

APPENDIX 4D

Half-year Financial Report

Half-year ended 31 December 2019

Name of Entity: P2P Transport Limited ACN 617 760 899
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Current Period:	Half-year ended 31 December 2019
Previous Corresponding Period:	Half-year ended 31 December 2018

	31 Dec 2019	31 Dec 2018 ⁽¹⁾	Change +/-
	\$'000	\$'000	%
Revenues from ordinary activities	33,314	32,770	2%
Loss from ordinary activities after tax	(5,796)	(2,760)	(92%)
Net loss for the period attributable to members	(5,796)	(2,760)	(92%)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	1,292	1,955	(34%)
Dividends ⁽²⁾	Nil	Nil	
	31 Dec 2019	30 June 2019	Change
Net tangible assets/(liabilities) value per share	(\$0.177)	(\$0.143)	(24%)

(1) Comparatives have been amended to include AASB 16.

(2) There were no dividends paid, recommended or declared during the current half-year period.

Results for announcement to the market

This information should be read in conjunction with the Consolidated Financial Report of P2P Transport Limited for the half year ended 31 December 2019, and any public announcements made in the period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and ASX Listing Rules.

Details of subsidiaries, associates and joint venture entities required to be disclosed:

Name of subsidiary	Principal Activity	31-Dec-19	30-Jun-19
Taxi Management Solutions Pty Ltd	Taxi operations	100%	100%
TGT No 1 Pty Ltd	Taxi operations	100%	100%
Cabcare Pty Ltd	Taxi operations	100%	100%
A&S Sidhu Investments Pty Ltd	Taxi operations	100%	100%
Taxi-Link Pty Ltd	Taxi operations	100%	100%
Unicross Nominees Pty Ltd	Taxi operations	100%	100%
D.Lee's Taxi Management Pty Ltd	Taxi operations	100%	100%
Temprans Pty Ltd	Taxi operations	100%	100%
My Taxi Manager Pty Ltd*	Software development	33%	33%
BWTM Pty Ltd	Taxi operations	100%	100%
Taxis QLD Pty Ltd	Taxi operations	100%	100%
ABC Bodyworks Pty Ltd	Taxi Servicing operations	100%	100%
Black & White Holdings Limited	Holding Entity	100%	100%
Black & White Cabs Pty Ltd	Network and Radio operations	100%	100%
Black & White Cabs (WA) Pty Ltd	Network and Radio operations	100%	100%
Taxicomms Pty Ltd	Taxi Servicing operations	100%	100%
Train & Educate Australia Pty Ltd	Drivers Training Centre	100%	100%
TIAIB (Western Australia) Pty Ltd	Insurance Promoter	75%	75%
13 LCAB Pty Ltd*	Taxi operations	100%	50%
Taxi Industry (Australia) Insurance Brokers Pty Ltd*	Insurance Promoter	27%	27%

* The share of the Group's results from these equity accounted investments were not material to the Group for the half-year ended 31 December 2019.

Other significant information and commentary on results

Additional Appendix 4D disclosure requirements can be found in the Directors' Report and the 31 December 2019 Half-Year Financial Report.

For all other information required by Appendix 4D, including a results commentary, please refer to the following documents:

- Directors' Report
- Reviewed Half-Year Financial Report
- Results presentation

P2P Transport Limited

**31 December 2019
Half-Year
Financial Report**

Directors' Report

The Directors of P2P Transport Limited ('the Company' or 'P2P') submit herewith the half-year financial report of the Company and its controlled entities ('the Group' or 'P2P Group') for the half-year ended 31 December 2019. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

The names of the directors of the Company during or since the end of the half-year are:

<u>Name</u>	<u>Office</u>
Mr. Chip Beng Yeoh	Non-executive Director and Interim Chairman (from 23/04/2019)
Mr. Greg Webb	Executive Director and Interim Chief Executive Officer (from 23/04/2019)
Mr. Peter Cook	Non-executive Director
Mr. Harry Katsiabanis	Executive Director

REVIEW OF OPERATIONS

The results of operations were as follows: The loss after tax of the Group for the half year ended 31 December 2019 was \$5.796 million (2018: \$2.760 million).

The following table summarises key reconciling items between the consolidated entity's statutory loss and underlying loss after tax for continuing activities:

	2019	2018
	\$'m	\$'m
Underlying loss before tax	(4.1)	(2.8)
Finance costs for convertible note	(0.8)	-
Impairment of plant and equipment	(0.5)	-
Loss on remeasurement of contingent consideration	(0.2)	-
Net change in value of financial liability	(0.2)	-
Statutory loss before income tax	(5.8)	(2.8)
Income tax benefit/ (expense)	-	(2.8)
Loss after income tax expense	(5.8)	(2.8)

For the six months ended 31 December 2019 (1H20) P2P recorded revenue totalling to \$33.3 million (1H19 \$32.8 million). During 1H20 P2P's affiliated fleet grew by 20% to 400 vehicles. P2P continued to expand its national footprint through organic growth driven by brand awareness, industry relationship and customer service. The technology platforms at the core of P2P's business are stable, data secure and scalable for forecast growth.

P2P is seeking compensation from the supplier of the Digital Tops to rectify the technical faults and to compensate the Company for loss of revenue, reputational damage and associated operational expenses including fleet down time.

The Network assets performed better than expected at June 2019, with an additional \$0.2 million being provided as an additional earn out liability.

