



Shareholder Update 28/01/2020

Happy New Year.

I am pleased to advise that at its Board meeting today the Directors of Perth Markets Group Ltd approved the payment of a fully franked dividend at the rate of 1.8 cents per share which will be paid by 31 March 2020.

Attached for your information is the Group's interim financial report for the half-year ended 31 December 2019.

A handwritten signature in blue ink, appearing to read "Paul Campbell".

Paul Campbell
Chief Financial Officer

Perth Markets Group Limited

ACN 633 346 184

Interim report for the half-year ended 31 December 2019

Perth Markets Group Limited
Directors' report
31 December 2019

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the "Group") consisting of Perth Markets Group Limited (referred to hereafter as the 'company' or 'parent entity' or 'PMGL') and the entities it controlled at the end of, or during, the half-year ended 31 December 2019.

Directors

The following persons were directors of Perth Markets Group Limited during or since the end of the half-year:

| | |
|--------------|--------------------------------------------------------|
| S. Cole | (Chairman) Appointed at incorporation in May 2019 |
| P. Skinner | (Deputy Chair) Appointed at incorporation in May 2019 |
| M. Lendich | Appointed 22 October 2019 |
| F. Romano | Appointed at incorporation in May 2019 |
| J. Ryan | Appointed 30 October 2019 |
| D. Schirripa | Appointed 22 October 2019 and resigned 31 October 2019 |
| R Thomas | Appointed 22 October 2019 |
| A. Young | Appointed 22 October 2019 |

Principal activities

PMGL generates income from its owned properties and generates income from services provided to tenants and activities operated by Market City in Canning Vale.

There has been no change in principal activities during the half year.

Review of operations

Operating profit for the period before interest, revaluation, finance costs and tax was \$4.1 million (2018: \$4.5 million). The consolidated loss after finance expense and income tax of the Group for the half year ended 31 December 2019 amounted to \$8.76 million. This includes a gain on revaluation of investment property of \$3 million referred to below and the recognition of \$15.8 million income tax expense. Income tax expense includes recognition of a deferred tax liability on the property valuation increases due to the recent corporate restructure. This deferred tax liability will not be payable unless the property is sold.

The Group holds investment property at fair value. The property portfolio was revalued at 31 December 2019 with land and buildings valued at \$172 million (December 2018: \$169 million) resulting in a gain to the Statement of Profit or Loss and Other Comprehensive Income for the half year of \$3 million.

Revenue from operations has remained stable while operating expenses grew 5.8% from the same period last year. Additional costs were incurred to achieve the corporate restructure.

On 17 July 2019 the Group refinanced its debt facilities (on terms more favourable to the Group than with its previous provider of banking facilities) with Commonwealth Bank of Australia for 3 years. The Group's existing interest rate hedges were novated to Commonwealth Bank of Australia at the same time.

CEO Stephen Ward resigned on 2 August 2019 and was replaced by Rebecca Moore.

Significant changes in the state of affairs

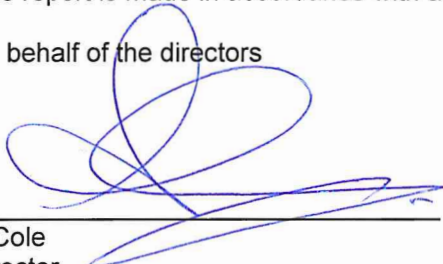
As at 1 October 2019, PMGL completed its corporate restructure that involved "top-hatting" the two principal limbs of the previous Perth Markets Group (i.e. Perth Markets Limited and Perth Markets Land Trust) into PMGL (Corporate Restructure). A scheme booklet was sent to all shareholders prior to the restructure and general meetings of members were held on 19 September 2019 where the restructure was approved. There is no change in the existing operations.

Auditor's independence declaration

A copy of the auditor's independence declaration is set out on the following page.

This report is made in accordance with a resolution of directors.

