in the state of affairs during the period.

Dividends

During the half-year to 31 December 2020 there were no dividends declared or paid.

Events subsequent to reporting date and outlook

The Group will continue its focus on investing in growth across all its businesses and on the reduction of debt. However, the economic outlook both locally and internationally remains uncertain due to COVID-19. While it is likely that the ongoing COVID-19 pandemic may lead to further government funded infrastructure expenditure, which should be favourable to the Group, the future financial performance of the Group will be dependant how the pandemic continues to impact our clients and our people.

There have not been any matters or circumstances, other than that referred to in the financial statements or notes thereto, that have arisen since the end of the half-year, that have significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial periods.

Auditor's independence declaration

The auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 5 for the half-year ended 31 December 2020.

This report is signed in accordance with a resolution of the Board of Directors.



Director
Graham Burns

Dated this 18th day of February 2021.

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Auditor's Independence Declaration

To the Directors of EVZ Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of EVZ Limited for the year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



Grant Thornton Audit Pty Ltd
Chartered Accountants



M J Climpson
Partner – Audit & Assurance

Melbourne, 18 February 2021

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Consolidated statement of profit or loss

For the half-year ended 31 December 2020

	Notes	Consolidated Entity	
		31 December 2020 \$	31 December 2019 \$
Continuing operations			
Revenue	6	29,772,774	34,433,155
Cost of Sales		(24,310,454)	(31,312,378)
Gross Profit		5,462,320	3,120,777
Other Income	2 (a)	2,297,095	65,110
Administration and corporate costs		(5,196,562)	(5,540,926)
Results from operating activities		2,562,853	(2,355,039)
Net finance costs	2 (b)	(281,028)	(417,955)
Profit/(Loss) before income tax from continuing operations		2,281,825	(2,772,994)
Income tax (expense)/benefit		(9,860)	(72,434)
Profit/(Loss) for the period from continuing operations		2,271,965	(2,845,428)
Earnings per share			
		Cents	Cents
Continuing operations:			
Basic earnings per share	4	2.364	(2.960)
Diluted earnings per share		2.327	(2.960)
Overall operations:			
Basic earnings per share	4	2.364	(2.960)
Diluted earnings per share		2.327	(2.960)

Due to the net loss for the 31 December 2019 period, dilutive earnings per share is the same as basic earnings per share.

The accompanying notes form part of these condensed consolidated financial statements.

Consolidated statement of comprehensive income

For the half-year ended 31 December 2020

	Consolidated Entity	
	31 December 2020 \$	31 December 2019 \$
Profit/(Loss) for the period	2,271,965	(2,845,428)
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	(140,315)	32,770
Total comprehensive income/(loss) for the period attributable to owners of the company	2,131,650	(2,812,658)

The accompanying notes form part of these condensed consolidated financial statements.

Consolidated statement of financial position

For the half-year ended 31 December 2020

	Notes	Consolidated Entity	
		31 December 2020 \$	30 June 2020 \$
Current assets			
Cash and cash equivalents		4,643,962	5,869,679
Trade and other receivables		9,090,528	10,659,607
Contract assets		1,605,110	2,014,330
Inventories		2,447,385	2,317,810
Other financial assets		315,953	306,441
Total current assets		18,102,938	21,167,867
Non-current assets			
Trade and other receivables		1,198,167	1,092,338
Plant and equipment		6,828,704	7,522,609
Deferred tax assets		2,610,870	2,610,870
Intangibles	5	12,072,010	12,072,010
Total non-current assets		22,709,751	23,297,827
Total assets		40,812,689	44,465,694
Current liabilities			
Trade and other payables		5,784,072	11,258,671
Contract liabilities		2,388,277	1,578,399
Short-term borrowings	3	3,399,472	4,337,430
Short-term lease liabilities	3	816,865	698,921
Provisions		3,313,507	3,184,008
Total current liabilities		15,702,193	21,057,429
Non-current liabilities			
Long-term lease liabilities	3	1,652,886	2,097,427
Deferred tax liabilities		47,177	49,623
Provisions		73,560	55,992
Total non-current liabilities		1,773,623	2,203,042
Total liabilities		17,475,816	23,260,471
Net assets		23,336,873	21,205,223
Equity			
Issued capital		56,457,180	56,457,180
Reserves		105,585	245,900
Accumulated losses		(33,225,892)	(35,497,857)
Total equity		23,336,873	21,205,223

The accompanying notes form part of these condensed consolidated financial statements.