The Directors regularly assess the Company's ability to continue as a going concern. All aspects of the business are scrutinised and a number of initiatives that will strengthen the capital position of the Group are being pursued. The company has renegotiated payment terms for the earn out payment of the BWHL acquisition. The Company continues to have a good working relationship with Westpac who have agreed to forbear action from the breaches of the facility covenants until the earlier of a recapitalisation or 30 April 2020.

The Company has negotiated payment plans with Statutory creditors with repayments being made over the next 6 to 24-month period.

Directors' Report

There have been considerable operational turnaround achievements. These include headcount reductions, business integration of the Group's accounting and marketing teams, settlement of legal and operational disputes and the introduction of voice responsive IVR technology reducing contact centre costs.

Group financial results

Revenue for 1H20 remain consistent with 1H19 even though the business has undergone significant restructuring. The Network business remains strong and has grown significantly in new markets whilst the fleet business is being rationalized. The NSW business has been consolidated into a single site with reduction in the taxi fleet numbers allowing for a more efficient operation. Whilst the restructuring of the business continues, the Company remains burdened by the term and amount of debt on its balance sheet. The Directors remain focused on recapitalizing the balance sheet and are exploring a number of options whilst working closely with our existing financiers.

EBITDA

The Group was able to record a positive EBITDA of \$1.292 million. This compared with an EBITDA of \$1.955 million in 1H19 due to a focus on restructuring the business.

Net Interest and Net Debt

Net interest charges increased from \$0.750 million in 1H19 to \$1.4 million in 1H20. The increase is due to penalty finance costs associated with default position of the Convertible Notes as well as the restatement of the Convertible Notes to redeemable value. The Group held financial institution facilities of \$8.3m, as at 31 December 2019, of which a facility of \$6.3 million was fully drawn and a further debtor financing facility of \$2.0 million was drawn to \$0.2 million, unused balance of these facilities amounted to \$1.8 million.

Operating Cash Flow

Cash flow inflows from operating activities for the six months ended 31 December 2019 was \$3.5 million (2018 an outflow of: \$1.2 million) with a net decrease in cash to \$0.7 million after investing and financing movements.

NET ASSETS

The net assets of the Group have decreased by \$4.933 million, from \$0.906 million at 30 June 2019 to a net liabilities position of \$4.027 million at 31 December 2019. This decrease is largely due to the revaluation of the convertible notes as well as the significant costs of restructuring the business to improve the cash generation of the Group.

DIVIDENDS

No dividend was paid or declared in respect of 1H20.

Directors' Report

EVENTS AFTER BALANCE SHEET DATE

Since 31 December 2019 the Group has negotiated with the sellers of several businesses the deferment of acquisition payments including contingent consideration. These have been set out in Note 3 to the interim financial statements.

The group has also been in negotiations in relation to a Hire purchase liability \$6.325 million. A Deed of Forbearance provided by the Bank in July 2019 expired on 15 February 2020 and at that date the Group continued to be in default. A reassessment of adherence to covenants at 31 December 2019 was to be made on 29 February 2020. The covenants under this facility were tested at 31 December 2019. This testing indicated that the covenants were breached. The Group has been in negotiations to obtain a further Deed of Forbearance until 30 April 2020. While the directors are confident that formal deed will be entered into in the coming weeks as at the date of this report this has not occurred and the full amount is currently due and payable although the bank has not made any demand for such payment. Key terms of the proposed deed of forbearance include:

- To forbear from enforcement action until 30 April 2020.
- The group to repay the facilities in full by 30 April 2020 or earlier from any capital raise / funding event.
- The group to make payments totalling \$0.529 million (representing two months deferment from the original forbearance deed, due 15 February 2020). This was paid on 27 February 2020.
- Repayments due in February 2020 to be deferred until 30 April 2020.
- Repayments due in March and April 2020 to be made as and when they fall due.
- The group agrees and undertakes that the facilities will be repaid in full from any capital raise / funding event, before funds are used for any other purpose.
- The group undertakes that no amounts will be repaid to any related parties until the financier facilities are repaid in full. These related party creditors agree that their debts are subordinated behind the financiers and the bank's consent is required before making any payment to these related party creditors.
- The group to seek the financier's approval to release security over vehicles before they are sold. The full proceeds from the sales to be paid to the financier. The group also agrees to allow and facilitate a valuation of the vehicle fleet by a valuer appointed by the financier.

As part of the agreement for deferral of payment of the contingent consideration with the vendors of Non-Stop Media entered into on 24 January 2020 the Group has agreed to issue 200,000, \$0.06 options that expire on 31 December 2021.

There has not been any other matter or circumstance in the interval between the end of the year and the date of this report that has materially affected or may materially affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

ROUNDING OF AMOUNTS

The Parent is a company of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and consequently the amounts in the directors' report and the half year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration on page 4 forms part of the Directors' Report.

Signed in accordance with a resolution of the board of directors of P2P Transport Limited.



Chip Beng Yeoh
Director
Date: 2 March 2020



Greg Webb
Director
Date: 2 March 2020

BDO Independence Declaration



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DECLARATION OF INDEPENDENCE BY T R MANN TO THE DIRECTORS OF P2P TRANSPORT LIMITED

As lead auditor for the review of P2P Transport Limited for the half-year ended 31 December 2019, 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 P2P Transport Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'T R Mann', with a long horizontal flourish extending to the right.