On behalf of the directors



S Cole
Director

28th January 2020
Perth



Independence

In conducting our review, we have complied with the independence requirements of the Australian professional accounting bodies.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'Neil Smith', is written over a small, faint BDO logo. The signature is stylized and includes a long horizontal stroke extending to the right.

Neil Smith

Director

Perth, 28 January 2020

Perth Markets Group Limited

Contents

31 December 2019

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General information

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

Perth Markets Group Limited
Consolidated Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2019

| | Note | Consolidated Half-year ended 31 December 2019 \$'000 | Consolidated Half-year ended 31 December 2018 \$'000 |
|---------------------------------------------------------------------------|------|------------------------------------------------------------------|------------------------------------------------------------------|
| Revenue from continuing operations | | 12,205 | 12,246 |
| Operating expenses | | | |
| Weekend markets expenses | | (229) | (264) |
| Operational expenses | | (2,891) | (2,775) |
| Commercial site management expenses | | (4,781) | (4,440) |
| Depreciation and amortisation expense | | (228) | (203) |
| Operating profit | | 4,076 | 4,564 |
| Interest income | | 17 | 68 |
| Dividend income | | 78 | 39 |
| Gain on revaluation of investment properties | | 3,000 | 5,949 |
| Finance expense | | (1,450) | (1,438) |
| Acquisition related costs | | (275) | (274) |
| Profit/(Loss) before income tax expense from continuing operations | | 5,446 | 8,908 |
| Income tax benefit/(expense) | 12 | (15,855) | (83) |
| (Loss)/Profit after income tax expenses for the half-year | | (10,409) | 8,825 |
| Other comprehensive income | | | |
| <i>Items that may be reclassified to profit or loss</i> | | | |
| Net change in the fair value of cash flow hedges taken to equity | | 293 | (917) |
| Income tax relating to these items | 12 | 1,356 | - |
| Other comprehensive income for the half-year, net of tax | | 1,649 | (917) |
| Total comprehensive income for the half-year | | (8,761) | 7,908 |

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

Perth Markets Group Limited
Consolidated Statement of financial position
As at 31 December 2019

| | Note | Consolidated 31 December 2019 \$'000 | 30 June 2019 \$'000 |
|--------------------------------------------------------|------|-----------------------------------------------|---------------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | | 4,796 | 5,925 |
| Receivables | | 185 | 349 |
| Other assets | | 1,841 | 493 |
| Total current assets | | 6,822 | 6,767 |
| Non-current assets | | | |
| Property, plant and equipment | 4 | 5,728 | 5,166 |
| Investment property | 5 | 172,000 | 169,000 |
| Deferred tax asset | | - | 180 |
| Financial assets at fair value through profit and loss | 6 | 3,281 | 3,281 |
| Other assets | | 1,562 | 1,697 |
| Total non-current assets | | 182,571 | 179,324 |
| Total assets | | 189,393 | 186,091 |
| Liabilities | | | |
| Current liabilities | | | |
| Borrowings | 8 | - | 75,112 |
| Payables | | 1,655 | 3,118 |
| Provisions | | 90 | 94 |
| Other current liabilities | | 147 | 78 |
| Total current liabilities | | 1,892 | 78,402 |
| Non-current liabilities | | | |
| Borrowings | 8 | 75,237 | 131 |
| Provisions | | 36 | 34 |
| Deferred tax liability | 12 | 14,441 | - |
| Other non-current liabilities | 7 | 13,959 | 14,235 |
| Total non-current liabilities | | 103,673 | 14,400 |
| Total liabilities | | 105,565 | 92,802 |
| Net assets | | 83,828 | 93,289 |
| Equity | | | |
| Contributed equity | 9 | 54,718 | 54,718 |
| Reserves | 10 | (3,162) | (4,811) |
| Retained profits | 10 | 32,272 | 43,382 |
| Total equity | | 83,828 | 93,289 |

