



Ridley Corporation Limited
Appendix 4D Half year report

ABN 33 006 708 765

Results for announcement to the market

Reporting period: Half year ended 31 December 2020
Previous corresponding period: Half year ended 31 December 2019
Release date: 24 February 2021

				\$A'000
Revenue from ordinary activities	Down	3.5%	to	470,161
EBITDA from ongoing operations	Up	12.9%	to	37,577
Net profit after tax from ordinary activities attributable to members and Total comprehensive income	Up	2,821%	to	11,569

Dividends	Amount per security		Franked amount per security	
	Current period	Previous corresponding period	Current period	Previous corresponding period
Interim dividend	-	1.5¢	-	1.5¢

Record date for determining entitlements to the interim dividend	Not applicable
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The Board has resolved not to pay an interim dividend in respect of the financial year ended 30 June 2021 (**FY21**).

31 December	2020	2019
Net tangible asset backing per ordinary share	\$0.63	\$0.59

24 February 2021

Growth Strategy delivering improved earnings

The Ridley Corporation Limited consolidated group (**Ridley or Group**) today announced results for the half year ended 31 December 2020 (**FY21 1H**)

- 12.9% increase in EBITDA from ongoing operations on prior corresponding period driven by the execution of Ridley's Growth Strategy
- The Group portfolio has demonstrated resilience to seasonal changes and the impacts of COVID-19
- \$21.4 million (**m**) FY21 1H net cash inflow reflecting the focus on cash management, a reduction in working capital and the return to normal capital expenditure levels

SUMMARY (\$ million unless otherwise stated)	Dec 2020	Dec 2019	Movement
EBITDA - ongoing operations	37.6	33.3 ¹	▲ 4.3
NPAT and Total comprehensive income	11.5	0.4	▲ 11.1
Consolidated cash inflow / (outflow)	21.4	(31.3)	▲ 52.7
Net debt	125.8	132.7	▲ (6.9)
Leverage ratio (times) ²	1.9x	2.7x	▲ (0.8x)
Earnings Per Share before Individually significant items (cents)	3.2	3.0	▲ 0.2

¹ \$2.6m of EBITDA associated with the introduction of the new lease accounting standard from 1 July 2019 has been reclassified from Individually significant items to Ongoing operations to provide consistency of reporting given this accounting standard has been applied in all periods presented.

² Calculated as Net debt / Last 12 months EBITDA per banking facility covenant calculations.

The Directors believe that the presentation of the unaudited non-IFRS financial summary above is useful for users of the accounts as it reflects the underlying financial performance of the business.

As this is the first reporting period following the business restructure implemented in the financial year ending 30 June 2020 (**FY20**), the increase in EBITDA from ongoing operations to \$37.6m reflects the progress made in driving operational efficiencies and becoming more customer orientated.

The financial performance is complemented by a record safety performance and an improved level of engagement in the employee opinion survey, demonstrating the stability of operations during the half year period and the high degree of commitment by employees whilst dealing with the challenges of the global COVID-19 pandemic.

Segment Performance

Following the business restructure, from 1 July 2020 the Group adopted two reporting segments: Bulk Stockfeeds and Packaged Feeds and Ingredients.

The Bulk Stockfeeds segment contributed EBITDA of \$14.6m, reflecting growth in poultry broiler, layer and pig sales volumes which was more than offset by a reduction in ruminant volumes. The breaking of the widespread drought across the eastern states predictably led to the regeneration of natural pasture and a significant reduction in demand for beef and sheep feeding. In addition, the abundance of pasture in Victoria has marginally reduced sales to the dairy sector.

The Packaged Feeds and Ingredients segment performed strongly, contributing EBITDA of \$23.0m. Within this segment the Rendering business achieved record operational efficiencies and has experienced higher sales prices due to the reduction in red meat abattoir processing post the break in the drought. The Packaged Products business traded well through both rural and urban retail networks with the execution of targeted marketing and promotional campaigns. The Aquafeed business continues to compete in an oversupplied market, however has succeeded in growing sales volumes over the prior year. The Novacq™ Thailand site commenced commercial operations on 1 July 2020 (previously capitalised as an Intangible Applied R&D Project asset) and has been supplying product for sale in prawn feed, predominantly in Australia.