T R Mann
Director

BDO Audit Pty Ltd

Brisbane, 2 March 2020

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2019

	Note	Half-Year Ended	
		31 December 2019	31 December 2018 (Restated)
		\$000's	\$000's
Revenue & other income	6	33,314	32,770
Cost of sales		(17,108)	(19,499)
Gross profit		16,206	13,271
Employee benefits expense		(9,665)	(7,730)
Other operating expenses		(5,249)	(3,586)
Earn out expenses		(214)	-
Net change in fair value of financial liabilities		(229)	-
Impairment of plant and equipment		(500)	-
Finance costs		(1,432)	(750)
Depreciation and amortisation		(4,713)	(3,965)
Loss before income tax	6	(5,796)	(2,760)
Income tax benefit		-	-
Loss for the period attributable to members of the parent		(5,796)	(2,760)
Other comprehensive income, net of tax			
Other comprehensive income		-	-
Other comprehensive income for the period, net of income tax		-	-
Total comprehensive loss for the period attributable to members of the parent		(5,796)	(2,760)
Loss per share			
Basic loss per share (cents per share)		(6.30)	(3.35)
Diluted loss per share (cents per share)		(6.30)	(3.35)

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

Condensed Consolidated Statement of Financial Position

As at 31 December 2019

	Note	31 December 2019 \$'000	30 June 2019 \$'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		693	1,806
Trade and other receivables		7,958	6,964
Inventories		1,036	1,275
Other current assets		2,798	3,299
TOTAL CURRENT ASSETS		12,485	13,344
NON-CURRENT ASSETS			
Trade and other receivables		394	-
Plant and equipment	8	14,398	17,198
Intangible assets and goodwill	9	7,536	7,900
Right to use asset		4,458	5,559
Investments in associates		376	376
TOTAL NON-CURRENT ASSETS		27,162	31,033
TOTAL ASSETS		39,647	44,378
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		14,102	11,206
Borrowings	10	16,957	18,898
Other Financial Liability	11	6,042	2,780
Lease liabilities		1,112	1,923
Provisions		1,507	1,585
TOTAL CURRENT LIABILITIES		39,720	36,392
NON-CURRENT LIABILITIES			
Borrowings	10	-	428
Other Financial Liability	11	-	2,460
Lease liabilities		3,706	3,918
Provisions		248	274
TOTAL NON-CURRENT LIABILITIES		3,954	7,080
TOTAL LIABILITIES		43,674	43,472
NET ASSETS/ (LIABILITIES)		(4,027)	906
EQUITY			
Issued capital	12	60,318	59,454
Asset revaluation reserve		665	665
Other reserves		419	419
Accumulated (losses)/profits		(65,428)	(59,632)
TOTAL EQUITY/ (DEFICIT)		(4,027)	906

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

Condensed Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2019

	Note	Issued Capital \$000's	Asset Revaluation Reserve \$000's	Other Reserves \$000's	Accumulated Losses \$000's	Total \$000's
Balance at 1 July 2018		54,086	790	726	(37,317)	18,285
Adjustments, net of tax		-	-	-	(408)	(408)
Balance at 1 July 2018		54,086	790	726	(37,725)	17,877
Loss for the period		-	-	-	(2,760)	(2,760)
Other comprehensive income		-	-	-	-	-
Total comprehensive loss for the period		-	-	-	(2,760)	(2,760)
Transactions with owners in their capacity as owners						
Shares issued as consideration for business combinations		3,974	-	-	-	3,974
Share options and rights granted		-	-	94	-	94
Equity instruments to be issued as consideration for assets purchase		-	-	100	-	100
Total		3,974	-	194	-	4,168
Balance at 31 December 2018		58,060	790	920	(40,485)	19,285
Balance at 1 July 2019		59,454	665	419	(59,632)	906
Loss for the period		-	-	-	(5,796)	(5,796)
Other comprehensive income		-	-	-	-	-
Total comprehensive loss for the period		-	-	-	(5,796)	(5,796)
Transactions with owners in their capacity as owners						
Shares issued on conversion of convertible notes	12	864	-	-	-	864
Total		864	-	-	-	864
Balance at 31 December 2019		60,318	665	419	(65,428)	(4,027)

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

Condensed Consolidated Statement of Cash Flows

For the half-year ended 31 December 2019

	Note	Half-Year Ended	
		31 December 2019	31 December 2018 (Restated)
		\$000's	\$000's
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		35,320	35,181
Payment to suppliers and employees		(31,177)	(35,643)
Interest and costs of finance paid		(633)	(525)
Income tax payment		-	(199)
Net cash used in operating activities		3,510	(1,186)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net consideration paid in cash for business acquisitions		-	(3,163)
Proceeds from sale of plant and equipment		349	-
Payments for plant and equipment		(1,328)	(1,474)
Payment for intangible assets		(37)	(24)
Net cash used in investing activities		(1,016)	(4,661)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	5,585
Repayment of borrowings		(3,607)	(1,851)
Net cash flow from/(used in) financing activities		(3,607)	3,734
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(1,113)	(2,113)
Cash and cash equivalents at beginning of period		1,806	3,618
CASH AND CASH EQUIVALENTS AT END OF PERIOD		693	1,505

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

Notes to the Condensed Consolidated Financial Statements For the half-year end 31 December 2019

NOTE 1 Summary of Significant Accounting Policies

Reporting Entity

P2P Transport 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 2019 comprises the Company and its controlled entities (together referred to as the “Group”).

NOTE 2 Basis of preparation

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 Company is a for-profit entity for the purpose of preparing the interim financial report.

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Historical cost is based on the fair values of the consideration given in exchange for goods and services. All amounts are presented in Australian dollars, unless otherwise stated.

The Company is an entity of the kind referred to in ASIC Corporations Instrument 2016/191, dated 24 March 2016. In accordance with that Corporations Instrument, amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

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 2019 and any public announcements made by the company during the half year in accordance with the continuous disclosure requirements of the Corporations Act 2001.

