

a2a GN Ltd

ACN 621 583 882

Interim Report - 30 June 2020

a2a GN Ltd
Contents
30 June 2020

Corporate directory	2
Chairman and CEO's address	3
Directors' report	4
Auditor's independence declaration	6
Statement of profit or loss and other comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the financial statements	11
Directors' declaration	17
Independent auditor's review report to the members of a2a GN Ltd	18

a2a GN Ltd
Corporate directory
30 June 2020

Directors	Saw Leng Yue Tai Shoo Loo Yee Mun Loo Chih Chong James Stephen Barrie
Company secretary	James Stephen Barrie
Registered office	Suite 2, Level 11 350 Collins Street Melbourne Vic 3000
Principal place of business	1205 – 1208, Level 12, Faber Tower 2, Jalan Desa Bahagia, Taman Desa, 58100 Kuala Lumpur, Malaysia
Auditor	William Buck Level 20 181 William Street Melbourne VIC 3000
Website	www.a2aglobalnetwork.com
Stock exchange listing	A2A GN Ltd shares are listed on the National Stock Exchange of Australia (NSX) under code NSX: A2A

Dear shareholder,

It is with pleasure we present our half year report for the six months ending 30 June 2020.

Against a backdrop of continuing challenges presented by COVID-19, your Company has achieved several significant milestones in the development of the company-making JomSave application. Following the initial go-live in May, we have also delivered key "Phase 1" systems and infrastructure developments, comprising the DigitalPreneur (DP) Dashboard, Merchant Admin and Admin System. Importantly, we continue to grow the number of Merchants (almost 1,000) and DPs (almost 45,000).

Given the impact that COVID-19 has had on capital markets, the Board also enacted a cost optimisation program. This has resulted in operational expenditure approximately halving from this time last year, with capital re-directed to the JomSave project wherever possible.

The first half also saw the establishment of an a2a Advisory Board to provide insights and guidance to the Board and management team on the continued development of JomSave and other business activities. The first two members, Dr. Sim Quan Seng and Mr. Ju Kim Hong, bring a wealth of experience and have already provided valuable input.

With the key elements and infrastructure of JomSave in place, focus now shifts to "Phase 2", with an emphasis on marketing and business development activities. with key enhancements over the remainder of 2020 to include:

- E-marketplaces (collaboration with established e-shops);
- E-Mart (integration with a grocery selling platform);
- Utility (power etc);
- TV Shop (live-streamed product promotion);
- Insurance; and
- Food delivery

Importantly, as announced to NSX on 18 September 2020, the Company has secured commitments from cornerstone, sophisticated investors to fully fund the development of the JomSave project through to when cashflow breakeven is forecast. The cornerstone investment represents a pivotal moment in the Company's history, and comprises an immediate tranche of funding, with firm undertaking for additional funding should the situation dictate.

At the end of this year, a2a will have a fully integrated platform that can be strategically replicated in other ASEAN countries as a greenfields (set-up as new) or brownfields (acquire/partner with an existing company) operation, with Australia, Indonesia and Singapore slated for 2021.

As always, none of what the Company has achieved to date and what will be achieved moving forwards would have been possible without the ongoing support of our staff, suppliers, DPs, merchants, users and shareholders.

The benefits of all the hard work over the past few years are starting to show, and we look forward to continuing to deliver on our Mission of adding value to everyone's life.



Michael Loo
Chairman



Vivian Yue
CEO

a2a GN Ltd
Directors' report
30 June 2020

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of a2a GN Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2020.

Directors

The following persons were directors of a2a GN Ltd during the financial half-year and up to the date of this report, unless otherwise stated:

Saw Leng Yue
Tai Shoo Loo
Yee Mun Loo
Chih Chong
James Stephen Barrie

Principal activities

The principal activities of the consolidated entity during the financial period was developing and offering a data technology business platform to connect and add value for merchants and consumers.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$568,957 (30 June 2019: \$1,054,158).

Refer to the Chairman and CEO's address that comes directly before this Director's report.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

Matters subsequent to the end of the financial half-year

On 18 September 2020, the Company announced that it had secured commitments from cornerstone, sophisticated investors to fully fund the development of the JomSave project through to when cashflow breakeven is forecast.