Consolidated statement of changes in equity

For the half-year ended 31 December 2020	Issued Capital	Accumulated Losses	Share Option Reserve	Foreign Currency Translation Reserve	Total Equity
	\$	\$	\$	\$	\$
Balance at 30 June 2020	56,457,180	(35,497,857)	300,000	(54,100)	21,205,223
Total comprehensive loss for period					
Profit/(loss) for period	-	2,271,965	-	-	2,271,965
Foreign currency translation reserve	-	-	-	(140,315)	(140,315)
Total comprehensive income for period	-	2,271,965	-	(140,315)	2,131,650
Transactions with owners, recorded directly in equity					
Shares issued	-	-	-	-	-
Dividends	-	-	-	-	-
Balance at 31 December 2020	56,457,180	(33,225,892)	300,000	(194,415)	23,336,873
For the half-year ended 31 December 2019					
	\$	\$	\$	\$	\$
Balance at 30 June 2019	56,457,180	(32,746,417)	300,000	(22,829)	23,987,934
Total comprehensive loss for period					
Profit/(loss) for period	-	(2,845,428)	-	-	(2,845,428)
Foreign currency translation reserve	-	-	-	32,770	32,770
Total comprehensive income for period	-	(2,845,428)	-	32,770	(2,812,658)
Transactions with owners, recorded directly in equity					
Shares issued	-	-	-	-	-
Shares Issue Costs	-	-	-	-	-
Balance at 31 December 2019	56,457,180	(35,591,845)	300,000	9,941	21,175,276

The accompanying notes form part of these condensed consolidated financial statements.

Consolidated statement of cash flows

For the half-year ended 31 December 2020

	Consolidated Entity	
	31 December 2020 \$	31 December 2019 \$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	34,886,188	42,772,380
Payments to suppliers and employees (inclusive of GST)	(36,701,272)	(42,018,382)
JobKeeper subsidy received	2,276,850	-
Interest received	398	449
Finance costs	(281,426)	(418,404)
Income tax	(12,265)	(11,591)
Net cash provided by operating activities	168,473	324,452
Cash flows from investing activities		
Purchase of plant and equipment	(129,636)	(674,304)
Net cash (used in) investing activities	(129,636)	(674,304)
Cash flows from financing activities		
Proceeds from loans	-	1,006,927
Repayment of loans	(937,957)	-
Payments for lease financing	(326,597)	(399,521)
Net cash provided by / (used in) financing activities	(1,264,554)	607,406
Net increase in cash held	(1,225,717)	257,554
Cash at beginning of the period	5,869,679	2,772,182
Cash at end of the period	4,643,962	3,029,736

The accompanying notes form part of these condensed consolidated financial statements.

Notes to the consolidated financial statements

1. Basis of preparation of half-year financial report

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001 and Accounting Standard AASB 134: Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 "Interim Financial Reporting". The half-year report does not include full disclosures of the type normally included in an annual financial report.

Accordingly, it is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2020 and any public announcements made by EVZ Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

(a) New standards adopted at 1 July 2020

The Group has adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year. New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Group are:

- AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business
- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material
- AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework
- AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia
- AASB 2020-4 Amendments to Australian Accounting Standards – COVID-19-Related Rent Concessions

The adoption of these standards had no impact on the Group's financial results or position.

(b) Other pronouncements

Other accounting pronouncements which have become effective from 1 July 2020 and have therefore been adopted do not have a significant impact on the Group's financial results or position.

(c) Significant accounting policies

The Interim Financial Statements have been prepared in accordance with the accounting policies adopted in the Consolidated Entity's most recent annual financial statements for the year ended 30 June 2020.

Notes to the consolidated financial statements (continued)

1. Basis of preparation of half-year financial report (continued)

(d) Going Concern

The financial report for the half year ended 31 December 2020 has been prepared on a going concern basis, which assumes continuity of normal business activities and realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group's ability to continue as a going concern is dependent on:

- The Commonwealth Bank (CBA) continuing to support the Group.
- An extension of the current or similar banking facility with either CBA or other financier when the current facility expires on 31 October 2021.

Should either of these matters not occur, the Group may not be able to realise its assets and settle its liabilities in the ordinary course of business.

The Directors have concluded that the circumstances noted above represent a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern. Nevertheless, after making enquiries and considering uncertainties described above the Directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future.

For these reasons, the Directors continue to adopt the going concern basis in preparing the financial report of EVZ and its controlled entities at 31 December 2020.

(e) Key Estimates

Construction contracts and work-in-progress

Construction profits and losses are recognised on the stage-of-completion basis and measured by comparing construction contract costs incurred to date against expected final costs and recoveries of the construction contract.

Expected final costs are estimated following an assessment of each contract and a determination of expected costs still to be incurred.

The Group believes that the expected final costs in its various construction contracts are appropriate at 31 December 2020.

