Interim Financial Report

for the half year ended 31 December 2022

Contents

Directors' Report

The Directors present their report together with the Consolidated Interim Financial Report for the six months ended 31 December 2022 and the Independent Review Report thereon.

Directors

The Directors of Southern Cross Electrical Engineering Limited ("SCEE Group" or "the Company") during the interim period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Non-executive Directors

Mr Derek Parkin (Chairman)

Mr Simon Buchhorn

Mr Karl Paganin

Mr Paul Chisholm

Executive Directors

Mr Graeme Dunn (Managing Director)

Review of operations

Results for the half year ended 31 December 2022

Revenue for the half year of $255.4m was up 1% on the prior corresponding period revenue of $253.0m. Revenue contribution by sector was as follows:

- Resources – revenue for the period was $100.9m, compared to $126.4m in the prior corresponding period. Resources remained the largest sector in the half due to the large projects that drove FY22 activity having a longer tail than anticipated. The MARBL JV Kemerton Lithium Plant project was successfully closed out and the main scope at the Rio Tinto Gudai-Darri project was finalised with minor additional works ongoing. The BHP Villages Security project, which utilised capabilities across the group, was also completed in the period. The Juwi Northern Goldfields Solar Project is progressing well and general works continued for Rio Tinto and BHP and under framework agreements at the Sino Iron and Newmont Boddington mine sites.
- Commercial – revenue for the period was $82.5m, compared to $80.9m in the prior corresponding period. Construction activity in NSW continued to experience some weather impacts in the early part of the period. Key contributions in the half year came from Trivantage's national supermarket services business and the Sandstone Education Building project and the Commonwealth Bank Place Sydney North Building fitout in Sydney.
- Infrastructure – revenue for the period was $72.1m, up from $45.7m in the prior corresponding period. Activity on the Multiplex Western Sydney International Airport project is ramping up while other key projects in the sector included the Sydney Metro Pitt Street Station project and the Next DC S3 data centre in NSW, the Ergon Energy Queensland Service Agreement and the supply of the Westgate Tunnel switchboards in Victoria.

Gross profit for the period of $38.9m was up 16.9% on the prior corresponding period gross profit of $33.3m. Gross margins were 15.3% in H1 FY23 compared to 13.2% in the prior corresponding period due to a more profitable project mix.

Overheads were $20.8m compared to $19.5m in the prior corresponding period.

EBITDA for the half year of $19.0m was up 34.7% and EBIT of $14.4m was up 47.2% on the prior corresponding period.

Net profit after tax of $9.7m was up 45.4% on the prior corresponding period NPAT of $6.7m and included $1.1m amortisation of intangibles relating to the FY21 acquisition of Trivantage (H1 FY22 amortisation was also $1.1m).

The Board has declared a fully franked interim dividend of 1.0 cent per share to be paid on 5 April 2023.

The cash balance at 31 December 2022 of $70.3m was up 32.3% on the 30 June 2022 balance of $53.1m and was a record for the group at a reporting period end. The group remains debt free. The increase in cash was driven primarily by strong working capital collection closing out large resources projects and was achieved despite making a record $10.2m dividend payment and funding the penultimate acquisition payment for Trivantage of $5.7m in the period.

Trivantage continue to exceed budgets and are expected to achieve the final FY23 earn-out payment in full.

Outlook

The order book at 31 December was $525m, down slightly on 30 June 2022 order book of $565m due to the large resource projects being completed and new awards taking longer than originally projected.

As a result of these later than forecast awards FY23 revenues are now expected to be circa 10% less than FY22. However full year EBITDA continues to be forecast in the range of $36m to $38m due to the more profitable project mix.

Multiple contract awards across the group's sectors are anticipated in the coming months and are expected to drive a return to higher volumes in FY24 with growth in the commercial and infrastructure sectors covering the lower resources activity.

The infrastructure sector continues to be the largest component of the order book. The Western Sydney International Airport project has now commenced and will run for several years with potential for scope growth. The Sydney Metro Pitt Street Station project is ongoing with further near term opportunities on the Sydney Metro programme.

A number of opportunities are presenting for data centre and hospital developments in NSW and we are positioning in the medium term for the commencement of spending ahead of the Brisbane Olympics. The broader infrastructure pipeline remains strong with record levels of infrastructure spend sanctioned across Australia.