The cornerstone investment represents a pivotal moment in the Company's history, and comprises an immediate tranche of funding, with firm undertaking for additional funding should the situation dictate.

The immediate contribution, totaling A\$370,259 before costs, consists of the following:

- Repayment of the fully drawn RM 500,000 working capital facility (announced 1 July 2020), with the principal amount (A\$165,563) simultaneously reinvested into 7,650,800 ordinary shares of the Company at \$0.02164 per share;
- Two additional working capital facilities totaling RM 118,180 (A\$39,133) from the same lender at 12% interest, maturing 1 July 2021; and
- A Placement of ordinary shares to sophisticated investors raising RM 500,000 (A\$165,563) before costs, comprising the issue of 7,650,800 ordinary shares in a2a at an issue price of A\$0.02164 per share.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

a2a GN Ltd
Directors' report
30 June 2020

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

On behalf of the directors



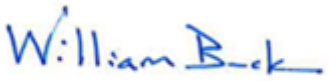
Tai Shoo Loo
Chairman

22 September 2020

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001 TO THE DIRECTORS OF a2a GN LTD.**

I declare that, to the best of my knowledge and belief, during the half-year ended 30 June 2020 there have been:

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


William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136


J.C. Luckins
Director

Melbourne, 22 September 2020

ACCOUNTANTS & ADVISORS

Level 20, 181 William Street
Melbourne VIC 3000
Telephone: +61 3 9824 8555
williambuck.com

a2a GN Ltd
Statement of profit or loss and other comprehensive income
For the half-year ended 30 June 2020

	Note	Consolidated June 2020 \$	June 2019 \$
Revenue	4	41,251	34,847
Expenses			
Marketing		(10,543)	(44,001)
Occupancy		(43,336)	(185,427)
Administration		(378,694)	(503,667)
Professional fees		(133,907)	(237,239)
Travelling expenses		(8,552)	(46,715)
Other expenses		(28,334)	(50,956)
Finance costs		(6,842)	(21,000)
Loss before income tax expense		(568,957)	(1,054,158)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of a2a GN Ltd		(568,957)	(1,054,158)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		26,456	5,551
Other comprehensive income for the half-year, net of tax		26,456	5,551
Total comprehensive income for the half-year attributable to the owners of a2a GN Ltd		<u>(542,501)</u>	<u>(1,048,607)</u>
		Cents	Cents
Basic loss per share	12	(0.32)	(0.68)
Diluted loss per share	12	(0.32)	(0.68)

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

a2a GN Ltd
Statement of financial position
As at 30 June 2020

		Consolidated	December
	Note	June 2020	2019
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		91,715	18,003
Trade and other receivables		92,915	126,458
Other		2,332	3,651
Total current assets		<u>186,962</u>	<u>148,112</u>
Non-current assets			
Property, plant and equipment		71,934	73,031
Right-of-use assets		99,484	173,863
Intangibles		187,957	180,627
Total non-current assets		<u>359,375</u>	<u>427,521</u>
Total assets		<u>546,337</u>	<u>575,633</u>
Liabilities			
Current liabilities			
Trade and other payables	5	459,256	444,670
Contract liabilities		-	1,083
Borrowings	6	284,022	528,004
Lease liabilities		101,564	143,032
Total current liabilities		<u>844,842</u>	<u>1,116,789</u>
Non-current liabilities			
Lease liabilities		-	35,757
Total non-current liabilities		<u>-</u>	<u>35,757</u>
Total liabilities		<u>844,842</u>	<u>1,152,546</u>
Net liabilities		<u>(298,505)</u>	<u>(576,913)</u>
Equity			
Issued capital	7	3,106,855	2,341,470
Reserves	8	199,786	117,806
Accumulated losses		<u>(3,605,146)</u>	<u>(3,036,189)</u>
Total deficiency in equity		<u>(298,505)</u>	<u>(576,913)</u>

