

Rules 4.1, 4.3

Appendix 4D

Half yearly report

Introduced 1/1/2003.

Name of Entity	ARC Funds Limited
ABN	52 001 746 710
Financial Period Ended	31 DECEMBER 2023
Previous Corresponding Reporting Period	31 DECEMBER 2022

Results for Announcement to the Market

	\$	Percentage increase /(decrease) over previous corresponding period
Revenue from ordinary activities	11,745	(7%)
Profit from ordinary activities after tax attributable to members	(401,152)	42%
Profit for the period attributable to members	(401,152)	43%
Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	Nil	-
Interim Dividend	Nil	-
Previous corresponding period	Nil	Nil
Record date for determining entitlements to the dividends (if any)		
Brief explanation of any of the figures reported above necessary to enable the figures to be understood:		
The above amounts exclude the non-controlling interest portion of the results.		

The half-yearly report it is to be read in conjunction with the most recent annual financial report.

+ See chapter 19 for defined terms.

Dividends

Date the dividend is payable	N/A
Record date to determine entitlement to the dividend	N/A
Amount per security	NIL
Total dividend	NIL
Amount per security of foreign sourced dividend or distribution	N/A
Details of any dividend reinvestment plans in operation	N/A
The last date for receipt of an election notice for participation in any dividend reinvestment plans	N/A

NTA Backing

	Current Period	Previous corresponding period
Net tangible asset backing per ordinary security	5.1c	7.3c

Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	Merewether Capital Management Pty Ltd
Date control gained	6 th November 2023
Consolidated profit / (loss) from ordinary activities since the date in the current period on which control was acquired	(13,517)
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period	(63,804)

Loss of Control Gained Over Entities Having Material Effect

Name of entity (or group of entities)	-
Date control lost	-
Consolidated profit / (loss) from ordinary activities for the current period to the date of loss of control	-
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) while controlled for the whole of the previous corresponding period	-

Details of Associates and Joint Venture Entities


Name of Entity	Percentage Held		Share of Net Profit	
	Current Period	Previous Period	Current Period	Previous Period

Audit/Review Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited		The accounts have been subject to review	<input checked="" type="checkbox"/>
The accounts are in the process of being audited or subject to review		The accounts have not yet been audited or reviewed	
If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:			
Not applicable			
If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:			
Not applicable			

Attachments Forming Part of Appendix 4D

Attachment #	Details
1	Interim Financial Report

Signed By (Director/Company Secretary)	
Print Name	James A Jackson (Chairman)
Date	21 February 2024

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity for the half-year ended 31 December 2023.

Directors

The names of directors who held office during or since the end of the half-year:

James Andrew Jackson
Harley Grosser
Darren Anderson
Wayne Massey

Principal Activities

During the financial half-year, the principal activities of the consolidated entity consisted of:

- Equity Investment- investment in funds management companies, securities, schemes and entities
- Funds Management and Financial Services-operation of a wholesale funds management business

Review of Operations

ARC Funds Limited (**ARC**) posted a loss after provision for income tax of \$408,518 for the period compared to a loss of \$690,953 in the comparative period.

Half Year 2023 Results Update to Shareholders

- Loss of \$401,152 (excluding non-controlling interest)
- NTA at December 31, 2023 of 5.1 cents

Shareholder Update

During the period our primary focus was on progressing a pipeline of acquisitions and organic business opportunities. We have found it difficult to execute on substantial deals post the ASX's change in policies regarding larger acquisitions that may be deemed as potential reverse mergers. This has prevented several deals that we viewed as value creating for our shareholders from proceeding, which has been frustrating.

That said, we now possess a greater understanding of our transaction capabilities and the framework in which we must operate. Therefore, we have been developing a new approach of execution to seek to grow the business as we continue with our strategic objectives of building a Boutique Funds Management Platform and the provision of services to fund managers.

This approach is expected to involve a combination of new team members and organic business ventures in both funds management and in the provision of a broader range of services to managers. It may involve some smaller acquisitions however, as with all these initiatives they will be pursued with a focus on the principles of shareholder value preservation and value creation.

We increased our stake in Merewether Capital Management to 45.5% during the period through a partial conversion of debt to equity. We also revised the shareholder's agreement and as a result we now consolidate Merewether's accounts, having previously used the equity accounting method. This change has created a non-cash write down of \$147,984 to the value of this investment which has been expensed in the Profit and Loss Statement for the current period. If we excluded this non-cash item, then our loss would be approximately \$265,000 which is consistent with prior periods.