(f) Basis of preparation

This financial report has been prepared on an accruals basis and is based on historical costs. The accounting policies applied in this financial report are consistent with those applied in the 30 June 2020 Annual Report.

All amounts are presented in Australian dollars, unless otherwise noted.

Notes to the consolidated financial statements (continued)

2. Profit and loss

	Consolidated Entity	
	31 December 2020 \$	31 December 2019 \$
2 (a) Other income:		
Sundry income	20,245	65,110
Job Keeper subsidy	2,276,850	-
Total other income from continuing operations	2,297,095	65,110
2 (b) Net finance costs:		
Finance costs	(281,426)	(418,404)
Interest income	398	449
Net finance costs from continuing operations	(281,028)	(417,955)

3. Borrowings

	Consolidated Entity	
	31 December 2020 \$	30 June 2020 \$
Current liabilities		
<i>Short term borrowings:</i>		
Bank loans-secured	3,000,000	3,300,000
Loans from Related Corporation-unsecured	399,472	1,037,430
Leases	816,865	698,921
	4,216,337	5,036,351
Non-current liabilities		
<i>Long term borrowings:</i>		
Leases	1,652,886	2,097,427
	1,652,886	2,097,427

- The current secured bank loan facility with Commonwealth Bank (CBA) expires on 31 October 2021. The Group is working with CBA to put in place an extension of this facility prior to 30 June 2021.

Notes to the consolidated financial statements (continued)

4. Earnings per share

	Consolidated Entity	
	31 December 2020	31 December 2019
	Number of Shares	Number of Shares
Weighted average number of ordinary shares outstanding during the period used in calculation of basic earnings per share	96,116,734	96,116,734
Weighted average number of ordinary shares outstanding during the period used in calculation of diluted earnings per share	97,616,734	96,116,734

Due to the net loss for the 31 December 2019 prior period, the number of ordinary shares used in the calculation of diluted earnings per share is the same as basic earnings per share.

5. Intangible assets

	Consolidated Entity	
	31 December 2020	30 June 2020
	\$	\$
Goodwill by cash generating unit (CGU):		
Water Group - Syfon Systems	3,282,532	3,282,532
Engineering Group - Brockman Engineering	8,789,478	8,789,478
Net carrying value	12,072,010	12,072,010

Notes to the consolidated financial statements (continued)

6. Segment information

Identification of reportable segments

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision-makers) in assessing performance and determining the allocation of resources. Operating segments are managed primarily based on product category and service offerings. Executive management monitors segment performance based on EBIT.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted:

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision-makers with respect to operating segments are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the consolidated entity.

Inter-segment transactions:

All such transactions are eliminated on consolidation for the consolidated entity's financial statements.

Segment Information continues the next page.

Notes to the consolidated financial statements (continued)

Segment information (continued)

6a	Segment information	Engineering	Energy	Water	Corporate	Total
	Six months ended 31 December 2020:	\$	\$	\$	\$	\$
	Revenue					
	External sales	16,548,434	2,595,336	10,629,004	-	29,772,774
	Inter-segment sales	-	-	-	-	-
	Total segment revenue	16,548,434	2,595,336	10,629,004	-	29,772,774
	<i>Reconciliation of segment revenue to group revenue:</i>					
	Inter-segment elimination	-	-	-	-	-
	Total group revenue	16,548,434	2,595,336	10,629,004	-	29,772,774
	Segment net profit/(loss) before interest and tax	1,698,482	154,995	1,262,850	(553,474)	2,562,853
	<i>Reconciliation of net profit before interest and tax to group net profit/(loss) before tax</i>					
	Unallocated items					
	Other non-operating					-
	Net finance costs from continuing operations					(281,028)
	Net profit/(loss) before tax from continuing operations					2,281,825
	<i>Included in segment net profit before interest and tax</i>					
	Depreciation	371,484	170,338	262,553	18,008	822,383
	Impairment of Receivables	-	-	-	-	-
	Segment assets					
	Segment Assets	19,475,154	2,728,003	24,207,174	6,169,673	52,580,004
	Inter-segment elimination					(11,767,315)
	Total group assets					40,812,689
	<i>Segment asset increases for the period:</i>					
	Capital Expenditure	67,528	8,680	53,428	-	129,636
		67,528	8,680	53,428	-	129,636
	Segment liabilities					
	Segment liabilities	11,830,895	5,279,811	4,608,007	3,782,200	25,500,913
	Inter-segment elimination					(8,025,097)
	Total group liabilities					17,475,816

Segment Information continues the next page.