The corporate cost of \$5.2m reflects the lower overhead structure while the reduction in net finance costs to \$2.6m reflects lower interest rates and commencement of debt retirement.

Cashflows and debt

The strong operational performance, disciplined capital expenditure and reduction in working capital resulted in a net cash inflow of \$21.4m for FY21 1H.

The new Wellsford feedmill, which was formally opened in July 2020, is the last of the Asset Refresh Program, and accounts for \$1.5m of the \$2.6m development capital expenditure in the period. As would be expected following the Asset Refresh Program, the FY21 1H maintenance capital of \$6.4m was well below the depreciation charge of \$12.0m (excluding Right of Use assets).

With increasing confidence in our supply chains, the partial release of COVID-19 contingency stocks has resulted in a reduction in inventories from \$104.5m at 30 June 2020 to \$95.3m at 31 December 2020.

Net Debt was \$125.8m at 31 December 2020, down \$21.4m from 30 June 2020, and the FY21 1H Gearing and Leverage ratios have reduced to 31% and 1.90x, respectively.

Individually Significant Items

The sale of the last remaining parcel of surplus land at Lara generated a FY21 1H pre-tax profit of \$1.8m (\$1.3m after tax). The sale of the land at Moolap was also executed during the half year and will be brought to account on settlement which is scheduled in the second half of the financial year.

Current provisions include \$5.9m for the closure and ultimate divestment of the former feedmills at Murray Bridge and Bendigo and for the feedmill at Mooroopna which is expected to close at the end of February 2021.

Dividend

The Board has determined not to pay an interim dividend for the half year and to apply these funds to the retirement of debt.

Outlook

Ridley considers that it has controls in place to manage employee welfare and potential business interruption from the ongoing risk of COVID-19.

Second half earnings are expected to be supported by:

- an improvement in the performance of the Bulk Stockfeeds segment;
- the ongoing strength in the Packaged Feeds and Ingredients segment; and
- the continuing implementation of the Growth Strategy.

The operating cash generated by the business and the prudent management of working capital, should result in a further reduction of the term debt by the end of the financial year.

For further information please contact:

Quinton Hildebrand Chief Executive Officer and Managing Director Ridley Corporation Limited +61 (03) 8624 6529

RIDLEY CORPORATION LIMITED

Directors' Report for the half year ended 31 December 2020

The Directors present their report on the consolidated entity consisting of Ridley Corporation Limited and the entities it controlled at the end of, or during, the half year ended 31 December 2020.

Directors

The Directors of Ridley Corporation Limited at any time during or since the end of the half year and up to the date of this report are as follows:

M McMahon ¹	Q L Hildebrand	R J van Barneveld
P M Mann	E Knudsen	D J Lord
R Jones ¹	G H Weiss ²	

¹ Appointed on 27 August 2020

² Retired on 26 August 2020

Review of Operations

The review of operations is set out on pages 2 and 3.

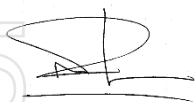
Rounding of Amounts to Nearest Thousand Dollars

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2017/191 issued by the Australian Securities and Investments Commission relating to the "rounding off" of amounts in the directors' report and financial statements. Amounts in the directors' report and the consolidated financial statements have been rounded off to the nearest thousand dollars in accordance with that legislative instrument, unless otherwise indicated.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is on page 5 and forms part of the Directors' report.

Signed and lodged from Melbourne on 24 February 2021 in accordance with a resolution of the Directors.



M McMahon
CHAIR



Q L Hildebrand
MANAGING DIRECTOR AND CHIEF
EXECUTIVE OFFICER



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Ridley Corporation Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Ridley Corporation Limited for the half-year ended 31 December 2020 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.