We assisted Merewether as it transitions the Fund Trustee to reduce operating costs and also achieved savings with regards to Merewether's insurance policies. This will extend the cash runway of Merewether. As previously reported, Merewether's performance as a business has been below our initial expectations due primarily to the lower than expected funds under management and subdued investment performance for ASX-listed small and microcap companies. We expect the modest recent improvements in market sentiment may lead to improved investment performance and increased funds under management moving forward.

ARC's fixed cost base remains stable and lean as we work to maximise the cash available to enable us to pursue our strategic objectives

Auditor's Declaration

We have received a declaration from the auditors, Bentleys Brisbane (Audit) Pty Ltd, of their independence. The lead auditor's independence declaration under Section 307C of the *Corporations Act 2001* is set out on page 6 for the half year ended 31 December 2023.

The report is made in accordance with a resolution of the Board of Directors pursuant to section 306(3)(a) of the *Corporations Act 2001*.

Signed on behalf of the Directors:



**Harley Grosser
Managing Director**

Dated: 21 February 2024

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001*
TO THE DIRECTORS OF ARC FUNDS LIMITED**

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2023 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

Bentleys.

Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants

Ashley Carle

Ashley Carle

Director

Brisbane

21 February 2024

ARC FUNDS LIMITED AND CONTROLLED ENTITIES
Statement of Profit or Loss and Other Comprehensive Income
For the half year ended 31 December 2023

Continuing Operations	Note	31 Dec 2023 \$	31 Dec 2022 \$
Revenue	2	11,745	12,651
Other expenses	3	(251,385)	(373,133)
Finance Costs		(85)	(147)
3rd party loan written off	4	-	(150,000)
Gain/(loss) on disposal of associate	5	-	(152,553)
Share of net profit/(loss) of investments in associates accounted for using the equity method		(25,315)	(27,771)
Gain/(loss) on change in accounting for investments in associates	6	(147,984)	-
Profit/(loss) before income tax		(413,024)	(690,953)
Income tax expense		4,506	-
Profit/(loss) after income tax for the half-year		(408,518)	(690,953)
Other comprehensive income for the half year, net of tax		-	-
Total comprehensive income attributable to members of ARC Funds Limited		(408,518)	(690,953)
Attributable to ARC shareholders		(401,152)	-
Attributable to non-controlling interests		(7,366)	-
Basic and diluted earnings/(loss) per share (cents per share)		(1.3)	(2.3)

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

ARC FUNDS LIMITED AND CONTROLLED ENTITIES
Statement of Financial Position
As at 31 December 2023

	Note	Economic Entity	
		31 Dec 2023	30 June 2023
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	8	1,328,117	600,068
Financial assets		79,980	1,106,871
Trade and other receivables		48,835	15,335
Loans to 3 rd Parties	9	-	90,000
Deferred tax asset		91,399	-
TOTAL CURRENT ASSETS		1,548,331	1,812,274
NON-CURRENT ASSETS			
Investments accounted for using the equity method	6	-	173,299
Goodwill	10	60,211	-
TOTAL NON-CURRENT ASSETS		60,211	173,299
TOTAL ASSETS		1,608,542	1,985,573
CURRENT LIABILITIES			
Trade and Other payables		62,087	37,906
Employee provisions		18,077	10,771
TOTAL CURRENT LIABILITIES		80,164	48,677
TOTAL LIABILITIES		80,164	48,677
NET ASSETS		1,528,378	1,936,896
EQUITY			
Issued capital	12	20,153,280	20,153,280
Non controlling interest		(7,366)	-
Accumulated losses		(18,617,536)	(18,216,384)
TOTAL EQUITY		1,528,378	1,936,896

The Statement of Financial Position is to be read in conjunction with the attached notes.

ARC FUNDS LIMITED AND CONTROLLED ENTITIES
Statement of Cash Flows
For the half year ended 31 December 2023

	Note	Economic Entity	
		31 Dec 2023	31 Dec 2022
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(252,114)	(385,284)
Receipts from customers		9,976	6,000
Interest received		28,659	6,651
Finance costs paid		(85)	(147)
Net cash (used in) / provided by operating activities		(213,564)	(372,780)
Cash flows from investing activities			
Proceeds from financial assets – term deposits		1,000,000	-
Investment in subsidiaries, operations and joint operations, net of cash		1,613	-
Net cash (used in) / provided by investing activities		1,001,613	-
Cash flows from financing activities			
Loan to 3rd Parties		(60,000)	(55,000)
Net cash (used in) / provided by financing activities		(60,000)	(55,000)
Net (decrease)/increase in cash		728,049	(427,780)
Cash at beginning of period		600,068	2,414,522
Cash at end of period	8	1,328,117	1,986,742

The Statement of Cash Flows is to be read in conjunction with the attached notes.