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

a2a GN Ltd
Statement of changes in equity
For the half-year ended 30 June 2020

	Issued capital \$	Reserves \$	Accumulated losses \$	Total deficiency in equity \$
Consolidated				
Balance at 1 January 2019	898,480	113,507	(992,002)	19,985
Loss after income tax expense for the half-year	-	-	(1,054,158)	(1,054,158)
Other comprehensive income for the half-year, net of tax	-	5,551	-	5,551
Total comprehensive income for the half-year	-	5,551	(1,054,158)	(1,048,607)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	612,606	-	-	612,606
Balance at 30 June 2019	<u>1,511,086</u>	<u>119,058</u>	<u>(2,046,160)</u>	<u>(416,016)</u>
	Issued capital \$	Reserves \$	Accumulated losses \$	Total deficiency in equity \$
Consolidated				
Balance at 1 January 2020	2,341,470	117,806	(3,036,189)	(576,913)
Loss after income tax expense for the half-year	-	-	(568,957)	(568,957)
Other comprehensive income for the half-year, net of tax	-	26,456	-	26,456
Total comprehensive income for the half-year	-	26,456	(568,957)	(542,501)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 7)	765,368	-	-	765,368
Share-based payments (note 13)	-	55,541	-	55,541
Balance at 30 June 2020	<u>3,106,838</u>	<u>199,803</u>	<u>(3,605,146)</u>	<u>(298,505)</u>

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

a2a GN Ltd
Statement of cash flows
For the half-year ended 30 June 2020

	Consolidated	
	June 2020	June 2019
	\$	\$
Cash flows from operating activities		
Receipts from customers	37,080	32,591
Payments to suppliers and employees	(315,466)	(1,077,894)
Other revenue	3,507	-
Payments for security deposits	-	(19,948)
Income taxes paid	-	(7,173)
	<hr/>	<hr/>
Net cash used in operating activities	(274,879)	(1,072,424)
Cash flows from investing activities		
Payments for property, plant and equipment	(24,588)	(5,310)
Payments for intangibles	(14,363)	-
	<hr/>	<hr/>
Net cash used in investing activities	(38,951)	(5,310)
Cash flows from financing activities		
Proceeds from issue of shares	361,389	787,750
Proceeds received in advance of share issue	-	260,374
Proceeds from borrowings	119,493	438,431
Share issue transaction costs	(28,603)	(175,142)
Repayment of borrowings	(14,518)	-
Repayment of lease liabilities	(77,225)	-
	<hr/>	<hr/>
Net cash from financing activities	360,536	1,311,413
Net increase in cash and cash equivalents	46,706	233,679
Cash and cash equivalents at the beginning of the financial half-year	18,003	79,442
Effects of exchange rate changes on cash and cash equivalents	27,006	5,551
	<hr/>	<hr/>
Cash and cash equivalents at the end of the financial half-year	<u>91,715</u>	<u>318,672</u>

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

Note 1. General information

The financial statements cover a2a GN Ltd as a consolidated entity consisting of a2a GN Ltd and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is a2a GN Ltd's functional and presentation currency.

a2a GN Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Suite 2, Level 11
350 Collins Street
Melbourne Vic 3000

Principal place of business

1205 – 1208, Level 12, Faber Tower 2,
Jalan Desa Bahagia, Taman Desa,
58100 Kuala Lumpur, Malaysia

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 22 September 2020.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 30 June 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2019 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

Going concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The consolidated entity incurred a loss from ordinary activities of \$568,957 for the period ended 30 June 2020 (June 2019: \$1,054,158) and had a net working capital deficiency of \$657,880 (December 2019: \$968,677). In addition, the consolidated entity had cash outflows from operating activities of \$274,879 (June 2019: \$1,072,424).

Notwithstanding the material improvement in these measures from the prior corresponding period, the directors have also reviewed the cashflow forecasts and believe that there are reasonable grounds to believe that the consolidated entity will be able to continue as a going concern due to the following factors:

Note 2. Significant accounting policies (continued)