KPMG
KPMG

A handwritten signature in black ink, appearing to read 'Chris Sargent'.

Chris Sargent
Partner

Melbourne
24 February 2021

**CONSOLIDATED CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

	Note	December 2020 \$'000	December 2019 \$'000
Revenue	2	470,161	487,342
Cost of sales		(433,660)	(455,083)
Gross profit		36,501	32,259
Finance income		16	59
Other income	2	2,570	407
Expenses:			
Selling and distribution		(6,822)	(8,743)
General and administrative		(13,154)	(21,023)
Finance costs	3	(2,581)	(3,039)
Share of net losses from equity accounted investments	5	-	(311)
Profit / (loss) before income tax		16,530	(391)
Income tax (expense) / benefit		(4,961)	787
Net profit after tax attributable to members of Ridley Corporation Limited		11,569	396
Other comprehensive income			
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income for the period		11,569	396
Total comprehensive income for the period attributable to members of Ridley Corporation Limited		11,569	396
Earnings per share		Cents	Cents
Basic earnings per share		3.6	0.1
Diluted earnings per share		3.6	0.1

The above consolidated condensed statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED CONDENSED BALANCE SHEET AS AT 31 DECEMBER 2020

	Note	December 2020 \$'000	June 2020 \$'000
Current assets			
Cash and cash equivalents		35,165	45,818
Receivables		116,878	111,722
Inventories		95,334	104,490
Tax receivable		2,231	-
Assets held for sale		-	188
Total current assets		249,608	262,218
Non-current assets			
Receivables		1,657	1,702
Property, plant and equipment	7	297,489	294,251
Intangible assets	8	74,499	75,001
Deferred tax asset		8,500	13,554
Total non-current assets		382,145	384,508
Total assets		631,753	646,726
Current liabilities			
Payables		162,564	165,374
Borrowings		-	193,000
Provisions		20,869	21,117
Tax liability		-	384
Total current liabilities		183,433	379,875
Non-current liabilities			
Payables		11,052	4,882
Borrowings		161,001	-
Provisions		338	324
Total non-current liabilities		172,391	5,206
Total liabilities		355,824	385,081
Net assets		275,929	261,645
Equity			
Share capital		225,114	223,521
Reserves		1,309	1,843
Retained earnings		49,506	36,281
Total equity		275,929	261,645

The above consolidated condensed balance sheet should be read in conjunction with the accompanying notes.

**CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

\$'000	Share capital	Share based payment reserve	Fair value reserve	Retained earnings	Total
Balance at 1 July 2020	223,521	1,843	-	36,281	261,645
Profit for the period	-	-	-	11,569	11,569
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	11,569	11,569
Transactions with owners recorded directly in equity:					
Issue of share capital	1,593	-	-	-	1,593
Transfer to Retained Earnings	-	(1,656)	-	1,656	-
Share-based payment transactions	-	1,122	-	-	1,122
Total transactions with owners recorded directly in equity	1,593	(534)	-	1,656	2,715
Balance at 31 December 2020	225,114	1,309	-	49,506	275,929

FOR THE HALF YEAR ENDED 31 DECEMBER 2019

\$'000	Share capital	Share based payment reserve	Fair value reserve	Retained earnings	Total
Balance at 1 July 2019	218,941	3,601	117	54,840	277,499
Profit for the period	-	-	-	396	396
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	-	396	396
Transactions with owners recorded directly in equity:					
Dividends paid	-	-	-	(8,628)	(8,628)
Share based payment transactions	-	1,215	-	-	1,215
Total transactions with owners recorded directly in equity	-	1,215	-	(8,628)	(7,413)
Balance at 31 December 2019	218,941	4,816	117	46,608	270,482