This consolidated interim financial report was approved by the Board of Directors on 2 March 2020.

Accounting Policies

The same accounting policies and methods of computation have generally been followed in these half year financial statements as compared with the most recent annual financial statements. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The adoption of any new and revised Standards and Interpretations did not have any material impact on the amounts recognised in the financial statements of the Group for the current or prior periods. The Group early adopted AASB 16 Leases at 30 June 2019 and therefore some comparatives for 31 December 2018 have been restated to reflect the adoption of this standard in the prior year. The impact of these restatements are disclosed in Note 4: Restatement of Prior Year Balances.

Critical Accounting Estimates and Judgements

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 estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods. Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

Notes to the Condensed Consolidated Financial Statements For the half-year end 31 December 2019

Impairment of goodwill

The Group determines whether goodwill and intangibles with indefinite useful lives are impaired at least at each reporting date. This requires an estimation of the recoverable amount of the cash-generating units to which goodwill has been allocated, using a value-in-use discounted cash flow methodology. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

Fair value measurement of the group's motor vehicles

The group's motor vehicles are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value measurement of the group's motor vehicles was performed by management and was based on the market comparable approach that reflects recent transaction prices for similar assets.

Vehicle Accident Receivables and Payables

The group establishes amounts arising as income from and amounts receivable from vehicles accidents where the driver of the company's vehicle was "not at fault". Income is recognized at the date of the accident with the amount recognized in income estimated based upon the history of not at fault vehicle accidents. The amount recognised as accidents receivable at each reporting period is estimated using the known amount of open vehicle accidents and the likely financial outcome of not at fault vehicle accidents.

The group also estimates amounts incurred as expenses and amounts payable from the vehicles accidents where the driver of the company was "at fault". Expenses are recognized at the date of the accident with the amount recognized as an expense estimated based upon the history of at fault vehicle accidents. The amount recognised as accident payables at each reporting period is estimated using the known amount of open vehicle accidents and the likely financial outcome of at fault vehicle accidents.

NOTE 3 Going Concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and realisation of assets and the discharge of liabilities in the ordinary course of business. Whilst the directors believe it is appropriate to prepare the financial report, there are material uncertainties around the ability of the Group to continue as a going concern.

For the half-year ended 31 December 2019, the Group incurred a loss of \$5.796 million and experienced net cash inflows from operating activities of \$3.510 million. At 31 December 2019, the Group has a cash balance of \$0.693 million and an excess of current liabilities over current assets of \$27.235 million. As at the date of this report the cash balance of the group is approx. \$1.842 million.

Included in current liabilities are the following amounts:

- Hire purchase liability \$6.325 million – A Deed of Forbearance provided by the Bank in July 2019 expired on 15 February 2020 and at that date the Group continued to be in default. A reassessment of adherence to covenants at 31 December 2019 was to be made on 29 February 2020. The covenants under this facility were tested at 31 December 2019. This testing indicated that the covenants were breached. The Group has been in negotiations to obtain a further Deed of Forbearance until 30 April 2020. While the directors are confident that formal deed will be entered into in the coming weeks as at the date of this report this has not occurred and the full amount is currently due and payable although the bank has not made any demand for such payment. Key terms of the proposed deed of forbearance include:
 - To forbear from enforcement action until 30 April 2020.
 - The group to repay the facilities in full by 30 April 2020 or earlier from any capital raise / funding event.
 - The group to make payments totalling \$0.529 million (representing two months deferral from the original forbearance deed, due 15 February 2020). This was paid on 27 February 2020.
 - Repayments due in February 2020 to be deferred until 30 April 2020.
 - Repayments due in March and April 2020 to be made as and when they fall due.
 - The group agrees and undertakes that the facilities will be repaid in full from any capital raise / funding event, before funds are used for any other purpose.
 - The group undertakes that no amounts will be repaid to any related parties until the financier facilities are repaid in full. These related party creditors agree that their debts are subordinated behind the financiers and the bank's consent is required before making any payment to these related party creditors.
 - The group to seek the financier's approval to release security over vehicles before they are sold. The full proceeds from the sales to be paid to the financier. The group also agrees to allow and facilitate a valuation of the vehicle fleet by a valuer appointed by the financier.

Notes to the condensed consolidated financial statements For the half-year ended 31 December 2019

NOTE 3 Going Concern (Cont.)

- Convertible notes - \$2.779 million. As at 31 December 2019 these notes were in default and were payable on demand. On 28 February 2020 the group obtained a waiver from the noteholders stating that they will not require repayment until the earlier of 13 months from the signing of these interim financial statements and the date the Group has raised sufficient funds to allow repayment out of working capital without causing the Group to be unable to allow repayment out of working capital without causing the Group to be unable to repay its debts as and when they fall due.
- Contingent consideration and related amounts - \$6.042 million. As at 31 December 2019 the amounts were due as follows:
 - \$2.180 million – at 31 December 2019 this amount was due in December 2020.
 - \$2.673 million – at 31 December 2019 this amount was due in December 2020.
 - \$0.314 million - at 31 December 2019 this amount was due in December 2020.

On 28 February 2019 the group obtained a waiver from the vendors of the related businesses stating that the payment date for each of these amounts (totalling \$5.167 million) will be extended that they will not require repayment until the earlier of 13 months from the signing of these interim financial statements and the date the buyer finalises any transaction pursuant to which it is substantially re-capitalised.

