

Rhythm Biosciences Limited
Appendix 4D
Half-Year report

1. Company details

Name of entity: Rhythm Biosciences Limited
ABN: 59 619 459 335
Reporting period: For the half-year ended 31 December 2020
Previous period: For the half-year ended 31 December 2019

2. Results for announcement to the market

		2020	2019
		\$	\$
Other income from ordinary activities	Up 4,327% to	1,118,772	25,856
Loss from ordinary activities after tax attributable to the owners of Rhythm Biosciences Limited	Up 5% to	(2,013,923)	(1,917,168)
Comprehensive loss for the year attributable to the owners of Rhythm Biosciences Limited	Up 5% to	(2,013,923)	(1,917,168)

Dividends

There were no dividends paid, recommended or declared during the period.

Comments

Comments on activities during the half-year are included in the Directors' Report in the Interim Financial Report attached. It should be noted that both Other income and the Loss from ordinary activities has been impacted by the Company including a Research & Development (R&D) tax offset claim for \$1,108,507. In the prior half-year period, the claim was lodged earlier and included in the 2018/19 financial year results.

3. Net tangible assets

	Reporting period	Previous period
	Cents	Cents
Net tangible assets per ordinary security	<u>2.82</u>	<u>3.33</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Details of associates and joint venture entities

Not applicable.

Rhythm Biosciences Limited
Appendix 4D
Preliminary final report

7. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements have been reviewed and an unqualified conclusion has been issued.

8. Attachments

Details of attachments (if any):

The Interim Financial Report of Rhythm Biosciences Limited for the half-year ended 31 December 2020 is attached.

9. Signed



Otto Buttula
Chairman

Date: 24 February 2021

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**RHYTHM BIOSCIENCES
LIMITED
(ASX: RHY)**

**INTERIM FINANCIAL REPORT
TO 31 DECEMBER 2020**

Rhythm Biosciences Limited
Corporate Directory
31 December 2020

Directors

Mr Otto Buttula (Chairman)
Dr Trevor John Lockett
Mr Louis (Lou) James Panaccio
Mr David John White
Mr Eduardo Vom

Company secretaries

Mr Adrien Wing
Ms Pauline Moffatt

Registered office

Level 2, 480 Collins Street
Melbourne VIC 3000
Australia
+ 61 3 9614 0600 (Phone)
+ 61 3 9614 0550 (Facsimile)

Share register

Link Market Services Limited
QV1, Level 12, 250 St. Georges Terrace
Perth WA 6000

Auditor

BDO Audit Pty Ltd
Collins Square
Tower 4
Level 18, 727 Collins Street
Melbourne VIC 3008

Stock exchange listing

Rhythm Biosciences Limited shares are listed on the Australian Securities Exchange
(ASX code: RHY)

Rhythm Biosciences Limited
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General information

The financial statements cover Rhythm Biosciences Limited as a consolidated entity consisting of Rhythm Biosciences Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Rhythm Biosciences Limited's functional and presentation currency.

Rhythm Biosciences Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office is:

Level 2
480 Collins Street
Melbourne VIC 3000

The major operations of the Company are located at:

Bio21 Institute
30 Flemington Road
Parkville VIC 3010

**Rhythm Biosciences Limited
Directors' Report
31 December 2020**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Rhythm Biosciences Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2020.

Directors

The following persons were directors of Rhythm Biosciences Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Otto Buttula
Dr Trevor Lockett
David White
Lou Panaccio
Eduardo Vom

Principal activities

Rhythm Biosciences Limited is developing and commercialising Australian medical diagnostics technology for sale in domestic and international markets. Its ColoSTAT product in development aims to provide an accurate and early detection test for colorectal cancer.

Review of operations

The loss for the consolidated entity after providing for income tax for the half-year ended 31 December 2020 amounted to \$2,013,923 (2019: \$1,917,168). As at 31 December 2020, the consolidated entity had \$6.018 million in cash (30 June 2020: \$1.798m).

Refer to the detailed review of operations that directly follows this report.

Matters subsequent to the end of the financial half-year


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

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 elsewhere in the financial report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Otto Buttula
Chairman

24 February 2021

Rhythm Biosciences Limited (ASX: RHY) is positioning itself to be a global leader in the diagnosis of colorectal cancer, through the development of ColoSTAT® - its low-cost, simple blood test for mass market early detection.

During the half-year ending 31 December 2020, and to the date of this report, the Company delivered on a number of milestones, including:

Core Technology

- Successful technical validation of the core technology involving four adjunct biomarkers, which support the key lead biomarker validated earlier in CY2020;
- Finalised the prototype of the ColoSTAT® test-kit; and
- Completed performance testing on the ColoSTAT® test-kit, which produced its first visible indication that ColoSTAT® outperforms the current market standard faecal immunochemical blood test (FIT) with a sensitivity of 77% and a specificity of 95%.