ARC FUNDS LIMITED AND CONTROLLED ENTITIES
Statement of Changes in Equity
For the half year ended 31 December 2023

	Issued Capital \$	Option Reserve \$	Accumulated Losses \$	Non-Controlling Interest \$	Total Equity \$
At 30 June 2022	20,153,280	111,250	(17,362,663)	-	2,901,867
Total comprehensive income for the period	-	-	(690,953)	-	(690,953)
Transfer from reserves on lapsing of options	-	(111,250)	111,250	-	-
At 31 December 2022	20,153,280	-	(17,942,366)	-	2,210,914
Total comprehensive income for the period	-	-	(274,018)	-	(274,018)
As at 30 June 2023	20,153,280	-	(18,216,384)	-	1,936,896
Total comprehensive income for the period	-	-	(401,152)	(7,366)	(408,518)
At 31 December 2023	20,153,280	-	(18,617,536)	(7,366)	1,528,378

The Statement of Changes in Equity is to be read in conjunction with the attached notes.

ARC FUNDS LIMITED AND CONTROLLED ENTITIES
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The interim consolidated financial report was approved by the Board of Directors on 21 February 2024.

This interim consolidated financial report has been prepared in accordance with Accounting Standard AASB 134 and is to be read in conjunction with the annual financial report for the financial year ended 30 June 2023 ("**2023 Annual Report**"). The 2023 Annual Report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations and the *Corporations Act 2001*, as appropriate for for-profit oriented entities.

The half yearly report does not include full disclosures of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the economic entity as the full financial report. Accordingly, it is recommended that this financial report be read in conjunction with the 2023 Annual Report and any public announcements made by ARC Funds Limited ("**ARC**") during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The same accounting policies have been followed as those applied and disclosed in the 2023 Annual Report, unless otherwise stated.

The Group has considered the implications of new or amended Accounting Standards, but determined that their impact is either not relevant or not material.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The functional and presentation currency of ARC is Australian dollars.

(a) Income Tax

The newly controlled entity, Merewether Capital Management Pty Ltd, is not part of the existing tax consolidated Group and therefore any balances relating to this entity need to be separately assessed and considered for disclosure.

With the exception of the above, the accounting policy disclosed in the 30 June 2023 annual report is applicable.

ARC FUNDS LIMITED AND CONTROLLED ENTITIES
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Economic Entity	
31 Dec 2023	31 Dec 2022
\$	\$

NOTE 2: REVENUES

Revenues are comprised as follows:

Affiliate services	-	6,000
Interest revenue	18,968	6,651
Change in fair value of investments retained	(17,200)	-
Dividends	3,434	-
Miscellaneous revenue	6,543	-
Total revenues	11,745	12,651

NOTE 3: EXPENSES

Expenses are comprised as follows:

Directors fees and costs	137,139	135,363
Insurance	18,819	14,727
Legal Expenses	10,876	62,625
Lanyon contribution	-	50,000
Other expenses	84,551	110,418
Total expenses	251,385	373,133

ARC FUNDS LIMITED AND CONTROLLED ENTITIES
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4: 3RD PARTY LOAN WRITTEN OFF

On 10 May 2022 the company announced it had entered into an agreement with Lanyon Investment Company Limited (LAN) to acquire the investment management rights to LAN.

As part of this agreement, ARC Investment Management Pty Ltd (a subsidiary of ARC) ("ARC IM"), was to replace the existing investment manager, Lanyon Asset Management Pty Ltd, and become party to the existing investment management agreement (IMA) of LAN.

The agreement contemplated in the IMA were conditional upon LAN shareholder approval, including to novate the IMA, change LAN's name and amend LAN's constitution accordingly, to undertake a \$15m capital raising.

As part of the LAN restructure process the company agreed to fund LAN by way of a converting note issued to ARC. The total consideration was \$150,000 (plus LAN's re-listing fee), with \$100,000 issued immediately, and two additional tranches of \$25,000 each paid in June 2022 and July 2022. The converting loan was on an interest free, unsecured basis.

On 14 September 2022 the company announced the following, further to the ASX announcements dated 10 May 2022 and 11 May 2022, in relation to the transaction with ARC Funds Limited (ARC) (ASX:ARC), Lanyon Investment Company Limited (LAN or the Company) has, in light of the current broader market conditions, made a decision to not to proceed with the capital raising at this time.