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

Perth Markets Group Limited
Consolidated Statement of changes in equity
For the half-year ended 31 December 2019

| | Note | Contributed equity \$'000 | Reserves \$'000 | Accumulated profits \$'000 | Total equity \$'000 |
|----------------------------------------------------------|------|---------------------------------|--------------------|----------------------------------|---------------------------|
| Consolidated | | | | | |
| Balance at 1 July 2018 | | 54,718 | (1,274) | 35,808 | 89,252 |
| Profit for the half-year | | - | - | 8,825 | 8,825 |
| Other comprehensive income for the half-year, net of tax | | - | (917) | - | (917) |
| <hr/> | | | | | |
| Total comprehensive income for the half-year | | - | (917) | 8,825 | 7,908 |
| <hr/> | | | | | |
| Distribution to unit holders | 9 | - | - | (676) | (676) |
| <hr/> | | | | | |
| Balance at 31 December 2018 | | 54,718 | (2,191) | 43,957 | 96,484 |

| | Note | Contributed equity \$'000 | Reserves \$'000 | Accumulated profits \$'000 | Total equity \$'000 |
|----------------------------------------------------------|------|---------------------------------|--------------------|----------------------------------|---------------------------|
| Consolidated | | | | | |
| Balance at 1 July 2019 | | 54,718 | (4,811) | 43,382 | 93,289 |
| Loss for the half-year | | - | - | (10,409) | (10,409) |
| Other comprehensive income for the half-year, net of tax | | - | 1,649 | - | 1,649 |
| <hr/> | | | | | |
| Total comprehensive income for the half-year | | - | 1,649 | (10,409) | (8,760) |
| <hr/> | | | | | |
| Distribution to unit holders | 9 | - | - | (701) | (701) |
| <hr/> | | | | | |
| Balance at 31 December 2019 | | 54,718 | (3,162) | 32,272 | 83,828 |

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

Perth Markets Group Limited
Consolidated Statement of cash flows
For the half-year ended 31 December 2019

| | Consolidated | |
|------------------------------------------------------------------------|----------------------------------------------------------------|----------------------------------------------------------------|
| | Half year ended 31 December 2019 \$'000 | Half year ended 31 December 2018 \$'000 |
| Note | | |
| Cash flows from operating activities | | |
| Receipts from customers (inclusive of GST) | 12,447 | 12,158 |
| Payments to suppliers and employees (inclusive of GST) | (9,539) | (8,114) |
| | <u>2,908</u> | <u>4,044</u> |
| Interest received | 18 | 68 |
| Interest and other finance costs paid | (1,384) | (1,447) |
| Income Tax | (207) | (134) |
| Acquisition related costs | - | - |
| | <u>1,335</u> | <u>2,531</u> |
| Net cash from operating activities | | |
| Cash flows from investing activities | | |
| Payments for property, plant and equipment | (225) | (507) |
| Investment in unlisted securities | - | (1,500) |
| Dividend received | 78 | 39 |
| Investment in term deposits | - | 1,840 |
| | <u>(147)</u> | <u>(128)</u> |
| Net cash used in investing activities | | |
| Cash flows from financing activities | | |
| Proceeds from borrowings | - | 91 |
| Repayment of borrowings | (131) | - |
| Proceeds from issue of shares and other equity instruments | - | (13) |
| Share issue costs | - | - |
| Distribution payments | (2,187) | (2,000) |
| | <u>(2,318)</u> | <u>(1,922)</u> |
| Net cash used in financing activities | | |
| Net increase/(decrease) in cash and cash equivalents | (1,130) | 481 |
| Cash and cash equivalents at the beginning of the financial half-year | 5,926 | 5,499 |
| | <u>4,796</u> | <u>5,980</u> |
| Cash and cash equivalents at the end of the financial half-year | | |

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

Perth Markets Group Limited
Notes to the financial statements
31 December 2019

Note 1. Reporting entity

Perth Markets Group Limited (the 'Company') is a public company incorporated and domiciled in Australia and limited by shares.