Global Capability

- Secured a US patent for IP protection in one of the world's largest diagnostic markets;
- IP protection significantly expands Rhythm's global footprint and ultimately, access to the global addressable screening market of more than 800 million people;
- Patents now secured in 18 countries, including USA, Australia, China, Japan, United Kingdom, Europe, Austria, Belgium, Denmark, Finland, France, Germany, Italy, Luxemburg, Netherlands, Norway, Spain, Sweden, and Switzerland;
- Appointed global manufacturer, Biotem – who with over 40 years of immunoassay development and manufacturing experience is well positioned to execute on Rhythm's ambition to address the global unmet need for the early detection of colorectal cancer;
- Received initial commercially manufactured ColoSTAT® test-kits from Biotem; and
- Preliminary performance testing results of the commercially manufactured Biotem kits have been on par with Rhythm's earlier reported laboratory test results.

Commercialisation

- Analytical testing, using a mix of cancerous & healthy patient blood samples, which forms Study 6, remains on track to be completed by March 2021;
- Further advanced the recruitment progress of the ColoSTAT® ~1,000 Patient Clinical Trial (Study 7), with ten clinical trial sites now in operation;
- Newly appointed sites provide geographically diversity across four states, with all recently appointed sites recruiting patients;
- Rhythm's partners continue to successfully manage the operational aspects of the clinical trial;
- Accelagen (formally Plunkett Consulting Group the Clinical Research Organisation - CRO) is leading the operations of the trial sites, and provides the process rigour to the recruitment, monitoring and data collection activities;
- For Clinical Trial (Study 7), Sonic Clinical Trials (SCT), a division of Sonic Healthcare (ASX: SHL), is facilitating the ongoing sample collection, processing, analytical testing, recording of results, transport and storage across all participating clinical trial sites; and
- Activities supporting regulatory submissions for CE Mark (Europe) and TGA (Australia) approval are ongoing and expected to become a key focus for the remainder of CY21.

Financial

- Received \$1.1 million from the Company's R&D Tax Incentive claim for FY20;
- The Australian government's R&D tax incentive encourages companies to engage in R&D programs by providing a refundable tax offset of up to 43.5% for eligible activities;
- Completed a capital raising of ~A\$6.0 million via a Placement and Non-Renounceable Rights Issue. The Placement successfully raised ~A\$2.4 million (before costs), with the Rights Issue raising ~A\$3.6 million (before costs); and
- Rhythm remains fully funded to execute on its current development plan, ending the December 2020 period with a cash balance of A\$6.02 million.

Corporate

- Re-aligned management and shareholder interests with Company objectives, through:
- Revision of the CEO's Short-Term Incentive Plan (STIP) and Long-Term Incentive Plan (LTIP);
- LTIP implemented for all Rhythm employees as part of the Company's Employee Share Ownership Plan (ESOP); and
- All Rhythm employees are now shareholders in the Company.
- Board and staff represent ~27% ownership in Rhythm, demonstrating strong alignment with the Company's shareholder base;
- The Annual General Meeting of shareholders was held on 18 November 2020, with all resolutions passing; and
- Rhythm Non-Executive Chairman, Mr Otto Buttula, became a substantial shareholder of the Company.

Outlook

- Completion of Study 6 by March 2021;
- Update on Testing Results on commercial kits supplied by commercial third-party manufacturer, Biotem;
- Expansion of Trial sites for the expedition of Study 7 recruitment;
- Ongoing commercialisation discussions;
- Confirmation of Regulatory Submission approach; and
- Updating of Strategic Plan, focussing on commercialisation, partnering discussions, USA pathway and the commencement of platform technology opportunities.

DECLARATION OF INDEPENDENCE BY JAMES MOONEY TO THE DIRECTORS OF RHYTHM BIOSCIENCES LIMITED

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

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

This declaration is in respect of Rhythm Biosciences Limited and the entities it controlled during the period.



James Mooney
Director

BDO Audit Pty Ltd

Melbourne, 24 February 2021

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Rhythm Biosciences Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2020

		Consolidated	
	Note	31 December 2020	31 December 2019
		\$	\$
Other Revenue			
Research and development grant		1,108,507	-
Interest income		10,265	25,856
Total revenue		1,118,772	25,856
Expenses			
Employment related costs		790,632	654,128
Share based payments remuneration - shares	5	26,570	-
Share based payments remuneration - options	6	531,650	13,493
Office and compliance costs		360,449	312,695
Research and development costs		1,338,615	833,729
Marketing and investor relations		4,146	38,217
Travel and meetings		1,186	22,002
Depreciation		61,461	50,775
Amortisation of intangible assets		17,986	17,985
		3,132,695	1,943,024
Loss before income tax expense		(2,013,923)	(1,917,168)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Rhythm Biosciences Limited		(2,013,923)	(1,917,168)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of Rhythm Biosciences Limited		(2,013,923)	(1,917,168)
		Cents	Cents
Basic (loss) per share		(1.19)	(1.90)
Diluted (loss) per share		(1.19)	(1.90)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Rhythm Biosciences Limited
Statement of financial position
As at 31 December 2020