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

**CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

	December 2020 \$'000	December 2019 \$'000
Cash flows from operating activities		
Receipts from customers	514,320	529,778
Payments to suppliers and employees	(478,272)	(507,619)
Other revenue received	248	407
Net interest and other finance costs paid	(2,488)	(2,848)
Income taxes paid	(2,522)	(2,771)
Net cash from operating activities	31,286	16,947
Cash flows from investing activities		
Payments for property, plant and equipment	(8,963)	(33,341)
Payments for intangible assets	(294)	(3,582)
Proceeds from sale of non-current assets	2,010	-
Net cash used in investing activities	(7,247)	(36,923)
Cash flows from financing activities		
Share based payment transactions	(207)	-
(Repayment of) / Proceeds from borrowings	(31,999)	53,557
Dividends paid	-	(8,448)
Payments for lease liabilities	(2,486)	(2,360)
Loans to related parties	-	(485)
Net cash (used in) / from financing activities	(34,692)	42,264
Net movement in cash held	(10,653)	22,288
Cash at the beginning of the financial year	45,818	17,483
Cash at the end of the half year	35,165	39,771

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

Notes to the financial statements
For the half year ended 31 December 2020

Note 1 – Basis of preparation of interim financial report

These condensed consolidated interim financial statements, comprising parent entity Ridley Corporation Limited, its subsidiaries and the group's interest in equity accounted investments, as at, and for the six months ended, 31 December 2020, have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting*, International Financial Reporting Standard IAS 34 *Interim Financial Reporting* and the *Corporations Act 2001*. This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2020.

These interim financial statements were approved by the Board of Directors on 24 February 2021.

The principal accounting policies adopted in the preparation of these interim financial statements are consistent with those applied by the Group in its consolidated financial statements as at, and for the year ended, 30 June 2020. There are no new accounting standards having material impact.

New accounting standards and interpretations

The Group has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current half year.

AASB 16 Leases

The lease accounting standard AASB 16 was effective for the financial year beginning 1 July 2019. It requires all leases to be recognised on the balance sheet with a right-of-use asset capitalised and depreciated over the estimated lease term together with a corresponding liability that will reduce over the same period with an appropriate interest charge recognised. The Group applied AASB 16 using the modified retrospective approach and therefore the comparative information in this report is consistent with the current period information. The accounting treatment for leases is detailed in the 2020 annual report.

Note 2 – Revenue and other income

	CONSOLIDATED	
	December 2020 \$'000	December 2019 \$'000
Revenue from continuing operations		
Sale of goods	470,161	487,342
Finance income	16	59
Other income		
Rental income	32	39
Gain on sales of residual property site assets	1,822	-
Recovery of third party loan fully provided in prior year	500	-
Other	216	368
	2,570	407

Notes to the financial statements
For the half year ended 31 December 2020

Note 3 – Expenses

	CONSOLIDATED	
	December 2020	December 2019
	\$'000	\$'000
Amortisation of "right of use" asset relating to leases	2,348	2,485
Depreciation of Property, plant and equipment	11,966	9,486
Amortisation of Intangibles	796	921
	15,110	12,892
Finance costs:		
Interest expense	2,504	3,035
Interest expense on lease liabilities	169	211
Amortisation of borrowing costs	75	132
Unwind of discount on deferred consideration	(167)	(339)
	2,581	3,039

Note 4 - Dividends

Dividends paid during the half year:

Half year ended 31 December 2020

\$'000

There was no final dividend paid in respect of the 2020 financial year and no interim dividend is proposed for the 2021 financial year.