- \$0.875 million – \$0.075 million due on 28 February 2020, which has been paid, and the remaining \$0.800 million due 30 April 2020.
- Asset Finance for Digital Tops affixed to Taxis to allow screening of advertising - \$7.313 million. The Group did not make the required repayments of this facility during the half-year period. At 31 December 2019 the payment in arrears total \$2.444 million. The Group advised the supplier that the Digital Tops supplied are defective and require significant rectification. The Group is seeking compensation for losses sustained and the loss of brand value as a result of operating the Digital Tops in the marketplace. The Group has delayed payments otherwise due in relation to the Digital Tops while the parties continue to negotiate this matter.
- Key creditor - \$0.600 million. The Group had agreed a deferred payment arrangement for a key creditor where full payment would be made on or before 28 February 2020. Subsequent to year end the Group has negotiated for re-payment of this amount to be extended to 30 April 2020. Under this agreement a previously provided discount has been reinstated bringing the total to \$0.66 million. Should payment not be made by that date the amount due will increase to \$0.995 million.
- Statutory creditors (ATO and State Revenue Offices) - \$3.671 million. The Group has entered into a number of payment plans with the ATO for overdue amounts. These payment plans extend repayments over periods between 6 and 24 months. Under these plans \$2.591 million is due within 12 months from the signing of these interim financial statements.

The Group is also in negotiations to raise funds of up to \$15 million through a combination of a capital raising and convertible note facility. At the date of this report the Group has received a letter of intent related to a non-binding indicative proposal to recapitalise the Group. The Group has provided requested data to allow for completion of due diligence. The due diligence process is ongoing however satisfactory completion of the investigation is dependent on agreement with the bank for the extension of the Deed of Forbearance and continuation of the Company's listing on the Australian Stock Exchange, as well as the necessary agreement of the potential investor.

The Group is also undertaking a structured sale of non-core assets to help repayment of current outstanding amounts.

Notes to the condensed consolidated financial statements For the half-year ended 31 December 2019

NOTE 3 Going Concern (Cont.)

The ability of the Group to continue as a going concern is principally dependent upon one or more of the following:

- The ability of the group to finalise the Deed of Forbearance with its financier and the continued support of the financier;
- The ability of the Group to successfully complete the above mentioned capital and convertible note raising prior to the expiry of proposed deed of forbearance and the expiry of the other payments due in the forthcoming months;
- The ability to successfully negotiate or litigate with the supplier of the Digital Tops to fully recover or minimize its loss, with net payments (if any) to the supplier able to be funded from working capital;
- The ability to achieve the forecast Earnings Before Interest Depreciation and Amortisation (“EBITDA”) to comply with required covenants;
- The ability to successfully complete its structure sale plan of non-core assets;
- The ability to meet its cash flow forecasts necessary to generate sufficient cash flow to meet the Group’s financial obligations as and when they fall due.

These conditions give rise to material uncertainty which may cast significant doubt over the Group’s ability to continue as a going concern.

The directors believe that the going concern basis of preparation is appropriate due to the following reasons:

- The Directors are in advanced stages of negotiations with its financier in relation to the above mentioned Deed of Forbearance and expects that this will be finalised during March 2020;
- The Directors are confident that the Group will be successful in its negotiations for raising new capital sufficient to settle deferred liabilities referred to above;
- The Directors are confident that they will successfully resolve the dispute with the supplier of the Digital Tops;
- The Directors have commenced the structured plan to sell non-core assets and expect this to continue; and
- The Directors are confident that the recapitalised entity can achieve growth in EBITDA to the extent necessary to generate sufficient cash flow to meet its financial obligations as and when they fall due and to remain compliant with all financial covenants (should the Bank lender approve the extension to the Deed of Forbearance for a period within which the transaction to recapitalise the entity can be completed).

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements.

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

NOTE 4 Restatement of Prior Year Balances

At 30 June 2019 the Group elected to early adopt AASB 16: Leases, which was effective from 1 July 2018. As a result, a number of comparative notes have been restated to reflect the adoption of this standard from the effective date, which has impacted the 31 December 2018 results. The amounts restated only impact the 31 December 2018 results, but does not impact the 30 June 2019 results as the adoption was reflected in the financial statements for the year ended 30 June 2019.

The comparative figures in the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the half year ended 31 December 2018 have been adjusted to reflect the income and expenditure for the period ended 31 December 2018 as though the standard was applicable to the whole of that period.

The impact was a reduction of Other operating expenses by \$1.075 million and increase to Finance costs by \$0.225 million and an increase in Depreciation and Amortisation by \$1.010 million.

The net impact was an increase in the loss for the period of \$0.160 million due to the unwinding of the Right of use asset.

Notes to the condensed consolidated financial statements For the half-year ended 31 December 2019

NOTE 5 Segment Results

Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of performance is specifically focussed on the operating businesses in each geographic location. The Group's primary reporting format is geographical segments as its risks and rates of return are predominantly affected by having operations in different states. The Group has determined its reportable segments comprise Victoria, New South Wales, Queensland and Western Australia.

Unallocated costs represent predominantly corporate and other unallocated costs relevant to the group as a whole that do not relate to the operations of a specific segment.