		Consolidated	
	Note	31 December 2020 \$	30 June 2020 \$
Assets			
Current assets			
Cash and cash equivalents		6,018,199	1,797,958
Trade and other receivables		76,135	139,175
Other financial assets – term deposits		45,000	45,000
Prepayments		82,864	23,234
Total current assets		<u>6,222,198</u>	<u>2,005,367</u>
Non-current assets			
Intangible assets	4	480,000	497,986
Right-of-use assets		10,003	40,012
Property, plant and equipment		100,843	102,546
Total non-current assets		<u>590,846</u>	<u>640,544</u>
Total assets		<u>6,813,044</u>	<u>2,645,911</u>
Liabilities			
Current liabilities			
Trade and other payables		502,878	676,099
Provisions		111,801	75,888
Lease liabilities		10,739	42,437
Total current liabilities		<u>625,418</u>	<u>794,424</u>
Non-current liabilities			
Provisions		17,597	8,428
Total non-current liabilities		<u>17,597</u>	<u>8,428</u>
Total liabilities		<u>643,015</u>	<u>802,852</u>
Net assets		<u>6,170,029</u>	<u>1,843,059</u>
Equity			
Issued capital	5	15,846,488	10,037,245
Reserves	6	531,650	194,000
Accumulated losses		<u>(10,208,109)</u>	<u>(8,388,186)</u>
Total equity		<u>6,170,029</u>	<u>1,843,059</u>

The above statement of financial position should be read in conjunction with the accompanying notes.

Rhythm Biosciences Limited
Statement of changes in equity
For the half-year ended 31 December 2020

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 30 June 2019	10,037,245	184,239	(4,371,766)	5,849,718
Adjustment on adoption of new accounting standard*	-	-	(2,267)	(2,267)
Balance at 1 July 2019	10,037,245	184,239	(4,374,033)	5,847,451
Loss after income tax expense for the half-year	-	-	(1,917,168)	(1,917,168)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(1,917,168)	(1,917,168)
Transactions with owners in their capacity as owners:				
Lapse of performance rights	-	(8,831)	8,831	-
Share based payments	-	13,493	-	13,493
Balance at 31 December 2019	10,037,245	188,901	(6,282,370)	3,943,776
Balance at 1 July 2020	10,037,245	194,000	(8,388,186)	1,843,059
Loss after income tax expense for the half-year	-	-	(2,013,923)	(2,013,923)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(2,013,923)	(2,013,923)
Transactions with owners in their capacity as owners:				
Shares issued (net of costs)	5,782,673	-	-	5,782,673
Share based payments	26,570	531,650	-	558,220
Lapse of Options	-	(194,000)	194,000	-
Balance at 31 December 2020	15,846,488	531,650	(10,208,109)	6,170,029

* The opening balances were restated as a result of the initial application of AASB 16.

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Rhythm Biosciences Limited
Statement of cash flows
For the half-year ended 31 December 2020

	Consolidated	
	31 December	31 December
	2020	2019
	\$	\$
Cash flows from operating activities		
Research and development grant	1,108,507	743,822
ATO COVID-19 stimulus	50,000	-
Interest received	16,539	26,254
Interest paid	(2,010)	(3,934)
Payments to suppliers and employees (inclusive of GST)	<u>(2,693,152)</u>	<u>(1,778,309)</u>
Net cash used in operating activities	<u>(1,520,116)</u>	<u>(1,012,167)</u>
Cash flows from investing activities		
Payments for property, plant and equipment	<u>(19,713)</u>	<u>(3,940)</u>
Net cash used in investing activities	<u>(19,713)</u>	<u>(3,940)</u>
Cash flows from financing activities		
Proceeds from shares issued	6,033,754	-
Payments for capital raising costs	(223,838)	-
Repayments for borrowings	-	(35,923)
Repayment of lease liabilities	<u>(49,846)</u>	<u>(29,242)</u>
Net cash provided by/(used in) financing activities	<u>5,760,070</u>	<u>(65,165)</u>
Net increase/(decrease) in cash and cash equivalents	4,220,241	(1,081,272)
Cash and cash equivalents at the beginning of the financial half-year	<u>1,797,958</u>	<u>4,728,315</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>6,018,199</u></u>	<u><u>3,647,043</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

New or amended Accounting Standards and Interpretations adopted

In the period ended 31 December 2020, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the reporting periods beginning on or after 1 July 2020.