In the commercial sector activity in NSW is picking up after being impacted by coronavirus and weather in the prior year. The Atlassian HQ Building electrical services contract was announced in September and the Sydney Central Precinct Renewal Program and Technology Hub is expected to generate multiple commercial opportunities for Heyday in the coming years. For Trivantage, activity levels in the sector are expected to remain high with the major supermarkets continuing to invest heavily in efficiencies, store renewals and new store formats.

Activity in the resources sector will fall back in the second half as the large projects completed in the period have not been immediately replaced. However there remains a long tail of smaller opportunities across many commodities and, following the successful delivery of the BHP Villages Security project, further camps awards are expected in the second half which will again draw on skillsets across the group.

The decarbonisation of the global economy presents SCEE with opportunities across all the sectors in which it operates. The group is exposed to decarbonisation activity through three avenues being, supporting the decarbonisation of resources operations, assisting in meeting the demand for commodities required for decarbonisation and offering services across a diverse and growing range of decarbonisation initiatives including green buildings, solar farms, refrigeration power and electric vehicle charging systems.

The group continues to manage the impact of inflationary pressures on its operations with no material impacts experienced to date.

Strategy

SCEE Group primarily sees itself as an electrical contractor diversified across the resources, commercial and infrastructure sectors.

Our growth strategy continues to be to deepen our presence in those sectors and broaden our geographic diversity through expanding our core competencies and adding adjacent and complementary capabilities, either organically or by acquisition.

This includes particularly targeting maintenance and recurring earnings.

We are actively exploring acquisitions offering further geographic diversification and new capabilities.

Dividend

The Directors have declared a fully franked interim dividend for the six months ended 31 December 2022 of 1.0 cent per share (31 December 2021: 1.0 cent per share).

Rounding off

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191 and in accordance with that Instrument, amounts in the consolidated interim financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 18 and forms part of the directors' report for the six months ended 31 December 2022.

Signed in accordance with a resolution of the directors:

Derek Parkin
Chairman
Perth
27 February 2023

Consolidated Statement of Comprehensive Income

	Note	31 Dec 2022 $'000	31 Dec 2021 $'000
Contract revenue		255,381	252,953
Contract expenses		(216,434)	(219,644)
Gross profit		**38,947**	**33,309**
Other income		892	252
Employee benefits expenses		(12,226)	(11,178)
Occupancy expenses		(1,275)	(1,468)
Administration expenses		(5,562)	(5,142)
Other expenses		(1,771)	(1,664)
Depreciation expense		(2,052)	(1,768)
Right-of-use asset amortisation expense		(1,450)	(1,412)
Other amortisation expenses		(1,056)	(1,116)
Profit from operating activities		**14,447**	**9,813**
Finance income	7	383	130
Finance expense	7	(681)	(1,078)
Net finance expense	**7**	**(298)**	**(948)**
Profit before income tax		**14,149**	**8,865**
Income tax expense		(4,404)	(2,165)
Profit after income tax for the period		**9,745**	**6,700**
Other comprehensive income		-	-
Other comprehensive income net of income tax		**-**	**-**
Total comprehensive income for the period		**9,745**	**6,700**
Attributable to			
Owners of the Company		**9,745**	**6,700**
Earnings per share			
- Basic earnings per share (cents per share)		3.85	2.63
- Diluted earnings per share (cents per share)		3.82	2.61

Consolidated Statement of Financial Position

	Note	31 Dec 2022 $'000	30 Jun 2022 $'000
Assets			
Current Assets			
Cash and cash equivalents		70,282	53,083
Trade and other receivables	8	110,718	155,586
Inventories		1,532	1,386
Prepayments		3,147	1,176
Total current assets		**185,679**	**201,594**
Non-current assets			
Property, plant and equipment		10,869	10,700
Right-of-use assets		11,804	10,614
Intangible assets		111,842	112,961
Total non-current assets		**134,515**	**134,275**
Total assets		**320,194**	**345,506**
Liabilities			
Current liabilities			
Trade and other payables	9	96,547	115,727
Provisions		18,144	20,198
Deferred acquisition consideration	15	7,221	5,641
Lease liability		2,688	2,145
Tax payable		5,021	153
Total current liabilities		**129,621**	**143,864**
Non-current liabilities			
Lease liability		9,617	8,816
Deferred acquisition consideration	15	-	7,105
Provisions		767	752
Deferred tax liability		6,160	10,681
Total non-current liabilities		**16,544**	**27,354**
Total liabilities		**146,165**	**171,218**
Net assets		**174,029**	**174,288**
Equity			
Share capital		116,585	115,953
Retained earnings		56,904	57,592
Reserves		540	743
Total equity		**174,029**	**174,288**