The following is an analysis of the Group's revenue and results by reportable segments for the half-years under review:

Half-year ended 31 December 2019

Half year ended 31 December 2019	Fleet				Network	Adflow	Total Segments \$'000	Corporate & Other \$'000	Adjusts & Elims. \$'000	Total \$'000
	VIC \$'000	NSW \$'000	QLD \$'000	WA \$'000	Network \$'000	Adflow \$'000				
Revenue – over time										
External customers	2,111	7,485	9,691	822	11,635	1,394	33,138	176	-	33,314
EBITDA	258	(10)	810	98	1,804	16	2,976	(2,246)	348	1,078
Finance costs	(64)	(100)	(90)	-	(68)	(107)	(429)	(1,157)	(75)	(1,661)
Depreciation and amortisation	(356)	(1,139)	(1,327)	(87)	(828)	(641)	(4,378)	(27)	(808)	(5,213)
Income tax benefit/(expense)	-	-	-	-	-	-	-	-	-	-
Total segment results	(162)	(1,249)	(607)	11	908	(732)	(1,831)	(3,430)	(535)	(5,796)

Segment revenue reported above represents revenue generated from external customers. Inter-segment sales for the current half-year amounted to \$5.847 million were eliminated (31 December 2018: \$3.588 million).

Half-year ended 31 December 2018

Half year ended 31 December 2018	Fleet				Network	Adflow	Total Segments \$'000	Corporate & Other \$'000	Adjusts & Elims. \$'000	Total \$'000
	VIC \$'000	NSW \$'000	QLD \$'000	WA \$'000	Network \$'000	Adflow \$'000				
Revenue – over time										
External customers	2,583	11,968	9,691	1,422	11,301	577	36,855	80	-	32,770
EBITDA	95	1,534	561	64	1,804	330	3,454	(2,239)	740	1,955
Finance costs	(24)	(273)	(25)	-	(68)	-	(344)	(185)	(221)	(750)
Depreciation and amortisation	(372)	(1,248)	(827)	(123)	(828)	(197)	(3,106)	(46)	(813)	(3,965)
Income tax benefit/(expense)	-	-	-	-	-	-	-	-	-	-
Total segment results	(301)	13	(291)	(59)	908	134	4	(2,470)	(294)	(2,760)

Notes to the condensed consolidated financial statements For the half-year ended 31 December 2019

NOTE 5 Segment Results (cont.)

Segment Information Half-year ended 31 December 2019	Fleet				Network		Total Segments	Corporate & Other	Adjusts and Elims.	Total
	Victoria	NSW	QLD	WA	Network	Adflow				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000				
Total Assets	1,541	5,535	6,036	673	19,314	2,258	35,357	4,461	(171)	39,647
Total Liabilities	(2,220)	(3,100)	(2,681)	(651)	(7,891)	(1,610)	(18,153)	(25,521)	-	(43,674)
Capital Expenditure	-	221	-	-	1,144	1,056	2,421	-	(1,056)	1,365
Year ended 30 June 2019										
Total Assets	2,513	2,385	5,427	802	10,092	8,488	29,707	26,136	(11,465)	44,378
Total Liabilities	(3,105)	(1,926)	(4,672)	(212)	(6,039)	(7,803)	(23,757)	(21,072)	1,357	(43,472)
Capital Expenditure	297	603	134	-	263	5,947	7,244	1,102	-	8,346

NOTE 6 Material Profit and Loss items

	Half-year ended	
	31 December 2019 \$000's	31 December 2018 \$000's
(a) Revenue		
<i>Recognised over time</i>		
Fleet revenue	17,742	22,783
Service revenue (mechanical/panel)	2,731	1,565
Network and radio services	11,087	7,097
Advertising revenue	1,335	603
	<u>32,895</u>	<u>32,048</u>
(b) Other income		
Other income	419	722
Total revenue and other income	<u>33,314</u>	<u>32,770</u>
(c) Significant expenditure items		
Depreciation and amortisation	4,712	2,955
Finance costs	1,432	525
Impairment of plant and equipment	500	-

Notes to the condensed consolidated financial statements For the half-year ended 31 December 2019

	Half-year ended	
	31 December 2019 \$000's	31 December 2018 \$000's
NOTE 7 Loss Per Share		
The following reflects the loss per share data used in the calculation of basic and diluted loss earnings per share (EPS) computations.		
EPS is calculated based on:		
Loss for the period	(5,796)	(2,760)
Weighted average number of ordinary shares used in the calculation of basic and diluted EPS		
	91,956,496	82,397,000
Basic and diluted (Loss)/Earnings per share (cents)	(6.30)	(3.35)
	31 December 2019 \$000's	30 June 2019 \$000's
NOTE 8 Property, Plant & Equipment		
Motor vehicles at fair value	9,805	9,786
Less: accumulated depreciation	(2,114)	-
Total motor vehicles	7,691	9,786
Plant and equipment at cost	12,606	10,702
Less: accumulated depreciation	(3,473)	(2,377)
Less: impairment of digital taxi tops ¹	(2,586)	(2,086)
Total plant and equipment at cost	6,547	6,239
Leasehold improvements at cost	337	284
Less: accumulated depreciation	(177)	(167)
Less: impairment	-	-
Total leasehold improvements	160	117
Work in progress	-	1,056
Total plant and equipment	14,398	17,198

¹ Plant and equipment impairment relates to digital top units which have been subject to technical implementation issues.