- On 1 July 2020, the Company announced a new working capital facility of RM 500,000 (approximately A\$170,000 equivalent), of which RM 281,000 was drawn down as at 30 June 2020 and was subsequently fully drawn down;
- As announced on the NSX platform on 18 September 2020, the Company has secured the ongoing support of several cornerstone investors, comprising:
 - The aforementioned working capital facility was fully repaid on 17 September 2020, with the loan principal of RM 500,000 (A\$165,563.31) simultaneously invested back into new shares in the Company;
 - A Placement of RM 500,000 (A\$165,563.31) to subscribe for ordinary shares of the Company was made to two existing sophisticated investors; and
 - Two additional working capital facilities totaling RM 118,180 (A\$39,133) at 12% interest, maturing 1 July 2021.
- This cornerstone investment fully funds development of the JomSave project through to when cashflow breakeven is forecast, with firm undertaking for additional funding should the situation dictate;
- The ongoing benefits of the Company's cost reduction program continue to accrue, as evidenced by the approximate halving of operational expenditure in the six months to 30 June 2020 compared to the prior corresponding period, resulting in a permanent reduction of the Company's cost base;
- The company announced the soft-launch of the JomSave app in May 2020, has completed work on the key infrastructure and systems underpinning the app, and has a staged rollout planned for enhancements and complimentary modules within the existing Malaysia market over the remainder of 2020. International expansion to Australia, Indonesia and Singapore is planned for 2021 and other South East Asia countries in subsequent years. Whilst COVID-19 has impacted on the timing of DP, merchant and user recruitment, revenues have commenced with a continued ramp-up forecast for the balance of 2020 and beyond in Malaysia and as geographic expansion occurs; and
- Tai Shoo Loo, Saw Leng Yue and Yee Mun Loo ("guaranteeing directors") have jointly and severally given a personal guarantee to the consolidated entity capped at \$1,000,000 with the effect that together the Guaranteeing Directors will make sufficient funds available to consolidated entity up to the cap as required to enable the consolidated entity to meet the consolidated entity's obligations in the normal course of business for the period to 30 September 2021, and that the guaranteeing directors are in a position to make this guarantee.

Should the consolidated entity not be able to raise additional capital, reduce expenses, or increase revenues, or should the funds under the directors' guarantee not become available this may impact the consolidated entity's ability to continue as a going concern and therefore the consolidated entity may not be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the financial report.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessarily incurred should the company not continue as a going concern.

Note 3. Operating segments

Identification of reportable operating segments

The consolidated entity is in the process of building a presence in Australia. However, at 30 June 2019 the consolidated entity operates as a single segment which is the provision of services in a single geographic area being Malaysia.

a2a GN Ltd
Notes to the financial statements
30 June 2020

Note 4. Revenue

	Consolidated	
	June 2020	June 2019
	\$	\$
<i>Revenue from contracts with customers</i>		
Sales - consulting services	7,294	13,107
Sales - commissions	1,667	20,209
Sales - memberships	28,783	1,526
	<u>37,744</u>	<u>34,842</u>
<i>Other revenue</i>		
Other revenue	<u>3,507</u>	<u>5</u>
Revenue	<u><u>41,251</u></u>	<u><u>34,847</u></u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	June 2020	June 2019
	\$	\$
<i>Geographical regions</i>		
Malaysia	<u><u>37,744</u></u>	<u><u>34,842</u></u>
<i>Timing of revenue recognition</i>		
Services transferred over time	<u><u>37,744</u></u>	<u><u>34,842</u></u>

Note 5. Current liabilities - trade and other payables

	Consolidated	
	June 2020	December
	\$	2019
	\$	\$
Trade payables and accruals	231,402	162,012
Deposits	59,985	62,849
Proceeds of share issue received in advance of issue of shares	-	34,800
Interest on convertible notes payable	-	42,000
Other payables	<u>167,869</u>	<u>143,009</u>
	<u><u>459,256</u></u>	<u><u>444,670</u></u>

Note 6. Current liabilities - borrowings

	Consolidated	December
	June 2020	2019
	\$	\$
Convertible notes	-	350,000
Loans from director - Saw Leng Yue	126,089	143,276
Loan from director - Tai Shoo Loo	38,440	34,728
Loan - other	119,493	-
	<u>284,022</u>	<u>528,004</u>

The director loans from Saw Leng Yue are on 6 months terms which may be extended and attract zero interest.

The director loan from Tai Shoo Loo is due for repayment in monthly instalments of RM 10,000 (AU\$3,473) starting in March 2020 with interest payable at 12% per annum.

ALL BORROWING NARRATIVE STILL TO BE UPDATED.