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Half year ended 31 December 2019

Final dividend in respect of the 2019 financial year:

\$'000

Paid in cash on 31 October 2019 of 2.75 cents, fully franked per share

8,628

Notes to the financial statements
For the half year ended 31 December 2020

Note 5 – Investments accounted for using the equity method

Name of Company	Principal Activity	Country of Incorporation	Ownership Interest %	Contribution to Net Profit/(Loss) \$'000
Jointly controlled entities:			2020	2019
Nelson Landholdings Pty Ltd as Trustee for Nelson Landholdings Trust ¹	Property	Australia	50	50
Pen Ngern Feed Mill Co. Ltd ²	Aquafeed production	Thailand	100	49
Investments accounted for using the equity method				
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Notes to the financial statements
For the half year ended 31 December 2020

Note 6 – Segment reporting (continued)

31 December 2020 in \$'000

	BULK STOCKFEEDS	PACKAGED FEEDS & INGREDIENTS	CORPORATE	TOTAL
Total sales revenue	310,990	159,171	-	470,161
Finance costs	-	-	(2,581)	(2,581)
EBITDA before individually significant items	14,553	23,024	(5,189)	32,388
Depreciation & Amortisation (DA)	8,171	6,939	-	15,110
Reportable segment profit before income tax and before individually significant items	6,382	16,085	(7,747)	14,720
Individually significant items	-	-	1,810	1,810
Reportable segment profit before income tax	6,382	16,085	(5,937)	16,530
Segment assets	230,478	348,024	53,251	631,753
Segment liabilities	(140,742)	(47,691)	(167,391)	(355,824)

31 December 2019 in \$'000 – restated to reflect the new Segment reporting structure applicable from 1 July 2020

	BULK STOCKFEEDS	PACKAGED FEEDS & INGREDIENTS	CORPORATE	TOTAL
Total sales revenue	346,832	140,510	-	487,342
Finance costs	-	-	(3,039)	(3,039)
EBITDA before individually significant items	18,209	15,158	(5,822)	27,545
Depreciation & Amortisation (DA)	7,469	5,423	-	12,892
Reportable segment profit before income tax and before individually significant items	10,740	9,735	(8,795)	11,680
Individually significant items	(8,245)	(769)	(3,057)	(12,071)
Reportable segment profit before income tax	2,495	8,966	(11,852)	(391)
Segment assets	230,035	351,144	63,534	644,713
Segment liabilities	(134,900)	(61,648)	(177,683)	(374,231)

Note that all tax assets and liabilities, and all cash and borrowings, have been disclosed within Corporate based on the parent entity responsibilities for the tax consolidated group and banking facilities and consistent with the central treasury function operation for the Ridley consolidated group.

Notes to the financial statements
For the half year ended 31 December 2020

Note 7 – Property, plant and equipment

31 December 2020 in \$'000

	Land and Buildings	Plant and Equipment	Capital work in progress	Right of use assets	Total
Cost at 1 July 2020	100,835	356,068	13,433	13,699	484,035
Accumulated depreciation	(13,031)	(171,882)	-	(4,871)	(189,784)
Carrying amount at 1 July 2020	87,804	184,186	13,433	8,828	294,251
Additions	-	-	9,097	8,590	17,687
Transfers from plant under construction	344	8,736	(9,080)	-	-
Disposals	-	(135)	-	-	(135)
Depreciation	(1,278)	(10,688)	-	(2,348)	(14,314)
Carrying amount at 31 Dec 2020	86,870	182,099	13,450	15,070	297,489
At 31 December 2020					
Cost	101,472	358,440	13,450	22,230	495,592
Accumulated depreciation	(14,602)	(176,341)	-	(7,160)	(198,103)
Carrying amount at 31 Dec 2020	86,870	182,099	13,450	15,070	297,489

31 December 2019 in \$'000

	Land and Buildings	Plant and Equipment	Capital work in progress	Right of use assets	Total
Cost at 1 July 2019	67,175	268,723	88,601	-	424,499
Accumulated depreciation	(10,878)	(154,298)	-	-	(165,176)
Carrying amount at 1 July 2019	56,297	114,425	88,601	-	259,323
Transition to AASB16 Lease accounting standard	-	-	-	13,810	13,810
Additions	18	2,944	30,173	969	34,104
Transfers from plant under construction	-	55,542	(55,542)	-	-
Disposals	(1,034)	(3,400)	-	-	(4,434)
Depreciation	(1,011)	(8,475)	-	(2,485)	(11,971)
Carrying amount at 31 Dec 2019	54,270	161,036	63,232	12,294	290,832
At 31 December 2019					
Cost	67,193	327,209	63,232	14,779	472,413
Accumulated depreciation	(12,923)	(166,173)	-	(2,485)	(181,581)
Carrying amount at 31 Dec 2019	54,270	161,036	63,232	12,294	290,832