Consolidated Statement of Changes in Equity

	Note	Share Capital $'000	Retained Earnings $'000	Share Based Payments Reserve $'000	Translation Reserve $'000	Deferred Acquisition Consideration Reserve $'000	Total Equity $'000
Balance as at 1 July 2022		115,953	57,592	1,257	(514)	-	174,288
Total comprehensive income for the period						-	
Profit for the period		-	9,745	-	-	-	9,745
Total comprehensive income		-	**9,745**	**-**	**-**	**-**	**9,745**
Equity transactions with owners:							
Dividends	13	-	(10,441)	-	-	-	(10,441)
Dividend re-investment and share placements, net	13	240	-	-	-	-	240
Performance rights exercised in shares (net of tax)		392	-	(396)	-	-	(4)
Performance rights for cash in lieu of shares (net of tax)		-	-	(181)	-	-	(181)
Equity-settled share based payments	11	-	-	382	-	-	382
Performance rights (net of tax)			8	(8)	-		-
Total transactions with owners		**632**	**(10,433)**	**(203)**	**-**	**-**	**(10,004)**
Balance as at 31 December 2022		**116,585**	**56,904**	**1,054**	**(514)**	**-**	**174,029**

	Note	Share Capital $'000	Retained Earnings $'000	Share Based Payments Reserve $'000	Translation Reserve $'000	Deferred Acquisition Consideration Reserve $'000	Total Equity $'000
Balance as at 1 July 2021		109,967	55,160	1,060	(514)	5,500	171,173
Total comprehensive income for the period							
Profit for the period		-	6,700	-	-	-	6,700
Total comprehensive income		-	**6,700**	**-**	**-**	**-**	**6,700**
Equity transactions with owners:							
Dividends	13	-	(10,163)	-	-	-	(10,163)
Payment of deferred consideration (net)		5,493	-	-	-	(5,500)	(7)
Dividend re-investments, net		205	(220)	-	-	-	(15)
Performance rights exercised in shares (net of tax)		221	-	(221)	-	-	-
Performance rights for cash in lieu of shares (net of tax)		-	-	(81)	-	-	(81)
Equity-settled share based payments		-	-	323	-	-	323
Performance rights (net of tax)		-	145	(145)	-	-	-
Total transactions with owners		**5,919**	**(10,238)**	**(124)**	**-**	**(5,500)**	**(9,943)**
Balance as at 31 December 2021		**115,886**	**51,622**	**936**	**(514)**	**-**	**167,930**

Consolidated Statement of Cash Flows

	Note	31 Dec 2022 $'000	31 Dec 2021 $'000
Cash flows from operating activities			
Cash receipts from customers		296,752	265,679
Cash paid to suppliers and employees		(256,182)	(236,904)
Interest received		383	130
Interest paid		(559)	(889)
Income taxes paid		(4,057)	(7,129)
Net cash from operating activities	10	**36,336**	**20,887**
Cash flows from investing activities			
Acquisition of subsidiary, net of cash acquired	15	(5,647)	(10,000)
Acquisition of property, plant and equipment		(2,109)	(1,245)
Proceeds from the sale of assets		449	888
Net cash used in investing activities		**(7,307)**	**(10,357)**
Cash flows from financing activities			
Dividends paid	13	(10,199)	(10,163)
Principal portion of lease liability payments		(1,449)	(1,412)
Performance rights exercised for cash in lieu of shares		(181)	(82)
Issue of ordinary shares net of transaction costs		-	(22)
Net cash used in financing activities		**(11,829)**	**(11,679)**
Net increase/(decrease) in cash and cash equivalents		**17,200**	**(1,149)**
Cash and cash equivalents at 1 July		53,083	51,006
Cash and cash equivalents at 31 December		**70,282**	**49,857**

Notes to the Consolidated Interim Financial Statements

1. Reporting entity

Southern Cross Electrical Engineering Limited (the "Company") is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the six months ended 31 December 2022 comprises the Company and its subsidiaries (together referred to as the "Group").