These consolidated interim financial statements ('interim financial statements') as at and for the six months ended 31 December 2019 comprises the Company and its subsidiaries (together referred to as 'the Group'). The Group generates income from its owned properties as well as income from services and activities provided to tenants at the Market City site in Canning Value, Western Australia.

The half year consolidated financial statement of the Group for the six months ended 31 December 2019 were authorised for issue in accordance with a resolution of the directors on 28 January 2020.

Note 2. Basis of preparation

The interim financial statements have been prepared in accordance with AASB 134 *Interim Financial Reporting*.

The interim financial statements do not include all of the information required for a complete set of AASB financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

It is recommended that the interim half-year financial statements be read in conjunction with the Perth Markets Limited (PML)'s last annual consolidated financial statements as at and for the year ended 30 June 2019 ('last annual financial statements').

As at 1 October 2019, PMGL has completed its corporate restructure which involved "top-hatting" the two principal limbs of the previous Perth Markets Group (i.e. Perth Markets Limited and Perth Markets Land Trust) into PMGL (Corporate Restructure). In accordance with the Australian Accounting Standards, the acquisition does not meet the definition of a business combination as the Company was established for the sole purpose of facilitating the Corporate Restructure and to acquire PML and its controlled entities by way of an equity swap. Income tax including deferred tax was also recognised on profits, assets and liabilities previously accounted under the Trust structure. Refer to note 12.

Consequently, the comparative financial information included in the Group's financial statements is that of PML and its controlled interest as if the Corporate Restructure has occurred before the start of the earliest period presented. The capital structure of the legal acquirer, PMGL, is adopted in these interim financial statements. The accounting policies adopted are consistent with the accounting policies adopted in PML's last financial statements for the year ended 30 June 2019.

This is the first set of the Group's financial statement where AASB 16 Leases ("AASB 16") have been applied. There is no material impact as a result of adoption of AASB 16.

Note 3. Use of judgements and estimates

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

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 described in the last annual financial statements.

Perth Markets Group Limited
Notes to the financial statements
31 December 2019

Note 4. Non-current assets - property, plant and equipment

| | 31 December 2019 \$'000 | 30 June 2019 \$'000 |
|--------------------------------|----------------------------------------|------------------------------------|
| Plant and equipment at cost | 7,228 | 6,460 |
| Less: Accumulated depreciation | (1,500) | (1,294) |
| | <u>5,728</u> | <u>5,166</u> |

Note 5. Non-current assets – investment properties

| Consolidated | Land \$'000 | Buildings \$'000 | Total \$'000 |
|-----------------------------|------------------------|-----------------------------|-------------------------|
| Balance at 1 July 2019 | 97,000 | 72,000 | 169,000 |
| Additions | - | - | - |
| Disposals | - | - | - |
| Revaluation | - | 3,000 | 3,000 |
| Balance at 31 December 2019 | <u>97,000</u> | <u>75,000</u> | <u>172,000</u> |

An independent valuation of the investment properties was completed as at 31 December 2019 by Knight Frank, a qualified valuer with relevant experience in the type of property being valued.

Note 6. Financial assets at fair value through profit and loss

| | 31 December 2019 \$'000 | 30 June 2019 \$'000 |
|--------------------------------------------------------|----------------------------------------|------------------------------------|
| Financial assets at fair value through profit and loss | 3,281 | 3,281 |
| | <u>3,281</u> | <u>3,281</u> |

Note 7. Non-current liabilities – Other liabilities

| | 31 December 2019 \$'000 | 30 June 2019 \$'000 |
|-----------------------------------------------------|----------------------------------------|------------------------------------|
| Security deposits | 1,563 | 1,695 |
| Deferred settlement consideration at amortised cost | 7,878 | 7,729 |
| Derivative financial liabilities - Cash flow hedges | 4,518 | 4,811 |
| | <u>13,959</u> | <u>14,235</u> |