Notes to the consolidated financial statements (continued)

Segment information (continued)

6a	Segment information	Engineering	Energy	Water	Corporate	Total
	Six months ended 31 December 2019:	\$	\$	\$	\$	\$
	Revenue					
	External sales	19,517,604	3,349,028	11,566,523	-	34,433,155
	Inter-segment sales	-	-	-	-	-
	Total segment revenue	19,517,604	3,349,028	11,566,523	-	34,433,155
	<i>Reconciliation of segment revenue to group revenue:</i>					
	Inter-segment elimination	-	-	-	-	-
	Total group revenue	19,517,604	3,349,028	11,566,523	-	34,433,155
	Segment net profit /(loss) before interest and tax	(2,181,635)	47,377	516,934	(737,715)	(2,355,039)
	<i>Reconciliation of net profit before interest and tax to group net profit/(loss) before tax</i>					
	Unallocated items					
	Other non-operating					-
	Net finance costs from continuing operations					(417,955)
	Net profit/(loss) before tax from continuing operations					(2,772,994)
	<i>Included in segment net profit before interest and tax:</i>					
	Depreciation	400,216	39,827	252,048	20,840	712,931
	Impairment of Receivables	-	-	-	-	-
	Segment assets					
	Segment Assets	21,175,683	3,057,179	23,920,052	8,541,513	56,694,427
	Inter-segment elimination					(12,418,304)
	Total group assets					44,276,123
	<i>Segment asset increases for the period:</i>					
	Capital Expenditure	316,862	30,337	327,105	-	674,304
		316,862	30,337	327,105	-	674,304
	Segment liabilities					
	Segment liabilities	15,327,964	5,387,444	6,221,378	4,787,062	31,723,848
	Inter-segment elimination					(8,623,001)
	Total group liabilities					23,100,847

Segment Information continues the next page.

Notes to the consolidated financial statements (continued)

Segment information (continued)

6b Revenue by category:	Engineering \$	Energy \$	Water \$	Corporate \$	Total \$
Six months ended 31 December 2020:					
Revenue					
Construction contracts	16,548,434	-	10,629,004	-	27,177,438
Service revenue	-	2,595,336	-	-	2,595,336
Total revenue from contracts	16,548,434	2,595,336	10,629,004	-	29,772,774
Six months ended 31 December 2019:					
Revenue					
Construction contracts	19,517,604	-	11,566,523	-	31,084,127
Service revenue	-	3,349,028	-	-	3,349,028
Total group revenue	19,517,604	3,349,028	11,566,523	-	34,433,155

All revenue is recognised over time

6c Revenue by geographical locations:	Engineering \$	Energy \$	Water \$	Corporate \$	Total \$
Six months ended 31 December 2020:					
Revenue					
Australia	16,548,434	2,595,336	7,653,122	-	26,796,892
Asia	-	-	2,975,882	-	2,975,882
Total revenue from contracts	16,548,434	2,595,336	10,629,004	-	29,772,774
Six months ended 31 December 2019:					
Revenue					
Australia	19,517,604	3,349,028	9,053,298	-	31,919,930
Asia	-	-	2,513,225	-	2,513,225
Total group revenue	19,517,604	3,349,028	11,566,523	-	34,433,155

Notes to the consolidated financial statements (continued)

7. Contingent liabilities

There has been no change in contingent liabilities since the last annual reporting date.

8. Events subsequent to reporting date

The Group will continue its focus on investing in growth across all its businesses and on the reduction of debt. However, the economic outlook both locally and internationally remains uncertain due to COVID-19. While it is likely that the ongoing COVID-19 pandemic may lead to further government funded infrastructure expenditure, which should be favourable to the Group, the future financial performance of the Group will be dependant how the pandemic continues to impact our clients and our people.

There have not been any matters or circumstances, other than that referred to in the financial statements or notes thereto, that have arisen since the end of the half-year, that have significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial periods.

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Directors' declaration

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 19:
 - a. comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Act 2001; and
 - b. give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date.

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.

This declaration is made in accordance with a resolution of the Board of Directors.



Director
Graham Burns

Dated this 18th day of February 2021.

Independent Auditor's Report

To the Members of EVZ Limited

Report on the review of the half year financial report

Conclusion

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

- (a) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) 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 our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 1(d) in the financial report, which notes that the Group's bank funding matures on 31 October 2021. The Group's ability to continue as a going concern is dependent on their bank facilities being extended. These conditions, as set forth in Note 1(d), indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. Our report has not been modified in relation to this matter.

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 gives a true and fair view and 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 2020 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.



Grant Thornton Audit Pty Ltd
Chartered Accountants



M J Climpson
Partner – Audit & Assurance

Melbourne, 18 February 2021

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