As the capital raising is not proceeding at this time the company does not expect the \$150,000 loan to LAN to be repaid in cash, in accordance with the converting loan agreement the loan will instead be repaid as soon as reasonably practicable after 30 June 2023 by way of issue of 24,175 Shares in LAN to the company.

As LAN has very little in net assets and its future plans remain unclear the company does not expect any value will be assigned to the 24,175 in LAN. As a result, it has been decided to write off the \$150,000 loan to LAN.

ARC FUNDS LIMITED AND CONTROLLED ENTITIES
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 5: GAIN/(LOSS) ON DISPOSAL OF ASSOCIATE

On 22nd December 2022 ARC and Magnum Holdings agreed to terminate the Joint Venture, with a view to limiting the costs and liabilities of each party associated with operating Magnum Funds Management and the Magnum Fixed Income Fund.

Up until the termination of the Joint Venture agreement Magnum incurred additional losses of which ARC share of these losses was \$2,249.

Of the initial \$50,000 equity investment in Magnum by ARC, ARC share of cash reserves in Magnum at the time of the termination of the joint venture were \$22,183 and this was returned to ARC on 4 January 2023.

The calculation of the loss in relation to ARCs investment in Magnum are as follows;

Loss on disposal of Magnum

<u>Carrying value as at 30 June 22</u>	
ARC equity in Magnum	50,000
Capitalised expenses	34,031
Issued Options	111,250
Share of Retained Earnings / (Losses) 30 June 2022	(18,296)
Share of Retained Earnings / (Losses) to 22 December 2022	(2,249)
Investment in Magnum as at 22 December 2022	174,736
less Proceeds from Magnum	(22,183)
Loss on Magnum disposal	152,553

NOTE 6: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

As disclosed in note 9 and 10, during the period the Merewether Capital Management Pty Ltd investment is now being accounted for as a controlled entity due to a change in ownership and the number of board positions held by ARC Directors.

Consequently, the investment balance has been derecognised within the 31 December 2023 reporting period as follows:

<u>Carrying value as at 30 June 23</u>	173,299
Share of (Losses) to 06 November 2023	(25,315)
Investment in Merewether as at 06 November 2023	147,984
less Proceeds received	-
Loss on Merewether disposal	147,984

ARC FUNDS LIMITED AND CONTROLLED ENTITIES
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

	Economic Entity	
	31 Dec 2023	30 June 2023
	\$	\$

NOTE 7: DIVIDENDS PAID OR PROPOSED

Declared and paid during the period

Total dividends paid	-	-
----------------------	---	---

Proposed and not recognised as a liability (fully franked at 25%)

Interim franked dividend for period to 31 December 2023: nil (30 June 2023: nil)	-	-
---	---	---

The current balance of the franking account, prior to accounting for any taxation paid in relation to the result for the latest period is \$48,634.

NOTE 8: CASH AND CASH EQUIVALENTS

Cash on hand and at bank	1,328,117	600,068
Net cash and cash equivalents as per statement of cash flows	<u>1,328,117</u>	<u>600,068</u>

NOTE 9: LOANS TO 3RD PARTIES

Loans to 3 rd Parties	-	90,000
----------------------------------	---	--------

ARC agreed to provide Merewether Capital Management with a working capital facility of \$150,000, no interest payable, as at 30 June 2023 \$90,000 of this facility had been drawn down.

On the 6th November 2023 there was a change in control where ARC acquired an additional 50,000 shares in Merewether Capital Management taking its shareholding to 45.5% along with amendments to the shareholding agreement between the parties which resulted in ARC be able to appoint a majority of the Merewether Capital Management board of directors.

As a result of this change in control, Merewether Capital Management is now consolidated into ARCs accounts. The intercompany loan is therefore eliminated on consolidation of the Merewether Capital Management into the ARCs accounts as at 31 December 2023.

**ARC FUNDS LIMITED AND CONTROLLED ENTITIES
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 10: GOODWILL

On the 6th November 2023, ARC acquired control of Merewether Capital Management Pty Ltd at a premium of \$60,211 to net asset value. This amount is recognised as Goodwill within the consolidated financial statements. Calculation of Goodwill is as follows.