Perth Markets Group Limited
Notes to the financial statements
31 December 2019

Note 8. Borrowings

| | 31 December 2019 \$'000 | 30 June 2019 \$'000 |
|-------------------------------------|----------------------------------------|------------------------------------|
| Current | | |
| Term loan (net of associated costs) | - | 75,112 |
| | <u>-</u> | <u>75,112</u> |
| Non-current | | |
| Hire purchase | - | 131 |
| Term loan (net of associated costs) | 75,237 | |
| | <u>75,237</u> | <u>131</u> |

The group refinanced its borrowings with Commonwealth Bank of Australia on 17 July 2019 for 3 years. The facility is interest bearing at a floating rate of interest linked to BBSY and is secured by the assets of the group.

Note 9. Equity – contributed equity

| | 31 December 2019 \$'000 | 30 June 2019 \$'000 |
|------------------------------------------------|----------------------------------------|------------------------------------|
| Ordinary shares: | | |
| 58,840,131* (June 2019: 58,840,131) fully paid | 54,718 | 54,718 |
| | <u>54,718</u> | <u>54,718</u> |

* PMGL issued 1 PMGL share for each PMLT unit and each PML shares on issue at the date of the Corporate Restructure with a share consolidation of PMGL shares on a 2:1 basis following the Corporate Restructure. This resulted in PMGL having the same number of shares on issue as compared to PML before the Corporate Restructure.

Note 9. Equity - distributions

Distributions paid during the financial half-year were as follows:

| | 31 December 2019 \$'000 | 31 December 2018 \$'000 |
|------------------------------------------------------------------------------|----------------------------------------|----------------------------------------|
| Final Distribution for 2018/19 at 3.3 cents per security paid September 2019 | 1,941 | - |
| Interim Distribution for 2019/20 at 0.437 per security paid December 2019 | 257 | - |
| Final Distribution for 2017/18 at 3.4 cents per security paid September 2018 | - | 2,000 |
| | <u>2,198</u> | <u>2,000</u> |

Note 10. Equity - reserves

| Consolidated | Accumulated Profits \$'000 | Cash flow Hedge reserve \$'000 |
|----------------------------------------------------------|-------------------------------------------|-----------------------------------------------|
| Balance at 1 July 2019 | 43,382 | (4,811) |
| Results from period after tax | (10,409) | - |
| Movements in fair value of cash flow hedges (net of tax) | - | 1,648 |
| Distribution paid for the year | <u>(701)</u> | <u>-</u> |
| Balance at 31 December 2019 | <u><u>32,272</u></u> | <u><u>(3,163)</u></u> |

Note 11. Fair value measurement

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

| Consolidated - 31 December 2018 | Level 1 \$'000 | Level 2 \$'000 | Level 3 \$'000 | Total \$'000 |
|----------------------------------------|---------------------------|---------------------------|---------------------------|-------------------------|
| <i>Assets</i> | | | | |
| Investment properties | - | 169,000 | - | 169,000 |
| Total assets | <u>-</u> | <u>169,000</u> | <u>-</u> | <u>169,000</u> |
| <i>Liabilities</i> | | | | |
| Derivative financial instruments | - | (4,811) | - | (4,811) |
| Total liabilities | <u>-</u> | <u>(4,811)</u> | <u>-</u> | <u>(4,811)</u> |
| Consolidated - 31 December 2019 | | | | |
| <i>Assets</i> | | | | |
| Investment properties | - | 172,000 | - | 172,000 |
| Total assets | <u>-</u> | <u>172,000</u> | <u>-</u> | <u>172,000</u> |
| <i>Liabilities</i> | | | | |
| Derivative financial instruments | - | (4,518) | - | (4,518) |
| Total liabilities | <u>-</u> | <u>(4,518)</u> | <u>-</u> | <u>(4,518)</u> |

Note 11. Fair value measurement (continued)

Level 2 fair values are derived using the income-based approach to arrive at a market value type valuation. The cash flows associated with the asset are discounted using a discount rate that reflects the cost of capital risk and required return.