The consolidated annual financial report of the Group as at and for the year ended 30 June 2022 is available upon request from the Company's registered office at 225 St Georges Terrace, Perth, Western Australia or at www.scee.com.au.

2. Statement of compliance

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The consolidated interim financial report does not include all of the information required for a full annual financial report and should be read in conjunction with the consolidated annual financial report of the Group as at and for the year ended 30 June 2022.

The consolidated interim financial report was approved by the Board of Directors on 27 February 2023.

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191 and in accordance with that Instrument, amounts in the consolidated interim financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

3. Estimates

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2022.

4. Significant accounting policies

The principal accounting policies adopted in the preparation of the interim financial report are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 June 2022. The Group did not early adopt any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group did not adopt any new and/or revised standards, amendments or interpretations from 1 July 2022 which had a material effect on the financial position or performance of the Group.

5. Financial risk management

During the six months ended 31 December 2022 the Group's financial risk management objectives and policies were consistent with that disclosed in the consolidated financial report as at and for the year ended 30 June 2022.

6. Segment reporting

Revenue is principally derived by the Group from the provision of electrical services through construction and services contracts to customers in the following sectors: Commercial, Resources and Infrastructure. The Group provides its services through the three key segments of SCEE, Heyday, and Trivantage.

The directors believe that the aggregation of the operating segments is appropriate as they:

- have similar economic characteristics;
- perform similar services using similar business processes;
- provide their services to a similar client base;
- have a centralised pool of shared assets and services; and
- operate in similar regulatory environments.

All segments have therefore been aggregated to form one operating segment.

7. Finance income and expenses

	31 Dec 2022 $'000	31 Dec 2021 $'000
Interest income on bank deposits	383	130
Finance income	383	130
Bank charges	(9)	(380)
Bank guarantee and surety bond fees	(228)	(262)
Interest expense on deferred consideration	(122)	(189)
Interest expense on borrowings	(51)	(32)
Lease liability interest	(271)	(215)
Finance expenses	(681)	(1,078)
Net finance expense	(298)	(948)

8. Trade and other receivables

	31 Dec 2022 $'000	30 Jun 2022 $'000
Trade receivables	38,657	67,189
Sundry debtors	358	1,339
Provision for impairment of trade receivables	(241)	(197)
Contract assets (i)	71,927	87,233
Retentions	17	22
	110,718	155,586

(i) Contract assets represents the unbilled amount expected to be collected from customers for contract work performed to date. Cost includes all expenditure related directly to specific projects. Recognised profit is based on the percentage of completion method and is determined using the costs incurred to date and the total forecast contract costs.

8. Trade and other receivables (continued)

The timing of cash inflows for contract assets is dependent on the status of processes underway to gain acceptance from customers as to the enforceability of recognised modifications resulting from contractual claims and variations. The Group pursues various options with customers to accelerate the inflow of cash including, but not limited to, negotiations, security of payment adjudications and arbitration involving the support of legal counsel and external consultants. Accordingly, there remains a risk that settlement of contract assets takes longer than 12 months. In accordance with its accounting policies, the Group has previously recognised revenue in relation to such contracts, applying constraint, and the Group has reviewed the balance at 31 December 2022. The amount is included within contract assets.

9. Trade and other payables

	31 Dec 2022 $'000	30 Jun 2022 $'000
Trade payables	29,559	31,448
Contract liabilities (i)	38,028	41,068
Accrued expenses	25,586	40,218
Goods and services tax payable	2,513	2,339
Retentions payable	861	654
	96,547	115,727

(i) Contract liabilities represents unearned revenue which arises when the Group has invoiced the client in advance of performing the contracted services. Contract liabilities fluctuate based on progress of completion of contracts.

10. Reconciliation of cash flows from operating activities

	31 Dec 2022 $'000	31 Dec 2021 $'000
Profit after income tax for the period	**9,745**	**6,700**
Adjustments for:		
Depreciation and amortisation	4,558	4,296
(Profit)/loss on sale of assets	(365)	543
Equity-settled share based payment transactions	382	323
Changes in assets and liabilities:		
Change in trade and other receivables	44,868	12,880
Change in inventories	(146)	(507)
Change in prepayments	(1,971)	(1,943)
Change in tax receivable	-	(240)
Change in trade and other payables	(19,164)	3,979
Change in provisions and employee benefits	(2,039)	1,425
Change in deferred consideration	121	189
Change in income tax payable	4,868	(5,704)
Change in deferred income tax	(4,521)	(1,054)
Net cash from operating activities	**36,336**	**20,887**

11. Share based payments

During the six-month period ended 31 December 2022, the Company issued 2,026,104 performance rights in respect of the 2023 financial year. The Performance Rights issued, under the Company's Senior Management Long Term Incentive Plan, vest over the period to 30 June 2025 and have a fair value at grant date of $0.37 and $0.58 for the TSR and EPS components, respectively. The fair value of the TSR Performance rights has been measured using the Monte-Carlo simulation while the EPS Performance rights has been measured using the Binomial Tree methodology.