Notes to the financial statements
For the half year ended 31 December 2020

Note 8 – Intangibles

	Software	Goodwill	Contracts	Assets under development	Total
31 December 2020 in \$'000					
Cost at 1 July 2020	18,065	69,903	685	3,250	91,903
Accumulated depreciation	(15,381)	(953)	(303)	(265)	(16,902)
Carrying amount at 1 July 2020	2,684	68,950	382	2,985	75,001
Additions	31	-	-	539	570
Amortisation	(676)	-	(275)	(121)	(1,072)
Carrying amount at 31 Dec 2020	2,039	68,950	107	3,403	74,499
As at 31 December 2020					
Cost	18,080	68,950	685	3,789	91,504
Accumulated depreciation and amortisation	(16,041)	-	(578)	(386)	(17,005)
Carrying amount at 31 Dec 2020	2,039	68,950	107	3,403	74,499

Note 9 – Contingent liabilities

In the ordinary course of business the Group may be subject to legal proceedings or claims. Where there is significant uncertainty as to whether a future liability will arise in respect of these items, or the amount of liability (if any) which may arise cannot be reliably measured, these items are accounted for as contingent liabilities. Based on information available as of the date of this report, the Group does not expect any of these items to result in a material loss.

Note 10 – Fair values

Fair values versus carrying amounts

The carrying amount of financial assets and liabilities approximates their fair value. For financial assets and liabilities carried at fair value, the Group uses the following to categorise the method used:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). Valuation inputs include forward curves, discount curves and underlying spot and futures prices.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Note 11 – Events occurring after the balance sheet date

There are no matters or circumstances that have arisen since 31 December 2020 that have significantly affected, or may significantly affect:

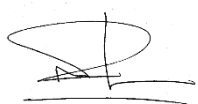
- (i) the consolidated entity's operations in future financial periods; or
- (ii) the results of those operations in future financial periods; or
- (iii) the consolidated entity's state of affairs in future financial periods.

Directors' Declaration

In the opinion of the Directors of Ridley Corporation Limited:

- a. the financial statements and notes set out on pages 6 to 15 are in accordance with the Corporations Act 2001 including:
 - i. complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
 - ii. giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the six month period ended on that date; and
- b. there are reasonable grounds to believe that Ridley Corporation Limited 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 Directors.



M McMahon
CHAIR

Melbourne
24 February 2021



Q L Hildebrand
MANAGING DIRECTOR AND CHIEF
EXECUTIVE OFFICER



Independent Auditor's Review Report

To the shareholders of Ridley Corporation Limited

Report on the Half-year Financial Report

Conclusion

We have reviewed the accompanying **Half-year Financial Report** of Ridley Corporation Limited (the Company).

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 Ridley Corporation Limited does not comply with the *Corporations Act 2001*, including:

- 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
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Half-year Financial Report** comprises:

- Consolidated condensed statement of financial position as at 31 December 2020
- Consolidated condensed statement of comprehensive income, Consolidated condensed statement of changes in equity and Consolidated condensed statement of cash flows for the Half-year ended on that date
- Notes 1 to 11 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

The **Group** comprises the Company and the entities it controlled at the Half year's end or from time to time during the Half-year.

The Half-year Period is the 6 months ended on 31 December 2020.

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 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.



Responsibilities of the Directors 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*
- 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 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 does not comply with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2020 and its performance for the Half-Year ended on that date, and complying with *Australian 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.

KPMG

KPMG

Chris Sargent

Partner

Melbourne

24 February 2021