Note 7. Equity - issued capital

	Consolidated	December
	June 2020	2019
	Shares	Shares
	\$	\$
Ordinary shares - fully paid	<u>202,087,325</u>	<u>166,764,726</u>
	<u>3,106,855</u>	<u>2,341,470</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 January 2020	166,764,726		2,341,470
Share issue	23 March 2020	240,000	\$0.145	34,800
Share issue	24 April 2020	35,082,599	\$0.022	759,188
Cost of capital raised		-	\$0.000	(28,603)
Balance	30 June 2020	<u>202,087,325</u>		<u>3,106,855</u>

Ordinary shares

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

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Note 8. Equity - reserves

	Consolidated	December
	June 2020	2019
	\$	\$
Foreign currency reserve	144,245	117,806
Share-based payments reserve	55,541	-
	<u>199,786</u>	<u>117,806</u>

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve

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

Movements in reserves

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

Consolidated	Foreign currency \$	Share based payments \$	Total \$
Balance at 1 January 2020	117,806	-	117,806
Foreign currency translation	26,439	-	26,439
Share based payments	-	55,541	55,541
	<u>144,245</u>	<u>55,541</u>	<u>199,786</u>
Balance at 30 June 2020	<u>144,245</u>	<u>55,541</u>	<u>199,786</u>

Note 9. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 10. Related party transactions

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	December
	June 2020	2019
	\$	\$
Current borrowings:		
Loans from director - Saw Leng Yue	126,089	143,276
Loan from director - Tai Shoo Loo	38,440	34,278

The director loans from Saw Leng Yue are on 6 months terms which may be extended and attract zero interest.

The director loan from Tai Shoo Loo is due for repayment in monthly instalments of RM 10,000 (AU\$3,473) starting in March 2020 with interest payable at 12% per annum.

Note 11. Events after the reporting period

No matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 12. Loss per share

	Consolidated	
	June 2020	June 2019
	\$	\$
Loss after income tax attributable to the owners of a2a GN Ltd	<u>(568,957)</u>	<u>(1,054,158)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>179,730,010</u>	<u>154,667,686</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>179,730,010</u>	<u>154,667,686</u>
	Cents	Cents
Basic loss per share	(0.32)	(0.68)
Diluted loss per share	(0.32)	(0.68)

Note 13. Share-based payments

During the half-year the company issued options to consultants as remuneration for their services rendered. Set out below are summaries of options granted during the half year:

June 2020

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
15/06/2020	15/06/2023	\$0.036	-	5,000,000	-	-	5,000,000
			-	5,000,000	-	-	5,000,000

Set out below are the options exercisable at the end of the financial half-year:

Grant date	Expiry date	June 2020 Number	June 2019 Number
15/06/2020	15/06/2023	5,000,000	-
		<u>5,000,000</u>	<u>-</u>

For the options granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
15/06/2020	15/06/2023	\$0.022	\$0.036	100.000%	-	0.250%	\$0.011

a2a GN Ltd
Directors' declaration
30 June 2020

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors



Tai Shoo Loo
Chairman

22 September 2020

Independent auditor's review report

Report on the Review of the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of **a2a GN Ltd** (the Company) and the entities it controlled at the half-year's end or from time to time during the half year (the consolidated group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of a2a GN Ltd is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the half year ended on that date; and
- b) complying with Australian Accounting Standard 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the 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.

Material Uncertainty related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that the entity had a net current liability position at 30 June 2020 of \$298,505 (31 December 2019: \$576,913 net current liability); incurred a loss of \$568,957 (30 June 2019: \$1,054,158 loss); and had net cash outflows from operations of \$274,879 (30 June 2019: \$1,072,424 outflow) during the half year ended 30 June 2020. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

ACCOUNTANTS & ADVISORS

Level 20, 181 William Street
Melbourne VIC 3000

Telephone: +61 3 9824 8555

williambuck.com

Responsibility of Management for the Financial Report

The directors of the **a2a GN Ltd** are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 30 June 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

A handwritten signature in blue ink that reads "William Buck".

William Buck Audit (Vic) Pty Ltd

ABN 59 116 151 136

A handwritten signature in blue ink that appears to read "J.C. Luckins".

J.C. Luckins

Director

Melbourne, 22 September 2020