There was no impact on the consolidated entity arising from these new and revised Standards and Interpretations.

Standards and Interpretations in issue not yet adopted

The Directors have not yet assessed the impact from the adoption of these Standards on the financial performance or position of the Group.

Going Concern

The consolidated entity incurred an operating loss of \$2,013,923 (2019: \$1,917,168) and had cash outflows from operating activities of \$1,520,116 (2019: \$1,012,167) for the half-year ended 31 December 2020. The consolidated entity is in start-up phase and does not yet have an income stream.

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of business for the following reasons:

- as at 31 December 2020, the consolidated entity had a strong cash position of \$6 million;
- a research and development refund, based on expenditure incurred, is expected in the second half of 2021;
- the consolidated entity is still in the early stages of operations and is able to scale back activity if required; and
- the Directors have prepared a budget which demonstrates that the consolidated entity has sufficient cash to meet its expenditure requirements for a period of not less than twelve months from the date of signing this report.

Note 2. Critical accounting judgements, estimates and assumptions

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

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Share-based payments

Rhythm operates an Employee Share Option Plan (ESOP). The non-cash expense of issuing these options is calculated using a Black-Scholes option pricing model. This model requires the input of a number of variables including an estimate of future volatility and a risk-free interest rate.

Intangible assets

Research and Development expenditure during the research phase of a project is recognised as an expense when incurred. Product development costs are capitalised only when specific criteria has been satisfied. The consolidated entity assesses impairment of non-financial indefinite life intangible assets and intangible assets not yet ready for use at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Note 3. Operating segments

Identification of reportable operating segments

The consolidated entity is organised into one operating segment relating to the development of new diagnostic tests for colorectal cancer.

Note 4. Non-current assets – intangible assets

	31 December 2020
	Licences \$
Balance at the beginning of the period	497,986
Amortisation	<u>(17,986)</u>
Balance at the end of the period	<u>480,000</u>

Note 5. Equity - issued capital

	Consolidated	
	31 December 2020	31 December 2020
	Shares	\$
Ordinary shares - fully paid	201,495,811	15,846,488
Movements during the period:		
Opening balance 1 July 2020	100,750,000	10,037,245
Rights issue and placement at 6 cents per share	100,562,570	6,033,754
Employee remuneration	183,241	26,570
Capital raising costs	-	<u>(251,081)</u>
Closing balance 31 December 2020	<u>201,495,811</u>	<u>15,846,488</u>

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Rhythm Biosciences Limited
Notes to the financial statements
31 December 2020

Note 6. Equity - reserves

	Consolidated	
	31 December	
	2020	30 June 2020
	\$	\$
Share-based payments reserve	<u>531,650</u>	<u>194,000</u>

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves

Movements in each class of reserve during the current financial half-year are set out below:

Consolidated	Share-based payments
	\$
Balance at 1 July 2020	194,000
Options - Employees	265,790
Options - Directors	265,860
Lapse of Options	<u>(194,000)</u>
Balance at 31 December 2020	<u>531,650</u>

During the financial half-year the Company granted 8,150,000 options to key management personnel and other employees as part of their remuneration. Set out below are summaries of options granted:

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Forfeited	Balance at the end of the half-year
21/7/2017	7/12/2020	\$0.30	2,000,000	-	-	(2,000,000)	-
21/5/2018	21/5/2021	\$0.20	1,000,000	-	-	(1,000,000)	-
14/9/2020	14/9/2023	\$0.20	-	6,650,000 *	-	-	6,650,000 *
18/11/2020	14/9/2023	\$0.20	-	1,500,000 *	-	-	1,500,000 *
			3,000,000	8,150,000 *	-	(3,000,000)	8,150,000 *

* Vesting conditions related to these options not yet achieved are as follows:

- 25% upon the granting of a CE Mark; and
- 25% upon achieving Therapeutic Goods Association (TGA) registration.

Unvested options shall lapse upon employment termination without notice (with cause) or cessation.

The valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate*	Fair value at grant date
14/9/2020	14/9/2023	\$0.145	\$0.20	100.00%	-	0.24%	\$0.0799
18/11/2020	14/9/2023	\$0.47	\$0.20	100.00%	-	0.11%	\$0.3545

* The risk-free interest rate is based on the Australian Government 3 year bond yield (Reserve Bank of Australia website) at the grant date.

Note 7. Events after the reporting period

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

Rhythm Biosciences Limited
Directors' declaration

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Otto Buttula
Chairman

24 February 2021

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Rhythm Biosciences Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Rhythm Biosciences Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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.

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Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

BDO Audit Pty Ltd

A handwritten signature in black ink, appearing to read 'James Mooney', is written over a small, faint BDO logo.

James Mooney
Director

Melbourne, 24 February 2021

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