Notes to the condensed consolidated financial statements For the half-year ended 31 December 2019

	31 December 2019 \$000's	30 June 2019 \$000's
NOTE 9 Intangible Assets and Goodwill		
Computer software and licenses at cost	1,242	326
Less: accumulated amortisation	(1,133)	(154)
	<u>109</u>	<u>172</u>
Customers List at cost	1,823	1,821
Less: accumulated amortisation	(593)	(290)
	<u>1,230</u>	<u>1,531</u>
Brand name on acquisition of subsidiaries	2,284	2,284
Goodwill on acquisition of subsidiaries	11,068	11,068
Less: impairment on goodwill	(7,155)	(7,155)
	<u>3,913</u>	<u>3,913</u>
Total intangible assets	<u><u>7,536</u></u>	<u><u>7,900</u></u>
NOTE 10 Borrowings		
<i>Secured liabilities</i>		
Gross hire purchase liabilities ¹	6,586	7,698
Less: deferred charges	(261)	(368)
	<u>6,325</u>	<u>7,330</u>
<i>Unsecured liabilities</i>		
Insurance premiums funding facility	284	1,548
Less: deferred charges	(14)	(92)
	<u>270</u>	<u>1,456</u>
Convertible notes ²	2,779	2,615
Other loans ³	7,583	7,497
	<u>10,362</u>	<u>10,112</u>
Non-Current		
<i>Secured liabilities</i>		
Gross hire purchase liabilities	-	465
Less deferred charges	-	(37)
	<u>-</u>	<u>428</u>
Total borrowings	<u><u>16,957</u></u>	<u><u>19,326</u></u>

¹ As disclosed in Note 3 a Deed of Forbearance provided by the Bank in July 2019 expired on 15 February 2020 and at that date the Group continued to be in default. A reassessment of adherence to covenants at 31 December 2019 was to be made on 29 February 2020. The covenants under this facility were tested at 31 December 2019. This testing indicated that the covenants were breached. The Group has been in negotiations to obtain a further Deed of Forbearance until 30 April 2020. While the directors are confident that formal deed will be entered into in the coming weeks as at the date of this report this has not occurred and the full amount is currently due and payable, although the bank has not made any demand for such payment.

² As disclosed in Note 3 at 31 December 2019 these notes were in default and were payable on demand. On 28 February 2020 the group obtained a waiver from the noteholders stating that they will not require repayment until the earlier of 13 months from the signing of these interim financial statements and the date the Group has raised sufficient funds to allow repayment out of working capital without causing the Group to be unable to allow repayment out of working capital without causing the Group to be unable to repay its debts as and when they fall due.

³ Included in Other loans is Asset Finance for Digital Tops affixed to Taxis to allow screening of advertising amounting to \$7.313 million. The Group did not make the required repayments of this facility during the half-year period. At 31 December 2019 the payment in arrears total \$2.444 million. The Group advised the supplier that the Digital Tops supplied are defective and require significant rectification. The Group is seeking compensation for losses sustained and the loss of brand value as a result of operating the Digital Tops in the marketplace. The Group has delayed payments otherwise due in relation to the Digital Tops while the

parties continue to negotiate this matter.

Notes to the condensed consolidated financial statements For the half-year ended 31 December 2019

	31 December 2019 \$000's	30 June 2019 \$000's
NOTE 11 Other financial liabilities		
Current		
Contingent consideration	6,042	2,780
Non-Current		
Contingent consideration	-	2,460
Contingent Consideration Movements during the period		
Opening balance	5,240	-
Increases due to acquisition	-	1,600
Fair value adjustment	214	3,640
Payments made	-	-
Transfers from other payables	588	-
Closing balance	6,042	5,240

The contingent consideration consists of the following amounts:

- \$5.167 million – related to the acquisition of the BWHL Group
- \$0.875 million – related to the acquisition of Non Stop Media

The contingent consideration for BWHL is based on the EBITDA performance of the acquired business and is calculated at a multiple of EBITDA above a defined threshold for FY19 and FY20 (capped at \$12 million). The directors have estimated the fair value of the contingent consideration for BWHL as \$5.167 million (including a working capital adjustment payment of \$0.314 million) at 31 December 2019.

The group is required to pay the vendors of Non-Stop Media contingent consideration in cash dependent on 11 months financial performance following the acquisition date. The contingent consideration is payable on the amount of gross revenue from static rear advertising (capped at \$0.6 million) plus additional amounts totalling \$0.275 million.

As disclosed in Note 3 at 31 December 2019 these amounts were due as follows:

- \$2.180 million – at 31 December 2019 this amount was due in December 2020.
- \$2.673 million – at 31 December 2019 this amount was due in December 2020.
- \$0.314 million - at 31 December 2019 this amount was due in December 2020.

On 28 February 2019 the group obtained a waiver from the vendors of the related businesses stating that the payment date for each of these amounts (totalling \$5.167 million) will be extended that they will not require repayment until the earlier of 13 months from the signing of these interim financial statements and the date the buyer finalises any transaction pursuant to which it is substantially re-capitalised.

- \$0.875 million – \$0.075 million due on 28 February 2020, which has been paid, and the remaining \$0.800 million due 30 April 2020.

Notes to the condensed consolidated financial statements For the half-year ended 31 December 2019

NOTE 12 Issued Capital

	31 December 2019		30 June 2019	
	Number	\$'000	Number	\$'000
Issued and paid up capital Fully paid ordinary shares	93,893,863	60,318	87,779,524	59,454
	31 December 2019		30 June 2019	
	Number	\$'000	Number	\$'000
Opening balance	87,779,524	59,454	78,656,062	54,086
Shares issued - conversion of notes	6,114,339	864	-	-
Shares issued on conversion convertible notes	-	-	1,889,668	290
Shares issued on exercise of share rights	-	-	303,030	400
Shares issued as commitment fee for convertible notes	-	-	366,763	174
Shares issued as consideration for business combinations	-	-	6,564,001	4,404
Shares issued as consideration for assets acquired	-	-	-	100
Closing balance	93,893,863	60,318	87,779,524	59,454

(a) Shares issued on conversion of convertible notes

During the six months to 31 December 2019, 6,114,339 ordinary shares were issued to redeem convertible notes in accordance with the convertible note deed.