Description	Amount
Fair value of consideration given for controlling interest	42,406
Fair value of non-controlling interest	-
Fair value of previously held interest	-
Sub-total	42,406
Less: Fair value of net assets of acquiree *	17,805
Goodwill arising on consolidation	60,211

* Note this balance has been added as the entity is in a net liability position

NOTE 11. CONTROLLED ENTITIES

	Country of Incorporation	Percentage Owned	
		31 Dec 2023	30 June 2023
Parent Entity:			
ARC Funds Limited	Australia		
Controlled Entities of ARC Funds Limited:			
ARC Funds Operations Pty Ltd (a)	Australia	100%	100%
ARC Investment Management Pty Ltd	Australia	100%	85%
Merewether Capital Management Pty Ltd	Australia	45.5%	40%

Economic Entity	
31 Dec 2023	30 June 2023
\$	\$

NOTE 12. EQUITY – ISSUED CAPITAL

30,076,352 fully paid authorised ordinary shares (30 June 2023: 30,076,352)	20,153,280	20,153,280
--	------------	------------

MOVEMENT IN ISSUED SHARES OF THE PARENT ENTITY FOR THE PERIOD

Date	Details	Number of shares	\$
30 June 2023	Opening balance	30,076,352	20,153,280
31 December 2023	Closing balance	<u>30,076,352</u>	<u>20,153,280</u>

ARC FUNDS LIMITED AND CONTROLLED ENTITIES
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 13. SEGMENT INFORMATION

The Economic Entity's activities have been divided into two specific segmental groups, operating in one geographical region, being Australia:

Funds management: the management of investment vehicles and provision of other funds management services;

Investment: investment in listed and unlisted Australian companies and securities.

Unallocated expenses include all financing costs except those directly attributable to investment, and personnel costs associated with the Economic Entity except the use of outside personnel as Directors of partly owned subsidiaries and compliance committees which are capable of allocation to a specific business segment; interest and dividend income is allocated to "Investment".

Six months to 31 December 2023	Funds M'ment	Investment	Unallocated	TOTAL
	\$	\$	\$	\$
Revenue	6,543	(13,766)	-	(7,223)
Interest revenue	-	18,968	-	18,968
Share of net profit/(loss) of investments accounted for using the equity method	(25,315)	-	-	(25,315)
Gain/(loss) on change in accounting for investments in associates	(147,984)	-	-	(147,984)
Expenses other than finance, depreciation & amortisation	-	-	(251,385)	(251,385)
SEGMENT RESULT	(166,756)	5,202	(251,385)	(412,939)
Finance costs	-	-	(85)	(85)
LOSS BEFORE INCOME TAX	(166,756)	5,202	(251,470)	(413,024)
Income tax expense	-	-	4,506	4,506
LOSS AFTER INCOME TAX	(166,756)	5,202	(246,964)	(408,518)
Segment Assets	171,171	-	1,437,371	1,608,542
Segment Liabilities	34,688	-	45,476	80,164
Six months to 31 December 2022				
	Funds M'ment	Investment	Unallocated	TOTAL
	\$	\$	\$	\$
Revenue	6,000	-	-	6,000
Interest revenue	-	6,651	-	6,651
3rd party loan written off	-	(150,000)	-	(150,000)
Gain/(loss) on disposal of associate	(152,553)	-	-	(152,553)
Share of net profit/(loss) of investments accounted for using the equity method	(27,771)	-	-	(27,771)
Expenses other than finance, depreciation & amortisation	-	-	(373,133)	(373,133)
SEGMENT RESULT	(174,324)	(143,349)	(373,133)	(690,806)
Finance costs	-	-	(147)	(147)
LOSS BEFORE INCOME TAX	(174,324)	(143,349)	(373,280)	(690,953)
Income tax expense	-	-	-	-
LOSS AFTER INCOME TAX	(174,324)	(143,349)	(373,280)	(690,953)
Segment Assets	216,949	-	2,043,351	2,260,300
Segment Liabilities	-	-	49,386	49,386

DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes thereto 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 thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2023 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) of the *Corporations Act 2001*.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'J. A. Jackson', with a long horizontal flourish extending to the right.

James A Jackson
Chairman

21 February 2024

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ARC FUNDS LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of ARC Funds Limited and its controlled entities (the "Group"), which comprises the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (a) giving a true and fair view of the Group's financial position as at 31 December 2023 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 Entities*. 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 Group 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.

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 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.

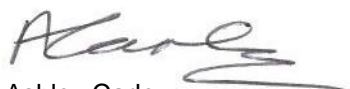
Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. 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 2023 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.



Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants



Ashley Carle
Director
Brisbane
21 February 2024