The movement in share based payments reserve during the period reflects the amounts expensed in respect of the FY2023 grant of $382,000, exercised rights of $577,000, and the expiry of prior year grants amounting to $8,000.

12. Related parties – Key management personnel

The share based payments disclosed in note 11 included the share issues to key management personnel during the six months ended 31 December 2022. Graeme Dunn was issued 1,004,348 Performance Rights and Chris Douglass was issued 600,000 Performance Rights.

The Performance Rights issued to Graeme Dunn were approved by shareholders at the Company's Annual General Meeting on 31 October 2022.

Other arrangements with related parties continue to be in place on the same basis as at 30 June 2022. For full disclosure on these transactions, refer to the 30 June 2022 annual financial report.

13. Dividends

The following dividends were declared and paid by the Company:

	31 Dec 2022 $'000	31 Dec 2021 $'000
Final 2022 ordinary fully franked at 4.00 cents per share	10,440	-
Final 2021 ordinary fully franked at 4.00 cents per share	-	10,382

14. Contingencies

The Directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

	31 Dec 2022 $'000	30 Jun 2022 $'000
Credit facilities utilised		
Bank Guarantees	31,352	35,662
Surety Bonds	30,937	34,268

15. Deferred acquisition consideration

The group holds deferred acquisition consideration liabilities of $7,221,000 (30 June 2022: $12,476,000) which are classified as fair value hierarchy level 3, in which fair values are based on valuation techniques that include inputs that are not based on observable market data (unobservable inputs).

The reduction in the period of $5,525,000 of deferred acquisition consideration liabilities included a reduction of $5,647,000 for the payment of deferred acquisition consideration and an increase of $122,000 for the unwinding of the deferred consideration interest discount.

The fair value of the deferred acquisition consideration liabilities is based on the expected payments to be made which are determined by the valuation technique of considering possible scenarios of forecast EBIT, the amount to be paid under each scenario and the probability of each scenario for the acquired entities. For these scenarios, the significant unobservable inputs include forecast annual revenue growth rate and forecast EBIT margin.

There have been no transfers of fair value hierarchy levels during the period.

16. Events after the balance sheet date

There have been no events after the balance sheet date that have a material impact on the financial report.

Directors' Declaration

In the opinion of the directors of Southern Cross Electrical Engineering Limited ("the Company"):

1. the financial statements and notes set out on pages 6 to 14, are in accordance with the Corporations Act 2001 including:

   a. giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the six month period ended on that date; and

   b. complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the Corporations Regulations 2001; and

2. 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 the directors.

Derek Parkin
Chairman
Perth
27 February 2023

Independent Auditor's Review Report

To the shareholders of Southern Cross Electrical Engineering Limited

Conclusion

We have reviewed the accompanying ***Interim Financial Report*** of Southern Cross Electrical Engineering Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Southern Cross Electrical Engineering 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 2022 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 ***Interim Financial Report*** comprises:

- Consolidated statement of financial position as at 31 December 2022;
- Consolidated statement of comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the half-year ended on that date;
- Notes 1 to 16 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The ***Group*** comprises Southern Cross Electrical Engineering Limited (the Company) and the entities it controlled at the half-year's end or from time to time during the half-year period.

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 these requirements.

Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- The preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- Such internal control as the Directors determine is necessary to enable the preparation of the Interim 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 Interim Financial Report

Our responsibility is to express a conclusion on the Interim 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 Interim Financial Report 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 2022 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 an Interim Period 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

R Gambitta
Partner
Perth
27 February 2023

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

To the Directors of Southern Cross Electrical Engineering Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Southern Cross Electrical Engineering Limited for the half-year ended 31 December 2022 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

R Gambitta
Partner
Perth
27 February 2023