They are derived from market-based information, such as rental yields or interest rate forward curves. An independent valuation of the investment properties was completed during the financial year by Knight Frank (FY18: CBRE), a qualified valuer with relevant experience in the type of property being valued.

The Share investment is in an unlisted public company that is thinly traded. The direct method of valuation has been adopted as the most appropriate valuation method. The value of the share trades is published. Trading of these shares is considered too infrequent to be classified as level 1 and so are disclosed as level 2.

Note 12. Taxation

As disclosed in the Scheme Booklet in relation to the Corporate Restructure, the Group is responsible for all income tax on profit derived by its operation after the Corporate Restructure. An initial tax expense adjustment of \$14.8 million at 1 October 2019 was made in relation to deferred tax that previously was not required to be recognised as previously the Unitholders of PMLT were responsible for these taxes.

| | 31 December 2019 \$'000 | 30 June 2019 \$'000 |
|-------------------------------------------------------------------------------|--------------------------------------------|------------------------------------|
| Deferred tax (liabilities)/assets | | |
| Investment property | (15,105) | - |
| Cash flow hedges | 1,355 | - |
| Deferred settlement consideration | (636) | - |
| Others | (55) | 180 |
| Net deferred tax (liabilities)/assets | <u>(14,441)</u> | <u>180</u> |
| Income tax expense recognised in profit or loss | | |
| Current tax expense | (43) | 84 |
| Deferred tax expense | 1,115 | (1) |
| Adjustment for current year of prior periods | (24) | - |
| Adjustment for previously unrecognised deferred taxes | 14,807 | - |
| Income tax expense | <u>15,855</u> | <u>83</u> |
| Income tax (benefit) recognising in other comprehensive income | | |
| Deferred tax expense relating to change in the fair value of cash flow hedges | <u>(1,356)</u> | <u>-</u> |

Note 13. Commitments & Contingent liabilities

There has been no significant change to commitments or contingent liabilities of the Group since 30 June 2019.

Note 14. Related party transactions

There has been no significant changes to related party transactions since 30 June 2019.

Note 15. Events after the reporting period

No matters or circumstances have arisen since the half-year and the date of this report that significantly affects, or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

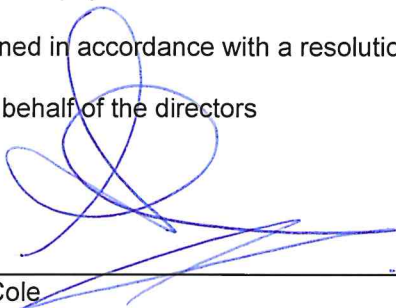
Perth Markets Group Limited
Directors' declaration
31 December 2019

In the directors' opinion:

- the attached financial statements and notes comply with Australian Accounting Standard AASB 134 'Interim Financial Reporting', and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2019 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.

On behalf of the directors



S Cole
Director

28th January 2020
Perth

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Perth Markets Group Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the Half-Year financial report of Perth Markets Group Limited and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 31 December 2019, 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 then ended, notes comprising a statement 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 the Group does not present fairly, in all material respects, the financial position of the Group as at 31 December 2019, and of its financial performance and its cash flows for the period ended on that date, in accordance with the Australian Accounting Standards.

Directors' responsibility for the Financial Report

The directors of the Group are responsible for the preparation and fair presentation of the Half-Year financial report in accordance with the Australian Accounting Standards and for such internal control as the directors determine is necessary to enable the preparation and fair presentation 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 Group, 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 presented fairly, in all material respects, in accordance with the Australian Accounting Standards. 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.

DECLARATION OF INDEPENDENCE BY NEIL SMITH TO THE DIRECTORS OF PERTH MARKETS GROUP LIMITED

As lead auditor for the review of Perth Markets Group Limited for the half-year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the half year review.

A handwritten signature in black ink, appearing to read 'Neil Smith', with a stylized flourish extending to the right.

Neil Smith

Director

BDO Audit (WA) Pty Ltd

Perth, 28 January 2020