Notes to the condensed consolidated financial statements For the half-year ended 31 December 2019

NOTE 13 Related Party Transactions

The Group's significant related parties remain as disclosed in note 27 of the 2019 Annual Report. There were no material differences in related parties or related party transactions in the period compared to the prior year. The rental expenditure and taxi licence rentals continued as disclosed.

The ex BWHL shareholders, of which Mr Webb is one, agreed to defer the settlement of both tranches the BWHL contingent consideration until 13 months from the signing of this interim report. Refer Note 3 for further information.

During FY19 the Group received \$270,001 from T3V Group Pty Ltd, as an advance for working capital, with no formal agreement, at 30 June there remained \$270,001 outstanding. This amount is unchanged as at 31/12/2019. T3V Group Pty Ltd is controlled by Mr Varga. The Group also entered into a consulting agreement with T3V Group Pty Ltd, a director-controlled entity, controlled by Mr Varga. During 1H20 \$38,000 was paid subsequent to his resignation as a director. In addition, Mr Varga is owed in total FY19 and 1H20 \$12,435, for his share of royalty payments related to the digital taxi top units. This liability is in dispute due the technical faults and other related issues relating to the digital taxi tops.

P2P operates its Melbourne fleet from premises at Huntingdale. The Huntingdale site is rented from a director-controlled entity being, the Damico Family Trust and The Katsiabanis Family Trust. The rent is on the same terms and conditions as disclosed in note 27 of the 2019 Annual Report. An amount of \$20,000 was owing at 31 December 2019.

The Company rents properties from Runlee Waters Pty Ltd for Coopers Plains and Albion in Brisbane. Runlee Waters Pty Ltd is a director-controlled entity of Mr Webb, the rents are on the same terms and conditions as disclosed in note 27 of the 2019 Annual Report.

The Company leases taxi plates from Ryhill Pty Ltd, Taxicab Investments Pty Ltd and Hutcheson Street Cabs, these are director-controlled enterprises, controlled by Mr Webb, these leases are on the same terms and conditions as disclosed in note 27 of the 2019 Annual Report.

On 3 August 2018 the Company acquired all of the shares of Black & White Holdings Limited ('BWHL'), as disclosed in Note 11 there are amounts outstanding to the previous shareholders. The estimated consideration was increased in the six months to 31 December 2019 due to better than expected performance of the BWHL entities. The payment of this consideration has been deferred for 13 months from the date of this report, refer Note 3 for further information.

Mr Webb's controlled entities Ryhill Pty Ltd and Webbco Super Pty Ltd are parties to the convertible note that was assigned in September 2019. The Convertible Note holders have agreed to defer their rights under the instrument as disclosed in Note 3.

Mr Katsiabanis controls Ride 247 Pty Ltd which owes the Group \$200,000.

Notes to the condensed consolidated financial statements For the half-year ended 31 December 2019

NOTE 14 Fair Value of Financial Instruments

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

AASB 13 Fair Value Measurement requires disclosure of fair value measurements by level in the fair value measurement hierarchy as follows:

- Level 1 - the instrument has quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - a valuation technique is used using inputs other than quoted prices within level 1 that are observable for the financial instrument, either directly (i.e. as prices), or indirectly (i.e. derived from prices)
- Level 3 - a valuation technique is used using inputs that are not observable based on observable market data (unobservable inputs).

The following financial instruments are subject to recurring fair value measurements:

Financial liabilities	Fair value as at 31/12/19 \$'000	Fair value as at 30/06/19 \$'000	Fair value hierarchy	Valuation technique and key input	Significant unobservable input
Contingent consideration for business combinations	6,042	5,240	Level 3	Discounted cash flow.	Probability-adjusted EBITDA.

Valuation processes for level 3 fair values

Valuations are performed every six months to ensure that they are current for the half-year and annual financial statements.

A reconciliation of movements in level 3 fair values for contingent consideration payable is included in Note 11.

Fair value of financial assets and financial liabilities that are not measured at fair value

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

NOTE 15 Events After Balance Sheet Date

Since 31 December 2019 the Group has negotiated with the sellers of several businesses the deferment of acquisition payments including contingent consideration. These have been set out in Note 3.

As part of the agreement for deferral of payment of the contingent consideration with the vendors of Non-Stop Media entered into on 24 January 2020 the Group has agreed to issue 200,000, \$0.06 options that expire on 31 December 2021.

There has not been any other matter or circumstance in the interval between the end of the year and the date of this report that has materially affected or may materially affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

NOTE 16 Contingent Liabilities

There has been no change to contingent assets and contingent liabilities disclosed in the 30 June 2019 financial report.

Directors' Declaration

In the Directors' opinion:

- (a) the attached consolidated financial statements and notes are in accordance with the *Corporations Act 2001* and:
 - (i) comply with Australian Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - (ii) give a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the half year ended on that date; and
- (b) 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 made pursuant to s.303(5) of the *Corporations Act 2001*.



Chip Beng Yeoh
Director
Date 2 March 2020



Greg Webb
Director
Date 2 March 2020

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of P2P Transport Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of P2P Transport Limited (the Company) and its subsidiaries (the Group), which comprises the condensed consolidated statement of financial position as at 31 December 2019, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year then ended, and notes comprising a 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 half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2019 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*.

Emphasis of matter - Material uncertainty relating to going concern

We draw attention to Note 3 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.



Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2019 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*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit Pty Ltd

A handwritten signature in black ink, appearing to read 'T R Mann', written over a faint, light-colored BDO logo watermark.

T R Mann

Director

Brisbane, 2 March 2020